

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,
Respondent.

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) Docket No. UE-140188
) Docket No. UG-140189
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) (*consolidated*)
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EXHIBIT NO.____(BGM-8)

**ATTRITION STUDY ADJUSTMENT CALCULATION FOR NET POWER SUPPLY
COST ADJUSTMENTS**

July 22, 2014

EXHIBIT NO.__(BGM-8)
2015 ELECTRIC ATTRITION STUDY
Adjustment ICNU-5: Net Power Cost Adjustments
Washington - Electric System
Twelve Months Ended June 30, 2013
(000's of Dollars)

Line No.	Description	(a) Attrition Balances	(b) Revenue Growth Factor	(c) Attrition Adjusted Balances	(d) After Attrition Adjustments	(e) Final Balances	(f) 2014 Temporary Rate Increase	(g) Adjusted 2015 Rev Req.	(h) Rev. Req. Per ICNU-2	(i) Revenue Req. Adjustment
1	Attrition Rate Base	1,233,588	1.000000	\$1,233,588	\$472	\$1,234,060				
2	Proposed Rate of Return			7.17%	7.17%	7.17%				
3	Net Operating Income Requirement			\$88,448	\$34	\$88,482				
4	Attrition Net Operating Income	<u>\$107,540</u>	1.000000	<u>\$107,540</u>	\$214	<u>\$107,754</u>				
5	Net Operating Income Deficiency			(\$19,092)	(\$180)	(\$19,272)				
6	Conversion Factor			0.62074	0.62074	0.62074				
7	Attrition Revenue Requirement			<u>(\$30,755)</u>	<u>(\$290)</u>	<u>(\$31,046)</u>	<u>\$14,054</u>	<u>(\$45,100)</u>	<u>(\$37,245)</u>	<u>(\$7,855)</u>
8	Total General Business Revenues					\$466,872		\$480,926	\$480,926	\$480,926
9	Percentage Revenue Increase					<u><u>-6.65%</u></u>		<u><u>-9.38%</u></u>	<u><u>-7.04%</u></u>	<u><u>-1.63%</u></u>

Notes: