

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UG-11 _____

EXHIBIT NO. ____ (TLK-6)

TARA L. KNOX

REPRESENTING AVISTA CORPORATION

Sumcost
Company Base Case
UG Storage 87% Sales / 13% Throughput

AVISTA UTILITIES
Cost of Service General Summary
For the Twelve Months Ended December 31, 2010

Natural Gas Utility
Washington Jurisdiction
16-May-11

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description					System Total	Residential Service Sch 101	Small Firm Service Sch 111	Large Firm Service Sch 121	Interrupt Service Sch 131	Transport Service Sch 146
Plant In Service										
1 Production Plant										
2 Underground Storage Plant					23,986,000	16,230,603	6,480,812	783,487	88,840	402,258
3 Distribution Plant					272,370,000	216,631,701	44,452,506	3,662,529	245,978	7,377,285
4 Intangible Plant					5,988,000	4,712,114	1,022,791	88,695	6,599	157,800
5 General Plant					27,861,000	21,891,835	4,788,340	417,979	31,477	731,370
6 Total Plant In Service					330,205,000	259,466,254	56,744,449	4,952,690	372,894	8,668,713
Accum Depreciation										
7 Production Plant										
8 Underground Storage Plant					(7,993,000)	(5,408,622)	(2,159,640)	(261,086)	(29,605)	(134,047)
9 Distribution Plant					(89,612,000)	(72,465,962)	(13,685,944)	(1,150,516)	(72,289)	(2,237,289)
10 Intangible Plant					(2,723,000)	(2,140,025)	(467,608)	(40,783)	(3,066)	(71,517)
11 General Plant					(8,049,000)	(6,324,517)	(1,383,344)	(120,753)	(9,094)	(211,292)
12 Total Accumulated Depreciation					(108,377,000)	(86,339,126)	(17,696,536)	(1,573,138)	(114,054)	(2,654,145)
13 Net Plant					221,828,000	173,127,127	39,047,912	3,379,551	258,840	6,014,569
14 Accumulated Deferred FIT					(36,863,000)	(28,965,959)	(6,334,764)	(552,902)	(41,629)	(967,747)
15 Miscellaneous Rate Base					16,384,000	10,710,526	4,741,049	573,161	64,991	294,273
16 Total Rate Base					201,349,000	154,871,694	37,454,198	3,399,811	282,203	5,341,095
17 Revenue From Retail Rates					155,350,000	112,380,890	36,693,945	4,040,108	423,103	1,811,955
18 Other Operating Revenues					1,568,000	1,206,478	291,309	26,421	2,190	41,603
19 Total Revenues					156,918,000	113,587,368	36,985,253	4,066,529	425,292	1,853,558
Operating Expenses										
20 Purchased Gas Costs					96,013,000	66,241,040	26,308,873	3,090,878	338,273	33,936
21 Underground Storage Expenses					722,000	488,556	195,078	23,584	2,674	12,108
22 Distribution Expenses					8,474,000	6,929,238	1,226,397	92,868	7,846	217,650
23 Customer Accounting Expenses					5,435,000	5,194,692	214,666	16,104	1,626	7,912
24 Customer Information Expenses					964,000	948,397	15,203	177	7	216
25 Sales Expenses					110,000	108,220	1,735	20	1	25
26 Admin & General Expenses					10,852,000	8,037,472	1,896,089	201,477	21,199	695,763
27 Total O&M Expenses					122,570,000	87,947,614	29,858,041	3,425,109	371,625	967,611
28 Taxes Other Than Income Taxes					7,960,000	5,874,580	1,759,745	186,440	18,701	120,534
29 Depreciation Expense										
30 Underground Storage Plant Depr					420,000	284,201	113,480	13,719	1,556	7,044
31 Distribution Plant Depreciation					6,386,000	5,234,223	916,436	72,136	5,433	157,771
32 General Plant Depreciation					1,423,000	1,118,125	244,564	21,348	1,608	37,355
33 Amortization of Intangible Plant					930,000	730,913	159,688	13,926	1,047	24,427
34 Total Depr & Amort Expense					9,159,000	7,367,462	1,434,169	121,129	9,643	226,597
35 Income Tax					4,515,000	3,128,681	1,133,274	93,531	6,802	152,713
36 Total Operating Expenses					144,204,000	104,318,338	34,185,228	3,826,210	406,770	1,467,454
37 Net Income					12,714,000	9,269,030	2,800,025	240,319	18,522	386,104
38 Rate of Return					6.31%	5.98%	7.48%	7.07%	6.56%	7.23%
39 Return Ratio					1.00	0.95	1.18	1.12	1.04	1.14
40 Interest Expense					6,020,000	4,630,406	1,119,818	101,649	8,437	159,690

