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IDAHO PUBLIC  
UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE  
APPLICATION OF AVISTA  
CORPORATION DBA AVISTA  
UTILITIES FOR AUTHORITY TO  
INCREASE ITS RATES AND CHARGES  
FOR ELECTRIC AND NATURAL GAS  
SERVICE IN IDAHO**

**CASE NOS. AVU-E-17-01  
AVU-G-17-01**

**MOTION FOR APPROVAL OF  
STIPULATION AND SETTLEMENT**

The Idaho Public Utilities Commission Staff hereby moves the Commission for an Order accepting the Settlement Stipulation filed herewith. See Commission Rules 56, 276 and 274.

1. On June 9, 2017, Avista Corporation filed an Application seeking authority to increase the Company's general rates for electric and natural gas service in Idaho. Avista proposed a two-year rate plan that would increase annual electric billed revenues by \$18.6 million (7.9%) on January 1, 2018, and by \$9.9 million (4.2%) on January 1, 2019, and increase annual natural gas revenues by \$3.5 million (5.7%) on January 1, 2018, and by \$2.1 million (3.3%) on January 1, 2019. The Commission suspended the proposed effective date to January 1, 2018. Order No. 33808.

2. Clearwater Paper, Idaho Conservation League, Idaho Forest Group, the Community Action Partnership Association of Idaho, and Sierra Club intervened as parties.

3. A settlement conference was noticed and held in the Commission offices on September 29, 2017, and further discussions ensued.

4. Based on settlement discussions, the Parties whose signatures appear on the Stipulation have agreed to resolve and settle all of the issues in the case (hereinafter "Parties"). A copy of the signed Stipulation evidencing that settlement is enclosed as Attachment 1. Sierra Club and the Idaho Conservation League opposed the proposed settlement.

5. The Parties recommend that the Commission grant this Motion and approve the Stipulation in its entirety, without material change or condition, pursuant to RP 274.

6. The Parties respectfully request that the Commission consider the Motion, the Stipulation, and the pre-filed testimony in support of the Stipulation at the time of the technical evidentiary hearing scheduled in this docket for December 8, 2017. A customer hearing could occur at a date and time to be set by the Commission. The Parties request an Order allowing for the implementation of new rates, as per the Stipulation, on January 1, 2018.

7. As noted in the Stipulation, the Parties agree that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

NOW, THEREFORE, the Parties respectfully request that the Commission issue orders in Case Nos. AVU-E-I7-01 and AVU-G-17-01:

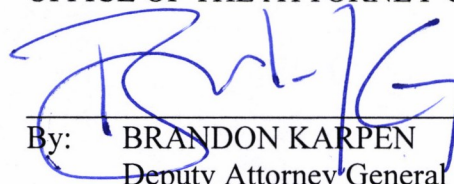
1. Granting this Motion and accepting the Stipulation (Attachment 1), in its entirety, without material change or condition;

2. Authorizing the Company to implement revised tariff schedules designed to recover the additional annual electric and natural gas revenue from Idaho customers consistent with the terms of the Stipulation; and

3. Authorizing that revised tariff schedules be made effective January 1, 2018, consistent with the terms of the Stipulation.

Respectfully submitted this 20<sup>th</sup> day of October, 2017.

OFFICE OF THE ATTORNEY GENERAL



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By: BRANDON KARPEN  
Deputy Attorney General  
Attorney for the Idaho Public Utilities  
Commission Staff

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MOTION FOR APPROVAL OF  
STIPULATION AND SETTLEMENT  
CASE NOS. AVU-E-17-01 & AVU-G-17-01

ATTACHMENT 1

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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )	
OF AVISTA CORPORATION DBA )	CASE NO. AVU-E-17-01
AVISTA UTILITIES FOR AUTHORITY TO )	AVU-G-17-01
INCREASE ITS RATES AND CHARGES )	
FOR ELECTRIC AND NATURAL GAS )	
SERVICE IN IDAHO )	<b>STIPULATION AND SETTLEMENT</b>

This Stipulation is entered into by and among Avista Corporation, doing business as Avista Utilities ("Avista" or "Company"), the Staff of the Idaho Public Utilities Commission ("Staff"), Clearwater Paper Corporation ("Clearwater"), Idaho Forest Group, LLC ("Idaho Forest"), and the Community Action Partnership Association of Idaho ("CAPAI"). These entities are collectively referred to as the "Settling Parties". The Idaho Conservation League ("ICL"), and the Sierra Club, do not join in the Settlement Stipulation. The Settling Parties understand this Stipulation is subject to approval by the Idaho Public Utilities Commission ("IPUC" or the "Commission").

## I. INTRODUCTION

1. The terms and conditions of this Stipulation are set forth herein. The Settling Parties agree that this Stipulation represents a fair, just and reasonable compromise of all the issues raised in the proceeding, is in the public interest and its acceptance by the Commission represents a reasonable resolution of the multiple issues identified in this case. The Settling Parties, therefore, recommend that the Commission, in accordance with RP 274, approve the Stipulation and all of its terms and conditions without material change or condition.

## II. BACKGROUND

2. On June 9, 2017, Avista filed an Application with the Commission for authority to increase revenue effective January 1, 2018 and January 1, 2019 for electric and natural gas service in Idaho. The Company proposed a Two-Year Rate Plan with an increase in electric base revenue of \$18.6 million or 7.5% for 2018, and \$9.9 million or 3.7% for 2019. With regard to natural gas, the Company proposed an increase in base revenue of \$3.5 million or 8.8% for 2018 (5.7% on a billed basis), and \$2.1 million or 5.0% for 2019 (3.3% on a billed basis). By Order No. 33808, dated June 30, 2017, the Commission suspended the proposed schedules of rates and charges for electric and natural gas service.

3. Petitions to intervene in this proceeding were filed by Clearwater, Idaho Forest, CAPAI, Idaho Conservation League, and the Sierra Club. The Commission granted these interventions through IPUC Order Nos. 33804, 33815 and 33829.

4. A settlement conference was noticed and held in the Commission offices on September 29, 2017, and was attended by the Settling Parties to this case.<sup>1</sup> As a compromise of

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<sup>1</sup> The Sierra Club was unable to attend the settlement conference.

positions in this case, and for other consideration as set forth below, the Settling Parties agree to the following terms:

### **III. TERMS OF THE STIPULATION AND SETTLEMENT**

5. Overview of Settlement and Revenue Requirement. The Settling Parties agree that Avista should be allowed to implement revised tariff schedules designed to increase annual base electric revenue by \$12.9 million, or 5.2% (on a billed basis the increase is 5.1%), effective January 1, 2018, and increase base revenues by \$4.5 million, or 1.9% (on a billed basis the increase is 1.7%), effective January 1, 2019. For natural gas, the Settling Parties agree that Avista should be allowed to increase natural gas base revenue by \$1.2 million, or 2.9% (1.9% on a billed basis), effective January 1, 2018, and \$1.1 million, or 2.7% (1.8% on a billed basis), effective January 1, 2019.

6. Two Year Stay-Out. The Parties agree that, in recognition of the two-year rate plan covered by this Stipulation (January 1, 2018 – December 31, 2019), Avista will not file another electric or natural gas general rate case to increase base rates before May 31, 2019, and any such rates will not go into effect prior to January 1, 2020. This does not apply to tariff filings authorized by or contemplated by the terms of the Power Cost Adjustment (PCA), Fixed Cost Adjustment (FCA), the Purchased Gas Adjustment tariff (PGA), or other miscellaneous annual filings. Avista agrees that the base rates established by this Stipulation will, in conjunction with the PCA, PGA, and DSM Rider, provide Avista with the opportunity to recover all foreseen and unforeseen costs for the period January 1, 2018 through December 31, 2019 (the “Stay-out Period”). Accordingly, Avista agrees that it will not file deferred accounting requests or requests to create a regulatory asset during the Stay-out Period, except in extraordinary circumstances. For purposes of this paragraph extraordinary circumstances will not include changes in inter-jurisdictional allocation

methodology, accounting changes, or costs related to the Company's participation in Energy Imbalance Markets.

7. Cost of Capital. The Settling Parties agree to a 9.5 percent return on equity, with a 50.0 percent common equity ratio. The capital structure and resulting rate of return is as set forth below:

<b>Component</b>	<b>Capital Structure</b>	<b>Cost</b>	<b>Weighted Cost</b>
Debt	50%	5.72%	2.86%
Common Equity	50%	9.50%	4.75%
<b>Total</b>	<b>100%</b>		<b>7.61%</b>

#### **A. ELECTRIC REVENUE REQUIREMENT**

8. Overview of Electric Revenue Requirement (January 1, 2018). Below is a summary table and descriptions of the electric revenue requirement components agreed to by the Settling Parties effective January 1, 2018:

**Table No. 1**

<b>SUMMARY TABLE OF ADJUSTMENTS TO ELECTRIC REVENUE REQUIREMENT EFFECTIVE JANUARY 1, 2018 (000s of Dollars)</b>		
	<b>Revenue Requirement</b>	<b>Rate Base</b>
<b>Amount as Filed:</b>	<b>\$ 18,571</b>	<b>\$ 796,609</b>
<b>Adjustments:</b>		
a.) Cost of Capital	\$ (2,604)	
b.) Company 2017 Net Rate Base Updates	\$ 58	\$ (1,926)
c.) Miscellaneous Company Updates: Regulatory Amortization, Uncollectibles, Maintenance and IS/IT Expenses.	\$ 112	
d.) Remove Officer Incentives and Reduce Non-Officers Incentives	\$ (393)	
e.) Reduce Officer Labor Expenses	\$ (115)	
f.) Reduce 2017 IS/IT Capital Projects	\$ (276)	\$ (1,762)
g.) Delay Meter Data Management Project Recovery to January 1, 2019	\$ (1,075)	\$ (6,834)
h.) Remove 2018 Expense: Delay Recovery to January 1, 2019		
i.) 2018 Labor Increase	\$ (447)	
ii.) 2018 Underground Equipment Inspection Expense	\$ (270)	
i.) Miscellaneous Adjustments: Board of Director Expenses, Injuries and Damages, Legal and Environmental Expenses, Removal of Expiring Lease Expense and Inclusion of O&M Savings	\$ (671)	
<b>Adjusted Amounts Effective January 1, 2018</b>	<b>\$ 12,890</b>	<b>\$ 786,087</b>



- a. Cost of Capital. As previously described (see Paragraph 7 above). This adjustment reduces the overall revenue requirement by \$2.604 million.
- b. Company 2017 Net Rate Base Updates. Reflects adjustments to net rate base to update information related to 2017 capital additions, including related depreciation expense, as well as the impact on Accumulated Depreciation and Accumulated Deferred Federal Income Taxes, to reflect balances as of December 31, 2017. This adjustment increases the overall revenue requirement by \$58,000 and reduces net rate base by \$1.926 million.
- c. Miscellaneous Company Updates. Reflects adjustments to expenses to update information related to removal of the expiring Colstrip credit amortization, uncollectible expense, maintenance expense associated with the Company's Colstrip generation plant, and annualized incremental Information Service/Information Technology (IS/IT) labor positions added in 2017. This adjustment increases the overall revenue requirement by \$112,000.
- d. Remove Officer Incentives and Reduce Non-Officer Incentives. Reflects the removal of all officer incentives. This adjustment also reduces incentives for Non-Officers to a 100% payout ratio. This adjustment decreases the overall revenue requirement by \$393,000.
- e. Reduce Officer Labor Expenses. Reduces officer labor expenses to an agreed-upon level. This adjustment decreases the overall revenue requirement by \$115,000.
- f. Reduce 2017 IS/IT Capital Projects – Reduces certain capital investments related to IS/IT refresh and expansion projects planned during 2017. This adjustment decreases the overall revenue requirement by \$276,000, and reduces net rate base by \$1.762 million.

- g. Delay Meter Data Management Project Recovery to January 1, 2019. Removes the Meter Data Management System expected to go into service in 2017. This system is delayed for recovery until January 1, 2019. This adjustment decreases the overall revenue requirement by \$1.075 million, and reduces net rate base by \$6.834 million.
- h. Remove 2018 Expense: Delay Recovery to January 1, 2019.
  - i. 2018 Labor Increase. Removes the 2018 incremental non-executive labor increases, and includes them with the January 1, 2019 rate change. This adjustment decreases the overall revenue requirement by \$447,000.
  - ii. 2018 Underground Inspection Equipment Expense. Removes the 2018 underground equipment inspection costs, and includes them with the January 1, 2019 rate change. This adjustment decreases the overall revenue requirement by \$270,000.
- i. Miscellaneous Adjustments. Reflects the net change in operating expenses related to:
  - 1) removing requested additional Board of Director expenses (\$270,000);
  - 2) removing legal expenses allocated to Idaho electric in error (\$42,000);
  - 3) removing expenses associated with certain leases expiring during the 2018 rate year (\$192,000);
  - 3) removing certain 2016 environmental cleanup costs allocated to Idaho electric in error (\$48,000);
  - 4) inclusion of the O&M savings associated with the Company's new website application (\$23,000);
  - 5) reducing the six-year average of injuries and damages (\$11,000);
  - and 6) the net effect of removing certain other miscellaneous A&G expenses (\$85,000). The net effect of this adjustment decreases the overall revenue requirement by \$671,000.

9. Overview of Electric Revenue Requirement (January 1, 2019). Below is a summary table and descriptions of the incremental Electric revenue requirement components agreed to by the Settling Parties effective January 1, 2019:

**Table No. 2**

<b>SUMMARY TABLE OF ADJUSTMENTS TO ELECTRIC REVENUE REQUIREMENT EFFECTIVE JANUARY 1, 2019 (000s of Dollars)</b>		
	<u>Revenue Requirement</u>	<u>Rate Base</u>
<b>Rate Base Amount Effective January 1, 2018</b>		<b>\$ 786,087</b>
<b>Incremental Revenue Adjustment to January 1, 2018 Rate Change (see Table No. 1):</b>		
a.) Add Meter Data Management Project	\$ 1,075	\$ 6,834
b.) Add 2018 Related Capital and Expenses:		
i. 2018 Capital Additions on an AMA Basis	\$ 1,938	\$ 2,071
ii. Property Tax Expense on 2018 Plant Additions	\$ 613	
iii. 2018 Annualized Labor Increase	\$ 648	
iv. 2018 Underground Equipment Inspection Expense	\$ 270	
<b>January 1, 2019 Incremental Revenue Adjustment and Rate Base Amount (above January 1, 2018 Rate Change - see Table No. 1)</b>	<b>\$ 4,544</b>	<b>\$ 794,992</b>

- a. Add Meter Data Management. Adds the Meter Data Management System expected to go into service in October of 2017. This system is included for recovery effective January 1, 2019. This adjustment increases the overall revenue requirement by \$1.075 million, and increases net rate base by \$6.834 million.
- b. Add 2018 Expenses.
- i. 2018 Capital Additions on an AMA Basis. Includes certain 2018 capital additions on an AMA basis. This adjustment increases the overall revenue requirement by \$1.938 million, and increases net rate base by \$2.071 million.
- ii. 2018 Property Taxes. Includes property tax expense associated with 2018 capital additions. This adjustment increases the overall revenue requirement by \$613,000.

