

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-200900 and UG-200901 (*Consolidated*)

ANDREA C. CRANE

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT ACC-3

Calculation of Recommended General Revenue Requirement — Washington Electric
Operations

April 21, 2021

**AVISTA UTILITIES
CALCULATION OF RECOMMENDED GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2019**

Line No.	Description	Recommended	Tariff	Overall Bill
		Base Rate Change 10/1/2021 (000's of Dollars)		
1	Pro Forma Rate Base	\$ 1,741,807		
2	Proposed Rate of Return	6.92%		
3	Net Operating Income Requirement	\$120,567		
4	Pro Forma Net Operating Income	115,110		
5	Net Operating Income Deficiency	\$5,457		
6	Conversion Factor	0.755294		
7	Revenue Requirement	\$7,225	\$ (7,225)	\$ -
8	Total General Business Revenues	\$531,722		
9	Percentage Revenue Increase	1.36%	-1.36%	0.0%
10	Total <u>Billed</u> General Business Revenues	\$530,123		
11	Percentage Revenue Increase	1.36%	-1.43%	0.0%

AVISTA UTILITIES RECOMMENDED COST OF CAPITAL WASHINGTON ELECTRIC			
Recommended Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Debt	51.5000%	4.97%	2.56%
Common	48.5000%	9.00%	4.37%
Total	<u>100.0000%</u>		<u>6.92%</u>