

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

EXHIBIT NO. ____ (PDE-8)

PATRICK D. EHRBAR

REPRESENTING AVISTA CORPORATION

Avista Utilities
2015 Incremental Lost Margin from DSM - Pro Forma Cross Check Study
Twelve Months Ended June 30, 2013

Exhibit No.__(PDE-8)

| Line No. | Washington Rate Schedule | | Sch 1 | Sch 11/12 | Sch 21/22 | Sch 25 | Sch 31/32 | Total |
|-----------|--|-------------------------|---------------------|---------------------|---------------------|--------------------|------------------|----------------------|
| 1 | 2012 First Year Savings | kWhs | 24,174,618 | 10,682,909 | 23,078,081 | 4,843,908 | 1,412,862 | 64,192,378 |
| 2 | Embedded in Normalized Test Year | kWhs | 18,130,964 | 8,012,182 | 17,308,561 | 3,632,931 | 1,059,647 | 48,144,285 |
| 3 | 2012 Full Year Adjustment | kWhs | 6,043,654 | 2,670,727 | 5,769,520 | 1,210,977 | 353,215 | 16,048,093 |
| 4 | 2013 First Year Savings | kWhs | 31,724,087 | 6,629,046 | 2,208,613 | 2,917,062 | 18,648 | 43,497,456 |
| 5 | Embedded in Normalized Test Year | kWhs | 7,931,022 | 1,657,262 | 552,153 | 729,266 | 4,662 | 10,874,365 |
| 6 | 2013 Full Year Adjustment | kWhs | 23,793,065 | 4,971,784 | 1,656,460 | 2,187,796 | 13,986 | 32,623,091 |
| 7 | Estimated future schedule savings % | | 72.9% | 15.2% | 5.1% | 6.7% | 0.0% | 100.0% |
| 8 | 2014 First Year Savings | kWhs | 30,255,740 | 6,322,466 | 2,107,489 | 2,783,711 | 16,594 | 41,486,000 |
| 9 | 1/2 2015 First Year Savings | kWhs | 15,884,263 | 3,319,295 | 1,106,432 | 1,461,448 | 8,712 | 21,780,150 |
| 10 | Total 2015 Savings Adjustment | kWhs | (75,976,722) | (17,284,272) | (10,639,901) | (7,643,932) | (392,507) | (111,937,334) |
| 11 | Revenue Change (Note 1) | debit/(credit) basis \$ | 5,868,442 | \$ 1,824,701 | \$ 840,339 | \$ 453,667 | \$ 29,991 | \$ 9,017,141 |
| 12 | Power Cost Savings (Note 2) | \$ 0.03126 per kWh \$ | (2,375,032) | \$ (540,306) | \$ (332,603) | \$ (238,949) | \$ (12,270) | \$ (3,499,161) |
| 13 | Revenue Related Expenses (Note 3) | \$ 0.04501 per Rev\$ | (264,139) | \$ (82,130) | \$ (37,824) | \$ (20,420) | \$ (1,350) | \$ (405,862) |
| 14 | DSM Component of the Attrition Adj (Note 4) | Net Expense \$ | 3,229,271 | \$ 1,202,264 | \$ 469,912 | \$ 194,298 | \$ 16,372 | \$ 5,112,118 |

Note 1

Calculation of the rate by schedule applied to Saved kWhs

| | Andrews Workpaper Reference | Sch 1 | Sch 11/12 | Sch 21/22 | Sch 25 | Sch 31/32 | Street & Area Lights | Total WA Electric |
|----|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| 15 | Total Present Revenue | \$ 201,175,753 | \$ 64,121,658 | \$ 123,940,931 | \$ 60,469,040 | \$ 10,494,208 | \$ 6,670,112 | \$ 466,871,702 |
| 16 | Exclude Fixed Charge Revenue | \$ (19,496,648) | \$ (5,279,625) | \$ (11,442,150) | \$ 3,654,000 | \$ (435,930) | \$ (6,670,112) | \$ (39,670,465) |
| 17 | Variable Charge Revenue | \$ 181,679,105 | \$ 58,842,033 | \$ 112,498,781 | \$ 64,123,040 | \$ 10,058,278 | \$ - | \$ 427,201,237 |
| 18 | Pro Forma kWhs | 2,352,011,939 | 557,353,354 | 1,424,373,231 | 1,080,448,696 | 131,638,818 | 25,646,329 | 5,571,472,367 |
| 19 | Average Revenue per kWh | \$ 0.07724 | \$ 0.10557 | \$ 0.07898 | \$ 0.05935 | \$ 0.07641 | \$ - | |

The Revenue Change is shown on a debit/(credit) basis; a reduction to revenue is a debit or increase to net expense, and an increase to revenue is a (credit) or decrease to net expense.

Note 2

Power Cost of Saved kWhs is Average Market Sale and Purchase Price per MWh from Johnson Exhibit No.__(WGJ-4), expressed as \$ per kWh.

Note 3

Revenue related expense rate is from Line 6 Total Expense of Andrews Exhibit No.__(EMA-2), page 4.

Note 4

The resulting Net Expense value shown as an adjustment to Account 908 where DSM related expenses such as the Public Purpose Tariff Rider Expense Offset are recorded.