

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12_____

EXHIBIT NO. ____ (PDE-8)

PATRICK D. EHRBAR

REPRESENTING AVISTA CORPORATION

**Avista Utilities
DSM Component of the Attrition Adjustment
Twelve Months Ended December 31, 2011**

Line No.	Rate Schedule		Sch 1	Sch 11/12	Sch 21/22	Sch 25	Sch 31/32	Total
1	2011 First Year Savings	kWhs	45,774,436	4,699,300	22,520,880	4,162,173	2,642,821	79,799,610
2	Embedded in Normalized Test Year	kWhs	22,887,218	2,349,650	11,260,440	2,081,087	1,321,411	39,899,806
3	2011 Full Year Adjustment	kWhs	22,887,218	2,349,650	11,260,440	2,081,086	1,321,410	39,899,804
4	Estimated future schedule savings %		37.9%	6.3%	42.9%	7.9%	5.0%	100.000%
5	2012 First Year Savings	kWhs	12,901,539	2,144,583	14,603,589	2,689,239	1,702,050	34,041,000
6	1/2 2013 First Year Savings	kWhs	7,989,699	1,328,103	9,043,749	1,665,399	1,054,050	21,081,000
7	Total 2013 Savings Adjustment	kWhs	(43,778,456)	(5,822,336)	(34,907,778)	(6,435,724)	(4,077,510)	(95,021,804)
8	Revenue Change (Note 1)	debit/(credit) basis \$	3,369,628	\$ 611,753	\$ 2,686,503	\$ 329,831	\$ 300,431	\$ 7,298,145
9	Power Cost Savings (Note 2)	\$ 0.03150 per kWh \$	(1,379,021)	\$ (183,404)	\$ (1,099,595)	\$ (202,725)	\$ (128,442)	\$ (2,993,187)
10	Revenue Related Expenses (Note 3)	\$ 0.04490 per Rev\$ \$	(151,296)	\$ (27,468)	\$ (120,624)	\$ (14,809)	\$ (13,489)	\$ (327,687)
11	DSM Component of the Attrition Adj (Note 4)	Net Expense \$	1,839,310	\$ 400,882	\$ 1,466,284	\$ 112,296	\$ 158,500	\$ 3,977,271

Note 1

Calculation of the rate by schedule applied to		Andrews Workpaper	Sch 1	Sch 11/12	Sch 21/22	Sch 25	Sch 31/32	Street & Area Lights	Total WA Electric
Saved kWhs		Reference							
12	Total Present Revenue	E-RN-14	\$ 198,458,559	\$ 55,514,175	\$ 126,921,043	\$ 58,189,488	\$ 9,438,607	\$ 6,582,283	\$ 455,104,154
13	Exclude Fixed Charge Revenue	E-RN-14	\$ (14,504,226)	\$ (4,076,832)	\$ (12,873,200)	\$ (3,696,000)	\$ (288,030)	\$ (6,582,283)	\$ (42,020,571)
14	Variable Charge Revenue		\$ 183,954,333	\$ 51,437,343	\$ 114,047,843	\$ 54,493,488	\$ 9,150,577	\$ -	\$ 413,083,584
15	Pro Forma kWhs	E-RN-12	2,390,086,210	489,572,183	1,481,850,559	1,063,262,359	124,198,378	25,886,566	5,574,856,255
16	Average Revenue per kWh		\$ 0.07697	\$ 0.10507	\$ 0.07696	\$ 0.05125	\$ 0.07368	\$ -	

The Revenue Change is shown on a debit/(credit) basis; a reduction to revenue is a debit or increase to net expense, and an increase to revenue is a (credit) or decrease to net expense.

Note 2

Power Cost of Saved kWhs is Average Market Sale and Purchase Price per MWh from Johnson Exhibit No. ___(WGJ-4), expressed as \$ per kWh.

Note 3

Revenue related expense rate is from Line 6 Total Expense of Andrews Exhibit No. ___(EMA-2), page 4.

Note 4

The resulting Net Expense value shown as an adjustment to Account 908 where DSM related expenses such as the Public Purpose Tariff Rider Expense Offset are recorded.