

Exh. ELJ-4
Dockets UE-200900, UG-200901,
UE-200894
Witness: Elaine L. Jordan

**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-200894 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Elaine L. Jordan

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Electric Revenue Normalization, Pro Forma Adjustment 3.01 – Avista response to UTC
Staff Data Request No. 156, Attachment B*

April 21, 2021

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

As Filed

Line No.	DESCRIPTION	Pro Forma Revenue Normalization
	Adjustment Number	3.01
	Workpaper Reference	E-PREV
REVENUES		
1	Total General Business	\$25,496
2	Interdepartmental Sales	0
3	Sales for Resale	0
4	Total Sales of Electricity	0
5	Other Revenue	(10,608)
6	Total Electric Revenue	14,888
EXPENSES		
Production and Transmission		
7	Operating Expenses	(226)
8	Purchased Power	0
9	Depreciation/Amortization	0
10	Regulatory Amortization	0
11	Taxes	0
12	Total Production & Transmission	(226)
Distribution		
13	Operating Expenses	
14	Depreciation/Amortization	
	Regulatory Amortization	
15	Taxes	984
16	Total Distribution	984
17	Customer Accounting	85
18	Customer Service & Information	0
19	Sales Expenses	0
Administrative & General		
20	Operating Expenses	51
21	Depreciation/Amortization	0
22	Regulatory Deferrals/Amortization	0
23	Taxes	0
24	Total Admin. & General	51
25	Total Electric Expenses	894
26	OPERATING INCOME BEFORE FIT	13,994
FEDERAL INCOME TAX		
27	Current Accrual	2,939
28	Debt Interest	-
29	Deferred Income Taxes	0
30	Amortized ITC - Noxon	0

31	NET OPERATING INCOME	<u><u>\$11,055</u></u>
	RATE BASE	
	PLANT IN SERVICE	
32	Intangible	0
33	Production	0
34	Transmission	0
35	Distribution	0
36	General	<u>0</u>
37	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
38	Intangible	0
39	Production	0
40	Transmission	0
41	Distribution	0
42	General	<u>0</u>
43	Total Accumulated Depreciation	<u>-</u>
44	NET PLANT	-
45	DEFERRED TAXES	<u>0</u>
46	Net Plant After DFIT	-
47	DEFERRED DEBITS AND CREDITS & OTHER	0
48	WORKING CAPITAL	<u>0</u>
49	TOTAL RATE BASE	<u><u>\$0</u></u>
50	RATE OF RETURN	
51	REVENUE REQUIREMENT	(14,637)

	7.09%	
Revenue Conversion Factor	75.529%	
NOI Requirement		<u>(11,055)</u>
Revenue Requirement		<u>(14,637)</u>

WA Electric Revenue Normalization Adjustment--12-mo ended December 31, 2019

		\$000's					
		<i>CB Restated</i>		<i>PF</i>	<i>Total Adjust</i>	<i>Pro Forma Revenue Adj</i>	
	<u>WP Source</u>		<u>WP Source</u>				
1	Base Rate Revenue	508,246	E-PREV-5	535,452	27,206	27,206	Pro Forma includes Sch 25 unbilled in this total
2	Weather Normalization	-3,836	E-PREV-5	-4,058	-222	-222	
3	Unbilled Revenue	673	E-PREV-5	-815	-1,488	-1,488	Schedule 25 Unbilled per books was -\$42
4	Sales to Ultimate Consumers	505,083		530,579	25,496	25,496	
	Other Revenue						
5	Decoupled Deferred Revenue	10,789		0	-10,789	-10,789	Elim 2019 Decoupling deferrals - GRC resets Base
6	Provision For Rate Refund - Decoupling	0		0	0	0	Elim Decoupling Earnings Sharing in Test Period
7	Provision For Rate Refund - Tax Reform	-181		0	181	181	Elim Tax Reform Deferral true-up entry
8	Total Rev.	515,691		530,579	14,888	14,888	
	Expense						
9	State Excise Tax		CF			984	3.8605% Effective Rate
10	Uncollectibles		CF			85	0.3326% Effective Rate
11	Commission Fees		CF			51	0.2000% Nominal Rate
						1,120	4.3931% Conver. Factor b4 FIT
12	Operating Income before FIT					13,768	
13	FIT Expense					2,891	21% Diff
14	Net Operating Income					10,877	
15	* zero in Pro-forma revenues						
16						25,496	Revenue
17						4.3931%	Conver. Factor b4 FIT
18						1,120	Rev related exp.
19						1,120	check
						0	

