

Avista

Schedule 74

Workpapers

Avista

Schedule 74

Rate Spread – Rate Design

Schedule 74  
 Temporary Federal Tax Rate Adjustment

No.	Type of Service (a)	Schedule Number (b)	Present Base Revenue (c)	Federal Tax Rate Adjustment (d)	Base Percentage Change (e)	Billed Percentage Change (f)	Present Billing Determinants (g)	Schedule 74 Per kWh Rate (h)
1	Residential	1/2	\$214,393	(\$3,355)	-1.6%	-1.4%	2,361,885,989	\$ (0.00142)
2	General Service	11/12	\$75,057	(\$1,174)	-1.6%	-1.5%	623,243,883	\$ (0.00188)
3	Large General Service	21/22	\$129,541	(\$2,027)	-1.6%	-1.5%	1,409,459,201	\$ (0.00144)
4	Extra Large General Service	25	\$65,753	(\$1,029)	-1.6%	-1.5%	1,107,408,158	\$ (0.00093)
5	Pumping Service	30/31/32	\$11,132	(\$174)	-1.6%	-1.5%	133,495,310	\$ (0.00130)
6	Street & Area Lights	41-48	\$7,021	(\$110)	-1.6%	-1.5%	23,121,171	\$ (0.00475)
7	Total		\$502,897	(\$7,869)	-1.6%	-1.5%	5,658,613,712	

\* In effect for a one-year period beginning June 1, 2018.

Avista

Schedule 74

Deferred Tax Calculation

<b><u>TCJA Deferred Tax Credits</u></b>	<b><u>Washington Electric</u></b>	<b><u>Washington Natural Gas</u></b>
<b>Non-Plant Excess ADFIT</b>	Note: (1)	\$ (1,140)
<b>Jan-Apr Deferral FIT/DFIT Exp</b>	\$ (5,982)	\$ (1,717)
<b>Jan-Apr Deferral ARAM Amort</b>	<u>\$ (1,887)</u>	<u>\$ (389)</u>
<b>Total</b>	<u><u>\$ (7,869)</u></u>	<u><u>\$ (3,246)</u></u>

(1) Per Order 7 of Docket UE-170485, continue deferral of electric Non-Plant Excess ADFIT for resolution and distribution in Docket U-170970. Docket U-170970 (per All party Settlement) requests use as offset to accelerate depreciation of Colstrip Units 3 and 4.

AVISTA UTILITIES  
WASHINGTON NATURAL ELECTRIC RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 2016

Federal Income Taxes Embedded in Allowed Rates  
Calculation of Adjustment 5.04  
Jan.-Apr. 2016 Deferral

Last Approved Case		WA Electric UE-150204 Order No 5	*From Knox Functionalization work papers, UE-170485
			Normalized usage
Rate Base	Appendix A	1,315,891	Electric*
Weighted Cost of Equity	Appendix C, page 2	4.51%	Jan 556,116,924
Weighted Cost of Debt	Appendix C, page 2	2.68%	Feb 486,363,482
Allowed Rate of Return	Appendix C, page 2	7.29%	Mar 477,534,770
			Apr 431,246,457
Equity Return		60,663	May 432,472,926
Interest		35,266	Jun 424,693,280
Total Return (Net Income Requirement)		95,928	Jul 490,670,110
			Aug 464,617,267
Pre-Tax Equity Return	35%	93,327	Sep 435,934,058
Implied Tax Cost		32,864	Oct 436,958,679
			Nov 468,856,066
Pre-Tax Equity Return	21%	76,788	Dec 553,149,691
Implied Tax Cost		16,125	Total 5,658,613,712
TCJI Annual Savings		(16,539)	
	Pre-tax Conversion Factor	0.953323	Jan-Apr proportion of annual load
Annual Revenue Requirement		(17,349)	Electric 0.34483033
Jan-Apr Deferred Rev Req (in 000's)		\$ (5,982)	

Revenue Conversion Factor with Tax Reform	0.753126
Gross down (for Adj Detail-Input tab)	\$ (4,505)



AVISTA UTILITIES  
WASHINGTON ELECTRIC

**Tax Reform Schedule 74 Revenue Requirement  
(1-Yr Amortization)**

(000'S OF DOLLARS)