Sumcost Company Base Case UG Storage 87% Sales / 13% Throughput	AVISTA UTILITIES Summary by Function with Margin Analysis For the Twelve Months Ended December 31, 2010					Natural Gas Utility Washington Jurisdiction	16-May-11		
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description				System Total	Residential Service Sch 101	Small Firm Service Sch 111	Large Firm Service Sch 121	Interrupt Service Sch 131	Transport Service Sch 146
Functional Cost Components at Current Rates									
1 Production				100,510,920	69,344,233	27,541,364	3,235,677	354,120	35,526
2 Underground Storage				3,971,779	2,518,740	1,223,649	140,734	14,946	73,710
3 Distribution				35,865,313	29,299,758	5,273,533	398,075	28,171	865,776
4 Common				15,001,988	11,218,159	2,655,399	265,622	25,866	836,943
5 Total Current Rate Revenue				155,350,000	112,380,890	36,693,945	4,040,108	423,103	1,811,955
6 Exclude Cost of Gas w / Revenue Exp.				99,559,336	68,700,192	27,288,623	3,205,538	350,722	14,261
7 Total Margin Revenue at Current Rates				55,790,664	43,680,698	9,405,322	834,570	72,380	1,797,694
Margin per Therm at Current Rates									
8 Production				\$0.00487	\$0.00549	\$0.00540	\$0.00533	\$0.00530	\$0.00084
9 Underground Storage				\$0.02031	\$0.02149	\$0.02614	\$0.02487	\$0.02329	\$0.00292
10 Distribution				\$0.18339	\$0.24994	\$0.11266	\$0.07035	\$0.04390	\$0.03432
11 Common				\$0.07671	\$0.09570	\$0.05673	\$0.04694	\$0.04031	\$0.03317
12 Total Current Margin Melded Rate per Therm				\$0.28528	\$0.37261	\$0.20093	\$0.14748	\$0.11280	\$0.07126
Functional Cost Components at Uniform Current Return									
13 Production				100,510,920	69,344,233	27,541,364	3,235,677	354,120	35,526
14 Underground Storage				3,900,481	2,639,338	1,053,877	127,407	14,447	65,413
15 Distribution				35,928,919	29,989,068	4,745,890	370,148	27,531	796,282
16 Common				15,009,679	11,302,599	2,590,266	261,929	25,774	829,112
17 Total Uniform Current Cost				155,350,000	113,275,238	35,931,397	3,995,161	421,871	1,726,333
18 Exclude Cost of Gas w / Revenue Exp.				99,559,336	68,700,192	27,288,623	3,205,538	350,722	14,261
19 Total Uniform Current Margin				55,790,664	44,575,046	8,642,774	789,623	71,149	1,712,072
Margin per Therm at Uniform Current Return									
20 Production				\$0.00487	\$0.00549	\$0.00540	\$0.00533	\$0.00530	\$0.00084
21 Underground Storage				\$0.01994	\$0.02251	\$0.02251	\$0.02251	\$0.02251	\$0.00259
22 Distribution				\$0.18372	\$0.25582	\$0.10139	\$0.06541	\$0.04291	\$0.03156
23 Common				\$0.07675	\$0.09642	\$0.05534	\$0.04629	\$0.04017	\$0.03286
