

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION	)	DOCKETS UE-190334, UG-190335, and UE-190222 ( <i>Consolidated</i> )
Complainant,	)	
v.	)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES	)	
Respondent.	)	
_____	)	

**EXHIBIT BGM-9  
ELECTRIC REVENUE GROWTH STUDY**

<b>Electric</b>			
<b>Revenue Growth Rate Calculation - Rate Year 2:</b>			
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Category</b>	<b>Growth Rate</b>	<b>Revenue Portion of Category</b>	<b>Growth Rate % (a) x (b)</b>
<b>Operating Expenses <sup>(1)</sup></b>	1.69%	35.55%	0.60%
<b>Depreciation/Amortization</b>	4.30%	21.94%	0.94%
<b>Taxes Other than Income</b>	3.23%	10.05%	0.32%
<b>Net Plant After ADFIT</b>	2.11%	<u>32.46%</u>	0.69%
<b>Annual Growth In Sales Revenue</b>		100.00%	-0.88%
<b>Total Revenue Growth Rate %</b>			<b>1.67%</b>

<sup>(1)</sup> Reflects a 30 basis points efficiency adjustment in O&M expenses.

**Revenue Growth Rate Analysis - Electric Services**

Growth Rate Calculations

	<b>Growth Rate</b>	<b>Account Amount</b>	<b>Wiegthing</b>	<b>Weighted Weighted Rate</b>
<b><u>Depreciation Expense</u></b>				
Production and Transmission	1.01%	28,724	33.6%	0.34%
Distribution	5.07%	32,066	37.5%	1.90%
General	7.13%	24,798	29.0%	2.07%
			<i>Growth Factor</i>	<b>4.30%</b>
<b><u>Operations Expense</u></b>				
Production and Transmission	2.02%	58,395	35.8%	0.72%
Distribution	1.81%	23,753	14.5%	0.26%
Customer Accounting	3.78%	28,479	17.4%	0.66%
Customer Service	-0.46%	1,551	0.9%	0.00%
General and Administrative	1.11%	51,109	31.3%	0.35%
			<i>Growth Factor</i>	<b>1.99%</b>
<b><u>Taxes Other than Income Taxes</u></b>				
Production and Transmission	3.65%	16,795	37.1%	1.36%
Distribution	2.98%	28,420	62.9%	1.87%
			<i>Growth Factor</i>	<b>3.23%</b>
<b><u>Net Plant</u></b>				
Intangible	4.61%	119,990	8.0%	0.37%
Production	1.39%	540,099	35.9%	0.50%
Transmission	3.54%	336,753	22.4%	0.79%
Distribution	4.75%	751,398	49.9%	2.37%
General	6.68%	167,408	11.1%	0.74%
ADIT	9.74%	(411,008)	-27.3%	-2.66%
			<i>Growth Factor</i>	<b>2.11%</b>

**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Production & Transmission O&M Expense**

*Selected trend period highlighted green and displayed as green dots in figure*

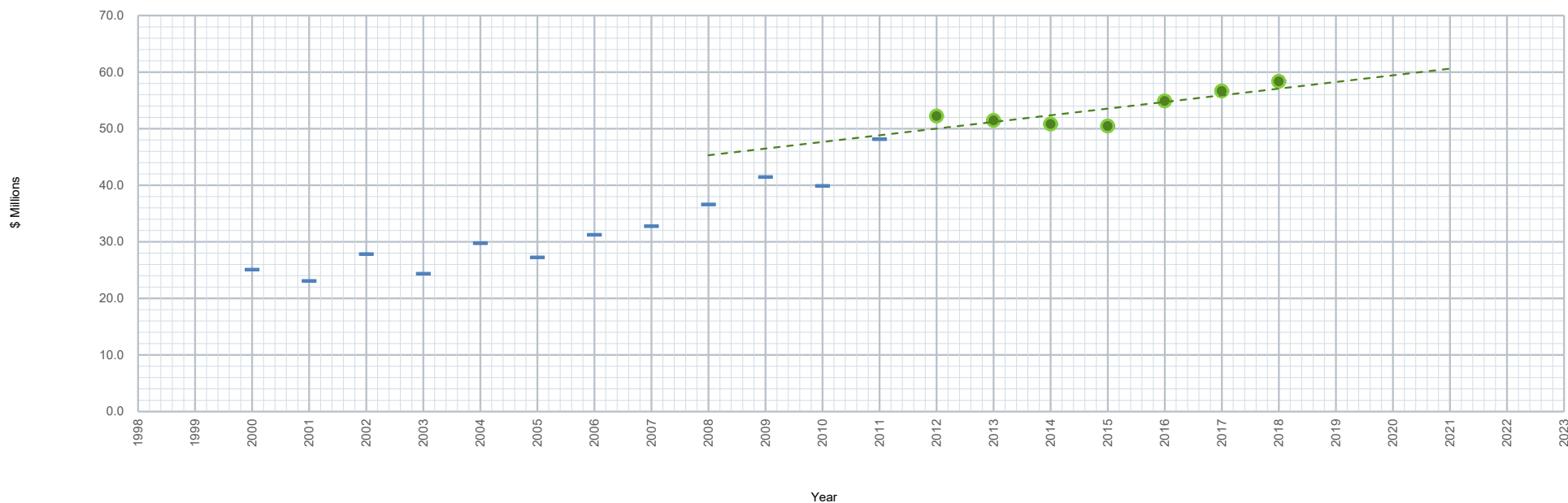
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
P/T Operations Expense	78,721	47,157	101,475	132,098	101,545	105,374	104,260	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485	136,385	136,766	132,992
Less: Power Supply	(53,596)	(24,026)	(73,610)	(107,691)	(71,757)	(78,074)	(72,978)	(70,079)	(80,476)	(46,101)	(107,172)	(97,441)	(79,551)	(92,437)	(69,474)	(89,988)	(81,468)	(80,087)	(74,597)
<b>Total Production &amp; Transmission O&amp;M Expense</b>	<b>25,125</b>	<b>23,131</b>	<b>27,865</b>	<b>24,407</b>	<b>29,788</b>	<b>27,300</b>	<b>31,282</b>	<b>32,811</b>	<b>36,647</b>	<b>41,498</b>	<b>39,935</b>	<b>48,193</b>	<b>52,244</b>	<b>51,467</b>	<b>50,833</b>	<b>50,497</b>	<b>54,917</b>	<b>56,679</b>	<b>58,395</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	1,177
R-Squared of Best-Fit	0.67039
Annual Growth Rate (% of 2018)	2.02%
1-year Growth Rate	<b>2.02%</b>

**Narrative**

Over the period 2012 through 2018 production and transmission O&M has remained relatively flat. My model uses that period to develop the escalation factor for this category of cost.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Production & Transmission Depreciation Expense**

