

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UG-16 _____

EXHIBIT NO. ____ (JSS-3)

JENNIFER S. SMITH

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
CROSS CHECK STUDIES
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2017				
		WITH PRESENT RATES		WITH 2017 PROPOSED RATES		
		Actual Per Results Report	Total Adjustments	2017 Adjusted Total (1)	Proposed Revenues & Related Exp	2017 Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$152,492	\$ (68,435)	\$84,057	\$4,397	\$88,454
2	Total Transportation	4,114	302	\$4,416		4,416
3	Other Revenues	105,088	(104,805)	\$283		283
4	Total Gas Revenues	261,694	(172,938)	88,756	4,397	93,153
EXPENSES						
Production Expenses						
5	City Gate Purchases	164,944	(164,944)	-		-
6	Purchased Gas Expense	810	7	817		817
7	Net Nat Gas Storage Trans	8,665	(8,665)	-		-
8	Total Production	174,419	(173,602)	817	-	817
Underground Storage						
9	Operating Expenses	833	(0)	833		833
10	Depreciation	429	22	451		451
11	Taxes	292	20	312		312
12	Total Underground Storage	1,554	42	1,596	-	1,596
Distribution						
13	Operating Expenses	11,531	620	12,151		12,151
14	Depreciation	8,931	1,734	10,665		10,665
15	Taxes	14,014	(7,765)	6,249	168	6,417
16	Total Distribution	34,476	(5,411)	29,065	168	29,233
17	Customer Accounting	6,595	(520)	6,075	26	6,101
18	Customer Service & Information	5,790	(4,901)	889		889
19	Sales Expenses	-	0	0		0
Administrative & General						
20	Operating Expenses	13,388	(637)	12,751	9	12,760
21	Depreciation/Amortization	5,206	3,596	8,802		8,802
22	Regulatory Amortizations	-	1,079	1,079		1,079
23	Taxes	-	-	-		-
24	Total Admin. & General	18,594	4,038	22,632	9	22,641
25	Total Gas Expense	241,428	(180,354)	61,074	203	61,277
26	OPERATING INCOME BEFORE FIT	20,266	7,416	27,682	4,194	31,876
FEDERAL INCOME TAX						
27	Current Accrual	(6,651)	2,287	(4,364)	1,468	(2,896)
28	Debt Interest	-	(387)	(387)	-	(387)
29	Deferred FIT	12,388	-	12,388		12,388
30	Amort ITC	(20)	-	(20)		(20)
31	NET OPERATING INCOME	14,549	5,516	20,065	2,726	22,791
RATE BASE: PLANT IN SERVICE						
32	Underground Storage	25,622	1,730	27,352		27,352
33	Distribution Plant	354,360	55,655	410,015		410,015
34	General Plant	69,725	24,512	94,237		94,237
35	Total Plant in Service	449,707	81,897	531,604	-	531,604
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(9,824)	(971)	(10,795)		(10,795)
37	Distribution Plant	(119,790)	(16,397)	(136,187)		(136,187)
38	General Plant	(19,460)	(8,155)	(27,615)		(27,615)
39	Total Accum. Depreciation/Amort.	(149,074)	(25,523)	(174,597)	-	(174,597)
40	NET PLANT	300,633	56,374	357,007	-	357,007
41	DEFERRED FIT	(65,675)	(12,756)	(78,431)		(78,431)
42	Net Plant After DFIT	234,958	43,618	278,576	-	278,576
43	GAS INVENTORY	15,143	-	15,143		15,143
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	(509)	(7,520)	(8,029)		(8,029)
46	WORKING CAPITAL	9,797	2,828	12,625		12,625
47	TOTAL RATE BASE	259,389	46,446	298,315	0	298,315
48	RATE OF RETURN	5.61%		6.73%		7.64%

(1) The 2017 Adjusted Total column, Column "d" developed by the Company's Attrition Study is used for the final adjusted results and revenue requirement on an attrition adjusted basis (see Andrews' Exhibit No. _(EMA-3). However, the values shown in the Adjusted Total column, lines 1-50 above, were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Mr. Miller, as these values more readily lend themselves to Mr. Miller's cost-of-service analysis.

AVISTA UTILITIES

WASHINGTON NATURAL GAS - PRO FORMA STUDY AND

CROSS CHECK STUDIES

TWELVE MONTHS ENDED SEPTEMBER 30, 2015

(000'S OF DOLLARS)

