

**Exhibit No. ___ C (TES-4C)
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 Allowed Non-Power Supply Revenue by Rate Schedule - Electric

July 22, 2014

*Confidential Per Protective Order
REDACTED VERSION*

Avista Utilities
 Electric Decoupling Mechanism
 Development of Allowed Non-Power Supply Revenue by Rate Schedule - Electric
STAFF REVISION TO 2015

| | TOTAL | RESIDENTIAL SCHEDULE 1 | GENERAL SVC. SCH. 11,12 | LG. GEN. SVC. SCH. 21,22 | EX LG GEN SVC SCHEDULE 25 | PUMPING SCH. 30, 31, 32 | ST & AREA LTG SCH. 41-48 |
|--|----------------|--------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|
| 1 Total Normalized Revenue (Exhibit PDE-4, p. 1) | \$ 480,926,000 | \$ 207,184,000 | \$ 66,064,000 | \$ 127,734,000 | \$ 62,262,000 | \$ 10,811,000 | \$ 6,871,000 |
| 2 Proposed Revenue Increase RATE year | \$ 18,877,000 | \$ 8,135,000 | \$ 2,593,000 | \$ 5,009,000 | \$ 2,446,000 | \$ 424,000 | \$ 270,000 |
| 3 Total Proposed Revenue (January 1, 2015) | \$ 499,803,000 | \$ 215,319,000 | \$ 68,657,000 | \$ 132,743,000 | \$ 64,708,000 | \$ 11,235,000 | \$ 7,141,000 |
| 4 Normalized kWhs (RATE Year) | confidential | | | | | | |
| 5 Retail Revenue Credit (line 32) | confidential | | | | | | |
| 6 Power Supply Related Revenue | confidential | | | | | | |
| 7 Non-Power Supply Revenue (Ln 3 - Ln 6) | \$ 299,614,933 | \$ 129,558,605 | \$ 48,035,540 | \$ 82,190,925 | \$ 26,845,953 | \$ 6,734,043 | \$ 6,249,867 |
| 8 Customer Bills 2015 | confidential | | | | | | |
| 9 Proposed Fixed Charges | \$ 15.00 | \$ 18 | \$ 500 | \$ 16,500 | \$ 18 | | |
| 10 Fixed Charge Revenue (Ln 8 * Ln 9) | confidential | | | | | | |
| 11 Allowed Non-Power Supply Revenue | \$ 232,551,111 | \$ 92,145,650 | \$ 41,379,356 | \$ 70,150,925 | \$ 22,671,453 | \$ 6,203,727 | |
| 12 Retail Revenue Credit - (Exhibit No. WGI-7) | \$0.03360 | | | | | | |
| 13 Gross Up Factor for Revenue Related Exp | 104.71% | | | | | | |
| 14 Grossed Up Retail Revenue Credit | \$0.03518 | | | | | | |
| Additional Data for Groupings | | | | | | | |
| | Residential | Non-residential | | | | | |
| Proposed Revenue | \$ 215,319,000 | \$ 212,635,000 | | | | | |
| basic charges | confidential | Proposed Revenue basic charges | | | | | |
| customers billings | confidential | customers billings | | | | | |
| avg basic charge/customer | \$ 15.00 | avg basic charge/customer | \$ 45.417 | | | | |
| kWh | confidential | kWh | | | | | |

Avista Utilities
 Electric Decoupling Mechanism
 Development of Annual Non-Power Supply Revenue Per Customer - Electric
STAFF REVISION TO 2015

| Line No. | (a) | (b) | (c) | (d) | (e) |
|----------|---|---------------|---------------|----------------------------|---|
| | | Source | Residential | Non-Residential Schedules* | Extra Large Non-Residential Schedule 25 |
| 1 | Allowed Non-Power Supply Revenue | PDE-9, Page 1 | \$ 92,145,650 | \$ 117,734,007 | excluded |
| 2 | Test Year # of Customers | Confidential | | | |
| 3 | Allowed Non-Power Supply Revenue per Customer | (1) / (2) | \$ 443.33 | \$ 3,337.37 | |

* Schedules 11, 12, 21, 22, 31, 32.

