

Exhibit No. ___ C (TES-3C)
Dockets UE-140188/UG-140189
Witness: Thomas E. Schooley
REDACTED VERSION

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-140188 and
UG-140189
(Consolidated)**

**EXHIBIT TO
TESTIMONY OF**

THOMAS E. SCHOOLEY

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Development of Allowed Delivery Revenue by Rate Schedule – Natural Gas

**July 22, 2014
Revised August 1, 2014**

*Confidential Per Protective Order
REDACTED VERSION*

Avista Utilities
 Natural Gas Decoupling Mechanism
 Development of Allowed Delivery Revenue by Rate Schedule - Natural Gas

Confidential
 Revised Data
 Correlary Impact

	RESIDENTIAL SCHEDULE 101	GENERAL SVC. SCH. 111,112	LG. GEN. SVC. SCH. 121,122	INTERRUPTIBLE SCH.131/132	SCHEDULES 146 & 148
1 Total Normalized Revenue 2015	\$ 159,447,053	\$ 116,743,036	\$ 34,391,207	\$ 3,931,772	\$ 767,855
2	\$ 159,447,053	\$ 116,743,036	\$ 34,391,207	\$ 3,931,772	\$ 767,855
3	confidential	confidential	confidential	confidential	Excluded from Decoupling
4 Normalized Therms (Rate Year)	\$ 84,586,298	\$ 0.49803	\$ 0.49535	\$ 0.47449	\$ 0.44955
5 PGA Rates	confidential	confidential	confidential	confidential	confidential
6 PGA Revenue	\$ 71,247,572	\$ 58,467,945	\$ 11,477,855	\$ 1,113,036	\$ 188,736
7 Total Revenue Excluding Gas Costs (Ln 3 - Ln 6)	confidential	confidential	confidential	confidential	confidential
8 Customer Bills	\$ 11.74	\$ 81.32	\$ 196.30	\$ 496.00	
9 Proposed Basic Charges	confidential	confidential	confidential	confidential	confidential
10 Basic Charge Revenue (Ln 8 * Ln 9)	\$ 47,550,802	\$ 37,309,706	\$ 9,015,811	\$ 1,048,454	\$ 176,832
11 Decoupled Revenue	Additional Data	Residential	Non-residential		
	Customer Bills confidential	confidential	confidential		
	Basic Charges	\$ 11.74			
	Basic Charges Revenue confidential	confidential	confidential		
	Average Basic Charge	\$ 11.74	\$ 82.88		

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Annual Non-PGA Revenue Per Customer - Natural Gas

Confidential
Revised Data
Correlary Impact

Line No.	(a)	(b)	(c)	(d)
		Source	Residential	Non-Residential Schedules*
1	Decoupled Revenue	TES-3, Page 1	\$ 37,309,706	\$ 10,241,096
2	Test Year # of Customers	Revenue Data		
3	Decoupled Revenue Per Customer	(1) / (2)	\$ 248.42	\$ 4,012.31

*Sales Schedules 111, 112, 121, 122, 131, 132.

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Monthly Decoupled Revenue - Natural Gas

Confidential
 Revised Data
 Correlary Impact

Line No.	(a)	Jan (c)	Feb (d)	Mar (e)	Apr (f)	May (g)	Jun (h)	Jul (i)	Aug (j)	Sep (k)	Oct (l)	Nov (m)	Dec (n)	TOTAL (o)
1														
2	Natural Gas Delivery Volume													
3	Residential													
4	- Weather-Normalized Therm Delivery Volume (confidential)													
5	- % of Annual Total	17.17%	14.30%	12.21%	7.86%	4.38%	2.89%	2.10%	1.90%	2.49%	5.92%	11.83%	16.95%	100.00%
6														
7	Non-Residential Sales*													
8	- Weather-Normalized Therm Delivery Volume (confidential)													
9	- % of Annual Total	14.15%	12.08%	10.86%	7.41%	4.64%	3.73%	3.21%	3.51%	4.74%	8.69%	12.32%	14.65%	100.00%
10														
11	Monthly Decoupled Revenue Per Customer													
12	Residential													
13	- 2015 Decoupled Revenues Per Customer	\$ 42.67	\$ 35.52	\$ 30.33	\$ 19.54	\$ 10.89	\$ 7.17	\$ 5.21	\$ 4.73	\$ 6.17	\$ 14.72	\$ 29.38	\$ 42.11	\$ 248.42
14	- 2015 Monthly Decoupled Revenue Per Customer	\$ 567.84	\$ 484.61	\$ 435.64	\$ 297.48	\$ 186.29	\$ 149.83	\$ 128.87	\$ 140.82	\$ 190.30	\$ 348.48	\$ 494.48	\$ 587.67	\$ 4,012.31
15														
16	Non-Residential Sales*													
17	- 2015 Decoupled Revenues Per Customer													
18	- 2015 Monthly Decoupled Revenue Per Customer													
19														
20	*Sales Schedules 111, 112, 121, 122, 131, 132.													

