

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UG-16 _____

EXHIBIT NO. ____ (EMA-5)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA
2018 WASHINGTON NATURAL GAS ATTRITION STUDY
Calculation of General Revenue Requirement
Twelve Months Ended September 30, 2015
(000's of Dollars)

Line No.	Description	(a)	(b)	(c)	(d)	(e)
		Attrition Balances	Revenue Growth Factor	Attrition Study Results	2017 Attrition Results	6 Months - 06.2018 Revenue Requirement
1	2018 Rate Base	\$310,261	1.024440	\$302,859		
2	Proposed Rate of Return			7.64%		
3	Net Operating Income Requirement			\$23,138		
4	2018 Net Operating Income (at 2016 rates)	\$ 20,314	1.02444	\$19,829		
5	2018 Rate of Return (at 2016 rates)			6.55%		
6	2018 Net Operating Income Deficiency			\$3,309		
7	Gross-up Conversion Factor			0.620003		
8	2018 Attrition Revenue Deficiency			\$5,338	\$4,397	\$941
9	2018 Total General Business Revenues (at 2016 rates)				\$ 88,474	\$ 92,871
10	Attrition-based 2018 revenue requirement					\$ 93,812
11	Percent Base Revenue Requirement Change (vs. 2016)				4.97%	1.80%
12	2018 Total Present Billed Revenue				\$ 158,581	\$ 162,978
13	Percentage Billed Revenue Increase				2.77%	1.00%

(1) Per Company witness Mr. Ehrbar, rate necessary to recover incremental revenue requirement over 6-month period January - June 2018.

Proposed Cost of Capital

**Washington - Natural Gas System
Twelve Months Ended September 30, 2015**

Proposed Capital Structure*			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.50%	5.51%	2.84%
Common	48.50%	9.90%	4.80%
Total	<u>100.00%</u>		<u>7.64%</u>

*Based on 2017 estimated capital structure and cost of debt.

Revenue Conversion Factor
Washington -Natural Gas System
Twelve Months Ended September 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	0.005855
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038294
5	Total Expense	<u><u>0.046150</u></u>
6	Net Operating Income Before FIT	<i>0.953850</i>
7	Federal Income Tax @ 35%	<u><u>0.333848</u></u>
8	REVENUE CONVERSION FACTOR	<u><u>0.620003</u></u>

