

**Exh. JH-3
Dockets UE-200900, UG-200901,
UE-200894
Witness: Joanna Huang**

**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**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Natural Gas Revenue Requirement Analysis

April 21, 2021

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

		October 1, 2021				
Line No.	DESCRIPTION	WITH PRESENT RATES			WITH 10.01.2021 PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	10.2021 Adjusted Total	Proposed Revenues & Related Exp	10.01.2021 Proposed Total
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$142,552	\$ (42,721)	\$99,831	\$5,619	\$105,450
2	Total Transportation	5,183	159	5,342		5,342
3	Other Revenues	60,090	(59,476)	614		614
4	Total Gas Revenues	207,825	(102,038)	105,787	5,619	111,406
EXPENSES						
Production Expenses						
5	City Gate Purchases	100,541	(100,541)	-		-
6	Purchased Gas Expense	959	27	986		986
7	Net Nat Gas Storage Trans	(1,928)	1,928	-		-
8	Total Production	99,572	(98,586)	986	-	986
Underground Storage						
9	Operating Expenses	1,883	-	1,883		1,883
10	Depreciation	494	(143)	351		351
11	Taxes	323	(46)	277		277
12	Total Underground Storage	2,700	(189)	2,511	-	2,511
Distribution						
13	Operating Expenses	13,669	(663)	13,006		13,006
14	Depreciation	12,469	926	13,395		13,395
15	Taxes	13,739	(6,125)	7,614	216	7,830
16	Total Distribution	39,877	(5,862)	34,015	216	34,231
17	Customer Accounting	6,398	294	6,692	19	6,711
18	Customer Service & Information	9,664	(8,466)	1,198		1,198
19	Sales Expenses	-	-	-		-
Administrative & General						
20	Operating Expenses	15,696	(189)	15,507	11	15,518
21	Depreciation/Amortization	10,678	919	11,597		11,597
22	Regulatory Amortizations	(3,003)	6,752	3,749		3,749
23	Taxes	-	-	-		-
24	Total Admin. & General	23,371	7,482	30,853	11	30,864
25	Total Gas Expense	181,582	(105,327)	76,255	246	76,501
26	OPERATING INCOME BEFORE FIT	26,243	3,289	29,532	5,373	34,905
FEDERAL INCOME TAX						
27	Current Accrual	(4,720)	845	(3,875)	1,128	(2,747)
28	Debt Interest	-	(140)	(140)	-	(140)
29	Deferred FIT	6,501	699	7,200		7,200
30	Amort ITC	(12)	-	(12)		(12)
31	NET OPERATING INCOME	24,474	1,885	26,359	4,245	30,604
RATE BASE: PLANT IN SERVICE						
32	Underground Storage	29,714	2,164	31,878		31,878
33	Distribution Plant	505,864	24,065	529,929		529,929
34	General Plant	141,661	10,056	151,717		151,717
35	Total Plant in Service	677,239	36,285	713,524	-	713,524
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(11,566)	(232)	(11,798)		(11,798)
37	Distribution Plant	(151,240)	3,163	(148,077)		(148,077)
38	General Plant	(38,750)	(2,902)	(41,652)		(41,652)
39	Total Accum. Depreciation/Amort.	(201,556)	28	(201,528)	-	(201,528)
40	NET PLANT	475,683	36,314	511,997	-	511,997
41	DEFERRED FIT	(91,014)	(19,796)	(110,810)		(110,810)
42	Net Plant After DFIT	384,669	16,518	401,187	-	401,187
43	GAS INVENTORY	10,411	-	10,411		10,411
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	7,359	11,563	18,922		18,922
46	WORKING CAPITAL	3,494	(1,144)	2,350		2,350
47	TOTAL RATE BASE	405,933	15,374	432,870	0	432,870
48	RATE OF RETURN	6.03%		6.09%		7.07%

**AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019**

Line No.	Description	Requested Base Rate Change 10/1/2021 (000's of Dollars)	Tariff Schedule 176	Overall Bill Impact
1	Pro Forma Rate Base	\$ 432,870		
2	Proposed Rate of Return	<u>7.07%</u>		
3	Net Operating Income Requirement	\$30,604		
4	Pro Forma Net Operating Income	<u>\$ 26,359</u>		
5	Net Operating Income Deficiency	\$4,245		
6	Conversion Factor	0.755463		
7	Revenue Requirement	\$5,619	\$ (5,619)	\$ -
8	Total Base Distribution Revenues*	\$ 105,173		
9	Percentage Base Distribution Revenue Increase	<u>5.34%</u>	-5.34%	0.0%
10	Total Present Billed Revenue	\$ 161,345		
11	Percentage Billed Revenue Increase	<u>3.48%</u>	-3.48%	0.0%

* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

AVISTA UTILITIES PROPOSED COST OF CAPITAL WASHINGTON NATURAL GAS			
Proposed Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Short-Term Debt	2.48%	3.26%	0.08%
Long-Term Debt	49.02%	5.05%	2.48%
Common	48.50%	9.30%	4.51%
Total	<u>100.00%</u>		<u>7.07%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.003326
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038392
6	Total Expense	<u>0.043718</u>
7	Net Operating Income Before FIT	0.956282
8	Federal Income Tax @ 21%	<u>0.200819</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.755463</u></u>

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

RESTATEMENT ADJUSTMENTS

**ACTUAL
RESULTS**

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense	Regulatory Expense
	Adjustment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-AMI	G-EBO	G-RPT	G-UE	G-RE
REVENUES										
1	Total General Business	\$ 142,552	\$ -	\$ -	\$ -	\$ -	\$ (5,116)	\$ -	\$ -	\$ -
2	Total Transportation	5,183	-	-	-	-	(131)	-	-	-
3	Other Revenues	60,090	-	-	-	-	-	-	-	-
4	Total Gas Revenues	207,825	-	-	-	-	(5,247)	-	-	-
EXPENSES										
Production Expenses										
5	City Gate Purchases	100,541	-	-	-	-	-	-	-	-
6	Purchased Gas Expense	959	-	-	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	(1,928)	-	-	-	-	-	-	-	-
8	Total Production	99,572	-	-	-	-	-	-	-	-
Underground Storage										
9	Operating Expenses	1,883	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	494	-	-	-	-	-	-	-	-
11	Taxes	323	-	-	-	-	-	(66)	-	-
12	Total Underground Storage	2,700	-	-	-	-	-	(66)	-	-
Distribution										
13	Operating Expenses	13,669	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	12,469	-	-	-	-	-	-	-	-
15	Taxes	13,739	-	-	-	-	(5,235)	305	-	-
16	Total Distribution	39,877	-	-	-	-	(5,235)	305	-	-
17	Customer Accounting	6,398	-	15	-	-	-	-	166	-
18	Customer Service & Information	9,664	-	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-	-
Administrative & General										
20	Operating Expenses	15,696	-	-	-	-	-	-	-	(58)
21	Depreciation/Amortization	10,678	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	(3,003)	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	23,371	-	-	-	-	-	-	-	(58)
25	Total Gas Expense	181,582	-	15	-	-	(5,235)	239	166	(58)
26	OPERATING INCOME BEFORE FIT	26,243	-	(15)	-	-	(12)	(239)	(166)	58
FEDERAL INCOME TAX										
27	Current Accrual	(4,720)	-	(3)	-	-	(3)	(50)	(35)	12
28	Debt Interest	-	5	0	6	99	-	-	-	-
29	Deferred FIT	6,501	-	-	-	-	-	-	-	-
30	Amort ITC	(12)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 24,474	\$ (5)	\$ (12)	\$ (6)	\$ (99)	\$ (9)	\$ (189)	\$ (131)	\$ 46
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ 29,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	505,864	-	-	-	(10,036)	-	-	-	-
34	General Plant	141,661	-	-	-	(11,292)	-	-	-	-
35	Total Plant in Service	677,239	-	-	-	(21,328)	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	(11,566)	-	-	-	-	-	-	-	-
37	Distribution Plant	(151,240)	-	-	-	301	-	-	-	-
38	General Plant	(38,750)	-	-	-	1,658	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(201,556)	-	-	-	1,959	-	-	-	-
40	NET PLANT	475,683	-	-	-	(19,369)	-	-	-	-
41	DEFERRED TAXES	(91,014)	(994)	-	-	1,019	-	-	-	-
42	Net Plant After DFIT	384,669	(994)	-	-	(18,350)	-	-	-	-
43	GAS INVENTORY	10,411	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-
45	OTHER	7,359	-	(1)	-	(53)	-	-	-	-
46	WORKING CAPITAL	3,494	-	-	(1,144)	-	-	-	-	-
47	TOTAL RATE BASE	\$ 405,933	\$ (994)	\$ (1)	\$ (1,144)	\$ (18,403)	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	6.03%	-	-	-	-	-	-	-	-
50	REVENUE REQUIREMENT	5,593	-86	16	-99	-1,591	13	250	174	-61

