

**AVISTA RATE CASE**

**UE-991606 AND UG-991607**

**Exhibit \_\_\_ (JL-RD-2)**

**Cost-Based Residential Rate Blocks**

<b>WUTC</b>		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>688</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Avista Major Resources By Cost Category

Source: Johnson, Tab 44; Estimated Costs

Washington Share:	66.99%	Total Washington kwh:	4,930,157
		Residential kwh:	2,177,641
		Residential Share:	44.17%

### Low Cost - Under 1.5 cents/kwh

	Average Megawatts	Washington Share	Washington Residential Share	Washington Residential Customers	kwh/month per Customer
System Hydro	548				
MidColumbia	110				
Subtotal:	658	440	195	175,466	809

### Mid-Cost 1.5 - 3.0 cents/kwh

Centralia (or replacement)	177				
BPA Purchase	115				
Enron, etc.	187				
Subtotal:	479	321	142	175,466	590

### High Cost 3.0+ cents/kwh

Kettle Falls	42				
Colstrip	184				
Rathdrum	7				
Subtotal:	233	156	69	175,466	286
Total:	1,369	917	405	175,466	1,685

Average Actual Residential kwh/month: 1,034

## Load Factor Based Residential Rate Blocks

### Assumed Load Factors

Space Heat:	23.00%
Water Heat:	40.00%
Appliances	60.00%

Sources: Space/Water: Byers U-89-2688; Appliances: Puget Rate Collaborative

Unit Costs from Hirschhorn	Current Rate of Return	Proposed Rate of Return
Demand	\$6.18	\$8.85
Energy	0.02045	0.02611

Demand Cost/kwh	Current Rate of Return	Proposed Rate of Return
Space Heat:	\$0.03732	\$0.05344
Water Heat:	\$0.02146	\$0.03073
Appliances	\$0.01431	\$0.02049

Total Cost/kwh	Capacity + Energy		Current Residential Rate
	Current Rate of Return	Proposed Rate of Return	
Appliances	\$0.03476	\$0.04094	\$0.03892
Water Heat:	\$0.04191	\$0.05118	\$0.04670
Space Heat:	\$0.05777	\$0.07389	\$0.05628