Exh. CRM-9 Dockets UE-150204/UG-150205 Witness: Chris R. McGuire

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKETS UE-150204 and UG-150205 (Consolidated)

EXHIBIT TO TESTIMONY OF

Chris R. McGuire

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Natural Gas Attrition Study – Revised Exh. EMA-7

September 13, 2019

STAFF RECALCULATION ON REMAND

2016 WASHINGTON NATURAL GAS ATTRITION STUDY

Edited from Avista Exhibit EMA-7

EMA-7 was produced by Avista on Rebuttal, and edited from Staff Exhibit CRM-3

Twelve Months Ended December 31, 2014

(000's of Dollars)

Line No.	Description		(a) Attrition Balances	(b) Revenue Growth Factor	(c) ition Study Results
1	2016 Rate Base	\$	263,655	1.01157	\$260,640
2	Settlement Rate of Return				 7.29%
3	Net Operating Income Requirement				\$19,001
4	2016 Net Operating Income (at 2015 rates)	\$	14,367	1.01157	\$14,203
5	2016 Rate of Return (at 2015 rates)				5.45%
6	2016 Net Operating Income Deficiency (Surplus)				\$4,798
7	Gross-up Conversion Factor				0.62032
8	2016 Attrition Revenue Deficiency (Surplus)				\$7,734
9	2016 Total General Business Revenues (at 2015 rates)				\$ 170,914
10	Attrition-based 2016 revenue requirement				\$ 178,648
11	Percent Revenue Requirement Change (vs. 2015)				4.53%
	REMAND CALCULA	\TI	ONS		
12	Pro Forma Revenue Deficiency (Sufficiency) - from Orde	er 05	5, Table A	2	\$ 3,975
13	Attrition Study Revenue Deficiency (sufficiency)				\$ 7,734
14	Attrition Allowance - REVISED PER REMAND				\$ 3,759
15	Attrition Allowance - PER ORDER 05				\$ 6,849
16	Difference (annual) - Owed back to Customers			12 months	\$ 3,090
				11 months	\$ 2,862
				2.3 years	\$ 7,107

Multiparty Settlement - Cost of Capital Washington - Natural Gas System									
Proposed Cap Structure									
Component	Capital Structure	Cost	Weighted Cost						
Total Debt	51.50%	5.20%	2.68%						
Common	48.50%	9.50%	4.61%						
Total	100.00%	-	7.29%						

Revenue Conversion Factor											
	Washington - Natural Gas (System)										
Twelve Months Ended December 31, 2014											
Line No.	Description	Factor									
1	Revenues	1.000000									
	Expense:										
2 Uncollectibles 0.005354											
3	Commission Fees	0.002000									
4	Washington Excise Tax	0.038314									
5	Total Expense	0.045668									
6	Net Operating Income Before FIT	0.954332									
7	Federal Income Tax @ 35%	0.334016									
8	REVENUE CONV FACTOR	0.62032									

	\$000s		Determine Base Cost and Revenue to Escalate										
CBR Line		Co Ba F	12.2014 mmission sis Report Restated		gulatory Amorts	R	o Forma evenue malization	N	Exclude ormalized Gas Costs		ecember 2014 calatior Base		
<u>No.</u>	DESCRIPTION		Totals ¹		Adjs	Ad	justment	and	d Revenue		Buse		
			[A]		[B]		[C]		[D]		[E]		
	REVENUES												
1	Total General Business	\$	154,546	\$	-	\$	12,185	\$	(92,072)		74,65		
2	Total Transportation	\$	3,960	\$	-	\$	223			\$	4,18		
3	Other Revenues	\$	332	\$	-	\$	-	<i>ф</i>	(02.072)	\$	33		
4	Total Gas Revenues	\$	158,838	\$	-	\$	12,408	\$	(92,072)	\$	79,17		
	EXPENSES Production Expenses												
5	City Gate Purchases	\$	84,187	\$	-	\$	3,680	\$	(87,867)	\$			
6	Purchased Gas Expense	\$	779	\$	-	\$	3		(\$	78		
7	Net Nat Gas Storage Trans	\$	-	\$	-	\$	-			\$			
8	Total Production	\$	84,966	\$	-	\$	3,683	\$	(87,867)	\$	78		
	Underground Storage												
9	Operating Expenses	\$	893	\$	-	\$	-			\$	89		
10	Depreciation/Amortization	\$	402	\$	-	\$	-			\$	40		
11	Taxes	\$	184	\$	-	\$	-			\$	18		
12	Total Underground Storage	\$	1,479	\$	-	\$	-	\$	-	\$	1,47		
	Distribution												
13	Operating Expenses	\$	10,704	\$	-	\$	-			\$	10,70		
14	Depreciation/Amortization	\$	8,513	\$	-	\$	-			\$	8,51		
15	Taxes	\$	8,719	\$	-	\$	475	\$	(3,528)	\$	5,66		
16	Total Distribution	\$	27,936	\$	-	\$	475	\$	(3,528)	\$	24,88		
17	Customer Accounting	\$	6,108	\$	-	\$	66	\$	(493)	\$	5,68		
18	Customer Service & Information	\$	865	\$	-	\$	-	·	(/	\$	86		
19	Sales Expenses	\$	-	\$	-	\$	-			\$			
	Administrative & General												
20	Operating Expenses	\$	12,777	\$	-	\$	25	\$	(184)	\$	12,61		
21	Depreciation/Amortization	\$	4,389	\$	-	\$	-		× /	\$	4,38		
22	Regulatory Amortizations	\$	(91)		1,143	\$	91			\$	1,14		
23	Taxes	\$	-	\$	-,1.0	\$	-			\$	-,- 1		
24	Total Admin. & General	\$	17,075	\$	1,143	\$	116	\$	(184)	\$	18,15		
25	Total Gas Expense	\$	138,429	\$	1,143	\$	4,341	\$	(92,072)	\$	51,84		
26	OP INCOME BEFORE FIT	\$	20,409	\$	(1,143)		8,067	\$		\$	27,33		

2016 NATURAL GAS ATTRITION RI

¹Workpapers for 12.2014 Commission Basis Reports provided with Avista's Response to Staff_DR_130.

	\$000s	Determine Base Cost and Revenue to Escalate									
CBR Line		Co Ba	12.2014 ommission isis Report Restated		gulatory Amorts	R	o Forma levenue malization	No	Exclude ormalized as Costs		December 2014 scalation Base
<u>No.</u>	DESCRIPTION		Totals ¹		Adjs		ljustment	and	l Revenue		Base
			[A]		[B]		[C]		[D]		[E]
	FEDERAL INCOME TAX										
27	Current Accrual	\$	(6,945)		(400)		2,824		-	\$	(4,521)
28	Debt Interest	\$	(137)		-	\$	-	\$	-	\$	(137)
29	Deferred FIT	\$	13,105	\$	-	\$	-			\$	13,105
30	Amort ITC	\$	(20)	\$	-	\$	-			\$	(20)
31	NET OPERATING INCOME	\$	14,406	\$	(743)	\$	5,244	\$	-	\$	18,907
	RATE BASE										
	PLANT IN SERVICE										
32	Underground Storage	\$	25,235	\$	-	\$	-			\$	25,235
33	Distribution Plant	\$	337,894	\$	-					\$	337,894
34	General Plant	\$	59,169	\$	-	\$	-			\$	59,169
35	Total Plant in Service	\$	422,298	\$	-	\$	-	\$	-	\$	422,298
	ACCUMULATED DEPR/AMORT										
36	Underground Storage	\$	(9,521)	\$	-	\$	-			\$	(9,521)
37	Distribution Plant	\$	(114,795)		-					\$	(114,795)
38	General Plant	\$	(17,429)	\$	-	\$	-			\$	(17,429)
39	Total Accumulated Depr/Amort	\$	(141,745)	\$	-	\$	-	\$	-	\$	(141,745)
40	NET PLANT	\$	280,553	\$	-	\$	-	\$	-	\$	280,553
41	DEFERRED TAXES	\$	(54,652)	\$	-					\$	(54,652)
42	Net Plant After DFIT	\$	225,901	\$	-	\$	-	\$	-	\$	225,901
43	GAS INVENTORY	\$	14,762	\$	-	\$	-			\$	14,762
44	GAIN ON SALE OF BUILDING	\$	-	\$	-	\$	-			\$	-
45	OTHER	\$	(479)	\$	-	\$	-			\$	(479)
46	WORKING CAPITAL	\$	10,073	\$	-	\$	-			\$	10,073
47	TOTAL RATE BASE	\$	250,257	\$	-	\$	-	\$	-	\$	250,257
48	¹ Workpapers for 12.2014 Commi RATE OF RETURN	ssion	Basis Repo	rts p	provided v	with A	Avista's Res	spon	se to Staff_	Dŀ	R_130.
40											
4.0	ATTRITION ADJUSTED REVENUE	REÇ	-								-
49	Proposed Rate of Return	<i>•</i>					ghted areas				
50	Net Operating Income Requirement	\$					nple, corre				
51 52	Net Operating Income per Above	¢					[F] page 4				
52 53	Net Operating Income Deficiency Conversion Factor	\$	3,838				ulations ca				
53 54	Conversion Factor Revenue Requirement	\$	0.62032	[K	, the Co	mpai	ny has incl	lude	d total Pro	oje	ct Compa
	Revenue Growth Factor	Э	0,18/								
55											

