

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant, v.

AVISTA CORPORATION d/b/a AVISTA
UTILITIES,

Respondent.

DOCKET NOS. UE-190334, UG-
190335, UE-190222 (*Consolidated*)

EXH. AML-3

**AVISTA'S RESPONSE TO STAFF DATA REQUEST 089
ATTACHMENT B**

ON BEHALF OF

NW ENERGY COALITION

October 3, 2019

Avista Utilities
Electric Decoupling Mechanism
Development of Decoupled Revenue by Rate Schedule - Electric
Washington Docket No. UE-190334 2018 Test Year At Proposed Rates

	TOTAL	RESIDENTIAL SCHEDULE 1,2	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 30, 31, 32	EX LG GEN SVC SCHEDULE 25	ST & AREA SCH. 41-48	LTG
1 Total Normalized 12ME Dec 2018 Revenue	\$ 502,020,000	\$ 216,075,000	\$ 75,061,000	\$ 125,677,000	\$ 12,039,000	\$ 66,744,000	\$ 6,424,000	
2 Proposed Revenue Increase (Exhibit JDM - 4)	\$ 45,775,000	\$ 21,656,000	\$ 5,475,000	\$ 11,460,000	\$ 1,098,000	\$ 6,086,000	\$ -	
3 Present Base Rate Revenue	\$ 547,795,000	\$ 237,731,000	\$ 80,536,000	\$ 137,137,000	\$ 13,137,000	\$ 72,830,000	\$ 6,424,000	
4 Normalized kWhs (12ME Dec 2018 Test Year)	5,637,842,826	2,374,703,689	619,305,952	1,365,904,624	145,822,517	1,113,564,012	18,542,032	
5 Retail Revenue Adjustment (line 14)	\$ 0.01895	\$ 0.01895	\$ 0.01895	\$ 0.01895	\$ 0.01895	\$ 0.01895	\$ 0.01895	\$ 0.01895
6 Variable Power Supply Revenue (Line 4 * Line 5)	\$ 106,837,122	\$ 45,000,635	\$ 11,735,848	\$ 25,883,893	\$ 2,763,337	\$ 21,102,038	\$ 351,372	
6A Fixed Production and Transmission Rate per kWh (New Customers Only)		\$ 0.03229	\$ 0.04568	\$ 0.03849	\$ 0.02857	\$ 0.03129	\$ 0.01876	
6B Fixed Production and Transmission Revenue (New Customers Only)	\$ 196,902,610	\$ 76,683,875	\$ 28,290,779	\$ 52,575,329	\$ 4,166,482	\$ 34,838,367	\$ 347,779	
7 Delivery & Power Plant Revenue (L3 - L6) Test Year Customers	\$ 383,157,288	\$ 192,730,365	\$ 68,800,152	\$ 111,253,107	\$ 10,373,663			
7A Delivery & Power Plant Revenue (L3 - L6 - L6B) New Customers	\$ 221,440,824	\$ 116,046,490	\$ 40,509,374	\$ 58,677,778	\$ 6,207,182			
8 Customer Bills (12ME Dec 2018 Test Year)	3,027,008	2,587,975	386,800	22,787	29,446			
9 Proposed Basic Charges		\$ 9.00	\$ 20.00	\$ 550.00	\$ 20.00			
10 Basic Charge Revenue (Line 8 * Line 9)	\$ 44,149,545	\$ 23,291,775	\$ 7,736,000	\$ 12,532,850	\$ 588,920			
11 Decoupled Revenue (Line 7 - Line 10) Test Year Customers	\$ 339,007,743	\$ 169,438,590	\$ 61,064,152	\$ 98,720,257	\$ 9,784,743			Excluded From Decoupling
11A Decoupled Revenue (Line 7A - Line 10) New Customers	\$ 177,291,279	\$ 92,754,715	\$ 32,773,374	\$ 46,144,928	\$ 5,618,262			
12 Retail Revenue Adjustment - (ERM Baseline)	\$0.01811							
13 Gross Up Factor for Revenue Related Exp	104.64%							
14 Grossed Up Retail Revenue Adjustment	\$0.01895							
15 Average Number of Customers (Line 8 / 12)		Residential 215,665	Non-Residential Group 36,586					
16 Annual kWh		2,374,703,689	2,131,033,093					
17 Basic Charge Revenues		23,291,775	20,857,770					
18 Customer Bills		2,587,975	439,033					
19 Average Basic Charge		\$9.00	\$47.51					
20 Average Annual kWhs per Customer		11,011	58,247					
21 Weighted Average Fixed Production and Transmisison Rate per kWh		\$ 0.03229	\$ 0.03990					

