

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

COMPLAINANT

V.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES,

RESPONDENT

DOCKETS UE-150204 and UG-150205 (*Consolidated*)

DONN M. RAMAS ON BEHALF OF PUBLIC COUNSEL

EXHIBIT DMR-28

Calculation of Attrition Adjustment Caused by Escalation of
Rate Base – Electric Operations

September 13, 2019

AVISTA CORPORATION
Docket Nos. UE-150204 and UG-150205
Calculation of Attrition Adjustment Caused by Escalation of Rate Base
- Electric Operations
(000s of dollars)

<u>Line</u>	<u>Description</u>	<u>Annual Amount at 35% FIT</u>	<u>Annual Amount at 21% FIT</u>
<u>Calculation of Net Revenue Requirement Caused by Escalation of Rate Base:</u>			
1	Rate Base Escalation Amount Included in Attrition Adjustment, per Avista	52,527	52,527
2	Revenue Growth Factor	1.013115	1.013115
3	Rate Base Escalation Adjusted for Growth Factor (L.1 / L.2)	51,847	51,847
4	Authorized Rate of Return	7.29%	7.29%
5	Return on Rate Base (L.3 x L.4)	3,780	3,780
6	Revenue Conversion Factor	0.62018	0.75376
7	Revenue Requirement before Debt Interest Offset (L.5 / L.6)	6,094	5,014
8	Authorized Cost of Debt	2.68%	2.68%
9	Offset for Debt Interest Impact (L.3 x L.8 x -FIT Rate / L.6)	(784)	(387)
10	Annual Net Revenue Requirement Caused by Escalation of Rate Base incorporated in Attrition Study (L.7 + L.9)	5,310	4,627
<u>Calculation of Refund:</u>			
11	Rate Effective Period During 2016 (January 11 - December 31)	97.26%	
12	Refund for 2016 (L.10 x L.11)	5,165	
13	Rate Effective Period During 2017	100%	
14	Refund for 2017 (L.10 x L.13)	5,310	
15	Rate Effective Period During 2018 (January 1 - April 30)		32.88%
16	Refund for 2018 (L.10 x L.15)		1,521
17	Total Refund to Electric Operation Customers (L.12 + L.14 + L.16)	11,996	

Source/Notes:

Line 1: Avista Exhibit EMA-15, page 2 of 6, column (G), line 22.

Lines 2, 4, and 8: Avista Exhibit EMA-15, page 2.

Line 6: Amount at 35% FIT from Avista Exhibit EMA-15, page 2. Amount at 21% FIT recalculated to reflect lower FIT rate.