

EXHIBIT NO. _____ (RCC-3)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-110876/UG-110877

EXHIBIT NO. 2

TO DIRECT TESTIMONY OF RALPH C. CAVANAGH

ON BEHALF OF NW ENERGY COALITION

Avista Utilities												
Docket No. UE-110876												
NW Energy Coalition Data Request No. 2												
Part (a) Fixed Cost Proportions by Category												
Customer Rate Class	Revenue Requirement at COS Unity	Generation Fixed Costs	Generation Fixed Cost Percentage	Transmission Fixed Costs	Transmission Fixed Cost Percentage	Distribution and Common Fixed Costs	Distribution and Common Fixed Cost Percentage	Total Fixed Costs	Total Fixed Cost Percentage	Variable Costs	Variable Cost Percentage	
	A	B	B/A	C	C/A	D	D/A	E = B + C + D	E/A	F	F/A	
Residential Sch 1	227,608,944	58,389,429	25.7%	\$ 19,204,589	8.4%	87,951,030	38.6%	165,545,048	72.7%	62,063,896	27.3%	
General Sch 11/12	38,057,725	9,488,517	24.9%	\$ 3,120,823	8.2%	15,362,753	40.4%	27,972,092	73.5%	10,085,633	26.5%	
Large General Sch 21/22	117,198,271	33,560,354	28.6%	\$ 11,038,176	9.4%	36,927,423	31.5%	81,525,953	69.6%	35,672,319	30.4%	
Extra Large General Sch 25	62,217,903	22,075,907	35.5%	\$ 7,260,882	11.7%	9,415,962	15.1%	38,752,751	62.3%	23,465,152	37.7%	
Pumping Sch 31/32	9,779,240	2,597,886	26.6%	\$ 854,458	8.7%	3,565,524	36.5%	7,017,868	71.8%	2,761,372	28.2%	
Street & Area Lighting Sch 41-49	6,117,917	516,757	8.4%	\$ 169,964	2.8%	4,881,918	79.8%	5,568,639	91.0%	549,277	9.0%	
Washington Total	460,980,000	126,628,850	27.5%	41,648,892	9.0%	158,104,610	34.3%	326,382,352	70.8%	134,597,648	29.2%	
Part (b) Proposed Fixed Cost Recovery Proportions by Charge Type												
Customer Rate Class	Proposed Rate Revenue	Fixed Cost in Proposed Rate Revenue	Variable Cost in Monthly Charge Revenue	Fixed Cost in Monthly Charge Revenue (1)	Fixed Cost in Monthly Charge Percentage	Fixed Cost in Demand Charge Revenue	Fixed Cost in Demand Charge Percentage	Fixed Costs in Energy Charge Revenue	Fixed Cost in Energy Charge Percentage	Total Energy (Volumetric) Charge Revenue	Fixed Cost Percentage of Total Energy Charge	
	A	B	C	D	D/B	E	E/B	F = B - D - E	F/B	G = A - C - D - E	F/G	
Residential Sch 1	205,910,000	143,846,104		21,673,071	15.1%	-	0.0%	122,173,033	84.9%	184,236,929	66.3%	
General Sch 11/12	47,623,000	37,537,367		3,959,352	10.5%	852,819	2.3%	32,725,196	87.2%	42,810,829	76.4%	
Large General Sch 21/22	132,416,000	96,743,681		15,721,200	16.3%	13,317,976	13.8%	67,704,505	70.0%	103,376,824	65.5%	
Extra Large General Sch 25	58,563,000	35,097,848		3,630,000	10.3%	4,690,691	13.4%	26,777,157	76.3%	50,242,309	53.3%	
Pumping Sch 31/32	9,562,000	6,800,628		285,600	4.2%	5,284	0.1%	6,509,744	95.7%	9,271,116	70.2%	
Street & Area Lighting Sch 41-49	6,906,000	6,356,723	549,277	6,356,723	100.0%	-	0.0%	-	0.0%	-		
Washington Total	460,980,000	326,382,352	549,277	51,625,946	15.8%	18,866,770	5.8%	255,889,636	78.4%	389,938,007	65.6%	
(1) Includes Monthly Basic Charges on Schedules 1, 11/12, and 31/32 , Monthly Demand Charges on Schedules 21/22 and 25, and Monthly Street and Area Light Charges excluding the amount necessary to cover variable costs shown in column C.												
Part (c) Proposed Fixed Cost Recovery Proportions by Charge Type without Change to Monthly Customer Charges												
Customer Rate Class	Proposed Rate Revenue	Fixed Cost in Proposed Rate Revenue	Variable Cost in Monthly Charge Revenue	Fixed Cost in Monthly Charge Revenue (1)	Fixed Cost in Monthly Charge Percentage	Fixed Cost in Demand Charge Revenue	Fixed Cost in Demand Charge Percentage	Fixed Costs in Energy Charge Revenue	Fixed Cost in Energy Charge Percentage	Total Energy (Volumetric) Charge Revenue	Fixed Cost Percentage of Total Energy Charge	
	A	B	C	D	D/B	E	E/B	F = B - D - E	F/B	G = A - C - D - E	F/G	
Residential Sch 1	205,910,000	143,846,104		14,448,714	10.0%	-	0.0%	129,397,390	90.0%	191,461,286	67.6%	
General Sch 11/12	47,623,000	37,537,367		3,299,460	8.8%	852,819	2.3%	33,385,088	88.9%	43,470,721	76.8%	
Large General Sch 21/22	132,416,000	96,743,681		13,756,050	14.2%	13,317,976	13.8%	69,669,655	72.0%	105,341,974	66.1%	
Extra Large General Sch 25	58,563,000	35,097,848		3,300,000	9.4%	4,690,691	13.4%	27,107,157	77.2%	50,572,309	53.6%	
Pumping Sch 31/32	9,562,000	6,800,628		221,340	3.3%	5,284	0.1%	6,574,004	96.7%	9,335,376	70.4%	
Street & Area Lighting Sch 41-49	6,906,000	6,356,723	549,277	6,356,723	100.0%	-	0.0%	-	0.0%	-		
Washington Total	460,980,000	326,382,352	549,277	41,382,287	12.7%	18,866,770	5.8%	266,133,295	81.5%	400,181,666	66.5%	

