

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-120436

DOCKET NO. UG-120437

EXHIBIT NO. ____ (EMA-6)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
2013 REVENUE DEFICIENCY
(000'S OF DOLLARS)

Line No.	DESCRIPTION A	2011 Restated Total B	Reverse CBR Revenue Normalization & Gas Cost Adj C	Add Rate Case Revenue Normalization & Gas Cost Adj D	2011 Adjusted Total E	1-Year Escalation Rate F	2-Year Escalation Rate G	2-Year Escalation Amount H	2013 Projected Amounts I
REVENUES									
1	Total General Business	\$ 152,457	\$ 4,441	\$ (15,016)	\$ 141,882		1.46%	\$ 2,076	\$ 143,958
2	Total Transportation	3,448		289	3,737		-3.07%	(115)	3,622
3	Other Revenues	98,841		(98,742)	99	-	-	-	99
4	Total Gas Revenues	254,746	4,441	(113,469)	145,718			1,961	147,679
EXPENSES									
Production Expenses									
5	City Gate Purchases	188,167	3,135	(111,295)	80,007		see calc	1,327	81,334
6	Purchased Gas Expense	14		(3)	11	-	-	-	11
7	Net Nat Gas Storage Trans	(4,366)		5,333	967	-	-	-	967
8	Total Production	183,815	3,135	(105,965)	80,985			1,327	82,312
Underground Storage									
9	Operating Expenses	585			585	4.67%	9.56%	56	641
10	Depreciation/Amortization	395			395	7.17%	14.85%	59	454
11	Taxes	19			19	3.89%	7.94%	2	21
12	Total Underground Storage	999	-	-	999			116	1,115
Distribution									
13	Operating Expenses	8,854			8,854	4.67%	9.56%	847	9,701
14	Depreciation/Amortization	6,649			6,649	7.17%	14.85%	987	7,636
15	Taxes	8,051	170	(565)	7,656	3.89%	7.94%	608	8,264
16	Total Distribution	23,554	170	(565)	23,159			2,442	25,601
17	Customer Accounting	5,740	19	(64)	5,695	4.67%	9.56%	545	6,239
18	Customer Service & Information	9,777		(8,953)	824	4.67%	9.56%	79	903
19	Sales Expenses	3			3	4.67%	9.56%	0	3
Administrative & General									
20	Operating Expenses	11,585	9	(29)	11,565	4.67%	9.56%	1,106	12,671
21	Depreciation/Amortization	2,734			2,734	7.17%	14.85%	406	3,140
22	Regulatory Amortizations	(186)		(263)	(449)	-	-	-	(449)
23	Taxes	-	-	-	-	3.89%	7.94%	-	-
24	Total Admin. & General	14,133	9	(292)	13,850			1,512	15,362
25	Total Gas Expense	238,021	3,333	(115,839)	125,515			6,021	131,535
26	OPERATING INCOME BEFORE FIT	16,725	1,108	2,370	20,203			(4,060)	16,144

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
2013 REVENUE DEFICIENCY
(000'S OF DOLLARS)

Line No.	DESCRIPTION A	2011 Restated Total B	Reverse CBR Revenue Normalization & Gas Cost Adj C	Add Rate Case Revenue Normalization & Gas Cost Adj D	2011 Adjusted Total E	1-Year Escalation Rate F	2-Year Escalation Rate G	2-Year Escalation Amount H	2013 Projected Amounts I
FEDERAL INCOME TAX									
27	Current Accrual	(907)	388	830	311			(1,421)	(1,110)
28	Debt Interest	63			63			(267)	(204)
29	Deferred FIT	5,691			5,691				5,691
30	Amort ITC	(27)			(27)				(27)
31	NET OPERATING INCOME	\$ 11,906	\$ 720	\$ 1,540	\$ 14,166			\$ (2,372)	\$ 11,794
RATE BASE									
PLANT IN SERVICE									
32	Underground Storage	\$ 22,008			\$ 22,008	6.65%	13.75%	\$ 3,026	\$ 25,034
33	Distribution Plant	281,279			281,279	6.65%	13.75%	38,672	319,951
34	General Plant	38,971			38,971	6.65%	13.75%	5,358	44,329
35	Total Plant in Service	342,258	-	-	342,258			47,056	389,314
ACCUMULATED DEPRECIATION/AMORT									
36	Underground Storage	8,286			8,286	6.65%	13.75%	1,139	9,425
37	Distribution Plant	97,489			97,489	6.65%	13.75%	13,404	110,893
38	General Plant	10,926			10,926	6.65%	13.75%	1,502	12,428
39	Total Accumulated Depreciation/Amortization	116,701	-	-	116,701			16,045	132,746
40	NET PLANT	225,557	-	-	225,557			31,011	256,568
41	DEFERRED TAXES	(42,004)			(42,004)	6.65%	13.75%	(5,775)	(47,779)
42	Net Plant After DFIT	183,553	-	-	183,553			25,236	208,789
43	GAS INVENTORY	13,753			13,753	6.65%	13.75%	1,891	15,644
44	GAIN ON SALE OF BUILDING	(14)			(14)	6.65%	13.75%	(2)	(16)
45	OTHER	(1,012)			(1,012)	6.65%	13.75%	(139)	(1,151)
46	WORKING CAPITAL	-	-	-	-	6.65%	13.75%	-	-
47	TOTAL RATE BASE	\$ 196,280	\$ -	\$ -	\$ 196,280			\$ 26,986	\$ 223,266
ATTRITION ADJUSTED REVENUE REQUIREMENT									
48	Proposed Rate of Return								8.25%
49	Net Operating Income Requirement							\$	18,419
50	Net Operating Income per Above								11,794
51	Net Operating Income Deficiency							\$	6,626
52	Conversion Factor								0.62095
53	Revenue Requirement							\$	10,670
54	Revenue Growth Factor								1.01347
55	Attrition Adjusted Revenue Requirement							\$	10,528

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 ANNUAL AND COMPOUND GROWTH RATES

Line No.	Annual Growth Rates	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1	Adjusted operating expenses	1.61%	19.73%	4.86%	-3.55%	2.28%	0.31%	2.83%	2.47%	11.66%	4.40%	6.58%
2	Adjusted depreciation/amortization	6.62%	6.14%	4.56%	0.34%	2.76%	3.29%	6.46%	4.57%	9.08%	7.94%	7.13%
3	Adjusted taxes other than income	46.60%	9.98%	-10.79%	15.02%	2.87%	11.70%	2.07%	-9.43%	-3.29%	-18.41%	9.79%
4	Rate base	3.52%	0.62%	-3.47%	-0.69%	7.71%	6.08%	1.56%	11.85%	6.54%	3.40%	5.01%
Compound Growth Rates to 2011		2000-2011	2001-2011	2002-2011	2003-2011	2004-2011	2005-2011	2006-2011	2007-2011	2008-2011	2009-2011	2010-2011
5	Adjusted operating expenses	4.67%	4.98%	3.46%	3.29%	4.31%	4.65%	5.54%	6.23%	7.51%	5.49%	6.58%
6	Adjusted depreciation/amortization	5.33%	5.20%	5.09%	5.16%	5.87%	6.39%	7.03%	7.17%	8.05%	7.53%	7.13%
7	Adjusted taxes other than income	3.89%	0.38%	-0.64%	0.71%	-1.18%	-1.84%	-4.34%	-5.88%	-4.67%	-5.36%	9.79%
8	Rate base	3.75%	3.77%	4.13%	5.12%	5.98%	5.69%	5.62%	6.65%	4.97%	4.20%	5.01%

Indicates compound growth rates selected.

