

**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-14

GAS RATE BASE COMPARISON:

PRO FORMA VERSUS ATTRITION STUDY

Avista 2015 General Rate Case

Gas Services

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

(\$000)

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Pro Forma Rate Base Adjustments

	Dec 31, 2014 Results	Deferred FIT Rate Base	Working Capital	Net Gain/ Loss	Actual Cap Add Dec 2014 EOP	Repairs Deduction	Planned Capital Add 2015 EOP	Order 05 Pro Forma Rate Base
	1.00	1.01	1.02	2.09	3.07	3.07U	4.01 (a)	
Plant in Service								
U.G. Storage	24,932				608		-	25,540
Distribution	332,439				13,279		4,499	350,217
General Plant	58,679				1,093		13,789	73,561
Subtotal	416,050	-	-	-	14,981	-	18,287	449,318
Accumulated Depr.								
U.G. Storage	(9,345)				(201)		-	(9,546)
Distribution	(113,282)				(4,410)		(77)	(117,768)
General Plant	(16,998)				(404)		(1,058)	(18,460)
Subtotal	(139,625)	-	-	-	(5,015)	-	(1,134)	(145,774)
Net Plant	276,425	-	-	-	9,966	-	17,153	303,544
Deferred Taxes	(55,323)	(3,032)			(6,578)	3,500	(1,200)	(62,634)
Net Plant After DIT	221,102	(3,032)	-	-	3,388	3,500	15,953	240,911
Gas Inventory	12,801							12,801
Other	(428)							(428)
Working Capital			10,371					10,371
Total Rate Base	233,475	(3,032)	10,371	-	3,388	3,500	15,953	263,655
								<i>t/a to Order 05 Table A2</i>
Rate Base Impact on Depreciation								
U.G. Storage	392				10			402
Distribution	8,386			(5)	138		113	8,632
General Plant	4,316				73		1,281	5,670
Total Depr. Expense	13,094	-	-	(5)	222	-	1,394	14,705
Rate Base Impact on Income Tax								
Current Tax	(4,583)	-	-	2	(78)	-	(488)	(5,147)
Debt Interest	-	28	(97)	-	(32)	(33)	(150)	(283)
Total Tax Expense	(4,583)	28	(97)	2	(109)	(33)	(637)	(5,429)
Net Income Impact	8,511	28	(97)	(3)	112	(33)	757	9,275
Post-Tax Revenue Requirement								
Req. Return @ 7.29%	17,020	(221)	756	-	247	255	1,163	19,220
Impact on NOI	8,511	28	(97)	(3)	112	(33)	757	9,275
Post Tax Rev. Req.	25,531	(193)	659	(3)	359	222	1,920	28,496
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	27,444	(356)	1,219	-	398	411	1,875	30,992
Pre-Tax NOI Impact	13,724	46	(157)	(5)	181	(53)	1,220	14,956
Pre-Tax Rev Req.	41,168	(311)	1,062	(5)	579	359	3,095	45,947
								<i>t/a to Order 05 Table A2 -----</i>

Note (a) The difference in rate base and depreciation for Adjustment 4.01 between CHS-3 (Rev.) and Order 05 was applied to general plant

ROR 7.29%
Wtd-debt 2.68%

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	Attrition Rate Base Adjustments				Order 05 Attrition Rate Base	Delta Pro Forma vs. Attrition
	Dec 31, 2014 Rest. Results	Escalaction Factor	Escalation Amount	Post-Attr. Compass		
Plant in Service						
U.G. Storage	25,235	16.86%	4,255		29,490	(3,949)
Distribution	337,894	16.86%	56,968		394,862	(44,644)
General Plant	59,169	16.86%	9,976	13,239	82,384	(8,823)
Subtotal	422,298		71,198	13,239	506,735	(57,416)
Accumulated Depr.						
U.G. Storage	(9,521)	16.86%	(1,605)		(11,126)	1,580
Distribution	(114,795)	16.86%	(19,354)		(134,149)	16,381
General Plant	(17,429)	16.86%	(2,938)	(559)	(20,926)	2,467
Subtotal	(141,745)		(23,898)	(559)	(166,202)	20,427
Net Plant	280,553		47,300	12,680	340,533	(36,989)
Deferred Taxes	(54,652)	16.86%	(9,214)	(577)	(64,443)	1,810
Net Plant After Deferred Taxes	225,901		38,086	12,103	276,090	(35,179)
Gas Inventory	14,762				14,762	(1,961)
Other	(479)				(479)	51
Working Capital	10,073				10,073	298
Total Rate Base	250,257		38,086	12,103	300,446	(36,791)
Rate Base Impact on Depreciation						
U.G. Storage	402	22.27%	90		492	(90)
Distribution	8,513	22.27%	1,896		10,409	(1,777)
General Plant	4,389	22.27%	978	1,119	6,486	(815)
Total Depr. Expense	13,304		2,963	1,119	17,386	(1,777)
Rate Base Impact on Income Tax						
Current Tax	(4,656)		(1,037)	(392)	(6,085)	939
Debt Interest	-		(357)	(113)	(470)	188
Total Tax Expense	(4,656)		(1,394)	(505)	(6,556)	1,126
Net Income Impact	8,648		1,569	614	10,831	(651)
Post-Tax Rate Base Rev. Req.						
Req. Return @ 7.29%	18,244		2,776	882	21,903	(2,682)
Impact on NOI	8,648		1,569	614	10,831	(651)
Post Tax Rev. Req.	26,891		4,346	1,496	32,733	(3,333)
Conversion Factor	0.62018		0.62018	0.62018	0.62018	0.62018
Pre-Tax Rate Base Rev. Req.						
Pre-Tax Req. Return	29,417		4,477	1,423	35,316	(4,325)
Pre-Tax NOI Impact	13,944		2,530	990	17,464	(1,049)
Pre-Tax Rev Req.	43,361		7,007	2,413	52,780	(5,374)