

**Exh. AIW-3  
Dockets UE-200900, UG-200901,  
UE-200894  
Witness: Amy I. White**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION, d/b/a  
AVISTA UTILITIES,**

**Respondent.**

**DOCKETS UE-200900, UG-200901,  
UE-200894 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Amy I. White**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Avista's Response to UTC Staff Data Request No. 107,  
Adjustment 3.16, Attachment A, filed March 9, 2021*

**April 21, 2021**

This workpaper is used as the back-up for the PF AMI adjustment.

This adjustment accounts for:

- 1) Investment in old electric meters/old natural gas meter registers
- 2) New investment in AMI.

The Company has not included any new investment in AMI in the 12/31/2019 restated period. New investment in AMI was removed.

The Company was approved to defer all depreciation expense on new investment, so this adjustment removes that deferral and pro forms depreciation expense on new investment.

The old meters/registers have been removed from plant rate base and included in regulatory asset.

The Company was required to compute carrying charge and record in a separate reg. asset account. Interest is computed to the rate year on the worksheets called "Electric-Old meter deferral" and "Gas-Old meter deferral" in this workbook.

All of the deferred costs have been included on the "Amortization" worksheet to amortize over life of the project.

	Revised		Originally Filed		Difference	
	Electric	Gas	Electric	Gas	Electric	Gas
<b>Plant</b>						
Remove Old Meters (12.31.2019 AMA Amount)	(24,366,498)	(5,267,727)	(24,366,498)	(5,267,727)	-	-
Add AMI Plant (9/30/2022 AMA Amount)	100,944,477	36,170,688	105,563,963	38,538,823	(4,619,486)	(2,368,135)
Plant	76,577,979	30,902,961	81,197,465	33,271,096	(4,619,486)	(2,368,135)
<b>A/D</b>						
Remove Old Meters (12.31.2019 AMA Amount)	2,631,819	867,207	2,631,819	867,207	-	-
Add AMI Plant (9/30/2022 AMA Amount)	(30,450,521)	(10,040,781)	(30,640,538)	(10,133,198)	190,017	92,417
A/D	(27,818,702)	(9,173,574)	(28,008,719)	(9,265,991)	190,017	92,417
<b>Regulatory Asset</b>						
Add AMI AFUDC (9/30/2022 AMA)	1,269,766	402,389	1,269,766	402,389	-	-
Add AMI AFUDC-A/D (9/30/2022 AMA)	(238,598)	(77,412)	(238,598)	(77,412)	-	-
Add Reg Asset-Existing Meters/ERTS (9/30/2022 AMA)	21,307,531	4,410,569	21,307,531	4,410,569	-	-
Add Reg Asset-Carrying Charge (9/30/2022 AMA)	2,378,532	867,308	2,378,532	867,308	-	-
Add Reg Asset-Deferred Deprec Exp on AMI (9/30/2022 AMA)	30,694,932	10,124,681	30,884,949	10,217,098	(190,017)	(92,417)
Add Reg Liability-Excess Deprec Collected-Existing Meters/ERTS (9/30/2022 AMA)	(2,257,282)	(151,495)	(2,257,282)	(151,495)	-	-
Regulatory Asset	53,154,881	15,576,040	53,344,898	15,668,457	(190,017)	(92,417)
<b>ADFIT</b>						
Reverse CBR Adjustment	(3,384,000)	(1,019,000)	(3,384,000)	(1,019,000)	-	-
Add ADFIT on Reg Asset	(10,945,980)	(3,202,723)	(10,985,883)	(3,222,131)	39,903	19,408
ADFIT	(14,329,980)	(4,221,723)	(14,369,883)	(4,241,131)	39,903	19,408
<b>Net Rate Base</b>	87,584,178	33,083,704	92,163,761	35,432,431	(4,579,583)	(2,348,727)
<b>Expenses:</b>						
Net O&M Offsets	(2,832,766)	(944,255)	(2,985,807)	(995,269)	153,041	51,014
Depreciation Expense						
Remove Existing Meters/ERTS depreciation expense from test year (2019)	(736,925)	(160,830)	(736,925)	(160,830)	-	-
Add Depreciation Expense on new AMI investment	3,063,350	1,012,161	3,251,840	1,126,085	(188,490)	(113,924)
Net Depreciation Expense	2,326,425	851,331	2,514,915	965,255	(188,490)	(113,924)
Regulatory Amortization						
Add Amortization - AFUDC	(97,661)	(32,932)	(98,089)	(33,054)	428	122
Remove Existing Meters Deferral in Test Period	(752,825)	(10,957)	(752,825)	(10,957)	-	-
Remove AMI Deferral in Test Period	6,697,703	2,239,164	6,697,703	2,239,164	-	-
Amortization - Reg Asset	4,286,654	1,296,172	4,286,654	1,296,172	-	-
Net Regulatory Amortization	10,133,870	3,491,447	10,133,442	3,491,325	428	122
<b>Total Expense</b>	9,627,529	3,398,523	9,662,550	3,461,311	(35,021)	(62,788)
<b>Net Income</b>						
Current Tax Exp	(2,021,781)	(713,690)	(2,029,136)	(726,875)	7,354	13,185
Debt Interest	(456,138)	(172,300)	(479,989)	(184,532)	23,850	12,232
Net income	(7,149,610)	(2,512,533)	(7,153,426)	(2,549,903)	3,816	37,370
<b>Revenue Requirement</b>	18,081,852	6,581,083	18,537,408	6,861,610	(455,557)	(280,528)
<b>Proposed ROR</b>	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%
<b>Proposed Cost of Capital</b>	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%
<b>CF</b>	0.755294	0.755294	0.755294	0.755294	0.755294	0.755294

