

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
)
Complainant,)
)
v.)
)
AVISTA CORPORATION,)
)
Respondent.)
_____)

DOCKET NOS. UE-991606, UG-991607

EXHIBIT
OF
MICHAEL P. PARVINEN
STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

May 5, 2000

WUTC		
DOCKET NO.	<u>UE-991606</u>	
EXHIBIT #	<u>611</u>	
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AVISTA UTILITIES
Settlement Exchange Adj.
Twelve Months Ended 12/31/98
000's omitted

Exhibit _____ (MPP-3)
Docket UE-991606, UG-991607
Page 1 of 1

Line No.	Description	3/96-2/97 Year 10	3/97-2/98 Year 11	3/98-2/99 Year 12	3/99-2/00 Year 13	3/00-2/01 Year 14	3/01-2/02 Year 15	3/02-2/03 Year 16	3/03-2/04 Year 17	3/04-2/05 Year 18
1	Direct Charges	\$42,714	\$42,714	\$42,714	\$42,714	\$42,714	\$42,714	\$42,714	\$42,714	\$42,714
2	AFUDC	\$36,912	\$36,912	\$36,912	\$36,912	\$36,912	\$36,912	\$36,912	\$36,912	\$36,912
3	Total	\$79,626	\$79,626	\$79,626	\$79,626	\$79,626	\$79,626	\$79,626	\$79,626	\$79,626
4	Tax Basis	\$42,076	\$42,076	\$42,076	\$42,076	\$42,076	\$42,076	\$42,076	\$42,076	\$42,076
5	Amort. of Tax Basis	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295
6	Amort. of Direct Charges	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314
7	Amort. of AFUDC	\$1,136	\$1,136	\$1,136	\$1,136	\$1,136	\$1,136	\$1,136	\$1,136	\$1,136
8	1/2 Current yr. Amort.	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225
9	Amort. from Prior Years	\$22,050	\$24,500	\$26,950	\$29,400	\$31,850	\$34,300	\$36,750	\$39,200	\$41,650
10	Avg. Bal. Accum. Amort.	\$23,275	\$25,725	\$28,175	\$30,625	\$33,075	\$35,525	\$37,975	\$40,425	\$42,875
11	Net Investment	\$56,351	\$53,901	\$51,451	\$49,001	\$46,551	\$44,101	\$41,651	\$39,201	\$36,751
12	Rate of Return	10.67%	10.67%	10.67%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%
13	Net Operating Income Requ.	\$6,013	\$5,751	\$5,490	\$4,322	\$4,106	\$3,890	\$3,674	\$3,458	\$3,241
14	Deferred Return	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Recovery of Deferral Return	\$1,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Adjusted NOI Requirement	\$7,286	\$5,751	\$5,490	\$4,322	\$4,106	\$3,890	\$3,674	\$3,458	\$3,241
17	Begin Deferral Balance	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150
18	Carrying Cost on Begin. Bal.	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123
19	Current Year Deferral	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Current Year Recovery	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)
21	Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Amortization Expense	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450
23	Tax Effect of Amortization	(\$440)	(\$453)	(\$453)	(\$453)	(\$453)	(\$453)	(\$453)	(\$453)	(\$453)
24	Tax Effect of Interest	(\$830)	(\$817)	(\$780)	(\$631)	(\$600)	(\$568)	(\$536)	(\$505)	(\$473)
25	NOI Requ.-Amort. & Tax	\$1,180	\$1,180	\$1,217	\$1,366	\$1,397	\$1,429	\$1,461	\$1,492	\$1,524
26	NOI Requirement-Return	\$7,286	\$5,751	\$5,490	\$4,322	\$4,106	\$3,890	\$3,674	\$3,458	\$3,241
27	Total NOI Requirement	\$8,466	\$6,931	\$6,707	\$5,688	\$5,503	\$5,319	\$5,135	\$4,950	\$4,765
28	Rate of Return	10.67%	10.67%	10.67%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%
29	Wtd Cost of Debt	4.33%	4.33%	4.33%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%
30	Federal Income Tax Rate	34.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
31	Rate Year 10/2000 - 9/2001		6 months			\$2,752				
32			6 months				\$2,660			
33			TOTAL				\$5,411			