

**Exh. JH-4
Dockets UE-190334, UG-190335,
and UE-190222
Witness: Joanna Huang**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-190334, UG-190335,
and UE-190222 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Pro Forma Labor Non-Executive, Adjustment 3.03

October 3, 2019

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Labor Non-Exec
	Adjustment Number	3.03
	Workpaper Reference	E-PLN
	REVENUES	
1	Total General Business	\$0
2	Interdepartmental Sales	-
3	Sales for Resale	-
4	Total Sales of Electricity	-
5	Other Revenue	-
6	Total Electric Revenue	-
	EXPENSES	
	Production and Transmission	
7	Operating Expenses	713
8	Purchased Power	-
9	Depreciation/Amortization	-
10	Regulatory Amortization	-
11	Taxes	-
12	Total Production & Transmission	713
	Distribution	
13	Operating Expenses	456
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	456
17	Customer Accounting	123
18	Customer Service & Information	11
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	627
21	Depreciation/Amortization	-
22	Regulatory Deferrals/Amortization	-
23	Taxes	-
24	Total Admin. & General	627
25	Total Electric Expenses	1,930
26	OPERATING INCOME BEFORE FIT	(1,930)
	FEDERAL INCOME TAX	
27	Current Accrual	(405)
28	Debt Interest	-
29	Deferred Income Taxes	-
30	Amortized ITC - Noxon	-
31	NET OPERATING INCOME	(\$1,525)
	RATE BASE	
	PLANT IN SERVICE	
32	Intangible	\$0
33	Production	-
34	Transmission	-
35	Distribution	-
36	General	-
37	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
38	Intangible	-
39	Production	-
40	Transmission	-
41	Distribution	-
42	General	-
43	Total Accumulated Depreciation	-
44	NET PLANT	-
45	DEFERRED TAXES	-
46	Net Plant After DFIT	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-
48	WORKING CAPITAL	-
49	TOTAL RATE BASE	\$0

AVISTA UTILITIES
WASHINGTON GAS RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma
		Labor Non-Exec
		0.01
		G-PLN
	REVENUES	\$ -
1	Total General Business	-
2	Total Transportation	-
3	Other Revenues	-
4	Total Gas Revenues	-
	EXPENSES	
	Production Expenses	-
5	City Gate Purchases	12
6	Purchased Gas Expense	-
7	Net Nat Gas Storage Trans	12
8	Total Production	-
	Underground Storage	-
9	Operating Expenses	-
10	Depreciation	-
11	Taxes	-
12	Total Underground Storage	-
	Distribution	293
13	Operating Expenses	-
14	Depreciation	-
15	Taxes	293
16	Total Distribution	109
17	Customer Accounting	8
18	Customer Service & Information	-
19	Sales Expenses	-
	Administrative & General	154
20	Operating Expenses	-
21	Depreciation/Amortization	-
22	Regulatory Amortizations	-
23	Taxes	154
24	Total Admin. & General	576
25	Total Gas Expense	(576)
26	OPERATING INCOME BEFORE FIT	
	FEDERAL INCOME TAX	(121)
27	Current Accrual	-
28	Debt Interest	-
29	Deferred FIT	-
30	Amort ITC	-
		\$ (455)
31	NET OPERATING INCOME	
	RATE BASE: PLANT IN SERVICE	\$ -
32	Underground Storage	-
33	Distribution Plant	-
34	General Plant	-
35	Total Plant in Service	-
	ACCUMULATED DEPREC/AMORT	-
36	Underground Storage	-
37	Distribution Plant	-
38	General Plant	-
39	Total Accum. Depreciation/Amort.	-
40	NET PLANT	-
41	DEFERRED FIT	-
42	Net Plant After DFIT	-
43	GAS INVENTORY	-
44	GAIN ON SALE OF BUILDING	-
45	OTHER	-
46	WORKING CAPITAL	-
47	TOTAL RATE BASE	\$ -
48	RATE OF RETURN	-

AVISTA UTILITIES

Adjusted Electric Labor Dollars - Washington

	Adjusted Total WA	Annualize 2018 Increase Admin 0.000% Union 0.000%	2019 Admin 2.520% Union 2.520%	Union Only 2020 Admin 0.000% Union 3.000%	Summary 2018-2020 Adjustment
Total Production	12,925,854	0	325,732	262,763	588,495
Total Transmission	3,496,004	0	88,099	36,276	124,375
Total Distribution	9,191,407	0	231,624	224,707	456,331
Total Customer Accounts	4,879,987	0	122,976	0	122,976
Total Cust Svc & Info	434,633	0	10,953	0	10,953
Total Sales	0	0	0	0	0
Admin & General					
Total Admin & General	14,821,926	0	373,512	0	373,512
Subtotal Actual Electric Labor	45,749,811	0	1,152,896	523,746	1,676,642
a Hydro One Reclass Labor	247,018	0	6,225	0	253,243
Total Electric Labor	45,996,829	0	1,159,121	523,746	1,929,885

