

Avista Utilities
Derivation of Allowance for Schedules 101, 111/112/116, and 121/122/126
Natural Gas Service

REVISED BASED ON FINAL ORDER 07 IN DOCKET UG-170486 (consolidated)//ORDER 02 IN DOCKET UG-171222 (consolidated)

Line No.	Source	Residential Schedule 101	Non-Residential Schedules*	Non-Residential Schedule Breakout For Natural Gas Line Extension Purposes Only		Total - Check for 111/112/116 & 121/122/126	
				Schedules 111/112/116	Schedules 121/122/126		
	(a)	(b)	(c)	(d)			
1	Decoupled Revenues	Attachment 5, Page 1	\$ 48,408,111	\$ 12,807,763	\$ 11,874,403	\$ 933,360	\$ 12,807,763
2	Test Year # of Customers 12ME Dec. 2016	Revenue Data	153,955	2,771	2,749	23	2,771
3	Decoupled Revenue Per Customer	(1) / (2)	\$ 314.43	\$ 4,621.52	\$ 4,320.19	\$ 41,026.81	
	Revenue From Fixed Charges		\$ 114.00		\$ 1,167.00	\$ 2,885.28	
	Total Fixed Charge Revenue (rounded)		\$ 428.00		\$ 5,487.00	\$ 43,912.00	
	Grossed Up Rate of Return		9.15%		9.15%	9.15%	
	Perpetual NPV Methodology Allowance		\$ 4,678		\$ 59,967	\$ 479,913	
	Average Therm per Customer				17,445.98	180,893.67	
	Allowance Per 1st Year Therm (Non-Residential Customers)				\$ 3.44	\$ 2.65	
	Allowance per Therm						

*Rate Schedules 111, 112, 116, 121, 122, 126, 131.

WUTC Docket No. UG-170486/UG-171222

Allowed Cost of Capital

Component	Capital Structure	Cost	Weighted Cost
Total Debt	51.5%	5.76%	2.89%
Common Equity	48.5%	9.50%	4.61%
Total	100.0%		7.50%

Order No. 07, pg. 40

Tax Benefit of Interest	-21%	-0.61%
Net of Tax ROR		6.89%
Revenue Conversion Factor		0.753293
Pre-Tax Cost of Capital		9.15%

BR9-Att B, Page 4- REVISED Exh EMA-12 WA Ga:

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Decoupled Revenue by Rate Schedule - Natural Gas

	TOTAL	RESIDENTIAL SCHEDULE 101/102	GENERAL SVC. SCH. 111/112/116	LG. GEN. SVC. SCH. 121/122/126	INTERRUPTIBLE SCH 131	SCHEDULES 132	SCHEDULES 146 & 148
1 Total Normalized 12 ME Dec 2016 Revenue	\$ 88,831,000	\$ 67,622,000	\$ 15,462,000	\$ 1,024,000	\$ -	\$ 190,000	\$ 4,533,000
2 Allowed Revenue Decrease (Attachment 2)	\$ (2,145,000)	\$ (1,663,000)	\$ (380,000)	\$ (25,000)	\$ -	\$ (5,000)	\$ (72,000)
3 Allowed Base Rate Revenue	\$ 86,686,000	\$ 65,959,000	\$ 15,082,000	\$ 999,000	\$ -	\$ 185,000	\$ 4,461,000
4 Normalized Therms (12 ME 12/2016 Test Year)	252,141,683	119,446,617	47,951,720	4,115,331	-	901,267	79,726,748
5 Schedule 150 PGA Rates excluded from base rates		\$ -	\$ -	\$ -	\$ -		
6 Variable Gas Supply Revenue	\$ -	\$ -	\$ -	\$ -	\$ -		
7 Delivery Revenue (Ln 3 - Ln 6)	\$ 82,040,000	\$ 65,959,000	\$ 15,082,000	\$ 999,000	\$ -		
8 Customer Bills (12 ME 12/2016 Test Year)	1,881,282	1,847,462	32,983	273	0	24	540
9 Allowed Basic/Minimum Charges		\$9.50	\$97.25	\$240.44	\$0.00		
10 Basic Charge Revenue (Ln 8 * Ln 9)	\$ 20,824,126	\$ 17,550,889	\$ 3,207,597	\$ 65,640	\$ -		
11 Decoupled Revenue	\$ 61,215,874	\$ 48,408,111	\$ 11,874,403	\$ 933,360	\$ -	Excluded From Decoupling	
		Residential	Non-Residential Group				
12 Average Number of Customers (Line 8 / 12)		153,955	2,771				
13 Annual Therms		119,446,617	52,067,051				
14 Basic Charge Revenues		\$ 17,550,889	\$ 3,273,237				
15 Customer Bills		1,847,462	33,256				
16 Average Basic Charge		\$9.50	\$98.43				