- iii. 2018 Annualized Labor Increase. Includes the 2018 annualized non-executive labor increases. This adjustment increases the overall revenue requirement by \$648,000
- iv. 2018 Underground Inspection Equipment Expense. Includes the 2018 underground equipment inspection costs. This adjustment increases the overall revenue requirement by \$270,000.

**B. NATURAL GAS REVENUE REQUIREMENT**

10. Overview of Natural Gas Revenue Requirement (January 1, 2018). Below is a summary table and descriptions of the natural gas revenue requirement components agreed to by the Settling Parties effective January 1, 2018:

**Table No. 3**

<b>SUMMARY TABLE OF ADJUSTMENTS TO NATURAL GAS REVENUE REQUIREMENT EFFECTIVE JANUARY 1, 2018 (000s of Dollars)</b>		
	<u>Revenue Requirement</u>	<u>Rate Base</u>
<b>Amount as Filed:</b>	<b>\$ 3,480</b>	<b>\$ 144,807</b>
<b>Adjustments:</b>		
a.) Cost of Capital	\$ (470)	
b.) Company 2017 Net Rate Base Updates	\$ 324	\$ 2,199
c.) Miscellaneous Company Updates: Uncollectibles and IS/IT Expenses.	\$ 20	
d.) Adjust Weather Normalization	\$ (1,162)	
e.) Remove Officer Incentives and Reduce Non-Officers Incentives	\$ (105)	
f.) Reduce Officer Labor Expenses	\$ (29)	
g.) Reduce 2017 IS/IT Capital Projects	\$ (43)	\$ (214)
h.) Remove Meter Data Management Project: Delay Recovery to January 1, 2019	\$ (415)	\$ (1,860)
i.) Remove 2018 Labor Expense: Delay Recovery to January 1, 2019	\$ (120)	
j.) Miscellaneous Adjustments: Board of Director Expenses, Injuries and Damages, Advertising Expenses, Legal Expenses, Removal of Expiring Lease Expense and Inclusion of O&M Savings/Expenses.	\$ (300)	
<b>Adjusted Amounts Effective January 1, 2018</b>	<b>\$ 1,180</b>	<b>\$ 144,932</b>

- a. Cost of Capital. As previously described (see Paragraph 7 above). This adjustment reduces the overall revenue requirement by \$470,000.

- b. Company 2017 Net Rate Base Updates. Reflects adjustments to net rate base to update information related to 2017 capital additions, including related depreciation expense, as well as the impact on Accumulated Depreciation and Accumulated Deferred Federal Income Taxes, to reflect balances as of December 31, 2017. This adjustment increases the overall revenue requirement by \$324,000 and increases net rate base by \$2.199 million.
- c. Miscellaneous Company Updates. Reflects adjustments to expenses to update information related to uncollectible expense and annualized incremental IS/IT labor positions added in 2017. This adjustment increases the overall revenue requirement by \$20,000.
- d. Adjust Weather Normalization. Reflects a natural gas weather normalization adjustment, which increases test year billing determinants, thereby increasing test year (present) revenue. This adjustment decreases the overall revenue requirement by \$1.162 million.
- e. Remove Officer Incentives and Reduce Non-Officer Incentives. Reflects the removal of all officer incentives. This adjustment also reduces incentives for Non-Officers to a 100% payout ratio. This adjustment decreases the overall revenue requirement by \$105,000.
- f. Reduce Officer Labor Expenses. Reduces officer labor expenses to an agreed upon level. This adjustment decreases the overall revenue requirement by \$29,000.
- g. Reduce 2017 IS/IT Capital Projects – Reduces certain capital investments related to IS/IT refresh and expansion projects planned during 2017. This adjustment decreases the overall revenue requirement by \$43,000, and reduces net rate base by \$214,000.

- h. Delay Meter Data Management Project Recovery to January 1, 2019. Removes the Meter Data Management System expected to go into service in 2017. This system is delayed for recovery until January 1, 2019. This adjustment decreases the overall revenue requirement by \$415,000, and reduces net rate base by \$1.860 million.
- i. Remove 2018 Labor Expense: Delay Recovery to January 1, 2019. Removes the 2018 incremental non-executive labor increases, to be included with the January 1, 2019 rate change. This adjustment decreases the overall revenue requirement by \$120,000.
- j. Miscellaneous Adjustments. Reflects the net change in operating expenses related to:
  - 1) removing requested additional Board of Director expenses (\$70,000);
  - 2) removing legal expenses allocated to Idaho natural gas in error (\$3,000);
  - 3) removing expenses associated with certain leases expiring during the 2018 rate year (\$53,000);
  - 3) removing advertising expenses allocated to Idaho natural gas in error (\$25,000);
  - 4) inclusion of the O&M savings associated with the Company's new website application (\$6,000);
  - 5) reducing the six-year average of injuries and damages (\$127,000);
  - and 6) the net effect of removing certain other miscellaneous A&G expenses (\$16,000). The net effect of this adjustment decreases the overall revenue requirement by \$300,000.

11. Overview of Natural Gas Revenue Requirement (January 1, 2019). Below is a summary table and descriptions of the incremental Natural Gas revenue requirement components agreed to by the Settling Parties effective January 1, 2019:

**Table No. 4**

<b>SUMMARY TABLE OF ADJUSTMENTS TO NATURAL GAS REVENUE REQUIREMENT EFFECTIVE JANUARY 1, 2019 (000s of Dollars)</b>		
	<u>Revenue Requirement</u>	<u>Rate Base</u>
<b>Rate Base Amount Effective January 1, 2018</b>		<b>\$ 144,932</b>
<b>Incremental Revenue Adjustment to January 1, 2018 Rate Change (see Tabel No. 1):</b>		
a.) Add Meter Data Management Project	\$ 415	\$ 1,860
b.) Add 2018 Related Capital and Expenses:		
i. 2018 Capital Additions on an AMA Basis	\$ 414	\$ (852)
ii. Property Tax Expense on 2018 Plant Additions	\$ 122	
iii. Annualized 2018 Labor Increase	\$ 181	
<b>January 1, 2019 Incremental Revenue Adjustment and Rate Base Amount (above January 1, 2018 Rate Change - see Table No. 1)</b>	<b>\$ 1,132</b>	<b>\$ 145,940</b>

- a. Add Meter Data Management. Adds the Meter Data Management System expected to go into service in October of 2017. This system is included for recovery effective January 1, 2019. This adjustment increases the overall revenue requirement by \$415,000, and increases net rate base by \$1.860 million.
- b. Add 2018 Related Capital and Expenses.
- i. 2018 Capital Additions on an AMA Basis. Includes certain 2018 capital additions on an AMA basis. This adjustment increases the overall revenue requirement by \$414,000, and decreases net rate base by \$852,000<sup>2</sup>.
- ii. 2018 Property Taxes. Includes property tax expense associated with 2018 capital additions. This adjustment increases the overall revenue requirement by \$122,000.
- iii. 2018 Annualized Labor Increase. Includes the 2018 annualized non-executive labor increases. This adjustment increases the overall revenue requirement by \$181,000

<sup>2</sup> Removing the impact of 2018 capital additions, as well as removing the impact on accumulated depreciation and accumulated deferred federal income taxes on total net plant during 2018, has the result of decreasing overall net rate base.

