

Exhibit No. \_\_\_ C (TES-2C)  
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 Decoupled Revenues by Rate Schedule - Electric*

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

*Confidential Per Protective Order  
REDACTED VERSION*

Avista General Rate Case UE-140188  
 STAFF Electric Decoupling Mechanism  
 Development of Decoupled Revenues by Rate Schedule - Electric

	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH 11,12	L.G. GEN. SVC. SCH 21,22	EX LG GEN SVC SCHEDULE 25, 26	PUMPING SCH 30, 31, 32	ST & AREA LTG SCH 41-48
	(c)	(d)	(e)	(f)	(g)	(h)
TOTAL	\$ 214,476,179	\$ 66,204,662	\$ 124,929,191	\$ 59,595,549	\$ 10,524,655	\$ 6,870,763
(b)	\$ 482,600,999					
	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104	\$ 0.02104
	\$ 362,905,217	\$ 163,198,610	\$ 53,874,747	\$ 94,703,263	\$ 36,957,200	\$ 7,833,458
	\$	\$ 8.50	\$ 16	\$ 501	\$ 16,500	\$ 16
	\$ 312,756,383	\$ 141,997,935	\$ 47,958,139	\$ 82,639,048	\$ 32,799,200	\$ 7,362,061

\$0.02009  
 104.71%  
 \$0.021037

	Residential	Non-Residential Group
confidential		
confidential		
confidential		
confidential	\$ 8.50	\$ 43.59

Confidential  
 Revised Data  
 Correlary impacts

- 1 Total Normalized 2015 Revenue (Exhibit CTM-3 at 1)
- 2
- 3
- 4 Normalized kWhs (2015 Rate Year) CONFIDENTIAL
- 5 Retail Revenue Credit (line 33)
- 6 Variable Power Supply Revenue (Ln 4 \* L5) CONFIDENTIAL
- 7 Delivery & Power Plant Revenue (Ln 1 - Ln 6)
- 8 Customer Bills 2015 CONFIDENTIAL
- 9 Proposed Basic Charges 2015
- 10 Basic Charge Revenue (Ln 8 \* Ln 9) CONFIDENTIAL
- 11 Decoupled Revenues (Ln 7 - Ln 10)
- 12 Retail Revenue Credit - (Exhibit No. JLB-4)
- 13 Gross Up Factor for Revenue Related Exp
- 14 Grossed Up Retail Revenue Credit
- 15 Average number of customers (L 8 / 12)
- 16 Average kWh
- 17 Basic Charge Revenues
- 18 Customer Bills
- 19 Average Basic Charge

**Avista General Rate Case UE-140188**  
**STAFF Electric Decoupling Mechanism**  
**Development of Annual Decoupled Revenue Per Customer - Electric**

Confidential  
Revised Data  
Correlary impacts

Line No.	Source	Residential	Non-Residential Schedules* Schedules 25, 26, 41-48	Others- Schedules 25, 26, 41-48
1	Decoupled Revenues	TES-2 at 1:11 \$ 141,997,935	\$ 137,959,248	
2	Rate Year # of Customers 2015	Confidential		
3	Decoupled Revenue per Customer	(1) / (2)	\$ 683.18	\$ 3,910.68
* Schedules 11, 12, 21, 22, 31, 32.				
Revenues				
	From revenue per customer	\$ 141,998,792	\$ 137,959,207	
	From basic charge	\$ 21,200,675	\$ 18,452,220	
	From power supply	\$ 51,277,569	\$ 45,247,040	
	Total	\$ 214,477,036	\$ 201,658,467	

**Avista General Rate Case UE-140188/UG-140189**  
**STAFF Electric Decoupling Mechanism**  
**Development of Monthly Decoupled Revenue Per Customer - Electric**  
**Based on 2015 Sales and Customers**