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries & Damages 2.05 G-ID	FIT / DFIT Expense 2.06 G-FIT	Office Space Charges to Non-Utility 2.07 G-OSC	Restate Excise Taxes 2.08 G-RET	Net Gains & Losses 2.09 G-NGL	Weather Normalization / Gas Cost Adjust 2.10 G-WNGC	Eliminate Adder Schedules 2.11 G-EAS	Misc. Restating Non-Util / Non-Recurring Expense 2.12 G-MR
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	(3,931)	\$ 8,060	\$ -
2	Total Transportation	-	-	-	-	-	-	-	-
3	Other Revenues	-	-	-	-	-	2,095	(59,974)	(444)
4	Total Gas Revenues	-	-	-	-	-	(1,836)	(51,914)	(444)
	EXPENSES								
	Production Expenses								
5	City Gate Purchases	-	-	-	-	-	(1,655)	(47,738)	-
6	Purchased Gas Expense	-	-	-	-	-	(3)	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	1,928	-
8	Total Production	-	-	-	-	-	(1,658)	(45,810)	-
	Underground Storage								
9	Operating Expenses	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-	-	-
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(11)	-	-	-
15	Taxes	-	-	-	1	-	(151)	309	-
16	Total Distribution	-	-	-	1	(11)	(151)	309	(2)
17	Customer Accounting	-	-	-	-	-	(13)	27	-
18	Customer Service & Information	-	-	-	-	-	-	(8,485)	1
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	(9)	-	(16)	-	-	(8)	16	(399)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	1,205	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	(9)	-	(16)	-	-	(8)	1,221	(399)
25	Total Gas Expense	(9)	-	(16)	1	(11)	(1,830)	(52,738)	(400)
26	OPERATING INCOME BEFORE FIT	9	-	16	(1)	11	(6)	824	(44)
	FEDERAL INCOME TAX								
27	Current Accrual	2	-	3	(0)	2	(1)	173	(9)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred FIT	-	53	-	-	-	-	651	-
30	Amort ITC	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 7	\$ (53)	\$ 13	\$ (1)	\$ 9	\$ (5)	\$ (0)	\$ (35)
	RATE BASE								
	PLANT IN SERVICE								
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	-	-	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN								
50	REVENUE REQUIREMENT	-9	70	-17	1	-12	6	0	46

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Restating Incentives Expense 2.13 G-RI	Restate Debt Interest 2.14 G-DI	Restate 2019 AMA Rate Base to EOP 2.15 G-EOP19	Restated TOTAL R-Ttl
	Adjustment Number				
	Workpaper Reference				
	REVENUES				
1	Total General Business	\$ -	\$ -	\$ -	\$ 141,565
2	Total Transportation	-	-	-	5,052
3	Other Revenues	-	-	-	1,767
4	Total Gas Revenues	-	-	-	148,384
	EXPENSES				
	Production Expenses				
5	City Gate Purchases	-	-	-	51,148
6	Purchased Gas Expense	-	-	-	956
7	Net Nat Gas Storage Trans	-	-	-	-
8	Total Production	-	-	-	52,104
	Underground Storage				
9	Operating Expenses	-	-	-	1,883
10	Depreciation/Amortization	-	-	(164)	330
11	Taxes	-	-	-	257
12	Total Underground Storage	-	-	(164)	2,470
	Distribution				
13	Operating Expenses	-	-	-	13,667
14	Depreciation/Amortization	-	-	(112)	12,346
15	Taxes	-	-	-	8,968
16	Total Distribution	-	-	(112)	34,981
17	Customer Accounting	-	-	-	6,593
18	Customer Service & Information	-	-	-	1,180
19	Sales Expenses	-	-	-	-
	Administrative & General				
20	Operating Expenses	219	-	-	15,441
21	Depreciation/Amortization	-	-	14	10,692
22	Regulatory Amortizations	-	-	-	(1,798)
23	Taxes	-	-	-	-
24	Total Admin. & General	219	-	14	24,335
25	Total Gas Expense	219	-	(262)	121,663
26	OPERATING INCOME BEFORE FIT	(219)	-	262	26,721
	FEDERAL INCOME TAX				
27	Current Accrual	(46)	154	55	(4,466)
28	Debt Interest	-	-	(68)	42
29	Deferred FIT	-	-	-	7,205
30	Amort ITC	-	-	-	(12)
31	NET OPERATING INCOME	\$ (173)	\$ (154)	\$ 275	\$ 23,952
	RATE BASE				
	PLANT IN SERVICE				
32	Underground Storage	\$ -	\$ -	700	\$ 30,414
33	Distribution Plant	-	-	4,409	500,237
34	General Plant	-	-	8,492	138,861
35	Total Plant in Service	-	-	13,601	669,512
	ACCUMULATED DEPRECIATION/AMORT				
36	Underground Storage	-	-	(223)	(11,789)
37	Distribution Plant	-	-	2,029	(148,910)
38	General Plant	-	-	(2,799)	(39,891)
39	Total Accumulated Depreciation/Amortization	-	-	(994)	(200,591)
40	NET PLANT	-	-	12,608	468,922
41	DEFERRED TAXES	-	-	123	(90,866)
42	Net Plant After DFIT	-	-	12,731	378,056
43	GAS INVENTORY	-	-	-	10,411
44	GAIN ON SALE OF BUILDING	-	-	-	-
45	OTHER	-	-	-	7,305
46	WORKING CAPITAL	-	-	-	2,350
47	TOTAL RATE BASE	\$ -	\$ -	12,731	\$ 398,122
48	RATE OF RETURN				(1)
50	REVENUE REQUIREMENT	229	204	827	5,554

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

PRO FORMA ADJUSTMENTS

Line No.	DESCRIPTION	Pro Forma Revenue Normalization	Pro Forma Def. Debits, Credits & Regulatory Amorts	Pro Forma ARAM DFIT	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits
	Adjustment Number	3.01	3.02	3.03	3.04	3.05	3.06
	Workpaper Reference	G-PREV	G-PRA	G-ARAM	G-PLN	G-PLE	G-PEB
REVENUES							
1	Total General Business	\$ (41,734)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	290	-	-	-	-	-
3	Other Revenues	(1,153)	-	-	-	-	-
4	Total Gas Revenues	(42,597)	-	-	-	-	-
EXPENSES							
Production Expenses							
5	City Gate Purchases	(51,148)	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	30	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	(51,148)	-	-	30	-	-
Underground Storage							
9	Operating Expenses	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-
Distribution							
13	Operating Expenses	-	-	-	283	-	-
14	Depreciation/Amortization	-	-	-	-	-	-
15	Taxes	(1,591)	-	-	-	-	-
16	Total Distribution	(1,591)	-	-	283	-	-
17	Customer Accounting	(138)	-	-	170	-	-
18	Customer Service & Information	-	-	-	18	-	-
19	Sales Expenses	-	-	-	-	-	-
Administrative & General							
20	Operating Expenses	(83)	-	-	291	(142)	-
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	(230)	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(83)	(230)	-	291	(142)	-
25	Total Gas Expense	(52,960)	(230)	-	792	(142)	-
26	OPERATING INCOME BEFORE FIT	10,363	230	-	(792)	142	-
FEDERAL INCOME TAX							
27	Current Accrual	2,176	48	-	(166)	30	-
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	(5)	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 8,187	\$ 182	\$ 5	\$ (626)	\$ 112	\$ -
RATE BASE							
PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	-10,837	-241	-7	828	-148	0
50	REVENUE REQUIREMENT	-10,837	-241	-7	828	-148	0