Avista Utilities
Decoupling Mechanism
Example of Natural Gas Deferrals (Calendar Year 2015)

Confidential
 Revised Data
 Correlav.Impact

Line No.	Source	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Residential Group													
1	Actual Customers	150,000	150,125	150,250	150,375	150,500	150,625	150,750	150,875	151,000	151,125	151,250	151,375
2	Monthly Decoupled Revenue per Customer	42.67	35.52	30.33	19.34	10.89	7.17	5.21	4.73	6.17	14.72	29.38	42.11
3	Decoupled Revenue	\$ 6,399,944	\$ 5,332,227	\$ 4,556,940	\$ 2,897,925	\$ 1,638,215	\$ 1,079,903	\$ 786,104	\$ 713,494	\$ 932,844	\$ 2,223,814	\$ 4,443,143	\$ 6,374,151
4	Actual Monthly Revenue (Excluding Gas Costs)	\$ 9,300,000	\$ 8,000,000	\$ 6,900,000	\$ 4,800,000	\$ 3,200,000	\$ 2,600,000	\$ 2,300,000	\$ 2,200,000	\$ 2,500,000	\$ 3,800,000	\$ 6,400,000	\$ 9,100,000
5	Actual Basic Charge Revenue	\$ 1,761,000	\$ 1,762,468	\$ 1,763,935	\$ 1,765,403	\$ 1,766,870	\$ 1,768,338	\$ 1,769,805	\$ 1,771,273	\$ 1,772,740	\$ 1,774,208	\$ 1,775,675	\$ 1,777,143
6	Actual Decoupled Revenue	\$ 7,539,000	\$ 6,237,533	\$ 5,136,065	\$ 3,034,598	\$ 1,433,130	\$ 831,663	\$ 530,195	\$ 428,728	\$ 727,260	\$ 2,025,795	\$ 4,624,222	\$ 7,322,858
7	Deferral - Surcharge (Rebate)	\$ (1,139,056)	\$ (905,306)	\$ (579,125)	\$ (96,673)	\$ 205,085	\$ 248,240	\$ 255,909	\$ 284,766	\$ 204,984	\$ 198,022	\$ (181,182)	\$ (948,706)
8	Interest on Deferral at FERC Rate	\$ (1,542)	\$ (4,315)	\$ (6,337)	\$ (7,269)	\$ (7,142)	\$ (6,548)	\$ (5,883)	\$ (5,166)	\$ (4,517)	\$ (3,984)	\$ (3,972)	\$ (5,212)
9	Cumulative Deferral	\$ (1,140,598)	\$ (2,050,219)	\$ (2,635,680)	\$ (2,739,622)	\$ (2,541,679)	\$ (2,299,987)	\$ (2,049,960)	\$ (1,770,360)	\$ (1,569,893)	\$ (1,375,855)	\$ (1,561,009)	\$ (2,515,227)
Non-Residential Group													
10	Actual Customers	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550
11	Monthly Decoupled Revenue per Customer	\$ 567.84	\$ 484.61	\$ 435.64	\$ 297.48	\$ 186.29	\$ 149.83	\$ 128.87	\$ 140.82	\$ 190.30	\$ 348.48	\$ 494.48	\$ 587.67
12	Decoupled Revenue	\$ 1,447,989	\$ 1,235,754	\$ 1,110,876	\$ 758,578	\$ 475,029	\$ 382,075	\$ 328,606	\$ 359,096	\$ 485,268	\$ 888,634	\$ 1,260,924	\$ 1,498,571
13	Actual Monthly Revenue (Excluding Gas Costs)	\$ 1,888,000	\$ 1,770,000	\$ 1,534,000	\$ 1,180,000	\$ 826,000	\$ 708,000	\$ 590,000	\$ 590,000	\$ 708,000	\$ 1,298,000	\$ 1,770,000	\$ 2,124,000
14	Actual Basic Charge Revenue	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344	\$ 211,344
15	Actual Decoupled Revenue	\$ 1,676,656	\$ 1,558,656	\$ 1,322,656	\$ 968,656	\$ 614,656	\$ 496,656	\$ 378,656	\$ 378,656	\$ 496,656	\$ 1,086,656	\$ 1,558,656	\$ 1,912,656
16	Deferral - Surcharge (Rebate)	\$ (228,667)	\$ (322,902)	\$ (211,780)	\$ (210,078)	\$ (139,627)	\$ (114,581)	\$ (50,050)	\$ (19,560)	\$ (11,388)	\$ (198,022)	\$ (297,732)	\$ (414,085)
17	Interest on Deferral at FERC Rate	\$ (310)	\$ (1,057)	\$ (1,784)	\$ (2,260)	\$ (2,840)	\$ (3,192)	\$ (3,424)	\$ (3,527)	\$ (3,579)	\$ (3,872)	\$ (4,554)	\$ (5,530)
18	Cumulative Deferral	\$ (228,977)	\$ (552,936)	\$ (766,500)	\$ (978,939)	\$ (1,121,407)	\$ (1,239,180)	\$ (1,292,654)	\$ (1,315,742)	\$ (1,330,708)	\$ (1,532,602)	\$ (1,834,888)	\$ (2,254,504)