

**Avista's Application to Revise its
Electric Book Depreciation Rates**

**Attachment A: Depreciation Study
Summary**

Proposed Change in Depreciation/Amortization By Jurisdiction and Service						
	Washington		Idaho		Oregon	System
	Electric	Natural Gas	Electric	Natural Gas	Natural Gas	Total
Functional Area						
Production - Thermal	\$ (424,030)	\$ -	\$ (223,048)	\$ -	\$ -	(647,078)
Production - Hydro	\$ 340,722	\$ -	\$ 179,226	\$ -	\$ -	519,949
Production - Other	\$ (565,345)	\$ -	\$ (297,382)	\$ -	\$ -	(862,728)
Transmission	\$ 1,565,596	\$ -	\$ 823,486	\$ -	\$ -	2,389,082
Underground Storage	\$ -	\$ 1,931	\$ -	\$ 895	\$ 8,450	11,276
Electric Distribution	\$ (577,854)	\$ -	\$ (1,541,905)	\$ -	\$ -	(2,119,759)
Natural Gas Distribution	\$ -	\$ (379,594)	\$ -	\$ (278,065)	\$ 730,844	73,185
General	\$ 229,968	\$ 52,163	\$ 117,283	\$ 26,742	\$ 70,300	496,456
Transportation	\$ (613,763)	\$ (237,089)	\$ (306,620)	\$ (78,758)	\$ (47,341)	(1,283,572)
Grand Total Depreciation	\$ (44,706)	\$ (562,589)	\$ (1,248,960)	\$ (329,186)	\$ 762,252	\$ (1,423,188)
Reserve Amortization	\$ (473,509)	\$ (238,576)	\$ (193,898)	\$ (59,170)	\$ (277,672)	(1,242,826)
Total Depreciation/Amortization	\$ (518,215)	\$ (801,165)	\$ (1,442,858)	\$ (388,356)	\$ 484,580	\$ (2,666,014)
Direct	\$ (711,196)	\$ (578,439)	\$ (1,623,530)	\$ (327,608)	\$ 654,298	(2,586,475)
Allocated	\$ 192,981	\$ (222,726)	\$ 180,672	\$ (60,748)	\$ (169,718)	(79,538)
Total Depreciation/Amortization	\$ (518,215)	\$ (801,165)	\$ (1,442,858)	\$ (388,356)	\$ 484,580	\$ (2,666,014)

Summary of Change in Depreciation Expense, by Component

Washington Electric

Functional Group	Plant (excl. Transportation)	Transportation	General Plant Reserve Adjustment	Total
Production Plant:				
Steam Production Plant	Attach. B-1 \$ (424,030)			\$ (424,030)
Hydraulic Production Plant	340,722			340,722
Other Production Plant	(565,345)			(565,345)
Total Production Plant	<u>(648,653)</u>	<u>-</u>	<u>-</u>	<u>(648,653)</u>
Transmission Plant	1,565,596	-	-	1,565,596
Distribution Plant				
Idaho	-			-
Washington	(581,117)			(581,117)
Electric Direct Allocated North (ED AN)	3,263			3,263
Distribution Plant	<u>(577,854)</u>	<u>-</u>	<u>-</u>	<u>(577,854)</u>
Electric General Plant:				
Electric Direct Allocated North (ED AN)	6,390		Attach. B-2 \$ (12,432)	(6,042)
Electric Direct Idaho (ED ID)	-			-
Electric Direct Washington (ED WA)	13,283		227,198	240,481
Total General Electric Plant	<u>19,673</u>	<u>-</u>	<u>214,766</u>	<u>234,439</u>
Common General Plant				
Common Allocated All (CD AA)	168,214		(977,366)	(809,152)
Common Allocated North (CD AN)	15,573		124,226	139,799
Common Idaho (CD ID)	-			-
Common Washington (CD WA)	26,508		164,865	191,373
Total Common General Plant Allocated to Electric	<u>210,295</u>	<u>-</u>	<u>(688,275)</u>	<u>(477,980)</u>
Total General Plant	229,968		(473,509)	(243,541)
Transportation		Attach. B-1 \$ (613,763)		(613,763)
Total Electric Plant Depreciation	<u>\$ 569,057</u>	<u>\$ (613,763)</u>	<u>\$ (473,509)</u>	<u>\$ (518,215)</u>

