

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

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

ANDREA C. CRANE

ON BEHALF OF PUBLIC COUNSEL

EXHIBIT ACC-3

Calculation of Recommended General Revenue Requirement

Washington Electric Operations

October 3, 2019

AVISTA UTILITIES
CALCULATION OF RECOMMENDED GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2018

Line No.	Description	Recommended Base Rate Change 4/1/2020 (000's of Dollars)
1	Pro Forma Rate Base	\$ 1,629,396
2	Proposed Rate of Return	6.96%
3	Net Operating Income Requirement	\$113,406
4	Pro Forma Net Operating Income	105,085
5	Net Operating Income Deficiency	\$8,321
6	Conversion Factor	0.754948
7	Revenue Requirement	\$11,022
8	Total General Business Revenues	\$502,019
9	Percentage Revenue Increase	2.20%
10	Total <u>Billed</u> General Business Revenues	\$519,238
11	Percentage Revenue Increase	2.12%

AVISTA UTILITIES RECOMMENDED COST OF CAPITAL WASHINGTON ELECTRIC			
Proposed Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Debt	53.0%	5.15%	2.73%
Common	47.0%	9.00%	4.23%
Total	<u>100.00%</u>		<u>6.96%</u>