

Exhibit No. ___ C (TES-2C)
Dockets UE-140188/UG-140189
Witness: Thomas E. Schooley
REDACTED VERSION

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-140188 and
UG-140189
(Consolidated)**

**EXHIBIT TO
TESTIMONY OF**

THOMAS E. SCHOOLEY

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Development of Decoupled Revenues by Rate Schedule - Electric

July 22, 2014

*Confidential Per Protective Order
REDACTED VERSION*

**Avista General Rate Case UE-140188
 STAFF Electric Decoupling Mechanism
 Development of Decoupled Revenues by Rate Schedule - Electric**

	TOTAL (b)	RESIDENTIAL SCHEDULE 1 (c)	GENERAL SVC. SCH. 11,12 (d)	LG. GEN. SVC. SCH. 21,22 (e)	EX LG GEN SVC SCHEDULE 25, 26 (f)	PUMPING SCH. 30, 31, 32 (g)	ST & AREA LTG SCH. 41-48 (h)
1 Total Normalized 2015 Revenue (Exhibit CTM-3 at 1)	\$ 473,428,000	\$ 207,180,000	\$ 63,065,000	\$ 125,210,000	\$ 60,159,000	\$ 10,811,000	\$ 7,003,000
2							
3							
4 Normalize kWhs (2015 Rate Year) CONFIDENTIAL							
5 Retail Revenue Credit (line 33)	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104
6 Variable Power Supply Revenue (L.4 * L5) CONFIDENTIAL							
7 Delivery & Power Plant Revenue (Ln 1 - Ln 6)	\$ 353,732,218	\$ 155,902,431	\$ 50,735,085	\$ 94,984,072	\$ 37,520,651	\$ 8,119,803	\$ 6,470,177
8 Customer Bills 2015 CONFIDENTIAL							
9 Proposed Basic Charges 2015	\$ 8.50	\$ 16	\$ 16	\$ 501	\$ 16,500	\$ 16	
10 Basic Charge Revenue (Ln 8 * Ln 9) CONFIDENTIAL							
11 Decoupled Revenues (Ln 7 - Ln 10)	\$ 303,451,147	\$ 134,701,756	\$ 44,818,477	\$ 82,919,857	\$ 33,362,651	\$ 7,648,406	
12 Retail Revenue Credit - (Exhibit No. JLB-4)	\$0.02009						
13 Gross Up Factor for Revenue Related Exp	104.71%						
14 Grossed Up Retail Revenue Credit	\$0.021037						

	Residential	Non-Residential Group
15 Average number of customers (L 8 / 12)	confidential	
16 Average kWh	confidential	
17 Basic Charge Revenues	confidential	
18 Customer Bills	confidential	
19 Average Basic Charge	\$ 8.50	\$ 43.59

Avista General Rate Case UE-140188
STAFF Electric Decoupling Mechanism
Development of Annual Decoupled Revenue Per Customer - Electric

Line No.	Source	Residential	Non-Residential Schedules*	Others- Schedules 25, 26, 41-48																		
1	Decoupled Revenues	\$ 134,701,756	\$ 135,386,740																			
2	Rate Year # of Customers 2015	Confidential																				
3	Decoupled Revenue per Customer	(1) / (2)	\$ 648.07	\$ 3,837.76																		
* Schedules 11, 12, 21, 22, 31, 32.																						
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"></td> <td style="text-align: center;">Revenue Data</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">Revenues</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">From revenue per customer</td> <td style="text-align: right;">\$ 134,701,187</td> <td style="text-align: right;">\$ 135,386,768</td> </tr> <tr> <td style="text-align: center;">From basic charge</td> <td style="text-align: right;">\$ 21,200,675</td> <td style="text-align: right;">\$ 18,452,220</td> </tr> <tr> <td style="text-align: center;">From power supply</td> <td style="text-align: right;">\$ 51,277,569</td> <td style="text-align: right;">\$ 45,247,040</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">\$ 207,179,431</td> <td style="text-align: right;">\$ 199,086,028</td> </tr> </table>						Revenue Data		Revenues			From revenue per customer	\$ 134,701,187	\$ 135,386,768	From basic charge	\$ 21,200,675	\$ 18,452,220	From power supply	\$ 51,277,569	\$ 45,247,040	Total	\$ 207,179,431	\$ 199,086,028
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Avista General Rate Case UE-140188/UG-140189
STAFF Electric Decoupling Mechanism
Development of Monthly Decoupled Revenue Per Customer - Electric
 Based on 2015 Sales and Customers