Line No.	DESCRIPTION	1 year amort	
		Tax Reform Jan - Apr Deferral FIT/DFIT Exp	Tax Reform Jan - Apr Deferral ARAM Amort
Adjustment Number Worksheet Reference		5.04 E-TCJA-4	5.05 E-TCJA-5
<b>REVENUES</b>			
1	Total General Business	\$0	\$0
2	Interdepartmental Sales	-	-
3	Sales for Resale	-	-
4	Total Sales of Electricity	-	-
5	Other Revenue	-	-
6	Total Electric Revenue	-	-
<b>EXPENSES</b>			
<b>Production and Transmission</b>			
7	Operating Expenses	-	-
8	Purchased Power	-	-
9	Depreciation/Amortization	-	-
10	Regulatory Amortization	-	-
11	Taxes	-	-
12	Total Production & Transmission	-	-
<b>Distribution</b>			
13	Operating Expenses	-	-
14	Depreciation/Amortization	-	-
15	Regulatory Amortization	-	-
16	Taxes	-	-
17	Total Distribution	-	-
18	Customer Accounting	-	-
19	Customer Service & Information	-	-
20	Sales Expenses	-	-
<b>Administrative &amp; General</b>			
21	Operating Expenses	-	-
22	Depreciation/Amortization	-	-
23	Taxes	-	-
24	Total Admin & General	-	-
25	Total Electric Expenses	-	-
26	OPERATING INCOME BEFORE FIT	-	-
<b>FEDERAL INCOME TAX</b>			
27	Current Accrual	(4,505)	-
28	Debt Interest	-	(4)
29	Deferred Income Taxes	-	(1,472)
30	Amortized ITC - Noxon	-	-
31	NET OPERATING INCOME	\$4,505	\$1,476
<b>RATE BASE</b>			
<b>PLANT IN SERVICE</b>			
32	Intangible	\$0	\$0
33	Production	-	-
34	Transmission	-	-
35	Distribution	-	-
36	General	-	-
37	Total Plant in Service	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>			
38	Intangible	-	-
39	Production	-	-
40	Transmission	-	-
41	Distribution	-	-
42	General	-	-
43	Total Accumulated Depreciation	-	-
44	NET PLANT	-	-
45	DEFERRED TAXES	-	736
46	Net Plant After DFT	-	736
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-
48	WORKING CAPITAL	-	-
49	TOTAL RATE BASE	\$0	\$736
50	RATE OF RETURN		
51	REVENUE REQUIREMENT	\$ (5,982)	\$ (1,887)
		<b>Total</b>	
		\$ (5,982)	\$ (1,887) \$ (7,869)

Approved ROR 7.50%  
Revenue Conversion Factor with Tax Reform 75.313%

See Tab "2015 GRC Embedded Tax-Electric"  
See Worksheets filed with Bench Request 9



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

**Tax Reform Schedule 174 Revenue Requirement (1-Yr Amortization)**

Line No.	DESCRIPTION	Tax Reform	Tax Reform	Tax Reform	Total
		Excess Tax PF Non-Plant Amort	Jan - Apr Deferral FIT/DFIT Exp	Jan - Apr Deferral ARAM Amort	
Adjustment Number Worksheet Reference		5.03 G-TCJA-3	5.04 G-TCJA-4	5.05 G-TCJA-5	
<b>REVENUES</b>					
1	Total General Business	\$ -	\$ -	\$ -	-
2	Total Transportation	-	-	-	-
3	Other Revenues	-	-	-	-
4	Total Gas Revenues	-	-	-	-
<b>EXPENSES</b>					
<b>Production Expenses</b>					
5	City Gas Purchases	-	-	-	-
6	Purchased Gas Expense	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-
8	Total Production	-	-	-	-
<b>Underground Storage</b>					
9	Operating Expenses	-	-	-	-
10	Depreciation/Amortization	-	-	-	-
11	Taxes	-	-	-	-
12	Total Underground Storage	-	-	-	-
<b>Distribution</b>					
13	Operating Expenses	-	-	-	-
14	Depreciation/Amortization	-	-	-	-
15	Taxes	-	-	-	-
16	Total Distribution	-	-	-	-
17	Customer Accounting	-	-	-	-
18	Customer Service & Information	-	-	-	-
19	Sales Expenses	-	-	-	-
<b>Administrative &amp; General</b>					
20	Operating Expenses	-	-	-	-
21	Depreciation/Amortization	-	-	-	-
22	Regulatory Amortizations	-	-	-	-
23	Taxes	-	-	-	-
24	Total Admin & General	-	-	-	-
25	Total Gas Expense	-	-	-	-
26	OPERATING INCOME BEFORE FIT	-	-	-	-
<b>FEDERAL INCOME TAX</b>					
27	Current Accrual	-	(1,293)	-	-
28	Debt Interest	(6)	-	(1)	(7)
29	Deferred FIT	(93)	-	(304)	(397)
30	Amort LTC	-	-	-	-
31	NET OPERATING INCOME	\$ 937	\$ 1,293	\$ 705	\$ 3,246
<b>RATE BASE</b>					
<b>PLANT IN SERVICE</b>					
32	Underground Storage	\$ -	\$ -	\$ -	-
33	Distribution Plant	-	-	-	-
34	General Plant	-	-	-	-
35	Total Plant in Service	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>					
36	Underground Storage	-	-	-	-
37	Distribution Plant	-	-	-	-
38	General Plant	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-
40	NET PLANT	-	-	-	-
41	DEFERRED TAXES	-	-	152	152
42	Net Plant After DFIT	-	-	152	152
43	GAS INVENTORY	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-
45	OTHER	1,048	-	-	1,048
46	WORKING CAPITAL	-	-	-	-
47	TOTAL RATE BASE	\$ 1,048	\$ -	\$ 152	\$ 1,200
48	RATE OF RETURN				
50	REVENUE REQUIREMENT	\$ (1,140)	\$ (1,717)	\$ (389)	\$ (3,246)

363 Flow through DFIT exclusion

Approved Rate of Return 7.50%  
Revenue Conversion Factor with Tax Reform 0.753293

See Worksheets filed with Bench Request 9 See Tab "2015 GRU Embedded Tax-Gas" See Worksheets filed with Bench Request 9