24 Total Current Uniform Margin Melded Rate per Therm				\$0.28528	\$0.38024	\$0.18464	\$0.13954	\$0.11088	\$0.06786
25 Margin to Cost Ratio at Current Rates				1.00	0.98	1.09	1.06	1.02	1.05
Functional Cost Components at Proposed Rates									
26 Production				100,507,165	69,341,642	27,540,335	3,235,556	354,107	35,525
27 Underground Storage				4,852,619	3,283,621	1,311,136	158,508	17,973	81,381
28 Distribution				40,613,863	33,671,092	5,545,383	435,314	32,061	930,013
29 Common				15,583,353	11,753,358	2,688,882	270,538	26,422	844,153
30 Total Proposed Rate Revenue				161,557,000	118,049,714	37,085,736	4,099,916	430,563	1,891,072
31 Exclude Cost of Gas w / Revenue Exp.				99,555,616	68,697,625	27,287,603	3,205,418	350,709	14,261
32 Total Margin Revenue at Proposed Rates				62,001,384	49,352,089	9,798,133	894,498	79,854	1,876,811
Margin per Therm at Proposed Rates									
33 Production				\$0.00487	\$0.00549	\$0.00540	\$0.00533	\$0.00529	\$0.00084
34 Underground Storage				\$0.02481	\$0.02801	\$0.02801	\$0.02801	\$0.02801	\$0.00323
35 Distribution				\$0.20767	\$0.28723	\$0.11847	\$0.07693	\$0.04997	\$0.03686
36 Common				\$0.07968	\$0.10026	\$0.05744	\$0.04781	\$0.04118	\$0.03346
37 Total Proposed Margin Melded Rate per Therm				\$0.31704	\$0.42099	\$0.20932	\$0.15807	\$0.12445	\$0.07439
Functional Cost Components at Uniform Proposed Return									
38 Production				100,507,165	69,341,642	27,540,335	3,235,556	354,107	35,525
39 Underground Storage				4,852,619	3,283,621	1,311,136	158,508	17,973	81,381
40 Distribution				40,613,863	33,671,090	5,545,384	435,314	32,061	930,014
41 Common				15,583,353	11,753,358	2,688,882	270,538	26,422	844,153
42 Total Uniform Proposed Cost				161,557,000	118,049,711	37,085,737	4,099,916	430,563	1,891,073
43 Exclude Cost of Gas w / Revenue Exp.				99,555,616	68,697,625	27,287,603	3,205,418	350,709	14,261
44 Total Uniform Proposed Margin				62,001,384	49,352,086	9,798,134	894,497	79,854	1,876,812
Margin per Therm at Uniform Proposed Return									
45 Production				\$0.00487	\$0.00549	\$0.00540	\$0.00533	\$0.00529	\$0.00084
46 Underground Storage				\$0.02481	\$0.02801	\$0.02801	\$0.02801	\$0.02801	\$0.00323
47 Distribution				\$0.20767	\$0.28723	\$0.11847	\$0.07693	\$0.04997	\$0.03686
48 Common				\$0.07968	\$0.10026	\$0.05744	\$0.04781	\$0.04118	\$0.03346
49 Total Proposed Uniform Margin Melded Rate per Therm				\$0.31704	\$0.42099	\$0.20932	\$0.15807	\$0.12445	\$0.07439
50 Margin to Cost Ratio at Proposed Rates				1.00	1.00	1.00	1.00	1.00	1.00
51 Current Margin to Proposed Cost Ratio				0.90	0.89	0.96	0.93	0.91	0.96