2016 NATURAL GAS ATTRITION RE

*Note: Adjustment in Column [B] includes the Regulatory Amortization associated with the deferral of the Natural Gas poi in the 12.2014 Commission Basis. This amount is not escalated as shown in column [F].

	Esc	calate No	n-E	nergy Cost	Oth	er Cost & F	Reve	nue Ac	ljustments					REMAND
Escalation Factor	A	calation mount [E] [F]=[G]	20 En	Frended)16 Non- ergy Cost]+[G]=[H]	Pro	s) 12.2014 p-Formed Gas t/Revenue	Re	olus) venue rowth	After Attrition Adj - Project Compass	After Attritic Adj - Atmo Testin	on ² s	а [Н	6 Revenue nd Cost]+[I]+[J]+ +[L] = [M]	
[F]		[G]		[H]		[I]		[1]	[K]	[L]			[M]	[N]
1.19% -0.14% 0.00%				74,659 4,183 332	\$	92,072	\$ \$	1,983 (6) -				\$	168,714 4,177 332	
	\$	-	\$	79,174	\$	92,072	\$	1,977				\$	173,223	
4.84%		38		820	\$	87,867		950					88,817 820	
	\$	38	\$	820	\$	87,867	\$	950				\$	- 89,637	
4.84% 25.86% 21.00%		43 104 39		936 506 223									936 506 223	
21.0070	\$	186	\$	1,665	\$	-	\$	-				\$	1,665	
4.84% 25.86%		518 2,201		11,222 10,714						70	07		11,929 10,714	
21.00%	\$	1,190 3,909	\$	6,856 28,792	\$ \$	3,528 3,528	\$ \$	76 76		\$ 70)7	\$	10,460 33,103	
4.84% 4.84% 4.84%		275 42		5,956 907 -	\$	493	\$	11					6,460 907 -	
4.84% 25.86% 0.00% 21.00%		611 1,135 -		13,229 5,524 1,143	\$	184	\$	4	1,119]			13,417 6,643 1,143	
	\$	1,746	\$	19,895	\$	184	\$	4	\$ 1,119	\$		\$	21,202	
	\$	6,195	\$	58,036	\$	92,072		1,041	\$ 1,119	\$ 70		\$	152,975	
	\$	(6,195)	\$	21,138	\$	-	\$	936	\$ (1,119)	(70)7)	\$	20,248	

EVENUE REQUIREMENT

	Escalate No	n-Energy Cost	Other Cost & F	Revenue A	djustments			REMAN
Escalation Factor	Escalation Amount [E] *[F]=[G]	Trended 2016 Non- Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Gas Cost/Revenue	(plus) Revenue Growth	After Attrition Adj - Project Compass	After Attrition Adj - Atmos Testing	2016 Revenue and Cost [H]+[I]+[J]+ [K]+[L] = [M]	
[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	•
	(2,168) 60	(6,690) (77) 13,105 (20)	-	327	(392) (114)	(247)	(7,001) (191) 13,105 (20)	(2
	\$ (4,086)	\$ 14,821	\$-	\$ 608	\$ (614)	\$ (460)	\$ 14,355	\$ 14,3
0.00% 0.00% 0.00%	\$ - - -	25,235 337,894 59,169 422,298			13,239 13,239	1	\$ 25,235 337,894 72,408 435,537	-
0.00% 0.00% 0.00%	- -	(9,521) (114,795) (17,429)			(559)	1	(9,521) (114,795) (17,988)	-
0.00%	- \$ - -	(141,745) \$ 280,553 (54,652) 225,901			(559) \$ 12,680 (577) 12,103	<u> </u>	(142,304) 293,233 (55,229) 238,004	-
0.00% 0.00% 0.00% 0.00%	-	14,762 - (479) 10,073					14,762 - (479) 10,073	
	\$-	\$ 250,257			\$ 12,103		\$ 262,360	\$ 263,0
							No RB escal. 5.47%	PF Rate B 5.4
made in o reflect S ista accep	columns [J] taff's linear ted Staff's], [K] and [L] regression ca O&M escalat	ness Mr. McGu . Avista's prop alculation, how ion growth rate palances propos	osed grow ever, usin as filed.	/th escalati g years 20 Lastly, in	ions were 07-2014	14,355 \$ 4,771 0.62032	\$ 19,2 14,3 \$ 4,8 0.62
costs, rat				-			\$ 7,691	\$ 7,8

EVENUE REQUIREMENT

rtion of the Project Compass Customer Information System (CIS) project as this amount is not inluded