2018 NATURAL GAS ATTRITION REVENUE REQUIREMENT

\$000s		Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost							
CBR Line	No.	DESCRIPTION	12ME 09.2015		12ME 12.2015		Escalation Factor	Escalation Amount *[F]=[G]	Trended 12ME 06.2018 Non- Energy Cost [E]+[G]=[H]	(plus) Revenue Growth	After Attrition Adj AMI Capital Project 2017	12ME 06.2018 Revenue and Cost [H]+[I]+[J] = [K]	
			AMA Commission Basis Report Totals ¹	Regulatory Amorts & Misc Adjs	Pro Forma Revenue Normalization Adjustment	Add 12.2015 Plant							AMA Escalation Base
			[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
REVENUES													
1		Total General Business	\$ 156,631	\$ -	\$ (72,574)	\$ -	\$ 84,057	2.57%		\$ 84,057	\$ 2,159		\$ 86,216
2		Total Transportation	\$ 4,008	\$ -	\$ 408	\$ -	\$ 4,416	0.07%		\$ 4,416	\$ 3		\$ 4,419
3		Other Revenues	\$ 5,696	\$ -	\$ (5,413)	\$ -	\$ 283	0.00%		\$ 283	\$ -		\$ 283
4		Total Gas Revenues	\$ 166,335	\$ -	\$ (77,579)	\$ -	\$ 88,756		\$ -	\$ 88,756	\$ 2,162		\$ 90,918
EXPENSES													
Production Expenses													
5		City Gate Purchases	\$ 86,559	\$ -	\$ (86,559)	\$ -	\$ -			\$ -			\$ -
6		Purchased Gas Expense	\$ 819	\$ -	\$ -	\$ -	\$ 819	5.70%	47	\$ 866			\$ 866
7		Net Nat Gas Storage Trans	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -			\$ -
8		Total Production	\$ 87,378	\$ -	\$ (86,559)	\$ -	\$ 819		\$ 47	\$ 866	\$ -		\$ 866
Underground Storage													
9		Operating Expenses ²	\$ 833	\$ -	\$ -	\$ -	\$ 833	5.70%	47	\$ 880			\$ 880
10		Depreciation/Amortization	\$ 429	\$ -	\$ -	(2)	\$ 427	25.20%	108	\$ 535			\$ 535
11		Taxes	\$ 278	\$ -	\$ -	\$ -	\$ 278	19.02%	53	\$ 331			\$ 331
12		Total Underground Storage	\$ 1,540	\$ -	\$ -	(2)	\$ 1,538		\$ 208	\$ 1,746	\$ -		\$ 1,746
Distribution													
13		Operating Expenses ²	\$ 11,531	\$ -	\$ -	\$ -	\$ 11,531	5.70%	657	\$ 12,188			\$ 12,188
14		Depreciation/Amortization	\$ 8,925	\$ -	\$ -	126	\$ 9,051	25.20%	2,281	\$ 11,332		555	\$ 11,887
15		Taxes	\$ 8,593	\$ -	\$ (2,764)	\$ -	\$ 5,829	19.02%	1,109	\$ 6,938	\$ 83		\$ 7,021
16		Total Distribution	\$ 29,049	\$ -	\$ (2,764)	\$ 126	\$ 26,411		\$ 4,047	\$ 30,458	\$ 83	\$ 555	\$ 31,096
17		Customer Accounting	\$ 6,340	\$ -	\$ (423)	\$ -	\$ 5,917	5.70%	337	\$ 6,254	\$ 13		\$ 6,267
18		Customer Service & Information	\$ 876	\$ -	\$ -	\$ -	\$ 876	5.70%	50	\$ 926			\$ 926
19		Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	5.70%	-	\$ -			\$ -
Administrative & General													
20		Operating Expenses ²	\$ 13,563	\$ (179)	\$ (144)	\$ 452	\$ 13,692	5.70%	780	\$ 14,472	\$ 4		\$ 14,476
21		Depreciation/Amortization	\$ 5,206	\$ -	\$ -	\$ -	\$ 5,206	25.20%	1,312	\$ 6,518		600	\$ 7,118
22		Regulatory Amortizations	\$ (1,505)	\$ 2,044	\$ -	\$ -	\$ 539	0.00%	-	\$ 539			\$ 539
23		Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	19.02%	-	\$ -			\$ -
24		Total Admin. & General	\$ 17,264	\$ 1,865	\$ (144)	\$ 452	\$ 19,437		\$ 2,092	\$ 21,529	\$ 4	\$ 600	\$ 22,133
25		Total Gas Expense	\$ 142,447	\$ 1,865	\$ (89,890)	\$ 576	\$ 54,998		\$ 6,781	\$ 61,779	\$ 100	\$ 1,155	\$ 63,034
26		OPERATING INCOME BEFORE FIT	\$ 23,888	\$ (1,865)	\$ 12,311	\$ (576)	\$ 33,758		\$ (6,781)	\$ 26,977	\$ 2,062	\$ (1,155)	\$ 27,885

¹Workpapers for 09.2015 Commission Basis Reports provided with Andrews' workpapers.

²Used 12ME September 30, 2015 for operating expenses as being representative of calendar 2015, which may slightly understate O&M expenses.

