

**Exh. BAE-2
Dockets UE-170485/UG-170486
Witness: Betty A. Erdahl**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-170485 and
UG-170486 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

BETTY A. ERDAHL

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Comparison of Staff and Avista
Investor Supplied Working Capital Adjustments
1.03 E-WC and 1.03 G-WC
For the year ended December 31, 2016*

October 27, 2017

LINE NO.	Description	(a)	(b)	(c)	(d)	STAFF FOOTNOTE
		Avista Response to UTC DR No. 244 AMA	STAFF ADJUSTMENT AMA	Per Exh. BAE-3 ISWC TOTAL AS ADJUSTED BY STAFF AMA		
		(b)	(c)	(d)		
			= (d) - (b)			
1	AVERAGE INVESTED CAPITAL					
2	Total Average Invested Capital (BAE-3, Lines 760 & 768, Col d)	3,241,065,478	-	3,241,065,478		
3						
4	INVESTMENTS					
5	Total Average Investments (WA + ID + OR)	3,105,390,778	(4,469,974)	3,109,860,753		
6						
7	Total Investor Supplied Working Capital (Line 2 - Line 5)	135,674,700	4,469,974	131,204,725		
8						
9	Total Operating Investment (BAE-3, Lines 760 & 768, Col f)	2,701,575,373	-	2,701,575,373		
10	Total Operating Investment Percentage (Line 9 / Line 5)	87.00%		86.87%		
11	Total Operating ISWC (Line 7 * Line 10)	118,031,982		113,979,204		
12						
13	Non Operating Investment (BAE-3, Lines 760 & 768, Col g)	403,815,406	(4,469,974)	408,285,380		
14	Total Non-operating Investment (Line 12 / Line 5)	13.00%		13.13%		
15	Total Non Operating ISWC (Line 7 * Line 14)	17,642,718		17,225,520.80		(1)
16						
17	ALLOCATED INVESTOR SUPPLIED WORKING CAPITAL					
18	Electric Working Capital (Line 11 * Line 19)	57,522,863	679,561	58,202,424		
19	Electric Working Capital Ratio (BAE-3, Line 773, Col e)	48.73%		51.06%		
20						
21	Gas Working Capital (Line 11 * Line 22)	13,656,644	(2,175,108)	11,481,536		
22	Gas Working Capital Ratio (BAE-3, Line 776, Col e)	11.57%		10.07%		
23						
26						
27	Footnotes:					
28	(1) Non-Operating includes accounts that accrue or earn interest, CWIP, Non-utility, and or accounts not allowed for rate making purposes.					

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA
TRADITIONAL PRO FORMA STUDY
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Avista Working Capital Per Books	Working Capital Calc by Staff	Working Capital Adj Staff
	Adjustment Number		1.03	1.03
	Workpaper Reference		E-WC	E-WC
	REVENUES			
1	Total General Business	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-
3	Sales for Resale	-	-	-
4	Total Sales of Electricity	-	-	-
5	Other Revenue	-	-	-
6	Total Electric Revenue	-	-	-
	EXPENSES			
	Production and Transmission			
7	Operating Expenses	-	-	-
8	Purchased Power	-	-	-
9	Depreciation/Amortization	-	-	-
10	Regulatory Amortization	-	-	-
11	Taxes	-	-	-
12	Total Production & Transmission	-	-	-
	Distribution			
13	Operating Expenses	-	-	-
14	Depreciation/Amortization	-	-	-
15	Regulatory Amortization	-	-	-
16	Taxes	-	-	-
17	Total Distribution	-	-	-
18	Customer Accounting	-	-	-
19	Customer Service & Information	-	-	-
20	Sales Expenses	-	-	-
	Administrative & General			
21	Operating Expenses	-	-	-
22	Depreciation/Amortization	-	-	-
23	Taxes	-	-	-
24	Total Admin. & General	-	-	-
25	Total Electric Expenses	-	-	-
26	OPERATING INCOME BEFORE FIT	-	-	-
	FEDERAL INCOME TAX			
27	Current Accrual	-	-	-
28	Debt Interest	-	-	71
29	Deferred Income Taxes	-	-	-
30	Amortized ITC - Noxon	-	-	-
31	NET OPERATING INCOME	\$0	\$0	(\$71)
	RATE BASE			
	PLANT IN SERVICE			
32	Intangible	\$0	\$0	\$0
33	Production	-	-	-
34	Transmission	-	-	-
35	Distribution	-	-	-
36	General	-	-	-
37	Total Plant in Service	-	-	-
	ACCUMULATED DEPRECIATION/AMORT			
38	Intangible	-	-	-
39	Production	-	-	-
40	Transmission	-	-	-
41	Distribution	-	-	-
42	General	-	-	-
43	Total Accumulated Depreciation	-	-	-
44	NET PLANT	-	-	-
45	DEFERRED TAXES	-	-	-
46	Net Plant After DFIT	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-
48	WORKING CAPITAL	65,480	58,202	(7,278)
49	TOTAL RATE BASE	\$65,480	\$58,202	(\$7,278)

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA
TRADITIONAL PRO FORMA STUDY
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Avista Working Capital Per Books	Working Capital Calc by Staff	Working Capital Adj Staff
	Adjustment Number	1.03	1.03	1.03
	Workpaper Reference	G-WC	G-WC	G-WC
	REVENUES			
1	Total General Business	\$ -	\$ -	\$ -
2	Total Transportation	-	-	-
3	Other Revenues	-	-	-
4	Total Gas Revenues	-	-	-
	EXPENSES			
	Production Expenses			
5	City Gate Purchases	-	-	-
6	Purchased Gas Expense	-	-	-
7	Net Nat Gas Storage Trans	-	-	-
8	Total Production	-	-	-
	Underground Storage			
9	Operating Expenses	-	-	-
10	Depreciation/Amortization	-	-	-
11	Taxes	-	-	-
12	Total Underground Storage	-	-	-
	Distribution			
13	Operating Expenses	-	-	-
14	Depreciation/Amortization	-	-	-
15	Taxes	-	-	-
16	Total Distribution	-	-	-
17	Customer Accounting	-	-	-
18	Customer Service & Information	-	-	-
19	Sales Expenses	-	-	-
	Administrative & General			
20	Operating Expenses	-	-	-
21	Depreciation/Amortization	-	-	-
22	Regulatory Amortizations	-	-	-
23	Taxes	-	-	-
24	Total Admin. & General	-	-	-
25	Total Gas Expense	-	-	-
26	OPERATING INCOME BEFORE FIT	-	-	-
	FEDERAL INCOME TAX			
27	Current Accrual	-	-	-
28	Debt Interest	-	-	41
29	Deferred FIT	-	-	-
30	Amort ITC	-	-	-
31	NET OPERATING INCOME	\$ -	\$ -	\$ (41)
	RATE BASE			
	PLANT IN SERVICE			
32	Underground Storage	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-
34	General Plant	-	-	-
35	Total Plant in Service	-	-	-
	ACCUMULATED DEPRECIATION/AMORT			
36	Underground Storage	-	-	-
37	Distribution Plant	-	-	-
38	General Plant	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-
40	NET PLANT	-	-	-
41	DEFERRED TAXES	-	-	-
42	Net Plant After DFIT	-	-	-
43	GAS INVENTORY	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-
45	OTHER	-	-	-
46	WORKING CAPITAL	15,664	11,482	(4,182)
47	TOTAL RATE BASE	\$ 15,664	\$ 11,482	\$ (4,182)