Electric Decoupling Baseline, Page 1

Avista Utilities
Electric Decoupling Mechanism
Development of Annual Decoupled Revenue Per Customer - Electric
Washington Docket No. UE-190334 2018 Test Year At Proposed Rates

Line No.	(a)	Source (b)	Residential (c)	Non-Residential Schedules* (d)
<u>Test Year Customers Decoupled RPC</u>				
1	Decoupled Revenues	Electric Decoupling Baseline, Page 1	\$ 169,438,590	\$ 169,569,153
2	Test Year # of Customers 12 ME 12.2018	Revenue Data	215,665	36,586
3	Decoupled Revenue per Customer	(1) / (2)	\$ 785.66	\$ 4,634.81
<u>New Customers Decoupled RPC</u>				
1A	Decoupled Revenues	Electric Decoupling Baseline, Page 1	\$ 92,754,715	\$ 84,536,563
2A	Test Year # of Customers 12 ME 12.2018	Revenue Data	215,665	36,586
3A	Decoupled Revenue per Customer	(1A) / (2A)	\$ 430.09	\$ 2,310.63

* Schedules 11, 12, 21, 22, 31, 32.

Electric Decoupling Baseline, Page 2

**Avista Utilities
Electric Decoupling Mechanism
Development of Monthly Decoupled Revenue Per Customer - Electric
Washington Docket No. UE-190334 2018 Test Year At Proposed Rates**

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1	Electric Sales														
2	<u>Residential</u>														
3	- Weather-Normalized kWh Sales	Monthly Test Year	292,945,712	209,125,084	229,152,606	174,130,864	159,047,393	151,500,182	166,667,943	194,633,617	145,837,334	161,623,305	216,281,572	273,758,077	2,374,703,689
4	- % of Annual Total	% of Total	12.34%	8.81%	9.65%	7.33%	6.70%	6.38%	7.02%	8.20%	6.14%	6.81%	9.11%	11.53%	100.00%
5	<u>Non-Residential*</u>														
6	- Weather-Normalized kWh Sales	Monthly Test Year	176,964,441	175,619,317	167,056,292	162,007,860	174,616,873	181,537,287	199,722,134	191,613,197	170,241,283	183,287,817	175,272,145	173,094,449	2,131,033,094
7	- % of Annual Total	% of Total	8.30%	8.24%	7.84%	7.60%	8.19%	8.52%	9.37%	8.99%	7.99%	8.60%	8.22%	8.12%	100.00%
8	Monthly Decoupled Revenue Per Customer ("RPC") For Test Year Existing Customers														
9	<u>Residential</u>														
10	-UE-190334 Decoupled RPC	Electric Decoupling Baseline, P. 2 L. 3												\$	785.66
11	- Monthly Decoupled RPC	(4) x (10)	\$ 96.92	\$ 69.19	\$ 75.81	\$ 57.61	\$ 52.62	\$ 50.12	\$ 55.14	\$ 64.39	\$ 48.25	\$ 53.47	\$ 71.56	\$ 90.57	\$ 785.66
12	<u>Non-Residential*</u>														
13	-UE-190334 Decoupled RPC	Electric Decoupling Baseline, P. 2 L. 3												\$	4,634.81
14	- Monthly Decoupled RPC	(7) x (13)	\$ 384.88	\$ 381.96	\$ 363.33	\$ 352.35	\$ 379.78	\$ 394.83	\$ 434.38	\$ 416.74	\$ 370.26	\$ 398.63	\$ 381.20	\$ 376.47	\$ 4,634.81
	For New Customers After the Test Year														
15	<u>Residential</u>														
16	-UE-190334 Decoupled RPC	Electric Decoupling Baseline, P. 2 L. 3A												\$	430.09
17	- Monthly Decoupled RPC	(4) x (16)	\$ 53.06	\$ 37.88	\$ 41.50	\$ 31.54	\$ 28.81	\$ 27.44	\$ 30.19	\$ 35.25	\$ 26.41	\$ 29.27	\$ 39.17	\$ 49.58	\$ 430.09
18	<u>Non-Residential*</u>														
19	-UE-190334 Decoupled RPC	Electric Decoupling Baseline, P. 2 L. 3A												\$	2,310.63
20	- Monthly Decoupled RPC	(7) x (19)	\$ 191.88	\$ 190.42	\$ 181.14	\$ 175.66	\$ 189.33	\$ 196.84	\$ 216.55	\$ 207.76	\$ 184.59	\$ 198.73	\$ 190.04	\$ 187.68	\$ 2,310.63

