

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NOS. UE-120436 & UG-120437

DOCKET NOS. UE-110876 & UG-110877

APPENDIX

JOINT MOTION

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND) DOCKETS UE-120436 and
TRANSPORTATION COMMISSION,) UG-120437 (*Consolidated*)
)
Complainant,)
)
v.)
)
AVISTA CORPORATION d/b/a)
AVISTA UTILITIES,)
)
Respondent.)
.....)
WASHINGTON UTILITIES AND) DOCKETS UE-110876 and
TRANSPORTATION COMMISSION,) UG-110877 (*Consolidated*)
)
Complainant,) MULTIPARTY
) SETTLEMENT STIPULATION
v.)
)
AVISTA CORPORATION d/b/a)
AVISTA UTILITIES,)
)
Respondent.)
.....)

I. PARTIES

1. This Multiparty Settlement Stipulation is entered into by Avista Corporation (“Avista” or the “Company”), the Staff of the Washington Utilities and Transportation Commission (“Staff”), Northwest Industrial Gas Users (“NWIGU”), Industrial Customers of Northwest Utilities (“ICNU”),

and The Energy Project, jointly referred to herein as the “Settling Parties.”¹ The Settling Parties agree that this Multiparty Settlement Stipulation (hereinafter “Settlement” and/or “Stipulation”) is in the public interest and should be accepted by the Commission as a full resolution of all issues in these dockets. The Settling Parties understand this Settlement Stipulation is subject to approval of the Washington Utilities and Transportation Commission (the “Commission”).

II. INTRODUCTION

2. On April 2, 2012, Avista filed with the Commission certain tariff revisions designed to increase general rates for electric service (Docket UE-120436) and natural gas service (Docket UG-120437) in the State of Washington. Avista requested an increase in electric base rates of \$41.0 million, or 9.0 percent, and an increase in natural gas base rates of \$10.1 million, or 7.0 percent. On April 26, 2012, the Commission entered Order 02 suspending the tariff revisions and consolidating Dockets UE-120436 and UG-120437 for hearing and determination pursuant to WAC 480-07-320. A Prehearing Conference Order (Order 03) issued on May 14, 2012, granting NWECC’s request for a limited consolidation of Docket Nos. UE-110876 and UG-110877 with Avista’s subsequent general rate filing in Docket Nos. UE-120436 and UG-120437, in order to address certain outstanding issues related to electric decoupling. Representatives of all Parties appeared at Settlement Conferences held on August 27, 2012 and October 3, 2012, which were held for the purpose of narrowing or resolving the contested issues in this proceeding. Subsequent discussions led to this Multiparty Settlement Stipulation.

¹ These identified parties consist of all parties who have intervened and participated in the above dockets, with the exception of the Public Counsel Section of the Washington Office of Attorney General (“Public Counsel”) and the NW Energy Coalition (“NWECC” and/or the “Coalition”). The Coalition, although not a party to the Settlement Stipulation, has indicated that it does not intend to oppose the Settlement but reserves the right to request continued litigation of the electric decoupling issue in these consolidated dockets. (See discussion, infra, in Section 14 “Electric Decoupling”) They do not oppose the implementation of settlement rates, however, beginning on January 1, 2013.

3. The Settling Parties have reached a settlement of all issues as among themselves in this proceeding and wish to present their agreement for the Commission's consideration. The Settling Parties, therefore, adopt the following Settlement Stipulation in the interest of reaching a fair disposition of the issues in this proceeding.

III. AGREEMENT

A. Revised Proposed Increases and Rate Effective Dates

4. The Settling Parties agree that, effective with service on and after January 1, 2013, Avista shall be authorized to implement base rate changes designed to increase its annual revenues from Washington electric customers by \$13.650 million (or 3.0 percent on average), and from Washington natural gas customers by \$5.300 million (or 3.7 percent on average). The Settling Parties agree that a credit of \$4.400 million will be returned to electric customers to mitigate the 2013 rate increase from the existing Energy Recovery Mechanism (ERM) deferral balance, such that the net overall electric rate increase impact to customers in 2013 will be 2.0 percent on average.²

5. Further, the Settling Parties agree that, effective with service on and after January 1, 2014, Avista shall be authorized to implement base rate changes designed to increase its annual revenues from Washington electric customers by \$14.038 million (or 3.0 percent on average), and from Washington natural gas customers by \$1.400 million (or 0.9 percent on average). The Settling Parties agree that \$9.000 million will be returned to electric customers to mitigate the 2014 rate increase from the then-existing ERM deferral balance, if such funds are available, such that the

² The ERM deferral balance for 2011, approved by the Commission in Docket No. UE-120432, is \$12.8 million in the rebate to customers direction. The ERM deferral balance for the January to September 2012 period is \$6.3 million in the rebate to customers direction. A total of \$4.202 million of the \$12.8 million 2011 ERM balance will be credited to customers during 2013. The benefit to customers of this credit, including revenue-related adjustments, is \$4.400 million.

average bill impact to customers effective January 1, 2014 would be 2.0 % on average.³

6. For the base rate change effective January 1, 2014, Avista will file conforming tariffs by October 1, 2013. Avista will include in its tariff transmittal letter a statement of the ERM balances existing at that time, by year, and the 2013 ERM balance to date.

7. The Settling Parties agree to a 9.8 percent return on equity, with a 47.0 percent common equity ratio, and adopt the capital structure and resulting rate of return as set forth below:

Agreed-upon Cost of Capital			
	Percent of Total Capital	Cost	Component
Total Debt	53.00%	5.72%	3.03%
Common Equity	47.00%	9.80%	4.61%
Total	<u>100.00%</u>		<u>7.64%</u>

8. The Settling Parties have explicitly not agreed to a specific attrition allowance, but have taken into account the respective litigation positions of the parties in reaching this agreement.

B. Other Settlement Components

9. Depreciation Rates: The Settling Parties agree to accept, effective January 1, 2013, the updated electric and natural gas depreciation rates, including for transportation equipment, as provided within the Depreciation Study filed by the Company.

³ Effective January 1, 2014, the ERM offset of \$4.400 million for 2013 will expire, and will be replaced by a new ERM offset of \$9.000 million. The reduction to the ERM balance associated with this \$9.000 million credit to customers (which includes revenue-related adjustments) is \$8.596 million. ERM deferral dollars will be used on a first-in, first-out (FIFO) basis from 2011 and 2012.

10. ERM Structure. As a part of this Stipulation, the Settling Parties have agreed that there will be no changes to the current ERM deadband or sharing bands. The rate adjustment trigger, currently set at 10% of base revenues⁴ (or approximately \$45 million at current base rates), will be changed to be a \$30 million dollar threshold. If the deferrals in the ERM reach \$30 million, the Company will either surcharge or rebate the balance to customers. Finally, the Parties have agreed that the Retail Revenue Credit will be determined based on only the energy classified portion of the fixed and variable production and transmission revenue requirement, as further explained by the Company in its original filing.

11. ERM Authorized Amounts. For purposes of calculating the monthly ERM entries beginning January 1, 2013, Appendix 1 sets forth the agreed-upon level of the power supply revenues, expenses, retail load, and retail revenue credit resulting from this Stipulation. These power supply revenues and expenses include the costs and benefits associated with the Palouse Wind Project, which has been found by the Settling Parties to be prudent. It includes updated natural gas costs and short-term contracts as well, which were taken into account when arriving at the agreed-upon electric revenue requirement.

12. Renewable Energy Credit (REC) Revenues. Beginning on January 1, 2013, Avista will track separately and defer 100 percent of all REC revenues, over that which is included in base rates. This deferral will be for the benefit of customers and not subject to any deadband or sharing percentage. The deferred REC revenue will accrue interest consistent with other ERM balances.

13. Natural Gas Decoupling Baseline and Application: Pursuant to the Commission's order initially adopting the Avista decoupling pilot, In Re Petition of Avista Corp., Order 04, Docket UG-

⁴ Settlement Stipulation approved by the Fifth Supplemental Order in Docket UE-011595.

