

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,) DOCKET NOS. UE-140188 and
v.) UG-140189 (*Consolidated*)
AVISTA CORPORATION, DBA)
AVISTA UTILITIES,)
Respondent.)
_____)

EXHIBIT NO.____(RRS-5)

**PRODUCTION-RELATED COSTS
ALLOCATED USING A 4 CP METHOD**

JULY 22, 2014

Sumcost
Scenario: Company Base Case UE-14 _____
Load Factor Peak Credit Method
PROPOSED METHOD

AVISTA UTILITIES
Cost of Service Basic Summary
For the Twelve Months Ended June 30, 2013
Production-Related Costs Allocated Using a 4 CP Method

Washington Jurisdiction
Electric Utility

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description					System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-49
1 Plant In Service											
1 Production Plant					873,562,000	454,206,222	77,153,846	197,880,348	126,637,778	14,803,199	2,880,608
2 Transmission Plant					395,440,000	192,629,442	33,151,374	96,473,455	64,341,414	7,778,855	1,065,460
3 Distribution Plant					880,490,000	470,326,849	109,703,168	205,910,947	30,242,386	22,985,233	41,321,418
4 Intangible Plant					157,250,000	82,111,206	15,217,933	35,946,992	18,772,493	3,050,404	2,150,973
5 General Plant					210,390,000	119,863,288	22,171,810	41,898,557	18,585,154	4,084,670	3,786,520
6 Total Plant In Service					<u>2,517,132,000</u>	<u>1,319,137,007</u>	<u>257,398,130</u>	<u>578,110,298</u>	<u>258,579,224</u>	<u>52,702,361</u>	<u>51,204,979</u>
Accum Depreciation											
7 Production Plant					(406,383,000)	(211,297,752)	(35,892,142)	(92,054,381)	(58,912,178)	(6,886,481)	(1,340,065)
8 Transmission Plant					(135,393,000)	(65,953,566)	(11,350,556)	(33,031,131)	(22,029,580)	(2,663,369)	(364,798)
9 Distribution Plant					(283,800,000)	(150,896,940)	(34,369,418)	(64,748,810)	(9,843,772)	(7,172,024)	(16,769,036)
10 Intangible Plant					(39,136,000)	(20,489,772)	(3,927,966)	(8,968,369)	(4,245,752)	(799,063)	(705,078)
11 General Plant					(82,604,000)	(47,384,381)	(8,725,364)	(16,232,276)	(7,201,085)	(1,593,097)	(1,467,797)
12 Total Accumulated Depreciation					<u>(947,316,000)</u>	<u>(496,022,411)</u>	<u>(94,265,447)</u>	<u>(215,034,967)</u>	<u>(102,232,366)</u>	<u>(19,114,034)</u>	<u>(20,646,775)</u>
13 Net Plant					1,569,816,000	823,114,596	163,132,684	363,075,331	156,346,858	33,588,326	30,558,204
14 Accumulated Deferred FIT					(241,622,000)	(127,204,781)	(24,693,065)	(55,082,228)	(24,802,084)	(5,023,252)	(4,816,591)
15 Miscellaneous Rate Base					37,250,000	19,033,140	3,768,646	8,873,955	4,004,640	792,509	777,110
16 Total Rate Base					<u>1,365,444,000</u>	<u>714,942,955</u>	<u>142,208,265</u>	<u>316,867,058</u>	<u>135,549,415</u>	<u>29,357,584</u>	<u>26,518,723</u>
17 Revenue From Retail Rates					480,926,000	207,184,000	66,064,000	127,734,000	62,262,000	10,811,000	6,871,000
18 Other Operating Revenues					58,007,000	29,899,819	5,229,260	13,339,881	8,125,256	1,047,303	365,481
19 Total Revenues					<u>538,933,000</u>	<u>237,083,819</u>	<u>71,293,260</u>	<u>141,073,881</u>	<u>70,387,256</u>	<u>11,858,303</u>	<u>7,236,481</u>
Operating Expenses											
20 Production Expenses					193,250,000	86,337,347	18,916,580	48,290,114	34,574,664	4,294,750	836,546
21 Transmission Expenses					18,491,000	9,007,463	1,550,177	4,511,154	3,008,641	363,744	49,822
22 Distribution Expenses					20,883,000	10,898,964	3,031,729	4,533,426	732,059	589,174	1,097,649
23 Customer Accounting Expenses					10,669,000	8,152,199	1,343,762	663,142	329,355	135,610	44,932
24 Customer Information Expenses					6,717,000	4,031,251	649,833	1,172,305	741,214	103,003	19,394
25 Sales Expenses					8,000	3,400	806	2,055	1,512	190	37
26 Admin & General Expenses					45,151,000	25,024,762	4,779,064	9,209,685	4,542,774	874,239	720,476
27 Total O&M Expenses					<u>295,169,000</u>	<u>143,455,387</u>	<u>30,271,949</u>	<u>68,381,879</u>	<u>43,930,219</u>	<u>6,360,710</u>	<u>2,768,856</u>
28 Taxes Other Than Income Taxes					38,600,000	18,338,423	4,520,825	9,585,273	4,771,464	817,349	566,667
29 Other Income Related Items					1,059,000	516,934	86,352	256,675	179,452	19,968	(380)
Depreciation Expense											
30 Production Plant Depreciation					19,777,000	10,282,998	1,746,724	4,479,911	2,867,015	335,137	65,216
31 Transmission Plant Depreciation					7,173,000	3,494,161	601,342	1,749,960	1,167,107	141,103	19,327
32 Distribution Plant Depreciation					24,911,000	13,356,935	3,132,752	5,824,213	867,313	653,555	1,076,232
33 General Plant Depreciation					23,855,000	13,105,719	2,484,714	5,076,274	2,248,275	480,711	459,307
34 Amortization Expense					3,775,000	1,961,597	336,150	856,948	539,211	64,990	16,104
35 Total Depreciation Expense					<u>79,491,000</u>	<u>42,201,410</u>	<u>8,301,682</u>	<u>17,987,305</u>	<u>7,688,921</u>	<u>1,675,496</u>	<u>1,636,186</u>
36 Income Tax					30,636,000	4,524,975	8,524,402	12,728,798	3,551,103	766,364	540,359
37 Total Operating Expenses					<u>444,955,000</u>	<u>209,037,129</u>	<u>51,705,210</u>	<u>108,939,929</u>	<u>60,121,158</u>	<u>9,639,886</u>	<u>5,511,688</u>
38 Net Income					93,978,000	28,046,690	19,588,050	32,133,952	10,266,098	2,218,417	1,724,793
39 Rate of Return					6.88%	3.92%	13.77%	10.14%	7.57%	7.56%	6.50%
40 Return Ratio					1.00	0.57	2.00	1.47	1.10	1.10	0.95
41 Interest Expense					37,686,000	19,732,292	3,924,922	8,745,472	3,741,139	810,264	731,912