### **C. OTHER SETTLEMENT COMPONENTS**

11. PCA Authorized Level of Expense. The new level of power supply revenues, expenses, retail load and Load Change Adjustment Rate resulting from the January 1, 2018 settlement revenue requirement for purposes of the monthly PCA mechanism calculations are detailed in Appendix A.

12. Electric and Natural Gas Fixed Cost Adjustment Mechanisms Authorized Base. The new level of baseline values for the electric and natural gas fixed cost adjustment mechanism (FCA) resulting from the January 1, 2018 and January 1, 2019 settlement revenue requirements are detailed as follows:

- Appendix B – 2018 Electric FCA Base
- Appendix C – 2019 Electric FCA Base
- Appendix D – 2018 Natural Gas FCA Base
- Appendix E – 2019 Natural Gas FCA Base

### **D. COST OF SERVICE/RATE SPREAD/RATE DESIGN/LOW INCOME**

13. Cost of Service/Rate Spread (Base Rate Changes). The Settling Parties do not agree on any particular cost of service methodology. In recognition, however, that certain rate schedules are generally above their relative cost of service or could be with modest modifications to allocation methodology, the Settling Parties agree that Schedules 25 and 25P should receive 75% of the overall percentage base rate changes for the January 1, 2018 and January 1, 2019 increases. All other schedules, except Schedule 1, should receive a pro-rata allocation of the Company's original request. The remaining revenue requirement should be spread to Schedule 1. For natural gas, the Settling Parties agreed to a pro-rata allocation of the Company's original request for base rate changes on January 1, 2018 and January 1, 2019, but with restated present base revenue reflecting the effects of the agreed-upon natural gas weather normalization adjustment.



14. Rate Design. The Settling Parties agree to the rate design changes proposed by the Company in Mr. Ehrbar's direct testimony for both the January 1, 2018 and January 1, 2019 base rate increases.<sup>3</sup> For the electric Residential Basic Charge (Schedule 1), the Settling Parties agreed that it will increase from \$5.75 per month to \$6.00 per month effective January 1, 2018, an increase of \$0.25 per month. For the natural gas General Service Basic Charge (Schedule 101), the Settling Parties agreed that it will increase from \$5.25 per month to \$6.00 per month effective January 1, 2018, an increase of \$0.75 per month. For the rate changes effective January 1, 2019, the base revenue increases would be collected through the volumetric energy rates, with no changes to the basic charges. Appendix F provides a summary of the current and revised rates and charges (as per the Settlement) for electric and natural gas service.

15. Resulting Percentage Increase by Electric Service Schedule. The following tables reflect the agreed-upon percentage increase by schedule for electric service:

**Effective January 1, 2018**

<u>Rate Schedule</u>	<u>Increase in Base Rates</u>	<u>Increase in Billing Rates</u>
Residential Schedule 1	5.7%	5.9%
General Service Schedules 11/12	5.0%	5.2%
Large General Service Schedules 21/22	5.4%	5.7%
Extra Large General Service Schedule 25	3.9%	4.7%
Clearwater Paper Schedule 25P	3.9%	4.8%
Pumping Service Schedules 31/32	5.9%	6.1%
Street & Area Lights Schedules 41-48	<u>5.2%</u>	<u>5.1%</u>
<b>Overall</b>	<b><u>5.2%</u></b>	<b><u>5.6%</u></b>

<sup>3</sup> This includes the proposed removal of High-Pressure Sodium Vapor lighting options and the customer area light calculation methodology described in the direct testimony of Company witness Mr. Ehrbar on pp. 22-23. In addition, the Settling Parties agree with Mr. Ehrbar's proposal to offset the current Schedule 97 (Electric Earnings Test Deferral) rebate of \$2.7 million, which expires on December 31, 2017 (as outlined on pp. 8-9 of his direct testimony), with \$1.5 million related to the electric earnings test for calendar year 2015.

**Effective January 1, 2019**

<u>Rate Schedule</u>	<u>Increase in Base Rates</u>	<u>Increase in Billing Rates</u>
Residential Schedule 1	1.9%	2.3%
General Service Schedules 11/12	1.7%	2.1%
Large General Service Schedules 21/22	1.8%	2.3%
Extra Large General Service Schedule 25	1.3%	2.2%
Clearwater Paper Schedule 25P	1.3%	2.2%
Pumping Service Schedules 31/32	2.0%	2.4%
Street & Area Lights Schedules 41-48	<u>1.8%</u>	<u>1.9%</u>
<b>Overall</b>	<b><u>1.8%</u></b>	<b><u>2.3%</u></b>

16. Resulting Percentage Increase by Natural Gas Service Schedule. The following tables reflect the agreed-upon percentage increase by schedule for natural gas service:

**Effective January 1, 2018**

<u>Rate Schedule</u>	<u>Increase in Base Rates</u>	<u>Increase in Billing Rates</u>
General Service Schedule 101	3.2%	2.2%
Large General Service Schedules 111/112	1.4%	0.7%
Interruptible Service Schedules 131/132	0.0%	0.0%
Transportation Service Schedule 146	3.0%	3.0%
Special Contracts Schedule 148	0.0%	0.0%
<b>Overall</b>	<b><u>2.9%</u></b>	<b><u>1.9%</u></b>

**Effective January 1, 2019**

<u>Rate Schedule</u>	<u>Increase in Base Rates</u>	<u>Increase in Billing Rates</u>
General Service Schedule 101	3.0%	2.1%
Large General Service Schedules 111/112	1.3%	0.7%
Interruptible Service Schedules 131/132	0.0%	0.0%
Transportation Service Schedule 146	2.7%	2.7%
Special Contracts Schedule 148	0.0%	0.0%
<b>Overall</b>	<b><u>2.7%</u></b>	<b><u>1.8%</u></b>

17. Electric Cost of Service Workshop. The Settling Parties agree, prior to the Company's next general rate case filing, to meet and confer regarding the Company's electric cost of service study. The purpose of the workshop will be to discuss the merits of differing cost of service methodologies. Based on the input from the workshop, the Company agrees to provide, at a minimum, three cost of service studies reflective of the these differing methodologies in its next general rate case. The Company will provide available information, studies and data requested by any of the Settling Parties so as to enable meaningful workshop participation and discussion of issues. Unless it decides to do so, a Party shall not be bound by workshop discussions and may contest cost of service and rate spread issues in subsequent proceedings.

18. Collaboration on Low Income Issues. The Company and interested parties will meet and confer to consider whether the Low Income Weatherization Program and Energy Conservation Education Program funding should be increased from the current Commission-approved levels of \$700,000 and \$50,000 respectively. Discussion topics will include the need for additional funding, how additional funds will be used, how much additional funding will be necessary, and what impact the increase will have on the energy efficiency tariff rider (Schedules 91 and 191) balance. If participants agree that a funding increase is necessary, the Company agrees to make any necessary filing(s) with the Commission on or before December 31, 2017.

19. Natural Gas Service Rules. The Company and interested parties will meet and confer to review the Commission's Service Rules for Gas Utilities (IDAPA 31.31.01) to determine which provisions should be retained and/or modified, and, if the participants agree, incorporate those changes into the Company's tariff. Any changes requiring Commission approval, e.g., tariff revisions, will be submitted by the Company on or before July 1, 2018.

20. Natural Gas Meter Placement Rules. The Company and interested parties will meet and confer to review its meter placement and protection policies and practices and determine,

based on the agreement of the parties, what additional steps should be taken to revise the Company's current policies and practices. Any necessary changes requiring Commission approval, e.g., tariff revisions, will be submitted by the Company on or before July 1, 2018.

