

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKETS UE-150204 and
)	UG-150205 (<i>consolidated</i>)
Complainant,)	
)	
v.)	
)	
AVISTA CORPORATION d/b/a)	
AVISTA UTILITIES,)	
)	
Respondent.)	
_____)	

EXHIBIT BGM-13

**ELECTRIC RATE BASE COMPARISON:
PRO FORMA VERSUS ATTRITION STUDY**

Avista 2015 General Rate Case

Electric Services

Comparison of Pro Forma Rate Base to Attrition Rate Base in Order 05

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Pro Forma Rate Base Adjustments

	Dec 31, 2014 Results	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Planned Cap. Add Dec 2014 EOP	Repairs Deduction	Planned Cap. Add 2015 EOP	Order 05 Pro Forma Rate Base
Plant in Service	1.00	1.01	1.02	1.03	3.07	3.07U	4.01	
							(a)	
Intangible	100,295				6,240		48,260	154,795
Production	747,839				9,283		11,147	768,269
Transmission	370,703				19,510		-	390,213
Distribution	830,629				30,022		5,358	866,008
General	192,845				7,351		1	200,198
Subtotal:	2,242,311	-	-	-	72,406	-	64,766	2,379,483
Accumulated Depr.								
Intangible	(19,415)				(952)		(3,803)	(24,170)
Production	(324,667)				(5,359)		(145)	(330,171)
Transmission	(124,279)				(705)		-	(124,984)
Distribution	(248,229)				(14,474)		(114)	(262,817)
General	(63,732)				(2,207)		(0)	(65,939)
Subtotal:	(780,322)	-	-	-	(23,698)	-	(4,063)	(808,083)
Net Plant	1,461,989	-	-	-	48,708	-	60,703	1,571,400
Deferred Taxes	(238,376)	(6,009)			(53,079)	(3,896)	(4,340)	(305,700)
Net Plant After DIT	1,223,613	(6,009)	-	-	(4,371)	(3,896)	56,363	1,265,700
Deferred Dr./Cr.	11,848		(7,399)					4,449
Working Capital	25,039			20,703				45,742
Total Rate Base	1,260,500	(6,009)	(7,399)	20,703	(4,371)	(3,896)	56,363	1,315,891
								<i>t/a to Order 05 Table A1</i>
Rate Base Impact on Depreciation								
Prod. and Trans.	23,738				(587)		222	23,373
Distribution	23,480				461		156	24,097
Admin. and General	16,215				2,765		4,436	23,416
Total Depr. Exp.	63,433	-	-	-	2,639	-	4,814	70,886
Rate Base Impact on Income Tax								
Current Tax	(22,202)	-	-	-	(924)	-	(1,685)	(24,810)
Debt Interest	-	56	69	(194)	41	37	(528)	(519)
Total Tax Expense	(22,202)	56	69	(194)	(883)	37	(2,213)	(25,329)
Net Income Impact	41,231	56	69	(194)	1,756	37	2,601	45,557
Post-Tax Revenue Requirement								
Req. Return @ 7.29%	91,890	(438)	(539)	1,509	(319)	(284)	4,109	95,928
Impact on NOI	41,231	56	69	(194)	1,756	37	2,601	45,557
Post Tax Rev. Req.	133,122	(382)	(470)	1,315	1,438	(248)	6,710	141,485
Conversion Factor	0.62018	0.62018	0.62018	0.62018	0.62018	0.62018	0.62018	0.62018
Pre-Tax Revenue Requirement								
Pre-Tax Req. Return	148,167	(706)	(870)	2,434	(514)	(458)	6,625	154,678
Pre-Tax NOI Impact	66,483	91	112	(313)	2,832	59	4,194	73,457
Pre-Tax Rev Req.	214,650	(616)	(758)	2,121	2,318	(399)	10,819	228,136

t/a to Order 05 Table A1 -----/

Note (a) The difference in rate base and depreciation between CHS-2 (Rev.) and Order 05 was applied to intangible plant

Note (b) Includes adjustment to Deferred Debits and Credits

ROR 7.29%
Wtd-debt 2.68%

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	Attrition Rate Base Adjustments					Delta Pro Forma vs. Attrition
	Dec 31, 2014 Rest. Results (b)	Escalaction Factor	Escalation Amount	Post-Attr. Compass	Order 05 Attrition Rate Base	
Plant in Service						
Intangible	102,620	7.83%	8,034	46,004	156,658	(1,863)
Production	746,101	7.83%	58,410		804,511	(36,241)
Transmission	371,971	7.83%	29,120		401,091	(10,879)
Distribution	842,795	0.00%	-		842,795	23,213
General	196,867	7.83%	15,412		212,279	(12,081)
Subtotal:	2,260,354		110,976	46,004	2,417,334	(37,851)
Accumulated Depr.						
Intangible	(20,242)	7.83%	(1,585)	(1,943)	(23,770)	(401)
Production	(325,531)	7.83%	(25,485)		(351,016)	20,845
Transmission	(123,869)	7.83%	(9,697)		(133,566)	8,582
Distribution	(252,722)	0.00%	-		(252,722)	(10,095)
General	(65,720)	7.83%	(5,145)		(70,865)	4,926
Subtotal:	(788,084)		(41,912)	(1,943)	(831,939)	23,856
Net Plant	1,472,270		69,064	44,061	1,585,395	(13,995)
Deferred Taxes	(257,766)	7.83%	(20,180)	(2,003)	(279,949)	(25,751)
Net Plant After DIT	1,214,504		48,885	42,058	1,305,447	(39,747)
Deferred Dr./Cr.	4,596		-		4,596	(147)
Working Capital	47,807		-		47,807	(2,065)
Total Rate Base	1,266,907		48,885	42,058	1,357,851	(41,959)
Rate Base Impact on Depreciation						
Prod. and Trans.	23,715	9.55%	2,264		25,979	(2,606)
Distribution	23,794	9.55%	2,272		26,066	(1,969)
Admin. and General	16,947	9.55%	1,618	3,887	22,452	964
Total Depr. Exp.	64,456		6,155	3,887	74,498	(3,612)
Rate Base Impact on Income Tax						
Current Tax	(22,560)		(2,154)	(1,360)	(26,074)	1,264
Debt Interest	-		(458)	(394)	(852)	333
Total Tax Expense	(22,560)		(2,612)	(1,755)	(26,927)	1,597
Net Income Impact	41,896		3,542	2,132	47,571	(2,014)
Post-Tax Revenue Requirement						
Req. Return @ 7.29%	92,358		3,564	3,066	98,987	(3,059)
Impact on NOI	41,896		3,542	2,132	47,571	(2,014)
Post Tax Rev. Req.	134,254		7,106	5,198	146,558	(5,073)
Conversion Factor	0.62018		0.62018	0.62018	0.62018	0.62018
Pre-Tax Revenue Requirement						
Pre-Tax Req. Return	148,921		5,746	4,944	159,611	(4,932)
Pre-Tax NOI Impact	67,555		5,712	3,438	76,705	(3,248)
Pre-Tax Rev Req.	216,476		11,458	8,382	236,316	(8,180)