

Exh. BAE-5
Dockets UE-200900, UG-200901,
UE-200984
Witness: Betty Ann Erdahl

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-200900, UG-200901,
UE-200984 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Betty Ann Erdahl

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Calculation of Schedules 76/176 Credit Using Two Scenarios – Avista Response to UTC
Staff Data Request No. 153*

April 21, 2021

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	3/22/2021
CASE NO.:	UE-200900 & UG-200901	WITNESS:	E. Andrews/Joseph Miller
REQUESTER:	Staff	RESPONDER:	Marcus Garbarino Jeanne Pluth
TYPE:	Staff Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Staff - 153	TELEPHONE:	(509) 495-2567 (509) 495-2567
		EMAIL:	marcus.garbarino@avistacorp.com jeanne.pluth@avistacorp.com

REQUEST:

Please calculate the Schedule 76 and Schedule 176 credit under the two scenarios below. Please also provide the underlying calculations supporting the credit amounts for all customer classes and the bill impact for the average residential customer.

- a. Spread the tax benefit of IDD #5 over 34 years and meters over 15 years and apportion each class's share based on equal percent of margin.
- b. Spread the tax benefit of IDD #5 over 34 years and meters over 15 years and apportion each class's share based on its allocated share of rate base.

RESPONSE:

Please see attachment "Staff-DR-153-Attachment A" for the calculation supporting the tax benefit credit amount based on IDD #5 over 34 years and meters over 15 years. See attachment "Staff-DR-153-Attachment B" for the calculation based on equal percentage of margin and the bill impact for an average residential customer. See attachment "Staff-DR-153-Attachment C" for the calculation based on each rate class's allocated share of rate base and bill impact for an average residential customer.

Revenue Req		1,687,100		998,065		
	System	WA E	ID E	WA G	ID G	OR G
12/31/2018 Balance	-	-	-	-	-	-
2019 Activity:						
481 (a)	(83,000,799)	(32,728,053)	(17,622,797)	(14,672,874)	(6,288,375)	(11,688,700)
2019 Additions	(17,525,998)	(6,956,585)	(3,745,854)	(3,682,176)	(1,578,075)	(1,563,308)
2019 Amortization	15,858,944	7,055,849	3,799,303	2,517,377	1,078,876	1,407,538
Transfer EDIT	(21,541,471)	(8,119,524)	(4,372,051)	(3,815,619)	(1,635,265)	(3,599,011)
12/31/2019 Balance	(106,209,324)	(40,748,313)	(21,941,399)	(19,653,292)	(8,422,839)	(15,443,481)
2020 Activity:						
2020 Additions	(15,795,935)	(6,313,757)	(3,399,716)	(3,199,670)	(1,371,287)	(1,511,505)
2020 Amortization	2,837,028	1,133,982	610,606	574,677	246,290	271,474
12/31/2020 Balance	(119,168,231)	(45,928,088)	(24,730,509)	(22,278,285)	(9,547,836)	(16,683,512)
1	Oct-21	136,342		80,296		
2	Nov-21	139,606		116,222		
3	Dec-21	165,516		141,817		
4	Jan-22	163,909		138,562		
5	Feb-22	138,732		116,618		
6	Mar-22	145,721		106,661		
7	Apr-22	124,221		77,626		
8	May-22	130,993		55,039		
9	Jun-22	126,128		41,117		
10	Jul-22	148,350		38,811		
11	Aug-22	141,556		39,657		
12	Sep-22	126,026		45,639		
	Oct-21	(45,791,746)		(22,197,989)		
	Nov-21	(45,652,140)		(22,081,767)		
	Dec-21	(45,486,624)		(21,939,950)		
	Jan-22	(45,322,715)		(21,801,388)		
	Feb-22	(45,183,983)		(21,684,769)		
	Mar-22	(45,038,263)		(21,578,108)		
	Apr-22	(44,914,042)		(21,500,482)		
	May-22	(44,783,048)		(21,445,443)		
	Jun-22	(44,656,920)		(21,404,327)		
	Jul-22	(44,508,570)		(21,365,515)		
	Aug-22	(44,367,014)		(21,325,859)		
	Sep-22	(44,240,988)		(21,280,220)		
		(45,065,800)		(21,675,404)		
Increase to Rate Base		862,288		602,881		
Debt %		50%		50%		
Debt Cost		4.97%		4.97%		
Equity %		50%		50%		
Equity Cost		9.90%		9.90%		
ROR		7.433%		7.433%		
CF		0.755294		0.755463		
FIT Benefit of Interest		(4,495)		(3,143)		
Revenue Requirement		78,902		55,155		
Tax Credit		1,687,100		998,065		
Revenue Requirement of Tax Credit		(2,233,699)		(1,321,131)		
Total Revenue Requirement		(2,154,797)		(1,265,975)		