* Schedules 11, 12, 21, 22, 31, 32.

Electric Decoupling Baseline, Page 3

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description	System Total				Residential Service Sch 1-2	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-48	
Functional Cost Components at Current Return by Schedule											
1 Production					232,996,272	96,154,913	29,579,435	58,913,788	42,373,813	5,400,728	573,595
2 Transmission					49,397,045	16,631,691	8,158,042	14,261,527	9,131,847	1,088,315	125,623
3 Distribution					122,205,402	57,353,610	23,105,515	30,130,344	3,911,015	3,231,470	4,473,447
4 Common					97,420,280	45,933,786	14,218,008	22,371,340	11,327,325	2,318,487	1,251,334
5 Total Current Rate Revenue					502,019,000	216,074,000	75,061,000	125,677,000	66,744,000	12,039,000	6,424,000
Expressed as \$/kWh											
6 Production					\$0.04133	\$0.04049	\$0.04776	\$0.04313	\$0.03805	\$0.03704	\$0.03093
7 Transmission					\$0.00876	\$0.00700	\$0.01317	\$0.01044	\$0.00820	\$0.00746	\$0.00678
8 Distribution					\$0.02168	\$0.02415	\$0.03731	\$0.02206	\$0.00351	\$0.02216	\$0.24126
9 Common					\$0.01728	\$0.01934	\$0.02296	\$0.01638	\$0.01017	\$0.01590	\$0.06749
10 Total Current Melded Rates					\$0.08904	\$0.09099	\$0.12120	\$0.09201	\$0.05994	\$0.08256	\$0.34646
Functional Cost Components at Uniform Current Return											
11 Production					232,363,348	104,039,735	25,404,341	54,909,924	41,936,970	5,509,057	563,321
12 Transmission					48,971,984	21,927,005	5,354,119	11,572,599	8,838,471	1,161,067	118,723
13 Distribution					122,849,117	70,989,193	16,000,476	24,416,972	3,795,184	3,435,112	4,212,180
14 Common					97,834,551	51,179,746	11,619,074	20,269,838	11,171,386	2,384,525	1,209,982
15 Total Uniform Current Cost					502,019,000	248,135,678	58,378,011	111,169,333	65,742,011	12,489,761	6,104,206
Expressed as \$/kWh											
16 Production					\$0.04121	\$0.04381	\$0.04102	\$0.04020	\$0.03766	\$0.03778	\$0.03038
17 Transmission					\$0.00869	\$0.00923	\$0.00865	\$0.00847	\$0.00794	\$0.00796	\$0.00640
18 Distribution					\$0.02179	\$0.02989	\$0.02584	\$0.01788	\$0.00341	\$0.02356	\$0.22717
19 Common					\$0.01735	\$0.02155	\$0.01876	\$0.01484	\$0.01003	\$0.01635	\$0.06526
20 Total Current Uniform Melded Rates					\$0.08904	\$0.10449	\$0.09426	\$0.08139	\$0.05904	\$0.08565	\$0.32921
21 Revenue to Cost Ratio at Current Rates					1.00	0.87	1.29	1.13	1.02	0.96	1.05
Functional Cost Components at Proposed Return by Schedule											
22 Production					245,754,175	101,472,458	30,947,543	62,071,906	45,024,618	5,664,124	573,525
23 Transmission					57,985,558	20,212,052	9,079,083	16,387,315	10,915,787	1,265,694	125,626