*Selected trend period highlighted green and displayed as green dots in figure*

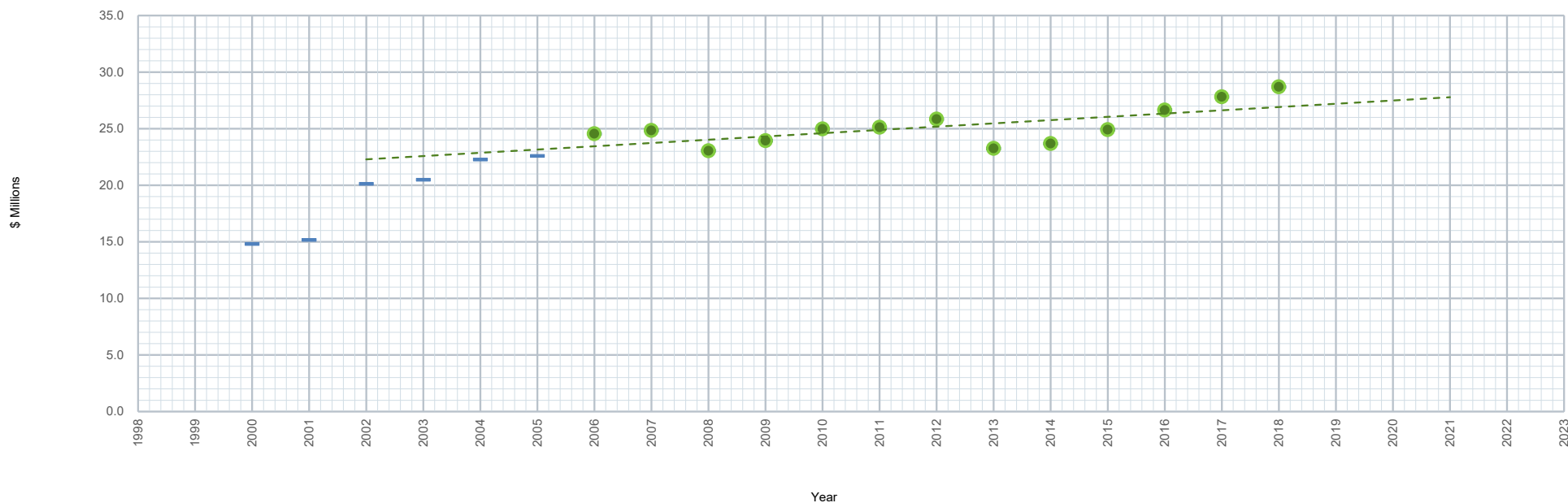
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
P/T Depreciation (per CBR)	(3,114)	9,152	13,808	14,915	22,879	13,812	25,745	21,795	22,000	22,266	22,129	25,158	25,872	23,284	23,715	24,947	26,677	27,841	28,724
Less: Reg. Amort. in Hist. P/T Depr.	17,964	6,050	6,349	5,608	(567)	8,817	(1,168)	3,082	1,076	1,703	2,879								
<b>Total Production &amp; Transmission Depreciation Expense</b>	<b>14,850</b>	<b>15,202</b>	<b>20,157</b>	<b>20,523</b>	<b>22,312</b>	<b>22,629</b>	<b>24,577</b>	<b>24,877</b>	<b>23,076</b>	<b>23,969</b>	<b>25,008</b>	<b>25,158</b>	<b>25,872</b>	<b>23,284</b>	<b>23,715</b>	<b>24,947</b>	<b>26,677</b>	<b>27,841</b>	<b>28,724</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	289
R-Squared of Best-Fit	0.44000
Annual Growth Rate (% of 2018)	1.01%
1-year Growth Rate	<b>1.01%</b>

**Narrative**

Production and transmission depreciation expense have been relatively flat over the period. My model uses the escalation period of 2006 through 2018.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Production & Transmission Taxes Other Than Income Taxes**

*Selected trend period highlighted green and displayed as green dots in figure*

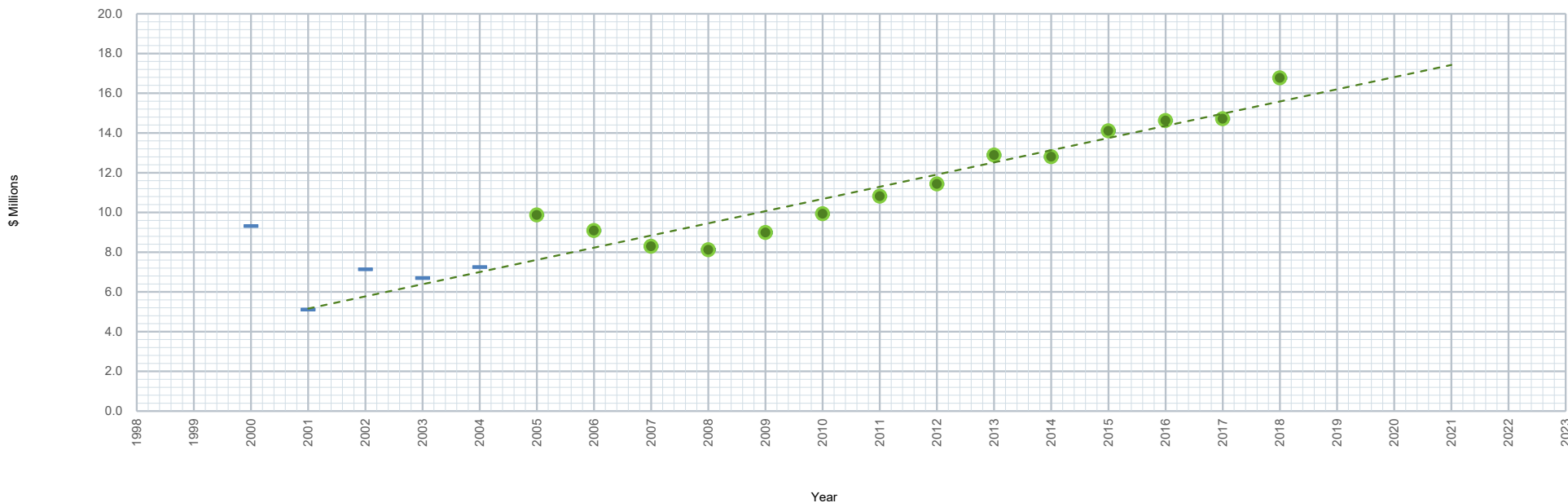
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
P/T Taxes	9,346	5,139	7,164	6,722	7,283	9,900	9,115	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133	14,654	14,743	16,795
<b>Total Production &amp; Transmission Taxes Other Than Income Taxes</b>	<b>9,346</b>	<b>5,139</b>	<b>7,164</b>	<b>6,722</b>	<b>7,283</b>	<b>9,900</b>	<b>9,115</b>	<b>8,319</b>	<b>8,146</b>	<b>9,014</b>	<b>9,955</b>	<b>10,846</b>	<b>11,456</b>	<b>12,913</b>	<b>12,828</b>	<b>14,133</b>	<b>14,654</b>	<b>14,743</b>	<b>16,795</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	613
R -Squared of Best-Fit	0.87681
Annual Growth Rate (% of 2018)	3.65%
1-year Growth Rate	<b>3.65%</b>

**Narrative**

My model uses the escalation period of 2005 through 2018 for this category of cost.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Distribution O&M Expense**