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2014

AVISTA UTILITIES WASHINGTON NATURAL GAS RESULTS

Commission Basis Results of Operations

(000'S OF DOLLARS)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Line		Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated
No.	DESCRIPTION	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	REVENUES														
1	Total General Business	\$ 144,574			\$ 159,265					\$ 182,706					\$ 154,546
2	Total Transportation	4,274	3,878	3,392	2,842	3,440	3,111	3,263	3,369	3,275	3,155	3,448	3,627	3,915	3,960
3	Other Revenues	2,541 151,389	2,340	2,183	2,168	30,131	2,372	68,416	153,093	84,085	115,257	98,841	68,107	403	332
4	Total Gas Revenues	151,389	154,798	142,606	164,275	212,295	205,504	280,865	360,189	270,066	260,782	254,746	213,782	148,575	158,838
	EXPENSES														
	Production Expenses														
5	City Gate Purchases	106,139	109,325	96,222	114,371	167,251	149,802	222,364	310,276	194,267	197,494	188,167	139.073	76,801	84,187
6	Purchased Gas Expense	988	1,177	1,186	369	651	653	792	(9,103)	803	800	14	130	891	779
7	Net Nat Gas Storage Trans	134	128	-	-	(8,407)	-	283	2	10,720	(3,322)	(4,366)	4,352	-	-
8	Total Production	107,261	110,630	97,408	114,740	159,495	150,455	223,439	301,175	205,790	194,972	183,815	143,555	77,692	84,966
	Underground Storage														
9	Operating Expenses	322	357	342	381	450	492	451	436	403	380	585	712	820	893
10	Depreciation/Amortization	314	297	309	309	310	312	310	276	393	348	395	438	380	402
11	Taxes	108	120	118	120	115	122	95	113	121	116	19	17	158	184
12	Total Underground Storage	744	774	769	810	875	926	856	825	917	844	999	1,167	1,358	1,479
12	Distribution	4.655	5.482	5,762	5.958	6 00 4	6.359	6.467	6.123	7,700	7,696	8.854	9.511	10.820	10,704
13	Operating Expenses	,	.,	.,	.,	6,084	.,	.,	- , -	,	,	-)	. ,.	.,	.,
14 15	Depreciation/Amortization Taxes	4,390 7,315	4,496 8,070	4,707 7,205	4,902 8,213	5,088 8,573	5,369 9,457	5,605 9,844	5,673 8,941	6,064 8,746	6,367 7,223	6,649 8,051	6,978 7,825	7,925 8,116	8,513 8,719
15	Total Distribution	16,360	18,048	17,674	19,073	,	21,185	21,916	20,737	22,510	21,286	23,554	,	26,861	
16	I otal Distribution	10,300	18,048	17,074	19,075	19,745	21,185	21,910	20,757	22,510	21,280	23,554	24,314	20,801	27,936
17	Customer Accounting	3.367	4,108	4.121	4,337	4,249	4,225	4,487	4,692	5,586	5.234	5,740	5,796	6.270	6,108
18	Customer Service & Information	1,513	2,252	2,747	480	3,523	1,061	4,658	5,169	7,609	9,505	9,777	6,955	983	865
19	Sales Expenses	445	375	492	427	320	496	516	442	497	105	3	3	3	-
	Administrative & General														
20	Operating Expenses	7,578	9,399	9,827	8,911	9,196	8,393	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777
21	Depreciation/Amortization	1,020	1,275	1,363	1,180	1,343	1,282	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389
22	Regulatory Amortizations	167	185	159	169	-	-	(815)	(242)	440	216	(186)	171	91	(91)
23 24	Taxes Total Admin. & General	21 8,786	23 10,882	24 11,373	24 10,284	23	24 9,699	20 9,604	17 11,284	19 12,228	24 14,035	14,133	(1) 16,865	15,821	17,075
		138,476	10,882	134,584	150,151	198,769	9,699	265,476	344,324	255,137	245,981	238,021	198,655	15,821	
25	Total Gas Expense	138,470	147,009	134,384	150,151	198,709	188,047	205,470	344,324	255,157	245,981	238,021	198,055	128,988	138,429
26	OPERATING INCOME BEFORE FIT	12,913	7,729	8,022	14,124	13,526	15,257	15,389	15,865	14,929	14,801	16,725	15,127	19,587	20,409
	FEDERAL INCOME TAX														
27	Current Accrual	(256)	6,949	651	655	(3,110)	6,693	5,010	506	2,468	(5,811)	(907)	(1,185)	4,253	(6,945)
28	Debt Interest											63	3	(56)	(137)
29	Deferred FIT	3,078	(6,302)	325	2,340	5,522	(3,072)	(1,442)	3,320	1,238	9,594	5,691	5,033	1,403	13,105
30	Amort ITC	(30)	(31)	(31)	(31)	(30)	(30)	(31)	(31)	(30)	(29)	(27)	(25)	(24)	(20)
	NET OPED (TRUC DICO) T	¢	ф -		6 1 1 1 1 1 1 1 1 1 1	·	6 1		. 10 0 -			¢ 1100-	¢ 11.00-		6 14 10 -
31	NET OPERATING INCOME	\$ 10,121	\$ 7,113	\$ 7,077	\$ 11,160	\$ 11,144	\$ 11,666	\$ 11,852	\$ 12,070	\$ 11,253	\$ 11,047	\$ 11,906	\$ 11,301	\$ 14,011	\$ 14,406

Note: The Regulatory Amortizations Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2014

AVISTA UTILITIES WASHINGTON NATURAL GAS RESULTS (000'S OF DOLLARS)

Commission Basis Results of Operations

			2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Line			Restated													
No.	DESCRIPTION		Total													
	RATE BASE															
	PLANT IN SERVICE															
32	Underground Storage		\$ 13,533	\$ 13,439	\$ 13,712	\$ 13,632	\$ 13,708	\$ 13,854	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008	\$ 24,365	\$ 24,711	\$ 25,235
33	Distribution Plant		178,943	185,314	191,970	200,079	208,396	219,287	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894
34	General Plant	_	15,060	15,368	16,112	16,499	17,878	20,791	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169
35	Total Plant in Service		207,536	214,121	221,794	230,210	239,982	253,932	264,883	280,294	305,521	322,917	342,258	365,326	390,403	422,298
	ACCUMULATED DEPRECIATION/AMORT															
36	Underground Storage		6,220	6,115	6,495	6,659	6,924	7,249	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521
37	Distribution Plant		51,645	55,845	60,239	64,817	69,428	74,019	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795
38	General Plant	_	5,695	6,442	7,446	6,984	7,208	7,230	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429
39	Total Accumulated Depreciation/Amortization	_	63,560	68,402	74,180	78,460	83,560	88,498	92,560	97,295	100,710	108,254	116,701	123,541	132,474	141,745
40	NET PLANT		143,976	145,719	147,614	151,750	156,422	165,434	172,323	182,999	204,811	214,663	225,557	241,785	257,929	280,553
41	DEFERRED TAXES	_	(14,476)	(15,979)	(22,570)	(26,800)	(23,805)	(24,645)	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)
42	Net Plant After DFIT	_	129,500	129,740	125,044	124,950	132,617	140,789	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901
43	GAS INVENTORY		3,190	4,191	4,568	4,807	6,936	7,628	5,607	15,327	8,440	10,226	13,753	13,107	11,702	14,762
44	GAIN ON SALE OF BUILDING		(470)	(424)	(378)	(243)	(286)	(153)	(197)	(152)	(109)	(44)	(14)	-	-	-
45	OTHER		3,304	2,855	2,393	1,204	1,529	1,098	789	452	(1,359)	(1,163)	(1,012)	(816)	(332)	(479)
46	WORKING CAPITAL	_	-	-	-	-	-	-	-	-	-	-	-	-	5,695	10,073
		-														

47 TOTAL RATE BASE

<u>\$ 135,524 \$ 136,362 \$ 131,627 \$ 130,718 \$ 140,796 \$ 149,362 \$ 151,699 \$ 169,681 \$ 180,778 \$ 186,920 \$ 196,280 \$ 207,578 \$ 224,824 \$ 250,257</u>

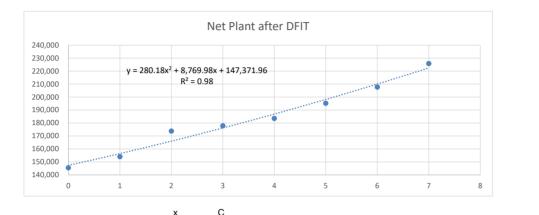
Note: The Other (Deferred Debits and Credits) Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2014

AVISTA UTILITIES WASHINGTON NATURAL GAS RESULTS (000'S OF DOLLARS)