Line No.	DESCRIPTION	2018 (6 Months)					
		WITH PRESENT RATES			WITH 2018 PROPOSED RATES		
		2017 Pro Forma Total (1)	2018 Total Adjustments	2018 Adjusted Total	2017 Proposed Revenues & Related Exp	2018 Proposed Revenues & Related Exp	2018 (6 months) Proposed Total
a	b	c	d	e	f	g	
REVENUES							
1	Total General Business	\$84,057	-	\$84,057	\$4,397	\$941	\$89,395
2	Total Transportation	4,416	-	\$4,416	-	-	4,416
3	Other Revenues	283	-	\$283	-	-	283
4	Total Gas Revenues	88,756	-	88,756	4,397	941	94,094
EXPENSES							
Production Expenses							
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	817	8	825	-	-	825
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	817	8	825	-	-	825
Underground Storage							
9	Operating Expenses	833	-	833	-	-	833
10	Depreciation	451	5	456	-	-	456
11	Taxes	312	-	312	-	-	312
12	Total Underground Storage	1,596	5	1,601	-	-	1,601
Distribution							
13	Operating Expenses	12,151	(185)	11,966	-	-	11,966
14	Depreciation	10,665	765	11,430	-	-	11,430
15	Taxes	6,249	-	6,249	168	36	6,453
16	Total Distribution	29,065	580	29,645	168	36	29,849
17	Customer Accounting	6,075	54	6,129	26	6	6,161
18	Customer Service & Information	889	4	893	-	-	893
19	Sales Expenses	-	0	0	-	-	0
Administrative & General							
20	Operating Expenses	12,751	(901)	11,850	9	2	11,861
21	Depreciation/Amortization	8,802	1,223	10,025	-	-	10,025
22	Regulatory Amortizations	1,079	(540)	540	-	-	540
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	22,632	(218)	22,415	9	2	22,426
25	Total Gas Expense	61,074	434	61,507	203	44	61,754
26	OPERATING INCOME BEFORE FIT	27,682	(434)	27,249	4,194	897	32,339
FEDERAL INCOME TAX							
27	Current Accrual	(4,364)	(152)	(4,516)	1,468	314	(2,734)
28	Debt Interest	(387)	(45)	(432)	-	-	(432)
29	Deferred FIT	12,388	-	12,388	-	-	12,388
30	Amort ITC	(20)	-	(20)	-	-	(20)
31	NET OPERATING INCOME	20,066	(237)	19,829	2,726	583	23,137
RATE BASE: PLANT IN SERVICE							
32	Underground Storage	\$ 27,352	346	27,698	-	-	\$27,698
33	Distribution Plant	410,015	17,704	427,719	-	-	427,719
34	General Plant	94,237	4,776	99,013	-	-	99,013
35	Total Plant in Service	531,604	22,826	554,430	-	-	554,430
ACCUMULATED DEPREC/AMORT							
36	Underground Storage	(10,795)	(336)	(11,131)	-	-	(11,131)
37	Distribution Plant	(136,187)	(6,813)	(143,000)	-	-	(143,000)
38	General Plant	(27,615)	(4,607)	(32,222)	-	-	(32,222)
39	Total Accum. Depreciation/Amort.	(174,597)	(11,756)	(186,353)	-	-	(186,353)
40	NET PLANT	357,007	11,070	368,077	-	-	368,077
41	DEFERRED FIT	(78,431)	(5,457)	(83,888)	-	-	(83,888)
42	Net Plant After DFIT	278,576	5,613	284,189	-	-	284,189
43	GAS INVENTORY	15,143	-	15,143	-	-	15,143
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	(8,029)	(1,069)	(9,098)	-	-	(9,098)
46	WORKING CAPITAL	12,625	-	12,625	-	-	12,625
47	TOTAL RATE BASE	298,315	5,613	302,859	0	0	302,859
48	RATE OF RETURN	6.73%		6.55%			7.64%

(1) See footnote (1) on page 1.

**AVISTA UTILITIES
CALCULATION OF GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
PRO FORMA & CROSS CHECK STUDY**

Line No.	Description	2017		2018 (6 Months)		Incremental Jan-Jun 2018	
		(000's of Dollars)	Dollars)	(000's of Dollars)	Dollars)	(000's of Dollars)	Dollars)
1	Pro Forma Rate Base	\$	298,315	\$	302,859		
2	Proposed Rate of Return		7.64%		7.64%		
3	Net Operating Income Requirement		\$22,791		\$23,138		
4	Pro Forma Net Operating Income	\$	20,065	\$	19,829		
5	Net Operating Income Deficiency		\$2,726		\$3,309		\$584
6	Conversion Factor		0.620003		0.620003		0.620003
7	Revenue Requirement - 2016		\$4,397	\$5,338		\$941	
8	Total Base Distribution Revenues*	\$	88,474			\$	92,871
9	Percentage Base Distribution Revenue Increase		4.97%				1.80%
10	Total Present Billed Revenue	\$	158,581			\$	162,978
11	Percentage Billed Revenue Increase		2.77%				1.00%

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

(1)

Historical Pro Forma Study & Attrition Adjustments

12	Pro Forma Study Rate Base	\$	286,493		
13	Pro Forma Study Net income	\$	22,602		
14	Pro Forma Study Revenue Requirement	\$	(1,151)	Pro Forma	
15	Proposed Revenue Requirement 2017		\$4,397	2017 Attrition	
16	2017 Attrition Allowance		\$5,548	2017 Attrition Allowance	
17	2018 Incremental Attrition Allowance (6 months)		\$941	Jun-Jul 2018 Attrition Allowance	

(1) Per Company witness Mr. Ehrbar, rate necessary to recover incremental revenue requirement over 6-month period January- June 2018.

