

**AVISTA UTILITIES**  
**Natural Gas General Service Direct Customer Cost**

	<b>Avista Proposed ROR</b>	<b>PC Proposed ROR</b>
<b>Gross Plant</b>		
Services	\$101,065,613 1/	\$101,065,613 1/
<u>Meters</u>	<u>\$37,622,038 1/</u>	<u>\$37,622,038 1/</u>
Total Gross Plant	\$138,687,651	\$138,687,651
<b>Depreciation Reserve</b>		
Services	-\$43,639,450 1/	-\$43,639,450 1/
<u>Meters</u>	<u>-\$8,117,861 1/</u>	<u>-\$8,117,861 1/</u>
Total Depreciation Reserve	-\$51,757,311	-\$51,757,311
<b>Total Net Plant</b>	<b><u>\$86,930,340</u></b>	<b><u>\$86,930,340</u></b>
<b>Total Rate Base</b>	<b>\$86,930,340</b>	<b>\$86,930,340</b>
<b>Operation &amp; Maintenance Expenses</b>		
Services Maintenance	\$1,048,893 1/	\$1,048,893 1/
Meters Maintenance	\$905,136 1/	\$905,136 1/
Meter Reading	\$1,551,146 1/	\$1,551,146 1/
<u>Records &amp; Collections</u>	<u>\$3,322,480 1/</u>	<u>\$3,322,480 1/</u>
Total O & M Expenses	\$6,827,655	\$6,827,655
<b>Depreciation Expense</b>		
Services Depr.	\$3,729,673 1/	\$3,729,673 1/
<u>Meters Depr.</u>	<u>\$1,238,653 1/</u>	<u>\$1,238,653 1/</u>
Total Depreciation Expense	\$4,968,326	\$4,968,326
<b>Revenue Requirement</b>		
Interest	\$2,402,928 2/	\$2,402,928 2/
Equity return	\$4,302,183 2/	\$3,727,138 4/
<u>Income Tax @ 35%</u>	<u>\$2,316,560</u>	<u>\$2,006,921</u>
Revenue For Return	\$9,021,671	\$8,136,987
O & M Expenses	\$6,827,655	\$6,827,655
Depreciation Expense	\$4,968,326	\$4,968,326
Total Customer Revenue Requirement Before Gross up	\$20,817,652	\$19,932,968
<u>Gross Up for Uncollect., WUTC Fee, and Excise Tax</u>	<u>0.955203 3/</u>	<u>0.955203 3/</u>
Total Customer Revenue Requirement	\$21,793,956	\$20,867,782
Number of Bills	1,768,267 1/	1,768,267 1/
Monthly Cost	<b>\$12.33</b>	<b>\$11.80</b>

1/ Per Company Class Cost of Service Study sponsored by witness Miller.

2/ Per Avista proposed capital structure, cost of debt (5.42%) and cost of equity (10.10%).

3/ Provision for Uncollectibles, Commission Fees, and WA Excise Tax. Per Exhibit No. \_\_\_(EMA-3), page 3.

4/ Per Public Counsel Witness Hill.