

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12_____

EXHIBIT NO. ____ (MNL-5)

MARK N. LOWRY

REPRESENTING AVISTA CORPORATION

Exhibit No. ____ (MNL-5)
PROJECTING AVISTA'S 2013 REVENUE DEFICIT

CBR Line Number		Determine Base Cost and Revenue to Escalate				Escalation	Escalate Non-Energy Cost		Other Cost & Revenue Adjustments		
		2011	(less) 2011	2011 Results	2-Year Escalation Rate	2-Year Non-		(plus) 2011 Pro- Formed Net Energy Cost	(plus) Net Impact of Billing Determinant and Other Revenue Growth	2013 Projected Revenue and Cost	
		Commission	Normalized	Revenue		Energy	Trended 2013				
		Basis Report	Net Power	Normalization		Cost	Non-Energy				
Restated	Supply	Adjustment	and DSM	Escalation	Cost	Amount	Energy Cost	Other Revenue	Cost		
	Totals	Cost	Cost	Cost							
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
	REVENUES										
1	Total General Business	\$ 451,837		\$ 2,448	\$ 454,285	2.43%			\$ 11,062	\$ 465,347	
2	Interdepartmental Sales	\$ 820			\$ 820	0.00%			\$ -	\$ 820	
3	Sales for Resale	\$ 52,604	\$ 52,604		\$ -			\$ 47,499		\$ 47,499	
4	Subtotal: Sales of Electricity	\$ 505,261	\$ 52,604	\$ 2,448	\$ 455,105			\$ 47,499	\$ 11,062	\$ 513,666	
5	Other Revenue	\$ 13,666	\$ 1,752		\$ 11,914	0.82%		\$ 685	\$ 98	\$ 12,698	
6	Total Electric Revenue	\$ 518,927	\$ 54,356	\$ 2,448	\$ 467,019			\$ 48,184	\$ 11,160	\$ 526,363	
	EXPENSES										
	Production and Transmission										
7	Operating Expenses	\$ 145,634	\$ 97,442		\$ 48,192	9.48%	\$ 4,570	\$ 52,762	\$ 95,182	\$ 147,945	
8	Purchased Power	\$ 91,142	\$ 91,142		\$ 0		\$ -	\$ 0	\$ 81,483	\$ 6,288	
9	Depreciation/Amortization	\$ 25,158			\$ 25,158	14.81%	\$ 3,727	\$ 28,885		\$ 28,885	
10	Regulatory Amortization	\$ 403		\$ 4,610	\$ 5,013	14.81%	\$ 743	\$ 5,756		\$ 5,756	
11	Taxes	\$ 10,846			\$ 10,846	8.25%	\$ 895	\$ 11,741		\$ 11,741	
12	Subtotal: Production and Transmission	\$ 273,183	\$ 188,583	\$ 4,610	\$ 89,210		\$ 9,935	\$ 99,145	\$ 176,665	\$ 6,288	
	Distribution										
13	Operating Expenses	\$ 19,081			\$ 19,081	9.48%	\$ 1,809	\$ 20,890		\$ 20,890	
14	Depreciation/Amortization	\$ 19,240			\$ 19,240	14.81%	\$ 2,850	\$ 22,090		\$ 22,090	
15	Taxes	\$ 22,393		\$ 95	\$ 22,488	8.25%	\$ 1,856	\$ 24,345	\$ 427	\$ 24,771	
16	Subtotal: Distribution	\$ 60,714		\$ 95	\$ 60,809		\$ 6,516	\$ 67,325	\$ -	\$ 427	
17	Customer Accounting	\$ 10,275		\$ 10	\$ 10,285	9.48%	\$ 975	\$ 11,260	\$ 48	\$ 11,308	
18	Customer Service & Information	\$ 21,292		\$ (20,102)	\$ 1,190	9.48%	\$ 113	\$ 1,303		\$ 1,303	
19	Sales Expenses	\$ 4			\$ 4	9.48%	\$ 0	\$ 4		\$ 4	
	Administrative & General										
20	Operating Expenses	\$ 44,779		\$ 5	\$ 44,784	9.48%	\$ 4,247	\$ 49,031	\$ 22	\$ 49,053	
21	Depreciation/Amortization	\$ 10,906			\$ 10,906	14.81%	\$ 1,616	\$ 12,522		\$ 12,522	
22	Taxes	\$ -			\$ -	8.25%	\$ -	\$ -		\$ -	
23	Subtotal: Administrative and General	\$ 55,685	\$ -	\$ 5	\$ 55,690		\$ 5,863	\$ 61,553	\$ -	\$ 22	
24	Total Electric Expenses	\$ 421,153	\$ 188,583	\$ (15,382)	\$ 217,188		\$ 23,402	\$ 240,590	\$ 176,665	\$ 6,785	
25	OPERATING INCOME BEFORE FIT	\$ 97,774	\$ (134,228)	\$ 17,830	\$ 249,831		\$ (23,402)	\$ (240,590)	\$ (128,481)	\$ 4,375	

