

AVISTA RATE CASE

UE-991606 AND UG-991607

Exhibit ___ (JL-RR-5) Meter Reading and Billing

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>696</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Meter Reading and Billing Adjustment

Reduce Residential Expense by 45% for Bimonthly;
 Increase Rate Base for Working Capital

Operating Expenses	Electric	Gas	Source
1 Meter Reading	\$1,020,618		Knox, Pt. 2, P. 6
2		\$703,013	Knox Pt. 2, P. 4
3 Customer Records and Collections	\$2,834,578		Knox, Pt. 2, P. 6
4		\$1,722,822	Knox Pt. 2, P. 4
5 Total:	\$3,855,196	\$2,425,835	Sum (1) - (4)
6 Savings from Bimonthly @ 45%:	(\$1,734,838)	(\$1,091,626)	45% x (5)
7 Increase in Uncollectibles @ .2%	\$206,808	\$102,882	WUTC 1987 Study
8 Adjusted Meter Reading / Billing Expense	\$2,327,166	\$1,437,091	(5) + (6) + (7)
9 Reduction in Expense:	\$1,528,030	\$988,744	(5) - (9)

Working Capital Allowance

10 Current Average Lag, Usage - Meter Read:	15	15	30-day Cycle
11 Bimonthly Average Lag, Usage - Meter Read:	30	30	60-day Cycle
12 Increased Lag:	15	15	(11) - (10)
13 Annual Residential Revenue:	\$103,404,000	\$51,441,000	Hirschhorn, 61/1
14 Daily Residential Revenue:	\$283,299	\$140,934	(13) / 365
15 Working Capital Requirement:	\$4,249,479	\$2,114,014	(15) x (12)