060518, paragraph 49, the baseline for the natural gas decoupling mechanism has been updated so as to use the test year employed in this rate case proceeding. The update of the baseline is reflected in Appendix 2. The Settling Parties agree that Schedule 159 shall continue in effect for Avista's natural gas customers with the update of the baseline reflected in Appendix 2. The Settling Parties agree that, given the new rate design for Schedule 101 as discussed in Section 19 below, the margin rate for purposes of determining deferrals under the mechanism will be the weighted average block rate, as shown on Page 1 of Appendix 2.

14. Electric Decoupling. The issue of electric decoupling for Avista was introduced by NWECC in Dockets UE-110876 and UG-110877, and later consolidated with these pending rate case dockets. The Settling Parties have agreed that, if the NWECC otherwise seeks continued litigation in these dockets to resolve the issue related to electric decoupling, Avista will not support adoption of such a mechanism in these dockets, nor will it seek to implement such a mechanism prior to its next general rate case. Each of the Settling Parties agrees not to support the implementation of electric decoupling for Avista prior to January 1, 2015.

15. Deferred Accounting for Maintenance Costs of Colstrip and Coyote Springs 2: The Settling Parties agree that the deferral mechanism related to annual maintenance costs associated with Colstrip Units 3 and 4 and Coyote Springs 2, which was approved by the Commission in Docket UE-110876, will terminate on December 31, 2012. Consistent with Docket UE-110876, there will be a four-year amortization of the 2011 and 2012 deferred amounts, as proposed by Staff.

16. Aldyl-A Accounting: Commencing January 1, 2013, the Company agrees to track separately all projects associated with the Aldyl-A replacement program, ensuring data related to the Aldyl-A replacement program will be available for future review by the Commission.

17. Allocation Methods: Avista, in its next general rate case, will provide justification for the service and jurisdictional cost allocation methodologies that it employs.

C. Rate Spread/Rate Design

18. Electric Rate Spread/Rate Design:

- a) Electric Cost of Service/Rate Spread – The Settling Parties agree to a uniform percentage of revenue increase for purposes of spreading the revised electric revenue requirement, as shown on Page 1 of Appendix 3, for the rate changes effective January 1, 2013 and January 1, 2014.
- b) Electric Rate Design (for rates effective January 1, 2013) –
- (i.) The Residential Basic Charge (Schedule 1) will increase effective January 1, 2013 from \$6 per month to \$8 per month.
 - (ii.) For the rate design of Schedule 1, the revenue requirement applicable to the volumetric rates will be spread on a uniform percentage basis.
 - (iii.) The volumetric blocks in Schedule 1 will be changed as follows:
 - Block 1 will consist of the first 800 kWhs per month, versus the existing level of 600 kWhs per month.
 - Block 2 will consist of all kWhs between 801 and 1,500 kWhs per month.
 - Block 3 will consist of all kWhs above 1,500 per month.
 - (iv.) For the rate design of Schedule 25, the demand charge for the first 3,000 kVa or less will increase from \$14,000 to \$14,500 per month effective January 1, 2013. In addition, the demand charge will increase from \$4.25 to \$4.75, for kVa over 3,000 per month, and the Primary Voltage Discount for 115 kV will increase from

\$1.35 to \$1.40 per kVA per month. The final revenue requirement applicable to Schedule 25 will be spread on a uniform percentage basis to the first two energy block rates, and there will be no increase to the third block.

(v.) The Rate Design for all other Schedules will be as follows:

- Schedules 11/12 will have an increase in the Basic Charge from \$12.00 to \$15.00 per month, and a uniform percentage increase to blocks. In addition, the demand charge will remain the same at \$5.75 per kilowatt for all demand in excess of 20 kW per month.
- Schedules 21/22 will have an increase in the Basic Charge from \$400 to \$450 per month, for the first 50kW or less, and a uniform percentage increase to all blocks. In addition, the demand charge will increase from \$5.25 to \$5.75 per kilowatt for all demand in excess of 50 kW per month.
- Schedules 31/32 will have an increase in the Basic Charge from \$10.00 to \$15.00 per month, and there will be a uniform percentage increase to all blocks.
- Street and Area Lighting (Schedules 41-48) will see a uniform percentage increase.

c) Electric Rate Design (for rates effective January 1, 2014) –

- (i.) For the rate design of Schedule 1, the revenue requirement will be spread to the blocks on a uniform percentage basis. There will be no further change to the Basic Charge.

- (ii.) For the rate design of Schedule 25, the Basic Charge for the first 3,000 kVa or less will increase by \$500 per month, from \$14,500 to \$15,000. In addition, the demand charge will increase from \$4.75 to \$5.25 for kVa over 3,000 per month. The final revenue requirement applicable to Schedule 25 will be spread on a uniform percentage basis to the first two energy block rates, and there will be no increase to the third block.
- (iii.) The Rate Design for Schedules 1, 11/12, 21/22, and 31/32 will be based on a uniform percentage increase to the blocks with no changes to basic charges. In addition, Schedules 11/12 and 21/22 demand charges will increase from \$5.75 to \$6.00. Street and Area Lighting Schedules 41-48 will see a uniform percentage increase.

19. Natural Gas Rate Spread/Rate Design:

- a) Natural Gas Cost of Service/Rate Spread – The Settling Parties agree to a uniform percentage of revenue increase for purposes of spreading the revised natural gas revenue requirement, as shown on Page 6 of Appendix 3, for the rate changes effective January 1, 2013 and January 1, 2014.
- b) Natural Gas Rate Design (for rates effective January 1, 2013) –
 - (i.) The Basic Charge for Schedule 101 will increase from \$6 per month to \$8 per month.
 - (ii.) The Parties have agreed to add a new block to Schedule 101, thereby making the schedule an inclining two-block rate. The volumetric blocks in Schedule 101 will be changed as follows:

- Block 1 will consist of the first 70 therms per month.
- Block 2 will consist of all therms above 70 therms per month.
- The rate differential between Block 1 and 2 will be ten cents (\$0.10) per therm.

(iii.) Schedule 146 will have an increase in the Basic Charge from \$250 to \$400 per month, and a uniform percentage increase to all blocks.

(iv.) The Rate Design for other Schedules will be as follows:

- Schedule 111 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 200 therms), and a uniform percentage increase to all blocks.
- Schedule 121 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 500 therms), and a uniform percentage increase to all blocks.
- Schedule 131 will have a uniform percentage increase to all blocks.

c) Natural Gas Rate Design (for rates effective January 1, 2014) –

- (i.) The revenue requirement for Schedule 101 will be spread to the two blocks on a uniform percentage basis, with no further change to the basic charge.
- (ii.) Schedule 111 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 200 therms), and a uniform percentage increase to all blocks.

(iii.) Schedule 121 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 500 therms), and a uniform percentage increase to all blocks.

(iv.) Schedule 131 will have a uniform percentage increase to all blocks.

(v.) Schedule 146 will have a uniform percentage increase to all blocks with no further change in the Basic Charge.

D. Low Income Rate Assistance Program (LIRAP) Funding:

20. The Company agrees to work with Commission Staff and all interested parties to discuss the merits of the existing LIRAP program and other potential design options, including a discounted rate program and to propose changes, if necessary, in its next general rate case to conform the funding for low income programs to the language of RCW 80.28.068. No party will be deemed by this Settlement to have agreed that any such change, however, is required.

21. The Parties agree to adjust the LIRAP portion of the tariff riders (Schedules 91 and 191) to provide an increase in 2013 funding of \$176,000 to direct low-income energy bill (rate) assistance and an additional \$131,000 increase in 2014. With this increase, the 2013 funding level for electric low income customers would be approximately \$3.8 million, and approximately \$1.8 million for natural gas low income customers. In 2014, the funding level for electric low income customers would be approximately \$3.9 million, and approximately \$1.9 million for natural gas low income customers. Appendix 3, pages 5 (electric) and 9 (natural gas), identify the tariff rider adjustments to Schedules 91 and 191 (in ¢/kWh and ¢/therm), to reflect increased levels of funding for LIRAP.

E. Effective Date:

22. As an integral part of this Settlement, the Settling Parties have agreed that the new rates

identified in this Agreement shall be implemented on January 1, 2013, and on January 1, 2014.

F. Next General Rate Case:

23. The Company will not file a general rate case in Washington that seeks to implement a rate increase that would become effective before January 1, 2015. This means Avista could file a general rate case before January 1, 2015, however, the tariffs would not become effective sooner than January 1, 2015. This does not apply to tariff filings authorized by or contemplated by the terms of the Energy Recovery Mechanism (ERM), Purchased Gas Adjustment (PGA), Public Purpose Rider Adjustment (DSM/LIRAP) or similar adjustments.

IV. EFFECT OF THE SETTLEMENT STIPULATION

24. Binding on Settling Parties. The Settling Parties agree to support the terms of the Settlement Stipulation throughout this proceeding, including any appeal, and recommend that the Commission issue an order adopting the Settlement Stipulation contained herein. The Settling Parties understand that this Settlement Stipulation is subject to Commission approval. The Settling Parties agree that this Settlement Stipulation represents a compromise in the positions of the Settling Parties. As such, conduct, statements and documents disclosed in the negotiation of this Settlement Stipulation shall not be admissible evidence in this or any other proceeding.

25. Integrated Terms of Settlement. The Settling Parties have negotiated this Settlement Stipulation as an integrated document. Accordingly, the Settling Parties recommend that the Commission adopt this Settlement Stipulation in its entirety. Each Party has participated in the drafting of this Settlement Stipulation, so it should not be construed in favor of, or against, any particular Party.

26. Procedure. The Settling Parties shall cooperate in submitting this Settlement Stipulation promptly to the Commission for acceptance. Each Settling Party shall make available a witness or representative in support of this Settlement Stipulation. The Settling Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Settlement Stipulation and to supplement the record accordingly.

27. Reservation of Rights. The Settling Parties agree to stipulate into evidence the prefiled testimony and exhibits of all parties as they relate to the issues in this proceeding, together with such evidence in support of the Stipulation as may be offered at the time of the hearing on the Settlement. If the Commission rejects all or any material portion of this Settlement Stipulation, or adds additional material conditions, each Settling Party reserves the right, upon written notice to the Commission and all parties to this proceeding within seven (7) days of the date of the Commission's Order, to withdraw from the Settlement Stipulation. If any Settling Party exercises its right of withdrawal, this Settlement Stipulation shall be void and of no effect, and the Settling Parties will support a joint motion for a procedural schedule to address the issues that would otherwise have been settled herein.

28. Advance Review of News Releases. All Settling Parties agree:

- (i) to provide all other Settling Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to make about the Settlement Stipulation. This right of advance review includes a reasonable opportunity for a Settling Party to request changes to the text of such announcements. However, no Settling Party is required to make any change requested by another Settling Party; and,

(ii.) to include in any news release or announcement a statement that Staff's recommendation to approve the settlement is not binding on the Commission itself.

This subsection does not apply to any news release or announcement that otherwise makes no reference to Staff.


29. No Precedent. The Settling Parties enter into this Settlement Stipulation to avoid further expense, uncertainty, and delay. By executing this Settlement Stipulation, no Settling Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at the Settlement Stipulation, and, except to the extent expressly set forth in the Settlement Stipulation, no Settling Party shall be deemed to have agreed that such a Settlement Stipulation is appropriate for resolving any issues in any other proceeding.

30. Public Interest. The Settling Parties agree that this Settlement Stipulation is in the public interest.

31. Execution. This Settlement Stipulation may be executed by the Settling Parties in several counterparts and as executed shall constitute one Settlement Stipulation.

Entered into this 19th day of October, 2012.

Company:

By: 
David J. Meyer
VP, Chief Counsel for Regulatory and
Governmental Affairs

Staff:

By: _____
Donald T. Trotter
Assistant Attorney General

NWIGU:

By: _____
Chad M. Stokes
Cable Huston Benedict
Haagensen & Lloyd LLP

ICNU:

By: _____
Melinda Davison
Davison Van Cleve, P.C.

The Energy Project:

By: _____
Ronald Roseman
Attorney at Law

Entered into this _____ day of October, 2012.

Company:

By: _____
David J. Meyer
VP, Chief Counsel for Regulatory and
Governmental Affairs

Staff:

By: _____ 10/18/2012
Donald T. Trotter
Assistant Attorney General

NWIGU:

By: _____
Chad M. Stokes
Cable Huston Benedict
Haagensen & Lloyd LLP

ICNU:

By: _____
Melinda Davison
Davison Van Cleve, P.C.


The Energy Project:

By: _____
Ronald Roseman
Attorney at Law

Entered into this _____ day of October, 2012.

Company: By: _____
David J. Meyer
VP, Chief Counsel for Regulatory and
Governmental Affairs

Staff: By: _____
Donald T. Trotter
Assistant Attorney General

NWIGU: By:  _____
Chad M. Stokes
Cable Huston Benedict
Haagensen & Lloyd LLP

ICNU: By: _____
Melinda Davison
Davison Van Cleve, P.C.

The Energy Project: By: _____
Ronald Roseman
Attorney at Law

Entered into this 18th day of October, 2012.

Company:

By: _____
David J. Meyer
VP, Chief Counsel for Regulatory and
Governmental Affairs

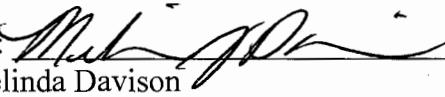
Staff:

By: _____
Donald T. Trotter
Assistant Attorney General

NWIGU:

By: _____
Chad M. Stokes
Cable Huston Benedict
Haagensen & Lloyd LLP

ICNU:

By:  _____
Melinda Davison
Davison Van Cleve, P.C.

The Energy Project:

By: _____
Ronald Roseman
Attorney at Law

Entered into this 18th day of October, 2012.

Company:

By: _____
David J. Meyer
VP, Chief Counsel for Regulatory and
Governmental Affairs

Staff:

By: _____
Donald T. Trotter
Assistant Attorney General

NWIGU:

By: _____
Chad M. Stokes
Cable Huston Benedict
Haagensen & Lloyd LLP

ICNU:

By: _____
Melinda Davison
Davison Van Cleve, P.C.

The Energy Project:

By: Ronald Roseman by Chad M. Stokes
Ronald Roseman
Attorney at Law

APPENDIX 1

Avista Corp
Pro forma January - December
ERM Authorized Expense and Retail Sales

1 **ERM Authorized Power Supply Expense - System Numbers (1)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
5 Account 555 - Purchased Power	\$130,329,129	\$14,997,446	\$13,232,443	\$12,710,608	\$10,429,524	\$8,530,863	\$8,277,524	\$8,213,533	\$10,240,223	\$8,039,783	\$9,414,550	\$12,788,401	\$13,454,232
7 Account 501 - Thermal Fuel	\$31,025,396	\$2,779,051	\$2,667,744	\$2,775,501	\$2,020,557	\$1,704,426	\$1,475,295	\$2,739,032	\$2,967,332	\$2,919,939	\$3,052,588	\$2,913,823	\$3,010,108
9 Account 547 - Natural Gas Fuel	\$92,382,390	\$9,324,060	\$8,646,899	\$8,377,117	\$4,998,775	\$3,034,991	\$2,592,359	\$7,522,825	\$8,820,667	\$9,214,643	\$9,279,297	\$9,863,116	\$10,707,641
11 Account 447 - Sale for Resale	\$84,980,824	\$6,903,038	\$6,253,766	\$6,574,919	\$8,035,136	\$7,462,411	\$6,358,811	\$7,752,369	\$4,810,418	\$6,289,985	\$7,401,091	\$8,405,153	\$8,733,727
13 Power Supply Expense	\$168,756,091	\$20,197,518	\$18,293,320	\$17,288,307	\$9,413,721	\$5,807,870	\$5,986,366	\$10,723,021	\$17,217,805	\$13,884,380	\$14,345,344	\$17,160,187	\$18,438,253
15 Transmission Expense	\$18,058,719	\$1,520,361	\$1,465,382	\$1,508,739	\$1,443,538	\$1,426,268	\$1,396,752	\$1,441,175	\$1,489,048	\$1,492,163	\$1,556,734	\$1,674,187	\$1,644,372
17 Transmission Revenue	\$11,065,962	\$930,689	\$726,135	\$842,774	\$722,785	\$834,642	\$1,006,204	\$1,168,710	\$1,028,239	\$948,370	\$1,086,887	\$893,865	\$876,662
19 Broker Fees	\$883,711	\$42,656	\$64,015	\$129,860	\$97,390	\$52,577	\$70,281	\$65,808	\$76,848	\$86,944	\$43,966	\$52,696	\$100,670

