

698

Avista Rate Case
WUTC Docket No. UE-991606 and UG-991607

RESPONSE OF PUBLIC COUNSEL TO AVISTA DATA REQUESTS

Request No: 40
Directed to: Jim Lazar
Date Received: 6/30/2000
Date Due: 7/12/2000
Prepared by: Jim Lazar 360-786-1822
Witness: Jim Lazar
Date Prepared: 7/6/00

40. Depreciation expense for meters and services were inadvertently left out of the revenue requirement calculation of the "Cost Base Customer Charge" - Electric". Do you agree that the attached worksheet with Monthly Residential Customer Revenue Requirement of \$4.59 accurately represents the Cost Based Customer Charge - Electric you intended to show in Exhibit (JL-RD-1).

Response:

Yes. The worksheet supplied with the question should be substituted for the worksheet currently identified as Exhibit ___ (JL-RD-1).

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>698</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Cost Based Customer Charge - Electric Lazar's Calculation corrected

	Residential Amount	Source/Formula
Plant Costs		
Plant in Service		
1 Meters	\$ 12,241,205	Ex. 462,Pt. 2, pg. 21
2 Less Accumulated Depreciation - Meters	\$ (3,843,113)	Ex. 462,Pt. 2, pg. 26
3 Services	\$ 37,421,953	Ex. 462,Pt. 2, pg. 21
4 Less Accumulated Depreciation - Services	\$ (12,139,533)	Ex. 462,Pt. 2, pg. 26
5 Total Customer Plant In Service	\$ 33,680,512	Sum Lines 1 - 4
General Plant Assignment to Customer Plant		
8 Total Customer Plant In Service	\$ 49,663,158	Line 1 + Line 3
9 Total Plant In Service Excl. General Plant	\$ 488,231,906	Ex. 462,Pt. 2, pg. 23
10 % of General Plant Customer-Related	10.1720%	Line 8 ÷ Line 9
11 Total General Plant in Service	\$ 38,087,939	Ex. 462,Pt. 2, pg. 23
12 Total General Plant Accumulated Depreciation	\$ (16,422,695)	Ex. 462,Pt. 2, pg. 28
13 Net General Plant in Service	\$ 21,665,244	Sum Lines 11-12
14 Customer-related General Plant	\$ 2,203,798	Line 10 x Line 13
15 Total Customer Plant and Associated General Plant	\$ 35,884,310	Line 14 + Line 5
Rate of Return		
16 Allowable Rate of Return	8.82%	Hill Schedule 12
17 Tax Benefit of Debt	-1.53%	Hill Schedule 12
18 Net of Tax Return	7.29%	Line 16 + Line 17
19 Return Requirement, Net of Tax	\$ 2,616,146	Line 18 x Line 15
20 Net to Gross Ratio	62.09%	Ex. 228, pg 3
21 Return Revenue Requirement	\$ 4,213,473	Line 19 ÷ Line 20
Operating Costs		
Depreciation Expense for Meters / Services		
22 Meters	\$ 357,925	Ex. 462,Pt. 2, pg. 13
23 Services	\$ 887,515	Ex. 462,Pt. 2, pg. 13
24 Customer Installations	\$ -	Ex. 462,Pt. 2, pg. 13
25 General Plant Depreciation Expense	\$ 3,141,338	Ex. 462,Pt. 2, pg. 15
26 Customer-Related General Plant Depreciation Expense	\$ 319,538	Line 10 x Line 25
27 Subtotal Depreciation Expense	\$ 1,564,978	Lines 22+23+24+26
Operation and Maintenance Expenses		
28 Customer Accounts (Acct 903)	\$ 2,834,578	Ex. 462,Pt. 2, pg. 6
29 Meter Reading	\$ 1,020,618	Ex. 462,Pt. 2, pg. 6
30 Supervision	\$ 165,396	Ex. 462,Pt. 2, pg. 6
31 Subtotal Meter Reading and Billing	\$ 4,020,592	Sum Lines 28-30
32 Customer-related portion @ 55%	\$ 2,211,326	Line 31 x 55%
33 Customer Installations	\$ 297,000	Ex. 462,Pt. 2, pg. 6
34 Meter Maintenance	\$ 51,815	Ex. 462,Pt. 2, pg. 6
35 Meter Operation	\$ 384,232	Ex. 462,Pt. 2, pg. 6
36 Subtotal Customer-related O&M Expenses	\$ 2,944,373	Sum Lines 32-35
Administrative and General Assignment		
37 Total PTDC O&M	\$ 90,479,754	Ex. 462,Pt. 2, pg. 8
38 Total A&G	\$ 21,710,236	Ex. 462,Pt. 2, pg. 9
39 A&G Loading Factor	23.99%	Line 38 ÷ Line 37
40 Customer-Related A&G Expense	\$ 706,490	Line 39 x Line 36
41 Total Customer Related Operating Expenses	\$ 5,215,841	Line 40 + Line 36 + Line 27
42 Net to Gross Ratio For Expenses	95.53%	Ex. 228, pg 3
43 Revenue Requirement for Operating Expenses	\$ 5,459,898	Line 41 ÷ Line 42
44 Total Customer-Related Revenue Requirement	\$ 9,673,371	Line 43 + Line 21
45 Total Residential Customers	175,466	Ex. 462,Pt. 3, pg. 7
46 Annual Revenue Requirement / Residential Customer	\$ 55.13	Line 44 ÷ Line 45
47 Monthly Residential Customer Revenue Requirement	\$ 4.59	Line 46 ÷ 12 Months