Proposed ADFIT Available to Flow Through		0.21		0.65		0.35	
		System	Electric	Electric - WA	Electric - ID		
FN		Grossed-Up ADFIT	Grossed-Up ADFIT	Grossed-Up ADFIT	Grossed-Up ADFIT	Grossed-Up ADFIT	Grossed-Up ADFIT
		(Rev. Req.)	(Rev. Req.)	(Rev. Req.)	(Rev. Req.)	(Rev. Req.)	(Rev. Req.)
	Meters - 2019 Only	(11,378,988)	(6,710,083)	(4,361,554)	(2,348,529)	(14,403,782)	(2,972,822)
	Meters - 481(a) Prior Years	(12,076,466)	(2,881,535)	(1,872,998)	(1,008,537)	(15,286,665)	(1,276,629)
A	Meters - Amortization	2,419,978	1,233,767	801,948	431,818	3,063,263	546,606
B	Meters - Excess Deffereds	(2,754,681)	(407,309)	(264,751)	(142,558)	(3,486,938)	(180,453)
	IDD #5 - 2019 Only	(6,147,010)	(3,992,356)	(2,595,031)	(1,397,325)	(7,781,025)	(1,768,765)
	IDD #5 - 481(a) Prior Years	(70,924,333)	(47,469,315)	(30,855,055)	(16,614,260)	(89,777,637)	(21,030,709)
A	IDD #5 - Amortization	13,438,966	9,621,386	6,253,901	3,367,485	17,011,350	4,262,639
B	IDD #5 - Excess Deffereds	(18,786,790)	(12,084,267)	(7,854,773)	(4,229,493)	(23,780,746)	(5,353,789)
	Balance 12/31/2019	(106,209,323)	(62,689,712)	(40,748,313)	(21,941,399)	(134,442,181)	(27,773,923)
	2020 Estimated Future Annual Additions						
	IDD #5	(6,147,010)	(3,992,356)	(2,595,031)	(1,397,325)	(7,781,025)	(1,768,765)
	Meters	(9,648,925)	(5,721,117)	(3,718,726)	(2,002,391)	(12,213,830)	(2,534,672)
	Amortization	2,837,028	1,744,588	1,133,982	610,606	3,591,175	772,919
		(12,958,907)	(7,968,885)	(5,179,775)	(2,789,110)	(16,403,679)	(3,530,519)
	Estimated Balance 12/31/2020	(119,168,230)	(70,658,597)	(45,928,088)	(24,730,509)	(150,845,861)	(31,304,442)
	Meters			(9,026,286)	(11,425,679)		
	IDD#5			(36,901,802)	(46,711,141)		
				(45,928,088)	(58,136,820)		
	Life						
	Meters	15		(601,752)	(761,712)		
	IDD#5	34		(1,085,347)	(1,373,857)		
				(1,687,100)	(2,135,569)		