Avista Utilities
 Electric Decoupling Mechanism
 Development of Monthly Allowed Non-Power Supply Revenue Per Customer - Electric
STAFF REVISION TO 2015

| 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% | 8.05% | 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 Confidential | | | | | | | | | | | | | |
| 10 | - % of Annual Total | 8.37% | 7.85% | 8.46% | 8.14% | 8.37% | 8.24% | 8.41% | 8.71% | 8.33% | 8.57% | 8.21% | 8.35% | 100.00% |
| 11 | Monthly Allowed Delivery Revenue Per Customer ("RPC") | | | | | | | | | | | | | |
| 12 | <i>Residential</i> | | | | | | | | | | | | | |
| 13 | - 2015 Allowed Non-Power Supply RPC | | | | | | | | | | | | | \$ 443.33 |
| 14 | - 2015 Monthly Allowed Non-Power Supply RPC | \$ 49.31 | \$ 43.76 | \$ 40.26 | \$ 31.92 | \$ 29.45 | \$ 28.11 | \$ 32.02 | \$ 33.94 | \$ 28.69 | \$ 32.87 | \$ 41.00 | \$ 51.97 | \$ 443.33 |
| 15 | <i>Non-Residential*</i> | | | | | | | | | | | | | |
| 16 | - 2015 Allowed Non-Power Supply RPC | | | | | | | | | | | | | \$ 3,337.37 |
| 17 | - 2015 Monthly Allowed Non-Power Supply RPC | \$ 282.30 | \$ 264.98 | \$ 268.52 | \$ 243.65 | \$ 260.57 | \$ 272.49 | \$ 303.59 | \$ 321.71 | \$ 275.25 | \$ 275.27 | \$ 270.57 | \$ 298.46 | \$ 3,337.37 |
| 18 | <i>Extra Large Non-Residential</i> | | | | | | | | | | | | | |
| 19 | - 2015 Allowed Non-Power Supply RPC | | | | | | | | | | | | | \$ - |
| 20 | - 2015 Monthly Allowed Non-Power Supply RPC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

* Schedules 11, 12, 21, 22, 31, 32.

Avista Utilities
 Decoupling Mechanism
 Development of Electric Deferrals (Calendar Year 2015)
STAFF REVISION TO 2015