Confidential  
 Revised Data  
 Correlary impacts

Line No.	(a)	Source (b)	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	<b>Electric Sales</b>														
2	<i>Residential</i>														
3	- Weather-Normalized kWh Sales confidential	Monthly RATE Year													
4	- % of Annual Total	% of Total	11.12%	9.87%	9.08%	7.20%	6.64%	6.34%	7.22%	7.66%	6.47%	7.41%	9.25%	11.72%	100.00%
5	<i>Non-Residential*</i>														
6	- Weather-Normalized kWh Sales confidential	Monthly RATE Year													
7	- % of Annual Total	% of Total	8.46%	7.94%	8.04%	7.30%	7.81%	8.16%	9.10%	9.64%	8.25%	8.25%	8.11%	8.94%	100.00%
8	<i>Extra Large Non-Residential</i>														
9	- Weather-Normalized kWh Sales	Monthly RATE Year													
10	- % of Annual Total	% of Total													
11	<b>Monthly Decoupled Revenue Per Customer ("RPC")</b>														
12	<i>Residential</i>	(TES-2) at 2.3													
13	- 2015 Decoupled RPC	(4) x (13)	\$ 75.99	\$ 67.44	\$ 62.05	\$ 49.20	\$ 45.38	\$ 43.32	\$ 49.35	\$ 52.31	\$ 44.22	\$ 50.66	\$ 63.19	\$ 80.09	\$ 683.180
14	- 2015 Monthly Decoupled RPC														
15	<i>Non-Residential*</i>														
16	- 2015 Decoupled RPC	(TES-2) at 2.3													
17	- 2015 Monthly Decoupled RPC	(7) x (16)	\$ 330.77	\$ 310.66	\$ 314.61	\$ 285.47	\$ 305.36	\$ 319.30	\$ 355.70	\$ 376.96	\$ 322.50	\$ 322.65	\$ 317.01	\$ 349.69	\$ 3,910.68

**Avista General Rate Case UE-140188  
 STAFF Decoupling Mechanism  
 Example of Electric Deferrals (Calendar Year 2015)**

