

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**SEBASTIAN COPPOLA ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT SC-28

Public Counsel Calculation of Adjustments to EV Capital Additions

July 29, 2022

EV Adjusted Capital Additions to Sales Revenue Breakeven

WA GRC Plant Group	Project #	Business Case	2016-2020	2021 TTP	2022 TTP	2023 TTP	2024 TTP
Programs	1	Electric Transportation	\$ 3,106,789	\$ 613,147.00	\$ 575,000.00	\$ 800,000.00	\$ 3,060,000.00

Capital Structure		48.50%	48.50%	48.50%	48.50%
Requested ROE Incentive (Equity Kicker)		2.00%	2.00%	2.00%	2.00%
Rate of Return Incentive		0.97%	0.97%	0.97%	0.97%
Depreciation Rate		5.71%	5.71%	5.71%	5.71%

Annual Depreciation	\$ 177,398	\$ 212,408	\$ 245,241	\$ 290,921	\$ 465,647
Accumulated Depreciation	\$ 88,699	\$ 106,204	\$ 228,825	\$ 268,081	\$ 378,284
Net Rate Base	\$ 3,018,090	\$ 506,943	\$ 959,322	\$ 1,320,066	\$ 3,139,863
Incentive ROR (AMA)		\$ 4,917	\$ 9,305	\$ 12,805	\$ 30,457

	2023	2024 (incremental)	Total
Added Incremental 2% (Kicker) incentive on TE Assets:	\$ 12,805	\$ 17,652	\$ 30,457

Gross up for Taxes 16,208 22,344

	2020	2021	2022	2023	2024
Depreciation Expense	\$ 177,398	\$ 212,408	\$ 245,241	\$ 290,921	\$ 465,647
O&M Expense per (per PC-DR-241 (b))	192,019	501,563	501,563	501,563	501,563
Total Annual Expense	\$ 369,417	\$ 713,971	\$ 746,804	\$ 792,484	\$ 967,210

Capital	3,106,789	\$ 613,147	\$ 575,000	\$ 800,000	\$ 3,060,000
Net Additions		\$ 3,542,538	\$ 1,188,147	\$ 1,375,000	\$ 3,860,000
A/D	\$ (177,398)	\$ (194,903)	\$ (211,319)	\$ (234,159)	\$ (321,522)
Net Plant	2,929,391	\$ 3,347,635	\$ 976,828	\$ 1,140,841	\$ 3,538,478

NOI	\$ (277,444)	\$ (547,587)	\$ (585,175)	\$ (620,456)	\$ (746,708)
NOI Req.	491,583	792,299	656,581	716,656	1,023,022
Annual Rev. Req.	650,849	1,048,994	869,305	948,844	1,354,469

(1)

Approx. Test Period Rev. Req. (12ME 09.2021)	\$ 949,458
Rev. Req. RY1	\$ 948,844
Incremental Rev. Req. RY2 above RY1 level	\$ 405,625

(1) Current annual recovery from customers prior to new rates in effect 12/21/2022.

(2024 Incremental Cost above 2023)

2.34% COD
7.31% ROR
0.755294 CF