

**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-6)

**PRODUCTION-RELATED COSTS
ALLOCATED USING A 4 CP METHOD
(PEAK CREDIT)**

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 Production Plant					873,562,000	397,232,163	84,600,880	216,068,911	153,064,307	18,912,252	3,683,486
2 Transmission Plant					395,440,000	179,817,215	38,296,735	97,809,074	69,288,442	8,561,111	1,667,424
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	74,975,628	16,306,548	38,101,218	22,037,484	3,558,662	2,270,460
5 General Plant					210,390,000	113,661,305	23,191,990	43,712,202	21,401,736	4,523,407	3,899,359
6 Total Plant In Service					2,517,132,000	1,236,013,159	272,099,321	601,602,352	296,034,355	58,540,665	52,842,147
Accum Depreciation											
7 Production Plant					(406,383,000)	(184,793,292)	(39,356,519)	(100,515,742)	(71,205,859)	(8,798,022)	(1,713,566)
8 Transmission Plant					(135,393,000)	(61,566,843)	(13,112,254)	(33,488,428)	(23,723,371)	(2,931,202)	(570,902)
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)	(19,043,425)	(4,172,346)	(9,386,192)	(4,900,744)	(901,115)	(732,178)
11 General Plant					(82,604,000)	(44,982,720)	(9,120,315)	(16,934,677)	(8,291,810)	(1,762,999)	(1,511,480)
12 Total Accumulated Depreciation					(947,316,000)	(461,283,220)	(100,130,851)	(225,073,848)	(117,965,556)	(21,565,362)	(21,297,162)
13 Net Plant					1,569,816,000	774,729,940	171,968,470	376,528,503	178,068,799	36,975,303	31,544,985
14 Accumulated Deferred FIT					(241,622,000)	(119,145,318)	(26,102,182)	(57,372,867)	(28,438,300)	(5,589,983)	(4,973,350)
15 Miscellaneous Rate Base					37,250,000	17,728,156	3,995,833	9,245,629	4,593,695	884,314	802,374
16 Total Rate Base					1,365,444,000	673,312,778	149,862,121	328,401,265	154,224,194	32,269,634	27,374,008
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	26,705,185	5,732,253	14,291,946	9,582,529	1,274,215	420,872
19 Total Revenues					538,933,000	233,889,185	71,796,253	142,025,946	71,844,529	12,085,215	7,291,872
Operating Expenses											
20 Production Expenses					193,250,000	87,875,978	18,715,466	47,798,917	33,860,994	4,183,782	814,863
21 Transmission Expenses					18,491,000	8,408,356	1,790,777	4,573,608	3,239,967	400,322	77,970
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	3,697,845	693,412	1,278,742	895,859	127,049	24,093
25 Sales Expenses					8,000	3,400	806	2,055	1,512	190	37
26 Admin & General Expenses					45,151,000	23,413,719	5,027,033	9,694,323	5,279,304	988,902	747,719
27 Total O&M Expenses					295,169,000	142,450,461	30,602,985	68,544,212	44,339,051	6,425,029	2,807,263
28 Taxes Other Than Income Taxes					38,600,000	17,519,798	4,657,308	9,823,214	5,142,712	875,185	581,783
29 Other Income Related Items					1,059,000	475,598	100,479	262,947	196,122	22,593	1,262
Depreciation Expense											
30 Production Plant Depreciation					19,777,000	8,993,134	1,915,321	4,891,690	3,465,298	428,164	83,392
31 Transmission Plant Depreciation					7,173,000	3,261,756	694,675	1,774,187	1,256,843	155,292	30,246
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	12,377,598	2,610,449	5,284,464	2,577,234	531,975	473,279
34 Amortization Expense					3,775,000	1,724,105	368,005	932,121	649,134	82,085	19,550
35 Total Depreciation Expense					79,491,000	39,713,528	8,721,202	18,706,676	8,815,823	1,851,072	1,682,699
36 Income Tax					30,636,000	5,338,072	8,309,625	12,555,334	3,205,087	712,155	515,727
37 Total Operating Expenses					444,955,000	205,497,458	52,391,598	109,892,383	61,698,794	9,886,033	5,588,733
38 Net Income					93,978,000	28,391,728	19,404,654	32,133,563	10,145,734	2,199,182	1,703,139
39 Rate of Return					6.88%	4.22%	12.95%	9.78%	6.58%	6.82%	6.22%
40 Return Ratio					1.00	0.61	1.88	1.42	0.96	0.99	0.90
41 Interest Expense					37,686,000	18,583,307	4,136,167	9,063,814	4,256,559	890,636	755,518