*Selected trend period highlighted green and displayed as green dots in figure*

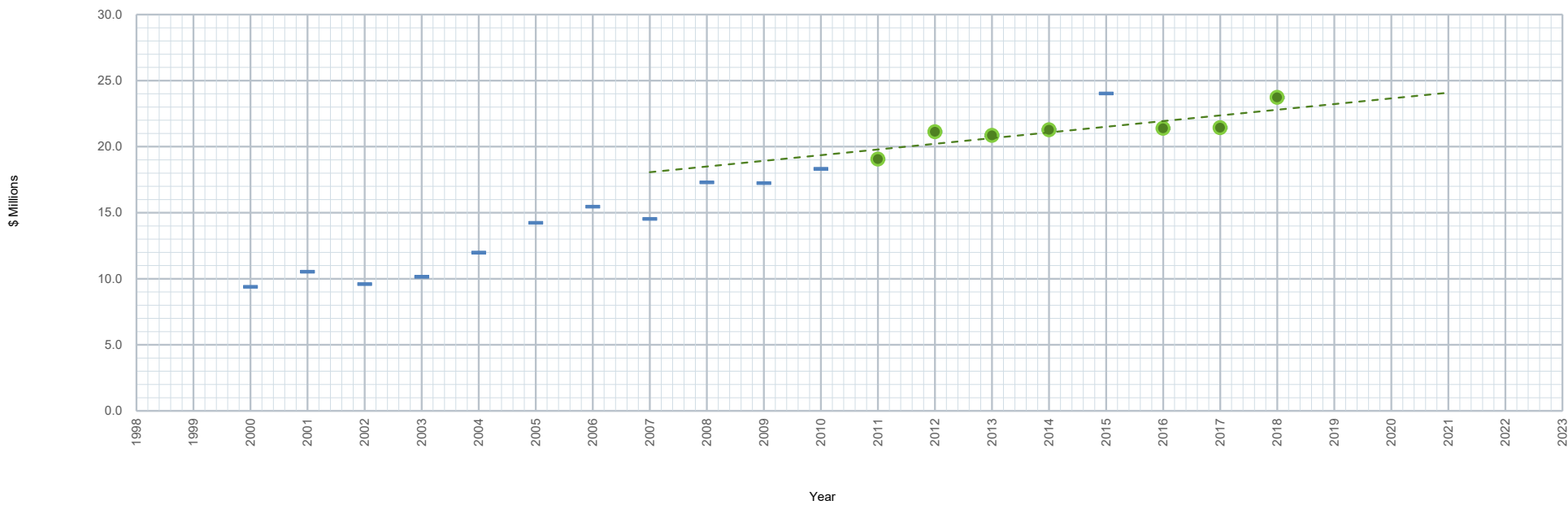
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Distribution Operations Expense	9,418	10,560	9,631	10,171	12,016	14,263	15,485	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056	21,415	21,461	23,753
<b>Total Distribution O&amp;M Expense</b>	<b>9,418</b>	<b>10,560</b>	<b>9,631</b>	<b>10,171</b>	<b>12,016</b>	<b>14,263</b>	<b>15,485</b>	<b>14,563</b>	<b>17,329</b>	<b>17,267</b>	<b>18,354</b>	<b>19,081</b>	<b>21,152</b>	<b>20,878</b>	<b>21,299</b>	24,056	<b>21,415</b>	<b>21,461</b>	<b>23,753</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	430
R-Squared of Best-Fit	0.68906
Annual Growth Rate (% of 2018)	1.81%
1-year Growth Rate	<b>1.81%</b>

**Narrative**

The distribution O&M category of cost has experienced fairly steady growth over the past fifteen years. In the most recent five years (2012 through 2018), this trend appears to have leveled off, as this category of cost has experienced a rate of growth that is less than that experienced in the prior period. In addition, this category of cost experienced an increase in 2015, followed by a corresponding reduction in 2016. Accordingly, I have excluded 2015 from my trend calculation.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Distribution Taxes Other Than Income Taxes**

*Selected trend period highlighted green and displayed as green dots in figure*

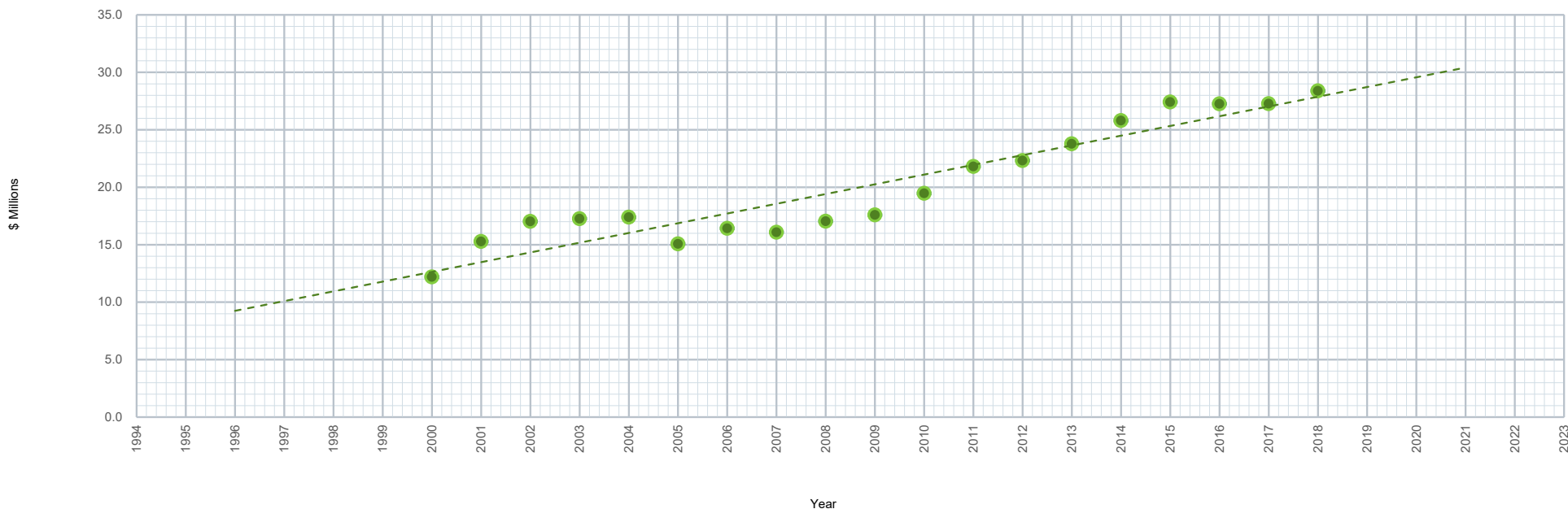
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Distribution Taxes	11,693	15,462	16,996	17,286	17,401	14,988	16,307	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448	27,287	27,300	28,420
Less: ResEx Excise Taxes	672	57	303	256	289	379	415	225	144	162	252	186	336	-	-	-	-	-	-
Less: DSM Excise Taxes	(139)	(205)	(245)	(248)	(272)	(267)	(266)	(269)	(488)	(762)	(787)	(812)	(683)	-	-	-	-	-	-
<b>Total Distribution Taxes Other Than Income Taxes</b>	<b>12,226</b>	<b>15,314</b>	<b>17,054</b>	<b>17,294</b>	<b>17,418</b>	<b>15,100</b>	<b>16,457</b>	<b>16,112</b>	<b>17,072</b>	<b>17,615</b>	<b>19,494</b>	<b>21,834</b>	<b>22,353</b>	<b>23,809</b>	<b>25,821</b>	<b>27,448</b>	<b>27,287</b>	<b>27,300</b>	<b>28,420</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	847
R-Squared of Best-Fit	0.88870
Annual Growth Rate (% of 2018)	2.98%
1-year Growth Rate	<b>2.98%</b>

**Narrative**

Over the period 2000 through 2005, the category of cost increased and then decreased. Beginning in 2005, however, the category of cost began to increase again. While this category of cost experienced a slight reduction in 2007, the current trend appears to have largely originated in 2005. Given these increases and reductions I have used the entire history for this category.





