

Avista Utilities Washington Jurisdiction  
Electric Cost of Service Methodology

Line No.	FERC Account	Functional	Classification	Allocation
	A	B	C	D
<b>Production Plant</b>				
1	310-317 Thermal Production	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
3	320-326 Nuclear Production (Settlement Exchange)	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
4	330-337 Hydro Production	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
5	340-347 Other Production (Coyote Springs)	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
6	340-347 Other Production	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
7				
<b>Transmission Plant</b>				
9	350-359 All Transmission	T = Transmission	<i>Demand/Energy by Peak &amp; Average (61.38% Demand)</i>	<i>D01/E03 - Average Coincident Peak Demand/Average Energy Consumption</i>
10				
<b>Distribution Plant</b>				
12	360 Land	D = Distribution	Demand	D08 - Non-coincident Peak Demand Primary
13	361 Structures	D = Distribution	Demand	D03/D04/D05 - Direct Assign Large / Non-coincident Peak Demand Excl DA
14	362 Station Equipment	D = Distribution	Demand	D03/D04/D05 - Direct Assign Large / Non-coincident Peak Demand Excl DA
15	364 Poles Towers & Fixtures	D = Distribution	Demand	D03/D04/D06/D07 - Primary NCP Excl DA/Secondary NCP/DA Lights/DA Large
16	365 Overhead Conductors & Devices	D = Distribution	Demand	D03/D04/D06 - Primary NCP Excl DA/Secondary NCP/Direct Assign Large
17	366 Underground Conduit	D = Distribution	Demand	D03/D04/D06 - Primary NCP Excl DA/Secondary NCP/Direct Assign Large
18	367 Underground Conductors & Devices	D = Distribution	Demand	D03/D04/D06 - Primary NCP Excl DA/Secondary NCP/Direct Assign Large
19	368 Line Transformers	D = Distribution	Demand	D06 - Non-coincident Peak Demand Secondary only
20	369 Services	D = Distribution	Customer	C02 - Secondary Customers unweighted Excl Lighting
21	370 Meters	D = Distribution	Customer	C04 - Customers weighted by Current Typical Meter Cost
22	373 Street and Area Lighting Systems	D = Distribution	Customer	C05 - Direct Assignment to Street and Area Lights
23				
24				
<b>General Plant</b>				
25	389-399 All General	P/T/D	<i>4-Factor</i>	<i>S23 - 1/4 of Labor O&amp;M Excl A&amp;G/Net P-T-D Plant/O&amp;M Excl Labor,A&amp;G/Avg. Customers</i>
26				
<b>Intangible Plant</b>				
28	301 Organization	P/T/D/G	Demand/Energy/Customer as in related Plant	S06 - Sum of Production, Transmission, Distribution, and General Plant
29	302 Franchises & Consents	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
30	303 Misc Intangible Plant - Transmission Agreements	T = Transmission	Demand/Energy from Transmission Plant	S02 - Sum of Transmission Plant
31	303 Misc Intangible Plant - Distribution Agreements	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
32	303 Misc Intangible Plant - Software	P/T/D/G	Demand/Energy/Customer as in related Plant	S06 - Sum of Production, Transmission, Distribution, and General Plant
33				
<b>Reserve for Depreciation/Amortization</b>				
35	Intangible	P/T/D/G	Follows Related Plant	S01/S02/S03/S06 - Sum of Production/Transmission/Distribution Plant/P-T-D-G Total
36	Production	P = Production	Follows Related Plant	D09/E03 - Excess Demand/Average Energy Consumption
37	Transmission	T = Transmission	Follows Related Plant	D01/E03 - Average Coincident Peak Demand/Average Energy Consumption
38	Distribution	D = Distribution	Follows Related Plant	D02/D03/D04/D05/D06/D07/D08/C02/C04/C05 - See Related Plant
39	General	P/T/D	<i>4-Factor</i>	<i>S23 - 1/4 of Labor O&amp;M Excl A&amp;G/Net P-T-D Plant/O&amp;M Excl Labor,A&amp;G/Avg. Customers</i>