23 **ERM Authorized Washington Retail Sales (2)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
27 Total Retail Sales, MWh	5,574,856	525,347	517,091	479,129	413,722	412,815	423,337	437,672	482,257	407,780	448,458	475,296	551,952
29 Retail Revenue Credit Rate	\$32.15 /MWh												

- 34 1) Multiply system numbers by 65.24% to determine Washington share.
35 2) 2011 weather normalized Washington retail sales.

APPENDIX 2

12 MONTHS ENDED DECEMBER 2011 TEST YEAR BASE
 Docket No. UG-120437 Settlement

	<u>Per PDE(1)</u>	<u>Annual Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
1 Schedule 101														
2 Therms														
3 Usage from Revenue Run(2)	123,192,356	123,192,356	20,587,656	18,101,774	17,689,122	12,727,741	10,355,100	5,262,768	2,994,883	2,297,477	2,203,697	3,443,780	9,785,451	17,742,907
4 Ded: Prior Mo. Unbilled(2)		(92,962,594)	(14,293,952)	(14,203,169)	(14,414,731)	(10,637,340)	(9,290,207)	(4,956,495)	(2,725,410)	(1,968,733)	(1,782,575)	(2,045,955)	(5,466,092)	(11,177,935)
5 Add: Current Mo. Unbilled(2)		92,575,523	14,203,169	14,414,731	10,637,340	9,290,207	4,956,495	2,725,410	1,968,733	1,782,575	2,045,955	5,466,092	11,177,935	13,906,881
6 Net Unbilled	(387,071)													
7 Add: Weather Adjustment(2)	(3,780,679)	(3,780,679)	96,935	(1,501,339)	(242,010)	(1,785,343)	(898,582)	(630,375)	-	-	-	364,930	(61,014)	876,119
8 Test Year Monthly Therms	119,024,606	119,024,606	20,593,808	16,811,997	13,669,721	9,595,265	5,122,806	2,401,308	2,238,206	2,111,319	2,467,077	7,228,847	15,436,280	21,347,972
9														
10														
11 Customers / Billings														
12 Test Yr Customers/Billings(2)	1,748,256	1,748,256	145,882	145,743	145,691	145,487	145,452	145,196	145,263	145,489	145,435	145,737	146,263	146,618
13 Test Year Average Use/Cust		68	141	115	94	66	35	17	15	15	17	50	106	146
14														
15			Schedule 101											
16 Sch 101 Base Rate/therm(3)			\$0.80241											
17 Times: 1 minus Revenue Related Items (4)			0.955309											
18 Revenue prior to gross up			\$0.76655											
19 Less: Weighted Average Gas Cost/therm(5)			\$0.46817											
20 Margin Rate/therm			\$0.29838											
21														
22														
23														
24 (1) From Ehrbar workpapers in Docket No. UG-120437 PDE-G -1, PDE-G-3														
25 (2) From Monthly Data below														
26 (3) From Docket No. UG-120437 Settlement Appendix 3 page 7, Schedule 101 weighted average block rate per therm														
27 (4) From Docket No. UG-120437 Andrews Exhibit No. ____ (EMA-3), page 4, line 7														
28 (5) From Docket No. UG-120437 Ehrbar Exhibit No. ____ (PDE-6) proposed Twelfth Revision Sheet 150, weighted average gas cost														

12 MONTHS ENDED DECEMBER 2011 TEST YEAR BASE
 UG-120437 Weather Normalization and Unbilled Calculation

1 12 Months Ended December 2011 Monthly Data

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Revenue Run Therms													
Total 101 (6)	20,587,656	18,101,774	17,689,122	12,727,741	10,355,100	5,262,768	2,994,883	2,297,477	2,203,697	3,443,780	9,785,451	17,742,907	123,192,356
Weather Normalization													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Normal Degree Days (30 Year Average 1982 - 2011)	1,109	913	775	551	327	140	36	33	184	546	885	1,172	6,671
Actual Degree Days	1,103	1,006	790	698	401	192	40	8	99	516	890	1,118	6,861
Degree Day Adjustment (7)	6	(93)	(15)	(147)	(74)	(52)	(4)	25	85	30	(5)	54	(190)
Monthly Use/DD/Cust(7)													
Res 101	0.0980	0.0980	0.0980	0.0760	0.0760	0.0760	0.0000	0.0000	0.0000	0.0760	0.0760	0.0980	
Com 101	0.2520	0.2520	0.2520	0.1663	0.1663	0.1663	0.0000	0.0000	0.0000	0.1663	0.1663	0.2520	
Ind 101	0.4123	0.4123	0.4123	0.2742	0.2742	0.2742	0.0000	0.0000	0.0000	0.2742	0.2742	0.4123	
Sch. 101													
Res 101	78,701	(1,218,469)	(196,495)	(1,491,227)	(750,483)	(526,395)	-	-	-	304,909	(51,025)	712,361	(3,138,123)
Com 101	18,031	(279,802)	(45,020)	(290,811)	(146,395)	(102,768)	-	-	-	59,314	(9,867)	161,799	(635,519)
Ind 101	203	(3,068)	(495)	(3,305)	(1,704)	(1,212)	-	-	-	707	(122)	1,959	(7,037)
Total 101	96,935	(1,501,339)	(242,010)	(1,785,343)	(898,582)	(630,375)	-	-	-	364,930	(61,014)	876,119	(3,780,679)
Revenue Run Customers (Meters Billed)													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual Total
Residential 101 01 (8)	133,846	133,692	133,670	133,479	133,443	133,197	133,325	133,519	133,444	133,732	134,277	134,611	1,604,235
Commercial 101 21 (8)	11,925	11,939	11,910	11,896	11,896	11,884	11,825	11,854	11,878	11,889	11,867	11,890	142,653
Industrial 101 31 (8)	82	80	80	82	84	85	83	86	83	86	89	88	1,008
Interdepartmental 101 80 (8)	29	32	31	30	29	30	30	30	30	30	30	29	360
Total	145,882	145,743	145,691	145,487	145,452	145,196	145,263	145,489	145,435	145,737	146,263	146,618	1,748,256
Monthly Unbilled Calculation													
	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
WA101 (9)	14,293,952	14,203,169	14,414,731	10,637,340	9,290,207	4,956,495	2,725,410	1,968,733	1,782,575	2,045,955	5,466,092	11,177,935	13,906,881

38 (6) From Knox Revenue Normalization workpapers in Docket No. UG-120437, TLK-R-21
 39 (7) From Knox Revenue Normalization workpapers in Docket No. UG-120437, TLK-R-28 also shown in Ehrbar workpapers PDE-G-15
 40 (8) From Knox Revenue Normalization workpapers in Docket No. UG-120437, TLK-R-30
 41 (9) From Knox Revenue Normalization workpapers in Docket No. UG-120437, TLK-R-26

