

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-190334 and UG-190335, UE-190222 (*Consolidated*)

ANDREA C. CRANE

ON BEHALF OF PUBLIC COUNSEL

EXHIBIT ACC-3

Calculation of Recommended General Revenue Requirement

Washington Electric Operations

October 3, 2019

**AVISTA UTILITIES
 CALCULATION OF RECOMMENDED GENERAL REVENUE REQUIREMENT
 WASHINGTON ELECTRIC
 TWELVE MONTHS ENDED DECEMBER 31, 2018**

Line No.	Description	Recommended Base Rate Change 4/1/2020 (000's of Dollars)
1	Pro Forma Rate Base	\$ 1,629,396
2	Proposed Rate of Return	6.96%
3	Net Operating Income Requirement	\$113,406
4	Pro Forma Net Operating Income	105,085
5	Net Operating Income Deficiency	\$8,321
6	Conversion Factor	0.754948
7	Revenue Requirement	\$11,022
8	Total General Business Revenues	\$502,019
9	Percentage Revenue Increase	2.20%
10	Total <u>Billed</u> General Business Revenues	\$519,238
11	Percentage Revenue Increase	2.12%

**AVISTA UTILITIES
RECOMMENDED COST OF CAPITAL
WASHINGTON ELECTRIC**

Proposed Capital Structure

Component	Capital Structure	Cost	Weighted Cost
Debt	53.0%	5.15%	2.73%
Common	47.0%	9.00%	4.23%
Total	<u>100.00%</u>		<u>6.96%</u>