**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Distribution Depreciation Expense**

*Selected trend period highlighted green and displayed as green dots in figure*

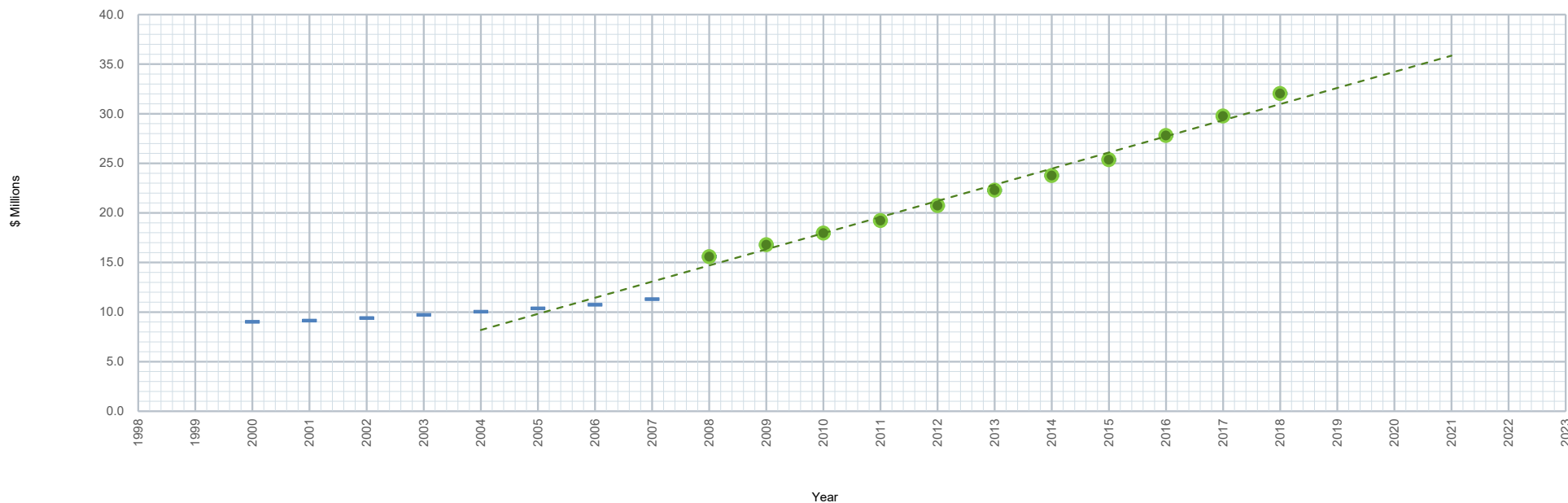
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Distribution Depreciation Expense	9,056	9,178	9,427	9,752	10,067	10,399	10,776	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379	27,819	29,786	32,066
<b>Total Distribution Depreciation Expense</b>	<b>9,056</b>	<b>9,178</b>	<b>9,427</b>	<b>9,752</b>	<b>10,067</b>	<b>10,399</b>	<b>10,776</b>	<b>11,333</b>	<b>15,611</b>	<b>16,809</b>	<b>17,985</b>	<b>19,240</b>	<b>20,749</b>	<b>22,303</b>	<b>23,794</b>	<b>25,379</b>	<b>27,819</b>	<b>29,786</b>	<b>32,066</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	1,627
R -Squared of Best-Fit	0.98639
Annual Growth Rate (% of 2018)	5.07%
1-year Growth Rate	<b>5.07%</b>

**Narrative**

Over the period 2000 through 2007, the distribution depreciation expense category of cost was markedly flat, experiencing only minor increases. Beginning in 2008, however, the flat trend changed, and the category of cost began increasing at an increased rate. Accordingly, my analysis uses an escalation period of 2008 through 2016 for this category of cost. Inclusion of the 2007 data point, per the Company's escalation period, would have resulted in a lower r-squared value, thus making it less preferable to use that data point in the escalation factor calculation.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Customer Accounting and Sales**

*Selected trend period highlighted green and displayed as green dots in figure*

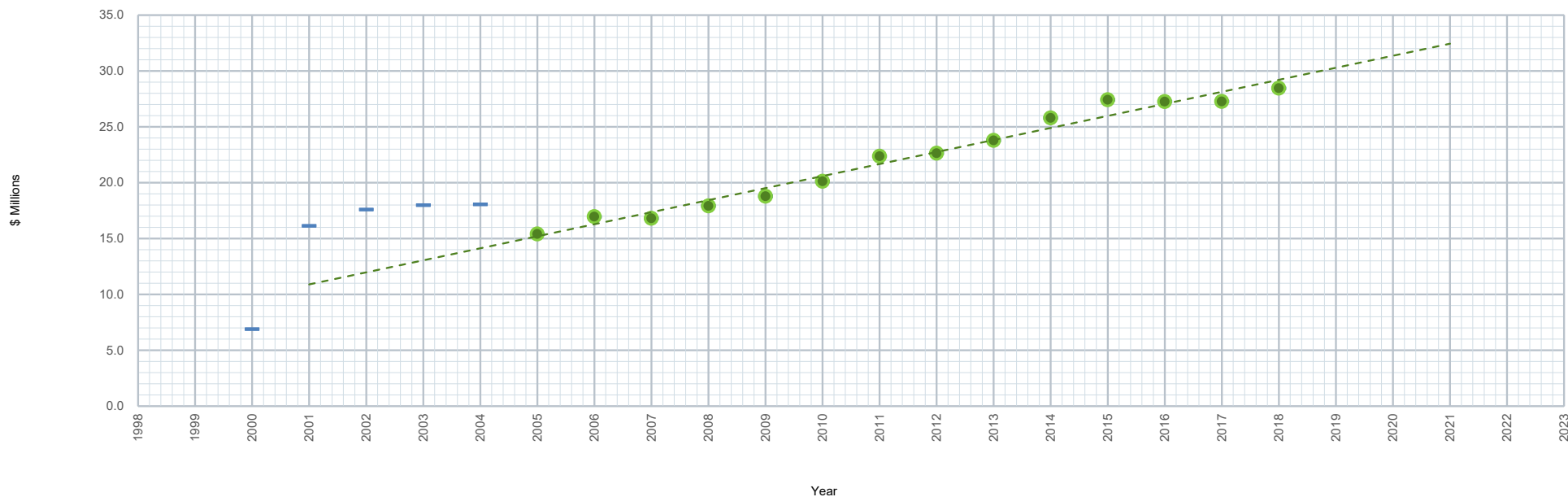
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Customer Accounting	5,768	15,462	16,996	17,286	17,401	14,988	16,307	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448	27,287	27,300	28,420
Sales Expense	1,071	734	628	734	686	430	657	682	571	660	176	4	5	5	-	-	-	-	59
Less: ResEx	115	10	52	44	49	43	47	25	16	18	28	21	38	-	-	-	-	-	-
Less: DSM Excise	(24)	(35)	(42)	(42)	(47)	(30)	(30)	(30)	(55)	(86)	(88)	(91)	(77)	-	-	-	-	-	-
<b>Total Customer Accounting and Sales</b>	<b>6,930</b>	<b>16,171</b>	<b>17,634</b>	<b>18,021</b>	<b>18,090</b>	<b>15,431</b>	<b>16,981</b>	<b>16,833</b>	<b>17,948</b>	<b>18,808</b>	<b>20,145</b>	<b>22,393</b>	<b>22,665</b>	<b>23,814</b>	<b>25,821</b>	<b>27,448</b>	<b>27,287</b>	<b>27,300</b>	<b>28,479</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	1.077
R-Squared of Best-Fit	0.97576
Annual Growth Rate (% of 2018)	3.78%
1-year Growth Rate	<b>3.78%</b>

**Narrative**

Over the period 2001 through 2004, the customer accounting and sales category of cost experienced little to no growth. Beginning in 2005, the category of cost began to increase. Accordingly, my model uses the period 2005 through 2018 as the period for this category of cost.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Customer Service and Information**