**AVISTA UTILITIES
PROPOSED COST OF CAPITAL
WASHINGTON NATURAL GAS**

Proposed Capital Structure*			
Component	Capital Structure	Cost	Weighted Cost
Total Debt	51.5%	5.51%	2.84%
Common Equity	48.5%	9.90%	4.80%
Total	100.00%		7.64%

* Based on 2017 estimated capital structure and cost of debt.

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED SEPTEMBER 30, 2015**

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.005855
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038294
6	Total Expense	<u>0.046150</u>
7	Net Operating Income Before FIT	0.953850
8	Federal Income Tax @ 35%	0.333848
9	REVENUE CONVERSION FACTOR	0.620003

(Per Order No. 6; UE-120437, dated 6/20/2012 - "hard" CF rounded to 6 digits)

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
CROSS CHECK STUDIES
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

RESTATEMENT ADJUSTMENTS

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense
	Adjstment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-RPT	G-UE
	REVENUES							
1	Total General Business	\$ 152,492	\$ -	\$ -	\$ -	\$ (5,520)	\$ -	\$ -
2	Total Transportation	4,114	-	-	-	(106)	-	-
3	Other Revenues	105,088	-	-	-	-	-	-
4	Total Gas Revenues	261,694	-	-	-	(5,626)	-	-
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	164,944	-	-	-	-	-	-
6	Purchased Gas Expense	810	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	8,665	-	-	-	-	-	-
8	Total Production	174,419	-	-	-	-	-	-
	Underground Storage							
9	Operating Expenses	833	-	-	-	-	-	-
10	Depreciation/Amortization	429	-	-	-	-	-	-
11	Taxes	292	-	-	-	-	(14)	-
12	Total Underground Storage	1,554	-	-	-	-	(14)	-
	Distribution							
13	Operating Expenses	11,531	-	-	-	-	-	-
14	Depreciation/Amortization	8,931	-	-	-	-	-	-
15	Taxes	14,014	-	-	-	(5,612)	(174)	-
16	Total Distribution	34,476	-	-	-	(5,612)	(174)	-
17	Customer Accounting	6,595	-	1	-	-	-	(313)
18	Customer Service & Information	5,790	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	13,388	-	-	-	-	-	-
21	Depreciation/Amortization	5,206	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	18,594	-	-	-	-	-	-
25	Total Gas Expense	241,428	-	1	-	(5,612)	(188)	(313)
26	OPERATING INCOME BEFORE FIT	20,266	-	(1)	-	(14)	188	313
	FEDERAL INCOME TAX							
27	Current Accrual	(6,651)	-	(0)	-	(5)	66	110
28	Debt Interest	-	(0)	-	(28)	-	-	-
29	Deferred FIT	12,388	-	-	-	-	-	-
30	Amort ITC	(20)	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 14,549	\$ 0	\$ (1)	\$ 28	\$ (9)	\$ 122	\$ 203
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ 25,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	354,360	-	-	-	-	-	-
34	General Plant	69,725	-	-	-	-	-	-
35	Total Plant in Service	449,707	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	(9,824)	-	-	-	-	-	-
37	Distribution Plant	(119,790)	-	-	-	-	-	-
38	General Plant	(19,460)	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(149,074)	-	-	-	-	-	-
40	NET PLANT	300,633	-	-	-	-	-	-
41	DEFERRED TAXES	(65,675)	50	-	-	-	-	-
42	Net Plant After DFIT	234,958	50	-	-	-	-	-
43	GAS INVENTORY	15,143	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	(509)	-	-	-	-	-	-
46	WORKING CAPITAL	9,797	-	-	2,828	-	-	-
47	TOTAL RATE BASE	\$ 259,389	\$ 50	\$ -	\$ 2,828	\$ -	\$ -	\$ -
48	RATE OF RETURN	5.61%						
50	REVENUE REQUIREMENT	8,497	5	1	303	15	-197	-328
	Pro Forma Rate of Return	7.64%						
	Revenue Conversion Factor	0.620003						

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
CROSS CHECK STUDIES
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT / DFIT Expense	Office Space Charges to Subs	Restate Excise Taxes	Net Gains/Losses
	Adjustment Number	2.04	2.05	2.06	2.07	2.08	2.09
	Workpaper Reference	G-RE	G-ID	G-FIT	G-OSC	G-RET	G-NGL
	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	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(6)
15	Taxes	-	-	-	-	(5)	-
16	Total Distribution	-	-	-	-	(5)	(6)
17	Customer Accounting	-	-	-	-	-	-
18	Customer Service & Information	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	(12)	231	-	(9)	-	-
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(12)	231	-	(9)	-	-
25	Total Gas Expense	(12)	231	-	(9)	(5)	(6)
26	OPERATING INCOME BEFORE FIT	12	(231)	-	9	5	6
	FEDERAL INCOME TAX						
27	Current Accrual	4	(81)	(223)	3	2	2
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 8	\$ (150)	\$ 223	\$ 6	\$ 3	\$ 4
	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	-13	242	-360	-9	-5	-6