40				
<b>Other Rate Base</b>				
42	252 Customer Advances for Construction	D = Distribution	Customer	S13 - Sum of Account 369 Services Plant
43	282, 190 Accumulated Deferred Income Tax	P/T/D/O	Follows Related Plant	S01/S02/S03/S04 - Sums of Production/Transmission/Distribution/General Plant
44	Gain on Sale of General Office Building	P/T/D	Demand/Energy/Customer from Plant	S04 - Sum of General Plant
45	Hydro Relicensing Related Settlements	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
46	Lancaster Deferred Balance	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
47	Working Capital	P/T/D/G	Demand/Energy/Customer as in related Plant	S06 - Sum of Production, Transmission, Distribution, and General Plant
48				
<b>Production O&amp;M</b>				
50	Thermal	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
51	501 Thermal Fuel	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
52	Hydro	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
53	536 Water for Power	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
54	547 Other Fuel (Coyote Springs)	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
55	547 Other Fuel	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
56	Other	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
56	555 Wind Purchased Power	P = Production	<i>Follows Related Plant</i>	<i>E02 - Generation Level Consumption</i>
57	555, 557 Purchased Power and Other Expenses	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
58	556 System Control & Misc.	P = Production	<i>Demand/Energy by Load Factor (30.73% Demand)</i>	<i>D09/E03 - Excess Demand/Average Energy Consumption</i>
59				
<b>Transmission O&amp;M</b>				
61	All Transmission	T = Transmission	<i>Demand/Energy by Peak &amp; Average (61.38% Demand)</i>	<i>D01/E03 - Average Coincident Peak Demand/Average Energy Consumption</i>
62				
<b>Distribution O&amp;M</b>				
64	580 OP Super & Engineering	D = Distribution	Demand/Customer from Other Dist Op Exp	S16 - Sum of Other Distribution Operating Expenses
65	581 Load Dispatching	D = Distribution	Demand	D02 - Non-coincident Peak Demand

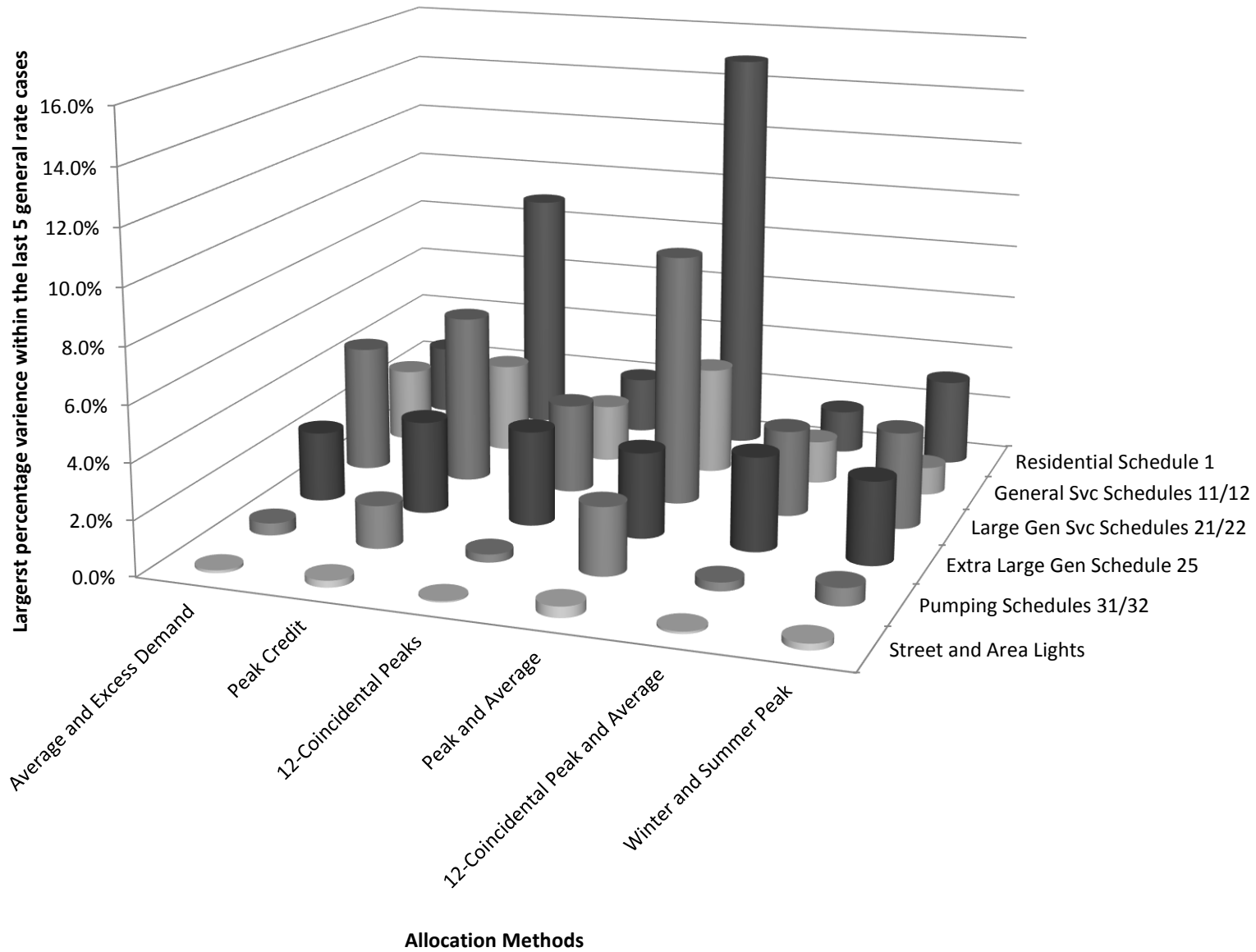
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	A	B	C	D
66	582 Station Expenses	D = Distribution	Demand	S09 - Sum of Account 362 Station Equipment
67	583 Overhead Lines	D = Distribution	Demand	S10 - Sum of Accounts 364 and 365 Poles, Towers, Fixtures & Overhead Conductors
68	584 Underground Lines	D = Distribution	Demand	S11 - Sum of Accounts 366 and 367 Underground Conduit & Underground Conductors
69	585 Street Lights	D = Distribution	Customer	S15 - Sum of Account 373 Street Light and Signal Systems
70	586 Meters	D = Distribution	Customer	S14 - Sum of Account 370 Meters
71	587 Customer Installations	D = Distribution	Customer	S13 - Sum of Account 369 Services
72	588 Misc Operating Expense	D = Distribution	Demand/Customer from Other Dist Op Exp	S16 - Sum of Other Distribution Operating Expenses
73	589 Rents	D = Distribution	Demand	D02 - Non-coincident Peak Demand
74	590 MT Super & Engineering	D = Distribution	Demand/Customer from Other Dist Mt Exp	S17 - Sum of Other Distribution Maintenance Expenses
75	591 MT of Structures	D = Distribution	Demand	S08 - Sum of Account 361 Structures & Improvements
76	592 MT of Station Equipment	D = Distribution	Demand	S09 - Sum of Account 362 Station Equipment
77	593 MT of Overhead Lines	D = Distribution	Demand	S10 - Sum of Accounts 364 and 365 Poles, Towers, Fixtures & Overhead Conductors
78	594 MT of Underground Lines	D = Distribution	Demand	S11 - Sum of Accounts 366 and 367 Underground Conduit & Underground Conductors