24 Distribution					139,473,326	66,570,357	25,438,935	34,647,203	4,615,294	3,727,941	4,473,596
25 Common					104,580,942	49,475,133	15,070,439	24,030,575	12,274,301	2,479,241	1,251,254
26 Total Proposed Rate Revenue					547,794,000	237,730,000	80,536,000	137,137,000	72,830,000	13,137,000	6,424,000
Expressed as \$/kWh											
27 Production					\$0.04359	\$0.04273	\$0.04997	\$0.04544	\$0.04043	\$0.03884	\$0.03093
28 Transmission					\$0.01029	\$0.00851	\$0.01466	\$0.01200	\$0.00980	\$0.00868	\$0.00678
29 Distribution					\$0.02474	\$0.02803	\$0.04108	\$0.02537	\$0.00414	\$0.02556	\$0.24127
30 Common					\$0.01855	\$0.02083	\$0.02433	\$0.01759	\$0.01102	\$0.01700	\$0.06748
31 Total Proposed Melded Rates					\$0.09716	\$0.10011	\$0.13004	\$0.10040	\$0.06540	\$0.09009	\$0.34646
Functional Cost Components at Uniform Requested Return											
32 Production					244,710,269	109,568,018	26,754,233	57,827,633	44,165,344	5,801,788	593,254
33 Transmission					57,284,488	25,648,894	6,262,927	13,536,932	10,338,712	1,358,147	138,875
34 Distribution					140,813,501	80,570,378	18,302,897	28,590,774	4,387,453	3,986,727	4,975,271
35 Common					104,985,743	54,861,302	12,460,165	21,802,889	11,967,569	2,563,160	1,330,656
36 Total Uniform Cost					547,794,000	270,648,592	63,780,222	121,758,229	70,859,078	13,709,822	7,038,057
Expressed as \$/kWh											
37 Production					\$0.04340	\$0.04614	\$0.04320	\$0.04234	\$0.03966	\$0.03979	\$0.03200
38 Transmission					\$0.01016	\$0.01080	\$0.01011	\$0.00991	\$0.00928	\$0.00931	\$0.00749
39 Distribution					\$0.02498	\$0.03393	\$0.02955	\$0.02093	\$0.00394	\$0.02734	\$0.26832
40 Common					\$0.01862	\$0.02310	\$0.02012	\$0.01596	\$0.01075	\$0.01758	\$0.07176
41 Total Uniform Melded Rates					\$0.09716	\$0.11397	\$0.10299	\$0.08914	\$0.06363	\$0.09402	\$0.37957
42 Revenue to Cost Ratio at Proposed Rates					1.00	0.88	1.26	1.13	1.03	0.96	0.91
43 Current Revenue to Proposed Cost Ratio					0.92	0.80	1.18	1.03	0.94	0.88	0.91
44 Target Revenue Increase					45,775,000	54,575,000	(11,281,000)	(3,919,000)	4,115,000	1,671,000	614,000

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2018
Washington Docket No. UE-190334 2018 Test Year At Proposed Rates**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	0.003782
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038587
6	Total Expense	<u>0.044369</u>
7	Net Operating Income Before FIT	<i>0.955631</i>
8	Federal Income Tax @ 21%	<u>0.200683</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.754948</u></u>

(Per Order No. 6; UE-120436, dated 6/20/2012 - "hard" CF rounded to 6 digits)

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