2018 NATURAL GAS ATTRITION REVENUE REQUIREMENT

S000s		Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost							
CBR Line	DESCRIPTION	12ME 09.2015		Pro Forma		12ME 12.2015		Escalation Factor	Escalation Amount [E] * [F]=[G]	Trended 12ME 06.2018 Non- Energy Cost [E]+[G]=[H]	(plus) Revenue Growth [I]	After Attrition Adj AMI Capital Project 2017 [J]	12ME 06.2018 Revenue and Cost [H]+[I]+[J] = [K]
		Commission Basis Report Totals l [A]	Regulatory Amorts & Misc Adj [B]	Normalization Adjustment [C]	Add 12.2015 Plant [D]	AMA Escalation Base [E]	AMA Escalation Base [E]						
FEDERAL INCOME TAX													
27	Current Accrual	\$ (5,606)	\$ (653)	4,309	(202)	\$ (2,152)			(2,373)	(4,525)	722	(404)	(4,207)
28	Debt Interest	\$ (49)	\$ 22	\$ -	\$ (59)	\$ (86)			(414)	(500)		(89)	(590)
29	Deferred FIT	\$ 12,388	\$ -	\$ -	\$ -	\$ 12,388				12,388			12,388
30	Amort ITC	\$ (20)	\$ -	\$ -	\$ -	\$ (20)				(20)			(20)
31	NET OPERATING INCOME	\$ 17,175	\$ (1,234)	\$ 8,002	\$ (316)	\$ 23,628			\$ (3,993)	\$ 19,634	\$ 1,340	\$ (661)	\$ 20,314
RATE BASE													
PLANT IN SERVICE													
32	Underground Storage	\$ 25,622	\$ -	\$ -	\$ 163	\$ 25,785	13.64%	\$ 3,517	29,302				29,302
33	Distribution Plant	\$ 354,360	\$ -	\$ -	\$ 5,261	\$ 359,621	13.64%	49,048	408,669		8,339		417,008
34	General Plant	\$ 69,725	\$ -	\$ -	\$ 3,449	\$ 73,174	13.64%	9,980	83,154		2,607		85,761
35	Total Plant in Service	\$ 449,707	\$ -	\$ -	\$ 8,873	\$ 458,580		62,545	521,125		10,946		532,071
ACCUMULATED DEPR/AMORT													
36	Underground Storage	\$ (9,824)	\$ -	\$ -	\$ (103)	\$ (9,927)	13.64%	(1,354)	(11,281)				(11,281)
37	Distribution Plant	\$ (119,790)	\$ -	\$ -	\$ (1,320)	\$ (121,110)	13.64%	(16,518)	(137,628)		(278)		(137,906)
38	General Plant	\$ (19,460)	\$ -	\$ -	\$ 612	\$ (18,848)	13.64%	(2,571)	(21,419)		(300)		(21,719)
39	Total Accumulated Depr/Amort	\$ (149,074)	\$ -	\$ -	\$ (811)	\$ (149,885)		(20,443)	(170,328)		(578)		(170,906)
40	NET PLANT	\$ 300,633	\$ -	\$ -	\$ 8,062	\$ 308,695		\$ 42,102	\$ 350,797		\$ 10,368		\$ 361,165
41	DEFERRED TAXES	\$ (65,625)	\$ -	\$ -	\$ (1,956)	\$ (67,581)	13.64%	(9,217)	(76,798)		(1,365)		(78,163)
42	Net Plant After DFIT	\$ 235,008	\$ -	\$ -	\$ 6,106	\$ 241,114		32,885	273,999		9,003		283,002
43	GAS INVENTORY	\$ 15,143	\$ -	\$ -	\$ -	\$ 15,143	0.00%	-	15,143				15,143
44	GAIN ON SALE OF BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-				-
45	OTHER	\$ (509)	\$ -	\$ -	\$ -	\$ (509)	0.00%	-	(509)				(509)
46	WORKING CAPITAL	\$ 14,867	\$ (2,242)	\$ -	\$ -	\$ 12,625	0.00%	-	12,625				12,625
47	TOTAL RATE BASE	\$ 264,509	\$ (2,242)	\$ -	\$ 6,106	\$ 268,373		\$ 32,885	\$ 301,258		\$ 9,003	\$ -	\$ 310,261
48	RATE OF RETURN	6.49%										\$ 2,176	6.55%
ATTRITION ADJUSTED REVENUE REQUIREMENT													
49	Proposed Rate of Return	7.64%										7.64%	
50	Net Operating Income Requirement	\$ 20,208										\$ 23,704	
51	Net Operating Income per Above	17,175										20,314	
52	Net Operating Income Deficiency	\$ 3,033										\$ 3,390	
53	Conversion Factor	0.620003										0.620003	
54	Revenue Requirement	\$ 4,893										\$ 5,468	
55	Revenue Growth Factor											1.024440	
56	Attrition Adjusted Revenue Requirement											\$ 5,338	

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2007-2015

AVISTA UTILITIES WASHINGTON NATURAL GAS RESULTS

Commission Basis Results of Operations

(000'S OF DOLLARS)

