

**Exhibit No. MC-15
Dockets UE-160228/UG-160229
Witness: Melissa Cheesman**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-160228 and
UG-160229 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

MELISSA CHEESMAN

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Pipeline FTE Alternative

August 17, 2016

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
Pro Forma Adjustment
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Pipeline Safety Labor
	Adjustment Number	3.03
	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	5
10	Depreciation/Amortization	-
11	Taxes	-
12	Total Underground Storage	5
	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	5
26	OPERATING INCOME BEFORE FIT	(5)
	FEDERAL INCOME TAX	
27	Current Accrual	(2)
28	Debt Interest	-
29	Deferred FIT	-
30	Amort ITC	-
31	NET OPERATING INCOME	<u><u>\$ (3)</u></u>
	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	DEFREED TAXES	-
42	Net Plant After DFIT	-
43	GAS INVENTORY	-
44	GAIN ON SALE OF BUILDING	-
45	OTHER	-
46	WORKING CAPITAL	-
47	TOTAL RATE BASE	<u><u>\$ -</u></u>

Pipeline Safety Management System Positions

Assumptions	Alternative			Company
	2016	2017		
	O&M Expense	O&M Expense	O&M Expense	O&M Expense
1 FTE 100% O&M	\$ -	\$ -	\$ 92	\$ -
1 FTE 100% O&M	\$ -	\$ -	\$ 85	\$ -
1 FTE 60% Cap/40% O&M	\$ -	\$ -	\$ 15	\$ -
1 FTE 90% Capital/10% O&M	\$ 7	\$ 7,150	\$ 15	\$ -
2 FTE 90% Capital/10% O&M	\$ -	\$ -	\$ 30	\$ -
2 FTE 90% Capital/10% O&M	\$ -	\$ -	\$ 30	\$ -
	\$ 7	\$ 7,150	\$ 267	\$ 267

Allocation	GN	OR	WA	ID	Company	Change
Allocated Four Factor 8	69.082%	30.918%	70.758%	29.2%		
Allocated WA/ID			68.52%	31.5%		
WA G			5		\$ 104	\$ (99)
ID G			2		\$ 44	\$ (41)
OR			-		\$ 119	\$ (119)
			7		\$ 267	\$ (260)

Common All Pipeline Safety Planning Manager
 Common All Damage Prevention Administrator
 Common All QA/QC Program Administrator
 Common WA/ID Inspector (CSR) SE Region
 OR Inspector (Const. Spec) Roseburg & Kalamath Falls
 OR Inspector (Const. Spec) - Medford