

**Exhibit No. CSH-4
Dockets UE-160228/UG-160229
Witness: Christopher S. Hancock**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-160228 and
UG-160229 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

CHRISTOPHER S. HANCOCK

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Electric Attrition Study
12 Months Ending December 2017*

August 17, 2016

2017 ELECTRIC ATTRITION STUDY

Line Number	DESCRIPTION	Determine Base Cost and Revenue to Escalate										Other Cost & Revenue Adj's.				
		12ME 12.2015 AMA Commission Basis Report Totals ¹	(less) 12.2015 Normalized Net Power Supply Cost	[B]	[C] REVISED	[D] REMOVED	[E] ADDED	[F] REVISED	[G] Escalation Base	[H] REVISED	[I] Escalation Amount	[J] Non-Energy Cost	[K] REVISED	[L] Revenue Growth	[M] REVISED	[N] After Attrition Adj Capital Project
1	Total General Business	\$ 497,229				\$ (3,093)	\$ 494,136	1.56%		\$ 494,136		\$ 7,724				\$ 501,860
2	Interdepartmental Sales	\$ 928				\$ 928		1.56%				\$ 15				\$ 943
3	Sales for Resale	\$ 49,505	\$ (49,505)									\$ (2,524)				\$ 35,216
4	Subtotal: Sales of Electricity	\$ 547,662	\$ (49,505)			\$ (3,093)	\$ 495,064			\$ 495,064		\$ 37,740				\$ 538,019
5	Other Revenue	\$ 16,920	\$ (10,779)			\$ (3,691)	\$ 2,450	0.00%		\$ 2,450		\$ 11,272				\$ 13,537
6	Total Electric Revenue	\$ 564,582	\$ (60,284)			\$ (6,784)	\$ 497,514			\$ 497,514		\$ 49,012				\$ 551,556
EXPENSES																
Production and Transmission																
7	Operating Expenses	\$ 140,485	\$ (89,988)	\$ 468			\$ 50,965	6.08%		\$ 3,098		\$ 81,921	\$ 123			\$ 136,107
8	Purchased Power	\$ 85,107	\$ (85,107)									\$ 71,593	\$ 1,301			\$ 72,894
9	Depreciation/Amortization	\$ 24,947					\$ 24,947	9.36%		\$ 2,334				\$ 762		\$ 28,043
10	Regulatory Amortization	\$ 5,974					\$ 3,600	0.00%								\$ 3,600
11	Taxes	\$ 14,133					\$ 14,133	10.70%		\$ 1,512						\$ 15,645
12	Subtotal: Production and Transmission	\$ 270,646	\$ (175,095)	\$ (1,906)			\$ 93,645			\$ 6,945		\$ 100,590	\$ 1,424			\$ 256,290
Distribution																
13	Operating Expenses	\$ 24,056			\$ (2,303)		\$ 21,753	6.08%		\$ 1,322		\$ 23,075				\$ 23,075
14	Depreciation/Amortization	\$ 25,379					\$ 25,379	9.36%		\$ 2,375		\$ 27,754				\$ 27,754
15	Regulatory Amortizations	\$ -					\$ -	0.00%								\$ -
16	Taxes (\$)	\$ 27,448				\$ (119)	\$ 27,329	10.70%		\$ 2,924		\$ 30,253	\$ 297			\$ 30,551
17	Subtotal: Distribution	\$ 76,883	\$ -	\$ -	\$ (2,303)	\$ (119)	\$ 74,461			\$ 6,621		\$ 81,082	\$ 297			\$ 81,379
18	Customer Accounting	\$ 12,363					\$ 12,342	6.08%		\$ 750		\$ 13,092				\$ 13,144
19	Customer Service & Information	\$ 1,454					\$ 1,454	6.08%		\$ 88		\$ 1,542				\$ 1,542
20	Sales Expenses	\$ -					\$ -	6.08%		\$ -		\$ -				\$ -
21	Administrative & General	\$ -					\$ -	6.08%		\$ -		\$ -				\$ -
22	Operating Expenses	\$ 49,942				\$ (6)	\$ 49,311	6.08%		\$ 2,998		\$ 52,309	\$ 15			\$ 52,324
23	Depreciation/Amortization	\$ 21,503					\$ 21,503	9.36%		\$ 2,012		\$ 23,515				\$ 23,515
24	Taxes	\$ 71,445					\$ 70,814	10.70%		\$ 5,010		\$ 75,824				\$ 75,839
25	Subtotal: A&G	\$ 432,791	\$ (175,095)	\$ (2,531)	\$ (2,303)	\$ (146)	\$ 252,716			\$ 19,414		\$ 153,514	\$ 1,789			\$ 428,195
26	Total Electric Expenses	\$ 131,791	\$ 114,811	\$ 2,531	\$ 2,303	\$ (6,638)	\$ 244,798			\$ (19,414)		\$ (104,502)	\$ 3,241			\$ 123,361

¹Workpapers for 12.2015 Commission Basis Reports provided with Staff_DR_030 - Attachment G.

²November 2015 Storm expenses were removed for trending purposes and from Escalation Base.

³Correction to regulatory revenue amortization. Company inadvertently overstated removal of expiring amortized revenue.

⁴Staff has updated the "Spokane River Projects (2017) Adjustment" to reflect revised Production/Transmission (P/T) Ratio, as well as actual transfers-to-plant through Aug 1, 2016.

⁵Excise tax correction identified in UE-160228, 06.15.16 LMA (period 2009-2015).