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	Electric Sales													
2	<i>Residential</i>													
3	- Weather-Normalized kWh Sales confidential													
4	- % of Annual Total	11.12%	9.87%	9.08%	7.20%	6.64%	6.34%	7.22%	7.66%	6.47%	7.41%	9.25%	11.72%	100.00%
5	<i>Non-Residential*</i>													
6	- Weather-Normalized kWh Sales confidential													
7	- % of Annual Total	8.46%	7.94%	8.04%	7.30%	7.81%	8.16%	9.10%	9.64%	8.25%	8.25%	8.11%	8.94%	100.00%
8	<i>Extra Large Non-Residential</i>													
9	- Weather-Normalized kWh Sales													
10	- % of Annual Total													
11	Monthly Decoupled Revenue Per Customer ("RPC")													
12	<i>Residential</i>													
13	- 2015 Decoupled RPC													\$ 648,070
14	- 2015 Monthly Decoupled RPC	\$ 72.09	\$ 63.98	\$ 58.86	\$ 46.67	\$ 43.05	\$ 41.09	\$ 46.81	\$ 49.62	\$ 41.95	\$ 48.05	\$ 59.94	\$ 75.98	\$ 648.07
15	<i>Non-Residential*</i>													
16	- 2015 Decoupled RPC													\$ 3,837.76
17	- 2015 Monthly Decoupled RPC	\$ 324.60	\$ 304.87	\$ 308.74	\$ 280.14	\$ 299.67	\$ 313.35	\$ 349.07	\$ 369.94	\$ 316.48	\$ 316.63	\$ 311.10	\$ 343.17	\$ 3,837.76