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Insurance Expense 3.07	Pro Forma IS/IT Expense 3.08	Pro Forma Property Tax 3.09	Pro Forma Fee Free Amortization 3.10	Pro Forma 2020 Customer At Center 3.11	Pro Forma 2020 Large & Distinct 3.12	Pro Forma 2020 Programmatic 3.13
	Adjustment Number							
	Workpaper Reference	G-PINS	G-PIT	G-PPT	G-PFEE	G-PCAP1	G-PCAP2	G-PCAP3
	REVENUES							
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-	-
3	Other Revenues	-	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-	-
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	-	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	-	-
	Underground Storage							
9	Operating Expenses	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	21	-
11	Taxes	-	-	20	-	-	-	-
12	Total Underground Storage	-	-	20	-	-	21	-
	Distribution							
13	Operating Expenses	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	96	3
15	Taxes	-	-	237	-	-	-	-
16	Total Distribution	-	-	237	-	-	96	3
17	Customer Accounting	-	-	-	67	-	-	-
18	Customer Service & Information	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	-	-	-	-	-	-	-
21	Depreciation/Amortization	-	-	-	-	438	(45)	-
22	Regulatory Amortizations	-	-	-	805	-	-	(69)
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	-	-	-	805	438	(45)	(69)
25	Total Gas Expense	-	-	257	872	438	72	(66)
26	OPERATING INCOME BEFORE FIT	-	-	(257)	(872)	(438)	(72)	66
	FEDERAL INCOME TAX							
27	Current Accrual	-	-	(54)	(183)	(92)	(15)	14
28	Debt Interest	-	-	-	-	(12)	(33)	-
29	Deferred FIT	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ -	\$ -	(203)	(689)	(334)	(24)	52
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	1,464	\$ -
33	Distribution Plant	-	-	-	-	-	3,918	(7)
34	General Plant	-	-	-	-	1,616	(790)	(1,257)
35	Total Plant in Service	-	-	-	-	1,616	4,592	(1,264)
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	-	-	-	(9)	-
37	Distribution Plant	-	-	-	-	-	963	952
38	General Plant	-	-	-	-	698	790	1,257
39	Total Accumulated Depreciation/Amortization	-	-	-	-	698	1,743	2,209
40	NET PLANT	-	-	-	-	2,314	6,335	945
41	DEFERRED TAXES	-	-	-	-	(41)	(136)	(25)
42	Net Plant After DFIT	-	-	-	-	2,273	6,199	920
43	GAS INVENTORY	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	2,273	6,199	920
48	RATE OF RETURN							
50	REVENUE REQUIREMENT	0	0	269	912	655	611	17

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

Revised to Reflect
Filed 2019
Tax Return

Line No.	DESCRIPTION	Pro Forma 2020 Mandatory & Compliance	Pro Forma 2020 Short Lived	Pro Forma AMI Capital Adds	Pro Forma LEAP Deferral Amortization	Restate 2019 ADFIT		Pro Forma Open
	Adjustment Number	3.14	3.15	3.16	3.17	3.18		0.01
	Workpaper Reference	G-PCAP4	G-PCAP5	G-PAMI	G-PLEAP	G-RDFIT		
	REVENUES							
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-	-
3	Other Revenues	-	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-	-
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	-	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	-	-
	Underground Storage							
9	Operating Expenses	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-	-
	Distribution							
13	Operating Expenses	-	-	(944)	-	-	-	-
14	Depreciation/Amortization	174	-	776	-	-	-	-
15	Taxes	-	-	-	-	-	-	-
16	Total Distribution	174	-	(168)	-	-	-	-
17	Customer Accounting	-	-	-	-	-	-	-
18	Customer Service & Information	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	-	-	-	-	-	-	-
21	Depreciation/Amortization	(14)	451	75	-	-	-	-
22	Regulatory Amortizations	-	-	3,491	1,550	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	(14)	451	3,566	1,550	-	-	-
25	Total Gas Expense	160	451	3,398	1,550	-	-	-
26	OPERATING INCOME BEFORE FIT	(160)	(451)	(3,398)	(1,550)	-	-	-
	FEDERAL INCOME TAX							
27	Current Accrual	(34)	(95)	(714)	(326)	-	-	-
28	Debt Interest	(48)	(13)	(178)	21	82	-	-
29	Deferred FIT	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (78)	\$ (343)	\$ (2,507)	\$ (1,246)	\$ (82)	\$ -	\$ -
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	7,068	-	18,713	-	-	-	-
34	General Plant	(246)	1,343	12,190	-	-	-	-
35	Total Plant in Service	6,822	1,343	30,903	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	-	-	-	-	-
37	Distribution Plant	2,149	-	(3,231)	-	-	-	-
38	General Plant	246	1,190	(5,942)	-	-	-	-
39	Total Accumulated Depreciation/Amortization	2,395	1,190	(9,173)	-	-	-	-
40	NET PLANT	9,218	2,533	21,730	-	-	-	-
41	DEFERRED TAXES	(242)	(50)	(4,222)	-	(15,228)	-	-
42	Net Plant After DFIT	8,976	2,483	17,508	-	(15,228)	-	-
43	GAS INVENTORY	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	-	15,576	(3,959)	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ 8,976	\$ 2,483	\$ 33,084	\$ (3,959)	\$ (15,228)	\$ -	\$ -
48	RATE OF RETURN							
50	REVENUE REQUIREMENT	943	686	6,414	1,279	-1,317	0	0