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Link Secolar Gas Cost and Adder Schedule Expenser (DSM TartT Rider, Decoupling SurchargeRobas) from O&M Jubility Cost Cost and Adder Schedule Expenser (DSM TartT Rider, Decoupling SurchargeRobas) from OAM Jubility Cost Cost and Adder Schedule Expenser (DSM TartT Rider, Decoupling SurchargeRobas) from OAM 1 Underground Soriage CTM Line 11 1.433 2.532 5.72 5.98 6.647 6.120 7.00 5.95 7.12 6.00 0.01 2 Concorder Scrives and Information CTM Line 14 1.53 2.237 7.247 4.90 5.333 1.00 7.00 5.95 0.71 6.53 4.62 4.70 1.585 1.148 1.156				2001	2002	2003						2009	2010	2011	2012	2013	2014
1 Discriptional Storing CBR Line 19 322 337 5^{12} 381 490 492 490 493 490 493 490 493 490 493 490 493 693 6147 6127 7700 5354 5740<	Line																
2 Description CBR Line 13 4.655 5.462 5.762 5.977 6.9359 5.977 6.9359 5.977 6.9359 5.977 6.9359 5.977 6.9359 9.977 6.1333 1.1388 1.1419 11.805 1.1777 7.979 1.9797 1.333 1.1384 3.138 3.138 3.138 3.138 3.138 3.138 3.138 3.138 3.138 3.138 3.138 3.138 2.1797 3.136 3.138 3.138 2.1797 3.239 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23 3.23	No.	Exclude Gas Cost and	Adder Schedule Ex	penses (DSM 7	ariff Rider, De	coupling Sur	charge/Rebat	e) from O&M	1								
3 Constant CDBR Line [1 3.3.0 4.408 4.121 4.3.0 4.2.23 4.487 4.487 4.467 4.600 5.586 5.2.31 5.7.70 6.57.00 6.7.00 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.77.0 6.50.5 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.6 5.50.8 5.50.0 7.50.0 5.50.6 5.50.8 5.50.0 7.50.0 5.50.6 5.50.8 5.50.0 7.50.0 <td>1</td> <td>Underground Storage</td> <td>CBR Line 9</td> <td>322</td> <td>357</td> <td>342</td> <td>381</td> <td>450</td> <td>492</td> <td>451</td> <td>436</td> <td>403</td> <td>380</td> <td>585</td> <td>712</td> <td>820</td> <td>893</td>	1	Underground Storage	CBR Line 9	322	357	342	381	450	492	451	436	403	380	585	712	820	893
4 Clustents Prove and Information CBR Line 18 1.13 2.222 2.47 4.40 3.523 1.00 4.068 5.10 7.00 9.505 9.77 0.555 9.83 8.00 6 Administrative and Ceneral CBR Line 19 7.78 9.399 9.427 8.01 9.056 6.424 7.055 4.430 8.554 3.630 9.770 1.133 1.138 <td>2</td> <td>Distribution</td> <td>CBR Line 13</td> <td>4,655</td> <td>5,482</td> <td>5,762</td> <td>5,958</td> <td>6,084</td> <td>6,359</td> <td>6,467</td> <td>6,123</td> <td>7,700</td> <td>7,696</td> <td>8,854</td> <td>9,511</td> <td>10,820</td> <td>10,704</td>	2	Distribution	CBR Line 13	4,655	5,482	5,762	5,958	6,084	6,359	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704
5 Sake CBR Line 19 445 977 5 492 427 200 496 516 442 497 105 7.3 7.	3	Customer Accounting	CBR Line 17	3,367	4,108	4,121	4,337	4,249	4,225	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108
6 Administrative and General CBR Line 20 7.778 9.2979 9.217 9.119 9.066 3.258 5.001 9.706 1.7383 1.1383 1.1486 1.1480 1.1283 1.1487 1.1383 1.1486 1.1283 1.1486 3.0544 3.054 3.0544 3	4	Customer Service and Information	CBR Line 18	1,513	2,252	2,747	480	3,523	1,061	4,658	5,169	7,609	9,505	9,777	6,955	983	865
7 Operating expresses excluding production 17,800 21,971 23,291 20,494 23,822 21,602 25,880 34,600 95,140 36,544 56,998 91,799 9 Deduct Gac Cost Reveload Expresse 323 261 228 369 651 653 792 783 600 981 528 591 799 9 Deduct Gac Cost Reveload Expresse 323 249 749 3822 1,006 1,154 4,1202 -1,136 6,429 3,484 4,012 5,597 0 0 12 Adjusted Oparting Expresses 0 0 0 0 0 3,858 3,318 2,798 12,869 7,979 10,448 0,978 3,14,87 12 Adjusted Oparting Expresses 0 0 0 13,03 13,03 13,03 13,03 12,301 12,066 5,679 5,631 6,646 6,647 6,649 6,787 7,252 5,513 5,645 5,645 5,645 <	5	Sales	CBR Line 19	445	375	492	427	320	496	516	442	497	105	3	3	3	0
8 Add Non PCA production OXM expenses 2.22 2.01 2.83 3.99 651 653 792 783 802 800 981 928 991 777 592 643 643 643 643 643 643 643 643 643 643 643 640 643 643 640 643 643 643 644 643 643 644 643 643 644 643 643 640 643 643 640 643 643 640 6433 640 6433 640 6433 640 6433 640 6433 640 6433 640 6433 640 6433 640 6404 6403 6404 64	6	Administrative and General	CBR Line 20	7,578	9,399	9,827	8,911	.,	8,393	8,901	9,706	9,770	11,383	11,585	13,419	11,862	
9 Deduct Ga Curk Rv Related Expenses Doduct Decoupling SurchargeRehate Expenses Annual Percentage Change 323 -849 -749 -882 -1.004 -0.2664 0 -0.33 -649 -641 -502 -593 -648 -902 -503 -648 -902 -5009 -592 -592 -598 0	7	Operating expenses excluding producti	ion	17,880	21,973	23,291	20,494	23,822	21,026	25,480	26,568	31,565	34,303	36,544	36,396	30,758	31,347
10 Deduct DSM Taiff Rider Expenses -956 -1.710 -2.044 0 -3.868 -4.15 -6.829 -8.481 -9.022 -5.987 0 0 12 Adjusted Operating Expenses -0 0 0 0.3255 31.285 21.285 21.097 24.660 26.099 27.852 30.975 31.478 13 Undergoand Storage CBL Line 10 314 29.77 309 300 310 276 393 348 395 438 380 402 14 Didetroita/montrization CBL Line 10 314 297 309 300 310 312 310 276 393 348 395 438 380 402 15 Administrative & General CBL Line 10 314 4.99 5.095 5.605 5.605 5.607 6.637 6.491 7.728 4.381 7.738 7.388 4.389 4.44 4.40 4.389 4.389 4.41 4.40 4.44 4.44 4.44 4.44 4.44 4.44 4.44 4.44 4.44 4	8	Add Non PGA production O&M exp	penses	232	261	285	369	651	653	792	783	802	800	981	928	891	779
11 Deduct Decoupling Surcharge Rebute Degrands 0	9	Deduct Gas Cost Rev Related Exper	ises	-823	-849	-749	-882	-1,006	-1,154	-1,202	-1,136	-933	-609	-647	-577	-592	-648
12 Adjusted Operating Expenses 16,333 19,075 20,758 19,981 20,038 23,158 21,797 24,600 26,009 27,852 30,759 31,987 31,987 13 Underground Storage CBR Line 10 314 297 309 310 312 310 27,6 393 348 395 438 380 402 14 Distribution CBR Line 10 314 297 309 310 312 510 57.35 6164 6,537 6,646 6,537 6,646 6,567 6,649 6,547 6,548 5,635 6,615 6,649 6,547 6,548 6,548 6,549 6,548 5,649 6,748 7,728 8,646 4,379 1,277 1,368 4,388 438	10	Deduct DSM Tariff Rider Expenses		-956		-2,044		-2,864	0	-3,865				-9,022	-5,987		0
Annual Percentage Change 50.09% 20.46% 5.63% 3.38% 3.11% 0.38% 3.31% 2.79% 12.86% 5.73% 7.09% 10.44% 0.97% 1.36% Burderground Storage CBR Line 10 314 2.97 309 310 312 310 2.79% 5.63% 5.63% 5.64% 5.67% 5.64% 5.64% 6.54% 6.59% 7.24% 7.25% 8.53% 7.99% 7.24% 7.27% 7.36% 7.34% 7.27% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% 7.38% 7.99% $7.$	11	Deduct Decoupling Surcharge/Reba	te Expenses	ÿ		-		-	0							÷	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	12	Adjusted Operating Expenses		16,333	19,675	20,783	19,981	20,603	20,525	21,205	21,797	24,600	26,009	27,852	30,759	31,057	31,478
13 Underground Storage CBR Line 10 314 297 309 300 312 310 276 393 348 995 438 300 402 14 Distribution CBR Line 1 1,200 1,275 1,363 1,180 1,225 5,036 5,673 6,046 6,076 6,797 3,288 4,389 16 Total Depreciation/Montrizations CBR Line 21 1,020 1,275 1,363 1,180 1,289 6,481 7,413 7,328 8,456 9,212 9,278 8,380 4,389 16 Total Depreciation/Montrizations CBR Line 22 167 185 138 0.19% 5,488 3,29% 6,464 4,578 9,08% 7,378 9,35% 13,85% 9,29% Exclude Adder Schedule ausorizations CBR Line 22 167 168 169 0 0 0 0 6,474 2,422 440 2,46 4,48 1,48 0 0 0 90 90 90 91 4,18 0 0 0 90 90		Annual Percentage Ch	ange	-50.09%	20.46%	5.63%	-3.86%	3.11%	-0.38%	3.31%	2.79%	12.86%	5.73%	7.09%	10.44%	0.97%	1.36%
14 0 0 4,00 4,707 4,002 5,088 5,063 5,073 6,064 6,377 6,978 7,925 8,438 16 Total Depreciation/Amortization 5,724 6,068 6,379 6,219 6,741 6,963 7,413 7,752 8,456 9,127 9,778 10,692 12,173 13,304 Administrative & General Calue 3,60% 6,01% 5,13% 0,19% 5,48% 3,29% 6,46% 4,57% 9,08% 7,94% 7,13% 9,35% 13,85% 9,29% Exclude Adder Schedulæ amortizations CBR Line 22 167 185 159 169 0 0 -815 -242 440 216 -184 91 -91 Adjusted Regulatory Amortizations CBR Line 14 108 120 118 150 0 0 -815 -242 440 216 -184 91 -91 -91 Adjusted Regulatory Amortizations CBR Line 11 108 120 118 120 115 122 950 131 121 <td></td> <td>Depreciation/Amortiza</td> <td>ation</td> <td></td>		Depreciation/Amortiza	ation														
15 Administrative & General CBR Line 11 1020 1.233 1.343 1.243 1.948 1.903 1.999 2.4.12 2.7.34 3.326 3.386 4.389 16 Total Depreciation/Annual Percentage Change 3.60% 6.01% 5.13% 6.19% 5.48% 3.29% 6.46% 4.57% 9.08% 7.13% 9.3276 3.86% 9.29% Exclude Adder Schedule anorizations (Decoupling Surcharge Rebate) from Regulatory Amortizations CBC 107 185 159 169 0 0 8.155 -242 440 216 -186 171 91 -91 Adjusted Regulatory Amortizations CBR Line 22 167 185 159 169 0 0 -242 440 216 -186 -13 91 -91 Adjusted Regulatory Amortizations CBR Line 25 167 185 150 0 0 0 0 0 171 91 91 91 91 <t< td=""><td>13</td><td>Underground Storage</td><td>CBR Line 10</td><td>314</td><td>297</td><td>309</td><td>309</td><td>310</td><td>312</td><td>310</td><td>276</td><td>393</td><td>348</td><td>395</td><td>438</td><td>380</td><td>402</td></t<>	13	Underground Storage	CBR Line 10	314	297	309	309	310	312	310	276	393	348	395	438	380	402
16 Total Depreciation/Amortization 5.724 6.068 6.579 6.991 6.741 6.963 7.413 7.752 8.456 9.127 9.778 10.692 12.173 13.364 Annual Percentage Change 3.60% 6.11% 5.13% 0.19% 5.43% 3.29% 6.46% 4.57% 9.08% 7.94% 7.13% 9.35% 13.85% 9.29% Exclude Adder Schedule amorizations Deduct Decoupling Surcharge/Rebate Expenses 0 0 0 0 0.855 -242 440 -186 171 91 91 Deduct Decoupling Surcharge/Rebate Expenses 0 0 0.855 -242 440 -186 171 91	14	Distribution	CBR Line 14	4,390	4,496	4,707	4,902	5,088	5,369	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513
Annual Percentage Change 3.60% 6.01% 5.13% 0.19% 5.48% 3.29% 6.46% 4.57% 9.08% 7.94% 7.13% 9.35% 13.85% 9.29% Exclude Adder Schedule amortizations Comparing Amortizations Exclude Gas Cost Excise Tax Object Topic Tame Taxes Other Than Income Comparing Amortizations Comparing Amortizations Comparing Amortizations Comparing Amortizations	15	Administrative & General	CBR Line 21		1,275												
Exclude Adder Schelule amorizations (Decoupling Surcharge/Rebate) from Regulatory Amorizations 17 Regulatory Amorizations CBR Line 22 167 185 159 169 0 0 -242 440 216 -186 171 91 91 18 Deduct Decoupling Surcharge/Rebate Expenses 0	16	Total Depreciation/Amortization		5,724	6,068	6,379	6,391	6,741	6,963	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304
17 Regulatory Amortizations CBR Line 12 167 185 159 160 0		Annual Percentage Ch	ange	3.60%	6.01%	5.13%	0.19%	5.48%	3.29%	6.46%	4.57%	9.08%	7.94%	7.13%	9.35%	13.85%	9.29%
17 Regulatory Amortizations CBR Line 12 167 185 159 160 0		Exclude Adder Schedu	ile amortizations (E	ecoupling Sure	harge/Rebate) f	from Regulate	orv Amortiza	tions									
18 Deduct Decoupling Surcharge/Rebate Expenses 0 0 0 0 -85 -432 -710 -494 -184 0 0 19 Adjusted Regulatory Amortizations 167 185 159 169 0 0 -900 -674 -270 -278 -680 -13 91 -91 Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax Underground Storage CBR Line 15 7.315 8.070 7.02 8.213 8.73 9.457 9.844 8.746 7.223 8.051 7.825 8.116 8.719 2 Outer Total Taxes Other Than Income 7.444 8.213 7.347 8.357 8.711 9.603 9.959 9.071 8.886 7.363 8.070 7.841 8.274 8.903 20 Deduct Decoupling Surcharge/Rebate Excis Tax 4.287 4.425 3.380 -114 0 -154 -176 -228 -20 -20 -70 -50 -333 -303 -3,380 -3,380 -3,380	17								0	-815	-242	440	216	-186	171	91	-91