Pro Forma Rate of Return
Revenue Conversion Factor

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
CROSS CHECK STUDIES
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Weather Normalization / Gas Cost Adjust	Eliminate Adder Schedules	Misc Restating Adjustments	Restate Debt Interest	Restating Incentive Adjustment	Project Compass Deferral	Restated TOTAL
		2.10	2.11	2.12	2.13	2.14	2.15	
		G-WNGC	G-EAS	G-MR	G-DI	G-RI	G-CD	R-Ttl
	Adjustment Number							
	Workpaper Reference							
	REVENUES							
1	Total General Business	\$ 12,984	\$ (3,325)	\$ -	\$ -	\$ -	\$ -	\$ 156,631
2	Total Transportation							4,008
3	Other Revenues		(99,392)					5,696
4	Total Gas Revenues	12,984	(102,717)	-	-	-	-	166,335
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	10,600	(88,985)	-	-	-	-	86,559
6	Purchased Gas Expense	9	-	-	-	(16)	-	803
7	Net Nat Gas Storage Trans		(8,665)					-
8	Total Production	10,609	(97,650)	-	-	(16)	-	87,362
	Underground Storage							
9	Operating Expenses							833
10	Depreciation/Amortization							429
11	Taxes							278
12	Total Underground Storage							1,540
	Distribution							
13	Operating Expenses					(218)		11,313
14	Depreciation/Amortization							8,925
15	Taxes	497	(127)					8,593
16	Total Distribution	497	(127)	-	-	(218)	-	28,831
17	Customer Accounting	76	(19)			(114)		6,226
18	Customer Service & Information		(4,914)			(9)		867
19	Sales Expenses							-
	Administrative & General							
20	Operating Expenses	26	(7)	(222)		(132)		13,263
21	Depreciation/Amortization							5,206
22	Regulatory Amortizations						(1,505)	(1,505)
23	Taxes							-
24	Total Admin. & General	26	(7)	(222)		(132)	(1,505)	16,964
25	Total Gas Expense	11,208	(102,717)	(222)		(489)	(1,505)	141,790
26	OPERATING INCOME BEFORE FIT	1,776	-	222		489	1,505	24,545
	FEDERAL INCOME TAX							
27	Current Accrual	622		78	(86)	171	527	(5,462)
28	Debt Interest							(29)
29	Deferred FIT							12,388
30	Amort ITC							(20)
31	NET OPERATING INCOME	\$ 1,154	\$ -	\$ 144	\$ 86	\$ 318	\$ 978	\$ 17,668
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,622
33	Distribution Plant							354,360
34	General Plant							69,725
35	Total Plant in Service							449,707
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage							(9,824)
37	Distribution Plant							(119,790)
38	General Plant							(19,460)
39	Total Accumulated Depreciation/Amortization							(149,074)
40	NET PLANT							300,633
41	DEFERRED TAXES							(65,625)
42	Net Plant After DFIT							235,008
43	GAS INVENTORY							15,143
44	GAIN ON SALE OF BUILDING							-
45	OTHER							(509)
46	WORKING CAPITAL							12,625
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,267
48	RATE OF RETURN							(1)
50	REVENUE REQUIREMENT	-1,862	0	-233	-139	-513	-1,578	3,821

(1) The Restated TOTAL column does not represent 9/30/2015 Test Period results of operation on a normalized basis, due to variances between certain restating adjustments included in the normalized commission basis reports (CBRs) versus those included here, such as inclusion of pro forma debt interest. Normalized CB results of operations at 09/30/2015 was 6.49% as shown on Exhibit No. ___(EMA-3) page 5.

Pro Forma Rate of Return
Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY AND PRO FORMA ADJUSTMENTS
 CROSS CHECK STUDIES
 TWELVE MONTHS ENDED SEPTEMBER 30, 2015
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Pipeline Safety Labor	Pro Forma Property Tax	Pro Forma Revenue Normalization	Pro Forma Atmospheric Testing
	Adjustment Number	3.00	3.01	3.02	3.03	3.04	3.05	3.06
	Worksheet Reference	G-PLN	G-PLE	G-PEB	G-PPS	G-PPT	G-PREV	G-PAT
	REVENUES							
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	(72,574)	\$ -
2	Total Transportation	-	-	-	-	-	408	-
3	Other Revenues	-	-	-	-	-	(5,413)	-
4	Total Gas Revenues	-	-	-	-	-	(77,579)	-
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	-	-	-	-	-	(86,559)	-
6	Purchased Gas Expense	21	(25)	12	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	21	(25)	12	-	-	(86,559)	-
	Underground Storage							
9	Operating Expenses	-	-	(0)	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	15	-	-
12	Total Underground Storage	-	-	(0)	-	15	-	-
	Distribution							
13	Operating Expenses	284	-	144	104	-	-	236
14	Depreciation/Amortization	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	181	(2,764)	-
16	Total Distribution	284	-	144	104	181	(2,764)	236
17	Customer Accounting	151	-	82	-	-	(423)	-
18	Customer Service & Information	12	-	7	-	-	-	-
19	Sales Expenses	0	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	176	12	100	-	-	(144)	-
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	176	12	100	-	-	(144)	-
25	Total Gas Expense	644	(13)	345	104	196	(89,890)	236
26	OPERATING INCOME BEFORE FIT	(644)	13	(345)	(104)	(196)	12,311	(236)
	FEDERAL INCOME TAX							
27	Current Accrual	(225)	5	(121)	(36)	(69)	4,309	(83)
28	Debt Interest	-	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (419)	\$ 8	\$ (224)	\$ (68)	\$ (127)	\$ 8,002	\$ (153)
	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	675	-14	361	109	205	-12,907	247

