

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-200900 and UG-200901 (*Consolidated*)

ANDREA C. CRANE

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT ACC-3r

Calculation of Recommended General Revenue Requirement — Washington Electric
Operations

April 21, 2021

**REVISED
MAY 24, 2021**

**REVISED
MAY 24, 2021**

Exhibit ACC-3r
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Dockets UE-200900
& UG-200901

**AVISTA UTILITIES
CALCULATION OF RECOMMENDED GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2019**

| Line No. | Description | Recommended Base Rate Change 10/1/2021 (000's of Dollars) | Tariff Schedule 76 | Overall Bill Impact |
|----------|---|--|-----------------------|------------------------|
| 1 | Pro Forma Rate Base | \$ 1,741,807 | | |
| 2 | Proposed Rate of Return | 6.92% | | |
| 3 | Net Operating Income Requirement | \$120,567 | | |
| 4 | Pro Forma Net Operating Income | 114,147 | | |
| 5 | Net Operating Income Deficiency | \$6,420 | | |
| 6 | Conversion Factor | 0.755294 | | |
| 7 | Revenue Requirement | \$8,500 | \$ (8,500) | \$ - |
| 8 | Total General Business Revenues | \$531,722 | | |
| 9 | Percentage Revenue Increase | 1.60% | -1.60% | 0.0% |
| 10 | Total <u>Billed</u> General Business Revenues | \$530,123 | | |
| 11 | Percentage Revenue Increase | 1.60% | -1.68% | 0.0% |

| AVISTA UTILITIES RECOMMENDED COST OF CAPITAL WASHINGTON ELECTRIC | | | |
|---|------------------------------|--------------|--------------------------|
| Recommended Capital Structure | | | |
| Component | Capital Structure | Cost | Weighted Cost |
| Debt | 51.5000% | 4.97% | 2.56% |
| Common | 48.5000% | 9.00% | 4.37% |
| Total | <u>100.0000%</u> | | <u>6.92%</u> |