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
COMMISSION BASIS REPORTS INPUT
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2000 Restated Total	2001 Restated Total	2002 Restated Total	2003 Restated Total	2004 Restated Total	2005 Restated Total	2006 Restated Total	2007 Restated Total	2008 Restated Total	2009 Restated Total	2010 Restated Total	2011 Restated Total
REVENUES													
1	Total General Business	\$ 89,522	\$ 144,574	\$ 148,580	\$ 137,031	\$ 159,265	\$ 178,724	\$ 197,821	\$ 209,186	\$ 203,727	\$ 182,706	\$ 142,370	\$ 152,457
2	Total Transportation	4,525	4,274	3,878	4,392	2,842	3,440	1,446	3,263	3,369	3,275	3,155	3,448
3	Other Revenues	2,377	2,541	2,340	1,183	2,168	30,131	4,037	68,416	153,093	84,085	115,257	98,841
4	Total Gas Revenues	96,424	151,389	154,798	142,606	164,275	212,295	203,304	280,865	360,189	270,066	260,782	254,746
EXPENSES													
Production Expenses													
5	City Gate Purchases	59,659	106,139	109,325	96,222	114,371	167,251	149,802	222,364	310,276	194,267	197,494	188,167
6	Purchased Gas Expense	(1,915)	988	1,177	1,186	369	651	653	792	(9,103)	803	800	14
7	Net Nat Gas Storage Trans	38	134	128	-	-	(8,407)	-	283	2	10,720	(3,322)	(4,366)
8	Total Production	57,782	107,261	110,630	97,408	114,740	159,495	150,455	223,439	301,175	205,790	194,972	183,815
Underground Storage													
9	Operating Expenses	312	322	357	342	381	450	492	451	436	403	380	585
10	Depreciation/Amortization	314	314	297	309	309	310	312	310	276	393	348	395
11	Taxes	111	108	120	118	120	115	122	95	113	121	116	19
12	Total Underground Storage	737	744	774	769	810	875	926	856	825	917	844	999
Distribution													
13	Operating Expenses	3,956	4,655	5,482	5,762	5,958	6,084	6,359	6,467	6,123	7,700	7,696	8,854
14	Depreciation/Amortization	4,184	4,390	4,496	4,707	4,902	5,088	5,369	5,605	5,673	6,064	6,367	6,649
15	Taxes	4,919	7,315	8,070	7,205	8,213	8,573	9,457	9,844	8,941	8,746	7,223	8,051
16	Total Distribution	13,059	16,360	18,048	17,674	19,073	19,745	21,185	21,916	20,737	22,510	21,286	23,554
17	Customer Accounting	3,175	3,367	4,108	4,121	4,337	4,249	4,225	4,487	4,692	5,586	5,234	5,740
18	Customer Service & Information	507	1,513	2,252	2,747	480	3,523	1,061	4,658	5,169	7,609	9,505	9,777
19	Sales Expenses	703	445	375	492	427	320	496	516	442	497	105	3
Administrative & General													
20	Operating Expenses	8,004	7,578	9,399	9,827	8,911	9,196	8,393	8,901	9,706	9,770	11,383	11,585
21	Depreciation/Amortization	1,027	1,187	1,460	1,522	1,349	1,343	1,282	683	1,561	2,439	2,628	2,734
22	Regulatory Amortizations												(186)
23	Taxes	22	21	23	24	24	23	24	20	17	19	24	-
24	Total Admin. & General	9,053	8,786	10,882	11,373	10,284	10,562	9,699	9,604	11,284	12,228	14,035	14,133
25	Total Gas Expense	85,016	138,476	147,069	134,584	150,151	198,769	188,047	265,476	344,324	255,137	245,981	238,021
26	OPERATING INCOME BEFORE FIT	11,408	12,913	7,729	8,022	14,124	13,526	15,257	15,389	15,865	14,929	14,801	16,725
FEDERAL INCOME TAX													
27	Current Accrual	(4,775)	(256)	6,949	651	655	(3,110)	6,693	5,010	506	2,468	(5,811)	(907)
28	Debt Interest												63
29	Deferred FIT	6,605	3,078	(6,302)	325	2,340	5,522	(3,072)	(1,442)	3,320	1,238	9,594	5,691
30	Amort ITC	(31)	(30)	(31)	(31)	(31)	(30)	(30)	(31)	(31)	(30)	(29)	(27)
31	NET OPERATING INCOME	\$ 9,609	\$ 10,121	\$ 7,113	\$ 7,077	\$ 11,160	\$ 11,144	\$ 11,666	\$ 11,852	\$ 12,070	\$ 11,253	\$ 11,047	\$ 11,906