21. Service Quality/Performance Measures. Avista has established Service Quality Performance, Customer Guarantees and a Service Quality Measure Report Card for its customers in Washington. The Company and interested parties will work to develop similar performance standards, customer guarantees and a reporting mechanism for its Idaho customers. Following those discussions, the Company will file its proposal with the Commission requesting implementation on or before July 1, 2018.

#### **IV. OTHER GENERAL PROVISIONS**

22. The Settling Parties agree that this Stipulation represents a compromise of the positions of the Settling Parties in this case. As provided in RP 272, other than any testimony filed in support of the approval of this Stipulation, and except to the extent necessary for a Settling Party to explain before the Commission its own statements and positions with respect to the Stipulation, all statements made and positions taken in negotiations relating to this Stipulation shall be confidential and will not be admissible in evidence in this or any other proceeding.

23. The Settling Parties submit this Stipulation to the Commission and recommend approval in its entirety pursuant to RP 274. Settling Parties shall support this Stipulation before the Commission, and no Settling Party shall appeal a Commission Order approving the Stipulation or an issue resolved by the Stipulation. If this Stipulation is challenged by any person not a party to the Stipulation, the Settling Parties to this Stipulation reserve the right to file testimony, cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlement terms embodied

in this Stipulation. Notwithstanding this reservation of rights, the Settling Parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

24. If the Commission rejects any part or all of this Stipulation or imposes any additional material conditions on approval of this Stipulation, each Settling Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within 14 days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Settling Party shall be bound or prejudiced by the terms of this Stipulation, and each Settling Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate. In such case, the Settling Parties immediately will request the prompt reconvening of a prehearing conference for purposes of establishing a procedural schedule for the completion of the case, in accordance with law.

25. The Settling Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

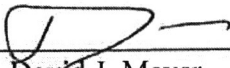
26. No Settling Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Settling Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Settling Party of the validity or invalidity of any particular method, theory or principle of regulation or cost recovery. No Settling Party shall be deemed to have agreed that any method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

27. The obligations of the Settling Parties under this Stipulation are subject to the Commission's approval of this Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal, if any, by a court of competent jurisdiction.

28. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 20<sup>th</sup> day of October, 2017.

Avista Corporation

By:  \_\_\_\_\_  
David J. Meyer  
Attorney for Avista Corporation

Idaho Public Utilities Commission Staff

By: \_\_\_\_\_  
Brandon Karpen  
Deputy Attorney General

Clearwater Paper Corporation

By: \_\_\_\_\_  
Peter Richardson  
Attorney for Clearwater Paper

Idaho Forest Group

By: \_\_\_\_\_  
Ronald Williams  
Attorney for Idaho Forest Group LLC

Community Action Partnership Association  
of Idaho

By: \_\_\_\_\_  
Brad Purdy  
Attorney for CAPAI

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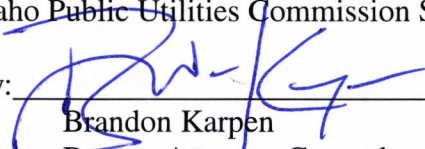
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~~Idaho Public Utilities Commission Staff~~

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Brandon Karpen  
Deputy Attorney General

Clearwater Paper Corporation

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Attorney for Clearwater Paper

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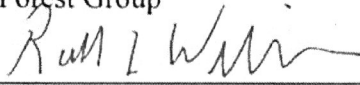
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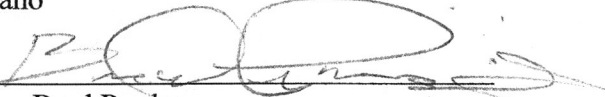
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Community Action Partnership Association  
of Idaho

By:   
Brad Purdy  
Attorney for CAPAI

# APPENDIX A

**Avista Corp**  
**AVU-E-17-01 Appendix A**  
**PCA Authorized Expense and Retail Sales**  
**2016 Normalized Loads**

**PCA Authorized Power Supply Expense - System Numbers (1)**

	Total	January	February	March	April	May	June	July	August	September	October	November	December
Account 555 - Purchased Power	\$93,098,141	\$9,702,833	\$10,328,500	\$8,924,403	\$7,339,924	\$5,493,489	\$5,495,060	\$6,450,838	\$7,374,829	\$5,454,510	\$6,678,058	\$9,322,263	\$9,533,434
Account 501 - Thermal Fuel	\$27,343,606	\$2,710,748	\$2,436,293	\$2,495,479	\$1,999,248	\$1,543,139	\$1,346,033	\$2,191,772	\$2,428,911	\$2,491,210	\$2,486,834	\$2,527,218	\$2,686,722
Account 547 - Natural Gas Fuel	\$63,059,053	\$8,280,148	\$5,188,309	\$4,595,190	\$2,864,296	\$1,538,980	\$1,733,333	\$5,506,611	\$6,911,918	\$5,890,075	\$5,805,698	\$6,416,983	\$8,327,513
Account 447 - Sale for Resale	\$37,257,163	\$3,781,357	\$1,822,086	\$2,040,710	\$2,860,479	\$2,523,088	\$2,502,706	\$4,670,615	\$2,827,345	\$2,878,367	\$2,286,265	\$3,502,619	\$5,561,524
<b>Power Supply Expense</b>	<b>\$146,243,638</b>	<b>\$16,912,372</b>	<b>\$16,131,016</b>	<b>\$13,974,362</b>	<b>\$9,342,988</b>	<b>\$6,052,520</b>	<b>\$6,071,720</b>	<b>\$9,478,606</b>	<b>\$13,888,313</b>	<b>\$11,957,427</b>	<b>\$12,684,325</b>	<b>\$14,763,845</b>	<b>\$14,986,145</b>
<b>Transmission Expense</b>	<b>\$17,404,447</b>	<b>\$1,367,136</b>	<b>\$1,600,335</b>	<b>\$1,468,739</b>	<b>\$1,449,915</b>	<b>\$1,423,359</b>	<b>\$1,415,703</b>	<b>\$1,470,703</b>	<b>\$1,461,595</b>	<b>\$1,427,130</b>	<b>\$1,424,958</b>	<b>\$1,434,978</b>	<b>\$1,459,896</b>
<b>Transmission Revenue</b>	<b>\$15,149,485</b>	<b>\$1,062,694</b>	<b>\$1,178,481</b>	<b>\$1,177,115</b>	<b>\$1,141,305</b>	<b>\$1,253,488</b>	<b>\$1,398,529</b>	<b>\$1,450,378</b>	<b>\$1,346,819</b>	<b>\$1,372,213</b>	<b>\$1,319,316</b>	<b>\$1,257,650</b>	<b>\$1,191,496</b>
<b>Net REC Revenue</b>	<b>\$3,453,000</b>	<b>\$293,350</b>	<b>\$264,550</b>	<b>\$293,350</b>	<b>\$283,750</b>	<b>\$293,350</b>	<b>\$283,750</b>	<b>\$293,350</b>	<b>\$293,350</b>	<b>\$283,750</b>	<b>\$293,350</b>	<b>\$283,750</b>	<b>\$293,350</b>
	\$145,045,500												

**PCA Authorized Idaho Retail Sales (2)**

	Total	January	February	March	April	May	June	July	August	September	October	November	December
<b>Total Retail Sales, MWh (2)</b>	<b>2,953,031</b>	<b>294,914</b>	<b>261,971</b>	<b>251,422</b>	<b>228,917</b>	<b>211,441</b>	<b>204,736</b>	<b>252,026</b>	<b>245,232</b>	<b>206,024</b>	<b>240,501</b>	<b>257,717</b>	<b>298,131</b>
<b>2018 Load Change Adjustment Rate</b>	<b>\$24.73 /MWh</b>												
<b>2019 Load Change Adjustment Rate</b>	<b>\$24.84 /MWh</b>												

- 1) Multiply system numbers by 34.27% to determine Idaho share.
- 2) 12 months ended December 2016 weather normalized Idaho retail sales, with a pro forma adjustment, as explained by Mr. Kalich.