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
CROSS CHECK STUDIES
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Regulatory Amortization 3.07	Pro Forma Capital Add Dec 2015 AMA 3.08	Pro Forma 2016 Limited Capital Adds 3.09	Pro Forma O&M Offsets 3.10	Pro Forma Sub-Total
	Adjustment Number	3.07	3.08	3.09	3.10	
	Workpaper Reference	G-PRA	G-PCAP15	G-PCAP16	G-POFF	PF-STU
	REVENUES					
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ 84,057
2	Total Transportation	-	-	-	-	4,416
3	Other Revenues	-	-	-	-	283
4	Total Gas Revenues	-	-	-	-	88,756
	EXPENSES					
	Production Expenses					
5	City Gate Purchases	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	811
7	Net Nat Gas Storage Trans	-	-	-	-	-
8	Total Production	-	-	-	-	811
	Underground Storage					
9	Operating Expenses	-	-	-	-	833
10	Depreciation/Amortization	-	(2)	-	-	427
11	Taxes	-	-	-	-	293
12	Total Underground Storage	-	(2)	-	-	1,553
	Distribution					
13	Operating Expenses	-	-	-	-	12,081
14	Depreciation/Amortization	-	126	184	-	9,235
15	Taxes	-	-	-	-	6,010
16	Total Distribution	-	126	184	-	27,326
17	Customer Accounting	-	-	-	-	6,036
18	Customer Service & Information	-	-	-	-	886
19	Sales Expenses	-	-	-	-	0
	Administrative & General					
20	Operating Expenses	-	-	-	(56)	13,351
21	Depreciation/Amortization	-	452	291	-	5,949
22	Regulatory Amortizations	2,584	-	-	-	1,079
23	Taxes	-	-	-	-	-
24	Total Admin. & General	2,584	452	291	(56)	20,379
25	Total Gas Expense	2,584	576	475	(56)	56,991
26	OPERATING INCOME BEFORE FIT	(2,584)	(576)	(475)	56	31,765
	FEDERAL INCOME TAX					
27	Current Accrual	(904)	(202)	(166)	20	(2,935)
28	Debt Interest	-	(61)	(180)	-	(269)
29	Deferred FIT	-	-	-	-	12,388
30	Amort ITC	-	-	-	-	(20)
31	NET OPERATING INCOME	\$ (1,680)	\$ (314)	\$ (129)	\$ 36	\$ 22,602
	RATE BASE					
	PLANT IN SERVICE					
32	Underground Storage	\$ -	\$ 163	\$ -	\$ -	\$ 25,785
33	Distribution Plant	-	5,261	16,375	-	375,996
34	General Plant	-	3,449	5,891	-	79,065
35	Total Plant in Service	-	8,873	22,266	-	480,846
	ACCUMULATED DEPRECIATION/AMORT					
36	Underground Storage	-	(103)	-	-	(9,927)
37	Distribution Plant	-	(1,320)	(391)	-	(121,501)
38	General Plant	-	612	(632)	-	(19,480)
39	Total Accumulated Depreciation/Amortization	-	(811)	(1,023)	-	(150,908)
40	NET PLANT	-	8,062	21,243	-	329,938
41	DEFERRED TAXES	-	(1,956)	(3,123)	-	(70,704)
42	Net Plant After DFIT	-	6,106	18,120	-	259,234
43	GAS INVENTORY	-	-	-	-	15,143
44	GAIN ON SALE OF BUILDING	-	-	-	-	-
45	OTHER	-	-	-	-	(509)
46	WORKING CAPITAL	-	-	-	-	12,625
47	TOTAL RATE BASE	\$ -	\$ 6,106	\$ 18,120	\$ -	\$ 286,493
48	RATE OF RETURN					
50	REVENUE REQUIREMENT	2,709	1,258	2,440	-59	-1,151