Proposed ADFIT Available to Flow Throug

0.7

0.3

	Gas North		Gas North - WA		Gas North - ID		Oregon	
	ADFIT	Grossed-Up (Rev. Req.)	ADFIT	Grossed-Up (Rev. Req.)	ADFIT	Grossed-Up (Rev. Req.)	ADFIT	Grossed-Up (Rev. Req.)
FN								
Meters - 2019 Only	(3,770,938)	(4,773,339)	(2,639,657)	(3,341,338)	(1,131,281)	(1,432,002)	(897,967)	(1,136,667)
Meters - 481(a) Prior Years	(6,103,632)	(7,726,116)	(4,272,542)	(5,408,281)	(1,831,090)	(2,317,835)	(3,091,299)	(3,913,036)
A Meters - Amortization	932,955	1,180,956	653,069	826,669	279,887	354,287	253,255	320,576
B Meters - Excess Deffereds	(1,404,734)	(1,778,144)	(983,314)	(1,244,701)	(421,420)	(533,443)	(942,638)	(1,193,213)
IDD #5 - 2019 Only	(1,489,312)	(1,885,206)	(1,042,519)	(1,319,644)	(446,794)	(565,562)	(665,341)	(842,204)
IDD #5 - 481(a) Prior Years	(14,857,618)	(18,807,111)	(10,400,332)	(13,164,978)	(4,457,285)	(5,642,133)	(8,597,401)	(10,882,786)
A IDD #5 - Amortization	2,663,298	3,371,263	1,864,308	2,359,884	798,989	1,011,379	1,154,283	1,461,118
B IDD #5 - Excess Deffereds	(4,046,151)	(5,121,710)	(2,832,305)	(3,585,197)	(1,213,845)	(1,536,513)	(2,656,373)	(3,362,497)
Balance 12/31/2019	(28,076,131)	(35,539,407)	(19,653,292)	(24,877,585)	(8,422,839)	(10,661,822)	(15,443,480)	(19,548,709)
2020 Estimated Future Annual Add								
IDD #5	(1,489,312)	(1,885,206)	(1,042,519)	(1,319,644)	(446,794)	(565,562)	(665,341)	(842,204)
Meters	(3,081,644)	(3,900,815)	(2,157,151)	(2,730,570)	(924,493)	(1,170,244)	(846,164)	(1,071,094)
Amortization	820,966	1,039,198	574,677	727,439	246,290	311,759	271,474	343,638
	(3,749,990)	(4,746,823)	(2,624,993)	(3,322,776)	(1,124,997)	(1,424,047)	(1,240,032)	(1,569,661)
Estimated Balance 12/31/2020	(31,826,121)	(40,286,229)	(22,278,285)	(28,200,361)	(9,547,836)	(12,085,869)	(16,683,512)	(21,118,369)
Meters			(9,202,056)	(11,648,172)				
IDD#5			(13,076,229)	(16,552,189)				
			<u>(22,278,285)</u>	<u>(28,200,361)</u>				
Meters			(613,470)	(776,545)				
IDD#5			(384,595)	(486,829)				
			<u>(998,065)</u>	<u>(1,263,374)</u>				

Tax Rate Adjustment

Schedule 76 Rate Spread - Equal

No.	Type of Service (a)	Schedule Number (b)	Base Tariff Revenue Under Present Rates(1) (c)	Percentage of Base Increase (d)	Base Tariff Percent Increase (e)	Proposed Tax Customer Credit (f)
1	Residential	1/2	\$232,554	100.00%	0.4%	\$945
2	General Service	11/12	\$77,796	100.00%	0.4%	\$316
3	Large General Service	21/22	\$133,266	100.00%	0.4%	\$541
4	Extra Large General Service	25	\$68,105	100.00%	0.4%	\$277
5	Pumping Service	30/31/32	\$12,229	100.00%	0.4%	\$50
6	Street & Area Lights	41-48	<u>\$6,629</u>	100.00%	0.4%	<u>\$27</u>
7	Total		\$530,579		0.4%	\$2,155



Tax Rate Adjustment

Schedule 176 Rate Spread - Equal

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates (1)	Percentage of Base Increase	Base Tariff Percent Increase	Proposed Tax Customer Credit	
(a)	(b)	(c)	(d)	(e)	(f)		
1	General Service	101/102	\$79,468	100.00%	1.2%	\$973	0.0%
2	Large General Service	111/112/116	\$20,145	100.00%	1.2%	\$247	0.0%
3	Interruptible Service	131/132	\$217	100.00%	1.2%	\$3	0.5%
4	Transportation Service	146	\$3,581	100.00%	1.2%	\$44	0.0%
5	Total		\$103,412		1.2%	\$1,266	
Revenue Requirement			\$ 1,266	1.2%			
Bill Impact			67 Therms				
	Present Bill	\$	56.53				
	Schedule 176	\$	(0.44)				
	Proposed Bill	\$	56.09				
			-0.8%				
			\$ 28,200	Tax Customer Credit			
			22.27	Number of years			