APPENDIX 3

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011
(000s of Dollars)**

Rates Effective January 1st, 2013

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Jan 1st, 2013 Proposed General Increase	Base Tariff Revenue Under Proposed Rates(1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates (2)	Jan 1st, 2013 Proposed ERM Decrease	Jan 1st, 2013 Proposed LIRAP Increase	Net General ERM & LIRAP Increase	Total Billed Revenue at Proposed Rates (2)	Percent Increase on Billed Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Residential	1	\$198,459	\$5,953	\$204,412	3.0%	\$195,351	(\$1,919)	\$47	\$4,082	\$199,433	2.1%
2	General Service	11/12	\$55,514	\$1,664	\$57,178	3.0%	\$56,949	(\$537)	\$14	\$1,141	\$58,090	2.0%
3	Large General Service	21/22	\$126,921	\$3,808	\$130,729	3.0%	\$130,387	(\$1,227)	\$31	\$2,613	\$133,000	2.0%
4	Extra Large General Service	25	\$58,190	\$1,746	\$59,936	3.0%	\$59,839	(\$563)	\$14	\$1,197	\$61,036	2.0%
5	Pumping Service	30/31/32	\$9,439	\$282	\$9,721	3.0%	\$9,664	(\$91)	\$2	\$193	\$9,857	2.0%
6	Street & Area Lights	41-48	<u>\$6,582</u>	<u>\$197</u>	<u>\$6,779</u>	3.0%	<u>\$6,748</u>	<u>(\$64)</u>	<u>\$2</u>	<u>\$135</u>	<u>\$6,883</u>	2.0%
7	Total		\$455,105	\$13,650	\$468,755	3.0%	\$458,937	(\$4,400)	\$110	\$9,361	\$468,298	2.0%

Rates Effective January 1st, 2014

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Jan 1st, 2014 Proposed General Increase	Base Tariff Revenue Under Proposed Rates(1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates (2)	Jan 1st, 2014 Proposed ERM Decrease	Expiration of 2013 ERM Decrease	Jan 1st, 2014 Proposed LIRAP Increase	Net General ERM & LIRAP Increase	Percent Increase on Billed Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Residential	1	\$204,412	\$6,121	\$210,533	3.0%	\$199,433	(\$3,925)	\$1,919	\$49	\$4,163	2.1%
2	General Service	11/12	\$57,178	\$1,714	\$58,892	3.0%	\$58,090	(\$1,098)	\$537	\$14	\$1,168	2.0%
3	Large General Service	21/22	\$130,729	\$3,909	\$134,638	3.0%	\$133,000	(\$2,510)	\$1,227	\$32	\$2,658	2.0%
4	Extra Large General Service	25	\$59,936	\$1,797	\$61,733	3.0%	\$61,036	(\$1,151)	\$563	\$14	\$1,223	2.0%
5	Pumping Service	30/31/32	\$9,721	\$293	\$10,014	3.0%	\$9,857	(\$187)	\$91	\$2	\$199	2.0%
6	Street & Area Lights	41-48	<u>\$6,779</u>	<u>\$204</u>	<u>\$6,983</u>	3.0%	<u>\$6,883</u>	<u>(\$130)</u>	<u>\$64</u>	<u>\$2</u>	<u>\$139</u>	2.0%
7	Total		\$468,755	\$14,038	\$482,793	3.0%	\$468,298	(\$9,000)	\$4,400	\$114	\$9,551	2.0%

(1) Excludes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 91 (Public Purpose Rider Adjustment), and Schedule 93 (Energy Recovery Mechanism).

(2) Includes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 91 (Public Purpose Rider Adjustment), and Schedule 93 (Energy Recovery Mechanism).

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

Rates Effective January 1st, 2013

Type of Service (a)	Base Tariff Sch. Rate (b)	Present Other Adj.(1) (c)	Present Billing Rate (d)	Proposed Usage Blocks (e)	General Rate Increase (f)	Proposed Base Tariff Rate (g)	Sch. 93 ERM Decrease (h)	Sch. 91 LIRAP Increase (i)	Proposed Billing Rate (2) (j)
Residential Service - Schedule 1									
Basic Charge	\$6.00		\$6.00		\$2.00	\$8.00			\$8.00
Energy Charge:									
First 600 kWhs	\$0.06914	(\$0.00130)	\$0.06784	First 800 kWhs	\$0.00219	\$0.07133	-\$0.00080	\$0.00002	\$0.06925
600 - 1,300 kWhs	\$0.08044	(\$0.00130)	\$0.07914	800 - 1,501 kWhs	\$0.00255	\$0.08299	-\$0.00080	\$0.00002	\$0.08091
All over 1,300 kWhs	\$0.09429	(\$0.00130)	\$0.09299	All over 1,500 kWhs	\$0.00299	\$0.09728	-\$0.00080	\$0.00002	\$0.09520
General Services - Schedule 11									
Basic Charge	\$12.00		\$12.00		\$3.00	\$15.00			\$15.00
Energy Charge:									
First 3,650 kWhs	\$0.10891	\$0.00330	\$0.11221		\$0.00140	\$0.11031	-\$0.00110	\$0.00003	\$0.11254
All over 3,650 kWhs	\$0.08002	\$0.00330	\$0.08332		\$0.00103	\$0.08105	-\$0.00110	\$0.00003	\$0.08328
Demand Charge:									
20 kW or less	no charge		no charge		no charge	no charge			no charge
Over 20 kW	\$5.75/kW		\$5.75/kW			\$5.75/kW			\$5.75/kW
Large General Service - Schedule 21									
Energy Charge:									
First 250,000 kWhs	\$0.06819	\$0.00246	\$0.07065		\$0.00059	\$0.06878	-\$0.00083	\$0.00002	\$0.07043
All over 250,000 kWhs	\$0.06097	\$0.00246	\$0.06343		\$0.00053	\$0.06150	-\$0.00083	\$0.00002	\$0.06315
Demand Charge:									
50 kW or less	\$400.00		\$400.00		\$50.00	\$450.00			\$450.00
Over 50 kW	\$5.25/kW		\$5.25/kW		\$0.50/kW	\$5.75/kW			\$5.75/kW
Primary Voltage Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW			\$0.20/kW
Extra Large General Service - Schedule 25									
Energy Charge:									
First 500,000 kWhs	\$0.05373	\$0.00155	\$0.05528		\$0.00166	\$0.05539	-\$0.00053	\$0.00001	\$0.05642
500,000 - 6,000,000 kWhs	\$0.04834	\$0.00155	\$0.04989		\$0.00149	\$0.04983	-\$0.00053	\$0.00001	\$0.05086
All over 6,000,000 kWhs	\$0.04391	\$0.00155	\$0.04546		\$0.00000	\$0.04391	-\$0.00053	\$0.00001	\$0.04494
Demand Charge:									
3,000 kva or less	\$14,000		\$14,000		\$500	\$14,500			\$14,500
Over 3,000 kva	\$4.25/kva		\$4.25/kva		\$0.50/kva	\$4.75/kva			\$4.75/kva
Primary Volt. Discount									
11 - 60 kv	\$0.20/kW		\$0.20/kW			\$0.20/kW			\$0.20/kW
60 - 115 kv	\$1.10/kW		\$1.10/kW			\$1.10/kW			\$1.10/kW
115 or higher kv	\$1.35/kW		\$1.35/kW		\$0.05/kW	\$1.40/kW			\$1.40/kW
Annual Minimum	Present:	\$732,080							\$755,490
Pumping Service - Schedule 31									
Basic Charge	\$10.00		\$10.00		\$5.00	\$15.00			\$15.00
Energy Charge:									
First 165 kW/kWh	\$0.09114	\$0.00215	\$0.09329		\$0.00139	\$0.09253	-\$0.00073	\$0.00002	\$0.09397
All additional kWhs	\$0.06511	\$0.00215	\$0.06726		\$0.00098	\$0.06609	-\$0.00073	\$0.00002	\$0.06753

(1) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange) and Sch. 91 (Public Purpose Rider Adjustment).

(2) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange), Sch. 91 (Public Purpose Rider Adjustment) and the Proposed Sch. 93 (ERM Refund).