79	595 MT of Line Transformers	D = Distribution	Demand	S12 - Sum of Account 368 Line Transformers
80	596 MT of Street Lights	D = Distribution	Customer	S15 - Sum of Account 373 Street Light and Signal Systems
81	597 MT of Meters	D = Distribution	Customer	S14 - Sum of Account 370 Meters
82	598 Misc Maintenance Expense	D = Distribution	Demand/Customer from Other Dist Mt Exp	S17 - Sum of Other Distribution Maintenance Expenses
83				
84	<b>Customer Accounts Expenses</b>			
85	901 Supervision	C = Customer	Customer	S18 - Sum of Meter Reading and Customer Records & Collections Expenses
86	902 Meter Reading	C = Customer	Customer	C03 - Customers Weighted by Estimated Meter Reading Time Excl Lighting
87	903 Customer Records & Collections	C = Customer	Customer	C01 - All Customers unweighted
88	904 Uncollectible Accounts	R = Revenue	Revenue	R01 - Retail Sales Revenue
89	905 Misc Cust Accounts	C = Customer	Customer	S18 - Sum of Meter Reading and Customer Records & Collections Expenses
90				
91	<b>Customer Service &amp; Info Expenses</b>			
92	907 Supervision	C = Customer	Customer	C01 - All Customers unweighted
93	908 Customer Assistance	C = Customer	Customer	C01 - All Customers unweighted
94	908 Weatherization Expenses	DSM	Demand/Energy from Production Plant	S01 - Sum of Production Plant
95	908 Demand Side Management Tariff Rider Offset	DSM	Revenue	R02 - Tariff Rider Revenue
96	909 Advertising	C = Customer	Customer	C01 - All Customers unweighted
97	910 Misc Cust Service & Info	C = Customer	Customer	C01 - All Customers unweighted
98				
99	<b>Sales Expenses</b>			
100	911 - 916	C = Customer	Energy	E02 - Annual Generation Level Consumption
101				
102	<b>Admin &amp; General Expenses</b>			
103	920 - 926 & 930 -935 Assigned to Production	P = Production	4-Factor	S23 - 1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers
104	920 - 926 & 930 -935 Assigned to Transmission	T = Transmission	4-Factor	S23 - 1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers
105	920 - 926 & 930 - 935 Assigned to Distribution	D = Distribution	4-Factor	S23 - 1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers
106	920 - 926 & 930 - 935 Assigned to Customer Relations	C = Customer	Customer	C01 - All Customers unweighted
107	920-923, 928-931 Other Salaries, supplies, etc	P/T/D	Demand/Energy/Customer from O&M Expenses	S19 - Sum of expenses excluding Purch Power, Fuel, Wheeling, Uncollectibles, Tariff Rider
108	924 Property Insurance	P/T/D	Demand/Energy/Customer from Plant	S06 - Sum of Production, Transmission, Distribution, and General Plant
109	925-926 Other Inj & Dam, Pensions & Benefits	P/T/D	Demand/Energy/Customer from Labor O&M Total	S22 - Sum of Labor O&M Expenses
110	928 FERC Commission Fees	P = Production	Energy	E02 - Annual Generation Level Consumption
111	927, 928 Franchise Fees, WUTC Commission Fees	R = Revenue	Revenue	R01 - Retail Sales Revenue
112	935 Maintenance of General Plant	P/T/D	4-Factor	S23 - 1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers
113				
114	<b>Depreciation &amp; Amortization Expense</b>			
115	Intangible	P/T/D/G	Demand/Energy/Customer as in related Plant	S01/S02/S06 - Sum of Production Plant/Sum of Transmission Plant/Sum of P-T-D-G Plant
116	Production	P = Production	Demand/Energy as in related Plant	D09/E03 - Excess Demand/Average Energy Consumption
117	Transmission	T = Transmission	Demand/Energy as in related Plant	D01/E03 - Average Coincident Peak Demand/Average Energy Consumption
118	Distribution	D = Distribution	Demand/Customer as in related Plant	D02/D03/D04/D05/D06/D07/D08/C02/C04/C05 - See Related Plant