Pro Forma Rate of Return
Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY AND 2017 CROSS CHECK ADJUSTMENTS
 CROSS CHECK STUDIES
 TWELVE MONTHS ENDED SEPTEMBER 30, 2015
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Cross Check Labor Non-Exec	Cross Check Capital Add 2016 AMA	Cross Check Capital Add 2017 AMA	Cross Check 2017 AMI Capital & Expense	Cross Check Information Tech/Serv Exp	Cross Check Insurance Expense	Cross Check Property Tax Exp
		4.00	4.01	4.02	4.03	4.04	4.05	4.06
		G-CLN	G-CCAP16	G-CCAP17	G-CAMI	G-CIS	G-CI	G-CPT
	Adjustment Number	4.00	4.01	4.02	4.03	4.04	4.05	4.06
	Workpaper Reference	G-CLN	G-CCAP16	G-CCAP17	G-CAMI	G-CIS	G-CI	G-CPT
	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	6	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	6	-	-	-	-	-	-
	Underground Storage							
9	Operating Expenses	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	13	11	-	-	-	-
11	Taxes	-	-	-	-	-	-	19
12	Total Underground Storage	-	13	11	-	-	-	19
	Distribution							
13	Operating Expenses	70	-	-	-	-	-	-
14	Depreciation/Amortization	-	407	468	555	-	-	-
15	Taxes	-	-	-	-	-	-	239
16	Total Distribution	70	407	468	555	-	-	239
17	Customer Accounting	39	-	-	-	-	-	-
18	Customer Service & Information	3	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	48	-	-	-	459	22	-
21	Depreciation/Amortization	-	1,056	1,197	600	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	48	1,056	1,197	600	459	22	-
25	Total Gas Expense	166	1,476	1,676	1,155	459	22	258
26	OPERATING INCOME BEFORE FIT	(166)	(1,476)	(1,676)	(1,155)	(459)	(22)	(258)
	FEDERAL INCOME TAX							
27	Current Accrual	(58)	(517)	(587)	(404)	(161)	(8)	(90)
28	Debt Interest	-	(14)	(89)	(89)	-	-	-
29	Deferred FIT	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (108)	\$ (946)	\$ (1,000)	\$ (661)	\$ (298)	\$ (14)	\$ (168)
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ 873	\$ 694	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	7,104	18,576	8,339	-	-	-
34	General Plant	-	4,492	8,073	2,607	-	-	-
35	Total Plant in Service	-	12,469	27,343	10,946	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	(428)	(440)	-	-	-	-
37	Distribution Plant	-	(6,684)	(7,724)	(278)	-	-	-
38	General Plant	-	(3,124)	(4,711)	(300)	-	-	-
39	Total Accumulated Depreciation/Amortization	-	(10,236)	(12,875)	(578)	-	-	-
40	NET PLANT	-	2,233	14,468	10,368	-	-	-
41	DEFERRED TAXES	-	(850)	(5,512)	(1,365)	-	-	-
42	Net Plant After DFIT	-	1,383	8,956	9,003	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ 1,383	\$ 8,956	\$ 9,003	\$ -	\$ -	\$ -
48	RATE OF RETURN							
50	REVENUE REQUIREMENT	174	1,696	2,717	2,176	481	23	270

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
 CROSS CHECK STUDIES
 TWELVE MONTHS ENDED SEPTEMBER 30, 2015
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	2017 Cross Check Total	Reconcile 2017 Cross Check to Attrition	2017 FINAL Attrition Adjusted / Cross Check Total (2)
	Adjustment Number	17CC-Ttl	4.07	17AA/CC-Ttl
	Workpaper Reference		G-CREC	
	REVENUES			
1	Total General Business	\$ 84,057	\$ -	\$ 84,057
2	Total Transportation	4,416	-	4,416
3	Other Revenues	283	-	283
4	Total Gas Revenues	88,756	-	88,756
	EXPENSES			
	Production Expenses			
5	City Gate Purchases	-	-	-
6	Purchased Gas Expense	817	-	817
7	Net Nat Gas Storage Trans	-	-	-
8	Total Production	817	-	817
	Underground Storage			
9	Operating Expenses	833	-	833
10	Depreciation/Amortization	451	-	451
11	Taxes	312	-	312
12	Total Underground Storage	1,596	-	1,596
	Distribution			
13	Operating Expenses	12,151	-	12,151
14	Depreciation/Amortization	10,665	-	10,665
15	Taxes	6,249	-	6,249
16	Total Distribution	29,065	-	29,065
17	Customer Accounting	6,075	-	6,075
18	Customer Service & Information	889	-	889
19	Sales Expenses	0	-	0
	Administrative & General			
20	Operating Expenses	13,880	(1,129)	12,751
21	Depreciation/Amortization	8,802	-	8,802
22	Regulatory Amortizations	1,079	-	1,079
23	Taxes	-	-	-
24	Total Admin. & General	23,761	(1,129)	22,632
25	Total Gas Expense	62,203	(1,129)	61,074
26	OPERATING INCOME BEFORE FIT	26,553	1,129	27,682
	FEDERAL INCOME TAX			
27	Current Accrual	(4,760)	395	(4,364)
28	Debt Interest	(462)	75	(387)
29	Deferred FIT	12,388	-	12,388
30	Amort ITC	(20)	-	(20)
31	NET OPERATING INCOME	\$ 19,406	\$ 659	\$ 20,065
	RATE BASE			
	PLANT IN SERVICE			
32	Underground Storage	\$ 27,352		\$ 27,352
33	Distribution Plant	410,015		410,015
34	General Plant	94,237		94,237
35	Total Plant in Service	531,604	-	531,604
	ACCUMULATED DEPRECIATION/AMORT			
36	Underground Storage	(10,795)		(10,795)
37	Distribution Plant	(136,187)		(136,187)
38	General Plant	(27,615)		(27,615)
39	Total Accumulated Depreciation/Amortization	(174,597)	-	(174,597)
40	NET PLANT	357,007	-	357,007
41	DEFERRED TAXES	(78,431)		(78,431)
42	Net Plant After DFIT	278,576	-	278,576
43	GAS INVENTORY	15,143	-	15,143
44	GAIN ON SALE OF BUILDING	-	-	-
45	OTHER	(509)	(7,520)	(8,029)
46	WORKING CAPITAL	12,625		12,625
47	TOTAL RATE BASE	\$ 305,835	\$ (7,520)	\$ 298,315
48	RATE OF RETURN			6.73%
49	REVENUE REQUIREMENT	6,386	(1,990)	4,397