*Selected trend period highlighted green and displayed as green dots in figure*

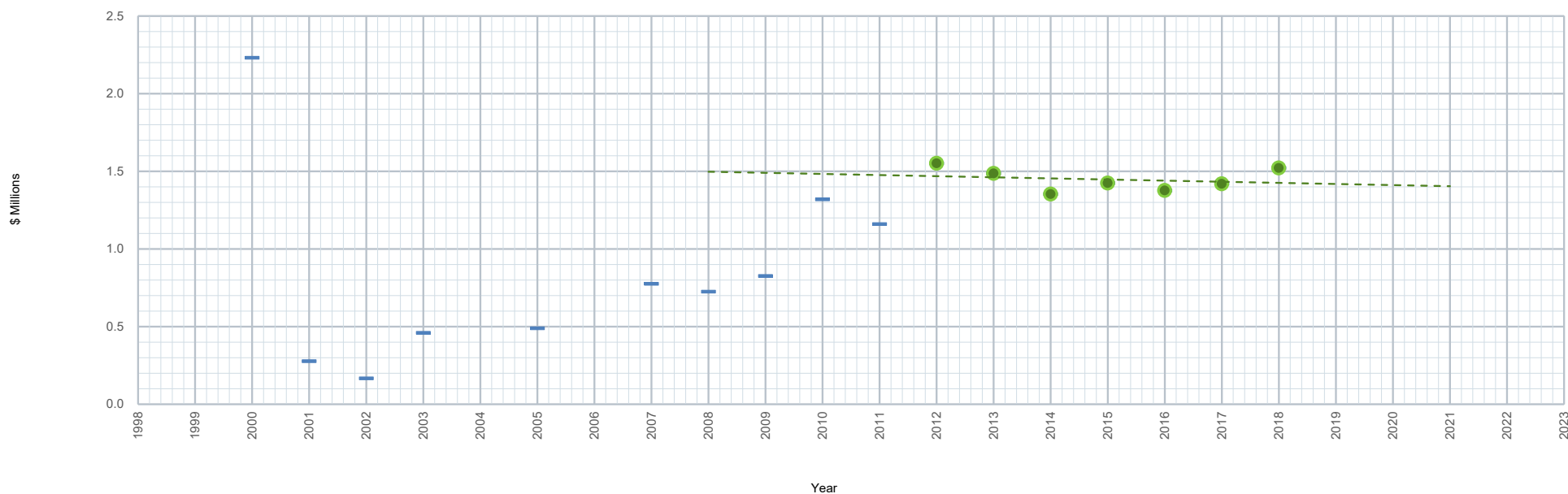
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Customer Service and Information	5,704	5,381	6,261	6,620	266	7,127	1,159	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454	1,406	1,449	1,551
Less: DSM Cost	(3,443)	(5,074)	(6,064)	(6,130)	(6,747)	(6,608)	(6,580)	(6,667)	(12,092)	(18,880)	(19,483)	(20,102)	(16,906)	-	-	-	-	-	-
<b>Total Customer Service and Information</b>	<b>2,261</b>	<b>307</b>	<b>197</b>	<b>490</b>	<b>(6,481)</b>	<b>519</b>	<b>(5,421)</b>	<b>805</b>	<b>755</b>	<b>856</b>	<b>1,349</b>	<b>1,190</b>	<b>1,581</b>	<b>1,516</b>	<b>1,383</b>	<b>1,454</b>	<b>1,406</b>	<b>1,449</b>	<b>1,551</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	(7)
R-Squared of Best-Fit	0.04372
Annual Growth Rate (% of 2018)	-0.46%
1-year Growth Rate	<b>-0.46%</b>

**Narrative**

This category of cost increased dramatically between 2009 and 2010. Yet, in 2011, it declined, only to increase again in 2012. From 2012 to the present, however, this category of cost has been relatively flat, declining slightly. That is the period I have used in my analysis.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Administrative & General Operations Expense**

*Selected trend period highlighted green and displayed as green dots in figure*

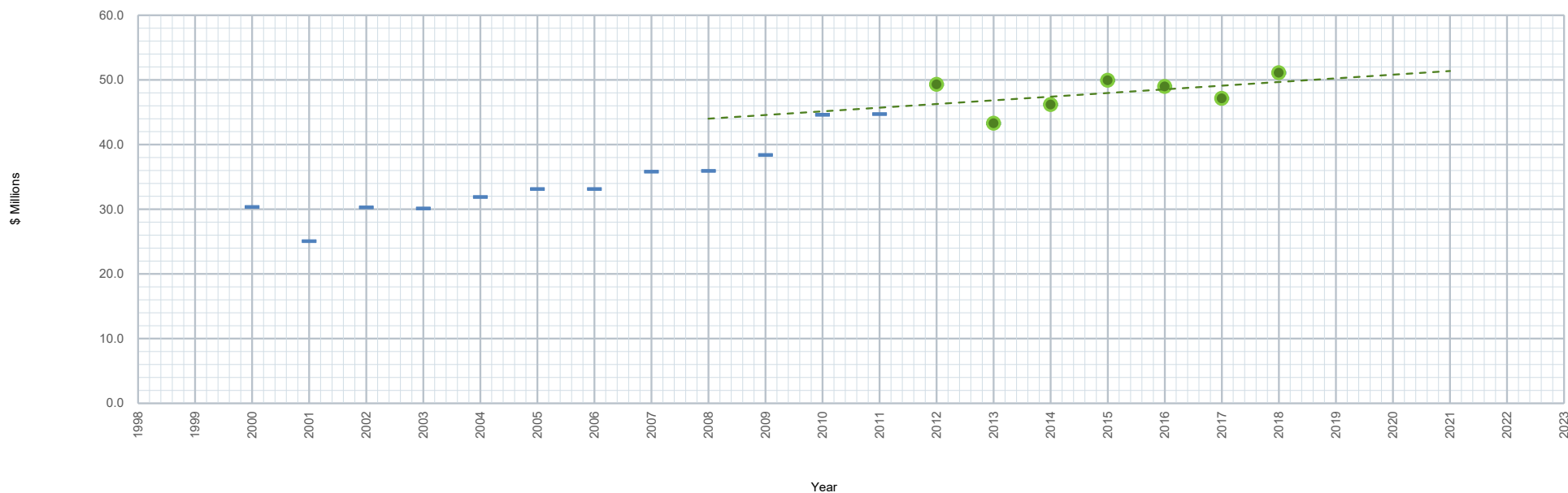
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administrative and General	30,350	25,102	30,304	30,153	31,927	33,143	33,148	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942	48,989	47,166	51,109
Less: DSM Cost	(7)	(11)	(13)	(13)	(14)	(14)	(14)	(14)	(25)	(40)	(41)	(42)	(35)	-	-	-	-	-	-
Less: ResEx Cost	35	3	16	13	15	20	22	12	7	8	13	10	17	-	-	-	-	-	-
<b>Total Administrative &amp; General Operations Expense</b>	<b>30,378</b>	<b>25,094</b>	<b>30,307</b>	<b>30,153</b>	<b>31,928</b>	<b>33,149</b>	<b>33,156</b>	<b>35,842</b>	<b>35,964</b>	<b>38,430</b>	<b>44,634</b>	<b>44,747</b>	<b>49,315</b>	<b>43,310</b>	<b>46,210</b>	<b>49,942</b>	<b>48,989</b>	<b>47,166</b>	<b>51,109</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	567
R-Squared of Best-Fit	0.21400
Annual Growth Rate (% of 2018)	1.11%
1-year Growth Rate	<b>1.11%</b>

**Narrative**

Administrative and general operations expense increased at a fairly steady rate over the period 2000 through 2010. From 2012 through 2018, the rate of growth appears to have leveled-off slightly, showing a slower growth trend.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Administrative & General Depreciation Expense**

