

May 25, 2012

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12 _____

EXHIBIT NO. ____ (MNL-5)(Supp.)

MARK N. LOWRY

REPRESENTING AVISTA CORPORATION

Exhibit No. ____ (MNL-5)(Supp.)
PROJECTING AVISTA'S 2013 REVENUE DEFICIT

CBR Line Number		Determine Base Cost and Revenue to Escalate				Escalation	Escalate Non-Energy Cost		Other Cost & Revenue Adjustments		
		2011 Commission Basis Report Restated Totals	(less) 2011 Normalized Net Power Supply Cost	Revenue Normalizati on Adjustment	2011 Results Net of Net Power Supply and DSM Cost	2-Year Escalation Rate	2-Year Non- Energy Cost Escalation Amount	Trended 2013 Non-Energy Cost	(plus) 2011 Pro-Formed Net Energy Cost	(plus) Net Impact of Billing Determinant and Other Revenue Growth	2013 Projected Revenue and Cost
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
REVENUES											
1	Total General Business	\$ 451,837		\$ 2,448	\$ 454,285	2.46%				\$ 11,197	\$ 465,482
2	Interdepartmental Sales	\$ 820			\$ 820	0.00%				\$ -	\$ 820
3	Sales for Resale	\$ 52,604	\$ 52,604		\$ -				\$ 47,499		\$ 47,499
4	Subtotal: Sales of Electricity	\$ 505,261	\$ 52,604	\$ 2,448	\$ 455,105				\$ 47,499	\$ 11,197	\$ 513,802
5	Other Revenue	\$ 13,666	\$ 1,752		\$ 11,914	0.83%			\$ 685	\$ 98	\$ 12,698
6	Total Electric Revenue	\$ 518,927	\$ 54,356	\$ 2,448	\$ 467,019				\$ 48,184	\$ 11,296	\$ 526,499
EXPENSES											
Production and Transmission											
7	Operating Expenses	\$ 145,634	\$ 97,442		\$ 48,192	9.71%	\$ 4,680	\$ 52,872	\$ 95,182		\$ 148,055
8	Purchased Power	\$ 91,142	\$ 91,142		\$ 0		\$ -	\$ 0	\$ 81,483	\$ 6,288	\$ 87,772
9	Depreciation/Amortization	\$ 25,158			\$ 25,158	15.38%	\$ 3,869	\$ 29,027			\$ 29,027
10	Regulatory Amortization	\$ 403		\$ 4,610	\$ 5,013	15.38%	\$ 771	\$ 5,784			\$ 5,784
11	Taxes	\$ 10,846			\$ 10,846	8.43%	\$ 914	\$ 11,760			\$ 11,760
12	Subtotal: Production and Transmission	\$ 273,183	\$ 188,583	\$ 4,610	\$ 89,210		\$ 10,233	\$ 99,443	\$ 176,665	\$ 6,288	\$ 282,396
Distribution											
13	Operating Expenses	\$ 19,081			\$ 19,081	9.71%	\$ 1,853	\$ 20,934			\$ 20,934
14	Depreciation/Amortization	\$ 19,240			\$ 19,240	15.38%	\$ 2,959	\$ 22,199			\$ 22,199
15	Taxes	\$ 22,393		\$ 95	\$ 22,488	8.43%	\$ 1,895	\$ 24,383		\$ 432	\$ 24,815
16	Subtotal: Distribution	\$ 60,714		\$ 95	\$ 60,809		\$ 6,706	\$ 67,516	\$ -	\$ 432	\$ 67,948
17	Customer Accounting	\$ 10,275		\$ 10	\$ 10,285	9.71%	\$ 999	\$ 11,283		\$ 49	\$ 11,332
18	Customer Service & Information	\$ 21,292		\$ (20,102)	\$ 1,190	9.71%	\$ 116	\$ 1,306			\$ 1,306
19	Sales Expenses	\$ 4			\$ 4	9.71%	\$ 0	\$ 4			\$ 4
Administrative & General											
20	Operating Expenses	\$ 44,779		\$ 5	\$ 44,784	9.71%	\$ 4,349	\$ 49,133		\$ 22	\$ 49,156
21	Depreciation/Amortization	\$ 10,906			\$ 10,906	15.38%	\$ 1,677	\$ 12,583			\$ 12,583
22	Taxes	\$ -			\$ -	8.43%	\$ -	\$ -			\$ -
23	Subtotal: Administrative and General	\$ 55,685	\$ -	\$ 5	\$ 55,690		\$ 6,026	\$ 61,716	\$ -	\$ 22	\$ 61,739
24	Total Electric Expenses	\$ 421,153	\$ 188,583	\$ (15,382)	\$ 217,188		\$ 24,081	\$ 241,269	\$ 176,665	\$ 6,791	\$ 424,725
25	OPERATING INCOME BEFORE FIT	\$ 97,774	\$ (134,228)	\$ 17,830	\$ 249,831		\$ (24,081)	\$ (241,269)	\$ (128,481)	\$ 4,505	\$ 101,775