19 Adjusted Regulatory Amortizations 167 185 159 169 0 -900 -674 -270 -278 -680 -13 91 -91 Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax 20 Underground Storage CBR Line 11 108 120 118 122 95 113 121 116 19 17 158 184 21 Distribution CBR Line 23 21 23 244 23 24 20 17 19 24 0 -1 0																	
Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax 20 Underground Storage CBR Line 11 108 120 118 120 115 122 95 113 121 116 19 17 158 184 21 Distribution CBR Line 15 7.315 8.070 7.205 8.213 8.573 9.457 9.844 8.944 7.426 7.223 8.051 7.825 8.116 8.79 21 23 24 23 24 20 17 19 24 0 -1 0 0 21 013 rotal Taxes Other Than Income 7.444 8.213 7.347 8.357 8.711 9.603 9.999 9.071 8.886 7.363 8.070 7.841 8.274 8.903 25 Deduct Dos Cost Excise Tax -4.287 -4.425 -3.899 -4.592 -5.240 -6.014 -6.261 -5.917 -4.888 -3.171 -3.303 <				-			-	-	-						-	-	÷
20 Underground Storage CBR Line 11 108 120 118 120 115 122 95 113 121 116 19 17 158 184 21 Distribution CBR Line 15 7,315 8,070 7,205 8,213 8,573 9,457 9,844 8,941 8,746 7,223 8,016 7,825 8,116 8,719 22 Administrative & General CBR Line 15 7,315 8,070 7,237 8,857 8,711 9,603 9,959 9,071 8,886 7,363 8,070 7,841 8,274 8,903 24 Deduct Gas Cost Excise Tax -4,287 -4,425 -3,899 4,592 -5,240 -6,014 -6,261 -5,917 -4,858 -3,171 -3,033 -3,080 -3,083 -3,380 -3,080 -3,080 -3,083 -3,080 -3,080 -3,083 -3,080 -3,080 -3,08 -3,080 -3,08 -3,08 -3,09 -3,080 -3,08 -3,08 -3,08 -3,080 -1,0 0 0 0 0 0 -3,17 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1 70 1</td> <td></td> <td>0.1 17</td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							1 70 1		0.1 17	1							
21 Distribution CBR Line 15 7,315 8,070 7,205 8,213 8,573 9,457 9,844 8,941 8,746 7,223 8,051 7,825 8,116 8,719 22 Administrative & General CBR Line 23 21 23 24 22 24 20 17 19 24 0 -1 0 0 23 Total Taxes Other Than Income 7,444 8,213 7,347 8,357 8,711 -6,014 -6,261 -5,917 4,4858 -3,171 -3,374 -3,003 -3,083 -3,380 24 Deduct Cas Cost Excise Tax -38 -68 -81 0 -114 0 -154 -17 -22 -338 -359 -2.39 0 0 26 Deduct Decoupling Surcharge/Rebat Excise Tax -33 -668 -81 0 -1.44 0 -1.54 -17 -28 -20 -27 -0 0 0 -5.23 -10.84% 6.91% -1.34% -16.38% 25.90% 2.84% 13.14 4.592 5.523 -5.24	20											101	116	10	17	150	10.4
22 Administrative & General CBR Line 23 21 23 24 24 23 24 20 17 19 24 0 -1 0 0 23 Total Taxes Other Than Income 7,444 8,213 7,347 8,357 8,711 9,603 9,959 9,071 8,886 7,363 8,070 7,841 8,274 8,903 24 Deduct Gas Cost Detx Cisis Tax -4,287 -4,425 -3,899 -4,592 -5,240 -6,014 -6,261 -5,917 -4,885 -3,314 -3,304 -3,308 -3,308 -3,380 0 0 0 0 -114 0 -154 -176 -272 -3,38 -3,317 -3,308 -3,308 -3,308 -3,308 -3,308 -10 0 0 0 0 0 0 0 0 0 0 0 -272 -3,38 -4,317 4,592 5,191 5,525 10,523 13,525 13,525 10,553 13,553 195,287 207,759 225,901 24 Adjusted Taxes Other Than Income																	
23 Total Taxes Other Than Income 7,444 8,213 7,347 8,357 8,711 9,603 9,959 9,071 8,886 7,363 8,070 7,841 8,274 8,903 24 Deduct Gas Cost Excise Tax -4,287 -4,425 -3,899 -5,240 -6,014 -6,261 -5,917 -4,858 -3,171 -3,303 -3,084 -4,043 -3,093																	
24 Deduct Gas Cost Excise Tax -4,287 -4,425 -3,899 -4,592 -5,240 -6,014 -6,261 -5,917 -4,858 -3,171 -3,374 -3,003 -3,083 -3,380 25 Deduct DSM Tariff Rider Excise Tax -38 -68 -81 0 -114 0 -154 -176 -272 -338 -359 -229 0 0 26 Deduct Decoupting Surcharge/Rebate Excise Tax 0 0 0 0 0 0 -3,765 3,57 3,589 3,541 2,728 3,834 4,317 4,592 5,191 5,523 Adjusted Taxes Other Than Income Annual Percentage Change 13,50% 19,27% -9,49% 11,82% -10,84% 6,91% -1.34% -16,38% 25,90% 2.84% 12,59% 6,38% 13,04% 6,40% 28 Net Plant After Deferred Income Tax CBR Line 42 129,740 125,044 124,950 132,617 140,789 145,500 154,054 173,806 177,901 183,553 195,287 207,759 225,901 Annual Percentage Change 3,70%			CBR Line 23											-			
25 Deduct DSM Tariff Rider Excise Tax -38 -68 -81 0 -114 0 -154 -176 -272 -338 -359 -239 0 0 26 Deduct Decoupling Surcharge/Rebate Excise Tax 0 0 0 0 0 0 -114 0 -154 -176 -272 -338 -359 -239 0 0 27 Adjusted Taxes Other Than Income 3,119 3,720 3,367 3,765 3,357 3,589 3,541 2,961 3,728 3,834 4,317 4,592 5,191 5,523 Adjusted Taxes Other Than Income 3,119 3,720 3,367 3,765 3,357 3,589 3,541 2,961 3,728 3,834 4,317 4,592 5,191 5,523 Adjusted Taxes Other Than Income 3,70% 19,2740 125,044 124,950 132,617 140,789 145,500 154,054 173,806 177,901 183,553 195,287 207,759 225,901 Annual Percentage Change 3,70% 0.19% -3.62% -0.08% 6.14% <t< td=""><td></td><td></td><td></td><td></td><td></td><td>. ,</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>- ,</td><td></td><td></td><td></td></t<>						. ,								- ,			
26 Deduct Decoupling Surcharge/Rebate Excise Tax 0 <			w.														
27 Adjusted Taxes Other Than Income Annual Percentage Change 3,119 3,720 3,367 3,765 3,357 3,589 3,541 2,961 3,728 3,834 4,317 4,592 5,191 5,523 28 Annual Percentage Change 13.50% 19.27% -9.49% 11.82% -10.84% 6.91% -1.34% -16.38% 25.90% 2.84% 12.59% 6.38% 13.04% 6.40% 28 Net Plant After Deferred Income Tax CBR Line 42 129,500 129,740 125,044 124,950 132,617 140,789 145,500 154,054 173,806 177,901 183,553 195,287 207,759 225,901 Annual Percentage Change 3.70% 0.19% -3.62% -0.08% 6.14% 6.16% 3.35% 5.88% 12.82% 2.36% 3.18% 6.39% 6.39% 8.73% 29 Total Rate Base CBR Line 47 135,524 136,362 131,627 130,718 140,796 149,362 151,699 169,681 180,778 186,920 196,280 207,578 224,824 250,257 3.52% <																	
Annual Percentage Change 13.50% 19.27% -9.49% 11.82% -10.84% 6.91% -1.34% -16.38% 25.90% 2.84% 12.59% 6.38% 13.04% 6.40% 28 Net Plant After Deferred Income Tax CBR Line 42 129,500 129,740 125,044 124,950 132,617 140,789 145,500 154,054 173,806 177,901 183,553 195,287 207,759 225,901 Annual Percentage Change 3.70% 0.19% -3.62% -0.08% 6.14% 6.16% 3.35% 5.88% 12.82% 2.36% 3.18% 6.39% 6.39% 8.73% 29 Total Rate Base CBR Line 47 135,524 136,362 131,627 130,718 140,796 149,362 151,699 169,681 180,778 186,920 196,280 207,578 224,824 250,257 3.52% 0.62% -3.47% -0.69% 7.71% 6.08% 1.56% 11.85% 6.54% 3.40% 5.01% 5.76% 8.31% 11.31% Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue								-	-								
Annual Percentage Change 3.70% 0.19% -3.62% -0.08% 6.14% 6.16% 3.35% 5.88% 12.82% 2.36% 3.18% 6.39% 6.39% 8.73% 29 Total Rate Base CBR Line 47 $135,524$ $136,362$ $131,627$ $130,718$ $140,796$ $149,362$ $151,699$ $169,681$ $180,778$ $186,920$ $196,280$ $207,578$ $224,824$ $250,257$ 3.52% 0.62% -3.47% -0.69% 7.71% 6.08% 1.56% 11.85% 6.54% 3.40% 5.01% 5.76% 8.31% 11.31% Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue 30 Other Operating Revenue CBR Line 3 $2,541$ $2,340$ $2,183$ $2,168$ $30,131$ $2,372$ $68,416$ $153,093$ $84,085$ $115,257$ $98,841$ $68,107$ 403 332 31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 $-28,334$ 0 $-66,6866$ $-153,018$ $-83,992$	21	•		,	,	,	,	,	,	,	,	,	,	,	,	,	<u></u>
Annual Percentage Change 3.70% 0.19% -3.62% -0.08% 6.14% 6.16% 3.35% 5.88% 12.82% 2.36% 3.18% 6.39% 6.39% 8.73% 29 Total Rate Base CBR Line 47 $135,524$ $136,362$ $131,627$ $130,718$ $140,796$ $149,362$ $151,699$ $169,681$ $180,778$ $186,920$ $196,280$ $207,578$ $224,824$ $250,257$ 3.52% 0.62% -3.47% -0.69% 7.71% 6.08% 1.56% 11.85% 6.54% 3.40% 5.01% 5.76% 8.31% 11.31% Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue 30 Other Operating Revenue CBR Line 3 $2,541$ $2,340$ $2,183$ $2,168$ $30,131$ $2,372$ $68,416$ $153,093$ $84,085$ $115,257$ $98,841$ $68,107$ 403 332 31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 $-28,334$ 0 $-66,6866$ $-153,018$ $-83,992$																	
$ \frac{29}{2} \text{ Total Rate Base} \qquad CBR Line 47 \\ \hline \frac{135,524}{3.52\%} \frac{136,362}{0.62\%} \frac{131,627}{3.52\%} \frac{130,718}{0.6\%} \frac{149,796}{149,362} \frac{149,362}{151,699} \frac{151,699}{169,681} \frac{180,778}{180,778} \frac{186,920}{196,280} \frac{196,280}{207,578} \frac{224,824}{250,257} \frac{250,257}{250,257} \frac{110,578}{250,257} \frac{124,824}{250,257} \frac{110,52\%}{250,257} 110$	28				,	,	,	,			,	,	,	,	, .	,	,
3.52% 0.62% -3.47% -0.69% 7.71% 6.08% 1.56% 11.85% 6.54% 3.40% 5.01% 5.76% 8.31% 11.31% Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue 30 Other Operating Revenue CBR Line 3 2,541 2,340 2,183 2,168 30,131 2,372 68,416 153,093 84,085 115,257 98,841 68,107 403 332 31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 -28,334 0 -66,686 -153,018 -83,992 -115,193 -98,794 -67,822 0 0 32 Deduct JP Storage allocated revenue (ended 2007) -2,289 -2,187 -2,174 -2,156 -1,723 -2,361 -1,717 0		Annual Percentage Ch	ange	3.70%	0.19%	-3.62%	-0.08%	6.14%	6.16%	3.35%	5.88%	12.82%	2.36%	3.18%	6.39%	6.39%	8.73%
Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue 30 Other Operating Revenue CBR Line 3 2,541 2,340 2,183 2,168 30,131 2,372 68,416 153,093 84,085 115,257 98,841 68,107 403 332 31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 -28,334 0 -66,686 -153,018 -83,992 -115,193 -98,794 -67,822 0 0 32 Deduct JP Storage allocated revenue (ended 2007) -2,289 -2,187 -2,174 -2,156 -1,723 -2,361 -1,717 0 <td< td=""><td>29</td><td>Total Rate Base</td><td>CBR Line 47</td><td>135,524</td><td>136,362</td><td>131,627</td><td>130,718</td><td>140,796</td><td>149,362</td><td>151,699</td><td>169,681</td><td>180,778</td><td>186,920</td><td>196,280</td><td>207,578</td><td>224,824</td><td>250,257</td></td<>	29	Total Rate Base	CBR Line 47	135,524	136,362	131,627	130,718	140,796	149,362	151,699	169,681	180,778	186,920	196,280	207,578	224,824	250,257
30 Other Operating Revenue CBR Line 3 2,541 2,340 2,183 2,168 30,131 2,372 68,416 153,093 84,085 115,257 98,841 68,107 403 332 31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 -28,334 0 -66,686 -153,018 -83,992 -115,193 -98,794 -67,822 0 0 32 Deduct JP Storage allocated revenue (ended 2007) -2,289 -2,187 -2,174 -2,156 -1,723 -2,361 -1,717 0			_	3.52%	0.62%	-3.47%	-0.69%	7.71%	6.08%	1.56%	11.85%	6.54%	3.40%	5.01%	5.76%	8.31%	11.31%
31 Deduct Gas Cost Deferral related revenues -244 -144 0 0 -28,334 0 -66,686 -153,018 -83,992 -115,193 -98,794 -67,822 0 0 32 Deduct JP Storage allocated revenue (ended 2007) -2,289 -2,187 -2,174 -2,156 -1,723 -2,361 -1,717 0 0 0 0 0 0 0 0 0 0 0 0 0 33 Adjusted Other Operating Revenue 8 9 9 12 74 11 13 75 93 64 47 285 403 332		Exclude Gas Cost Def	erral related and JP	Storage non-re	curring revenue	es from Other	Operating R	evenue									
32 Deduct JP Storage allocated revenue (ended 2007) -2,289 -2,187 -2,174 -2,156 -1,723 -2,361 -1,717 0	30	Other Operating Revenue	CBR Line 3	2,541	2,340	2,183	2,168	30,131	2,372	68,416	153,093	84,085	115,257	98,841	68,107	403	332
33 Adjusted Other Operating Revenue 8 9 9 12 74 11 13 75 93 64 47 285 403 332	31	Deduct Gas Cost Deferral related rever	nues	-244	-144	0	0	-28,334	0	-66,686	-153,018	-83,992	-115,193	-98,794	-67,822	0	0
	32	Deduct JP Storage allocated revenue (e	ended 2007)	-2,289	-2,187	-2,174	-2,156	-1,723	-2,361	-1,717	0	0	0	0	0	0	0
Annual Percentage Change 60.00% 12.50% 0.00% 33.33% 516.67% -85.14% 18.18% 476.92% 24.00% -31.18% -26.56% 506.38% 41.40% -17.62%	33	Adjusted Other Operating Revenue	_	8	9	9	12	74	11	13	75	93	64	47	285	403	332
		Annual Percentage Ch	ange	60.00%	12.50%	0.00%	33.33%	516.67%	-85.14%	18.18%	476.92%	24.00%	-31.18%	-26.56%	506.38%	41.40%	-17.62%