Schedule 176 Rate Design

		Sch 76 Tax Rate		Credit		Percentage			
		Base Rates	Credit	Credit	Percentage				
General Service - Schedule 101 & 102									
Energy Charge: Billing Determinants									
First 70 Therms	79,959,168	0.41035	\$0.00659	\$ 526,605	1.6%	0.01605		\$0.00	
All over 70 Therms	52,136,436	0.53333	\$0.00856	\$ 446,272	1.6%				
				\$ 972,876					
Large General Services - Schedule 111/112/116									
Energy Charge:									
First 200 therms	6,563,650	0.5378	\$0.00674	\$ 44,263	1.3%	0.012539		\$0.00	
200 - 1,000 therms	17,370,505	0.36159	\$0.00453	\$ 78,759	1.3%				
1,000 - 10,000 therms	34,375,335	0.27562	\$0.00346	\$ 118,804	1.3%				
10,000 - 25,000 therms	715,939	0.23517	\$0.00295	\$ 2,111	1.3%				
All over 25,000 therms	1,300,493	0.16497	\$0.00207	\$ 2,690	1.3%				
				\$ 246,627					
Interruptible Service - Schedule 131/132									
Energy Charge:									
First 10,000 therms	220,000	0.27008	\$0.00331	\$ 727	1.2%	0.012242		\$0.00	
10,000 - 25,000 therms	285,403	0.21681	\$0.00265	\$ 758	1.2%				
25,000 - 50,000 therms	317,689	0.20373	\$0.00249	\$ 792	1.2%				
All over 50,000 therms	170,108	0.18203	\$0.00223	\$ 379	1.2%				
				\$ 2,656					
Transportation Service - Schedule 146									
Energy Charge:									
First 20,000 therms	8,146,142	0.10494	\$0.00141	\$ 11,489	1.3%	0.01344		\$0.00	
20,000 - 50,000 therms	8,282,125	0.09336	\$0.00125	\$ 10,392	1.3%				
50,000 - 300,000 therms	14,410,467	0.08419	\$0.00113	\$ 16,305	1.3%				
300,000 - 500,000 therms	2,975,781	0.07785	\$0.00105	\$ 3,113	1.3%				
All over 500,000 therms	3,355,717	0.05851	\$0.00079	\$ 2,639	1.3%				
				\$ 43,938					
								Check	\$ -

Original		Interruptible Service - Schedules 131 & 132	
General Service - Schedules 101 & 102		Interruptible Service - Schedules 131 & 132	
Usage Charge:		Usage Charge:	
First 70 Therms	\$0.06654	First 10,000 therms	\$ 0.03340
All over 70 Therms	\$0.08647	10,000 - 25,000 therm:	\$ 0.02682
		25,000 - 50,000 therm:	\$ 0.02520
		All over 50,000 therms	\$ 0.02251
Large General Service - Schedules 111, 112 & 116		Transportation Service - Schedule 146	
Usage Charge:		Usage Charge:	
First 200 therms	\$0.07950	First 20,000 therms	\$ 0.01410
200 - 1,000 therms	\$0.04255	20,000 - 50,000 therm:	\$ 0.01255
1,000 - 10,000 therms	\$0.03244	50,000 - 300,000 therm	\$ 0.01131
10,000 - 25,000 therms	\$0.02768	300,000 - 500,000 ther	\$ 0.01046
All over 25,000 therms	\$0.01941	All over 500,000 therm	\$ 0.00786

Tax Rate Adjustment

Schedule 76 Rate Spread - Percentage of Rate Base

No.	Type of Service (a)	Schedule Number (b)	Base Tariff Revenue Under Present Rates(1) (c)	Total Rate Base (d)	Percentage of Rate Base (e)	Base Tariff Percent Increase (f)	Proposed Tax Customer Credit (g)
1	Residential	1/2	\$232,554	\$1,000,842	53.3%	0.5%	\$1,149
2	General Service	11/12	\$77,796	\$232,909	12.4%	0.3%	\$267
3	Large General Service	21/22	\$133,266	\$385,102	20.5%	0.3%	\$442
4	Extra Large General Service	25	\$68,105	\$181,620	9.7%	0.3%	\$208
5	Pumping Service	30/31/32	\$12,229	\$43,825	2.3%	0.4%	\$50
6	Street & Area Lights	41-48	<u>\$6,629</u>	<u>\$33,260</u>	1.8%	0.6%	<u>\$38</u>
7	Total		\$530,579	\$1,877,557		0.4%	\$2,155

