

Avista Utilities Washington Jurisdiction
Natural Gas Cost of Service Methodology

Line No.	FERC Account A	Functional B	Classification C	Allocation D
1	Underground Storage Plant			
2	350 - 357 Underground Storage	Underground Storage	<i>Commodity to match Operatation Report of 20/80</i>	<i>E01/E04 - Annual Throughput / Annual Sales Therms</i>
3				
4	Distribution Plant			
5	374 Land	Distribution	Demand/Commodity/Customer from Other Dist Plant	S05 - Sum of accounts 376-385
6	375 Structures	Distribution	Demand/Commodity/Customer from Other Dist Plant	S05 - Sum of accounts 376-385
7	376(S) Small Mains	Distribution	Demand/Commodity by Peak & Average	<i>Annual throughput excluding Schs. 131, 132, and 146</i>
8	376(M) Medium Mains	Distribution	Demand/Commodity by Peak & Average	<i>1/3 - annual throughput (all), and 2/3 - annual throughput excluding Sch. 146.</i>
9	376(L) Large Mains	Distribution	Demand/Commodity by Peak & Average	<i>Annual throughput (all)</i>
10	378 M&R General	Distribution	Demand/Commodity by Peak & Average	D01/E01 - Coincident peak (all), annual throughput (all)
11	379 M&R City Gate	Distribution	Demand/Commodity by Peak & Average	D01/E01 - Coincident peak (all), annual throughput (all)
12	380 Services	Distribution	Customer	C02 - Customers weighted by current typical service cost
13	381 Meters	Distribution	Customer	C03 - Customers weighted by average current meter cost
14	385 Industrial M&R	Distribution	Customer	C06 - Customers weighted by industrial meter cost
15	387 Other	Distribution	Demand/Commodity/Customer from Other Dist Plant	S05 - Sum of accounts 376-385
16				
17	General Plant			
18	389-399 All General Plant	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
19				
20	Intangible Plant			
21	303 Misc Intangible Plant	Distribution	Demand/Commodity/Customer from Dist Plant	S15 - Sum of Distribution Plant in Service
22	303 Computer Software	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
23				
24	Reserve for Depreciation			
25	Underground Storage	Underground Storage	<i>Commodity same as related plant</i>	<i>Allocations linked to related plant accounts</i>
26	Distribution	Distribution	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
27	General	Common	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
28	Intangible	Distribution/Common	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
29				
30	Other Rate Base			
31	Accumulated Deferred FIT	All	Demand/Commodity/Customer from Plant in Service	S17 - Sum of Total Plant in Service
32	Constuction Advances	Distribution	Customer	C10 - Residential only
33	Gas Inventory	Underground Storage	Commodity from Underground Storage Plant	S14 - Sum of Underground Storage Plant in Service
34	Gain on Sale of Office Bldg	Common	Demand/Commodity/Customer from UG & D Plant	S03 - Sum of Underground Storage and Distribution Plant in Service
35	DSM Investment	Distribution	Demand/Commodity by Peak & Average	D01/E01 - Coincident peak (all), annual throughput (all)
36	Working Capital	Common	Demand/Commodity/Customer from UG & D Plant	S03 - Sum of Underground Storage and Distribution Plant in Service
37				
38	Purchased Gas Expenses			
39	804 Purchased Gas Cost	Production	Demand/Commodity from PGA Tracker WACOG	D05/E07 - PGA Demand / PGA Commodity
40	807 Purchased Gas Expenses	Production	Commodity	E01/E04 - Annual Throughput / Annual Sales Therms
41	813 Gas Research Contributions	Production	Commodity	E08 - GTI Expense (Weighted Annual Sales Therms)
42	813 Other Gas Expenses	Production	Commodity	E04 - Annual Sales Therms
43				
44	Underground Storage O&M			
45	814 - 837 Underground Storage Exp	Underground Storage	<i>Commodity to match Operatation Report of 20/80</i>	<i>E01/E04 - Annual Throughput / Annual Sales Therms</i>
46				
47	Distribution O&M			
48	870 OP Super & Engineering	Distribution	Demand/Commodity/Customer from Dist Plant	S15 Sum of Distribution Plant in Service
49	871 Load Dispatching	Distribution	Commodity	E01 Annual throughput
50	874 Mains & Services	Distribution	Demand/Commodity/Customer from related plant	S06 Sum of Mains and Services Plant in Service
51	875 M&R Station - General	Distribution	Demand/Commodity from related plant	S08 Sum of Meas & Reg Station - General Plant in Service
52	876 M&R Station - Industrial	Distribution	Customer from related plant	S19 Sum of Meas & Reg Station - Industrial Plant in Service
53	877 M&R Station - City Gate	Distribution	Demand/Commodity from related plant	S09 Sum of Meas & Reg Station - City Gate Plant in Service
54	878 Meter & House Regulator	Distribution	Customer from related plant	S07 Sum of Meter and Installation Plant in Service
55	879 Customer Installations	Distribution	Customer	C05, Customers weighted by average current meter cost
56	880 Other OP Expenses	Distribution	Demand/Commodity/Customer from other dist expenses	S04 Sum of Accounts 870 - 879 and 881 - 894
57	881 Rents	Distribution	Demand/Commodity/Customer from other dist expenses	S04 Sum of Accounts 870 - 879 and 881 - 894
58	885 MT Super & Engineering	Distribution	Demand/Commodity/Customer from Dist Plant	S15 Sum of Distribution Plant in Service