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

INFORMATIONAL
TARIFF
#176

Line No.	DESCRIPTION	Pro Forma Total	Tax Customer Credit Tariff 176	Billed Net Total After Tariff
	Adjustment Number			
	Workpaper Reference	PF-STII	4.00T G-Tax	Net Billed Total
	REVENUES			
1	Total General Business	\$ 99,831	\$ -	\$ 99,831
2	Total Transportation	5,342	-	5,342
3	Other Revenues	614	-	614
4	Total Gas Revenues	105,787	-	105,787
	EXPENSES			
	Production Expenses			
5	City Gate Purchases	-	-	-
6	Purchased Gas Expense	986	-	986
7	Net Nat Gas Storage Trans	-	-	-
8	Total Production	986	-	986
	Underground Storage			
9	Operating Expenses	1,883	-	1,883
10	Depreciation/Amortization	351	-	351
11	Taxes	277	-	277
12	Total Underground Storage	2,511	-	2,511
	Distribution			
13	Operating Expenses	13,006	-	13,006
14	Depreciation/Amortization	13,395	-	13,395
15	Taxes	7,614	-	7,614
16	Total Distribution	34,015	-	34,015
17	Customer Accounting	6,692	-	6,692
18	Customer Service & Information	1,198	-	1,198
19	Sales Expenses	-	-	-
	Administrative & General			
20	Operating Expenses	15,507	-	15,507
21	Depreciation/Amortization	11,597	-	11,597
22	Regulatory Amortizations	3,749	(5,877)	(2,128)
23	Taxes	-	-	-
24	Total Admin. & General	30,853	(5,877)	24,976
25	Total Gas Expense	76,255	(5,877)	70,378
26	OPERATING INCOME BEFORE FIT	29,532	5,877	35,409
	FEDERAL INCOME TAX			
27	Current Accrual	(3,875)	1,234	(2,641)
28	Debt Interest	(140)	(33)	(173)
29	Deferred FIT	7,200	-	7,200
30	Amort ITC	(12)	-	(12)
31	NET OPERATING INCOME	\$ 26,359	\$ 4,676	\$ 31,035
	RATE BASE			
	PLANT IN SERVICE			
32	Underground Storage	\$ 31,878	\$ -	\$ 31,878
33	Distribution Plant	529,929	-	529,929
34	General Plant	151,717	-	151,717
35	Total Plant in Service	713,524	-	713,524
	ACCUMULATED DEPRECIATION/AMORT			
36	Underground Storage	(11,798)	-	(11,798)
37	Distribution Plant	(148,077)	-	(148,077)
38	General Plant	(41,652)	-	(41,652)
39	Total Accumulated Depreciation/Amortization	(201,528)	-	(201,528)
40	NET PLANT	511,997	-	511,997
41	DEFERRED TAXES	(110,810)	6,091	(104,719)
42	Net Plant After DFIT	401,187	6,091	407,278
43	GAS INVENTORY	10,411	-	10,411
44	GAIN ON SALE OF BUILDING	-	-	-
45	OTHER	18,922	-	18,922
46	WORKING CAPITAL	2,350	-	2,350
47	TOTAL RATE BASE	\$ 432,870	\$ 6,091	\$ 438,961
48	RATE OF RETURN			
50	REVENUE REQUIREMENT	5,619	(5,619)	(0)

Natural Gas
AVISTA UTILITIES
Comparison of Revenue Requirement Adjustments
(000's of Dollars)