Confidential  
 Revised Data  
 Correlary impacts

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)
<b>Residential Group</b>													
1	Actual Customers	207,000	207,200	207,400	207,600	207,800	208,000	208,200	208,400	208,600	208,800	209,000	209,200
2	Monthly Decoupled Revenue per Customer	\$ 75.99	\$ 67.44	\$ 62.05	\$ 49.20	\$ 45.38	\$ 43.32	\$ 49.35	\$ 52.31	\$ 44.22	\$ 50.56	\$ 63.19	\$ 80.09
3	Decoupled Revenues	\$ 15,730,344	\$ 13,973,775	\$ 12,868,133	\$ 10,213,090	\$ 9,430,172	\$ 9,009,728	\$ 10,274,462	\$ 10,900,987	\$ 9,224,083	\$ 10,576,764	\$ 13,205,665	\$ 16,755,456
4	Actual Monthly Customer Payments	\$ 23,000,000	\$ 23,000,000	\$ 20,000,000	\$ 18,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 18,000,000	\$ 13,000,000	\$ 16,000,000	\$ 20,000,000	\$ 25,000,000
5	Actual Basic Charge Payments	\$ 1,759,500	\$ 1,761,200	\$ 1,762,900	\$ 1,764,600	\$ 1,766,300	\$ 1,768,000	\$ 1,769,700	\$ 1,771,400	\$ 1,773,100	\$ 1,774,800	\$ 1,776,500	\$ 1,778,200
6	Actual Usage (kWhs)	\$ 271,130,047	\$ 240,621,765	\$ 221,370,825	\$ 175,523,307	\$ 161,914,993	\$ 154,545,588	\$ 176,072,045	\$ 186,627,300	\$ 157,769,890	\$ 180,730,371	\$ 225,437,958	\$ 285,761,978
7	Retail Revenue Credit (\$/kWh)	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037
8	Variable Power Supply Payments	\$ 5,703,731	\$ 5,061,932	\$ 4,656,952	\$ 3,692,505	\$ 3,406,187	\$ 3,251,157	\$ 3,704,007	\$ 3,926,056	\$ 3,318,987	\$ 3,802,003	\$ 4,742,512	\$ 6,011,541
9	Customer Decoupling Payments	\$ 15,536,769	\$ 16,176,868	\$ 13,580,148	\$ 12,542,895	\$ 9,827,513	\$ 9,980,843	\$ 9,526,293	\$ 12,302,544	\$ 7,907,913	\$ 10,423,197	\$ 13,480,988	\$ 17,210,259
10	Deferral - Surcharge (Rebate)	\$ 193,575	\$ (2,203,093)	\$ (712,015)	\$ (2,329,805)	\$ (397,342)	\$ (971,115)	\$ 748,169	\$ (1,401,556)	\$ 1,316,170	\$ 1,531,567	\$ (275,323)	\$ (454,803)
11	Interest on Deferral - FERC Rate	\$ 262	\$ (2,438)	\$ (6,413)	\$ (10,549)	\$ (14,271)	\$ (16,162)	\$ (16,508)	\$ (17,438)	\$ (17,600)	\$ (15,658)	\$ (15,865)	\$ (16,897)
12	Cumulative Deferral	\$ 193,837	\$ (2,011,715)	\$ (2,730,142)	\$ (5,070,497)	\$ (5,482,109)	\$ (6,469,386)	\$ (5,737,726)	\$ (7,156,719)	\$ (5,858,150)	\$ (5,720,240)	\$ (6,011,422)	\$ (6,483,122)
<b>Non-Residential Group</b>													
13	Actual Customers	34,851	34,861	34,871	34,881	34,891	34,901	34,911	34,921	34,931	34,941	34,951	34,961
14	Monthly Decoupled Revenue per Customer	\$ 330.77	\$ 310.66	\$ 314.61	\$ 285.47	\$ 305.36	\$ 319.30	\$ 355.70	\$ 376.96	\$ 322.50	\$ 322.65	\$ 317.01	\$ 349.69
15	Decoupled Revenues	\$ 11,527,652	\$ 10,829,910	\$ 10,970,512	\$ 9,957,302	\$ 10,654,343	\$ 11,143,948	\$ 12,417,753	\$ 13,163,865	\$ 11,265,026	\$ 11,273,493	\$ 11,079,667	\$ 12,225,459
16	Actual Monthly Customer Payments	\$ 19,000,000	\$ 17,000,000	\$ 18,000,000	\$ 16,500,000	\$ 17,000,000	\$ 18,000,000	\$ 19,000,000	\$ 20,000,000	\$ 18,000,000	\$ 17,000,000	\$ 18,000,000	\$ 20,000,000
17	Actual Basic Charge Payments	\$ 1,519,081	\$ 1,519,517	\$ 1,519,953	\$ 1,520,389	\$ 1,520,825	\$ 1,521,261	\$ 1,521,697	\$ 1,522,133	\$ 1,522,569	\$ 1,523,004	\$ 1,523,440	\$ 1,523,876
18	Actual Usage (kWhs)	\$ 181,922,081	\$ 170,861,843	\$ 171,030,139	\$ 157,004,730	\$ 167,947,307	\$ 175,614,812	\$ 195,632,184	\$ 207,327,409	\$ 177,370,453	\$ 177,453,044	\$ 174,351,964	\$ 192,327,521
19	Retail Revenue Credit (\$/kWh)	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037	\$ 0.021037
20	Variable Power Supply Payments	\$ 3,827,073	\$ 3,594,400	\$ 3,640,015	\$ 3,302,890	\$ 3,533,088	\$ 3,694,388	\$ 4,115,491	\$ 4,361,522	\$ 3,791,321	\$ 3,735,059	\$ 3,667,822	\$ 4,045,971
21	Customer Decoupling Payments	\$ 13,653,845	\$ 11,886,082	\$ 12,840,032	\$ 11,676,721	\$ 11,946,087	\$ 12,784,351	\$ 13,362,812	\$ 14,116,345	\$ 12,746,110	\$ 11,743,937	\$ 12,808,738	\$ 14,430,152
22	Deferral - Surcharge (Rebate)	\$ (2,126,194)	\$ (1,056,173)	\$ (1,869,521)	\$ (1,719,418)	\$ (1,291,744)	\$ (1,640,403)	\$ (945,059)	\$ (952,480)	\$ (1,481,084)	\$ (470,444)	\$ (1,729,071)	\$ (2,204,694)
23	Interest on Deferral	\$ (2,879)	\$ (7,196)	\$ (11,178)	\$ (16,068)	\$ (20,189)	\$ (24,215)	\$ (27,781)	\$ (30,426)	\$ (33,804)	\$ (36,538)	\$ (39,616)	\$ (45,050)
24	Cumulative Deferral	\$ (2,129,073)	\$ (3,192,442)	\$ (5,073,140)	\$ (6,808,627)	\$ (8,120,560)	\$ (9,785,177)	\$ (10,738,018)	\$ (11,740,924)	\$ (13,255,812)	\$ (13,762,794)	\$ (15,551,481)	\$ (17,781,225)
37	<b>Total Cumulative Deferral</b>	\$ (1,935,236)	\$ (5,204,156)	\$ (7,803,283)	\$ (11,879,123)	\$ (13,602,669)	\$ (16,254,563)	\$ (18,495,743)	\$ (18,897,643)	\$ (19,113,962)	\$ (19,483,035)	\$ (21,542,910)	\$ (24,264,354)