119	General	P/T/D	4-Factor	S23 - 1/4 of Labor O&M Excl A&G/Net P-T-D Plant/O&M Excl Labor,A&G/Avg. Customers
120				
121	<b>Taxes</b>			
122	Property Tax	P/T/D/O	Demand/Energy/Customer from Related Plant	S01/S02/S03/S04 - Sums of Production/Transmission/Distribution/General Plant
123	State kWh Generation Taxes	P = Production	Demand/Energy by Load Factor (30.73% Demand)	D09/E03 - Excess Demand/Average Energy Consumption
124	Misc Production Taxes	P = Production	Demand/Energy by Load Factor (30.73% Demand)	D09/E03 - Excess Demand/Average Energy Consumption
125	Misc Distribution Taxes	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
126	Washington State Excise Tax	R = Revenue	Revenue	R01 - Retail Sales Revenue
127	Federal Income Taxes - Current and/or Deferred	R = Revenue	Revenue	R03 - Revenue less Expenses Before Income Tax less Interest Expense
128				
129	<b>Other Income Related Items</b>			
130	Transmission Related Items	T = Transmission	Demand/Energy from Transmission Plant	S02 - Sum of Transmission Plant
131	Amortization of Gain on Sale of Misc Property	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant

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Line No.	FERC Account A	Functional B	Classification C	Allocation D
132	Renewable Production Related Items	P = Production	<i>Follows Related Plant</i>	<i>E02 - Generation Level Consumption</i>
133				
134	<b>Operating Revenues</b>			
135	Sales of Electricity- Retail	R = Revenue	Revenue	Input - Pro Forma Revenue per Revenue Study
136	447 Sales for Resale	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
137	Optional Renewable Revenue	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
138	Special Contract (Standby) Revenue	P = Production	Demand	D01 - Coincident Peak Demand
139	451 Misc Service Revenue	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
140	453 Sales of Water & Water Power	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
141	454 Rent from Production Property	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
142	454 Rent from Transmission Property	T = Transmission	Demand/Energy from Transmission Plant	S02 - Sum of Transmission Plant
143	454 Rent from Distribution Property	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
144	456 Other Electric Revenues - Generation	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
145	456 Other Electric Revenues - Wheeling	T = Transmission	Demand/Energy from Transmission Plant	S02 - Sum of Transmission Plant
146	456 Other Electric Revenues - Energy Delivery	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
147				
148	<b>Salaries &amp; Wages (allocators)</b>			
149	Operation & Maintenance Expenses			
150	Production Total	P = Production	Demand/Energy from Production Plant	S01 - Sum of Production Plant
151	Transmission Total	T = Transmission	Demand/Energy from Transmission Plant	S02 - Sum of Transmission Plant
152	Distribution Total	D = Distribution	Demand/Customer from Distribution Plant	S03 - Sum of Distribution Plant
153	Customer Accounts Total	C = Customer	Customer	S18 - Sum of Other Customer Accounts Expenses Excluding Uncollectibles
154	Customer Service Total	C = Customer	Customer	C01 - All Customers unweighted
155	Sales Total	C = Customer	Energy	E02 - Annual Generation Level Consumption
156	Admin & General Total	P/T/D	Demand/Energy/Customer from Related Plant	S05 - Sum of Production, Transmission and Distribution Plant
157				
158	<i>* Items that are shaded and italicized are changed from the Company's proposed methodologies.</i>			

## Variance in Allocation Methods (Cylinders)



## Variance in Allocation Methods (Columns)