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

Rates Effective January 1st, 2014

<u>Type of Service</u> (a)	Base Tariff <u>Sch. Rate</u> (b)	Present <u>Other Adj.(1)</u> (c)	Present <u>Billing Rate</u> (d)	<u>General Rate Increase</u> (e)	Proposed Base Tariff <u>Rate</u> (f)	Sch. 93 Net ERM <u>Change</u> (g)	Sch. 91 LIRAP <u>Increase</u> (h)	Proposed Billing <u>Rate (1)</u> (j)
<u>Residential Service - Schedule 1</u>								
Basic Charge	\$8.00		\$8.00	\$0.00	\$8.00			\$8.00
Energy Charge:								
First 800 kWhs	\$0.07133	(\$0.00208)	\$0.06925	\$0.00236	\$0.07369	-\$0.00084	\$0.00002	\$0.07079
800 - 1,501 kWhs	\$0.08299	(\$0.00208)	\$0.08091	\$0.00274	\$0.08573	-\$0.00084	\$0.00002	\$0.08283
All over 1,500 kWhs	\$0.09728	(\$0.00208)	\$0.09520	\$0.00322	\$0.10050	-\$0.00084	\$0.00002	\$0.09760
<u>General Services - Schedule 11</u>								
Basic Charge	\$15.00		\$15.00	\$0.00	\$15.00			\$15.00
Energy Charge:								
First 3,650 kWhs	\$0.11031	\$0.00223	\$0.11254	\$0.00360	\$0.11391	-\$0.00114	\$0.00003	\$0.11503
All over 3,650 kWhs	\$0.08105	\$0.00223	\$0.08328	\$0.00265	\$0.08370	-\$0.00114	\$0.00003	\$0.08482
Demand Charge:								
20 kW or less	no charge		no charge	no charge	no charge			no charge
Over 20 kW	\$5.75/kW		\$5.75/kW	\$0.25/kW	\$6.00/kW			\$6.00/kW
<u>Large General Service - Schedule 21</u>								
Energy Charge:								
First 250,000 kWhs	\$0.06878	\$0.00165	\$0.07043	\$0.00221	\$0.07099	-\$0.00086	\$0.00002	\$0.07180
All over 250,000 kWhs	\$0.06150	\$0.00165	\$0.06315	\$0.00199	\$0.06349	-\$0.00086	\$0.00002	\$0.06430
Demand Charge:								
50 kW or less	\$450.00		\$450.00	\$0.00	\$450.00			\$450.00
Over 50 kW	\$5.75/kW		\$5.75/kW	\$0.25/kW	\$6.00/kW			\$6.00/kW
Primary Voltage Discount	\$0.20/kW		\$0.20/kW		\$0.20/kW			\$0.20/kW
<u>Extra Large General Service - Schedule 25</u>								
Energy Charge:								
First 500,000 kWhs	\$0.05539	\$0.00103	\$0.05642	\$0.00169	\$0.05708	-\$0.00055	\$0.00001	\$0.05757
500,000 - 6,000,000 kWhs	\$0.04983	\$0.00103	\$0.05086	\$0.00152	\$0.05135	-\$0.00055	\$0.00001	\$0.05184
All over 6,000,000 kWhs	\$0.04391	\$0.00103	\$0.04494	\$0.00000	\$0.04391	-\$0.00055	\$0.00001	\$0.04440
Demand Charge:								
3,000 kva or less	\$14,500		\$14,500	\$500	\$15,000			\$15,000
Over 3,000 kva	\$4.75/kva		\$4.75/kva	\$0.50/kva	\$5.25/kva			\$5.25/kva
Primary Volt. Discount								
11 - 60 kv	\$0.20/kW		\$0.20/kW		\$0.20/kW			\$0.20/kW
60 - 115 kv	\$1.10/kW		\$1.10/kW		\$1.10/kW			\$1.10/kW
115 or higher kv	\$1.40/kW		\$1.40/kW		\$1.40/kW			\$1.40/kW
Annual Minimum	Present:	\$755,490						\$779,230
<u>Pumping Service - Schedule 31</u>								
Basic Charge	\$15.00		\$15.00	\$0.00	\$15.00			\$15.00
Energy Charge:								
First 165 kW/kWh	\$0.09253	\$0.00144	\$0.09397	\$0.00292	\$0.09545	-\$0.00077	\$0.00002	\$0.09614
All additional kWhs	\$0.06609	\$0.00144	\$0.06753	\$0.00208	\$0.06817	-\$0.00077	\$0.00002	\$0.06886

(1) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange), Sch. 91 (Public Purpose Rider Adjustment) and the Proposed Sch. 93 (ERM Refund).

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED ERM DECREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011
(000s of Dollars)**

Rates Effective January 1st, 2013

		ERM Revenue <u>Offset</u>	Billing <u>Determinants</u>	ERM <u>kWh Rate</u>
1 Residential	1	\$ (1,918,713)	2,390,086,210	\$(0.00080)
2 General Service	11/12	\$ (536,717)	489,572,183	\$(0.00110)
3 Large General Service	21/22	\$ (1,227,086)	1,481,850,559	\$(0.00083)
4 Extra Large General Service	25	\$ (562,592)	1,063,262,359	\$(0.00053)
5 Pumping Service	30/31/32	\$ (91,253)	124,198,378	\$(0.00073)
6 Street & Area Lights	41-48	\$ (63,638)	25,886,566	\$(0.00246)
7 Total		\$ (4,400,000)	5,574,856,255	

Rates Effective January 1st, 2014

		ERM Revenue <u>Offset</u>	Billing <u>Determinants</u>	ERM <u>kWh Rate</u>
8 Residential	1	\$ (3,924,607)	2,390,086,210	\$(0.00164)
9 General Service	11/12	\$ (1,097,811)	489,572,183	\$(0.00224)
10 Large General Service	21/22	\$ (2,510,006)	1,481,850,559	\$(0.00169)
11 Extra Large General Service	25	\$ (1,150,771)	1,063,262,359	\$(0.00108)
12 Pumping Service	30/31/32	\$ (186,644)	124,198,378	\$(0.00150)
13 Street & Area Lights	41-48	\$ (130,161)	25,886,566	\$(0.00503)
14 Total		\$ (9,000,000)	5,574,856,255	

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED LIRAP INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011**

Rates Effective January 1st, 2013

	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	EX LG GEN SVC SCHEDULE 25	PUMPING SCH. 30, 31, 32	ST & AREA LTG SCH. 41-48
1 Total Proforma kWh's	5,574,856,255	2,390,086,210	489,572,183	1,481,850,559	1,063,262,359	124,198,378	25,886,566
2 Street & Area Light Revenue							6,582,283
3 Schedule 91 (LIRAP Portion)		\$ 0.00066	\$ 0.00095	\$ 0.00070	\$ 0.00044	\$ 0.00060	0.85%
4 Current Gross LIRAP Revenue	\$ 3,678,150	\$ 1,577,457	\$ 465,094	\$ 1,037,295	\$ 467,835	\$ 74,519	\$ 55,949
5 LIRAP Rate Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6 Additional LIRAP Allocation	\$ 110,344	\$ 47,324	\$ 13,953	\$ 31,119	\$ 14,035	\$ 2,236	\$ 1,678
7 Total Proposed LIRAP Funding	\$ 3,788,494	\$ 1,624,781	\$ 479,046	\$ 1,068,414	\$ 481,871	\$ 76,755	\$ 57,628
8 Proposed LIRAP Rates		\$ 0.00068	\$ 0.00098	\$ 0.00072	\$ 0.00045	\$ 0.00062	0.88%

Rates Effective January 1st, 2014

	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	EX LG GEN SVC SCHEDULE 25	PUMPING SCH. 30, 31, 32	ST & AREA LTG SCH. 41-48
9 Total Proforma kWh's	5,574,856,255	2,390,086,210	489,572,183	1,481,850,559	1,063,262,359	124,198,378	25,886,566
10 Street & Area Light Revenue							6,779,242
11 Schedule 91 (LIRAP Portion)		\$ 0.00068	\$ 0.00098	\$ 0.00072	\$ 0.00045	\$ 0.00062	0.85%
12 Current Gross LIRAP Revenue	\$ 3,785,066	\$ 1,625,259	\$ 479,781	\$ 1,066,932	\$ 478,468	\$ 77,003	\$ 57,624
13 LIRAP Rate Increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
14 Additional LIRAP Allocation	\$ 113,552	\$ 48,758	\$ 14,393	\$ 32,008	\$ 14,354	\$ 2,310	\$ 1,729
15 Total Proposed LIRAP Funding	\$ 3,898,618	\$ 1,674,016	\$ 494,174	\$ 1,098,940	\$ 492,822	\$ 79,313	\$ 59,352
16 Proposed LIRAP Rates		\$ 0.00070	\$ 0.00101	\$ 0.00074	\$ 0.00046	\$ 0.00064	0.88%

