

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

COMPLAINANT

V.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES,

RESPONDENT

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

DONN M. RAMAS ON BEHALF OF PUBLIC COUNSEL

**EXHIBIT DMR-29**

Calculation of Attrition Adjustment Caused by Escalation of  
Rate Base – Natural Gas Operations

September 13, 2019

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

<u>Line</u>	<u>Description</u>	<u>Annual Amount at 35% FIT</u>	<u>Annual Amount at 21% FIT</u>
<b><u>Calculation of Net Revenue Requirement Caused by Escalation of Rate Base:</u></b>			
1	Rate Base Escalation Amount Included in Attrition Adjustment, per Avista	38,087	38,087
2	Revenue Growth Factor	1.01157	1.01157
3	Rate Base Escalation Adjusted for Growth Factor (L.1 / L.2)	37,651	37,651
4	Authorized Rate of Return	7.29%	7.29%
5	Return on Rate Base (L.3 x L.4)	2,745	2,745
6	Revenue Conversion Factor	0.62032	0.75392
7	Revenue Requirement before Debt Interest Offset (L.5 / L.6)	4,425	3,641
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)	(569)	(281)
10	Annual Net Revenue Requirement Caused by Escalation of Rate Base incorporated in Attrition Study (L.7 + L.9)	<u>3,855</u>	<u>3,360</u>
<b><u>Calculation of Refund:</u></b>			
11	Rate Effective Period During 2016 (January 11 - December 31)	97.26%	
12	Refund for 2016 (L.10 x L.11)	<u>3,750</u>	
13	Rate Effective Period During 2017	100%	
14	Refund for 2017 (L.10 x L.13)	<u>3,855</u>	
15	Rate Effective Period During 2018 (January 1 - April 30)		32.88%
16	Refund for 2018 (L.10 x L.15)		<u>1,105</u>
17	Total Refund to Natural Gas Operations Customers (L.12 + L.14 + L.16 )	<u>8,710</u>	

**Source/Notes:**

Line 1: Avista Exhibit EMA-15, page 5 of 6, column (G), line 20.

Lines 2, 4, and 8: Avista Exhibit EMA-15, page 5.

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