	WA Electric							WA Gas								
	Actual at 12/31/2019	Correction	Additions	Depreciation	Retire Old Meters	Deferral & Interest	Tax	AMA PF Amount	Actual at 12/31/2019	Correction	Additions	Depreciation	Retire Old Meters	Deferral & Interest	Tax	AMA PF Amount
101000 Plant	76,766,276		24,178,201					100,944,477	28,958,728		7,211,960					36,170,688
108000 A/D	(9,561,793)			(20,888,728)				(30,450,521)	(3,104,782)			(6,935,999)				(10,040,781)
282900 ADFIT - 12/31/2019	(3,960,277)	3,960,277						-	(1,178,781)	1,178,781						-
182332 AFUDC	1,272,537		(2,771)					1,269,766	403,176		(787)					402,389
182318 AFUDC-A/D	(144,869)			(93,729)				(238,598)	(47,710)			(29,702)				(77,412)
101000 Existing Meters/ERTs-Cost	12,170,771				(12,170,771)			-	3,570,867				(3,570,867)			-
108000 Existing Meters/ERTs-A/D	9,136,760				(9,136,760)			-	839,702				(839,702)			-
108121 AMI Reg Deferral A/D	(11,327,198)				11,327,198			-	(1,725,106)				1,725,106			-
182331 Reg Asset-Existing Metes/ERTS	11,327,198				9,980,333			21,307,531	1,725,106				2,685,463			4,410,569
182336 Reg Asset-Carrying Charge	390,090					1,988,442		2,378,532	133,275				734,033			867,308
182337 Reg Asset-Deferred Deprec Exp on AMI	9,712,475			20,982,457				30,694,932	3,158,980			6,965,700				10,124,681
254332 Reg Liability-Excess Deprec Collected-Exi	(940,670)					(1,316,612)		(2,257,282)	(11,733)				(139,762)			(151,495)
283436 ADFIT-AMI Deferrals	(4,302,710)	2,378,712					(9,021,982)	(10,945,980)	(1,051,182)	362,272					(2,513,813)	(3,202,723)
<b>Total</b>	<b>90,538,590</b>	<b>6,338,989</b>	<b>24,175,430</b>	<b>-</b>	<b>-</b>	<b>671,830</b>	<b>(9,021,982)</b>	<b>112,702,857</b>	<b>31,670,541</b>	<b>1,541,053</b>	<b>7,211,172</b>	<b>-</b>	<b>(0)</b>	<b>594,271</b>	<b>(2,513,813)</b>	<b>38,503,224</b>
403 Depreciation Expense - AMI	6,494,676			3,063,350				9,558,026	2,171,463			1,012,161				3,183,624
403 Depreciation Expense - Old Meters	736,925				(736,925)			-	160,830				(160,830)			-
407311 Amortization AFUDC- AMI	139,737			(97,661)				42,076	46,252			(32,932)				13,320
407332 EXIST METERS/ERTS EXCESS DEPRC	752,825			(752,825)				0	10,957			(10,957)				0
407436 REG CREDIT - MDM SYSTEM	(6,697,703)			6,697,703				0	(2,239,164)			2,239,164				(0)
Amortization - AMI	4,286,654							4,286,654	1,296,172							1,296,172
<b>Total</b>	<b>1,426,461</b>	<b>-</b>	<b>-</b>	<b>13,197,221</b>	<b>(736,925)</b>	<b>-</b>	<b>-</b>	<b>13,886,757</b>	<b>150,338</b>	<b>-</b>	<b>-</b>	<b>4,503,608</b>	<b>(160,830)</b>	<b>-</b>	<b>-</b>	<b>4,493,116</b>