Sumcost Company Base Case UG Storage 87% Sales / 13% Throughput		AVISTA UTILITIES Summary by Classification with Unit Cost Analysis For the Twelve Months Ended December 31, 2010				Natural Gas Utility Washington Jurisdiction		16-May-11	
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description				System Total	Residential Service Sch 101	Small Firm Service Sch 111	Large Firm Service Sch 121	Interrupt Service Sch 131	Transport Service Sch 146
Cost by Classification at Current Return by Schedule									
1 Commodity				98,500,572	66,700,270	27,069,222	3,257,526	352,770	1,120,783
2 Demand				29,295,723	20,004,099	8,041,247	728,452	59,510	462,415
3 Customer				27,553,706	25,676,521	1,583,476	54,130	10,822	228,757
4 Total Current Rate Revenue				155,350,000	112,380,890	36,693,945	4,040,108	423,103	1,811,955
Revenue per Therm at Current Rates									
5 Commodity				\$0.50367	\$0.56898	\$0.57829	\$0.57565	\$0.54978	\$0.04442
6 Demand				\$0.14980	\$0.17064	\$0.17179	\$0.12873	\$0.09274	\$0.01833
7 Customer				\$0.14089	\$0.21903	\$0.03383	\$0.00957	\$0.01687	\$0.00907
8 Total Revenue per Therm at Current Rates				\$0.79436	\$0.95865	\$0.78391	\$0.71394	\$0.65939	\$0.07182
Cost per Unit at Current Rates									
9 Commodity Cost per Therm				\$0.50367	\$0.56898	\$0.57829	\$0.57565	\$0.54978	\$0.04442
10 Demand Cost per Peak Day Therms				\$19.08	\$19.94	\$21.46	\$25.31	\$11.81	\$3.73
11 Customer Cost per Customer per Month				\$15.61	\$14.79	\$56.90	\$167.07	\$901.85	\$577.67
Cost by Classification at Uniform Current Return									
12 Commodity				98,335,434	66,944,040	26,726,054	3,230,586	352,089	1,082,664
13 Demand				29,173,568	20,235,970	7,735,904	713,225	59,155	429,314
14 Customer				27,840,998	26,095,228	1,469,438	51,349	10,628	214,355
15 Total Uniform Current Cost				155,350,000	113,275,238	35,931,397	3,995,161	421,871	1,726,333
Cost per Therm at Current Return									
16 Commodity				\$0.50282	\$0.57106	\$0.57096	\$0.57089	\$0.54872	\$0.04291
17 Demand				\$0.14917	\$0.17262	\$0.16527	\$0.12604	\$0.09219	\$0.01702
18 Customer				\$0.14236	\$0.22260	\$0.03139	\$0.00907	\$0.01656	\$0.00850
19 Total Cost per Therm at Current Return				\$0.79436	\$0.96628	\$0.76762	\$0.70600	\$0.65747	\$0.06843
Cost per Unit at Uniform Current Return									
20 Commodity Cost per Therm				\$0.50282	\$0.57106	\$0.57096	\$0.57089	\$0.54872	\$0.04291
21 Demand Cost per Peak Day Therms				\$19.00	\$20.17	\$20.65	\$24.79	\$11.74	\$3.46
22 Customer Cost per Customer per Month				\$15.78	\$15.03	\$52.80	\$158.49	\$885.64	\$541.30
23 Revenue to Cost Ratio at Current Rates				1.00	0.99	1.02	1.01	1.00	1.05
Cost by Classification at Proposed Return by Schedule									
24 Commodity				100,295,429	68,244,057	27,245,145	3,293,341	356,892	1,155,995
25 Demand				30,975,949	21,474,156	8,198,378	748,737	61,668	493,010
26 Customer				30,285,622	28,331,501	1,642,213	57,838	12,003	242,067
27 Total Proposed Rate Revenue				161,557,000	118,049,714	37,085,736	4,099,916	430,563	1,891,072
Revenue per Therm at Proposed Rates									
28 Commodity				\$0.51285	\$0.58215	\$0.58205	\$0.58198	\$0.55620	\$0.04582
29 Demand				\$0.15839	\$0.18318	\$0.17515	\$0.13231	\$0.09611	\$0.01954
30 Customer				\$0.15486	\$0.24168	\$0.03508	\$0.01022	\$0.01871	\$0.00959
31 Total Revenue per Therm at Proposed Rates				\$0.82610	\$1.00701	\$0.79228	\$0.72451	\$0.67101	\$0.07496
Cost per Unit at Proposed Rates									
32 Commodity Cost per Therm				\$0.51285	\$0.58215	\$0.58205	\$0.58198	\$0.55620	\$0.04582
33 Demand Cost per Peak Day Therms				\$20.17	\$21.41	\$21.88	\$26.02	\$12.24	\$3.98
34 Customer Cost per Customer per Month				\$17.16	\$16.32	\$59.01	\$178.51	\$1,000.21	\$611.28
Cost by Classification at Uniform Proposed Return									
35 Commodity				100,295,430	68,244,056	27,245,145	3,293,341	356,892	1,155,995
36 Demand				30,975,949	21,474,155	8,198,379	748,737	61,668	493,011
37 Customer				30,285,621	28,331,500	1,642,213	57,838	12,003	242,067
38 Total Uniform Proposed Cost				161,557,000	118,049,711	37,085,737	4,099,916	430,563	1,891,073
Cost per Therm at Proposed Return									
39 Commodity				\$0.51285	\$0.58215	\$0.58205	\$0.58198	\$0.55620	\$0.04582
40 Demand				\$0.15839	\$0.18318	\$0.17515	\$0.13231	\$0.09611	\$0.01954
41 Customer				\$0.15486	\$0.24168	\$0.03508	\$0.01022	\$0.01871	\$0.00959
42 Total Cost per Therm at Proposed Return				\$0.82610	\$1.00701	\$0.79228	\$0.72451	\$0.67101	\$0.07496
Cost per Unit at Uniform Proposed Return									
43 Commodity Cost per Therm				\$0.51285	\$0.58215	\$0.58205	\$0.58198	\$0.55620	\$0.04582
44 Demand Cost per Peak Day Therms				\$20.17	\$21.41	\$21.88	\$26.02	\$12.24	\$3.98
45 Customer Cost per Customer per Month				\$17.16	\$16.32	\$59.01	\$178.51	\$1,000.22	\$611.28
46 Revenue to Cost Ratio at Proposed Rates				1.00	1.00	1.00	1.00	1.00	1.00
47 Current Revenue to Proposed Cost Ratio				0.96	0.95	0.99	0.99	0.98	0.96