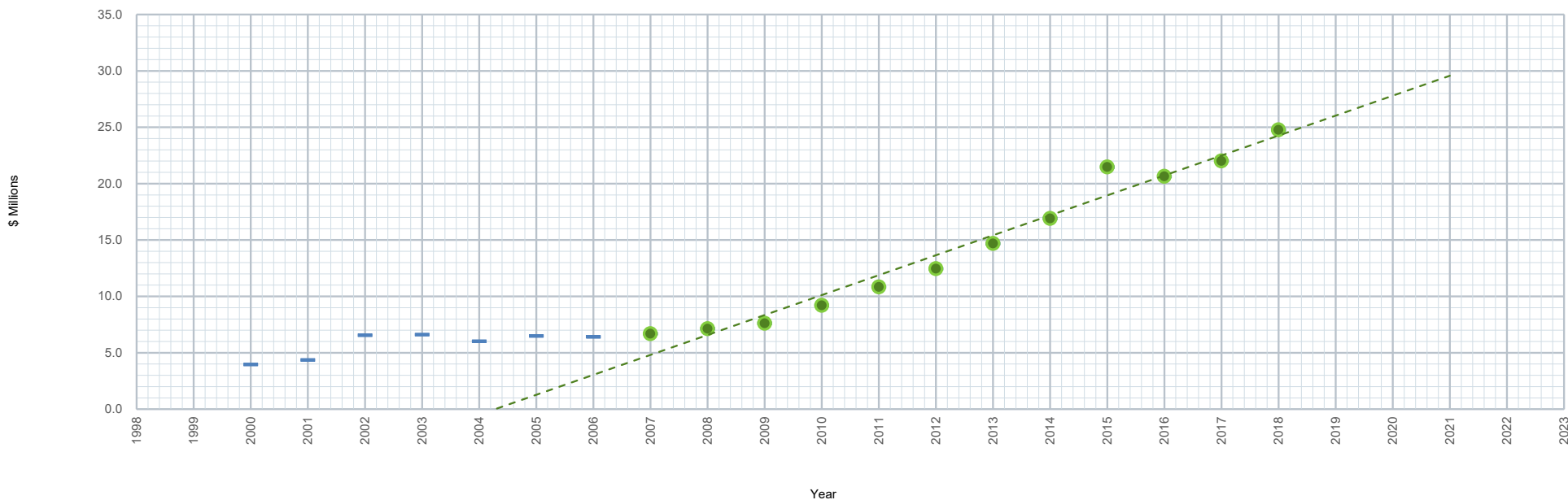
*Selected trend period highlighted green and displayed as green dots in figure*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administrative and General	3,998	4,414	6,606	6,659	6,072	6,537	6,459	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503	23,877	25,247	27,999
Less: DSM Cost	(7)	(11)	(13)	(13)	(14)	(14)	(14)	(14)	(25)	(40)	(41)	(42)	(35)	-	-	-	-	-	-
Less: Project Compass																	(3,201)	(3,201)	(3,201)
<b>Total Administrative &amp; General Depreciation Expense</b>	<b>3,991</b>	<b>4,403</b>	<b>6,593</b>	<b>6,646</b>	<b>6,058</b>	<b>6,523</b>	<b>6,445</b>	<b>6,725</b>	<b>7,162</b>	<b>7,648</b>	<b>9,236</b>	<b>10,864</b>	<b>12,482</b>	<b>14,721</b>	<b>16,947</b>	<b>21,503</b>	<b>20,676</b>	<b>22,046</b>	<b>24,798</b>

**Statistics (Over Highlighted Period)**

**Narrative**

Slope of Best-Fit Line	1,768
R-Squared of Best-Fit	0.96716
Annual Growth Rate (% of 2018)	7.13%
1-year Growth Rate	<b>7.13%</b>



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Intangible Net Plant**

*Selected trend period highlighted green and displayed as green dots in figure*

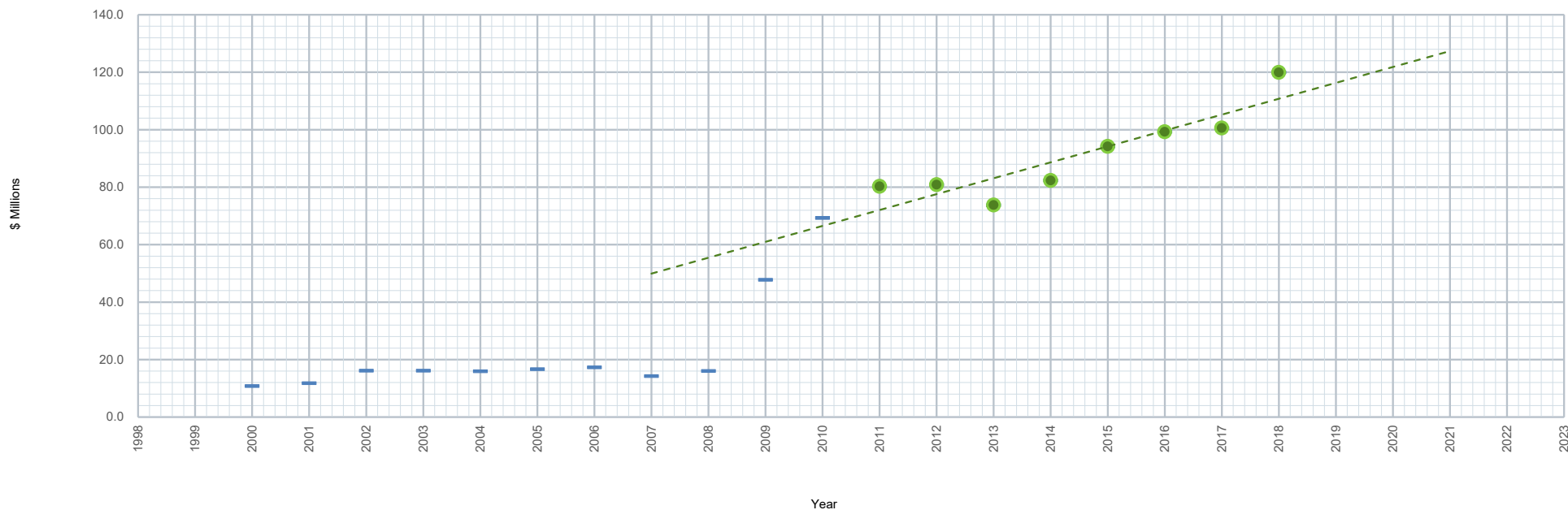
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Plant	15,127	16,340	20,910	21,299	21,374	22,459	23,458	20,632	23,321	57,116	81,955	84,081	85,247	91,466	102,620	144,970	156,057	163,474	189,271
Depreciation Reserve	(4,279)	(4,501)	(4,721)	(5,095)	(5,397)	(5,729)	(6,111)	(6,349)	(7,252)	(9,302)	(12,606)	(3,744)	(4,369)	(17,667)	(20,242)	(24,943)	(30,914)	(37,059)	(43,469)
Less: Project Compass (ICNU DR 175)																(25,812)	(25,812)	(25,812)	(25,812)
<b>Total Intangible Net Plant</b>	<b>10,848</b>	<b>11,839</b>	<b>16,189</b>	<b>16,204</b>	<b>15,977</b>	<b>16,730</b>	<b>17,347</b>	<b>14,283</b>	<b>16,069</b>	<b>47,814</b>	<b>69,349</b>	<b>80,337</b>	<b>80,878</b>	<b>73,799</b>	<b>82,378</b>	<b>94,215</b>	<b>99,331</b>	<b>100,603</b>	<b>119,990</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	5.531
R-Squared of Best-Fit	0.80454
Annual Growth Rate (% of 2018)	4.61%
1-year Growth Rate	<b>4.61%</b>

**Narrative**

Over the period 2000 through 2008, the net intangible plant balances remained markedly flat. Between 2008 and 2011, however, the net intangible plant values increased dramatically. Accordingly, my model uses the most recent flat trend that has occurred over the period 2011 through 2016. I also make an adjustment for project compass, which was an extraordinary investment.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Production Net Plant**