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59	886 MT of Structures	Distribution	Demand/Commodity/Customer from Other Dist Plant	S05 Sum of accounts 376-385
60	887 MT of Mains	Distribution	<i>Demand/Commodity from related plant</i>	<i>S21 Sum of Distribution Mains Plant in Service</i>
61	889 MT of M&R General	Distribution	Demand/Commodity from related plant	S08 Sum of Meas & Reg Station - General Plant in Service
62	890 MT of M&R Industrial	Distribution	Customer from related plant	S19 Sum of Meas & Reg Station - Industrial Plant in Service
63	891 MT of M&R City Gate	Distribution	Demand/Commodity from related plant	S09 Sum of Meas & Reg Station - City Gate Plant in Service
64	892 MT of Services	Distribution	Customer from related plant	S20 Sum of Services Plant in Services
65	893 MT of Meters & Hs Reg	Distribution	Customer from related plant	S07 Sum of Meter and Installation Plant in Service
66	894 MT of Other Equipment	Distribution	Demand/Commodity/Customer from Dist Plant	S15 Sum of Distribution Plant in Service
67				
68	Customer Accounting Expenses			
69	901 Supervision	Customer	Customer	C01 - All customers (unweighted)
70	902 Meter Reading	Customer	Customer	C01 - All customers (unweighted)
71	903 Customer Records & Collections	Customer	Customer	C01 - All customers (unweighted)
72	904 Uncollectible Accounts	Revenue	Revenue	R03 - Retail Sales Revenue
73	905 Misc Cust Accounts	Customer	Customer	C01 - All customers (unweighted)
74				
75	Customer Service & Info Expenses			
76	907 Supervision	Customer	Customer	C01 - All customers (unweighted)
77	908 Customer Assistance	Customer	Customer	C01 - All customers (unweighted)
78	908 DSM Amortization	Distribution	Demand/Commodity by Peak & Average	D01/E01 - Coincident peak (all), annual throughput (all)
79	909 Advertising	Customer	Customer	C01 - All customers (unweighted)
80	910 Misc Cust Service & Info	Customer	Customer	C01 - All customers (unweighted)
81				
82	Sales Expenses			
83	911 - 916 Sales Expenses	Customer	Customer	C01 - All customers (unweighted)
84				
85	Admin & General Expenses			
86	920 Salaries	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
87	921 Office Supplies	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
88	922 Admin Expenses Transferred	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
89	923 Outside Services	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
90	924 Property Insurance	Common	Demand/Commodity/Customer from Plant in Service	S17 Sum of Total Plant in Service
91	925 Injuries & Damages	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
92	926 Pensions & Benefits	Common	Demand/Commodity/Customer from Labpr O&M	S13 O&M Labor Expense
93	927 Franchise Requirements	Revenue	Revenue	R01 Retail Sales Revenue
94	928 Regulatory Commission	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
95	928 Commission Fees	Revenue	Revenue	R01 Retail Sales Revenue
96	930 Miscellaneous General	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
97	931 Rents	Common	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
98	931 CSS Rent	Customer	<i>4-Factor</i>	<i>1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers</i>
99	935 MT of General Plant	Common	Demand/Commodity/Customer from Plant in Service	S17 Sum of Total Plant in Service
100				
101	Depreciation Expense			
102	Underground Storage	Underground Storage	<i>Commodity same as related plant</i>	<i>Allocations linked to related plant accounts</i>
103	Distribution	Distribution	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
104	General	Common	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
105	Intangible	Distribution/Common	<i>Demand/Commodity/Customer same as related plant</i>	<i>Allocations linked to related plant accounts</i>
106				
107	Taxes			
108	Property Tax	All	Demand/Commodity/Customer from related plant	S14/S15/S16 - Sum of UG Plant/Sum of Dist Plant/Sum of Gen Plant
109	Miscellaneous Dist Tax	Distribution	Demand/Commodity/Customer from Dist Plant	S15 - Sum of Distribution Plant in Service
110	State Excise Tax	Revenue	Revenue	R01 - Retail Sales Revenue
111	Federal Income Tax	Revenue	Revenue	R02 - Net Income before Taxes Less Interest Expense
112	Deferred FIT	Revenue	Revenue	R02 - Net Income before Taxes Less Interest Expense
113	ITC	Revenue	Revenue	R02 - Net Income before Taxes Less Interest Expense
114				
115	Operating Revenues			
116	Revenue from Rates	Revenue	Revenue	Pro Forma Revenue per Revenue Study

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117	Special Contract Revenue	All	Demand/Commodity/Customer from Rate Base	S01 - Sum of Rate Base
118	Off System Sales	Production	Commodity	E04 - Sales Therms
119	Miscellaneous Service Revenue	Distribution	Demand/Commodity/Customer from Dist Plant	S15 - Sum of Distribution Plant in Service
120	Rent From Gas Property	All	Demand/Commodity/Customer from Rate Base	S01 - Sum of Rate Base
121				
122	<i>* Items that are shaded and italicized are changed from the Company's proposed methodologies.</i>			