

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-20 \_\_\_\_\_

EXH. TLK-3

TARA L. KNOX

REPRESENTING AVISTA CORPORATION

**Washington Electric  
AMI Costs and Benefits Embedded in Cost of Service Study**

Line No.		Total	Sch 1-2	Sch 11-12	Sch 21-22	Sch 25	Sch 30-32	Sch 41-48	
<b>Rate Base Components</b>									
1	303.12	AMI/MDM Software	\$ 29,775,000	\$ 25,411,613	\$ 3,800,813	\$ 222,548	\$ 2,677	\$ 286,098	\$ 51,250
2	303.12	AMI/MDM Software Accum. Amort.	\$ (16,192,000)	\$ (13,819,138)	\$ (2,066,928)	\$ (121,024)	\$ (1,456)	\$ (155,584)	\$ (27,870)
3		Total AMI/MDM Software	\$ 13,583,000	\$ 11,592,475	\$ 1,733,886	\$ 101,524	\$ 1,221	\$ 130,515	\$ 23,380
4	370	Meters	\$ 59,140,000	\$ 48,009,924	\$ 9,345,235	\$ 852,245	\$ 88,283	\$ 844,313	\$ -
5	370	Meters Accum. Depr.	\$ (9,565,000)	\$ (7,764,879)	\$ (1,511,450)	\$ (137,838)	\$ (14,278)	\$ (136,555)	\$ -
6		Total Meters	\$ 49,575,000	\$ 40,245,045	\$ 7,833,784	\$ 714,407	\$ 74,005	\$ 707,758	\$ -
7	391.12	AMI/MDM Office Equipment	\$ 5,336,000	\$ 3,251,951	\$ 652,642	\$ 834,003	\$ 441,873	\$ 102,502	\$ 53,028
8	391.12	AMI/MDM Office Equipment Accum. Depr.	\$ (3,945,000)	\$ (2,404,225)	\$ (482,510)	\$ (616,593)	\$ (326,685)	\$ (75,782)	\$ (39,205)
9		Total AMI/MDM Software	\$ 1,391,000	\$ 847,726	\$ 170,132	\$ 217,410	\$ 115,188	\$ 26,721	\$ 13,823
10	395.12	AMI Laboratory Equipment	\$ 239,000	\$ 145,655	\$ 29,232	\$ 37,355	\$ 19,792	\$ 4,591	\$ 2,375
11	395.12	AMI Laboratory Equipment Accum. Depr.	\$ (105,000)	\$ (63,991)	\$ (12,842)	\$ (16,411)	\$ (8,695)	\$ (2,017)	\$ (1,043)
12		Total AMI/MDM Software	\$ 134,000	\$ 81,664	\$ 16,389	\$ 20,944	\$ 11,097	\$ 2,574	\$ 1,332
13	397.12	AMI Communication Equipment	\$ 11,044,000	\$ 6,730,612	\$ 1,350,784	\$ 1,726,149	\$ 914,552	\$ 212,151	\$ 109,753
14	397.12	AMI Communication Equipment Accum. Depr.	\$ (834,000)	\$ (508,270)	\$ (102,006)	\$ (130,352)	\$ (69,063)	\$ (16,021)	\$ (8,288)
15		Total AMI/MDM Software	\$ 10,210,000	\$ 6,222,342	\$ 1,248,778	\$ 1,595,797	\$ 845,488	\$ 196,130	\$ 101,465
16	182.3	AMI Regulatory Asset	\$ 50,070,000	\$ 40,646,887	\$ 7,912,004	\$ 721,541	\$ 74,743	\$ 714,825	\$ -
17	182	Subset of Regulatory Asset - AFUDC	\$ 1,031,000	\$ 816,228	\$ 148,286	\$ 35,876	\$ 14,333	\$ 14,162	\$ 2,114
18	282	Subset of Accum Deferred Income Tax	\$ (14,370,000)	\$ (11,376,523)	\$ (2,066,803)	\$ (500,037)	\$ (199,778)	\$ (197,392)	\$ (29,467)
