

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

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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**

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**EXHIBIT SC-3**

Cost of Capital Rate Year 1 and 2 revenue requirement adjustments

**July 29, 2022**

**AVISTA UTILITIES**  
**CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT**  
**WASHINGTON ELECTRIC**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2021**

**Exhibit SC-3**  
**Schedule A**

Line No.	Description	Requested Rate Year 1 12.2022	Requested Rate Year 2 12.2023	Incremental Rate Year 2 12.2023
		(000's of Dollars)	(000's of Dollars)	(000's of Dollars)
1	Pro Forma Rate Base	\$ 2,045,841	\$ 2,125,576	
2	Proposed Rate of Return - Public Counsel	6.46%	6.46%	
3	Net Operating Income Requirement	\$132,161	\$137,312	
4	Pro Forma Net Operating Income	109,633	102,521	
5	Net Operating Income Deficiency	\$22,528	\$34,791	\$12,263
6	Conversion Factor	0.755294	0.755294	0.75529
7	Revenue Requirement at Public Counsel ROR	<b>\$29,828</b>	\$46,064	<b>\$16,235</b>
8	Revenue Requirement at Avista ROR	52,852	69,985	17,133
9	Reduction in Revenue Requirement from Avista ROR	<b>(\$23,024)</b>		<b>(\$898)</b>

Source:

Exh EMA-2 with Public Counsel ROR changes

**AVISTA UTILITIES**  
**CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT**

**Exhibit SC-3**

**Schedule B**

**WASHINGTON NATURAL GAS**

**TWELVE MONTHS ENDED SEPTEMBER 30, 2021**

Line No.	Description	Requested Rate Year 1 12.2022 (000's of Dollars)	Requested Rate Year 2 12.2023 (000's of Dollars)	Incremental Rate Year 2 12.2023 (000's of Dollars)
1	Pro Forma Rate Base	\$ 514,942	\$ 535,042	
2	Proposed Rate of Return - Public Counsel	6.46%	6.46%	
3	Net Operating Income Requirement	\$33,265	\$34,564	
4	Pro Forma Net Operating Income	\$ 29,391	\$ 29,221	
5	Net Operating Income Deficiency	\$3,874	\$5,343	\$1,470
6	Conversion Factor	0.755463	0.755463	0.75546
7	Revenue Requirement at Public Counsel ROR	<b>\$5,128</b>	<b>\$ 7,074</b>	<b>\$1,945</b>
8	Revenue Requirement at Avista ROR	\$ 10,922	\$ 13,094	\$ 2,172
9	Reduction in Revenue Requirement from Avista ROR	<b>\$ (5,794)</b>		<b>\$ (227)</b>

Source:

Exh EMA-3 with Public Counsel ROR changes