

AVISTA UTILITIES
Electric Residential Direct Customer Cost

	Avista Proposed ROR	Alternative ROR
Gross Plant		
Services	\$65,366,953 1/	\$65,366,953 1/
Meters	<u>\$16,055,740</u> 1/	<u>\$16,055,740</u> 1/
Total Gross Plant	\$81,422,693	\$81,422,693
Depreciation Reserve		
Services	-\$24,755,725 1/	-\$24,755,725 1/
Meters	<u>-\$2,740,092</u> 1/	<u>-\$2,740,092</u> 1/
Total Depreciation Reserve	-\$27,495,817	-\$27,495,817
Total Net Plant	<u>\$53,926,876</u>	<u>\$53,926,876</u>
Total Rate Base	\$53,926,876	\$53,926,876
Operation & Maintenance Expenses		
Services Operations	\$410,951 1/	\$410,951 1/
Meters Operations	\$1,048,760 1/	\$1,048,760 1/
Meters Maintenance	\$54,362 1/	\$54,362 1/
Meter Reading	\$2,199,607 1/	\$2,199,607 1/
Billing	<u>\$4,873,390</u> 1/	<u>\$4,873,390</u> 1/
Total O & M Expenses	\$8,587,070	\$8,587,070
Depreciation Expense		
Services Depr.	\$1,794,801 1/	\$1,794,801 1/
Meters Depr.	<u>\$625,469</u> 1/	<u>\$625,469</u> 1/
Total Depreciation Expense	\$2,420,270	\$2,420,270
Revenue Requirement		
Interest	\$1,602,793 2/	\$1,602,793 2/
Equity return	\$2,844,966 2/	\$2,349,055 4/
Income Tax @ 35%	<u>\$1,531,905</u>	<u>\$1,264,876</u>
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	<u>0.955100</u> 3/	<u>0.955100</u> 3/
Total Customer Revenue Requirement	\$17,785,577	\$16,986,769
Number of Bills	2,417,371 1/	2,417,371 1/
Monthly Cost	\$7.36	\$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

	Avista Proposed ROR	Alternative ROR
Gross Plant		
Services	\$94,810,708 1/	\$94,810,708 1/
<u>Meters</u>	<u>\$36,115,695 1/</u>	<u>\$36,115,695 1/</u>
Total Gross Plant	\$130,926,403	\$130,926,403
Depreciation Reserve		
Services	-\$39,668,258 1/	-\$39,668,258 1/
<u>Meters</u>	<u>-\$7,847,029 1/</u>	<u>-\$7,847,029 1/</u>
Total Depreciation Reserve	-\$47,515,287	-\$47,515,287
Total Net Plant	<u>\$83,411,116</u>	<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/
<u>Billing</u>	<u>\$3,431,005 1/</u>	<u>\$3,431,005 1/</u>
Total O & M Expenses	\$6,236,091	\$6,236,091
Depreciation Expense		
Services Depr.	\$2,309,991 1/	\$2,309,991 1/
<u>Meters Depr.</u>	<u>\$1,035,818 1/</u>	<u>\$1,035,818 1/</u>
Total Depreciation Expense	\$3,345,809	\$3,345,809
Revenue Requirement		
Interest	\$2,479,112 2/	\$2,479,112 2/
Equity return	\$4,400,437 2/	\$3,633,388 4/
<u>Income Tax @ 35%</u>	<u>\$2,369,466</u>	<u>\$1,956,440</u>
Revenue For Return	\$9,249,015	\$8,068,940
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
<u>Gross Up for Uncollect., WUTC Fee, and Excise Tax</u>	<u>0.955309 3/</u>	<u>0.955309 3/</u>
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%)