19		Total Rate Base	\$ 111,624,000	\$ 89,075,845	\$ 16,996,457	\$ 2,907,460	\$ 936,298	\$ 1,595,293	\$ 112,647
20		Return on Rate Base @ 7.43%	\$ 8,293,663	\$ 6,618,335	\$ 1,262,837	\$ 216,024	\$ 69,567	\$ 118,530	\$ 8,370
21		Tax Benefit of Interest Expense	\$ (581,333)	\$ (463,903)	\$ (88,517)	\$ (15,142)	\$ (4,876)	\$ (8,308)	\$ (587)
22		Revenue Conversion Factor	\$ 0.75529	\$ 0.75529	\$ 0.75529	\$ 0.75529	\$ 0.75529	\$ 0.75529	\$ 0.75529
23		Rate Base Revenue Requirement	\$ 10,211,029	\$ 8,148,391	\$ 1,554,785	\$ 265,966	\$ 85,650	\$ 145,933	\$ 10,305
<b>Expense Components</b>									
24	303.12	AMI/MDM Software Amort. Exp.	\$ 4,325,000	\$ 3,691,192	\$ 552,091	\$ 32,326	\$ 389	\$ 41,558	\$ 7,444
25	370	Meters Depr. Exp.	\$ 3,939,000	\$ 3,197,685	\$ 622,436	\$ 56,763	\$ 5,880	\$ 56,235	\$ -
26	391.12	AMI/MDM Office Equip. Depr. Exp.	\$ 1,073,000	\$ 653,925	\$ 131,238	\$ 167,707	\$ 88,855	\$ 20,612	\$ 10,663
27	395.12	AMI Laboratory Equip. Depr. Exp.	\$ 34,000	\$ 20,721	\$ 4,159	\$ 5,314	\$ 2,816	\$ 653	\$ 338
28	397.12	AMI Communication Equip. Depr. Exp.	\$ 376,000	\$ 229,148	\$ 45,988	\$ 58,768	\$ 31,136	\$ 7,223	\$ 3,737
29	407436	AMI Regulatory Asset Amortization	\$ 4,287,000	\$ 3,480,192	\$ 677,427	\$ 61,778	\$ 6,400	\$ 61,203	\$ -
30		Total Expenses	\$ 14,034,000	\$ 11,272,862	\$ 2,033,339	\$ 382,657	\$ 135,475	\$ 187,484	\$ 22,182
31		Revenue Conversion Factor	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607
32		Expense Revenue Requirement	\$ 14,678,864	\$ 11,790,851	\$ 2,126,771	\$ 400,241	\$ 141,701	\$ 196,099	\$ 23,201
33		<b>Total AMI/MDM Revenue Requirements</b>	<b>\$ 24,889,893</b>	<b>\$ 19,939,243</b>	<b>\$ 3,681,556</b>	<b>\$ 666,206</b>	<b>\$ 227,350</b>	<b>\$ 342,031</b>	<b>\$ 33,506</b>
34		Rate Year O&M Savings/Offsets	\$ (6,780,000)	\$ (4,106,201)	\$ (825,905)	\$ (1,074,489)	\$ (580,728)	\$ (130,556)	\$ (62,120)
35		Revenue Conversion Factor	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607	\$ 0.95607
36		<b>Revenue Requirement Offset</b>	<b>\$ (7,091,542)</b>	<b>\$ (4,294,881)</b>	<b>\$ (863,856)</b>	<b>\$ (1,123,862)</b>	<b>\$ (607,413)</b>	<b>\$ (136,555)</b>	<b>\$ (64,975)</b>
37		<b>Total AMI Rate Year Net Costs</b>	<b>\$ 17,798,351</b>	<b>\$ 15,644,361</b>	<b>\$ 2,817,700</b>	<b>\$ (457,656)</b>	<b>\$ (380,062)</b>	<b>\$ 205,476</b>	<b>\$ (31,469)</b>