Pro Forma Rate of Return
 Revenue Conversion Factor

(2) The Attrition Adjusted Total revenue requirement of \$4.397 million on line 50 developed by the Company's Attrition Study is used for the adjusted results and revenue requirement on an attrition adjusted basis. However, the values shown elsewhere in the Attrition Adjusted Total column, lines 1-47 above, were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Mr. Miller, because these values more readily lend themselves to Mr. Miller's cost-of-service analysis.

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY AND 1/1/2018
 CROSS CHECK STUDIES
 TWELVE MONTHS ENDED SEPTEMBER 30, 2015
 (000'S OF DOLLARS)

Step 2 Increase (6 Months 2018: 1/1/2018-6/30/2018)
2018 CROSS CHECK ADJUSTMENTS

Line No.	DESCRIPTION	2017	2018				
		FINAL Attrition Adjusted / Cross Check Total	Cross Check Labor Non-Exec	Cross Check Regulatory Amortizations	Cross Check Insurance Expense	Cross Check Information Tech/Serv Exp	Cross Check Planned Capital Add 2018 AMA
		17AA/CC-Ttl	18.01 G-CLN18	18.02 G-CRA18	18.03 G-CI18	18.04 G-CIS18	18.05 G-CCAP18
	Adjustment Number						
	Workpaper Reference						
	REVENUES						
1	Total General Business	\$ 84,057	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	4,416	-	-	-	-	-
3	Other Revenues	283	-	-	-	-	-
4	Total Gas Revenues	88,756	-	-	-	-	-
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	817	8	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	817	8	-	-	-	-
	Underground Storage						
9	Operating Expenses	833	-	-	-	-	-
10	Depreciation/Amortization	451	-	-	-	-	5
11	Taxes	312	-	-	-	-	-
12	Total Underground Storage	1,596	-	-	-	-	5
	Distribution						
13	Operating Expenses	12,151	101	-	-	-	-
14	Depreciation/Amortization	10,665	-	-	-	-	252
15	Taxes	6,249	-	-	-	-	-
16	Total Distribution	29,065	101	-	-	-	252
17	Customer Accounting	6,075	54	-	-	-	-
18	Customer Service & Information	889	4	-	-	-	-
19	Sales Expenses	0	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	12,751	64	-	19	102	-
21	Depreciation/Amortization	8,802	-	-	-	-	569
22	Regulatory Amortizations	1,079	-	(540)	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	22,632	64	(540)	19	102	569
25	Total Gas Expense	61,074	231	(540)	19	102	826
26	OPERATING INCOME BEFORE FIT	27,682	(231)	540	(19)	(102)	(826)
	FEDERAL INCOME TAX						
27	Current Accrual	(4,364)	(81)	189	(7)	(36)	(289)
28	Debt Interest	(387)	-	-	-	-	20
29	Deferred FIT	12,388	-	-	-	-	-
30	Amort ITC	(20)	-	-	-	-	-
31	NET OPERATING INCOME	\$ 20,065	\$ (150)	\$ 351	\$ (12)	\$ (66)	\$ (557)
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ 27,352	\$ -	\$ -	\$ -	\$ -	346
33	Distribution Plant	410,015	-	-	-	-	9,996
34	General Plant	94,237	-	-	-	-	1,932
35	Total Plant in Service	531,604	-	-	-	-	12,274
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	(10,795)	-	-	-	-	(336)
37	Distribution Plant	(136,187)	-	-	-	-	(6,066)
38	General Plant	(27,615)	-	-	-	-	(3,624)
39	Total Accumulated Depreciation/Amortization	(174,597)	-	-	-	-	(10,026)
40	NET PLANT	357,007	-	-	-	-	2,248
41	DEFERRED TAXES	(78,431)	-	-	-	-	(4,284)
42	Net Plant After DFIT	278,576	-	-	-	-	(2,036)
43	GAS INVENTORY	15,143	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	(8,029)	-	-	-	-	-
46	WORKING CAPITAL	12,625	-	-	-	-	-
47	TOTAL RATE BASE	\$ 298,315	\$ -	\$ -	\$ -	\$ -	\$ (2,036)
48	RATE OF RETURN						
50	REVENUE REQUIREMENT	4,397	242	-566	20	107	648