**Avista General Rate Case UE-140188
 STAFF Decoupling Mechanism
 Example of Electric Deferrals (Calendar Year 2015)**

Line No.	Source	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Residential Group													
1	Actual Customers	207,000	207,200	207,400	207,600	207,800	208,000	208,200	208,400	208,600	208,800	209,000	209,200
2	Monthly Decoupled Revenue per Customer	\$ 72.09	\$ 63.98	\$ 58.86	\$ 46.67	\$ 43.05	\$ 41.09	\$ 46.81	\$ 49.62	\$ 41.95	\$ 48.05	\$ 59.94	\$ 75.98
3	Decoupled Revenues	\$ 14,921,802	\$ 13,255,620	\$ 12,206,942	\$ 9,688,277	\$ 8,945,582	\$ 8,546,720	\$ 9,746,467	\$ 10,340,600	\$ 8,750,144	\$ 10,033,258	\$ 12,527,042	\$ 15,894,388
4	Actual Monthly Customer Payments	\$ 23,000,000	\$ 23,000,000	\$ 20,000,000	\$ 18,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 18,000,000	\$ 13,000,000	\$ 16,000,000	\$ 20,000,000	\$ 25,000,000
5	Actual Basic Charge Payments	\$ 1,759,500	\$ 1,761,200	\$ 1,762,900	\$ 1,764,600	\$ 1,766,300	\$ 1,768,000	\$ 1,769,700	\$ 1,771,400	\$ 1,773,100	\$ 1,774,800	\$ 1,776,500	\$ 1,778,200
6	Actual Usage (kWhs)	\$ 271,130,047	\$ 240,621,765	\$ 221,370,825	\$ 175,525,307	\$ 161,914,993	\$ 154,545,588	\$ 176,072,045	\$ 186,627,300	\$ 157,769,890	\$ 180,730,317	\$ 225,437,958	\$ 285,761,978
7	Retail Revenue Credit (\$/kWh)	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037
8	Variable Power Supply Payments	\$ 5,703,731	\$ 5,061,932	\$ 4,656,952	\$ 3,692,505	\$ 3,406,187	\$ 3,251,157	\$ 3,704,007	\$ 3,926,056	\$ 3,318,987	\$ 3,802,003	\$ 4,742,512	\$ 6,011,541
9	Customer Decoupling Payments	\$ 15,536,769	\$ 16,176,868	\$ 13,580,148	\$ 12,542,895	\$ 9,827,513	\$ 9,980,843	\$ 9,526,293	\$ 12,302,544	\$ 7,907,913	\$ 10,423,197	\$ 13,480,988	\$ 17,210,259
10	Deferral - Surcharge (Rebate)	\$ (614,967)	\$ (2,921,248)	\$ (1,373,206)	\$ (2,854,618)	\$ (881,931)	\$ (1,434,123)	\$ 220,173	\$ (1,961,944)	\$ 842,231	\$ (389,939)	\$ (953,946)	\$ (1,315,871)
11	Interest on Deferral -- FERC Rate	\$ (833)	\$ (5,624)	\$ (11,454)	\$ (17,210)	\$ (22,317)	\$ (25,514)	\$ (27,227)	\$ (29,659)	\$ (31,256)	\$ (30,728)	\$ (32,631)	\$ (35,793)
12	Cumulative Deferral	\$ (615,800)	\$ (3,542,672)	\$ (4,927,333)	\$ (7,799,161)	\$ (8,703,409)	\$ (10,163,046)	\$ (9,970,099)	\$ (11,961,702)	\$ (11,150,727)	\$ (11,571,394)	\$ (12,557,971)	\$ (13,909,635)
Non-Residential Group													
13	Actual Customers	34,851	34,861	34,871	34,881	34,891	34,901	34,911	34,921	34,931	34,941	34,951	34,961
14	Monthly Decoupled Revenue per Customer	\$ 324.60	\$ 304.87	\$ 308.74	\$ 280.14	\$ 299.67	\$ 313.35	\$ 349.07	\$ 369.94	\$ 316.48	\$ 316.63	\$ 311.10	\$ 343.17
15	Decoupled Revenues	\$ 11,312,692	\$ 10,627,996	\$ 10,765,925	\$ 9,771,632	\$ 10,455,676	\$ 10,936,149	\$ 12,186,190	\$ 12,918,407	\$ 11,054,988	\$ 11,063,289	\$ 10,873,073	\$ 11,997,515
16	Actual Monthly Customer Payments	\$ 19,000,000	\$ 17,000,000	\$ 18,000,000	\$ 16,500,000	\$ 17,000,000	\$ 18,000,000	\$ 19,000,000	\$ 20,000,000	\$ 18,000,000	\$ 17,000,000	\$ 18,000,000	\$ 20,000,000
17	Actual Basic Charge Payments	\$ 1,519,081	\$ 1,519,517	\$ 1,519,953	\$ 1,520,389	\$ 1,520,825	\$ 1,521,261	\$ 1,521,697	\$ 1,522,133	\$ 1,522,569	\$ 1,523,004	\$ 1,523,440	\$ 1,523,876
18	Actual Usage (kWhs)	\$ 181,922,081	\$ 170,861,843	\$ 173,030,139	\$ 157,004,730	\$ 167,947,307	\$ 175,614,812	\$ 195,632,184	\$ 207,327,409	\$ 177,370,453	\$ 177,453,044	\$ 174,351,964	\$ 192,327,521
19	Retail Revenue Credit (\$/kWh)	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037
20	Variable Power Supply Payments	\$ 3,827,073	\$ 3,594,400	\$ 3,640,015	\$ 3,302,890	\$ 3,533,088	\$ 3,694,388	\$ 4,115,491	\$ 4,361,522	\$ 3,731,321	\$ 3,733,059	\$ 3,667,822	\$ 4,045,971
21	Customer Decoupling Payments	\$ 13,653,845	\$ 11,886,082	\$ 12,840,032	\$ 11,676,721	\$ 11,946,087	\$ 12,784,351	\$ 13,362,812	\$ 14,116,345	\$ 12,746,110	\$ 11,743,937	\$ 12,808,738	\$ 14,430,152
22	Deferral - Surcharge (Rebate)	\$ (2,341,153)	\$ (1,258,086)	\$ (2,074,107)	\$ (1,905,089)	\$ (1,490,412)	\$ (1,848,202)	\$ (1,176,622)	\$ (1,197,938)	\$ (1,691,122)	\$ (680,648)	\$ (1,935,665)	\$ (2,432,638)
23	Interest on Deferral	\$ (3,170)	\$ (8,053)	\$ (12,587)	\$ (18,010)	\$ (22,656)	\$ (27,239)	\$ (31,409)	\$ (34,709)	\$ (38,716)	\$ (42,032)	\$ (45,689)	\$ (51,728)
24	Cumulative Deferral	\$ (2,344,323)	\$ (3,610,462)	\$ (5,697,156)	\$ (7,620,255)	\$ (9,133,323)	\$ (11,008,764)	\$ (12,216,794)	\$ (13,449,442)	\$ (15,179,280)	\$ (15,901,960)	\$ (17,883,314)	\$ (20,367,680)
37	Total Cumulative Deferral	\$ (2,960,123)	\$ (7,153,134)	\$ (10,624,489)	\$ (15,419,416)	\$ (17,836,732)	\$ (21,171,809)	\$ (22,186,894)	\$ (25,411,144)	\$ (26,330,007)	\$ (27,473,354)	\$ (30,441,286)	\$ (34,277,315)