	Electric	Natural Gas	Electric	Natural Gas
2E+05 Reg Asset-Existing Meters/ERTS	21,307,531	4,410,569		
2E+05 Reg Asset-Carrying Charge	2,257,572	826,169		
2E+05 Reg Asset-Deferred Deprac Exp on AMI	29,765,007	10,360,808		
3E+05 Reg Liability-Excess Deprac Collected-Existing Meters/ERTS	(2,257,284)	(151,495)		
	<u>51,082,626</u>	<u>15,446,051</u>		
37	202109			
38	202110	357,221	108,014	
39	202111	357,221	108,014	
40	202112	357,221	108,014	
41	202201	357,221	108,014	
42	202202	357,221	108,014	
43	202203	357,221	108,014	
44	202204	357,221	108,014	
45	202205	357,221	108,014	
46	202206	357,221	108,014	
47	202207	357,221	108,014	
48	202208	357,221	108,014	
49	202209	357,221	108,014	4,286,654
50	202210	357,221	108,014	1,296,172
51	202211	357,221	108,014	
52	202212	357,221	108,014	
53	202301	357,221	108,014	
54	202302	357,221	108,014	
55	202303	357,221	108,014	
56	202304	357,221	108,014	
57	202305	357,221	108,014	
58	202306	357,221	108,014	
59	202307	357,221	108,014	
60	202308	357,221	108,014	
61	202309	357,221	108,014	
62	202310	357,221	108,014	
63	202311	357,221	108,014	
64	202312	357,221	108,014	
65	202401	357,221	108,014	
66	202402	357,221	108,014	
67	202403	357,221	108,014	
68	202404	357,221	108,014	
69	202405	357,221	108,014	
70	202406	357,221	108,014	
71	202407	357,221	108,014	
72	202408	357,221	108,014	
73	202409	357,221	108,014	
74	202410	357,221	108,014	
75	202411	357,221	108,014	
76	202412	357,221	108,014	
77	202501	357,221	108,014	
78	202502	357,221	108,014	
79	202503	357,221	108,014	
80	202504	357,221	108,014	
81	202505	357,221	108,014	
82	202506	357,221	108,014	
83	202507	357,221	108,014	
84	202508	357,221	108,014	
85	202509	357,221	108,014	
86	202510	357,221	108,014	
87	202511	357,221	108,014	
88	202512	357,221	108,014	
89	202601	357,221	108,014	
90	202602	357,221	108,014	
91	202603	357,221	108,014	
92	202604	357,221	108,014	
93	202605	357,221	108,014	
94	202606	357,221	108,014	
95	202607	357,221	108,014	
96	202608	357,221	108,014	
97	202609	357,221	108,014	
98	202610	357,221	108,014	
99	202611	357,221	108,014	
100	202612	357,221	108,014	
101	202701	357,221	108,014	
102	202702	357,221	108,014	
103	202703	357,221	108,014	
104	202704	357,221	108,014	
105	202705	357,221	108,014	
106	202706	357,221	108,014	
107	202707	357,221	108,014	
108	202708	357,221	108,014	
109	202709	357,221	108,014	
110	202710	357,221	108,014	
111	202711	357,221	108,014	
112	202712	357,221	108,014	
113	202801	357,221	108,014	
114	202802	357,221	108,014	
115	202803	357,221	108,014	
116	202804	357,221	108,014	
117	202805	357,221	108,014	
118	202806	357,221	108,014	
119	202807	357,221	108,014	
120	202808	357,221	108,014	
121	202809	357,221	108,014	
122	202810	357,221	108,014	
123	202811	357,221	108,014	
124	202812	357,221	108,014	
125	202901	357,221	108,014	
126	202902	357,221	108,014	
127	202903	357,221	108,014	
128	202904	357,221	108,014	
129	202905	357,221	108,014	
130	202906	357,221	108,014	
131	202907	357,221	108,014	
132	202908	357,221	108,014	
133	202909	357,221	108,014	
134	202910	357,221	108,014	
135	202911	357,221	108,014	
136	202912	357,221	108,014	
137	203001	357,221	108,014	
138	203002	357,221	108,014	
139	203003	357,221	108,014	
140	203004	357,221	108,014	
141	203005	357,221	108,014	
142	203006	357,221	108,014	
143	203007	357,221	108,014	
144	203008	357,221	108,014	
145	203009	357,221	108,014	
146	203010	357,221	108,014	
147	203011	357,221	108,014	
148	203012	357,221	108,014	
149	203101	357,221	108,014	
150	203102	357,221	108,014	
151	203103	357,221	108,014	
152	203104	357,221	108,014	
153	203105	357,221	108,014	
154	203106	357,221	108,014	
155	203107	357,221	108,014	
156	203108	357,221	108,014	
157	203109	357,221	108,014	
158	203110	357,221	108,014	
159	203111	357,221	108,014	
160	203112	357,221	108,014	
161	203201	357,221	108,014	
162	203202	357,221	108,014	
163	203203	357,221	108,014	
164	203204	357,221	108,014	
165	203205	357,221	108,014	
166	203206	357,221	108,014	
167	203207	357,221	108,014	
168	203208	357,221	108,014	
169	203209	357,221	108,014	
170	203210	357,221	108,014	
171	203211	357,221	108,014	
172	203212	357,221	108,014	
173	203301	357,221	108,014	
174	203302	357,221	108,014	
175	203303	357,221	108,014	
176	203304	357,221	108,014	
177	203305	357,221	108,014	
178	203306	357,221	108,014	
179	203307	357,221	108,014	
180	203308	357,221	108,014	
	<u>51,082,626</u>	<u>15,446,051</u>		