| Line No. | Revised Data in Italics | 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) |
| 1 | Actual Customers | Illustrative | 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 Allowed Non-Power Supply Revenue per Customer | <i>revised</i> | 49.31 | 43.76 | 40.26 | 31.92 | 29.45 | 28.11 | 32.02 | 33.94 | 28.69 | 32.87 | 41.00 | 51.97 |
| 3 | Allowed Non-Power Supply Revenue | (1) x (2) | 10,207,227 | 9,067,879 | 8,350,456 | 6,627,476 | 6,119,468 | 5,846,568 | 6,667,334 | 7,073,819 | 5,985,763 | 6,863,453 | 8,569,478 | 10,872,945 |
| 4 | Actual Monthly Revenue | Illustrative | 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 Fixed Charge Revenue | Illustrative | 3,105,000 | 3,108,000 | 3,111,000 | 3,114,000 | 3,117,000 | 3,120,000 | 3,123,000 | 3,126,000 | 3,129,000 | 3,132,000 | 3,135,000 | 3,138,000 |
| 6 | Actual Usage (kWhs) | Illustrative | 271,130,047 | 240,621,765 | 221,370,825 | 175,523,307 | 161,914,993 | 154,543,588 | 176,072,045 | 186,627,300 | 157,769,890 | 180,730,371 | 225,437,958 | 285,761,978 |
| 7 | Retail Revenue Credit (\$/kWh) | PDE-9, Page 1 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 |
| 8 | Monthly Rev. Related to Power Supply | (6) x (7) | 9,539,341 | 8,465,948 | 7,788,630 | 6,175,618 | 5,696,758 | 5,437,476 | 6,194,855 | 6,566,227 | 5,559,918 | 6,388,751 | 7,931,727 | 10,054,145 |
| 9 | Actual Non-Power Supply Revenue | (4) - (5) - (8) | 10,355,659 | 11,426,052 | 9,100,370 | 8,710,382 | 6,186,242 | 6,442,524 | 5,682,145 | 8,307,773 | 4,320,842 | 6,509,249 | 8,933,273 | 11,807,855 |
| 10 | Deferral - Surcharge (Rebate) | (3) - (9) | (147,932) | (2,358,173) | (749,914) | (2,082,906) | (66,774) | (595,956) | 985,188 | (1,233,954) | 1,665,681 | 354,205 | (363,795) | (934,910) |
| 11 | Interest on Deferral | FERC Rate | (200) | (3,595) | (7,813) | (11,670) | (14,613) | (15,450) | (15,065) | (15,443) | (14,900) | (12,205) | (12,251) | (14,043) |
| 12 | Cumulative Deferral | $\Sigma(10) + (11)$ | (148,132) | (2,509,900) | (3,267,626) | (5,362,203) | (5,443,390) | (6,055,096) | (5,084,973) | (6,334,370) | (4,683,589) | (4,341,589) | (4,717,635) | (5,666,588) |
| 13 | Actual Customers | Illustrative | 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 Allowed Non-Power Supply Revenue per Customer | <i>revised</i> | 282.30 | 264.98 | 268.32 | 243.65 | 260.57 | 272.49 | 303.59 | 321.71 | 275.25 | 275.27 | 270.57 | 298.46 |
| 15 | Allowed Non-Power Supply Revenue | (13) x (14) | 9,838,255 | 9,237,240 | 9,363,422 | 8,498,653 | 9,091,604 | 9,510,275 | 10,598,662 | 11,234,320 | 9,614,811 | 9,618,246 | 9,456,597 | 10,434,550 |
| 16 | Actual Monthly Revenue | Illustrative | 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 Fixed Charge Revenue - CORRECTED | Illustrative | 1,582,826 | 1,583,281 | 1,583,735 | 1,584,189 | 1,584,643 | 1,585,097 | 1,585,551 | 1,586,006 | 1,586,460 | 1,586,914 | 1,587,368 | 1,587,822 |
| 18 | Actual Usage (kWhs) | Illustrative | 181,922,081 | 170,861,845 | 173,030,139 | 157,004,780 | 167,947,007 | 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) | PDE-9, Page 1 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 |
| 20 | Monthly Rev. Related to Power Supply | (18) x (19) | 6,400,680 | 6,011,341 | 6,087,829 | 5,523,997 | 5,908,897 | 6,178,767 | 6,883,051 | 7,294,532 | 6,240,537 | 6,243,443 | 6,134,336 | 6,766,781 |
| 21 | Actual Non-Power Supply Revenue | (16) - (17) - (20) | 11,016,933 | 9,405,179 | 10,328,436 | 9,391,814 | 9,506,360 | 10,236,135 | 10,531,397 | 11,119,462 | 10,173,003 | 9,169,643 | 10,278,296 | 11,645,396 |
| 22 | Deferral - Surcharge (Rebate) | (15) - (21) | (1,178,239) | (1,67,938) | (965,014) | (893,161) | (414,756) | (725,861) | 67,265 | 114,858 | (558,192) | 448,603 | (821,698) | (1,210,846) |
| 23 | Interest on Deferral | FERC Rate | (1,596) | (3,423) | (4,966) | (7,496) | (9,287) | (10,857) | (11,778) | (11,564) | (12,195) | (12,377) | (12,916) | (15,703) |
| 24 | Cumulative Deferral | $\Sigma(22) + (23)$ | (1,179,834) | (1,351,195) | (2,321,175) | (3,221,832) | (3,645,876) | (4,382,594) | (4,327,107) | (4,223,813) | (4,794,209) | (4,357,974) | (5,192,588) | (6,419,137) |