Item	Description	AVISTA			STAFF			DIFFERENCE
		Revenue Requirement @			Revenue Requirement @			
		NOI	Rate Base	7.43%	NOI	Rate Base	7.07%	
1.00	Per Results Report	\$24,474	\$405,933	7,528	\$24,474	\$405,933	5,593	0
1.01	Deferred FIT Rate Base	(\$5)	(\$994)	(91)	(5)	(994)	(86)	0
1.02	Deferred Debits and Credits	(\$12)	(\$1)	16	(12)	(1)	16	0
1.03	Working Capital	(\$6)	(\$1,144)	(105)	(6)	(1,144)	(99)	1
1.04	Remove AMI Rate Base	(\$96)	(\$18,403)	(1,683)	(99)	(18,403)	(1,591)	4
	Actual	24,355	385,391	5,665	24,352	385,391	3,833	5
2.01	Eliminate B & O Taxes	(9)	0	13	(9)	0	13	0
2.02	Restate Property Tax	(189)	0	250	(189)	0	250	0
2.03	Uncollectible Expense	(131)	0	174	(131)	0	174	0
2.04	Regulatory Expense	46	0	(61)	46	0	(61)	0
2.05	Injuries & Damages	7	0	(9)	7	0	(9)	0
2.06	FIT / DFIT Expense	(53)	0	70	(53)	0	70	0
2.07	Office Space Charges to Non-Utility	13	0	(17)	13	0	(17)	0
2.08	Restate Excise Taxes	(1)	0	1	(1)	0	1	0
2.09	Net Gains & Losses	9	0	(12)	9	0	(12)	0
2.10	Weather Normalization / Gas Cost Adjust	(5)	0	6	(5)	0	6	0
2.11	Eliminate Adder Schedules	(0)	0	-	(0)	0	-	0
2.12	Misc. Restating Non-Util / Non- Recurring Expense	(35)	0	46	(35)	0	46	0
2.13	Restating Incentives Expense	(173)	0	229	(173)	0	229	0
2.14	Restate Debt Interest	(222)	0	294	(154)	0	204	(90)
2.15	Restate 2019 AMA Rate Base to EOP	273	12,731	890	275	12,731	827	(3)
	Restated Total	\$23,885	\$398,122	\$7,539	\$23,952	\$398,122	\$5,554	(\$88)
3.01	Pro Forma Revenue Normalization	8,187	0	(10,837)	8,187	0	(10,837)	0
3.02	Pro Forma Def. Debits, Credits & Regulatory Amorts	182	0	(241)	182	0	(241)	0
3.03	Pro Forma ARAM DFIT	(41)	0	54	5	0	(7)	(61)
3.04	Pro Forma Labor Non-Exec	(772)	0	1,022	(626)	0	828	(194)
3.05	Pro Forma Labor Exec	77	0	(101)	112	0	(148)	(47)
3.06	Pro Forma Employee Benefits	(269)	0	357	0	0	-	(357)
3.07	Pro Forma Insurance Expense	(852)	0	1,128	0	0	-	(1,128)
3.08	Pro Forma IS/IT Expense	(493)	0	653	0	0	-	(653)
3.09	Pro Forma Property Tax	(366)	0	484	(203)	0	269	(215)
3.10	Pro Forma Fee Free Amortization	(689)	0	912	(689)	0	912	0
3.11	Pro Forma 2020 Customer At Center	(441)	2,923	871	(334)	2,273	655	(206)
3.12	Pro Forma 2020 Large & Distinct	(110)	7,191	853	(24)	6,199	611	(212)
3.13	Pro Forma 2020 Programmatic	(143)	7,194	897	52	920	17	(876)
3.14	Pro Forma 2020 Mandatory & Compliance	(150)	13,123	1,489	(78)	8,976	943	(503)
3.15	Pro Forma 2020 Short Lived	(489)	3,408	983	(343)	2,483	686	(285)
3.16	Pro Forma AMI Capital Adds	(2,550)	35,432	6,861	(2,507)	33,084	6,414	(289)
3.17	Pro Forma LEAP Deferral Amortization	(1,245)	(3,959)	1,259	(1,246)	(3,959)	1,279	1
3.18	Restate 2019 ADFIT	(79)	(15,228)	(1,393)	(82)	(15,228)	(1,317)	4
0.01	Pro Forma Open				0	0		
	Pro Forma Total	\$23,640	\$448,206	\$12,790	\$26,359	\$432,870	\$5,619	(\$5,109)

Avista Proposed	12,790
Difference	(\$5,109)
ROR impact	(2,062)
Staff Position	5,619