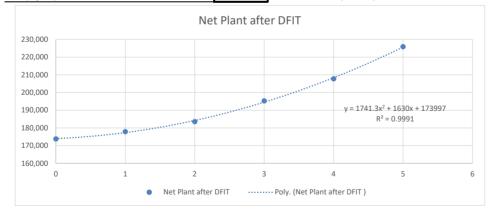
Avista Proposed Based on Staff Meth	odology for	2007-2014						
	2007	2008	2009	2010	2011	2012	2013	2014
Net Plant after DFIT	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901
	0	1	2	3	4	5	6	7
Net Plant after DFIT	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901



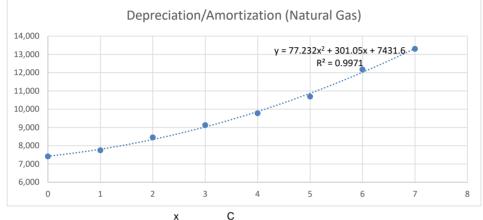
	x C		
Derivative of Quadratic (below)	560.36	8,770	
x = 7 (2014 is year 7)	3922.52		
Sum (x and C)		12692.5	
rate (1-year)	-	5.62%	0% Changed to zero per Remand
rate (2-year)		11.24%	0% Escalation factor (to 2016)