2017 ELECTRIC ATTRITION STUDY

CER Line Number	3000s	Determine Base Cost and Revenue to Escalate										Escalate Non-Energy Cost				Other Cost & Revenue A			
		12.2014 Commission Basis Report Restated Totals ¹	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dir/Cr, Reg Amorts & Misc Adj	Net Retired Meter Deferral & Amort Adjustment	Remove 2015 Storm Expenses ²	Pro Forma Revenue Normalization Adjustment	12ME 12.2015 AMA Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount	Trended Non-Energy Cost	(plus) 2017 Pro-Formed Net Energy Cost	(plus) 2017 Revenue Growth	After Attrition Adj. River Projects ⁴	After Attrition Adj. Capital Project	2017 Revenue and Cost			
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]			
26	Federal Income Tax	\$ 4,968	\$ 40,184	\$ 1,930	\$ -	\$ 806	\$ (2,323)	\$ 45,565		\$ (6,795)	\$ 38,770	\$ (36,576)	\$ 1,134	\$ (267)	\$ -	\$ 3,062			
27	Current Accrual	\$ 1	\$ -	\$ 121	\$ -	\$ -	\$ 122	\$ (1,444)		\$ (1,432)	\$ (1,310)	\$ -	\$ -	\$ (134)	\$ -	\$ (1,444)			
28	Debt Interest	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ 29,492	\$ -		\$ -	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ 29,492			
29	Amortized ITC - Noxon	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ (129)	\$ -		\$ -	\$ (129)	\$ -	\$ -	\$ (22)	\$ -	\$ (151)			
30		\$ 97,459	\$ 74,627	\$ 480	\$ -	\$ 1,497	\$ (4,315)	\$ 169,748		\$ (11,187)	\$ 138,561	\$ (67,926)	\$ 2,107	\$ (339)	\$ -	\$ 92,402			
31	NET OPERATING INCOME	\$ 144,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,970	18.56%	\$ 26,908	\$ 171,878	\$ -	\$ -	\$ -	\$ -	\$ 171,878			
32	Plant in Service	\$ 779,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,441	4.06%	\$ 31,619	\$ 811,060	\$ -	\$ -	\$ -	\$ -	\$ 811,060			
33	Intangible	\$ 401,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 401,700	8.00%	\$ 32,142	\$ 433,842	\$ -	\$ -	\$ -	\$ -	\$ 433,842			
34	Production	\$ 895,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,055	10.42%	\$ 93,302	\$ 988,357	\$ -	\$ -	\$ -	\$ -	\$ 988,357			
35	Transmission	\$ 212,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,726	16.25%	\$ 34,578	\$ 247,304	\$ -	\$ -	\$ -	\$ -	\$ 247,304			
36	Distribution	\$ 2,433,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,433,892		\$ 218,549	\$ 2,652,441	\$ -	\$ -	\$ 17,461	\$ -	\$ 2,669,902			
37	General	\$ (24,943)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,943)	17.67%	\$ (4,407)	\$ (29,350)	\$ -	\$ -	\$ (327)	\$ -	\$ (29,350)			
38	Subtotal: Plant in Service	\$ (342,899)	\$ -	\$ 2,293	\$ -	\$ -	\$ -	\$ (340,606)	8.18%	\$ (27,876)	\$ (368,482)	\$ -	\$ -	\$ -	\$ -	\$ (368,482)			
39	Accumulated Depreciation and Amortization	\$ (129,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,936)	7.68%	\$ (9,977)	\$ (139,913)	\$ -	\$ -	\$ -	\$ -	\$ (139,913)			
40	Intangible	\$ (273,578)	\$ -	\$ 2,276	\$ -	\$ -	\$ -	\$ (271,302)	10.03%	\$ (27,225)	\$ (298,527)	\$ -	\$ -	\$ -	\$ -	\$ (298,527)			
41	Production	\$ (73,050)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,050)	12.26%	\$ (8,957)	\$ (82,007)	\$ -	\$ -	\$ -	\$ -	\$ (82,007)			
42	Transmission	\$ (844,406)	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ (839,837)		\$ (78,442)	\$ (918,279)	\$ -	\$ -	\$ (327)	\$ -	\$ (918,605)			
43	Distribution	\$ 1,589,486	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,594,055		\$ 140,107	\$ 1,734,162	\$ -	\$ -	\$ 17,135	\$ -	\$ 1,751,297			
44	General	\$ (317,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (317,860)	12.42%	\$ (39,492)	\$ (357,352)	\$ -	\$ -	\$ (3,656)	\$ -	\$ (361,008)			
45	Subtotal: Accumulated Depreciation and Amortization	\$ 1,271,626	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,276,195		\$ 100,615	\$ 1,376,810	\$ -	\$ -	\$ 13,478	\$ -	\$ 1,390,289			
46	Net Plant	\$ 7,458	\$ (5,220)	\$ -	\$ -	\$ -	\$ -	\$ 2,238	0.00%	\$ -	\$ 2,238	\$ -	\$ -	\$ -	\$ -	\$ 2,238			
47	Deferred Taxes	\$ 59,722	\$ (11,512)	\$ -	\$ -	\$ -	\$ -	\$ 48,210	0.00%	\$ -	\$ 48,210	\$ -	\$ -	\$ -	\$ -	\$ 48,210			
48	Deferred Debits and Credits	\$ 1,338,806	\$ -	\$ (12,163)	\$ -	\$ -	\$ -	\$ 1,326,643		\$ 100,615	\$ 1,427,258	\$ -	\$ -	\$ 13,478	\$ -	\$ 1,440,737			
49	Working Capital																		
50	TOTAL RATE BASE																		

¹Workpapers for 12.2015 Commission Basis Reports provided with Staff_DR_030 - Attachment G.
²Includes Plant Held for Future Use - See Andrews' workpapers - Revised See Staff_DR_108-Attachment E.
³Staff has updated the "Spokane River Projects (2017) Adjustment" to reflect revised Production/Transmission (P/T) Ratio, as well as actual transfers-to-plant through Aug 1, 2016.
⁴Staff has updated the "Spokane River Projects (2017) Adjustment" to reflect revised Production/Transmission (P/T) Ratio, as well as actual transfers-to-plant through Aug 1, 2016.

7.28%
6.41%

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015

Commission Basis Results of Operations

AVISTA UTILITIES

(000'S OF DOLLARS)		2007	2008	2009	2010	2011	2012	2013	2014	UPDATED 12.2015
Line	No. REVENUES									
1	Total General Business	\$326,335	\$365,425	\$402,618	\$415,740	\$451,837	\$459,266	\$468,006	\$488,372	\$497,229
2	Interdepartmental Sales	739	820	872	790	820	816	884	922	928
3	Sales for Resale	34,954	46,848	31,491	133,479	52,604	54,549	75,349	60,998	49,505
4	Total Sales of Electricity	362,028	413,093	434,981	550,009	505,261	514,631	544,239	550,292	547,662
5	Other Revenue	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920
6	Total Electric Revenue	372,198	424,020	444,376	561,795	518,927	527,720	557,647	567,455	564,582
	EXPENSES									
	Production and Transmission									
7	Operating Expenses	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
8	Purchased Power	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
9	Depreciation/Amortization	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
10	Regulatory Amortization	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974
11	Taxes	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
12	Total Production & Transmission	198,644	219,777	219,316	321,388	273,183	262,470	297,764	281,594	270,646
	Distribution									
13	Operating Expenses	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
14	Depreciation/Amortization	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Taxes (1)	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
16	Total Distribution	42,052	50,356	52,292	56,368	60,780	64,600	66,990	70,914	76,883
17	Customer Accounting	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
18	Customer Service & Information	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
19	Sales Expenses	682	571	660	176	4	5	5	0	0
	Administrative & General									
20	Operating Expenses	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
21	Depreciation/Amortization	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
22	Taxes	(9)	(3)	(3)	2	0	(4)	0	0	0
23	Total Admin. & General	42,574	43,166	46,146	53,941	55,685	61,846	58,031	63,157	71,445
24	Total Electric Expenses	298,938	334,636	347,796	461,966	421,219	417,744	435,640	428,214	432,791
25	OPERATING INCOME BEFORE FIT	73,260	89,384	96,580	99,829	97,708	109,976	122,007	139,241	131,791
	FEDERAL INCOME TAX									
26	Current Accrual	5,070	(6,217)	(1,846)	9,263	6,569	11,499	19,267	(7,683)	4,968
27	Debt Interest	0	0	0	0	207	70	1	(136)	1
28	Deferred Income Taxes	6,497	26,634	23,983	13,823	16,402	15,684	10,613	46,085	29,492
29	Amortized ITC - Noxon	0	0	(58)	(83)	(99)	(128)	(130)	(128)	(469)
30	Levelized Settlement Exchange Power	0	0	0	0	0	0	0	(108)	0
31	NET OPERATING INCOME	\$61,693	\$68,967	\$74,501	\$76,826	\$74,629	\$82,850	\$92,256	\$101,211	\$97,799

Note: The Regulatory Amortization Category has been restated in prior years to reflect consistency with the current reporting format.
(1) Corrected excise tax error in 2009-2015.