**AVISTA UTILITIES
WASHINGTON NATURAL GAS
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011
(000s of Dollars)**

Rates Effective January 1st, 2013

Line No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates	Base Tariff Percent Increase	Total Billed Revenue at Present Rates	Proposed General Increase	Proposed LIRAP Increase	Percent Increase on Billed Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	General Service	101	\$105,609	\$3,884	\$109,493	3.7%	\$106,335	\$3,884	\$48	3.7%
2	Large General Service	111/112	\$32,015	\$1,178	\$33,193	3.7%	\$31,980	\$1,178	\$15	3.7%
3	Large General Svc.-High Annual Load Factor	121/122	\$3,894	\$143	\$4,037	3.7%	\$3,938	\$143	\$2	3.7%
4	Interruptible Service	131/132	\$365	\$13	\$378	3.7%	\$380	\$13	\$0	3.6%
5	Transportation Service	146	\$2,201	\$81	\$2,282	3.7%	\$2,203	\$81	\$0	3.7%
6	Special Contracts	148	<u>\$1,536</u>	<u>\$0</u>	<u>\$1,536</u>	0.0%	<u>\$1,536</u>	<u>\$0</u>	<u>\$0</u>	0.0%
7	Total		\$145,620	\$5,300	\$150,920	3.6%	\$146,372	\$5,300	\$65	3.7%

Rates Effective January 1st, 2014

Line No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates	Base Tariff Percent Increase	Total Billed Revenue at Present Rates	Proposed General Increase	Proposed LIRAP Increase	Percent Increase on Billed Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	General Service	101	\$109,493	\$1,027	\$110,520	0.9%	\$110,267	\$1,027	\$13	0.9%
2	Large General Service	111/112	\$33,193	\$311	\$33,504	0.9%	\$33,173	\$311	\$4	0.9%
3	Large General Svc.-High Annual Load Factor	121/122	\$4,037	\$38	\$4,075	0.9%	\$4,083	\$38	\$1	0.9%
4	Interruptible Service	131/132	\$378	\$3	\$382	0.8%	\$394	\$3	\$0	0.8%
5	Transportation Service	146	\$2,282	\$21	\$2,303	0.9%	\$2,284	\$21	\$0	0.9%
6	Special Contracts	148	<u>\$1,536</u>	<u>\$0</u>	<u>\$1,536</u>	0.0%	<u>\$1,536</u>	<u>\$0</u>	<u>\$0</u>	0.0%
7	Total		\$150,920	\$1,400	\$152,320	0.9%	\$151,738	\$1,399	\$17	0.9%

(1) Includes Purchase Adjustment Schedule 150; excludes all other rate adjustments.

**AVISTA UTILITIES
WASHINGTON NATURAL GAS
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

Rates Effective January 1st, 2013

Type of Service (a)	Base Rate (b)	Sch. 150 PGA Rate Adj (c)	Base Rate including Schedule 150 (d)	Present Billing Rate Adj. (e)	Present Billing Rate (2) (f)	Proposed Usage Blocks (g)	General Rate Increase (h)	LIRAP Rate Increase (i)	Proposed Billing Rate(2) (j)	Proposed Base Rate(1) (k)
General Service - Schedule 101										
Basic Charge			\$6.00		\$6.00		\$2.00		\$8.00	\$8.00
Usage Charge:										
All therms	0.91808	(0.11893)	\$0.79915	\$0.00610	\$0.80525	First 70 Therms	(\$0.03546)	\$0.00040	\$0.77019	\$0.76369
	0.91808	(0.11893)	\$0.79915	\$0.00610	\$0.80525	All over 70 Therms	\$0.06454	\$0.00040	\$0.87019	\$0.86369
Large General Service - Schedule 111										
Usage Charge:										
First 200 therms	0.94807	(0.11952)	\$0.82855	(\$0.00139)	\$0.82716		\$0.04018	\$0.00034	\$0.86768	\$0.86873
200 - 1,000 therms	0.84033	(0.11952)	\$0.72081	(\$0.00139)	\$0.71942		\$0.02503	\$0.00034	\$0.74479	\$0.74584
All over 1,000 therms	0.77020	(0.11952)	\$0.65068	(\$0.00139)	\$0.64929		\$0.02260	\$0.00034	\$0.67223	\$0.67328
Minimum Charge:										
per month			\$152.01		\$152.01		\$7.56		\$159.57	\$159.57
per therm	0.18802	(0.11952)	\$0.06850	(\$0.00139)	\$0.06711		\$0.00238	\$0.00034	\$0.06983	\$0.07088
High Annual Load Factor Large General Service - Schedule 121										
Usage Charge:										
First 500 therms	0.93075	(0.12088)	\$0.80987	(\$0.00256)	\$0.80731		\$0.05582	\$0.00031	\$0.86344	\$0.86569
500 - 1,000 therms	0.83966	(0.12088)	\$0.71878	(\$0.00256)	\$0.71622		\$0.02566	\$0.00031	\$0.74219	\$0.74444
1,000 - 10,000 therms	0.76802	(0.12088)	\$0.64714	(\$0.00256)	\$0.64458		\$0.02310	\$0.00031	\$0.66799	\$0.67024
10,000 - 25,000 therms	0.72303	(0.12088)	\$0.60215	(\$0.00256)	\$0.59959		\$0.02150	\$0.00031	\$0.62140	\$0.62365
All over 25,000 therms	0.68684	(0.12088)	\$0.56596	(\$0.00256)	\$0.56340		\$0.02020	\$0.00031	\$0.58391	\$0.58616
Minimum Charge:										
per month			\$378.63		\$378.63		\$26.97		\$405.60	\$405.60
per therm	0.17349	(0.12088)	\$0.05261	(\$0.00256)	\$0.05005		\$0.00188	\$0.00031	\$0.05224	\$0.05449
Annual Minimum per therm			Present:	\$0.26472					Proposed:	\$0.29421
Interruptible Service - Schedule 132										
Usage Charge:										
First 10,000 therms	0.73315	(0.12381)	\$0.60934	\$0.02326	\$0.63260		\$0.02241	\$0.00030	\$0.65531	\$0.63175
10,000 - 25,000 therms	0.69005	(0.12381)	\$0.56624	\$0.02326	\$0.58950		\$0.02083	\$0.00030	\$0.61063	\$0.58707
25,000 - 50,000 therms	0.67948	(0.12381)	\$0.55567	\$0.02326	\$0.57893		\$0.02044	\$0.00030	\$0.59967	\$0.57611
All over 50,000 therms	0.67598	(0.12381)	\$0.55217	\$0.02326	\$0.57543		\$0.02031	\$0.00030	\$0.59604	\$0.57248
Annual Minimum per therm			Present:	\$0.18570					Proposed:	\$0.21104
Transportation Service - Schedule 146										
Basic Charge			\$250.00		\$250.00		\$150.00		\$400.00	\$400.00
Usage Charge:										
First 20,000 therms	0.08151		\$0.08151	\$0.00005	\$0.08156		\$0.00056		\$0.08212	\$0.08207
20,000 - 50,000 therms	0.07257		\$0.07257	\$0.00005	\$0.07262		\$0.00050		\$0.07312	\$0.07307
50,000 - 300,000 therms	0.06548		\$0.06548	\$0.00005	\$0.06553		\$0.00045		\$0.06598	\$0.06593
300,000 - 500,000 therms	0.06059		\$0.06059	\$0.00005	\$0.06064		\$0.00042		\$0.06106	\$0.06101
All over 500,000 therms	0.04565		\$0.04565	\$0.00005	\$0.04570		\$0.00031		\$0.04601	\$0.04596
Annual Minimum per therm			Present:	\$0.07257					Proposed:	\$0.07307

(1) Includes Schedules 150 (Purchased Gas Cost Adjustment).

