

**AVISTA RATE CASE**

**UE-991606 AND UG-991607**

**Exhibit \_\_\_ (JL-RD-4) Cost-Based Customer Charge - Gas**

<b>WUTC</b>		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>1290</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Cost-Based Customer Charge - Gas

	Residential Amount	Source/Formula
<b>Plant Costs</b>		
Plant In Service		
1 Meters	\$9,124,935	Tab 55/2/14
2 Less Accumulated Depreciation - Meters	(\$1,831,911)	Tab 55/2/18
3 Meter Installations	\$2,676,265	Tab 55/2/15
4 Less Accumulated Depreciation - Installations	(\$890,038)	Tab 55/2/18
5 Total Customer Plant In Service	\$9,079,251	Sum, Lines 1-4
General Plant Assignment to Customer Plant		
8 Total Customer Plant in Service	\$9,079,251	Line 5
9 Total PTDC Plant in Service	\$92,594,944	Tab 55/4/1
10 % of General Plant Customer-Related	9.81%	(8) / (9)
11 Total General Plant in Service	\$11,211,000	Tab 55/4/1
12 Total General Plant Accumulated Depreciation	(\$3,762,000)	Tab 55/4/1
13 Net General Plant in Service	\$7,449,000	Sum, Lines 11 - 12
14 Customer-related General Plant:	\$730,400	Line 10 x Line 13
15 Total Customer Plant and Associated General Plant:	\$9,809,651	Line 14 + Line 5
Rate of Return		
16 Allowable Rate of Return	8.82%	Hill
17 Tax benefit of debt	-1.53%	Hill
18 Net of Tax Return	7.29%	Line 16 + Line 17
19 Return Requirement, Net of Tax:	\$715,188	Line 18 x Line 15
20 Net to Gross Ratio	61.65%	Ex. 30
21 Return Revenue Requirement	\$1,160,069	Line 19 / Line 20

**Cost-Based Customer Charge**

**Operating Costs**

Depreciation Expense for Meters / Services			
22	Meters	\$227,608	Tab 55/2/10
23	Meter Installations	\$51,838	
24			
25	General Plant Depreciation Expense	\$520,699	Tab 55/2/11
26	Customer-Related General Plant Depreciation Expense	\$51,056	Line 10 x Line 25
27	Subtotal Depreciation Expense	\$330,502	Lines 22+23+24+26
Operation and Maintenance Expenses			
28	Customer Accounts	\$997,425	Tab 55/3/9
29	Meter Reading	\$509,218	Tab 55/3/9
30	Supervision	\$84,503	Tab 55/3/9
31	Subtotal Meter Reading and Billing	\$1,591,146	Lines 28 + 29 + 30
32	Customer-related portion @ Tab 55%:	0.55 \$875,130	Line 31 * Tab 55%
33			
34	Meter Maintenance	\$160,485	Tab 55/3/8
35	Meter Operation	\$247,512	Tab 55/3/8
36	Subtotal Customer-Related O&M Expenses	\$1,283,127	Lines 32 - 35
Administrative and General Assignment			
37	Total PTDC O&M	\$32,445,179	Tab 55/4/1
38	Total A&G	\$5,237,839	Tab 55/4/1
39	A&G Loading Factor	16.14%	Line 38 / Line 37
40	Customer-Related A&G Expense	\$207,144	Lines 37 - 39
38	Total Customer-Related O&M Expense	\$1,490,271	Line 40 + Line 36
39	Net to Gross Ratio for Expenses	95.53%	Tab 25, P. 2
40	Revenue Requirement for O&M Expenses	\$1,560,067	Line 38 / Line 39
41	Total Customer-Related Revenue Requirement	\$2,720,135	Line 40 + Line 21
42	Total Residential Customers	111,622	64/5
43	Annual Revenue Requirement / Residential Customer	\$24.37	Line 41 / Line 43
<b>44</b>	<b>Monthly Residential Customer Revenue Requirement</b>	<b>\$2.03</b>	<b>Line 43 / 12 Months</b>

Note: Uses Company A&G; would be lower with PC A&G Adjustment

Note: Services not included for gas; they are covered by linex policy.