254332											182337			182336		
Plant Bal	Additions/ Retirements	Plant Bal	Deprec Rate	Deprec Exp	Deprec Expense in Rates	Deferral	Accumulated Deferral (940,670)	Interest (32,840)	Accumulated Deferral with interest (973,510)	Accounting Period						
12,170,771	(471,033)	11,699,738	2.89%	28,177	123,300	(95,123)	(1,035,793)	(4,417)	(1,073,050)	4.96%	202001	9,712,475	694,404	10,406,879	43,015	428,677
11,699,738	(453,156)	11,246,583	2.89%	27,086	123,300	(96,214)	(1,132,008)	(4,833)	(1,174,097)	4.96%	202002	10,406,879	711,439	11,118,318	45,956	469,800
11,246,583	(1,870,970)	9,375,612	2.89%	22,580	123,300	(100,720)	(1,232,728)	(5,269)	(1,280,087)	4.96%	202003	11,118,318	726,826	11,845,143	48,960	513,490
9,375,612	(1,988,570)	7,387,042	2.89%	17,790	65,151	(47,361)	(1,280,089)	(5,254)	(1,332,702)	4.75%	202004	11,845,143	734,053	12,579,196	49,793	558,028
7,387,042	(616,501)	6,770,541	2.89%	16,306	65,151	(48,845)	(1,328,934)	(5,469)	(1,387,016)	4.75%	202005	12,579,196	743,008	13,322,204	52,734	605,294
6,770,541	(967,220)	5,803,321	2.89%	13,976	65,151	(51,175)	(1,380,108)	(5,693)	(1,443,883)	4.75%	202006	13,322,204	732,563	14,054,767	55,633	655,234
5,803,321	(967,220)	4,836,101	2.89%	11,647	65,151	(53,504)	(1,433,613)	(5,927)	(1,503,315)	4.75%	202007	14,054,767	747,423	14,802,190	58,592	707,899
4,836,101	(967,220)	3,868,881	2.89%	9,318	65,151	(55,833)	(1,489,446)	(6,172)	(1,565,320)	4.75%	202008	14,802,190	753,109	15,555,299	61,573	763,300
3,868,881	(967,220)	2,901,661	2.89%	6,988	65,151	(58,163)	(1,547,609)	(6,426)	(1,629,909)	4.75%	202009	15,555,299	758,387	16,313,686	64,575	821,449
2,901,661	(967,220)	1,934,440	2.89%	4,659	65,151	(60,492)	(1,608,101)	(6,691)	(1,697,092)	4.75%	202010	16,313,686	763,648	17,077,334	67,598	882,356
1,934,440	(967,220)	967,220	2.89%	2,329	65,151	(62,822)	(1,670,923)	(6,966)	(1,766,880)	4.75%	202011	17,077,334	769,947	17,847,281	70,645	946,035
967,220	(967,220)	(0)	2.89%	(0)	65,151	(65,151)	(1,736,074)	(7,252)	(1,839,283)	4.75%	202012	17,847,281	775,785	18,623,066	73,716	1,012,499
(0)	(0)	(0)	2.89%	(0)	65,151	(65,151)	(1,801,225)	(7,538)	(1,911,972)	4.75%	202101	18,623,066	784,846	19,407,912	76,823	1,081,784