Sumcost Company Base Case UG Storage 87% Sales / 13% Throughput		AVISTA UTILITIES Customer Cost Analysis For the Twelve Months Ended December 31, 2010				Natural Gas Utility Washington Jurisdiction		16-May-11	
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description				System Total	Residential Service Sch 101	Small Firm Service Sch 111	Large Firm Service Sch 121	Interrupt Service Sch 131	Transport Service Sch 146
Meter, Services, Meter Reading & Billing Costs by Schedule at Requested Rate of Return									
Rate Base									
1	Services			90,091,000	88,460,186	1,418,033	49,527	1,834	161,420
2	Services Accum. Depr.			(36,003,000)	(35,351,279)	(566,687)	(19,792)	(733)	(64,508)
3	Total Services			54,088,000	53,108,907	851,345	29,734	1,101	96,912
4	Meters			38,596,000	32,697,946	4,937,531	169,887	40,404	750,232
5	Meters Accum. Depr.			(7,899,000)	(6,691,913)	(1,010,508)	(34,769)	(8,269)	(153,541)
6	Total Meters			30,697,000	26,006,033	3,927,023	135,118	32,135	596,691
7	Total Rate Base			84,785,000	79,114,940	4,778,369	164,853	33,236	693,603
8	Return on Rate Base @ 8.23%			6,977,806	6,511,160	393,260	13,567	2,735	57,084
9	Revenue Conversion Factor			0.62140	0.62140	0.62140	0.62140	0.62140	0.62140
10	Rate Base Revenue Requirement			11,229,169	10,478,210	632,861	21,834	4,402	91,863
Expenses									
11	Services Depr Exp			2,445,000	2,400,741	38,484	1,344	50	4,381
12	Meters Depr Exp			1,199,000	1,015,775	153,386	5,278	1,255	23,306
13	Services Maintenance Exp			895,000	878,799	14,087	492	18	1,604
14	Meters Maintenance Exp			679,000	575,239	86,863	2,989	711	13,198
15	Meter Reading			1,456,000	1,432,434	22,962	267	10	327
16	Billing			3,082,000	3,032,116	48,605	566	21	692
17	Total Expenses			9,756,000	9,335,103	364,389	10,936	2,065	43,508
18	Revenue Conversion Factor			0.956002	0.956002	0.956002	0.956002	0.956002	0.956002
19	Expense Revenue Requirement			10,205,000	9,764,732	381,159	11,439	2,160	45,510
20	Total Meter, Service, Meter Reading, and Billing Cost			21,434,168	20,242,941	1,014,020	33,273	6,562	137,373
21	Total Customer Bills			1,764,662	1,736,100	27,830	324	12	396
22	Average Unit Cost per Month			\$12.15	\$11.66	\$36.44	\$102.69	\$546.81	\$346.90
Fixed Costs per Customer									
23	Total Customer Related Cost			30,285,621	28,331,500	1,642,213	57,838	12,003	242,067
24	Customer Related Unit Cost per Month			\$17.16	\$16.32	\$59.01	\$178.51	\$1,000.22	\$611.28
25	Other Non-Gas Costs			31,715,763	21,020,586	8,155,921	836,660	67,851	1,634,745
26	Other Non-Gas Unit Cost per Month			\$17.97	\$12.11	\$293.06	\$2,582.28	\$5,654.28	\$4,128.14
27	Total Fixed Unit Cost per Month			\$35.13	\$28.43	\$352.07	\$2,760.79	\$6,654.49	\$4,739.42