* Fixed charge revenue was reset to equal the number of assumed actual customers times the weighted average fixed charge for the non-residential group.

| Line No. | Revised Data in Italics | 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) |
| 25 | Actual Customers | Illustrative | 207,000 | 207,200 | 207,400 | 207,600 | 207,800 | 208,000 | 208,200 | 208,400 | 208,600 | 208,800 | 209,000 | 209,200 |
| 26 | Monthly Allowed Non-Power Supply Revenue per Customer | <i>revised</i> | 49.31 | 43.76 | 40.26 | 31.92 | 29.45 | 28.11 | 32.02 | 33.94 | 28.69 | 32.87 | 41.00 | 51.97 |
| 27 | Allowed Non-Power Supply Revenue | (25) x (26) | 10,207,227 | 9,067,879 | 8,350,456 | 6,627,476 | 6,119,468 | 5,846,568 | 6,667,334 | 7,073,819 | 5,985,763 | 6,863,453 | 8,569,478 | 10,872,945 |
| 28 | Actual Monthly Revenue | Illustrative | 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 |
| 29 | Actual Fixed Charge Revenue | Illustrative | 3,105,000 | 3,108,000 | 3,111,000 | 3,114,000 | 3,117,000 | 3,120,000 | 3,123,000 | 3,126,000 | 3,129,000 | 3,132,000 | 3,135,000 | 3,138,000 |
| 30 | Actual Usage (kWhs) | Illustrative | 271,130,047 | 240,621,765 | 221,370,825 | 175,523,307 | 161,914,993 | 154,543,588 | 176,072,045 | 186,627,300 | 157,769,890 | 180,730,371 | 225,437,958 | 285,761,978 |
| 31 | Retail Revenue Credit (\$/kWh) | PDE-9, Page 1 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 | 0.035184 |
| 32 | Monthly Rev. Related to Power Supply | (30) x (31) | 9,539,341 | 8,465,948 | 7,788,630 | 6,175,618 | 5,696,758 | 5,437,476 | 6,194,855 | 6,566,227 | 5,559,918 | 6,388,751 | 7,931,727 | 10,054,145 |
| 33 | Actual Non-Power Supply Revenue | (28) - (29) - (32) | 10,355,659 | 11,426,052 | 9,100,370 | 8,710,382 | 6,186,242 | 6,442,524 | 5,682,145 | 8,307,773 | 4,320,842 | 6,509,249 | 8,933,273 | 11,807,855 |
| 34 | Deferral - Surcharge (Rebate) | (27) - (33) | (147,932) | (2,358,173) | (749,914) | (2,082,906) | (66,774) | (595,956) | 985,188 | (1,233,954) | 1,665,681 | 354,205 | (363,795) | (934,910) |
| 35 | Interest on Deferral | FERC Rate | (200) | (3,595) | (7,813) | (11,670) | (14,613) | (15,450) | (15,065) | (15,443) | (14,900) | (12,205) | (12,251) | (14,043) |
| 36 | Cumulative Deferral | $\Sigma(34) + (35)$ | (148,132) | (2,509,900) | (3,267,626) | (5,362,203) | (5,443,390) | (6,055,096) | (5,084,973) | (6,334,370) | (4,683,589) | (4,341,589) | (4,717,635) | (5,666,588) |
| 37 | Total Cumulative Deferral | (12) + (24) + (36) | (1,327,967) | (3,861,095) | (5,588,802) | (8,584,035) | (9,089,465) | (10,437,690) | (9,412,080) | (10,558,183) | (9,477,789) | (8,699,563) | (9,910,223) | (12,085,725) |