(0)	(0)	(0)	2.89%	(0)	65,151	(65,151)	(1,866,376)	(7,826)	(1,984,949)	4.75%	202102	19,407,912	793,764	20,201,676	79,965	1,153,923
(0)	(0)	(0)			65,151	(65,151)	(1,931,527)	(8,115)	(2,058,215)	4.75%	202103	20,201,676	796,634	20,998,310	83,118	1,228,926
(0)	(0)	(0)			65,151	(65,151)	(1,996,678)	(8,405)	(2,131,771)	4.75%	202104	20,998,310	797,579	21,795,889	86,275	1,306,797
(0)	(0)	(0)			65,151	(65,151)	(2,061,829)	(8,696)	(2,205,619)	4.75%	202105	21,795,889	797,647	22,593,536	89,433	1,387,533
(0)	(0)	(0)			65,151	(65,151)	(2,126,980)	(8,988)	(2,279,758)	4.75%	202106	22,593,536	797,647	23,391,182	92,590	1,471,135
(0)	(0)	(0)			65,151	(65,151)	(2,192,131)	(9,282)	(2,354,191)	4.75%	202107	23,391,182	797,647	24,188,829	95,747	1,557,600
(0)	(0)	(0)			65,151	(65,151)	(2,257,282)	(9,577)	(2,428,918)	4.75%	202108	24,188,829	797,647	24,986,476	98,905	1,646,929
							(2,257,282)	(9,614)	(2,438,533)	4.75%	202109	24,986,476	797,647	25,784,122	102,062	1,739,376
-	-	-					(2,257,282)	(9,653)	(2,448,185)	4.75%	202110	25,784,122	797,647	26,581,769	105,220	1,834,943
							(2,257,282)	(9,691)	(2,457,876)	4.75%	202111	26,581,769	797,647	27,379,416	108,377	1,933,629
-	-	-					(2,257,282)	(9,729)	(2,467,605)	4.75%	202112	27,379,416	797,647	28,177,063	111,534	2,035,435
							(2,257,282)	(9,768)	(2,477,373)	4.75%	202201	28,177,063	797,647	28,974,709	114,692	2,140,358
-	-	-					(2,257,282)	(9,806)	(2,487,179)	4.75%	202202	28,974,709	797,647	29,772,356	117,849	2,248,401
							(2,257,282)	(9,845)	(2,497,024)	4.75%	202203	29,772,356	797,647	30,570,003	121,006	2,359,562
-	-	-					(2,257,282)	(9,884)	(2,506,908)	4.75%	202204	30,570,003	797,647	31,367,649	124,164	2,473,842
							(2,257,282)	(9,923)	(2,516,832)	4.75%	202205	31,367,649	797,647	32,165,296	127,321	2,591,240
-	-	-					(2,257,282)	(9,962)	(2,526,794)	4.75%	202206	32,165,296	797,647	32,962,943	130,478	2,711,756
							(2,257,282)	(10,002)	(2,536,796)	4.75%	202207	32,962,943	797,647	33,760,589	133,636	2,835,389
-	-	-					(2,257,282)	(10,041)	(2,546,837)	4.75%	202208	33,760,589	797,647	34,558,236	136,793	2,962,141
							(2,257,282)	(10,081)	(2,556,919)	4.75%	202209	34,558,236	797,648	35,355,884	139,950	3,092,010
							(2,257,282)							30,570,003		2,378,532



