

699

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

RESPONSE OF PUBLIC COUNSEL TO AVISTA DATA REQUESTS

Request No: 41  
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

- 41. Depreciation expense for meters and installations were inadvertently left out of the revenue requirement calculation of the "Cost Based Customer Charge - Gas" as well as some data input errors. Do you agree that the attached worksheet with Monthly Residential Customer Revenue Requirement of \$2.82 accurately represents the Cost Based Customer Charge - Gas you intended to show in Exhibit (JL-RD-4).

Response:

Yes. The worksheet supplied with the question should be substituted for the worksheet currently identified as Exhibit

WUTC  
DOCKET NO. UE-991606  
EXHIBIT # 699  
ADMIT  W/D  REJECT

Cost Based Customer Charge - Gas Lazar's Calculation corrected

	Residential Amount	Source/Formula
<b>Plant Costs</b>		
Plant in Service		
1 Meters	\$ 9,124,935	Ex. 467,Pt. 2, pg.14
2 Less Accumulated Depreciation - Meters	\$ (1,831,911)	Ex. 467,Pt. 2, pg.18
3 Meter Installations	\$ 2,676,265	Ex. 467,Pt. 2, pg.15
4 Less Accumulated Depreciation - Installations	\$ (890,038)	Ex. 467,Pt. 2, pg.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 (net)	\$ 9,079,251	Line 5
9 Total Plant In Service Excl. General Plant (net)	\$ 87,139,692	Ex. 467,Pt. 4, pg. 1
10 % of General Plant Customer-Related	10.4192%	Line 8 ÷ Line 9
11 Total General Plant in Service	\$ 8,210,343	Ex. 467,Pt. 4, pg. 1
12 Total General Plant Accumulated Depreciation	\$ (2,755,090)	Ex. 467,Pt. 4, pg. 1
13 Net General Plant in Service	\$ 5,455,253	Sum Lines 11 - 12
14 Customer-related General Plant	\$ 568,393	Line 10 x Line 13
15 Total Customer Plant and Associated General Plant	\$ 9,647,644	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	\$ 703,362	Line 18 x Line 15
20 Net to Gross Ratio	61.65%	Ex. 230, pg 3
21 Return Revenue Requirement	\$ 1,140,895	Line 19 ÷ Line 20
<b>Operating Costs</b>		
Depreciation Expense for Meters / Services		
22 Meters	\$ 227,608	Ex. 467,Pt. 2, pg.10
23 Customer Installations	\$ 51,838	Ex. 467,Pt. 2, pg.10
24	\$ -	
25 General Plant Depreciation Expense	\$ 520,699	Ex. 467,Pt. 2, pg.11
26 Customer-Related General Plant Depreciation Expense	\$ 54,253	Line 10 x Line 25
27 Subtotal Depreciation Expense	\$ 333,699	Lines 22+23+24+26
Operation and Maintenance Expenses		
28 Customer Accounts (Acct 903)	\$ 1,722,822	Ex. 467,Pt. 2, pg.4
29 Meter Reading	\$ 703,013	Ex. 467,Pt. 2, pg.4
30 Supervision	\$ 108,532	Ex. 467,Pt. 2, pg.4
31 Subtotal Meter Reading and Billing	\$ 2,534,367	Sum Lines 28-30
32 Customer-related portion @ 55%	\$ 1,393,902	Line 31 x 55%
33		
34 Meter Maintenance	\$ 220,359	Ex. 467,Pt. 2, pg.4
35 Meter Operation	\$ 256,446	Ex. 467,Pt. 2, pg.3
36 Subtotal Customer-related O&M Expenses	\$ 1,870,707	Sum Lines 32-35
Administrative and General Assignment		
37 Total PTDC O&M	\$ 32,445,179	Ex. 467,Pt. 4, pg.1
38 Total A&G	\$ 5,237,839	Ex. 467,Pt. 4, pg.1
39 A&G Loading Factor	16.14%	Line 38 ÷ Line 37
40 Customer-Related A&G Expense	\$ 302,001	Line 39 x Line 36
41 Total Customer Related Operating Expenses	\$ 2,506,406	Line 40 + Line 36 + Line 27
42 Net to Gross Ratio For Expenses	94.85%	Ex. 230, pg 3
43 Revenue Requirement for Operating Expenses	\$ 2,642,494	Line 41 ÷ Line 42
44 Total Customer-Related Revenue Requirement	\$ 3,783,389	Line 43 + Line 21
45 Total Residential Customers	111,622	Ex. 467,Pt. 3, pg.2
46 Annual Revenue Requirement / Residential Customer	\$ 33.89	Line 44 ÷ Line 45
47 Monthly Residential Customer Revenue Requirement	\$ 2.82	Line 46 ÷ 12 Months