*Selected trend period highlighted green and displayed as green dots in figure*

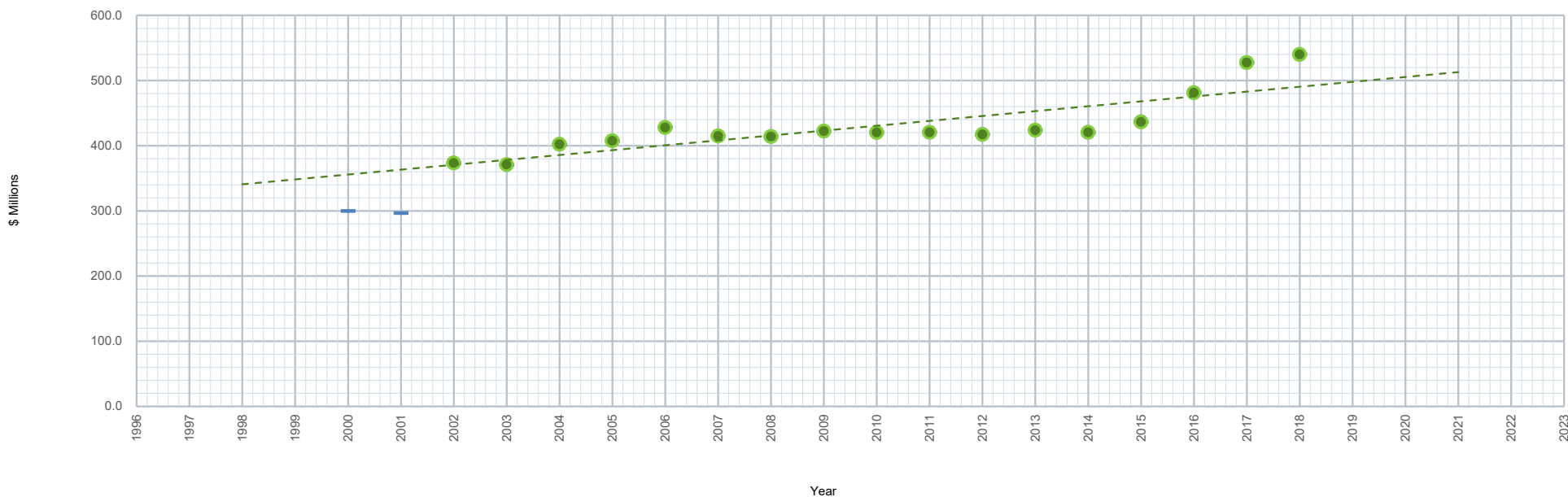
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Plant	455,498	460,292	545,002	556,067	598,268	615,624	649,965	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101	779,441	832,833	879,704	905,266
Depreciation Reserve	(155,496)	(163,566)	(171,572)	(185,180)	(196,126)	(208,203)	(222,098)	(230,738)	(243,189)	(255,390)	(272,340)	(286,300)	(300,170)	(314,599)	(325,531)	(342,899)	(351,625)	(352,091)	(365,167)
<b>Total Production Net Plant</b>	<b>300,002</b>	<b>296,726</b>	<b>373,430</b>	<b>370,887</b>	<b>402,142</b>	<b>407,421</b>	<b>427,867</b>	<b>414,838</b>	<b>413,910</b>	<b>422,256</b>	<b>420,349</b>	<b>420,594</b>	<b>417,278</b>	<b>423,716</b>	<b>420,570</b>	<b>436,542</b>	<b>481,208</b>	<b>527,613</b>	<b>540,099</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	7,483
R -Squared of Best-Fit	0.68573
Annual Growth Rate (% of 2018)	1.39%
1-year Growth Rate	<b>1.39%</b>

**Narrative**

Net production plant has remained relatively flat over the past ten years, with a slight increase in 2015. Accordingly, my model uses the period of 2002 to 2018 for this category of cost.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Transmission Net Plant**

*Selected trend period highlighted green and displayed as green dots in figure*

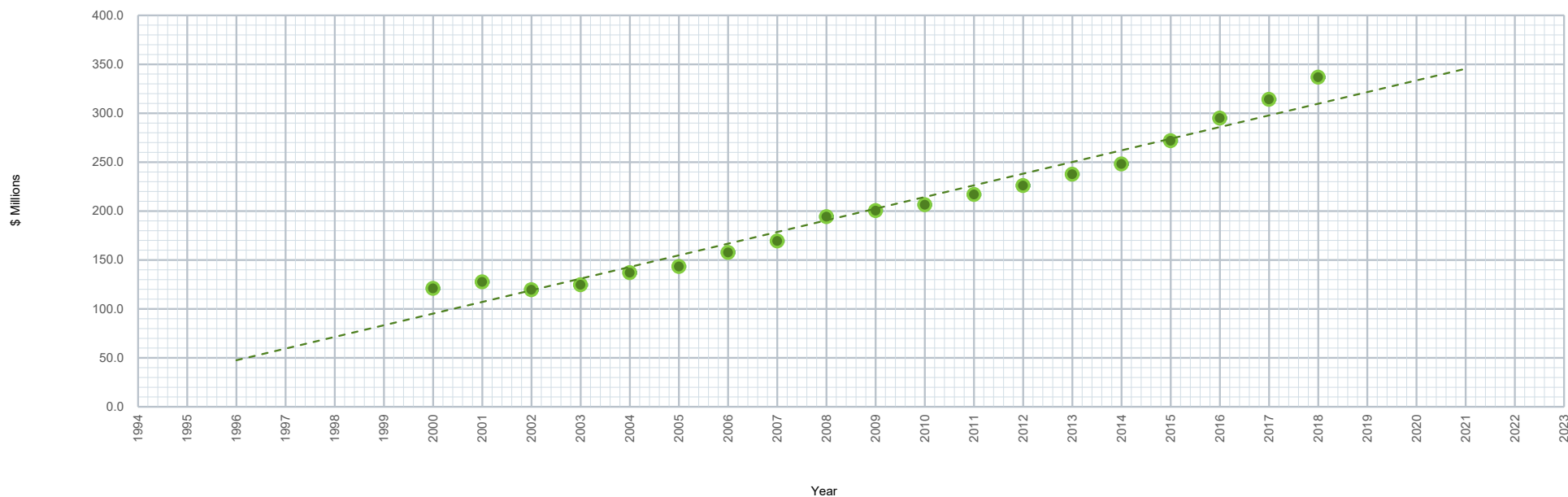
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Plant	181,627	191,517	186,550	196,937	213,539	224,696	244,435	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971	401,700	430,613	451,003	477,024
Depreciation Reserve	(60,746)	(63,899)	(67,026)	(72,342)	(76,619)	(81,337)	(86,765)	(90,140)	(95,026)	(100,649)	(106,041)	(111,144)	(116,316)	(122,308)	(123,869)	(129,936)	(135,624)	(136,838)	(140,271)
<b>Total Transmission Net Plant</b>	<b>120,881</b>	<b>127,618</b>	<b>119,524</b>	<b>124,595</b>	<b>136,920</b>	<b>143,359</b>	<b>157,670</b>	<b>169,392</b>	<b>194,276</b>	<b>200,441</b>	<b>206,464</b>	<b>216,868</b>	<b>226,066</b>	<b>237,633</b>	<b>248,102</b>	<b>271,764</b>	<b>294,989</b>	<b>314,165</b>	<b>336,753</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	11,915
R -Squared of Best-Fit	0.96188
Annual Growth Rate (% of 2018)	3.54%
1-year Growth Rate	<b>3.54%</b>

**Narrative**

Net transmission plant has grown relatively steadily over the past ten years. Accordingly, my model uses the escalation period of 2000 to 2018 for this category of cost.