Line No.	DESCRIPTION	2007 Restated Total	2008 Restated Total	2009 Restated Total	2010 Restated Total	2011 Restated Total	2012 Restated Total	2013 Restated Total	2014 Restated Total	09,2015 Restated Total
REVENUES										
1	Total General Business	\$ 209,186	\$ 203,727	\$ 182,706	\$ 142,370	\$ 152,457	\$ 142,048	\$ 144,257	\$ 154,546	\$ 156,631
2	Total Transportation	3,263	3,369	3,275	3,155	3,448	3,627	3,915	3,960	4,008
3	Other Revenues	68,416	153,093	84,085	115,257	98,841	68,107	403	332	5,696
4	Total Gas Revenues	280,865	360,189	270,066	260,782	254,746	213,782	148,575	158,838	166,335
EXPENSES										
Production Expenses										
5	City Gate Purchases	222,364	310,276	194,267	197,494	188,167	139,073	76,801	84,187	86,559
6	Purchased Gas Expense	792	(9,103)	803	800	14	130	891	779	819
7	Net Nat Gas Storage Trans	283	2	10,720	(3,322)	(4,366)	4,352	-	-	-
8	Total Production	223,439	301,175	205,790	194,972	183,815	143,555	77,692	84,966	87,378
Underground Storage										
9	Operating Expenses	451	436	403	380	585	712	820	893	833
10	Depreciation/Amortization	310	276	393	348	395	438	380	402	429
11	Taxes	95	113	121	116	19	17	158	184	278
12	Total Underground Storage	856	825	917	844	999	1,167	1,358	1,479	1,540
Distribution										
13	Operating Expenses	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704	11,531
14	Depreciation/Amortization	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513	8,925
15	Taxes	9,844	8,941	8,746	7,223	8,051	7,825	8,116	8,719	8,593
16	Total Distribution	21,916	20,737	22,510	21,286	23,554	24,314	26,861	27,936	29,049
17	Customer Accounting	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108	6,340
18	Customer Service & Information	4,658	5,169	7,609	9,505	9,777	6,955	983	865	876
19	Sales Expenses	516	442	497	105	3	3	3	-	-
Administrative & General										
20	Operating Expenses	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777	13,563
21	Depreciation/Amortization	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389	5,206
22	Regulatory Amortizations	(815)	(242)	440	216	(186)	171	91	(91)	(1,505)
23	Taxes	20	17	19	24	-	(1)	-	-	-
24	Total Admin. & General	9,604	11,284	12,228	14,035	14,133	16,865	15,821	17,075	17,264
25	Total Gas Expense	265,476	344,324	255,137	245,981	238,021	198,655	128,988	138,429	142,447
26	OPERATING INCOME BEFORE FIT	15,389	15,865	14,929	14,801	16,725	15,127	19,587	20,409	23,888
FEDERAL INCOME TAX										
27	Current Accrual	5,010	506	2,468	(5,811)	(907)	(1,185)	4,253	(6,945)	(5,606)
28	Debt Interest					63	3	(56)	(137)	(35)
29	Deferred FIT	(1,442)	3,320	1,238	9,594	5,691	5,033	1,403	13,105	12,388
30	Amort ITC	(31)	(31)	(30)	(29)	(27)	(25)	(24)	(20)	(20)
31	NET OPERATING INCOME	\$ 11,852	\$ 12,070	\$ 11,253	\$ 11,047	\$ 11,906	\$ 11,301	\$ 14,011	\$ 14,406	\$ 17,161

Note: The Regulatory Amortizations Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2007-2015

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)

Commission Basis Results of Operations

Line No.	DESCRIPTION	2007 Restated Total	2008 Restated Total	2009 Restated Total	2010 Restated Total	2011 Restated Total	2012 Restated Total	2013 Restated Total	2014 Restated Total	09.2015 Restated Total
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008	\$ 24,365	\$ 24,711	\$ 25,235	\$ 25,622
33	Distribution Plant	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894	354,360
34	General Plant	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169	69,725
35	Total Plant in Service	<u>264,883</u>	<u>280,294</u>	<u>305,521</u>	<u>322,917</u>	<u>342,258</u>	<u>365,326</u>	<u>390,403</u>	<u>422,298</u>	<u>449,707</u>
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521	9,824
37	Distribution Plant	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795	119,790
38	General Plant	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429	19,460
39	Total Accumulated Depreciation/Amortization	<u>92,560</u>	<u>97,295</u>	<u>100,710</u>	<u>108,254</u>	<u>116,701</u>	<u>123,541</u>	<u>132,474</u>	<u>141,745</u>	<u>149,074</u>
40	NET PLANT	172,323	182,999	204,811	214,663	225,557	241,785	257,929	280,553	300,633
41	DEFERRED TAXES	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)	(66,769)
42	Net Plant After DFTT	<u>145,500</u>	<u>154,054</u>	<u>173,806</u>	<u>177,901</u>	<u>183,553</u>	<u>195,287</u>	<u>207,759</u>	<u>225,901</u>	<u>233,864</u>
43	GAS INVENTORY	5,607	15,327	8,440	10,226	13,753	13,107	11,702	14,762	15,143
44	GAIN ON SALE OF BUILDING	(197)	(152)	(109)	(44)	(14)	-	-	-	-
45	OTHER	789	452	(1,359)	(1,163)	(1,012)	(816)	(332)	(479)	(509)
46	WORKING CAPITAL	-	-	-	-	-	-	5,695	10,073	14,514
47	TOTAL RATE BASE	<u>\$ 151,699</u>	<u>\$ 169,681</u>	<u>\$ 180,778</u>	<u>\$ 186,920</u>	<u>\$ 196,280</u>	<u>\$ 207,578</u>	<u>\$ 224,824</u>	<u>\$ 250,257</u>	<u>\$ 263,012</u>