Tax Rate Adjustment



Schedule 176 Rate Spread - Percentage of Rate Base

No.	Type of Service (a)	Schedule Number (b)	Base Tariff Revenue Under Present Rates(1) (c)	Total Rate Base (d)	Percentage of Rate Base (e)	Base Tariff Percent Increase (f)	Proposed Tax Customer Credit (g)
1	General Service	101/102	\$79,468	\$589,375	80.7%	1.3%	\$1,022
2	Large General Service	111/112/116	\$20,145	\$102,455	14.0%	0.9%	\$178
3	Interruptible Service	131/132	\$217	\$1,350	0.2%	1.1%	\$2
4	Transportation Service	146	\$3,581	\$36,854	5.0%	1.8%	\$64
5	Total		\$103,412	\$730,034		1.2%	\$1,266
Revenue Requirement			\$ 1,266		1.2%		
Bill Impact			67 Therms				
Present Bill			\$ 56.53				
Schedule 176			\$ (0.46)				
Proposed Bill			\$56.07				
			-0.8%				
Total Rate Base (per JCA-G-64)							
Sch 101-102			589,374,734	81%	1,022.07	1.29%	
Sch 111/112/116			102,455,058	14%	177.67	0.88%	
Sch 131/132			1,350,412	0%	2.34	1.08%	
Sch 146			36,853,797	5%	63.91	1.78%	
Total			730,034,001	100%	1,266.00	1.22%	

\$ 28,200 Tax Customer Credit
22.27 Number of years

Schedule 176 Rate Design

		Sch 76 Tax Rate		Percentage	
Energy Charge:	Billing Determinants	Base Rates	Credit	Credit	Percentage
General Service - Schedule 101 & 102					
First 70 Therms	79,959,168	0.41035	\$0.00692	\$ 553,234	1.7%
All over 70 Therms	52,136,436	0.53333	\$0.00899	\$ 468,639	1.7%
				\$ 1,022,073	
Large General Services - Schedule 111/112/116					
First 200 therms	6,563,650	0.5378	\$0.00486	\$ 31,888	0.9%
200 - 1,000 therms	17,370,505	0.36159	\$0.00327	\$ 56,739	0.9%
1,000 - 10,000 therms	34,375,335	0.27562	\$0.00249	\$ 85,588	0.9%
10,000 - 25,000 therms	715,939	0.23517	\$0.00212	\$ 1,521	0.9%
All over 25,000 therms	1,300,493	0.16497	\$0.00149	\$ 1,938	0.9%
				\$ 177,674	
Interruptible Service - Schedule 131/132					
First 10,000 therms	220,000	0.27008	\$0.00291	\$ 641	1.1%
10,000 - 25,000 therms	285,403	0.21681	\$0.00234	\$ 668	1.1%
25,000 - 50,000 therms	317,689	0.20373	\$0.00220	\$ 699	1.1%
All over 50,000 therms	170,108	0.18203	\$0.00196	\$ 334	1.1%
				\$ 2,342	
Transportation Service - Schedule 146					
First 20,000 therms	8,146,142	0.10494	\$0.00205	\$ 16,737	2.0%
20,000 - 50,000 therms	8,282,125	0.09336	\$0.00183	\$ 15,139	2.0%
50,000 - 300,000 therms	14,410,467	0.08419	\$0.00165	\$ 23,754	2.0%
300,000 - 500,000 therms	2,975,781	0.07785	\$0.00152	\$ 4,536	2.0%
All over 500,000 therms	3,355,717	0.05851	\$0.00115	\$ 3,844	2.0%
				\$ 64,011	
Check \$ -					

Original		Interruptible Service - Schedules 131 & 132	
General Service - Schedules 101 & 102			
Usage Charge:			
First 70 Therms	\$0.06654	First 10,000 therms	\$ 0.03340
All over 70 Therms	\$0.08647	10,000 - 25,000 therm	\$ 0.02682
		25,000 - 50,000 therm	\$ 0.02520
		All over 50,000 therms	\$ 0.02251
Large General Service - Schedules 111, 112 & 116			
Usage Charge:			
First 200 therms	\$0.07950	First 20,000 therms	\$ 0.01410
200 - 1,000 therms	\$0.04255	20,000 - 50,000 therm	\$ 0.01255
1,000 - 10,000 therms	\$0.03244	50,000 - 300,000 therm	\$ 0.01131
10,000 - 25,000 therms	\$0.02768	300,000 - 500,000 the	\$ 0.01046
All over 25,000 therms	\$0.01941	All over 500,000 therm	\$ 0.00786