Washington Natural Gas - Adjustment for Proposed Study Rates

Functional Group	Plant (excl. Transportation)	Transportation	General Plant Reserve Adjustment	Total
Common General Plant:				
Common Direct Allocated All (CD AA)	Attach. B-1 \$ 52,374		Attach. B-2 \$ (304,313)	\$ (251,939)
Common Direct Allocated North (CD AN)	4,870		38,845	43,715
Common Direct Idaho	-			-
Common Direct Washington	7,617		47,374	54,991
Total Common General Plant	<u>64,861</u>	<u>-</u>	<u>(218,094)</u>	<u>(153,233)</u>
Gas General Plant:				
Gas Direct Allocated North (GD AN)	-		(7,860)	(7,860)
Gas Direct Idaho (GD ID)	-			-
Gas Direct Oregon (GD OR)	-			-
Gas Direct Washington (GD WA)	(12,698)		(872)	(13,570)
Gas Direct Allocated All (GD AA)	-		(11,750)	(11,750)
Total Gas General Plant	<u>(12,698)</u>	<u>-</u>	<u>(20,482)</u>	<u>(33,180)</u>
General Plant	52,163	-	(238,576)	\$ (186,413)
Underground Storage Plant				
Gas Direct Allocated North (GD AN)	1,931			1,931
Gas Direct Oregon (GD OR)	-			-
Underground Storage Plant	<u>1,931</u>	<u>-</u>	<u>-</u>	<u>1,931</u>
Gas Distribution Plant:				
Allocated North	(3,044)			(3,044)
Idaho	-			-
Oregon	-			-
Washington	(376,550)			(376,550)
Gas Distribution Plant	<u>(379,594)</u>	<u>-</u>	<u>-</u>	<u>(379,594)</u>
Transportation		Attach. B-1 \$ (237,089)		(237,089)
Total Gas Plant	<u>\$ (325,500)</u>	<u>\$ (237,089)</u>	<u>\$ (238,576)</u>	<u>\$ (801,165)</u>

**Summary of Change in Depreciation Expense,
Separated by Direct and Allocated Plant
Washington Electric**

Functional Group	Directly Assigned Plant	Allocated Plant	Total
Production Plant:			
Steam Production Plant	-	(424,030)	(424,030)
Hydraulic Production Plant	-	340,722	340,722
Other Production Plant	-	(565,345)	(565,345)
Total Production Plant	<u>-</u>	<u>(648,653)</u>	<u>(648,653)</u>
Transmission Plant	-	1,565,596	1,565,596
Distribution Plant			
Idaho	-	-	-
Washington	(581,117)	-	(581,117)
Electric Direct Allocated North (ED AN) Distribution Plant	<u>(581,117)</u>	<u>3,263</u>	<u>3,263</u>
			<u>(577,854)</u>
Electric General Plant:			
Electric Direct Allocated North (ED AN)	-	(6,042)	(6,042)
Electric Direct Idaho (ED ID)	-	-	-
Electric Direct Washington (ED WA)	240,481	-	240,481
Total General Electric Plant	<u>240,481</u>	<u>(6,042)</u>	<u>234,439</u>
Common General Plant			
Common Allocated All (CD AA)	-	(809,152)	(809,152)
Common Allocated North (CD AN)	-	139,799	139,799
Common Idaho (CD ID)	-	-	-
Common Washington (CD WA)	-	191,373	191,373
Total Common General Plant Allocated to Electric	<u>-</u>	<u>(477,980)</u>	<u>(477,980)</u>
Total General Plant	240,481	(484,022)	(243,541)
Transportation	(370,559)	(243,204)	(613,763)
Total Electric Plant	<u>(711,195)</u>	<u>192,980</u>	<u>(518,215)</u>

Washington Natural Gas - Adjustment for Proposed Study Rates

	Directly Assigned Plant	Allocated Plant	Total
Common Plant:			
Common Direct Allocated All (CD AA)	-	(251,939)	(251,939)
Common Direct Allocated North (CD AN)	-	43,715	43,715
Common Direct Idaho	-	-	-
Common Direct Washington	-	54,991	54,991
Total Common Plant	<u>-</u>	<u>(153,233)</u>	<u>(153,233)</u>
Underground Storage Plant			
Gas Direct Allocated North (GD AN)	-	1,931	1,931
Gas Direct Oregon (GD OR)	-	-	-
Total Underground Storage Plant	<u>-</u>	<u>1,931</u>	<u>1,931</u>
Gas Distribution Plant:			
Allocated North	-	(3,044)	(3,044)
Idaho	-	-	-
Oregon	-	-	-
Washington	(376,550)	-	(376,550)
Total Distribution Plant	<u>(376,550)</u>	<u>(3,044)</u>	<u>(379,594)</u>
Gas General Plant:			
Gas Direct Allocated North (GD AN)	-	(7,860)	(7,860)
Gas Direct Idaho (GD ID)	-	-	-
Gas Direct Oregon (GD OR)	-	-	-
Gas Direct Washington (GD WA)	(13,570)	-	(13,570)
Gas Direct Allocated All (GD AA)	-	(11,750)	(11,750)
Total Gas General Plant	<u>(13,570)</u>	<u>(19,610)</u>	<u>(33,180)</u>
Transportation	(188,319)	(48,770)	(237,089)
Total Gas Plant	<u><u>(578,439)</u></u>	<u><u>(222,726)</u></u>	<u><u>(801,165)</u></u>