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
COMMISSION BASIS REPORTS INPUT
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2000 Restated Total	2001 Restated Total	2002 Restated Total	2003 Restated Total	2004 Restated Total	2005 Restated Total	2006 Restated Total	2007 Restated Total	2008 Restated Total	2009 Restated Total	2010 Restated Total	2011 Restated Total
RATE BASE													
PLANT IN SERVICE													
32	Underground Storage	\$ 13,695	\$ 13,533	\$ 13,439	\$ 13,712	\$ 13,632	\$ 13,708	\$ 13,854	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008
33	Distribution Plant	172,997	182,083	188,021	194,231	201,198	209,825	220,332	230,137	241,177	254,579	268,306	281,279
34	General Plant	14,347	15,060	15,368	16,112	16,499	17,878	20,791	21,708	24,256	27,747	33,401	38,971
35	Total Plant in Service	201,039	210,676	216,828	224,055	231,329	241,411	254,977	265,603	280,693	304,124	321,754	342,258
ACCUMULATED DEPRECIATION/AMORT													
36	Underground Storage	6,192	6,220	6,115	6,495	6,659	6,924	7,249	7,427	7,581	7,807	7,912	8,286
37	Distribution Plant	47,423	51,645	55,845	60,239	64,817	69,428	74,019	77,997	81,405	84,021	89,620	97,489
38	General Plant	5,661	5,695	6,442	7,446	6,984	7,208	7,230	7,136	8,309	8,882	10,722	10,926
39	Total Accumulated Depreciation/Amortization	59,276	63,560	68,402	74,180	78,460	83,560	88,498	92,560	97,295	100,710	108,254	116,701
40	NET PLANT	141,763	147,116	148,426	149,875	152,869	157,851	166,479	173,043	183,398	203,414	213,500	225,571
41	DEFERRED TAXES	(13,136)	(14,312)	(15,831)	(22,438)	(26,715)	(23,705)	(24,592)	(26,754)	(28,892)	(30,967)	(36,762)	(42,004)
42	Net Plant After DFIT	128,627	132,804	132,595	127,437	126,154	134,146	141,887	146,289	154,506	172,447	176,738	183,553
43	GAS INVENTORY	2,810	3,190	4,191	4,568	4,807	6,936	7,628	5,607	15,327	8,440	10,226	13,753
44	GAIN ON SALE OF BUILDING	(517)	(470)	(424)	(378)	(243)	(286)	(153)	(197)	(152)	(109)	(44)	(14)
45	OTHER												(1,012)
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ 130,920	\$ 135,524	\$ 136,362	\$ 131,627	\$ 130,718	\$ 140,796	\$ 149,362	\$ 151,699	\$ 169,681	\$ 180,778	\$ 186,920	\$ 196,280
48	Operating expenses excluding production	16,657	17,880	21,973	23,291	20,494	23,822	21,026	25,480	26,568	31,565	34,303	36,544
49	Remove DSM	0	-955	-1,708	-2,042	0	-2,861	0	-3,860	-4,410	-6,822	-8,472	-9,013
50	Remove decoupling amortization	0	0	0	0	0	0	0	0	-3	-4	-3	-3
51	Adjusted operating expenses	16,657	16,925	20,265	21,249	20,494	20,961	21,026	21,620	22,155	24,739	25,828	27,528
52	Depreciation/amortization	5,525	5,891	6,253	6,538	6,560	6,741	6,963	6,598	7,510	8,896	9,343	9,592
53	Remove Jackson Prairie deferral												449
54	Remove decoupling deferral								900	674	270	278	231
55	Remove decoupling amortization	0	0	0	0	0	0	0	-85	-432	-710	-494	-494
56	Adjusted depreciation/amortization	5,525	5,891	6,253	6,538	6,560	6,741	6,963	7,413	7,752	8,456	9,127	9,778
57	Taxes other than income	5,052	7,444	8,213	7,347	8,357	8,711	9,603	9,959	9,071	8,886	7,363	8,070
58	Remove DSM	0	-38	-68	-81	0	-114	0	-154	-176	-272	-338	-359
59	Remove decoupling amortization	0	0	0	0	0	0	0	-3	-17	-28	-20	-20
60	Adjusted taxes other than income	5,052	7,406	8,145	7,266	8,357	8,597	9,603	9,802	8,878	8,586	7,005	7,691