**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **Distribution Net Plant**

*Selected trend period highlighted green and displayed as green dots in figure*

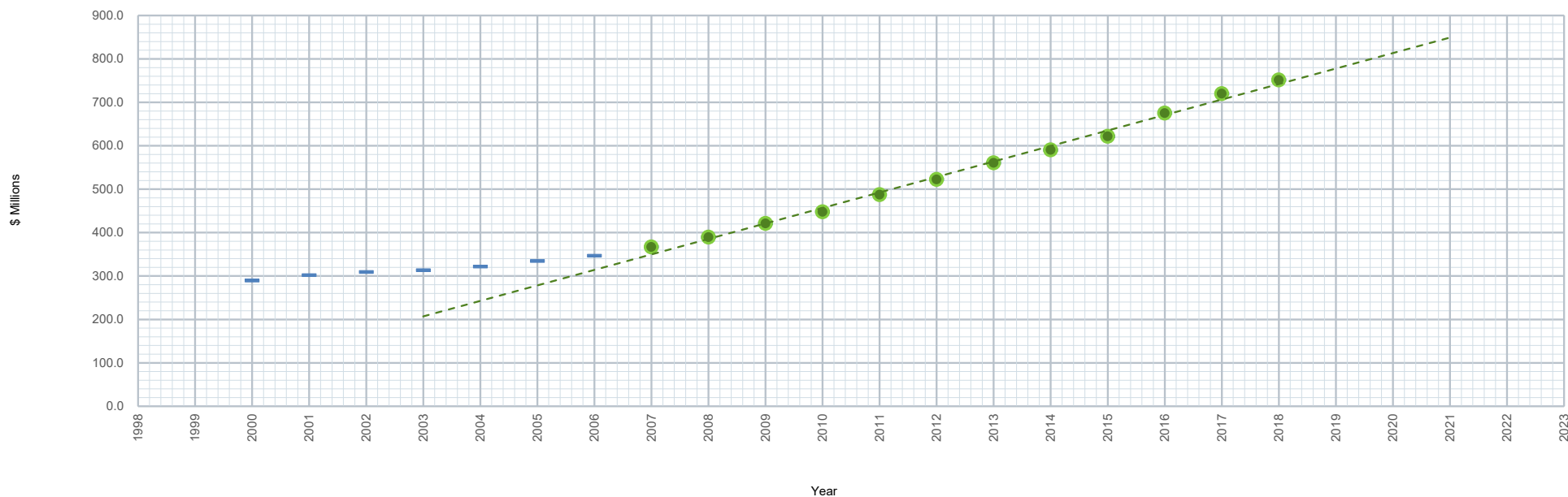
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Plant	398,952	416,914	429,987	443,649	459,739	480,886	502,838	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795	895,055	970,455	1,033,739	1,086,668
Depreciation Reserve	(109,404)	(115,082)	(120,715)	(130,289)	(137,991)	(146,488)	(156,264)	(162,343)	(172,026)	(181,327)	(194,593)	(209,101)	(221,408)	(236,201)	(252,722)	(273,578)	(295,383)	(314,013)	(335,270)
<b>Total Distribution Net Plant</b>	<b>289,548</b>	<b>301,832</b>	<b>309,272</b>	<b>313,360</b>	<b>321,748</b>	<b>334,398</b>	<b>346,574</b>	<b>366,724</b>	<b>389,222</b>	<b>420,874</b>	<b>447,550</b>	<b>486,981</b>	<b>522,324</b>	<b>560,439</b>	<b>590,073</b>	<b>621,477</b>	<b>675,072</b>	<b>719,726</b>	<b>751,398</b>

**Statistics (Over Highlighted Period)**

Slope of Best-Fit Line	35,673
R -Squared of Best-Fit	0.99445
Annual Growth Rate (% of 2018)	4.75%
1-year Growth Rate	<b>4.75%</b>

**Narrative**

The history of net distribution plant shows two distinct trends. The first trend occurred between 2000 and 2006 and showed relatively modest growth in net plant values. The second trend begins in 2007 and extends until 2018. During the second trend period, distribution plant has increased at a greater rate. My model uses the escalation period of 2007 to 2018 for this category of cost.



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: **General Net Plant**

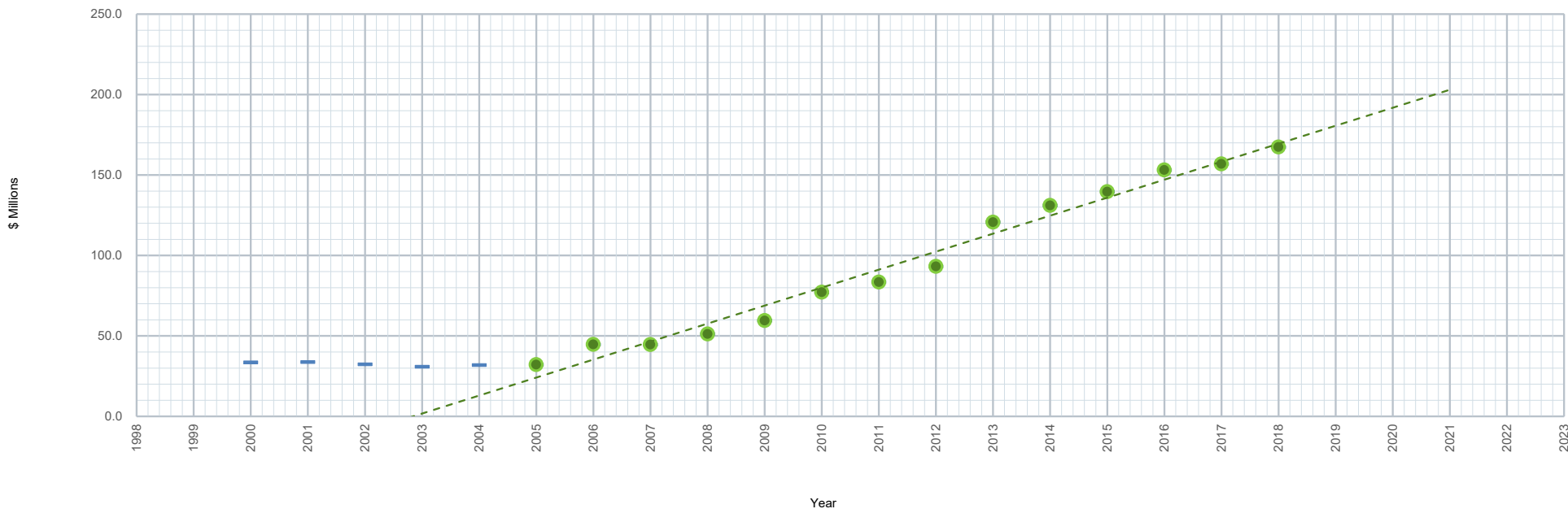
*Selected trend period highlighted green and displayed as green dots in figure*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Plant	58,402	59,846	59,771	60,444	63,155	65,299	80,110	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867	212,726	233,266	242,339	260,548
Depreciation Reserve	(24,757)	(26,042)	(27,317)	(29,483)	(31,226)	(33,149)	(35,361)	(36,737)	(39,933)	(39,153)	(43,819)	(56,694)	(61,871)	(58,357)	(65,720)	(73,050)	(80,093)	(85,360)	(93,140)
<b>Total General Net Plant</b>	<b>33,645</b>	<b>33,804</b>	<b>32,454</b>	<b>30,961</b>	<b>31,929</b>	<b>32,150</b>	<b>44,749</b>	<b>44,631</b>	<b>51,272</b>	<b>59,574</b>	<b>77,177</b>	<b>83,524</b>	<b>93,233</b>	<b>120,777</b>	<b>131,147</b>	<b>139,676</b>	<b>153,173</b>	<b>156,979</b>	<b>167,408</b>

**Statistics (Over Highlighted Period)**

**Narrative**

Slope of Best-Fit Line	11,180
R -Squared of Best-Fit	0.97986
Annual Growth Rate (% of 2018)	6.68%
1-year Growth Rate	<b>6.68%</b>



**Electric Revenue Growth Analysis  
Escalation Rate Evaluation**

Cost / Rate Base Category: Accumulated Deferred Income Taxes

Selected trend period highlighted green and displayed as green dots in figure

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Accumulated Deferred Income Taxes	105,775	109,541	111,367	135,404	150,960	134,967	138,495	139,033	147,502	163,716	184,825	201,163	208,209	221,354	257,766	317,860	353,900	396,851	411,008
<b>Total Accumulated Deferred Income Taxes</b>	<b>105,775</b>	<b>109,541</b>	<b>111,367</b>	<b>135,404</b>	<b>150,960</b>	<b>134,967</b>	<b>138,495</b>	<b>139,033</b>	<b>147,502</b>	<b>163,716</b>	<b>184,825</b>	<b>201,163</b>	<b>208,209</b>	<b>221,354</b>	<b>257,766</b>	<b>317,860</b>	<b>353,900</b>	<b>396,851</b>	<b>411,008</b>

**Statistics (Over Highlighted Period)**

**Narrative**

Slope of Best-Fit Line	40,045
R-Squared of Best-Fit	0.97792
Annual Growth Rate (% of 2018)	9.74%
1-year Growth Rate	<b>9.74%</b>