# **APPENDIX B**

**Avista Utilities**  
**Electric Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Fixed Cost Adjustment Revenue by Rate Schedule - Electric**  
**AVU-E-17-01 Rates Effective 1/1/2018**

	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 31, 32	OTHER SERVICE SCHEDULES
1 Total Normalized Test Year Revenue	\$ 246,584,000	\$ 108,991,000	\$ 37,312,000	\$ 52,071,000	\$ 5,494,000	\$ 42,716,000
2 Settlement Revenue Increase	\$ 12,889,000	\$ 6,169,000	\$ 1,861,000	\$ 2,811,000	\$ 325,000	\$ 1,723,000
3 Total Rate Revenue (January 1, 2018)	\$ 259,473,000	\$ 115,160,000	\$ 39,173,000	\$ 54,882,000	\$ 5,819,000	\$ 44,439,000
4 Normalized kWhs (Test Year)	2,953,030,933	1,145,126,003	365,113,814	649,192,595	60,392,324	733,206,197
5 Load Change Adjustment Rate (Ln 14)	\$ 0.02488	\$ 0.02488	\$ 0.02488	\$ 0.02488	\$ 0.02488	\$ 0.02488
6 Variable Power Supply Revenue (Ln 4 * Ln 5)	\$ 73,471,410	\$ 28,490,735	\$ 9,084,032	\$ 16,151,912	\$ 1,502,561	\$ 18,242,170
6A Fixed Production and Transmission Rate per kWh	\$ 0.02611	\$ 0.02611	\$ 0.02960	\$ 0.02591	\$ 0.01844	\$ 0.01844
6B Fixed Production and Transmission Revenue	\$ 73,651,688	\$ 29,893,572	\$ 10,807,995	\$ 16,821,138	\$ 1,113,453	\$ 15,015,529
7 Subtotal (Ln 3 - Ln 6)	\$ 159,804,761	\$ 86,669,265	\$ 30,088,968	\$ 38,730,088	\$ 4,316,439	\$ 42,716,000
7A Subtotal (Ln 3 - Ln 6 - Ln 6B)	\$ 101,168,602	\$ 56,775,694	\$ 19,280,973	\$ 21,908,950	\$ 3,202,986	\$ 1,723,000
8 Customer Bills (Test Year)	1,541,160	1,258,258	252,366	13,657	16,879	733,206,197
9 Settlement Fixed Charges	\$ 6.00	\$ 6.00	\$ 13.00	\$ 425.00	\$ 11.00	\$ 1,723,000
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 16,820,200	\$ 7,549,548	\$ 3,280,758	\$ 5,804,225	\$ 185,669	\$ 44,439,000
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10)	\$ 142,984,561	\$ 79,119,717	\$ 26,808,210	\$ 32,925,863	\$ 4,130,770	\$ 42,716,000
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 84,348,402	\$ 49,226,146	\$ 16,000,215	\$ 16,104,725	\$ 3,017,317	\$ 44,439,000
12 Load Change Adjustment Rate	\$0.02473					
13 Gross Up Factor for Revenue Related Exp	100.59%					
14 Grossed Up Load Change Adjustment Rate	\$0.02488					
15 Average Number of Customers (Line 8 / 12)	Residential	Non-Residential Group				
16 Annual kWh	104,855	23,575				
17 Basic Charge Revenues	1,145,126,003	1,074,698,733				
18 Customer Bills	7,549,548	9,270,652				
19 Average Basic Charge	1,258,258	282,902				
	\$6.00	\$32.77				

Avista Utilities  
**Electric Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Annual Fixed Cost Adjustment Revenue Per Customer - Electric**  
**AVU-E-17-01 Rates Effective 1/1/2018**

Line No.	(a)	(b)	(c)	(d)
		Source	Residential	Non-Residential Schedules*
	<u>Existing Customer FCA</u>			
1	Fixed Cost Adjustment Revenue	Page 1	\$ 79,119,717	\$ 63,864,844
2	Test Year Number of Customers	Revenue Data	104,855	23,575
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 754.56	\$ 2,708.99
	<u>New Customer FCA</u>			
1	Fixed Cost Adjustment Revenue	Page 1	\$ 49,226,146	\$ 35,122,257
2	Test Year Number of Customers	Revenue Data	104,855	23,575
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 469.47	\$ 1,489.80

\* Schedules 11, 12, 21, 22, 31, and 32.

**Avista Utilities**  
**Electric Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Monthly Fixed Cost Adjustment Revenue Per Customer - Electric**  
**AVU-E-17-01 Rates Effective 1/1/2018**