(2) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment),
Schedule 159 (Gas Decoupling Rate Adjustment), and Schedule 191 (Public Purpose Rider Adjustment).

** The weighted average block rate for Schedule 101 to determine the margin rate per therm for purposes of natural gas decoupling is 80.241 cents per therm.

**AVISTA UTILITIES
WASHINGTON NATURAL GAS
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

Rates Effective January 1st, 2014

Type of Service (a)	Base Rate (b)	Sch. 150 PGA Rate Adj (c)	Base Rate including Schedule 150 (d)	Present Billing Rate Adj. (e)	Present Billing Rate (2) (f)	General Rate Increase (g)	LIRAP Rate Increase (h)	Proposed Billing Rate(2) (l)	Proposed Base Rate(1) (j)
General Service - Schedule 101									
Basic Charge			\$8.00		\$8.00	\$0.00		\$8.00	\$8.00
Usage Charge:									
All therms	0.76369	0.00000	\$0.76369	\$0.00650	\$0.77019	\$0.00821	\$0.00011	\$0.77851	\$0.77190
	0.86369	0.00000	\$0.86369	\$0.00650	\$0.87019	\$0.00929	\$0.00011	\$0.87959	\$0.87298
Large General Service - Schedule 111									
Usage Charge:									
First 200 therms	0.86873	0.00000	\$0.86873	(\$0.00105)	\$0.86768	\$0.00885	\$0.00009	\$0.87662	\$0.87758
200 - 1,000 therms	0.74584	0.00000	\$0.74584	(\$0.00105)	\$0.74479	\$0.00687	\$0.00009	\$0.75175	\$0.75271
All over 1,000 therms	0.67328	0.00000	\$0.67328	(\$0.00105)	\$0.67223	\$0.00621	\$0.00009	\$0.67853	\$0.67949
Minimum Charge:									
per month			\$159.57		\$159.57	\$1.64		\$161.21	\$161.21
per therm	0.07088	0.00000	\$0.07088	(\$0.00105)	\$0.06983	\$0.00065	\$0.00009	\$0.07057	\$0.07153
High Annual Load Factor Large General Service - Schedule 121									
Usage Charge:									
First 500 therms	0.86569	0.00000	\$0.86569	(\$0.00225)	\$0.86344	\$0.00914	\$0.00008	\$0.87266	\$0.87483
500 - 1,000 therms	0.74444	0.00000	\$0.74444	(\$0.00225)	\$0.74219	\$0.00688	\$0.00008	\$0.74915	\$0.75132
1,000 - 10,000 therms	0.67024	0.00000	\$0.67024	(\$0.00225)	\$0.66799	\$0.00620	\$0.00008	\$0.67427	\$0.67644
10,000 - 25,000 therms	0.62365	0.00000	\$0.62365	(\$0.00225)	\$0.62140	\$0.00577	\$0.00008	\$0.62725	\$0.62942
All over 25,000 therms	0.58616	0.00000	\$0.58616	(\$0.00225)	\$0.58391	\$0.00542	\$0.00008	\$0.58941	\$0.59158
Minimum Charge:									
per month			\$405.60		\$405.60	\$4.32		\$409.92	\$409.92
per therm	0.05449	0.00000	\$0.05449	(\$0.00225)	\$0.05224	\$0.00050	\$0.00008	\$0.05282	\$0.05499
Annual Minimum per therm			Present: \$0.29421					Proposed: \$0.30041	
Interruptible Service - Schedule 132									
Usage Charge:									
First 10,000 therms	0.63175	0.00000	\$0.63175	\$0.02356	\$0.65531	\$0.00510	\$0.00008	\$0.66049	\$0.63685
10,000 - 25,000 therms	0.58707	0.00000	\$0.58707	\$0.02356	\$0.61063	\$0.00474	\$0.00008	\$0.61545	\$0.59181
25,000 - 50,000 therms	0.57611	0.00000	\$0.57611	\$0.02356	\$0.59967	\$0.00465	\$0.00008	\$0.60440	\$0.58076
All over 50,000 therms	0.57248	0.00000	\$0.57248	\$0.02356	\$0.59604	\$0.00462	\$0.00008	\$0.60074	\$0.57710
Annual Minimum per therm			Present: \$0.21104					Proposed: \$0.21578	
Transportation Service - Schedule 146									
Basic Charge			\$400.00		\$400.00	\$0.00		\$400.00	\$400.00
Usage Charge:									
First 20,000 therms	0.08207		\$0.08207	\$0.00005	\$0.08212	\$0.00082		\$0.08294	\$0.08289
20,000 - 50,000 therms	0.07307		\$0.07307	\$0.00005	\$0.07312	\$0.00073		\$0.07385	\$0.07380
50,000 - 300,000 therms	0.06593		\$0.06593	\$0.00005	\$0.06598	\$0.00066		\$0.06664	\$0.06659
300,000 - 500,000 therms	0.06101		\$0.06101	\$0.00005	\$0.06106	\$0.00061		\$0.06167	\$0.06162
All over 500,000 therms	0.04596		\$0.04596	\$0.00005	\$0.04601	\$0.00046		\$0.04647	\$0.04642
Annual Minimum per therm			Present: \$0.07307					Proposed: \$0.07380	

(1) Includes Schedules 150 (Purchased Gas Cost Adjustment).

(2) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 159 (Gas Decoupling Rate Adjustment), and Schedule 191 (Public Purpose Rider Adjustment).

**AVISTA UTILITIES
WASHINGTON NATURAL GAS
PROPOSED LIRAP INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011**

Rates Effective January 1st, 2013

	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCH. 111&112	EX LRG GEN SVC SCH. 121&122	INTERRUPTIBLE SCH. 131&132
1 Total Proforma Therms	171,502,112	119,024,606	45,569,603	6,264,998	642,905
2 Schedule 191 (LIRAP Portion)		\$ 0.01094	\$ 0.00917	\$ 0.00837	\$ 0.00804
3 Current Gross LIRAP Revenue	\$ 1,777,609	\$ 1,302,129	\$ 417,873	\$ 52,438	\$ 5,169
4 GRC Rate Increase %	3.68%	3.68%	3.68%	3.68%	3.68%
5 Additional LIRAP Allocation	\$ 65,416	\$ 47,918	\$ 15,378	\$ 1,930	\$ 190
6 Total Proposed LIRAP Funding	\$ 1,843,025	\$ 1,350,048	\$ 433,251	\$ 54,368	\$ 5,359
7 Proposed LIRAP Rates		\$ 0.01134	\$ 0.00951	\$ 0.00868	\$ 0.00834

Rates Effective January 1st, 2014

	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCH. 111&112	EX LRG GEN SVC SCH. 121&122	INTERRUPTIBLE SCH. 131&132
8 Total Proforma Therms	171,502,112	119,024,606	45,569,603	6,264,998	642,905
9 Schedule 191 (LIRAP Portion)		\$ 0.01134	\$ 0.00951	\$ 0.00868	\$ 0.00834
10 Current Gross LIRAP Revenue	\$ 1,842,848	\$ 1,349,739	\$ 433,367	\$ 54,380	\$ 5,362
11 GRC Rate Increase %	0.94%	0.94%	0.94%	0.94%	0.94%
12 Additional LIRAP Allocation	\$ 17,323	\$ 12,688	\$ 4,074	\$ 511	\$ 50
13 Total Proposed LIRAP Funding	\$ 1,860,171	\$ 1,362,427	\$ 437,441	\$ 54,891	\$ 5,412
14 Proposed LIRAP Rates		\$ 0.01145	\$ 0.00960	\$ 0.00876	\$ 0.00842