

AVISTA CORPORATION
Summary of Requested Rate Increase
Natural Gas Service - January 1, 2018 Request

Based on Rates Currently in Effect

Washington Jurisdiction

Filed February 19, 2016

Incorporates the Effects of the 2017 Proposed General Increase

- a) **The date and amount of the latest prior general rate increase authorized by the Commission, and revenue realized from that authorized increase in the test period, based on the company's test period units of revenue.**

Date	January 11, 2016	
Amount (thousands)	\$ 10,824	
Revenue realized (thousands)	\$ -	- Test Period 10/1/14 - 9/30/15

- b) **Total general business and transportation revenues at present rates and at requested rates.**

Present Rates (thousands)	\$ 162,978	
Requested Rates (thousands)	\$ 163,919	(6 Month Rev. Requirement)

- c) **Requested revenue change in percentage, in total and by major customer class.**

	Annualized Base Tariff Revenue	Annualized Billed Revenue
Residential and Small Commercial	2.2%	1.3%
Large General Service (Medium - Large Commercial / Industrial)	0.0%	0.0%
Extra Large General Service (Large - Commercial / Industrial)	0.0%	0.0%
Interruptible Service	1.1%	0.4%
Transportation Service	2.8%	2.8%
Overall	1.8%	1.0%

- d) **Requested revenue change in thousands of dollars, in total and by major customer class.**

	Annualized Revenues	
Residential and Small Commercial	\$ 892	
Large General Service (Medium - Large Commercial / Industrial)	0	Base Revenue
Extra Large General Service (Large - Commercial / Industrial)	0	Increase for the
Interruptible Service	1	1/1/2018 through
Transportation Service	48	6/30/2018 time
Other	0	period.
Total	\$ 941	

- e) **Requested rate change in dollars per month, per average customer, by customer class.**

	Base/Billing Rates
Residential and Small Commercial (66 therms)	\$ 0.79
Large General Service (Medium - Large Commercial / Industrial)	\$ -
Extra Large General Service (Large - Commercial / Industrial)	\$ -
Interruptible Service	\$ 95.29
Transportation Service	\$ 187.35

- f) **Most current customer count by major customer class. (1)**

Residential and Small Commercial	151,607
Large General Service (Medium - Large Commercial / Industrial)	2,640
Extra Large General Service (Large - Commercial / Industrial)	28
Interruptible Service	2
Transportation Service	47
Total	154,324

(1) September 30, 2014

g) Current authorized overall rate of return and authorized rate of return on common equity.	
Overall rate of return	9.50%
Rate of return on common equity	7.29%
h) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate rate of return on common equity.	
Overall rate of return	7.64%
Rate of return on common equity	9.90%
The methodologies utilized in the derivation of the rate of return on common equity were discounted cash flow analysis, risk premium model analysis and capital asset pricing model analysis.	
i) Requested capital structure.	
Total Debt (including Short-Term)	51.50%
Preferred Stock	0.00%
Common Equity	48.50%
Total	100.00%
j) Requested total net operating income.	
Net operating income (thousands)	\$ 23,138
k) Requested total rate base and method of calculation, or equivalent.	
Rate base (thousands)	\$ 302,859
Method of calculation is average of monthly average basis.	
l) Requested revenue effect of attrition allowance, if any requested.	
Attrition allowance	\$ 941