Line No.	Source	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	Electric Sales															
2	Residential															
3	- Weather-Normalized kWh Sales	134,775,540	109,184,340	104,461,439	89,424,559	73,283,780	68,485,395	90,156,452	84,289,571	65,446,504	81,832,241	107,082,607	136,704,875	1,145,126,003		
4	- % of Annual Total	11.77%	9.53%	9.12%	7.81%	6.40%	5.98%	7.87%	7.36%	5.72%	7.14%	9.25%	11.94%	100.00%		
5																
6	Non-Residential*															
7	- Weather-Normalized kWh Sales	93,195,023	90,992,765	87,805,557	84,652,946	88,051,305	82,995,898	99,203,752	95,685,221	81,568,577	88,839,879	86,044,341	97,663,689	1,074,698,733		
8	- % of Annual Total	8.67%	8.47%	8.17%	7.88%	8.19%	7.72%	9.23%	8.72%	7.59%	8.27%	8.01%	9.09%	100.00%		
9																
10																
11	Monthly Fixed Cost Adjustment Revenue Per Customer ("RPC")															
12	For Test Year Existing Customers															
13	Residential															
14	- 2016 Fixed Cost Adj. Revenue per Customer															
15	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 88.81	\$ 71.95	\$ 68.83	\$ 58.92	\$ 48.29	\$ 45.13	\$ 59.41	\$ 55.54	\$ 43.12	\$ 53.92	\$ 70.56	\$ 90.08	\$ 754.56		
16	Non-Residential*															
17	- 2016 Fixed Cost Adj. Revenue per Customer															
18	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 234.92	\$ 229.37	\$ 221.33	\$ 213.38	\$ 202.21	\$ 206.21	\$ 250.06	\$ 226.15	\$ 205.61	\$ 223.94	\$ 216.89	\$ 246.18	\$ 2,708.99		
19																
20																
21																
22	For New Customers															
23	Residential															
24	- 2016 Fixed Cost Adj. Revenue per Customer	\$ 55.25	\$ 44.76	\$ 42.83	\$ 36.66	\$ 30.04	\$ 28.08	\$ 36.96	\$ 34.56	\$ 26.83	\$ 33.55	\$ 43.90	\$ 56.05	\$ 469.47		
25	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 129.19	\$ 126.14	\$ 121.72	\$ 117.35	\$ 122.06	\$ 115.05	\$ 137.52	\$ 129.87	\$ 113.07	\$ 123.15	\$ 119.28	\$ 135.39	\$ 1,489.80		
26	Non-Residential*															
27	- 2016 Fixed Cost Adj. Revenue per Customer															
28	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 1,189,853	\$ 1,089,157	\$ 1,076,010	\$ 1,069,609	\$ 1,129,068	\$ 1,100,399	\$ 1,117,528	\$ 1,129,371	\$ 1,093,959	\$ 1,082,770	\$ 1,093,222	\$ 1,133,947	\$ 13,345,092		
29	Total Normalized Test Year Usage	294,914,295	261,971,069	251,421,772	228,917,469	211,440,587	204,735,869	252,025,774	245,231,666	206,024,214	240,500,893	257,716,632	298,130,694	2,953,033,933		
30	Normalized Test Year Usage															
31	Residential Schedule 001	134,775,540	109,184,340	104,461,439	89,424,559	73,283,780	68,485,395	90,156,452	84,289,571	65,446,504	81,832,241	107,082,607	136,704,875	1,145,126,003		
32	General Svc Schedule 01/01/12	35,677,209	32,638,038	32,194,706	26,832,832	27,876,806	25,659,303	32,421,434	30,578,232	25,603,558	28,827,826	30,183,771	36,620,099	365,113,814		
33	Large Gen Svc Schedule 02/10/22	53,952,803	55,479,102	50,949,780	54,473,211	55,343,313	50,618,288	58,052,348	54,648,617	49,289,801	55,255,451	53,353,221	57,776,660	649,192,595		
34	Extra Large Gen Schedule 25	30,934,099	28,172,537	30,840,636	28,922,885	29,246,524	28,897,457	29,684,052	30,920,803	29,133,094	30,180,303	29,379,132	30,976,723	357,288,245		
35	Extra Large Gen Schedule 25P	34,821,780	32,532,270	27,238,130	24,807,470	19,729,910	23,256,720	31,864,010	35,206,500	28,782,080	38,565,200	34,117,330	31,651,460	362,572,860		
36	Pumping Schedule 31/32	3,565,011	2,875,625	4,661,071	3,346,903	4,831,186	6,718,307	8,779,950	8,458,372	6,675,218	4,756,402	2,507,349	3,266,930	60,392,324		
37	Street and Area Lights	1,189,853	1,089,157	1,076,010	1,069,609	1,129,068	1,100,399	1,117,528	1,129,371	1,093,959	1,082,770	1,093,222	1,133,947	13,345,092		
38	Total Normalized Test Year Usage	294,914,295	261,971,069	251,421,772	228,917,469	211,440,587	204,735,869	252,025,774	245,231,666	206,024,214	240,500,893	257,716,632	298,130,694	2,953,033,933		
39																
40																
41	Normalized Test Year Customer Bills															
42	Residential Schedule 001	104,681	104,659	104,786	104,674	104,445	104,362	104,498	104,627	105,120	105,159	105,547	105,700	1,258,258		
43	General Svc Schedule 01/01/12	20,915	20,991	20,979	20,949	21,002	21,009	21,093	21,103	21,076	21,048	21,087	21,114	252,366		
44	Large Gen Svc Schedule 02/10/22	1,140	1,144	1,131	1,143	1,139	1,133	1,137	1,139	1,145	1,142	1,139	1,125	13,657		
45	Extra Large Gen Schedule 25	11	11	11	11	11	11	11	11	11	11	11	11	132		
46	Extra Large Gen Schedule 25P	1	1	1	1	1	1	1	1	1	1	1	1	12		
47	Pumping Schedule 31/32	1,409	1,411	1,403	1,399	1,404	1,391	1,417	1,408	1,415	1,408	1,411	1,403	16,879		
48	Street and Area Lights	143	143	146	147	148	148	150	155	151	151	154	153	1,789		
49	Total Normalized Test Year Customer Bills	128,300	128,360	128,457	128,324	128,150	128,055	128,307	128,444	128,919	128,920	129,350	129,507	1,543,093		
50																
51	Test Year Average Usage per Customer	1,287	1,043	997	854	702	656	863	806	623	778	1,015	1,293	10,917		
52	Residential	3,972	3,864	3,734	3,604	3,740	3,527	4,195	3,961	3,451	3,765	3,640	4,131	45,584		
53	Non-Residential													3,799		



	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Description	System	Residential	General	Large Gen	Extra Large	Extra Large	Pumping	Street &				
	Total	Sch 1	Sch 11-12	Sch 21-22	Sch 25	Sch 25P	Sch 31-32	Sch 41-49				
<b>Functional Cost Components at Current Return by Schedule</b>												
1	Production	115,411,512	45,464,829	15,343,432	25,763,208	12,799,054	13,503,398	2,123,135	414,457			
2	Transmission	25,526,273	10,215,328	3,733,760	5,829,797	2,493,976	2,816,620	385,214	51,578			
3	Distribution	60,065,371	29,117,877	11,034,603	13,010,682	1,952,773	334,898	2,048,469	2,566,070			
4	Common	45,579,844	24,192,966	7,200,206	7,466,312	2,700,197	2,490,084	937,183	592,895			
5	<b>Total Current Rate Revenue</b>	<b>246,583,000</b>	<b>108,991,000</b>	<b>37,312,000</b>	<b>52,070,000</b>	<b>19,946,000</b>	<b>19,145,000</b>	<b>5,494,000</b>	<b>3,625,000</b>			

Expressed as \$/kWh												
6	Production	\$0.03908	\$0.03970	\$0.04202	\$0.03969	\$0.03582	\$0.03724	\$0.03516	\$0.03106			
7	Transmission	\$0.00864	\$0.00892	\$0.01023	\$0.00898	\$0.00698	\$0.00777	\$0.00638	\$0.00386			
8	Distribution	\$0.02034	\$0.02543	\$0.03022	\$0.02004	\$0.00547	\$0.00092	\$0.03392	\$0.19229			
9	Common	\$0.01543	\$0.02113	\$0.01972	\$0.01150	\$0.00756	\$0.00687	\$0.01552	\$0.04443			
10	<b>Total Current Melded Rates</b>	<b>\$0.08350</b>	<b>\$0.09518</b>	<b>\$0.10219</b>	<b>\$0.08021</b>	<b>\$0.05583</b>	<b>\$0.05280</b>	<b>\$0.09097</b>	<b>\$0.27164</b>			

<b>Functional Cost Components at Uniform Current Return</b>												
11	Production	115,204,615	47,371,556	13,947,215	25,073,652	12,919,313	13,316,328	2,163,751	412,799			
12	Transmission	25,544,027	11,417,236	2,959,025	5,438,615	2,556,208	2,716,800	405,102	51,042			
13	Distribution	60,062,042	31,838,659	9,054,374	12,161,159	2,000,226	322,864	2,146,369	2,538,391			
14	Common	45,772,316	25,455,191	6,393,250	7,194,497	2,734,355	2,444,313	961,409	589,301			
15	<b>Total Uniform Current Cost</b>	<b>246,583,000</b>	<b>116,082,641</b>	<b>32,353,864</b>	<b>49,867,923</b>	<b>20,210,102</b>	<b>18,800,305</b>	<b>5,676,630</b>	<b>3,591,534</b>			

Expressed as \$/kWh												
16	Production	\$0.03901	\$0.04137	\$0.03820	\$0.03862	\$0.03616	\$0.03673	\$0.03583	\$0.03093			
17	Transmission	\$0.00865	\$0.00997	\$0.00810	\$0.00838	\$0.00715	\$0.00749	\$0.00671	\$0.00382			
18	Distribution	\$0.02034	\$0.02780	\$0.02480	\$0.01873	\$0.00560	\$0.00089	\$0.03354	\$0.19021			
19	Common	\$0.01550	\$0.02223	\$0.01751	\$0.01108	\$0.00765	\$0.00674	\$0.01592	\$0.04416			
20	<b>Total Current Uniform Melded Rates</b>	<b>\$0.08350</b>	<b>\$0.10137</b>	<b>\$0.08861</b>	<b>\$0.07682</b>	<b>\$0.05657</b>	<b>\$0.05185</b>	<b>\$0.09400</b>	<b>\$0.26913</b>			

