

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-8)

**MODIFICATIONS FOR PRODUCTION-RELATED
COST ALLOCATION & TRANSMISSION COST ALLOCATION**

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

Washington Jurisdiction
Electric Utility

Modifications for Production-Related Cost Allocation & Transmission Cost Allocation

	(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	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	75,551,249	16,075,380	38,041,212	21,815,227	3,523,518	2,243,416
5 General Plant					210,390,000	114,434,774	22,881,366	43,631,571	21,103,086	4,476,183	3,863,019
6 Total Plant In Service					2,517,132,000	1,250,174,477	266,412,168	600,126,096	290,566,419	57,676,041	52,176,799
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)	(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)	(19,247,674)	(4,090,320)	(9,364,900)	(4,821,880)	(888,644)	(722,582)
11 General Plant					(82,604,000)	(45,281,850)	(9,000,185)	(16,903,494)	(8,176,311)	(1,744,735)	(1,497,426)
12 Total Accumulated Depreciation					(947,316,000)	(466,173,322)	(98,166,998)	(224,564,076)	(116,077,401)	(21,266,795)	(21,067,408)
13 Net Plant					1,569,816,000	784,001,155	168,245,171	375,562,019	174,489,018	36,409,246	31,109,391
14 Accumulated Deferred FIT					(241,622,000)	(120,458,297)	(25,574,892)	(57,235,995)	(27,931,335)	(5,509,818)	(4,911,662)
15 Miscellaneous Rate Base					37,250,000	17,937,149	3,911,902	9,223,842	4,512,999	871,554	792,554
16 Total Rate Base					1,365,444,000	681,480,007	146,582,180	327,549,867	151,070,682	31,770,981	26,990,283
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	27,020,534	5,605,609	14,259,072	9,460,767	1,254,961	406,056
19 Total Revenues					538,933,000	234,204,534	71,669,609	141,993,072	71,722,767	12,065,961	7,277,056
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	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	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	23,551,750	4,971,600	9,679,933	5,226,008	980,474	741,234
27 Total O&M Expenses					295,169,000	143,187,599	30,306,952	68,467,369	44,054,429	6,380,023	2,772,630
28 Taxes Other Than Income Taxes					38,600,000	17,628,629	4,613,602	9,811,869	5,100,690	868,540	576,669
29 Other Income Related Items					1,059,000	507,803	87,545	259,590	183,687	20,626	(251)
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	3,494,161	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	12,490,421	2,565,140	5,272,703	2,533,671	525,087	467,978
34 Amortization Expense					3,775,000	1,727,105	366,800	931,808	647,976	81,902	19,409
35 Total Depreciation Expense					79,491,000	40,061,756	8,581,355	18,670,375	8,681,366	1,829,811	1,666,338
36 Income Tax					30,636,000	4,937,547	8,470,475	12,597,087	3,359,737	736,609	534,545
37 Total Operating Expenses					444,955,000	206,323,335	52,059,928	109,806,289	61,379,909	9,835,609	5,549,931
38 Net Income					93,978,000	27,881,199	19,609,682	32,186,784	10,342,859	2,230,352	1,727,125
39 Rate of Return					6.88%	4.09%	13.38%	9.83%	6.85%	7.02%	6.40%
40 Return Ratio					1.00	0.59	1.94	1.43	0.99	1.02	0.93
41 Interest Expense					37,686,000	18,808,721	4,045,641	9,040,315	4,169,523	876,873	744,927