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY AND
 CROSS CHECK STUDIES
 TWELVE MONTHS ENDED SEPTEMBER 30, 2015
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Cross Check 2018 AMI Capital & Expense	2018 Cross Check Total	Reconcile 2018 Cross Check to Attrition	2018	INCREMENTAL
					FINAL Attrition Adjusted / Cross Check Total	2018 (I) Attrition Adjusted / Cross Check Total
	Adjustment Number	18.06	17CC-Ttl	18.07	18AA/CC-Ttl	18AA/CC-Ttl
	Workpaper Reference	G-CAMI18		G-CREC18		
	REVENUES					
1	Total General Business	\$ -	\$ 84,057	\$ -	\$ 84,057	\$ -
2	Total Transportation	-	4,416	-	4,416	-
3	Other Revenues	-	283	-	283	-
4	Total Gas Revenues	-	88,756	-	88,756	-
	EXPENSES					
	Production Expenses					
5	City Gate Purchases	-	-	-	-	-
6	Purchased Gas Expense	-	825	-	825	8
7	Net Nat Gas Storage Trans	-	-	-	-	-
8	Total Production	-	825	-	825	8
	Underground Storage					
9	Operating Expenses	-	833	-	833	-
10	Depreciation/Amortization	-	456	-	456	5
11	Taxes	-	312	-	312	-
12	Total Underground Storage	-	1,601	-	1,601	5
	Distribution					
13	Operating Expenses	(286)	11,966	-	11,966	(185)
14	Depreciation/Amortization	513	11,430	-	11,430	765
15	Taxes	-	6,249	-	6,249	-
16	Total Distribution	227	29,645	-	29,645	580
17	Customer Accounting	-	6,129	-	6,129	54
18	Customer Service & Information	-	893	-	893	4
19	Sales Expenses	-	0	-	0	-
	Administrative & General					
20	Operating Expenses	-	12,936	(1,086)	11,850	(901)
21	Depreciation/Amortization	654	10,025	-	10,025	1,223
22	Regulatory Amortizations	-	540	-	540	(540)
23	Taxes	-	-	-	-	-
24	Total Admin. & General	654	23,501	(1,086)	22,415	(218)
25	Total Gas Expense	881	62,593	(1,086)	61,507	434
26	OPERATING INCOME BEFORE FIT	(881)	26,163	1,086	27,249	(434)
	FEDERAL INCOME TAX					
27	Current Accrual	(308)	(4,896)	380	(4,516)	(152)
28	Debt Interest	(76)	(443)	11	(432)	(45)
29	Deferred FIT	-	12,388	-	12,388	-
30	Amort ITC	-	(20)	-	(20)	-
31	NET OPERATING INCOME	\$ (497)	\$ 19,133	\$ 695	\$ 19,829	\$ (237)
	RATE BASE					
	PLANT IN SERVICE					
32	Underground Storage	\$ -	\$ 27,698		\$ 27,698	\$ 346
33	Distribution Plant	7,708	427,719		427,719	17,704
34	General Plant	2,844	99,013		99,013	4,776
35	Total Plant in Service	10,552	554,430	-	554,430	22,826
	ACCUMULATED DEPRECIATION/AMORT					
36	Underground Storage	-	(11,131)		(11,131)	(336)
37	Distribution Plant	(747)	(143,000)		(143,000)	(6,813)
38	General Plant	(983)	(32,222)		(32,222)	(4,607)
39	Total Accumulated Depreciation/Amortization	(1,730)	(186,353)	-	(186,353)	(11,756)
40	NET PLANT	8,822	368,077	-	368,077	11,070
41	DEFERRED TAXES	(1,173)	(83,888)		(83,888)	(5,457)
42	Net Plant After DFIT	7,649	284,189	-	284,189	5,613
43	GAS INVENTORY		15,143		15,143	-
44	GAIN ON SALE OF BUILDING		-		-	-
45	OTHER		(8,029)	(1,069)	(9,098)	(1,069)
46	WORKING CAPITAL		12,625		12,625	-
47	TOTAL RATE BASE	\$ 7,649	\$ 303,928	\$ (1,069)	\$ 302,859	\$ 4,544
48	RATE OF RETURN				6.55%	-5.21%
49	REVENUE REQUIREMENT	1,744	6,591	(1,253)	5,338	941

(1) January to June 2018 Incremental Cross Check results in \$2.194 million prior to column (18.07) "Reconcile 2018 Cross Check to Attrition" (\$941 + \$1,253 = \$2,194).

Pro Forma Rate of Return
 Revenue Conversion Factor