

**Exh. CSH-4
Dockets UE-170485/UG-170486
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-170485 and
UG-170486 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Christopher S. Hancock

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Development of Composite Revenue Escalators

October 27, 2017

Avista Utilities
Washington State
Development of Composite Revenue Escalators

Washington Electric Service						
		Avista		Washington UTC		
Component	Share	AVA Growth Rate	AVA Weighted Avg Escal	UTC Regr	UTC Indices	UTC Weighted Avg Escal
Depreciation	20.05%	9.13%	1.83%	4.70%	-	0.94%
O&M	35.74%	2.55%	0.91%	3.77%	2.36%	0.84%
Taxes OTI	9.82%	4.53%	0.44%	5.13%	-	0.50%
Net plant After ADFIT	34.40%	3.04%	1.05%	3.82%	-	1.05%
Revenues			-1.02%			-1.02%
ESCALATOR			3.21%			2.32%

Washington Natural Gas Service						
		Avista		Washington UTC		
Component	Share	AVA Growth Rate	AVA Weighted Avg Escal	UTC Regr	UTC Indices	UTC Weighted Avg Escal
Depreciation	20.13%	10.93%	2.20%	6.17%	-	1.24%
O&M	41.40%	3.26%	1.35%	4.61%	2.03%	0.84%
Taxes OTI	7.33%	5.21%	0.38%	5.41%	-	0.40%
Net plant ADFIT	31.15%	5.02%	1.56%	4.73%	-	1.56%
Revenues			-0.84%			-0.84%
ESCALATOR			4.65%			3.20%

Shading indicates values used in Staff's composite escalation factor.