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015

Commission Basis Results of Operations

AVISTA UTILITIES

(000'S OF DOLLARS)	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
PLANT IN SERVICE									
No RATE BASE									
32 Intangible	\$20,632	\$23,321	\$57,116	\$81,955	\$84,081	\$85,247	\$91,466	\$102,620	\$144,970
33 Production	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101	779,441
34 Transmission	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971	401,700
35 Distribution	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795	895,055
36 General	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867	212,726
37 Total Plant in Service	1,536,175	1,622,175	1,736,780	1,850,288	1,955,287	2,043,913	2,165,496	2,260,354	2,433,892
ACCUMULATED DEPRECIATION/AMORT									
38 Intangible	6,349	7,252	9,302	12,606	13,074	14,736	17,667	20,242	24,943
39 Production	230,738	243,189	255,390	272,340	286,300	300,170	314,599	325,531	342,899
40 Transmission	90,140	95,026	100,649	106,041	111,144	116,316	122,308	123,869	129,936
41 Distribution	162,343	172,026	181,327	194,593	209,101	221,408	236,201	252,722	273,578
42 General	36,737	39,933	39,153	43,819	47,365	51,504	58,357	65,720	73,050
43 Total Accumulated Depreciation	526,307	557,426	585,821	629,399	666,984	704,134	749,132	788,084	844,406
44 NET PLANT	1,009,868	1,064,749	1,150,959	1,220,889	1,288,303	1,339,779	1,416,364	1,472,270	1,589,486
45 DEFERRED TAXES	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(221,354)	(257,766)	(317,860)
46 Net Plant After Deferred Income Taxes	870,835	917,247	987,243	1,036,064	1,087,140	1,131,570	1,195,010	1,214,504	1,271,626
47 DEFERRED DEBITS AND CREDITS	21,020	19,593	17,776	17,776	18,845	16,438	14,761	10,846	7,458
48 WORKING CAPITAL	0	0	0	18,188	31,877	10,967	16,281	47,807	59,722
49 TOTAL RATE BASE	\$891,855	\$936,840	\$1,005,019	\$1,072,028	\$1,137,863	\$1,158,975	\$1,226,052	\$1,273,157	\$1,338,806
	\$0	\$0	\$0	\$0	(\$1)	\$0	\$0	\$0	\$0

Note: The Deferred Debits and Credits Category has been restated in prior years to reflect consistency with the current reporting format.

**AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS**

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015
Electric Data for Escalators

(000'S OF DOLLARS)

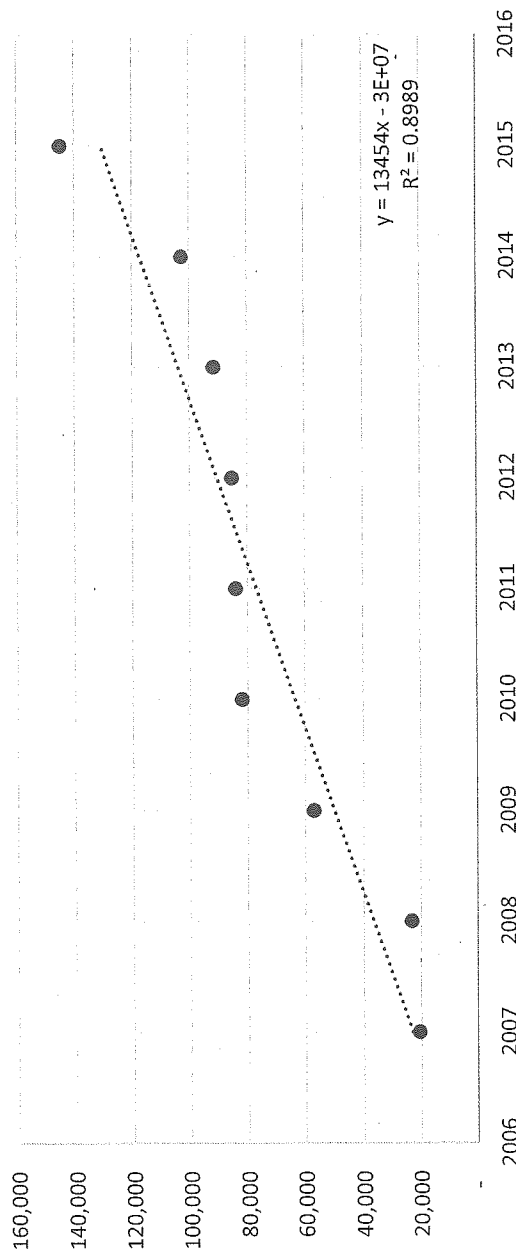
Line No.	2007	2008	2009	2010	2011	2012	2013	2014	2015	
1	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485	
2	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107	
3	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056	
4	7,514	7,919	9,646	9,261	10,336	11,334	11,334	11,166	12,363	
5	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454	
6	682	571	660	176	4	5	5	0	0	
7	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942	
8	234,605	264,279	273,806	382,589	332,307	332,391	329,981	317,008	313,407	
9	(135,719)	(152,984)	(146,538)	(249,369)	(188,583)	(180,834)	(201,471)	(186,117)	(175,095)	
10	(6,711)	(12,172)	(19,005)	(19,612)	(20,235)	(17,018)	0	0	0	
11	37	24	27	41	31	55	0	0	0	
12	92,212	99,146	108,289	113,650	123,419	134,594	128,510	130,891	138,312	
	3.81%	7.52%	9.22%	4.95%	8.60%	9.06%	-4.52%	1.85%	5.67%	
Depreciation/Amortization										
13	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947	
14	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379	
15	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503	
16	42,949	45,874	48,466	52,270	55,304	58,946	60,308	64,456	71,829	
	2.72%	6.81%	5.65%	7.85%	5.80%	6.59%	2.31%	6.88%	11.44%	
Exclude Adder Schedule amortizations (Residential Exchange Credit) from Regulatory Amortizations										
17	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974	
18	5,582	3,576	4,005	6,244	4,610	8,327	0	0	0	
19	2,500	2,500	2,302	3,365	5,013	583	8,629	8,101	5,974	
Exclude Adder Schedule excise taxes (DSM Tariff Rider and Residential Exchange Credit) from Taxes Other Than Income Tax										
20	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133	
21	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448	
22	(9)	(3)	(3)	2	0	(4)	0	0	0	
23	24,466	25,559	27,227	29,986	33,305	34,151	36,722	38,649	41,581	
24	(269)	(488)	(762)	(787)	(812)	(683)	0	0	0	
25	225	144	162	252	186	336	0	0	0	
26	24,422	25,215	26,626	29,451	32,680	33,805	36,722	38,649	41,581	
	-3.93%	3.25%	5.00%	10.61%	10.96%	3.44%	8.63%	5.25%	7.59%	
27	870,835	917,247	987,243	1,036,064	1,087,140	1,131,570	1,195,010	1,214,504	1,271,626	
	1.77%	5.33%	7.63%	4.95%	4.93%	4.09%	5.61%	1.63%	4.70%	
28	891,855	936,840	1,005,019	1,072,028	1,137,863	1,158,975	1,226,052	1,273,157	1,338,806	
	1.98%	5.04%	7.28%	6.67%	6.14%	1.86%	5.79%	3.84%	5.16%	
Exclude Power Supply and Transmission Wheeling from Other Operating Revenue										
29	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920	
30	(221)	(1,839)	(448)	(640)	(1,752)	(1,489)	(282)	(3,062)	(267)	
31	(6,876)	(6,213)	(6,133)	(8,333)	(9,102)	(8,285)	(9,662)	(10,622)	(10,512)	
32	3,073	2,875	2,814	2,813	2,812	3,315	3,464	3,479	2,450	
33	3.96%	-6.44%	-2.13%	-0.02%	-0.03%	17.86%	4.50%	0.42%	-29.56%	

Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Intangible Plant	20,632	23,321	57,116	81,955	84,081	85,247	91,466	102,620	144,970
								Per CBR	UPDATED

Annual Increase (slope below) 13,454
 Rate (Annual) 9.28%
 Rate (2-year, to 2017) **18.56%** (Escalation Factor)

Intangible Plant (Electric)

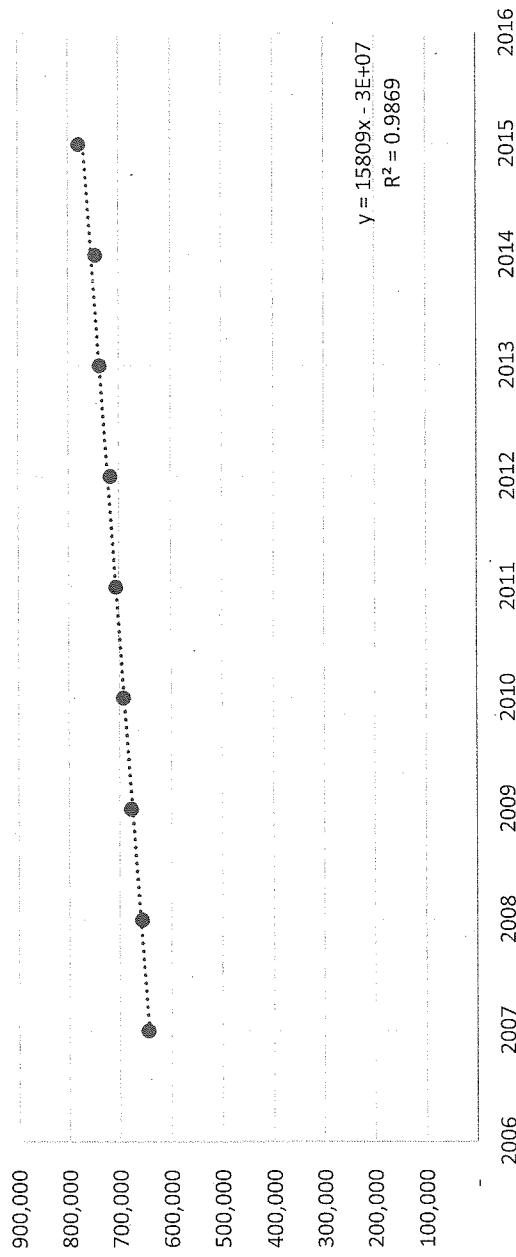


Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Production Plant	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101	779,441
								Per CBR	UPDATED

Annual Increase (slope below) 15,809
 Rate (Annual) 2.03%
 Rate (2-year, to 2017) **4.06%** (Escalation Factor)

Production Plant (Electric)

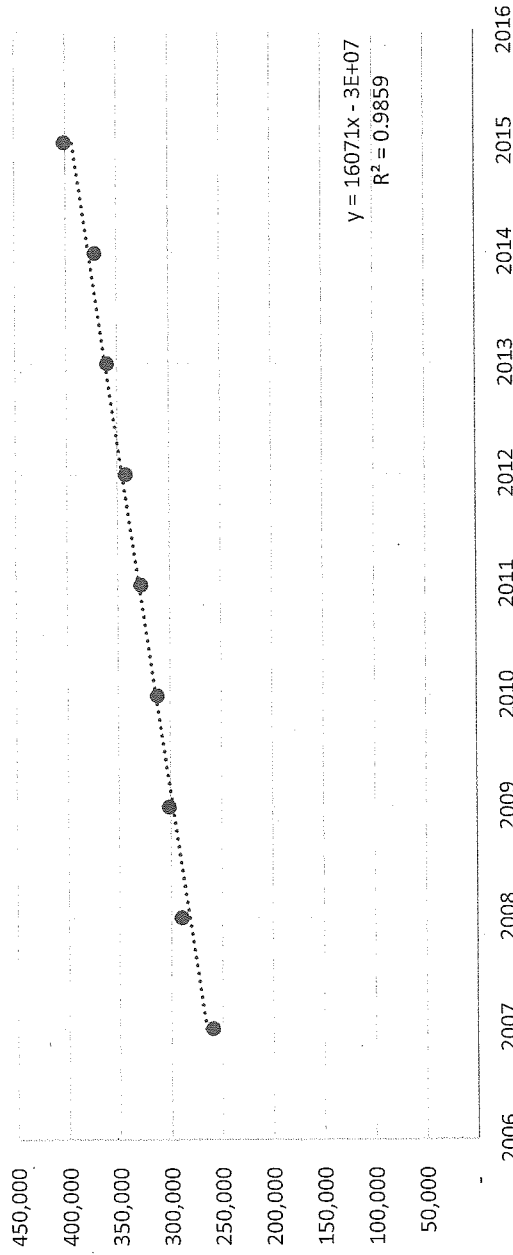


Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transmission Plant	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971	401,700
								Per CBR	UPDATED

Annual Increase (slope below) 16,071
 Rate (Annual) 4.00%
 Rate (2-year, to 2017) **8.00%** (Escalation Factor)

Transmission Plant (Electric)

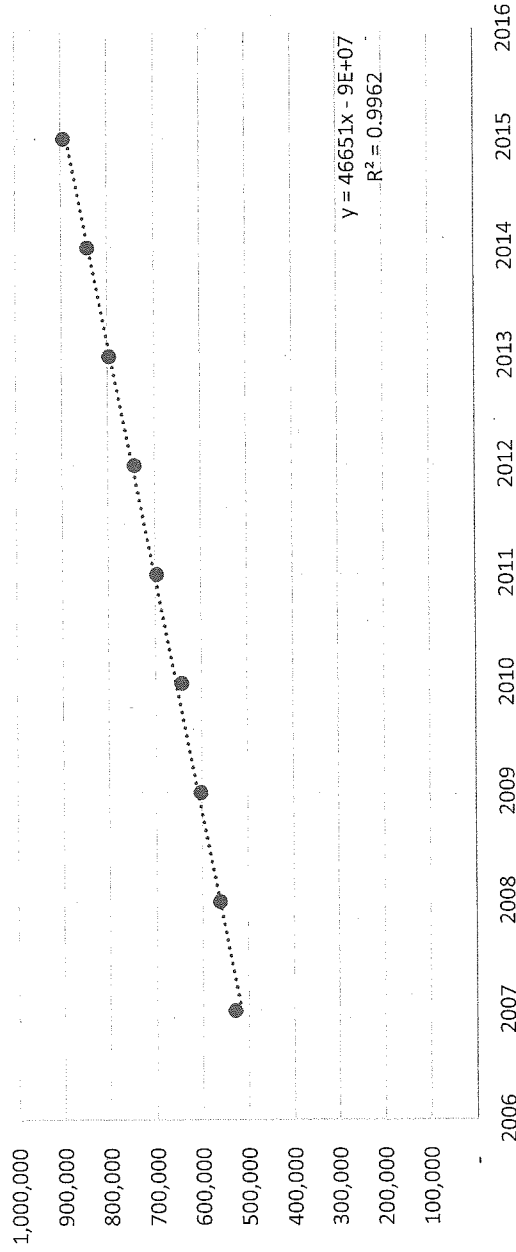


Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Distribution Plant	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795	895,055
								Per CBR	UPDATED