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Docket No. UE-110876										
NW Energy Coalition Data Request No. 2										
Identify Variable Revenue Requirement from Cost of Service Study										
Account Description	Total	Sch 1	Sch 11-12	Sch 21-22	Sch 25	Sch 31-32	Sch 41-49	Database Lines		
501 Thermal Fuel	\$ 21,985,000	\$ 10,137,434	\$ 1,647,374	\$ 5,826,669	\$ 3,832,767	\$ 451,039	\$ 89,718	17	18	
547 Other Fuel	\$ 63,188,000	\$ 29,136,419	\$ 4,734,785	\$ 16,746,670	\$ 11,015,913	\$ 1,296,349	\$ 257,863	145	146	
555 Purchased Power	\$ 69,657,000	\$ 32,119,319	\$ 5,219,518	\$ 18,461,145	\$ 12,143,690	\$ 1,429,066	\$ 284,262	189	190	
457 Sales for Resale	\$ (30,940,000)	\$ (14,266,646)	\$ (2,318,387)	\$ (8,200,006)	\$ (5,393,941)	\$ (634,757)	\$ (126,263)	823	824	
Production Variable Expenses	\$ 123,890,000	\$ 57,126,526	\$ 9,283,290	\$ 32,834,478	\$ 21,598,428	\$ 2,541,697	\$ 505,581			
Revenue Related Expenses	\$ 5,959,732	\$ 2,748,073	\$ 446,573	\$ 1,579,504	\$ 1,038,993	\$ 122,268	\$ 24,321	4.8105%		
Production Variable Revenue Requirement	\$ 129,849,732	\$ 59,874,600	\$ 9,729,863	\$ 34,413,982	\$ 22,637,421	\$ 2,663,965	\$ 529,901			
565 Transmission by Others	\$ 11,495,000	\$ 5,300,423	\$ 861,340	\$ 3,046,512	\$ 2,003,987	\$ 235,829	\$ 46,910	227	228	
456 Transmission for Others	\$ (6,965,000)	\$ (3,211,609)	\$ (521,899)	\$ (1,845,929)	\$ (1,214,247)	\$ (142,892)	\$ (28,423)	838	826	
Transmission Variable Expenses	\$ 4,530,000	\$ 2,088,814	\$ 339,441	\$ 1,200,583	\$ 789,740	\$ 92,936	\$ 18,486			
Revenue Related Expenses	\$ 217,916	\$ 100,482	\$ 16,329	\$ 57,754	\$ 37,990	\$ 4,471	\$ 889	4.8105%		
Transmission Variable Revenue Requirement	\$ 4,747,916	\$ 2,189,296	\$ 355,769	\$ 1,258,337	\$ 827,730	\$ 97,407	\$ 19,376			
Total Variable Revenue Requirement	\$ 134,597,648	\$ 62,063,896	\$ 10,085,633	\$ 35,672,319	\$ 23,465,152	\$ 2,761,372	\$ 549,277			
Determine Fixed Revenue Requirement by Category From Cost of Service at Uniform Requested Return										
Total Production Revenue Requirement	\$ 256,478,582	118,264,029	19,218,380	67,974,335	44,713,328	5,261,851	1,046,659	Exhibit No. (TLK-4)	pg 2 In 32	
Fixed Production Revenue Requirement	\$ 126,628,850	\$ 58,389,429	\$ 9,488,517	\$ 33,560,354	\$ 22,075,907	\$ 2,597,886	\$ 516,757			
Part (c) Proposed Fixed Transmission Revenue Requirement	\$ 46,396,808	21,393,886	3,476,592	12,296,513	8,088,612	951,865	189,340	Exhibit No. (TLK-4)	pg 2 In 33	
Fixed Transmission Revenue Requirement	\$ 41,648,892	\$ 19,204,589	\$ 3,120,823	\$ 11,038,176	\$ 7,260,882	\$ 854,458	\$ 169,964			
Total Distribution Revenue Requirement	\$ 100,260,763	57,230,221	10,225,492	23,567,200	3,080,611	2,366,717	3,790,521	Exhibit No. (TLK-4)	pg 2 In 34	
Total Common Revenue Requirement	\$ 57,843,847	30,720,809	5,137,261	13,360,223	6,335,351	1,198,807	1,091,396	Exhibit No. (TLK-4)	pg 2 In 35	
Fixed Distribution and Common Revenue Requirement	158,104,610	87,951,030	15,362,753	36,927,423	9,415,962	3,565,524	4,881,918			