Adjustment No. **3.01**

Workpaper Ref E-PREV-2

WA Electric Normalized Revenue --12-months ended December 31, 2019
\$000's

Line	Revenue	WP Source	Actuals 1.00	Eliminate B&O Taxes 2.01	Weather Normalization 2.10	Eliminate Adder Sched 2.11	Misc Restating 2.12	Eliminate WA Power Cost Def 2.13	Commission Basis Power Supply Adj 2.18	Total Adjust	Normalized Restated Base Revenue	
1	Billed Base Rate Revenue	Calc	508,246							0	508,246	
2	Weather Normalization				-3,836					-3,836	-3,836	Weather adj excludes weather related
3	B&O Tax - Sch 58	B&O	18,871	-18,871						-18,871	0	revenue captured in decoupling
4	BPA Residential Exchange Credit - Sch 59	Calc	-3,245			3,245				3,245	0	mechanism (began January 2015)
5	Tax Reform Refund - Sch 74	Calc	-4,094			4,094				4,094	0	
6	Decoupling Amort - Sch 75	EAS-2	1,239			-1,239				-1,239	0	
7	Public Purpose Rider - Sch 89/91/92	Calc	28,473			-28,473				-28,473	0	
8	Power Cost Surcharge - ERM Sch 93	EWPC	0					0	0	0	0	
9	BPA Capacity Support Rebate - Sch 94	Calc	0			0				0	0	
10	Optional Renewable Power - Sch 95	Calc	163			-163				-163	0	
11	REC Revenue Rebate - Sch 98	Calc	-1,740			0		1,740		1,740	0	
12	Unbilled Revenue	ROO / Calc	-136			809				809	673	
13	Sales to Ultimate Consumers	ROO	547,777	-18,871	-3,836	-21,727	0	1,740	0	-42,694	505,083	Rounding matches column 1.00 results
14	Sales for Resale Revenue - ERM Related	E-APS	52,658						-17,144	-17,144	35,514	
15	Sales for Resale Revenue - Other	Calc	772							0	772	
16	Total Sales for Resale Revenue	ROO	53,430	0	0	0	0	0	-17,144	-17,144	36,286	
17	Other Revenue - Misc	ROO / Calc	1,631							0	1,631	
18	Other Revenue - ERM Related	E-APS	49,153						-39,208	-39,208	9,945	
19	Other Revenue - From Electric Property	ROO / B&O	1,528	-14						-14	1,514	
20	Other Revenue - Decoupling Amortization	ROO/EAS	-1,184			1,184				1,184	0	Decoupling deferred revenue is net of
21	Other Revenue - Decoupling Deferred Revenue	ROO/WN	7,906		2,883					2,883	10,789	revenue related expenses to be paid with
22	Other Revenue - Contra Decoupling Deferral	ROO/EAS	1,397			-1,397				-1,397	0	recovery through surcharge or rebate in
23	Provision For Rate Refund - Decoupling	ROO/MR	0				0			0	0	a later period.
24	Provision For Rate Refund - Tax Reform	ROO	-181							0	-181	
25	Total Other Revenue		60,250	-14	2,883	-213	0	0	-39,208	-36,552	23,698	
26	Total Revenue		661,457	-18,885	-953	-21,940	0	1,740	-56,352	-96,390	565,067	
	Expense											
27	B&O Tax	B&O	-18,805	18,805						18,805	0	
28	Power Cost Surcharge Amort. - ERM	EWPC	0					0		0	0	amort only; excluding deferrals
29	Power Cost Surcharge Amort. - ERM Unbilled	EAS-2	0			0				0	0	
30	REC Rev Rebate Amort.	EWPC	-1,659					1,659		1,659	0	amort only; excluding deferrals
31	REC Rev Rebate Unbilled Amort	EAS-2	34			-34				-34	0	
32	BPA Residential Exchange	EAS-2	-3,102			3,102				3,102	0	
33	BPA Residential Exchange Unbilled	EAS-2	-420			420				420	0	
34	BPA Capacity Support Amort	EAS-2	0			0				0	0	amort only; excluding deferrals
35	BPA Capacity Support Unbilled	EAS-2	0			0				0	0	
36	Optional Renewable Power - Revenue Offset	EAS-2	156			-156				-156	0	
37	Public Purpose Rider	EAS-2	27,222			-27,222				-27,222	0	
38	Public Purpose Rider Unbilled	EAS-2	-387			387				387	0	
39	Tax Reform Amortization	EAS-2	-3,914			3,914				3,914	0	
40	State Excise Tax	CF	21,147		-148	-839	0	67	0	-920	20,227	3.8605% Effective Rate
41	Uncollectibles	CF	1,822		-13	-72	0	11	0	-74	1,748	0.3326% Effective Rate
42	Commission Fees	CF	1,096		-8	-43	0	3	0	-48	1,048	0.2000% Nominal Rate
43			23,190	18,805	-169	-20,543	0	1,740	0	-167	23,023	4.3931% Conver. Factor b4 FIT
44	Net Revenue		638,267	-37,690	-784	-1,397	0	0	-56,352	-96,223	542,044	104.5950% Expense Gross Up Factor