Annual Increase (slope below) 46,651
 Rate (Annual) 5.21%
 Rate (2-year, to 2017) **10.42%** (Escalation Factor)

Distribution Plant (Electric)



Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

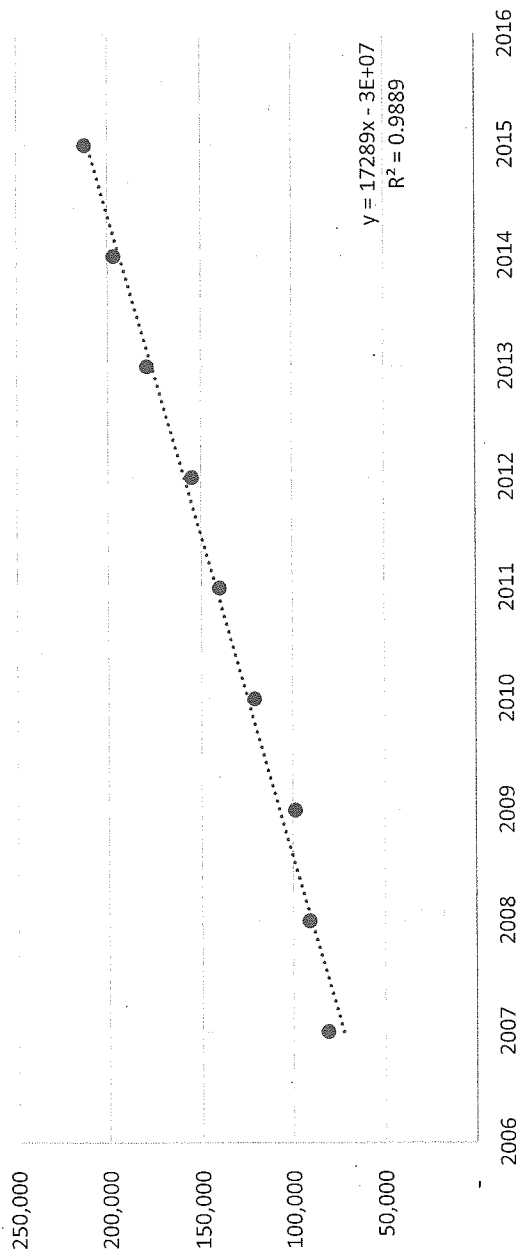
	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Plant	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867	212,726
								Per CBR	UPDATED

Annual Increase (slope below) 17,289

Rate (Annual) 8.13%

Rate (2-year, to 2017) **16.25%** (Escalation Factor)

General Plant (Electric)



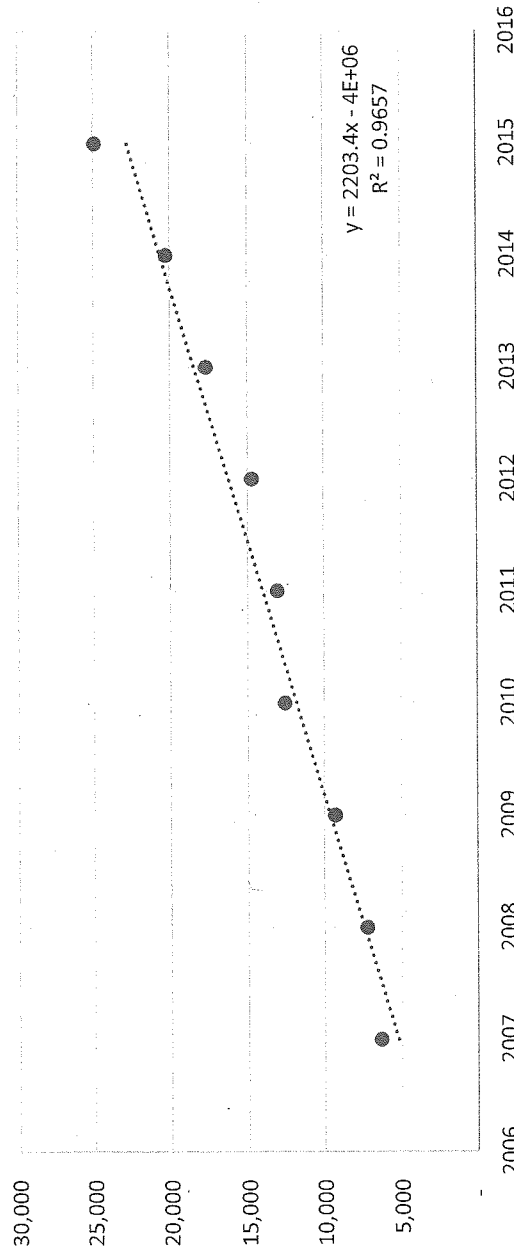
Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Intang. Accum. Amort & Depr.	6,349	7,252	9,302	12,606	13,074	14,736	17,667	20,242	24,943
								Per CBR	UPDATED

Annual Increase (slope below)
Rate (Annual) 2,203
8.83%

Rate (2-year, to 2017) **17.67%** (Escalation Factor)

Intangible Accum. Depreciation & Amortization (Electric)

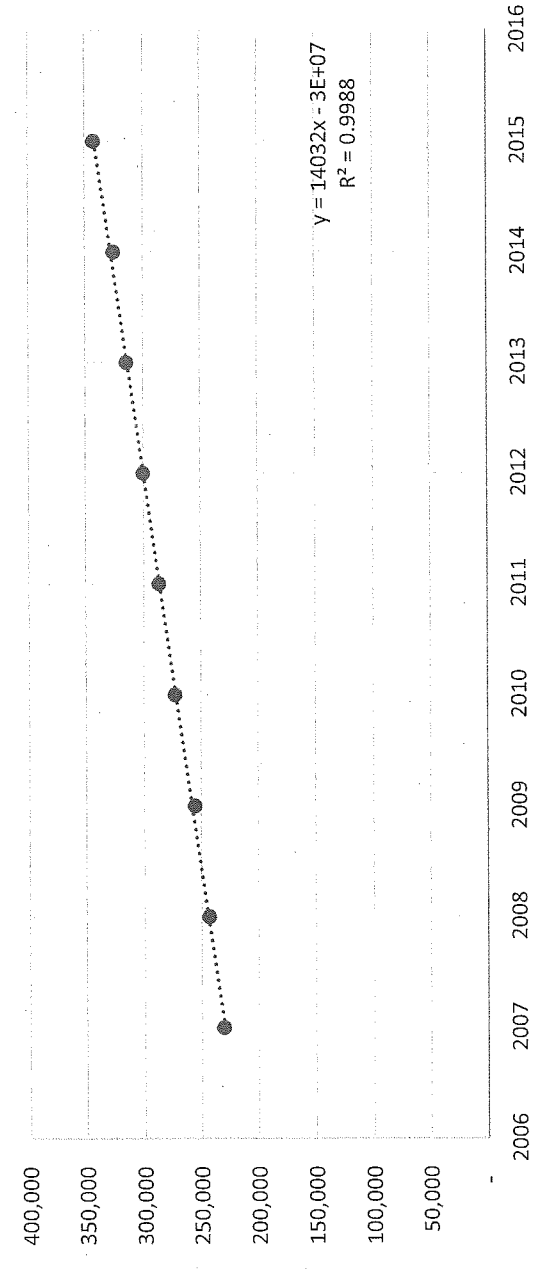


Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prod. Accum. Amort & Depr.	230,738	243,189	255,390	272,340	286,300	300,170	314,599	325,531	342,899
								Per CBR	UPDATED