Note: The Other (Deferred Debits and Credits) Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2007-2015

**AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)**

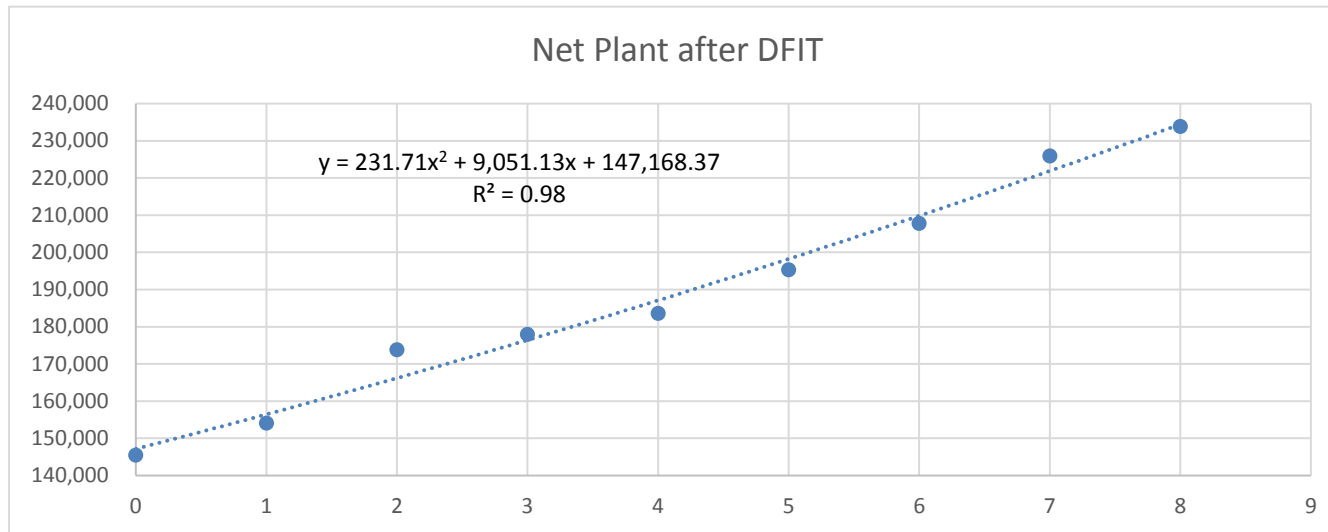
Natural Gas Data for Escalators

Line No.		2007	2008	2009	2010	2011	2012	2013	2014	09.2015
Exclude Gas Cost and Adder Schedule Expenses (DSM Tariff Rider, Decoupling Surcharge/Rebate) from O&M										
1	Underground Storage	451	436	403	380	585	712	820	893	833
2	Distribution	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704	11,531
3	Customer Accounting	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108	6,340
4	Customer Service and Information	4,658	5,169	7,609	9,505	9,777	6,955	983	865	876
5	Sales	516	442	497	105	3	3	3	0	0
6	Administrative and General	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777	13,563
7	Operating expenses excluding production	25,480	26,568	31,565	34,303	36,544	36,396	30,758	31,347	33,143
8	Add Non PGA production O&M expenses	792	783	802	800	981	928	891	779	0
9	Deduct Gas Cost Rev Related Expenses	-1,284	-1,214	-997	-651	-692	-616	-632	-694	0
10	Deduct DSM Tariff Rider Expenses	-3,867	-4,417	-6,833	-8,486	-9,027	-5,990	0	0	0
11	Deduct Decoupling Surcharge/Rebate Expenses	-1	-4	-5	-4	-4	-1	0	0	-694
12	Adjusted Operating Expenses	21,120	21,716	24,532	25,962	27,802	30,717	31,017	31,432	32,449
	Annual Percentage Change	3.30%	2.82%	12.97%	5.83%	7.09%	10.49%	0.98%	1.34%	3.24%
Depreciation/Amortization										
13	Underground Storage	310	276	393	348	395	438	380	402	429
14	Distribution	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513	8,925
15	Administrative & General	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389	5,206
16	Total Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304	14,560
	Annual Percentage Change	6.46%	4.57%	9.08%	7.94%	7.13%	9.35%	13.85%	9.29%	9.44%
Exclude Adder Schedule amortizations (Decoupling Surcharge/Rebate) from Regulatory Amortizations										
17	Regulatory Amortizations	-815	-242	440	216	-186	171	91	-91	-1,505
18	Deduct Decoupling Surcharge/Rebate Expenses	-85	-432	-710	-494	-494	-184	0	0	0
19	Adjusted Regulatory Amortizations	-900	-674	-270	-278	-680	-13	91	-91	-1,505
Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax										
20	Underground Storage	95	113	121	116	19	17	158	184	278
21	Distribution	9,844	8,941	8,746	7,223	8,051	7,825	8,116	8,719	8,593
22	Administrative & General	20	17	19	24	0	-1	0	0	0
23	Total Taxes Other Than Income	9,959	9,071	8,886	7,363	8,070	7,841	8,274	8,903	8,871
24	Deduct Gas Cost Excise Tax	-6,261	-5,917	-4,858	-3,171	-3,374	-3,003	-3,083	-3,380	0
25	Deduct DSM Tariff Rider Excise Tax	-154	-176	-272	-338	-359	-239	0	0	0
26	Deduct Decoupling Surcharge/Rebate Excise Tax	-3	-17	-28	-20	-20	-7	0	0	-3,380
27	Adjusted Taxes Other Than Income	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523	5,491
	Annual Percentage Change	-1.34%	-16.38%	25.90%	2.84%	12.59%	6.38%	13.04%	6.40%	-0.58%
28	Net Plant After Deferred Income Tax	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901	233,864
	Annual Percentage Change	3.35%	5.88%	12.82%	2.36%	3.18%	6.39%	6.39%	8.73%	3.52%
29	Total Rate Base	151,699	169,681	180,778	186,920	196,280	207,578	224,824	250,257	263,012
	Annual Percentage Change	1.56%	11.85%	6.54%	3.40%	5.01%	5.76%	8.31%	11.31%	5.10%
Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue										
30	Other Operating Revenue	68,416	153,093	84,085	115,257	98,841	68,107	403	332	5,696
31	Deduct Gas Cost Deferral related revenues	-66,686	-153,018	-83,992	-115,193	-98,794	-67,822	0	0	0
32	Deduct JP Storage allocated revenue (ended 2007)	-1,717	0	0	0	0	0	0	0	0
33	Eliminate Decoupling Deferred Revenue and Provision for Rate Refund									-5,413
34	Adjusted Other Operating Revenue	13	75	93	64	47	285	403	332	283
	Annual Percentage Change	18.18%	476.92%	24.00%	-31.18%	-26.56%	506.38%	41.40%	-17.62%	-14.76%