As Proposed by Staff per CRM-3	2009	2010	2011	2012	2013	2014
Net Plant after DFIT	173,806	177,901	183,553	195,287	207,759	225,901
	0	1	2	3	4	5
Net Plant after DFIT	173,806	177,901	183,553	195,287	207,759	225,901

	x C		
Derivative of Quadratic (below)	3482.6	1630	
x = 7 (2014 is year 7)	17413		
Sum (x and C)		19043	
rate (1-year)		8.43%	
rate (2-year)		16.86%	Escalation factor (to 2016)



Avista Proposed Based on Staff M								
	2007	2008	2009	2010	2011	2012	2013	2014
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304
	0	1	2	3	4	5	6	7
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304



	Х	C	
Derivative of Quadratic (below)	154.464	301.05	
x = 7 (2014 is year 7)	1081.248		
Sum (x and C)		1382.298	
rate (1-year)		0.129283	
rate (2-year)		25.86%	Escalation factor (to 2016)

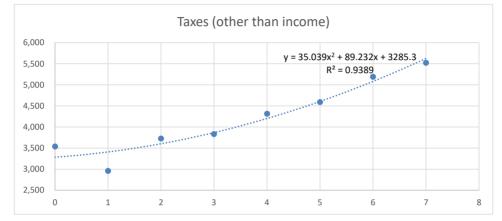
As Proposed by Staff per CRM-3	2009	2010	2011	2012	2013	2014
Depreciation/Amortization	8,456	9,127	9,778	10,692	12,173	13,304
	0	1	2	3	4	5
Depreciation/Amortization	8,456	9,127	9,778	10,692	12,173	13,304