Annual Increase (slope below) 14,032
 Rate (Annual) 4.09%
 Rate (2-year, to 2017) **8.18%** (Escalation Factor)

Production Accum. Depreciation & Amortization (Electric)

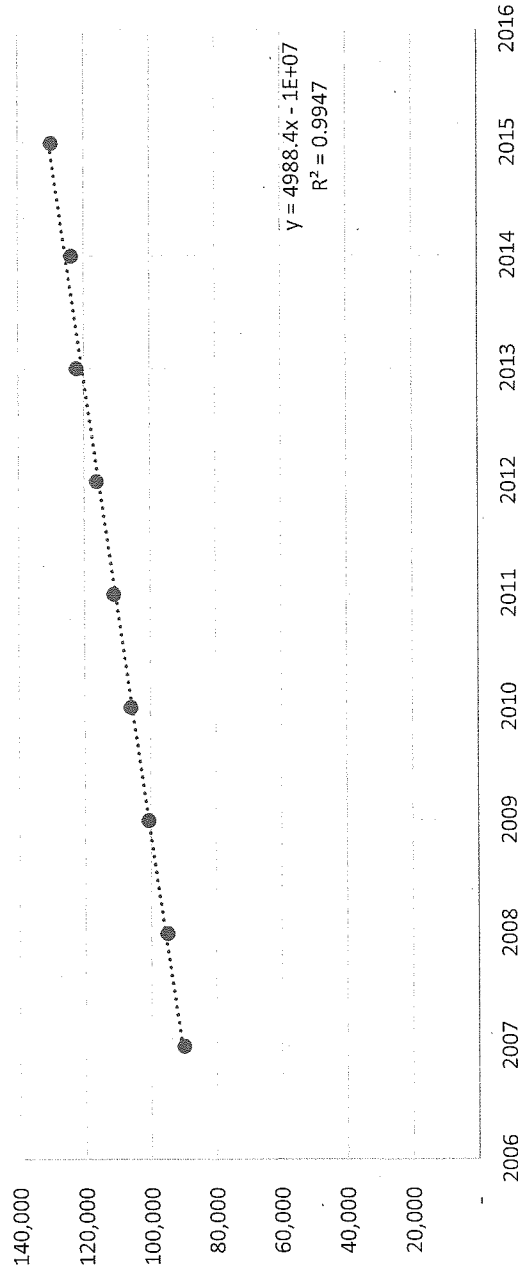


Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transm Accum. Amort & Depr.	90,140	95,026	100,649	106,041	111,144	116,316	122,308	123,869	129,936
								Per CBR	UPDATED

Annual Increase (slope below) 4,988
 Rate (Annual) 3.84%
 Rate (2-year, to 2017) **7.68%** (Escalation Factor)

Production Accum. Depreciation & Amortization (Electric)

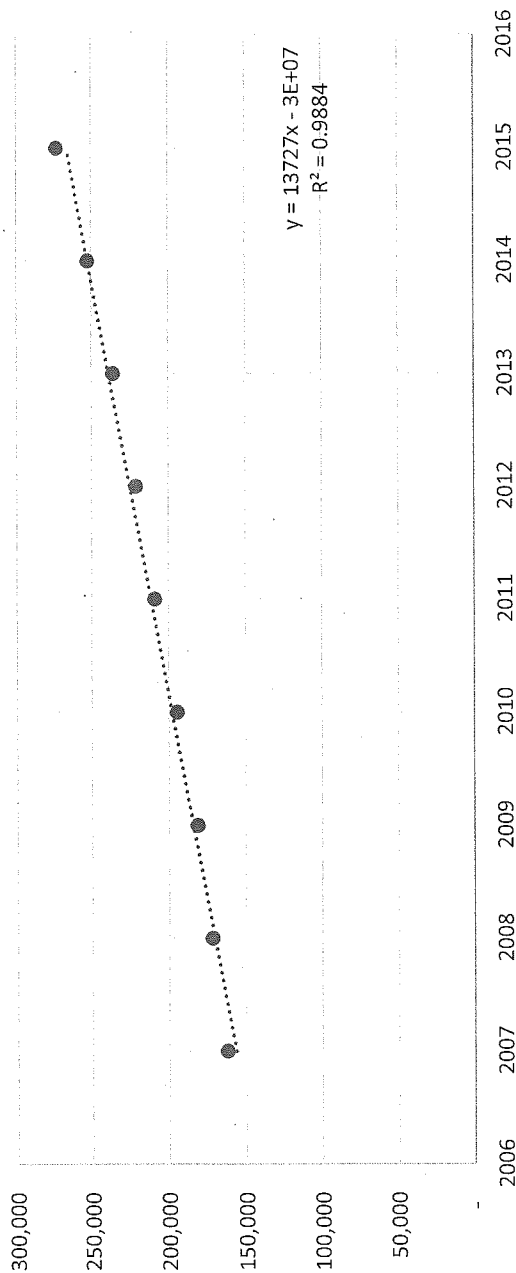


Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Distr. Accum. Amort & Depr.	162,343	172,026	181,327	194,593	209,101	221,408	236,201	252,722	273,578
								Per CBR	UPDATED

Annual Increase (slope below) 13,727
 Rate (Annual) 5.02%
 Rate (2-year, to 2017) **10.03%** (Escalation Factor)

Distribution Accum. Depreciation & Amortization (Electric)