Avista Proposed Based on Commission Order No. 05, Docket No. UG-150205

09.2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Plant after DFIT	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901	233,864
	0	1	2	3	4	5	6	7	8
Net Plant after DFIT	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901	233,864



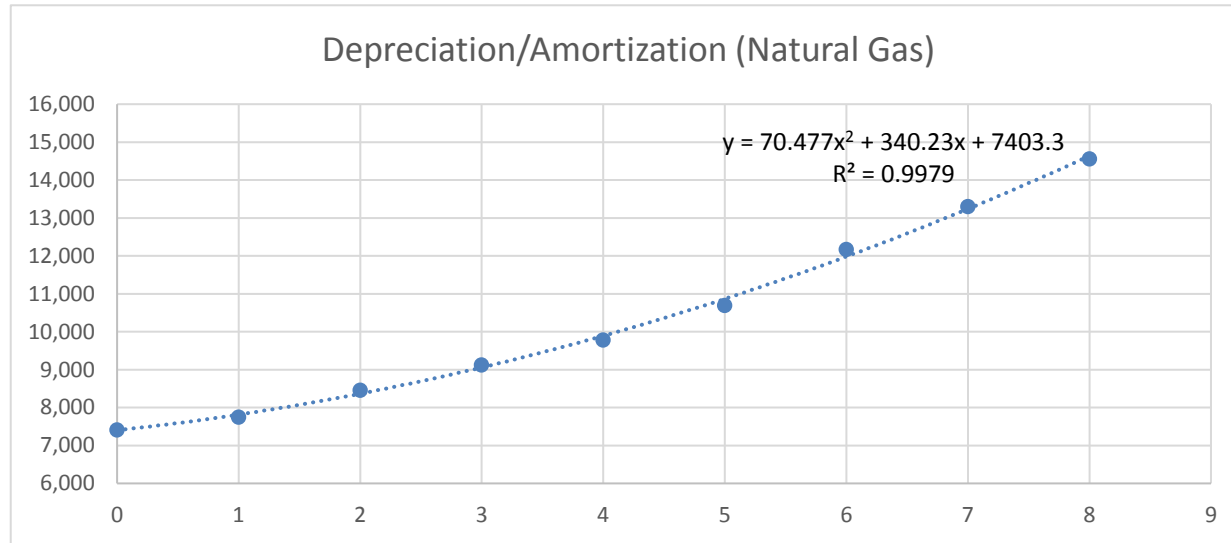
	x	C
Derivative of Quadratic (below)	463.42	9,051
x = 8 (2015 is year 8)	3707.36	
Sum (x and C)		12,758
rate (1-year)		5.46%
rate (2.5-year)		13.64%