	х	С	
Derivative of Quadratic (below)	200.72	477.99	
x = 5 (2014 is year 5)	1003.6		
Sum (x and C)		1481.59	
rate (1-year)		0.111364	
rate (2-year)		22.27%	Escalation factor (to 2016)

	Depre	ciation/Amo	ortization (N	atural Gas, 2	.009 at year	0)	
14,000							
13,000						•	
12,000							
11,000							
10,000			*****	y = 1	00.36x ² + 477.99x R ² = 0.9965	+ 8473.4	
9,000							
8,000							
0	1	L	2	3	4	5	6

Avista Proposed Based on Staff Methodology for 2007-2014

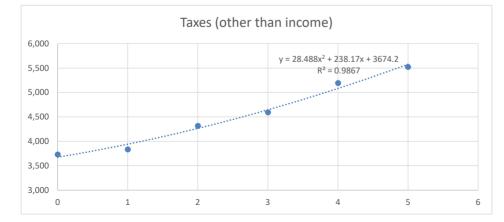
	2007	2008	2009	2010	2011	2012	2013	2014
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523
	0	1	2	3	4	5	6	7
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523



	x C		
Derivative of Quadratic (below)	70.078	89.232	
x = 7 (2014 is year 7)	490.546	6	
Sum (x and C)		579.778	
rate (1-year)		0.104975	
rate (2-year)		21.00%	Escalation factor (to 2016)

As Proposed by Staff per CRM-3	2009	2010	2011	2012	2013	2014
Taxes (other than income)	3,728	3,834	4,317	4,592	5,191	5,523
_	0	1	2	3	4	5
Taxes (other than income)	3,728	3,834	4,317	4,592	5,191	5,523

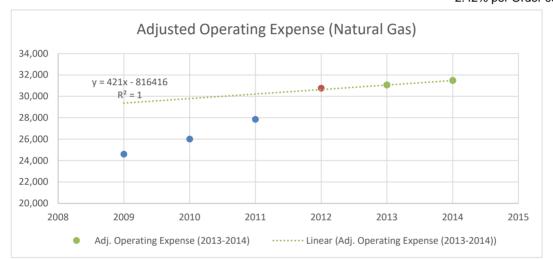
	x C	;	
Derivative of Quadratic (below)	56.976	238.17	
x = 5 (2014 is year 5)	284.88		
Sum (x and C)		523.05	
rate (1-year)		0.094704	
rate (2-year)		18.94%	Escalation factor (to 2016)



Avista accepts UTC Staff's proposed 2.17% for natural gas operations, because that is a reasonable expectation of increases in costs for natural gas given the expectations in the 2016 rate year, and the overall operations of the natural gas business. Use of an average based on actual 2007-2014 linear trend plus revised 2013-2014 linear trend (removing impact of benefits) consistant with electric, would result in a significant increase in O&M expenses above 2014 levels.

	2009	2010	2011	2012	2013	2014
Adj. Operating Expense (2009-2014, excl. 2012)	24,600	26,009	27,852		31,057	31,478
Adj. Operating Expense (2012)				30,759		
Adj. Operating Expense (2013-2014)					31,057	31,478

	Slope	Rate (1yr)	Escalation	
Rate (2013-2014, linear)	421.0	1.34%	2.67%	
Company-proposed (2007-2014, linear)	944.3	3.00%	6.00%	
Average		2.42%	<mark>4.84%</mark>	Changed annual rate to
		-		2.42% per Order 05



AVISTA UTILITIES WASHINGTON NATURAL GAS

Avista Corrections X Staff Proposed X

BILLING DETERMINANT INDEX 09.2014 TO 2016 WEIGHTED REVENUE GROWTH

Line <u>No.</u>	Description A	<u>Schedule</u> B	Billing <u>Determinant</u> C	Revenue Model <u>Sept 2014</u> D	Forecast <u>2016</u> E	Billing Determinant <u>Growth</u> F=(E-D)/D	Revenue <u>Sept 2014</u> G	<u>Weight</u> H=G/SUM G	Weighted <u>Growth</u> I=FxH		Net of Gas Costs
1	General Svc	101	Basic/Min	1,787,943	1,828,182	2.25%	\$16,091,487	9.65%	0.22%	\$362.147	\$362,147
2	Lrg Gen Svc	111/112	Basic/Min	30,697	31,374	2.20%	\$2,671,867	1.60%	0.04%	\$58,902	\$58,902
3	Ex Lrg Gen Svc	121/122	Basic/Min	336	339	0.83%	\$72,321	0.04%	0.00%	\$598	\$598
4	Interruptible Svc	131/132	Basic/Min	24	24	0.00%	\$0	0.00%	0.00%	\$0	\$0
5	General Svc	101	Volumes	120,721,607	121,783,957	0.88%	\$107,498,749	64.47%	0.57%	\$945,989	\$411,340
6	Lrg Gen Svc	111/112	Volumes	47,537,282	48,026,916		\$35,598,366	21.35%	0.22%	\$366,663	\$121,337
7	Ex Lrg Gen Svc	121/122	Volumes	5,735,037	5,958,417	3.90%	\$4,064,021	2.44%	0.09%	\$158,294	\$50,446
8	Interruptible Svc	131/132	Volumes	1,115,704	1,252,783	12.29%	\$733,819	0.44%	0.05%	\$90,159	\$27,798
9	Total			175,109,630	177,022,072	-	\$166,730,631	100.00%	1.19%	\$1,982,752	\$1,032,568
			L. L					•			
10	Transportation Svc	146	Basic/Min	456	516	13.12%	\$255,207	6.10%	0.80%	\$33,473	\$33,473
11	Special Contract	148	Basic/Min	60	66	9.50%	\$325,584	7.78%	0.74%	\$30,941	\$30,941
12	Transportation Svc	146	Volumes	30,580,202	30,484,401	-0.31%	\$2,321,589	55.50%	-0.17%	-\$7,273	-\$7,221
13	Special Contract	148	Volumes	49,497,099	47,057,044	-4.93%	\$1,280,992	30.62%	-1.51%	-\$63,149	-\$63,149
14	Total			80,077,301	77,541,445		\$4,183,371	100.00%	-0.14%	-\$6,008	-\$5,956
. –							*				A
15	General Svc	101	Total Revenue					Impute forecas	1	nge from Staff %	
16	Lrg Gen Svc	111/112	Total Revenue				\$38,270,233		101	\$1,062,350	
17	Ex Lrg Gen Svc	121/122	Total Revenue				\$4,136,342		111/112	\$489,634	
18	Interruptible Svc	131/132	Total Revenue				\$733,819		121/122	\$223,380	
19	Transportation Svc	146	Total Revenue				\$2,576,796				
20	Special Contract	148	Total Revenue			-	\$1,606,576				
21	Total						\$170,914,002				
	Change in Purchase	ad Gas Cos	+			Increase	Gas Costs				
	<u>onange in r uronase</u>		<u>.</u>	Sept 2014	2016	(Decrease)	Per Therm	ſ	Accent Staff's	s proposed arow	th in load

				Sept 2014	<u>2016</u>	(Decrease)	Per Therm	Accept Staff's proposed growth in load,
22	General Svc	101	Volumes	120,721,607	121,783,957	1,062,350	\$0.50327	\$534,649 however, gas costs must also be
23	Lrg Gen Svc	111/112	Volumes	47,537,282	48,026,916	489,634	\$0.50104	\$245,326 reflected for increased growth.
24	Ex Lrg Gen Svc	121/122	Volumes	5,735,037	5,958,417	223,380	\$0.48280	\$107,848
25	Interruptible Svc	131/132	Volumes	1,115,704	1,252,783	137,079	\$0.45493	\$62,361
26	Total			175,109,630	177,022,072	1,912,442		
27	Transp	146	Volumes	30,580,202	30,484,401	-95,801	\$0.00054	-\$52
28	Spec Cont Trans	148	Volumes	49,497,099	47,057,044	-2,440,055	\$0.00000	
29	Total			80,077,301	77,541,445	-2,535,856		\$950,132

255,186,931 254,563,517 -623,414