AVISTA UTILITIES Electric Residential Direct Customer Cos

Services			Avista Proposed ROR	Alternative ROR	t
Meters	Gross Plant				
Total Gross Plant					
Services					
Services		Total Gloss Flant	\$61,422,093	\$61,422,093	,
Meters	Depreciation	Reserve			
Total Depreciation Reserve		Services	-\$24,755,725 1	-\$24,755,725	1/
State Stat		<u>Meters</u>	<u>-\$2,740,092</u> 1	<u>-\$2,740,092</u>	1/
Departion & Maintenance Expenses Services Operations S410,951 1		Total Depreciation Reserve	-\$27,495,817	-\$27,495,817	,
Services Operations	Cotal Net Pla	nnt	\$53,926,876	\$53.926.876	·
Services Operations					
Services Operations	Ineration &	Maintenance Evnences	•		
Meters Operations	operation &		\$410,951 1	/ \$410,951	1/
Meters Maintenance \$54,362 1/ \$54,362 1/ \$24,199,607 1/ \$2,199,607 1/ \$2,199,607 1/ \$2,199,607 1/ \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,199,607 1 \$2,487,339 0 \$2,487,370 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,587,070 \$3,2420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,240,270		•		ŕ	
Meter Reading \$2,199,607 1/ \$2,199,607 1/ \$2,199,607 1/ \$2,199,607 1/ \$4,873,390 1/ \$4,873,390 1/ \$4,873,390 1/ \$4,873,390 1/ \$4,873,390 1/ \$4,873,390 1/ \$4,873,390 1/ \$8,587,070 Depreciation Expense Services Depr. \$1,794,801 1/ \$1,794,801 1/ \$625,469 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/ \$625,489 1/		Meters Maintenance	\$54,362 1		
Total O & M Expenses \$8,587,070 \$8,587,070		Meter Reading	\$2,199,607 1	/ \$2,199,607	1/
Services Depr. \$1,794,801 1/ \$1,794,801 1 \$625,469 1		Billing	\$4,873,390 1	/ \$4,873,390	1/
Services Depr. \$1,794,801 1/ \$1,794,801 1 Meters Depr. \$625,469 1/ \$625,469 1 \$625,469		Total O & M Expenses	\$8,587,070	\$8,587,070)
Services Depr. \$1,794,801 1/ \$1,794,801 1 Meters Depr. \$625,469 1/ \$625,469 1 \$625,469	Denreciation	Expense			
Meters Depr. \$625,469 1/ \$625,469 1/ \$625,469 1/ \$625,469 1/ \$625,469 1/ \$625,469 1/ \$625,469 1/ \$2,420,270 1/ \$2,420,270 1/ \$2,420,270 1/ \$2,420,270 1/ \$2,420,270 2/ \$2,420,270 2/ \$1,602,793 2/ \$1,602,793 2/ \$1,602,793 2/ \$2,349,055 4 \$2,349,055 4 \$1,602,793 2/ \$2,349,055 4 \$1,602,793 2/ \$2,349,055 4 \$1,602,793 2/ \$2,349,055 4 \$1,602,793 2/ \$2,349,055 4 \$1,602,793 2 \$2,423,490,055 4 \$1,624,876 Revenue Revenue For Return \$5,979,664.22 \$5,216,723.37 \$5,216,723.37 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,240,270 \$2,240,270 \$2,240,270 \$2,240,270 \$2,240,270 \$2,240,270 \$2,240,270 <t< td=""><td>эсрі ссіацон</td><td></td><td>\$1.794.801 · 1</td><td>/ \$1.794.801</td><td>1/</td></t<>	эсрі ссіацон		\$1.794.801 · 1	/ \$1.794.801	1/
Total Depreciation Expense \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,420,270 \$2,844,966 \$2 \$2,349,055 \$4 \$1,602,793 \$2,420,270 \$2,349,055 \$4 \$1,531,905 \$1,264,876 \$2,844,966 \$2 \$5,216,723.37 \$2,420,270 \$2		·		• •	
Interest \$1,602,793 2/ \$1,602,793 2 Equity return \$2,844,966 2/ \$2,349,055 4 Income Tax @ 35% \$1,531,905 \$1,264,876 Revenue For Return \$5,979,664.22 \$5,216,723.37 O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1					
Equity return \$2,844,966 2/ \$2,349,055 4 Income Tax @ 35% \$1,531,905 \$1,264,876 Revenue For Return \$5,979,664.22 \$5,216,723.37 O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 3/ Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills \$2,417,371 1/ \$2,417,371 1	Revenue Req	quirement			
Equity return \$2,844,966 2/ \$2,349,055 4 Income Tax @ 35% \$1,531,905 \$1,264,876 Revenue For Return \$5,979,664.22 \$5,216,723.37 O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 3/ Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills \$2,417,371 1/ \$2,417,371 1					
Income Tax @ 35% \$1,531,905 \$1,264,876 Revenue For Return \$5,979,664.22 \$5,216,723.37 O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1			\$1,602,793 2	/ \$1,602,793	2/
Revenue For Return \$5,979,664.22 \$5,216,723.37 O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1			\$2,844,966 2	/ \$2,349,055	4/
O & M Expenses \$8,587,070 \$8,587,070 Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1			<u>\$1,531,905</u>	\$1,264,876	2
Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371		Revenue For Return	\$5,979,664.22	\$5,216,723.37	,
Depreciation Expense \$2,420,270 \$2,420,270 Total Customer Revenue Requirement Before Gross up \$16,987,004 \$16,224,063 Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371		O & M Expenses	\$8,587,070	\$8,587,070)
Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 3 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1					
Gross Up for Uncollect., WUTC Fee, and Excise Tax 0.955100 3/ 0.955100 3 Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1					
Total Customer Revenue Requirement \$17,785,577 \$16,986,769 Number of Bills 2,417,371 1/ \$2,417,371 1					
Number of Bills 2,417,371 1/ \$2,417,371 1			<u>0.955100</u> 3	/ <u>0.955100</u>	3/
		Total Customer Revenue Requirement	\$17,785,577	\$16,986,769	•
Monthly Cost \$7.36 \$7.02		Number of Bills	2,417,371 1	\$2,417,371	1/
		Monthly Cost	\$7.26	\$7.03	