Escalation factor (to 06.2018)

Avista Proposed Based on Commission Order No. 05, Docket No. UG-150205

09.2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304	14,560
	0	1	2	3	4	5	6	7	8
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304	14,560

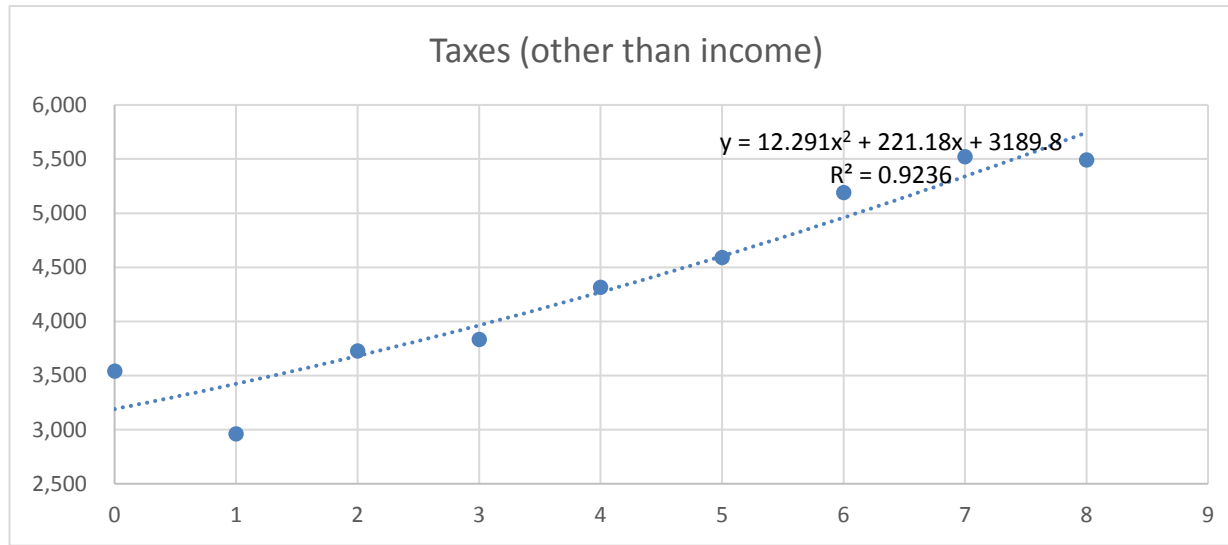


	x	C
Derivative of Quadratic (below)	140.954	340.23
x = 8 (2015 is year 8)	1127.632	
Sum (x and C)		1467.862
rate (1-year)		10.08%
rate (2-year)		25.20% Escalation factor (to 06.2018)

Avista Proposed Based on Commission Order No. 05, Docket No. UG-150205

09.2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523	5,491
	0	1	2	3	4	5	6	7	8
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523	5,491



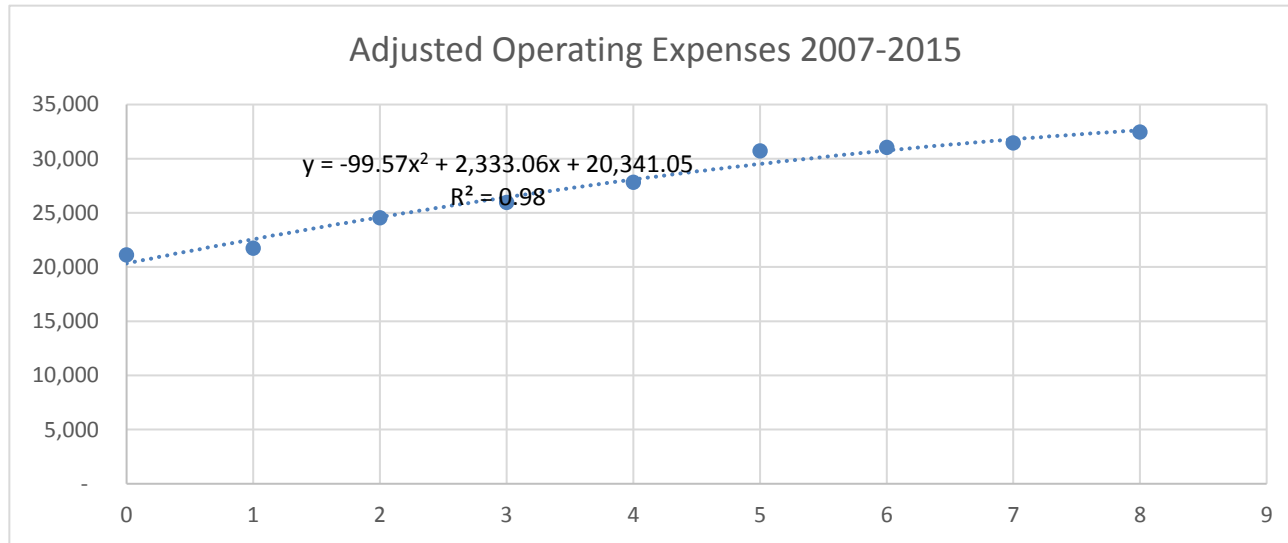
	x	C
Derivative of Quadratic (below)	24.582	221.18
x = 8 (2015 is year 8)	196.656	
Sum (x and C)		417.836
rate (1-year)		7.61%
rate (2-year)		19.02%