AVISTA UTILITIES
WASHINGTON NATURAL GAS
BILLING DETERMINANT INDEX
2011 TO 2013 WEIGHTED REVENUE GROWTH

Line No.	Description	Schedule	Billing Determinant	Revenue Model 2011	Forecast 2013	Billing Determinant Growth F=(E-D)/D	Revenue 2011	Weight	Weighted Growth
	A	B	C	D	E		G	H=G/SUM G	I=FxH
1	General Svc	101	Basic/Min	1,748,256	1,803,083	3.14%	\$10,489,536	7.39%	0.23%
2	Lrg Gen Svc	111/112	Basic/Min	28,783	29,138	1.23%	\$4,375,304	3.08%	0.04%
3	Ex Lrg Gen Svc	121/122	Basic/Min	312	325	4.17%	\$118,133	0.08%	0.00%
4	Interruptible Svc	131/132	Basic/Min	12	12	0.00%	\$0	0.00%	0.00%
5	General Svc	101	Volumes	119,024,606	118,855,778	-0.14%	\$95,118,514	67.04%	-0.10%
6	Lrg Gen Svc	111/112	Volumes	45,569,603	48,890,073	7.29%	\$27,640,186	19.48%	1.42%
7	Ex Lrg Gen Svc	121/122	Volumes	6,264,998	4,833,988	-22.84%	\$3,775,963	2.66%	-0.61%
8	Interruptible Svc	131/132	Volumes	642,905	1,825,414	183.93%	\$365,060	0.26%	0.47%
9	Total			171,502,112	174,405,253		\$141,882,696	100.00%	1.46%
10	Transportation Svc	146	Basic/Min	444	420	-5.41%	\$111,000	2.97%	-0.16%
11	Special Contract	148	Basic/Min	60	60	0.00%	\$325,584	8.71%	0.00%
12	Transportation Svc	146	Volumes	29,448,649	28,315,995	-3.85%	\$2,090,277	55.93%	-2.15%
13	Special Contract	148	Volumes	45,681,404	44,607,364	-2.35%	\$1,210,145	32.38%	-0.76%
14	Total			75,130,053	72,923,359		\$3,737,006	100.00%	-3.07%
15	General Svc	101	Total Revenue				\$105,608,050		
16	Lrg Gen Svc	111/112	Total Revenue				\$32,015,490		
17	Ex Lrg Gen Svc	121/122	Total Revenue				\$3,894,096		
18	Interruptible Svc	131/132	Total Revenue				\$365,060		
19	Transportation Svc	146	Total Revenue				\$2,201,277		
20	Special Contract	148	Total Revenue				\$1,535,729		
21	Total						\$145,619,702		
<u>Change in Purchased Gas Cost</u>									
				<u>2011</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Gas Costs Per Therm</u>		
22	General Svc	101	Volumes	119,024,606	118,855,778	-168,828	\$0.46817		-\$79,040
23	Lrg Gen Svc	111/112	Volumes	45,569,603	48,890,073	3,320,470	\$0.46488		\$1,543,620
24	Ex Lrg Gen Svc	121/122	Volumes	6,264,998	4,833,988	-1,431,010	\$0.44824		-\$641,436
25	Interruptible Svc	131/132	Volumes	642,905	1,825,414	1,182,509	\$0.42744		\$505,452
26	Total			171,502,112	174,405,253	2,903,141			
27	Total Transp	146/148		75,130,053	72,923,359	-2,206,694	\$0.00054		-\$1,192
28	Total								\$1,327,404