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	Federal Income Tax										
26	Current Accrual	\$ 6,569	\$ (46,980)	\$ 6,241	\$ 59,789		\$ (8,428)	\$ 51,361	\$ (44,968)	\$ 1,577	\$ 7,970
27	Debt Interest	\$ 207			\$ 207		\$ (1,452)	\$ (1,452)			\$ (1,452)
28	Deferred Income Taxes	\$ 16,402			\$ 16,402	0.00%	\$ -	\$ 16,402			\$ 16,402
29	Amortized ITC - Noxon	\$ (99)			\$ (99)	0.00%	\$ -	\$ (99)			\$ (99)
30	NET OPERATING INCOME	\$ 74,695	\$ (87,248)	\$ 11,590	\$ 173,532		\$ (307,480)	\$ (83,512)	\$ 2,928	\$ 78,954	
	RATE BASE										
	Plant in Service										
31	Intangible	\$ 84,081			\$ 84,081	12.95%	\$ 10,891	\$ 94,972			\$ 94,972
32	Production	\$ 706,894			\$ 706,894	12.95%	\$ 91,564	\$ 798,458			\$ 798,458
33	Transmission	\$ 328,012			\$ 328,012	12.95%	\$ 42,487	\$ 370,499			\$ 370,499
34	Distribution	\$ 696,082			\$ 696,082	12.95%	\$ 90,164	\$ 786,246			\$ 786,246
35	General	\$ 140,218			\$ 140,218	12.95%	\$ 18,162	\$ 158,380			\$ 158,380
36	Subtotal: Plant in Service	\$ 1,955,287			\$ 1,955,287	12.95%	\$ 253,269	\$ 2,208,556			\$ 2,208,556
	Accumulated Depreciation and Amortization										
37	Intangible	\$ 3,744			\$ 3,744	12.95%	\$ 485	\$ 4,229			\$ 4,229
38	Production	\$ 286,300			\$ 286,300	12.95%	\$ 37,085	\$ 323,385			\$ 323,385
39	Transmission	\$ 111,144			\$ 111,144	12.95%	\$ 14,397	\$ 125,541			\$ 125,541
40	Distribution	\$ 209,101			\$ 209,101	12.95%	\$ 27,085	\$ 236,186			\$ 236,186
41	General	\$ 56,694			\$ 56,694	12.95%	\$ 7,344	\$ 64,038			\$ 64,038
42	Subtotal: Accumulated Depreciation and Amortization	\$ 666,983			\$ 666,983	12.95%	\$ 86,394	\$ 753,377			\$ 753,377
43	Net Plant	\$ 1,288,304			\$ 1,288,304	12.95%	\$ 166,874	\$ 1,455,178			\$ 1,455,178
44	Deferred Taxes	\$ (201,163)			\$ (201,163)	12.95%	\$ (26,057)	\$ (227,220)			\$ (227,220)
45	Net Plant After Deferred taxes	\$ 1,087,141			\$ 1,087,141			\$ 1,227,959			\$ 1,227,959
46	Deferred Debits and Credits	\$ 32,534			\$ 32,534	12.95%	\$ 4,214	\$ 36,748			\$ 36,748
47	Working Capital	\$ 18,188			\$ 18,188	12.95%	\$ 2,356	\$ 20,544			\$ 20,544
48	TOTAL RATE BASE	\$ 1,137,863			\$ 1,137,863		\$ 147,388	\$ 1,285,251			\$ 1,285,251
49	RATE OF RETURN	6.56%									6.14%

ATTRITION ADJUSTED REVENUE REQUIREMENT		
50	Proposed Rate of Return	8.25%
51	Return on Plant in Service at Proposed Rate	93,874
52	Operating Income Deficiency	19,179
53	Revenue Conversion Factor	0.620815
54	Revenue Requirement	30,893
55	Revenue Growth Factor	1.024648
56	Attrition Adjusted Revenue Requirement	42,569