Escalation factor (to 06.2018)

Avista Proposed O&M Expenses Growth Trend:

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Adjusted Operating Expenses	21,120	21,716	24,532	25,962	27,802	30,717	31,017	31,432	32,449
	0	1	2	3	4	5	6	7	8
Adjusted Operating Expenses	21,120	21,716	24,532	25,962	27,802	30,717	31,017	31,432	32,449

09.2015



	x	C
Derivative of Quadratic (below)	-199.2	2,333
x = 8 (2015 is year 8)	-1593.6	
Sum (x and C)		739
rate (1-year)		2.28%
rate (2-year)		5.70%

Escalation factor (to 06.2018)

AVISTA UTILITIES
WASHINGTON NATURAL GAS

BILLING DETERMINANT INDEX
09.2015 TO 2017 WEIGHTED REVENUE GROWTH

Line No.	Description A	Schedule B	Billing Determinant C	Revenue Model Sept 2015 D	Forecast 12ME 06.2018 E	Billing Determinant Growth F=(E-D)/D	Revenue Sept 2015 G	Weight H=G/SUM G	Weighted Growth I=FxH	
1	General Svc	101	Basic/Min	1,807,677	1,863,376	3.08%	\$16,269,093	19.35%	0.60%	\$501,295
2	Lrg Gen Svc	111/112	Basic/Min	31,406	32,623	3.88%	\$3,185,825	3.79%	0.15%	\$123,469
3	Ex Lrg Gen Svc	121/122	Basic/Min	324	334	3.23%	\$81,739	0.10%	0.00%	\$2,639
4	Interruptible Svc	131/132	Basic/Min	24	24	0.00%	\$0	0.00%	0.00%	\$0
5	General Svc	101	Volumes	119,361,176	121,367,846	1.68%	\$51,084,521	60.77%	1.02%	\$858,820
6	Lrg Gen Svc	111/112	Volumes	47,375,864	49,340,681	4.15%	\$12,037,805	14.32%	0.59%	\$499,243
7	Ex Lrg Gen Svc	121/122	Volumes	5,175,510	5,903,971	14.08%	\$1,202,621	1.43%	0.20%	\$169,271
8	Interruptible Svc	131/132	Volumes	931,617	953,452	2.34%	\$195,654	0.23%	0.01%	\$4,586
9	Total			172,844,167	177,565,950		\$84,057,258	100.00%	2.57%	\$2,159,323
10	Transportation Svc	146	Basic/Min	456	479	5.06%	\$270,633	6.13%	0.31%	\$13,690
11	Special Contract	148	Basic/Min	60	63	5.38%	\$325,584	7.37%	0.40%	\$17,511
12	Transportation Svc	146	Volumes	29,762,848	29,444,697	-1.07%	\$2,558,062	57.92%	-0.62%	-\$27,345
13	Special Contract	148	Volumes	48,141,846	48,255,353	0.24%	\$1,262,060	28.58%	0.07%	\$2,976
14	Total			77,904,694	77,700,050		\$4,416,339	100.00%	0.15%	\$6,833
15	General Svc	101	Total Revenue				\$67,353,614			\$1,360,115
16	Lrg Gen Svc	111/112	Total Revenue				\$15,223,630			\$622,712
17	Ex Lrg Gen Svc	121/122	Total Revenue				\$1,284,359			\$171,910
18	Interruptible Svc	131/132	Total Revenue				\$195,654			\$4,586
19	Transportation Svc	146	Total Revenue				\$2,828,695			-\$13,654
20	Special Contract	148	Total Revenue				\$1,587,644			\$20,487
21	Total						\$88,473,597			\$2,166,155