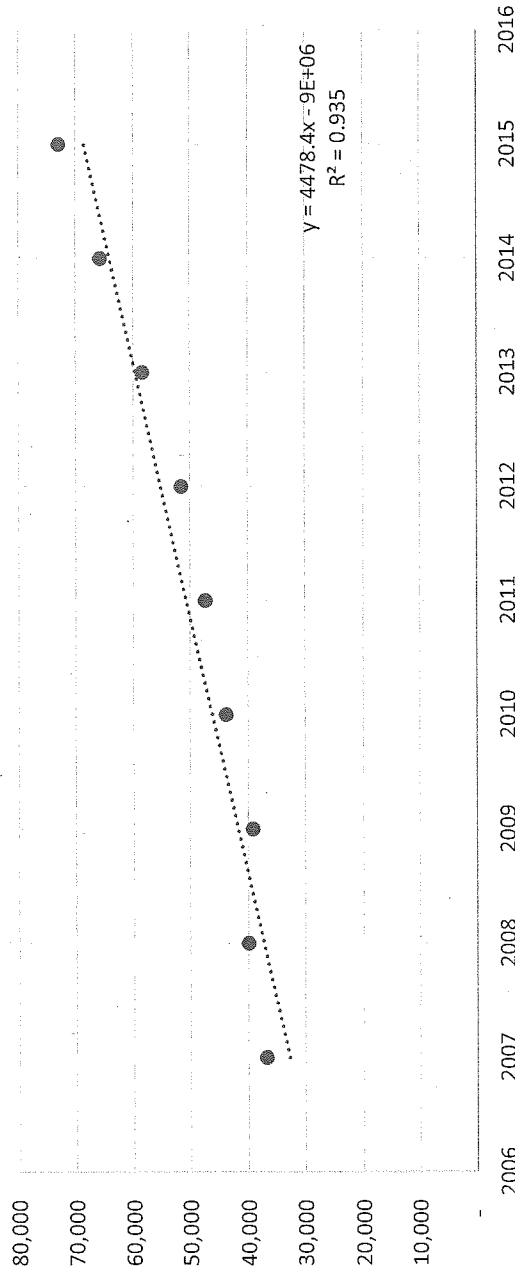


Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Accum. Amort & Depr.	36,737	39,933	39,153	43,819	47,365	51,504	58,357	65,720	73,050
								Per CBR	UPDATED

Annual Increase (slope below) 4,478
 Rate (Annual) 6.13%
 Rate (2-year, to 2017) **12.26%** (Escalation Factor)

General Accum. Depreciation & Amortization (Electric)



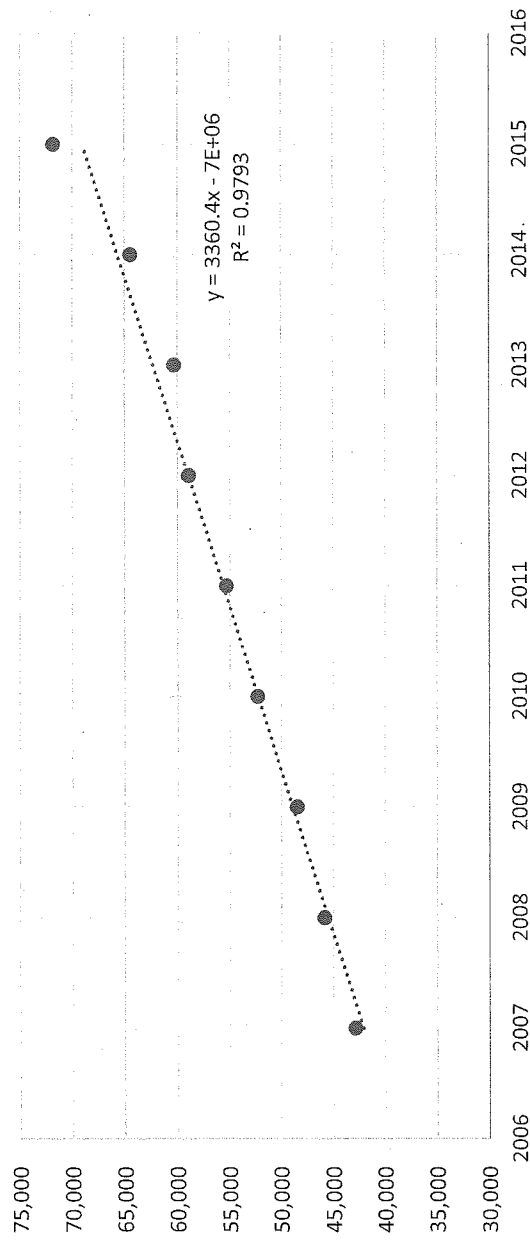
Staff Proposed Based on Commission Order No. 05 Docket, No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Depreciation/ Amortization	42,949	45,874	48,466	52,270	55,304	58,946	60,308	64,456	71,829

UPDATED

Annual Increase (slope below) 3,360.4
 Rate (Annual) 4.68%
 Rate (2-year, to 2017) **9.36%** (Escalation Factor)

Depreciation/ Amortization (Electric)



Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

Adjusted Taxes	2007	2008	2009	2010	2011	2012	2013	2014	2015
	24,422	25,215	26,626	29,451	32,680	33,805	36,722	38,649	41,581

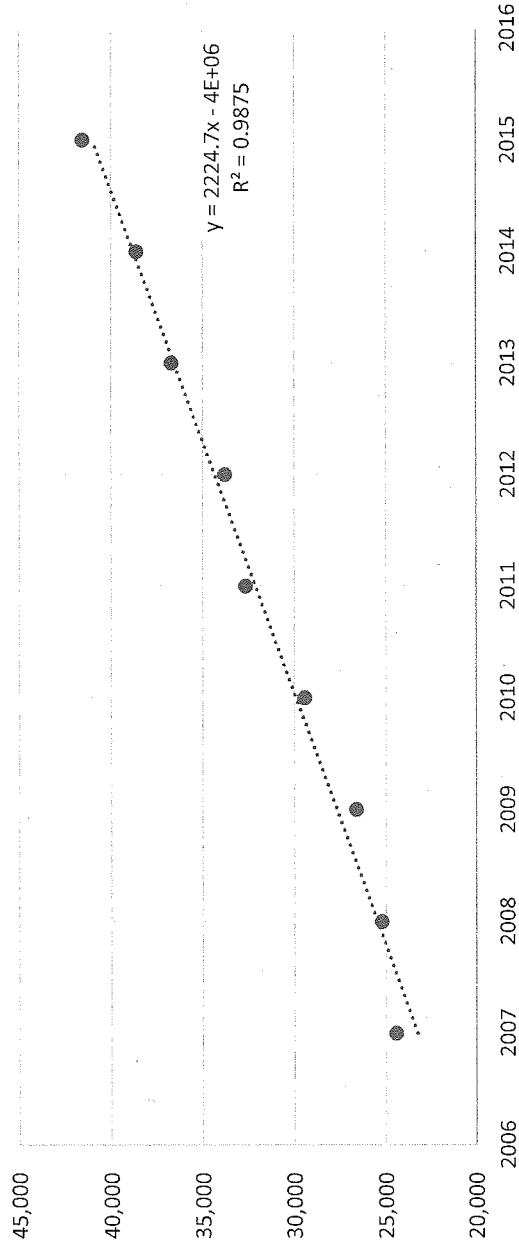
UPDATED (1)

Annual Increase (slope below) 2225

Rate (Annual) 5.35%

Rate (2-year, to 2017) **10.70%** (Escalation Factor)

Adjusted Taxes (Electric)