CBR Line Number	Determine Base Cost and Revenue to Escalate				Escalation	Escalate Non-Energy Cost		Other Cost & Revenue Adjustments			
	2011 Commission Basis Report Restated Totals [A]	(less) 2011 Normalized Net Power Supply Cost [B]	2011 Revenue Normalization Adjustment [C]	2011 Results Net of Net Power Supply and DSM Cost [D]	2-Year Escalation Rate [E]	2-Year Non-Energy Escalation Cost Amount [F]	Trended 2013 Non-Energy Cost [G]	(plus) 2011 Pro-Formed Net Energy Cost [H]	(plus) Net Impact of Billing Determinant and Other Revenue Growth [I]	2013 Projected Revenue and Cost [J]	
	Federal Income Tax										
26	Current Accrual	\$ 6,569	\$ (46,980)	\$ 6,241	\$ 59,789		\$ (8,191)	\$ 51,599	\$ (44,968)	\$ 1,531	\$ 8,162
27	Debt Interest	\$ 207			\$ 207		\$ (1,405)	\$ (1,405)			\$ (1,405)
28	Deferred Income Taxes	\$ 16,402			\$ 16,402	0.00%	\$ -	\$ 16,402			\$ 16,402
29	Amortized ITC - Noxon	\$ (99)			\$ (99)	0.00%	\$ -	\$ (99)			\$ (99)
30	NET OPERATING INCOME	\$ 74,695	\$ (87,248)	\$ 11,590	\$ 173,532			\$ (307,087)	\$ (83,512)	\$ 2,844	\$ 79,264
	RATE BASE										
	Plant in Service										
31	Intangible	\$ 84,081			\$ 84,081	12.55%	\$ 10,553	\$ 94,634			\$ 94,634
32	Production	\$ 706,894			\$ 706,894	12.55%	\$ 88,723	\$ 795,617			\$ 795,617
33	Transmission	\$ 328,012			\$ 328,012	12.55%	\$ 41,169	\$ 369,181			\$ 369,181
34	Distribution	\$ 696,082			\$ 696,082	12.55%	\$ 87,366	\$ 783,448			\$ 783,448
35	General	\$ 140,218			\$ 140,218	12.55%	\$ 17,599	\$ 157,817			\$ 157,817
36	Subtotal: Plant in Service	\$ 1,955,287			\$ 1,955,287	12.55%	\$ 245,410	\$ 2,200,697			\$ 2,200,697
	Accumulated Depreciation and Amortization										
37	Intangible	\$ 3,744			\$ 3,744	12.55%	\$ 470	\$ 4,214			\$ 4,214
38	Production	\$ 286,300			\$ 286,300	12.55%	\$ 35,934	\$ 322,234			\$ 322,234
39	Transmission	\$ 111,144			\$ 111,144	12.55%	\$ 13,950	\$ 125,094			\$ 125,094
40	Distribution	\$ 209,101			\$ 209,101	12.55%	\$ 26,244	\$ 235,345			\$ 235,345
41	General	\$ 56,694			\$ 56,694	12.55%	\$ 7,116	\$ 63,810			\$ 63,810
42	Subtotal: Accumulated Depreciation and Amortization	\$ 666,983			\$ 666,983	12.55%	\$ 83,714	\$ 750,697			\$ 750,697
43	Net Plant	\$ 1,288,304			\$ 1,288,304	12.55%	\$ 161,696	\$ 1,450,000			\$ 1,450,000
44	Deferred Taxes	\$ (201,163)			\$ (201,163)	12.55%	\$ (25,248)	\$ (226,411)			\$ (226,411)
45	Net Plant After Deferred taxes	\$ 1,087,141			\$ 1,087,141			\$ 1,223,589			\$ 1,223,589
46	Deferred Debits and Credits	\$ 32,534			\$ 32,534	12.55%	\$ 4,083	\$ 36,617			\$ 36,617
47	Working Capital	\$ 18,188			\$ 18,188	12.55%	\$ 2,283	\$ 20,471			\$ 20,471
48	TOTAL RATE BASE	\$ 1,137,863			\$ 1,137,863		\$ 142,814	\$ 1,280,677			\$ 1,280,677
49	RATE OF RETURN	6.56%									6.19%
	ATTRITION ADJUSTED REVENUE REQUIREMENT										
50	Proposed Rate of Return	8.25%									8.25%
51	Return on Plant in Service at Proposed Rate	93,874									105,656
52	Operating Income Deficiency	19,179									26,392
53	Revenue Conversion Factor	0.620815									0.620815
54	Revenue Requirement	30,893									42,512
55	Revenue Growth Factor										1,024350
56	Attrition Adjusted Revenue Requirement										41,502