Note: Expenses primarily comprised of regular labor, paid time off loading, and overtime (does not include payroll t \$ 1,929,885 check

Admin & General	
Actual	373,512
Hydro One Reclass	253,243
	<u>626,755</u>

AVISTA UTILITIES

Adjusted Natural Gas System Labor Dollars - Washington

	Adjusted Total WA	Annualize 2018 Increase Admin 0.000% Union 0.000%	2019 Admin 2.520% Union 2.520%	Union Only 2020 Admin 0.000% Union 3.000%	Summary 2018-2020 Adjustment
Total Production	444,317	0	11,197	0	11,197
Total Underground Storage	7,944	0	200	0	200
Total Distribution	5,684,553	0	143,250	149,789	293,039
Total Customer Accounts	3,104,867	0	78,242	30,881	109,123
Total Cust Svc & Info	322,529	0	8,128	0	8,128
Total Sales	0	0	0	0	0
Total Admin & General	4,305,260	0	108,493	0	108,493
Sub Total WA Gas Labor	13,869,470	0	349,510	180,670	530,180
a Hydro One Labor Reclass	34,415	1,527	9,472	0	45,414
Total WA Gas Labor	13,903,885	1,527	358,982	180,670	575,594
					\$ 575,594 check

Note: Expenses primarily comprised of regular labor, paid time off loading, and overtime (does not include payroll tax).

Admin & General Actual	108,493
Hydro One Reclass	45,414
	<u>153,907</u>

AVISTA UTILITIES
Percentage Increase Adjustments

<u>UNION</u>	Avista	Staff	
March 26, 2018 increase	3.00%	0.00%	
Factor to adjust Jan 1 2018 - March 26, 2018	$87/365 =$	<u>0</u>	
	<u>0.238</u>	<u>0</u>	
Adjustment % to annualize Increase	<u><u>0.714%</u></u>	<u><u>0</u></u>	This annualizes 12 ME 12.31.2018
 2019 Adjustment	 <u><u>3.00%</u></u> (365-59)/365	 <u><u>2.52%</u></u>	 March 27, 2018- March 26, 2019 (Reflects 10 months of March Increase)
 2020 Adjustment	 <u><u>3.00%</u></u>	 <u><u>3.00%</u></u>	 March 27, 2019 - Feb 29, 2020 (Reflects 12 months of March Increase)
	<u><u>3.000%</u></u>	<u><u>3.000%</u></u>	
 <u>ADMIN</u>			
March 5, 2018 increase	3.00%	0.00%	
Factor to adjust Jan 1 2018 - March 4, 2018	$63/365 =$	<u>0</u>	
	<u>0.173</u>	<u>0</u>	
Adjustment % to annualize Increase	<u><u>0.519%</u></u>	<u><u>0</u></u>	This annualizes 12 ME 12.31.2018
 2019 Adjustment	 <u><u>3.00%</u></u> (365-59)/365	 <u><u>2.52%</u></u>	 March 5, 2018 - March 4, 2019
 2020 Adjustment	 0.00%	 0.00%	 March 5, 2019 - February 29, 2020 (Reflects 12 months of March Increase)

AVISTA UTILITIES

LABOR - non executive

		Total WA non-Exe labo	Pro forma increase 1/1/18 - 3/26/18	Pro forma increase 3/27/18-4/1/2019	Pro forma increase 4/1/19-3/31/20	Approved Annualize 2018 Increase	Approved 2019 Admin 3.000%	Approved 2020 Admin 0.000%
UE-190335	Test year		2018	2019	2020	Admin 0.519%	Admin 3.000%	Admin 0.000%
	12/31/2018	\$ 45,749,811	\$ 543,864	\$ 1,931,931	\$ 2,461,889	<u>Union 0.714%</u>	<u>Union 3.000%</u>	<u>Union 3.000%</u>
	Increased amount	\$	271,932	\$ 1,388,067	\$ 529,958			
			03.2016-02.2017	03.2017-02.2018	03.2018-02.2019	03.2016-02.2017	03.2017-02.2018	03.2018-02.2019
UE-170485	12/31/2016	\$ 42,800,410	\$ 43,043,253	\$ 44,334,554	\$ 45,664,590	2016	2017	2018
	Increased amount		242,843	1,291,301	1,330,036	0.486%	3.000%	3.000%
						0.714%	3.000%	3.000%