

**Exh. KMH-2
Dockets UE-240006/UG-240007
Witness: Kristen M. Hillstead**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-240006 & UG-240007
(Consolidated)**

EXHIBIT TO

TESTIMONY OF

KRISTEN M. HILLSTEAD

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff's Proposed Revenue Requirement Increase (Electric)

July 3, 2024

STAFF'S REVENUE REQUIREMENT
AVISTA'S WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED JUNE 30, 2023
(000'S DOLLARS)

Expected Effective Date December 21, 2024

Line No.	DESCRIPTION	December 2024 RY1						Proposed Revenues & Related Exp	12.2024 Proposed Total
		WITH PRESENT RATES				WITH 12.2024 PROPOSED RATES			
		Actual Per Results Report	Total Restate Adjustments	Restated Results Total (1)	Total Pro Forma Adjustments	Pro Forma 12.2024 Adjusted Total (2)			
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>		
REVENUES									
1	Total General Business	\$600,149	(\$41,387)	\$558,762	\$30,477	\$589,239	\$8,290	\$597,529	
2	Interdepartmental Sales	1,324	-	1,324	-	1,324		1,324	
3	Sales for Resale	149,694	(62,356)	87,338	91,470	178,808		178,808	
4	Total Sales of Electricity	751,167	(103,743)	647,424	121,947	769,371	8,290	777,661	
5	Other Revenue	24,101	1,286	25,387	16,131	41,518		41,518	
6	Total Electric Revenue	775,268	(102,457)	672,811	138,078	810,889	8,290	819,179	
EXPENSES									
Production and Transmission									
7	Operating Expenses	193,746	(43,304)	150,442	38,556	188,998		188,998	
8	Purchased Power	133,893	(56,683)	77,210	38,751	115,961		115,961	
9	Depreciation/Amortization	45,660	(11,503)	34,157	3,674	37,830		37,830	
10	Regulatory Deferrals/Amortization	(12,767)	13,065	298	1,263	1,561		1,561	
11	Taxes	12,505	707	13,212	(784)	12,428		12,428	
12	Total Production & Transmission	373,036	(97,718)	275,318	81,459	356,777	-	356,777	
Distribution									
13	Operating Expenses	35,176	(4)	35,172	(2,284)	32,888		32,888	
14	Depreciation/Amortization	38,619	(68)	38,551	6,567	45,117		45,117	
14a	Regulatory Amortization	-	-	-	132	132		132	
15	Taxes	50,732	(20,964)	29,768	1,774	31,542	320	31,862	
16	Total Distribution	124,527	(21,036)	103,491	6,189	109,679	320	109,999	
17	Customer Accounting	5,749	809	6,558	(1,164)	5,394	41	5,435	
18	Customer Service & Information	24,545	(23,127)	1,418	290	1,708		1,708	
19	Sales Expenses	73	-	73	0	73		73	
Administrative & General									
20	Operating Expenses	87,937	(91)	87,846	8,482	96,327	33	96,360	
21	Depreciation/Amortization	45,673	-	45,673	3,106	48,779		48,779	
22	Regulatory Deferrals/Amortization	(2,229)	591	(1,638)	11,220	9,582		9,582	
23	Taxes	4,307	-	4,307	-	4,307		4,307	
24	Total Admin. & General	135,688	500	136,188	22,807	158,995	33	159,028	
25	Total Electric Expenses	663,618	(140,572)	523,045	109,581	632,626	394	633,020	
26	OPERATING INCOME BEFORE FIT	111,651	38,115	149,766	28,497	178,263	7,896	186,158	
FEDERAL INCOME TAX									
27	Current Accrual	(6,746)	17,227	10,481	5,985	16,466	1,658	18,124	
28	Debt Interest	-	(155)	(155)	(928)	(1,083)		(1,083)	
29	Deferred Income Taxes	(6,498)	9,991	3,493	92	3,585		3,585	
30	Amortized Investment Tax Credit	(312)	-	(312)	-	(312)		(312)	
31	NET OPERATING INCOME	\$125,207	\$11,053	\$136,259	\$23,348	\$159,607	\$6,238	\$165,845	
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$244,562	\$4,214	\$248,776	\$337	\$249,113		\$249,113	
33	Production	1,009,757	(204,356)	805,401	40,650	846,051		846,051	
34	Transmission	639,906	21,172	661,078	55,063	716,141		716,141	
35	Distribution	1,486,384	61,741	1,548,125	215,420	1,763,545		1,763,545	
36	General	310,839	4,660	315,499	28,655	344,154		344,154	
37	Total Plant in Service	3,691,449	(112,570)	3,578,879	340,125	3,919,004	-	3,919,004	
ACCUMULATED DEPRECIATION									
38	Intangible	(106,388)	(7,700)	(114,088)	(16,423)	(130,511)		(130,511)	
39	Production	(467,153)	176,105	(291,048)	(33,426)	(324,473)		(324,473)	
40	Transmission	(172,832)	(5,044)	(177,876)	(26,608)	(204,483)		(204,483)	
41	Distribution	(458,617)	(17,102)	(475,719)	(67,176)	(542,895)		(542,895)	
42	General	(113,531)	(5,427)	(118,958)	(11,113)	(130,071)		(130,071)	
43	Total Accumulated Depreciation	(1,318,520)	140,832	(1,177,689)	(154,745)	(1,332,434)	-	(1,332,434)	
44	NET PLANT BEFORE DFIT	2,372,928	28,262	2,401,190	185,380	2,586,570	-	2,586,570	
45	DEFERRED TAXES	(399,245)	3,717	(395,528)	(5,974)	(401,502)		(401,502)	
46	NET PLANT AFTER DFIT	1,973,683	31,979	2,005,662	179,406	2,185,068	-	2,185,068	
47	DEFERRED DEBITS AND CREDITS	31,541	15	31,556	(7,529)	24,027		24,027	
48	WORKING CAPITAL	103,961	(3,239)	100,722	-	100,722		100,722	
50	TOTAL RATE BASE	\$2,109,185	\$28,755	\$2,137,939	\$171,877	\$2,309,817	\$0	\$2,309,817	
51	RATE OF RETURN	5.94%		6.37%		6.91%		7.18%	