^{1/} Per Exhibit No. ___(TLK-4), page 4.

^{2/} Per Avista proposed capital structure, cost of debt (5.76%), and cost of equity (10.9%).

^{3/} Provision for Uncollectibles, Commission Fees, and WA Excise Tax. Per Exhibit No. $__$ (EMA-2), page 4.

^{4/} Per Avista proposed capital structure and cost of debt (5.76%) and alternative reasonable cost of equity (9.0%)

AVISTA UTILITIES Natural Gas General Service Direct Customer Cost

	Natural Gas General Service Di	Avista Proposed ROR	Alternative ROR	
Gross Plant				
•	Services	\$94,810,708		
•	Meters Total Gross Plant	\$36,115,695 \$130,926,403	1/ <u>\$36,115,695</u> \$130,926,403	1/
	Tomi Group Final	\$130,720,403	\$130,720,403	
Depreciation	Reserve			
	Services	-\$39,668,258	1/ -\$39,668,258	1/
	Meters	<u>-\$7,847,029</u>	1/ <u>-\$7,847,029</u>	1/
	Total Depreciation Reserve	-\$47,515,287	-\$47,515,287	
Total Net Pla	unt_	\$83,411,116	<u>\$83,411,116</u>	
Total Rate Base		\$83,411,116	\$83,411,116	
Operation &	Maintenance Expenses			
	Services Maintenance	\$559,344	1/ \$559,344	1/
	Meters Maintenance	\$693,972	1/ \$693,972	1/
	Meter Reading	\$1,551,770	1/ \$1,551,770	1/
	Billing	\$3,431,005	1/ \$3,431,005	1/
	Total O & M Expenses	\$6,236,091	\$6,236,091	
epreciation	Expense			
•	Services Depr.	\$2,309,991	1/ \$2,309,991	1/
	Meters Depr.	\$1,035,818	1/ \$1,035,818	1/
	Total Depreciation Expense	\$3,345,809	\$3,345,809	
Revenue Req	uirement			
tevenue recq	·			
	Interest	\$2,479,112	2/ \$2,479,112	2/
	Equity return	\$4,400,437		
	Income Tax @ 35%	\$2,369,466	\$1,956,440	
	Revenue For Return	\$9,249,015	\$8,068,940	
	0.6 M.F	An and an		
	O & M Expenses	\$6,236,091	\$6,236,091	
	Depreciation Expense	\$3,345,809	\$3,345,809	
	Total Customer Revenue Requirement Before Gross up	\$18,830,915	\$17,650,840	
	Gross Up for Uncollect., WUTC Fee, and Excise Tax	0.955309	3/ <u>0.955309</u>	3/
	Total Customer Revenue Requirement	\$19,711,857	\$18,476,577	
	Number of Bills	1,748,256	1/ \$1,748,256	1/
		,,,		
	Monthly Cost	\$11.28	\$10.57	

^{1/} Per Exhibit No. ___(TLK-6), page 4.

^{2/} Per Avista proposed capital structure, cost of debt (5.76%) and cost of equity (10.9%).

^{3/} Provision for Uncollectibles, Commission Fees, and WA Excise Tax. Per Exhibit No. (EMA-3), page 4.

^{4/} Per Avista proposed capital structure and cost of debt (5.76%) and alternative reasonable cost of equity (9.0%)