	E	G		<b>101000</b>	<b>108000</b>	<b>108121</b>	<b>101000</b>	<b>108000</b>	<b>108121</b>
				<b>E Cost</b>	<b>E A/D</b>	<b>E Reg Asset</b>	<b>G Cost</b>	<b>G A/D</b>	<b>G Reg Aset</b>
Plant	27,052,487	5,993,953	201812	27,052,487	(5,517,336)		5,993,953	(1,696,871)	
A/D	(5,517,336)	(1,696,871)	201901	27,040,062	(5,555,742)		5,988,031	(1,707,055)	
	<u>21,535,151</u>	<u>4,297,082</u>	201902	27,077,274	(5,583,014)		5,974,509	(1,709,668)	
			201903	27,136,752	(5,508,275)		6,089,460	(1,715,684)	
			201904	26,863,946	(5,251,310)	(182,464)	6,063,309	(1,705,090)	
			201905	26,407,447	(4,766,508)	(520,627)	5,902,986	(1,410,938)	(111,895)
			201906	25,706,679	(3,983,308)	(1,381,334)	5,687,729	(1,210,371)	(373,749)
			201907	24,349,717	(2,634,003)	(2,197,051)	5,314,319	(850,333)	(528,636)
			201908	23,490,704	(1,664,899)	(2,956,758)	4,917,282	(465,706)	(528,636)
			201909	22,531,058	(706,444)	(3,708,434)	4,544,257	(104,148)	(1,056,820)
			201910	21,516,224	689,483	(4,808,802)	4,129,597	300,091	(1,343,670)
			201911	20,666,484	1,572,484	(5,501,356)	3,818,832	601,007	(1,556,609)
			201912	12,170,771	9,136,760	(11,327,198)	3,570,867	839,702	(1,725,106)
			AMA	24,366,498	(2,631,819)	(2,243,369)	5,267,727	(867,207)	(530,214)



Revised

		Test Period	Rate Year	ADJ
E	Dist	1,267,961	3,874,853	2,606,892
	GP&Intang	5,226,715	5,683,173	456,458
		<u>6,494,676</u>	<u>9,558,026</u>	<u>3,063,350</u>
G	Dist	661,591	1,598,747	937,156
	GP&Intang	1,509,872	1,584,877	75,005
		<u>2,171,463</u>	<u>3,183,624</u>	<u>1,012,161</u>