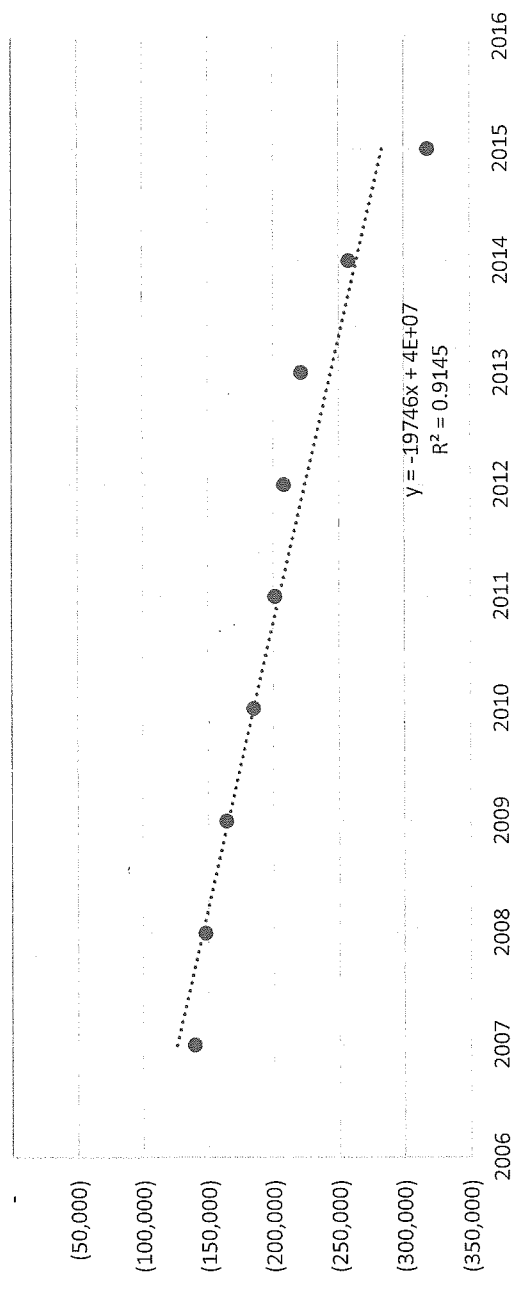
(1) Corrected excise tax error in 2009-2015. From Staff DR 30.

Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Deferred Taxes	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(221,354)	(257,766)	(317,860)
								Per CBR	UPDATED

Annual Increase (slope below) -19,746
 Rate (Annual) 6.21%
 Rate (2-year, to 2017) **12.42%** (Escalation Factor)

Deferred Taxes

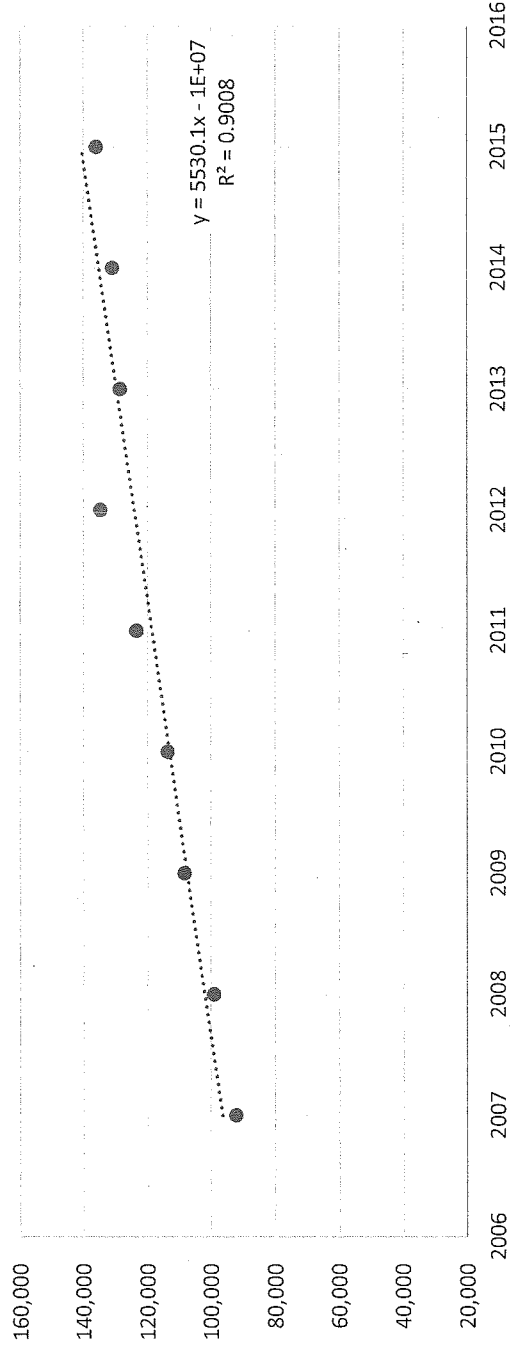


Staff Proposed Based on Commission Order No. 05 Docket No. UE-150204

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Adjusted Operating Expenses	92,212	99,146	108,289	113,650	123,419	134,594	128,510	130,891	136,009
Annual Increase (slope below)				5,530.1					
Rate (Annual)				4.07%					
Rate (2-year, to 2017)				8.13%					
Adjusted escalator (per CSH-1T, pg 46):				6.08%					
									UPDATED

(1)

Adjusted Operating Expenses 2007-2015



(1) November 2015 Storm expenses were removed for trending purposes and from Escalation Base.

**ELECTRIC BILLING DETERMINANT INDEX
09.2015 TO 2017 WEIGHTED REVENUE GROWTH**

Line	Revenue Model	Forecast	Billing Determinant	Revenue	Weight	Weight x Growth
Ended De Rate	12 ME 09.2015	2017	Growth	12 ME 09.2015	[E] = [D] / SUM([D])	[F] = [C] x [E]
Schedule	[A]	[B]	[C] = ([B] - [A]) / [A]	[D]		
1	RESIDENTIAL	2,481,909	1.89%	21,096,227	4.26%	0.08%
	Basic Charge					
2	GENERAL SVC.	369,248	2.30%	6,646,464	1.34%	0.03%
	Basic Charge					
3	LG. GEN. SVC.	24,164	0.61%	12,082,000	2.44%	0.01%
	Fixed Demand/Cust					
4	EX LG GEN SVC	252	0.67%	5,292,000	1.07%	0.01%
	Fixed Demand/Cust					
5	PUMPING	29,170	1.46%	525,060	0.11%	0.00%
	Basic Charge					
6	ST & AREA LTG					
	Basic Charge					
7	RESIDENTIAL	2,375,997,614	3.76%	189,973,890	38.37%	1.44%
	Volumes					
8	GENERAL SVC.	596,483,095	-0.27%	61,874,875	12.50%	-0.03%
	Volumes					
9	LG. GEN. SVC.	1,425,928,125	0.57%	99,936,477	20.19%	0.11%
	Volumes					
10	EX LG GEN SVC	1,108,671,541	3.33%	52,632,200	10.63%	0.35%
	Volumes					
11	PUMPING	154,884,909	-13.70%	11,985,355	2.42%	-0.33%
	Volumes					
12	ST & AREA LTG	25,597,340	0.00%	6,952,992	1.40%	0.00%
	Volumes					
13	RESIDENTIAL					
	Demand					
14	GENERAL SVC.	407,826	-1.36%	2,453,871	0.50%	-0.01%
	Demand					
15	LG. GEN. SVC.	2,838,030	-3.17%	17,086,327	3.45%	-0.11%
	Demand					
16	EX LG GEN SVC	1,293,261	-0.19%	6,526,238	1.32%	0.00%
	Demand					
17	PUMPING					
	Demand					
18	ST & AREA LTG					
	Demand					
19	Total			495,063,975	100.00%	1.56%
Total Customers						
2,904,743						
Total Volumes						
5,687,562,625						
Total Demand						
4,441,172						