

**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-4

Settlement Agreement 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-4
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 - Settlement Agreement	7.03%	7.03%	
3	Net Operating Income Requirement	\$143,823	\$149,428	
4	Pro Forma Net Operating Income	109,633	102,521	
5	Net Operating Income Deficiency	\$34,189	\$46,907	\$12,718
6	Conversion Factor	0.755294	0.755294	0.75529
7	Revenue Requirement at Settlement Agreement ROR	\$45,267	\$62,105	\$16,837
8	Revenue Requirement at Avista ROR	52,852	69,985	17,133
9	Reduction in Revenue Requirement from Avista ROR	(\$7,585)		(\$296)

Source:

Exh EMA-2 with Settlement Agreement ROR changes

AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT

Exhibit SC-4

Schedule B

WASHINGTON NATURAL GAS

TWELVE MONTHS ENDED SEPTEMBER 30, 2021

Line No.	Description	Requested Rate Year 1	Requested Rate Year 2	Incremental Rate Year 2
		12.2022	12.2023	12.2023
		(000's of Dollars)	(000's of Dollars)	(000's of Dollars)
1	Pro Forma Rate Base	\$ 514,942	\$ 535,042	
2	Proposed Rate of Return - Settlement Agreement	7.03%	7.03%	
3	Net Operating Income Requirement	\$36,200	\$37,613	
4	Pro Forma Net Operating Income	\$ 29,391	\$ 29,221	
5	Net Operating Income Deficiency	\$6,809	\$8,392	\$1,584
6	Conversion Factor	0.755463	0.755463	0.75546
7	Revenue Requirement at Settlement Agreement ROR	\$9,013	\$ 11,110	\$2,096
8	Revenue Requirement at Avista ROR	\$ 10,922	\$ 13,094	\$ 2,172
9	Reduction in Revenue Requirement from Avista ROR	\$ (1,909)		\$ (76)

Source:

Exh EMA-3 with Settlement Agreement ROR changes