21	<b>Revenue to Cost Ratio at Current Rates</b>	1.00	0.94	1.15	1.04	0.99	1.02	0.97	1.01			
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<b>Functional Cost Components at Proposed Return by Schedule</b>												
22	Production	119,320,405	47,123,397	15,867,464	26,843,703	13,155,119	13,911,500	2,195,408	423,815			
23	Transmission	27,802,692	11,260,910	4,024,562	6,329,347	2,678,256	3,034,405	420,607	54,604			
24	Distribution	64,757,699	31,484,748	11,777,888	14,095,542	2,093,288	361,153	2,222,692	2,722,388			
25	Common	47,592,204	25,290,945	7,503,085	7,813,408	2,801,337	2,589,941	980,294	613,193			
26	<b>Total Proposed Rate Revenue</b>	<b>259,473,000</b>	<b>115,160,000</b>	<b>39,173,000</b>	<b>54,882,000</b>	<b>20,728,000</b>	<b>19,897,000</b>	<b>5,819,000</b>	<b>3,814,000</b>			

Expressed as \$/kWh												
27	Production	\$0.04041	\$0.04115	\$0.04346	\$0.04104	\$0.03682	\$0.03837	\$0.03635	\$0.03176			
28	Transmission	\$0.00941	\$0.00983	\$0.01102	\$0.00975	\$0.00750	\$0.00837	\$0.00696	\$0.00409			
29	Distribution	\$0.02193	\$0.02749	\$0.03226	\$0.02171	\$0.00586	\$0.00100	\$0.03680	\$0.20400			
30	Common	\$0.01612	\$0.02209	\$0.02055	\$0.01204	\$0.00784	\$0.00714	\$0.01623	\$0.04595			
31	<b>Total Proposed Melded Rates</b>	<b>\$0.08787</b>	<b>\$0.10057</b>	<b>\$0.10729</b>	<b>\$0.08454</b>	<b>\$0.05801</b>	<b>\$0.05488</b>	<b>\$0.09635</b>	<b>\$0.28580</b>			

<b>Functional Cost Components at Uniform Requested Return</b>												
32	Production	119,145,838	48,992,167	14,424,358	25,931,438	13,361,291	13,771,888	2,237,774	426,922			
33	Transmission	27,829,800	12,438,891	3,223,810	5,925,282	2,784,947	2,959,909	441,352	55,609			
34	Distribution	64,726,473	34,151,369	9,731,157	13,218,042	2,174,641	352,172	2,324,810	2,774,282			
35	Common	47,770,888	26,528,044	6,669,029	7,532,641	2,859,896	2,555,782	1,005,564	619,932			
36	<b>Total Uniform Cost</b>	<b>259,473,000</b>	<b>122,110,472</b>	<b>34,048,353</b>	<b>52,607,404</b>	<b>21,180,775</b>	<b>19,639,751</b>	<b>6,009,500</b>	<b>3,876,745</b>			

Expressed as \$/kWh												
37	Production	\$0.04035	\$0.04278	\$0.03951	\$0.03994	\$0.03740	\$0.03798	\$0.03705	\$0.03199			
38	Transmission	\$0.00942	\$0.01086	\$0.00883	\$0.00913	\$0.00779	\$0.00816	\$0.00731	\$0.00417			
39	Distribution	\$0.02192	\$0.02982	\$0.02665	\$0.02036	\$0.00609	\$0.00097	\$0.03850	\$0.20789			
40	Common	\$0.01618	\$0.02317	\$0.01827	\$0.01160	\$0.00800	\$0.00705	\$0.01665	\$0.04645			
41	<b>Total Uniform Melded Rates</b>	<b>\$0.08787</b>	<b>\$0.10663</b>	<b>\$0.09325</b>	<b>\$0.08104</b>	<b>\$0.05928</b>	<b>\$0.05417</b>	<b>\$0.09951</b>	<b>\$0.29050</b>			

42	<b>Revenue to Cost Ratio at Proposed Rates</b>	1.00	0.94	1.15	1.04	0.98	1.01	0.97	0.98			
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43	<b>Current Revenue to Proposed Cost Ratio</b>	<b>0.95</b>	<b>0.89</b>	<b>1.10</b>	<b>0.99</b>	<b>0.94</b>	<b>0.97</b>	<b>0.91</b>	<b>0.94</b>			
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44	<b>Target Revenue Increase</b>	<b>12,890,000</b>	<b>13,120,000</b>	<b>(3,264,000)</b>	<b>537,000</b>	<b>1,235,000</b>	<b>495,000</b>	<b>515,000</b>	<b>252,000</b>			
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AVISTA UTILITIES  
 Revenue Conversion Factor  
 Idaho - Electric System  
 TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expenses:		
2	Uncollectibles	0.003563	0.003563
3	Commission Fees	0.002275	0.002275
4	Idaho Income Tax	0.051264	
5	Total Expenses	<u>0.057102</u>	<u>0.005838</u>
6	Net Operating Income Before FIT	0.942898	0.994162
7	Federal Income Tax @ 35%	0.330014	
8	REVENUE CONVERSION FACTOR	<u><u>0.612884</u></u>	

Revised per Staff\_PR\_079, Attachment A

# APPENDIX C

**Avista Utilities**  
**Electric Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Fixed Cost Adjustment Revenue by Rate Schedule - Electric**  
**AVU-E-17-01 Rates Effective 1/1/2019**

	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 31, 32	OTHER SERVICE SCHEDULES
1 Total Normalized Test Year Revenue	\$ 246,584,000	\$ 108,991,000	\$ 37,312,000	\$ 52,071,000	\$ 5,494,000	\$ 42,716,000
2 Year 1 Settlement Revenue Increase	\$ 12,889,000	\$ 6,169,000	\$ 1,861,000	\$ 2,811,000	\$ 325,000	\$ 1,723,000
2A Year 2 Settlement Revenue Increase	\$ 4,544,000	\$ 2,179,000	\$ 656,000	\$ 993,000	\$ 115,000	\$ 601,000
3 Total Rate Revenue (January 1, 2019)	\$ 264,017,000	\$ 117,339,000	\$ 39,829,000	\$ 55,875,000	\$ 5,934,000	\$ 45,040,000
4 Normalized kWhs (Test Year)	2,953,030,933	1,145,126,003	365,113,814	649,192,595	60,392,324	733,206,197
5 Load Change Adjustment Rate (Ln 14)	\$ 0.02499	\$ 0.02499	\$ 0.02499	\$ 0.02499	\$ 0.02499	\$ 0.02499
6 Variable Power Supply Revenue (Ln 4 * Ln 5)	\$ 73,796,243	\$ 28,616,699	\$ 9,124,194	\$ 16,223,323	\$ 1,509,204	\$ 18,322,823
6A Fixed Production and Transmission Rate per kWh (New Customers Only)	\$ 0.02628	\$ 0.02628	\$ 0.02976	\$ 0.02615	\$ 0.01860	\$ 0.01860
6B Fixed Production and Transmission Revenue	\$ 74,184,071	\$ 30,089,695	\$ 10,867,268	\$ 16,978,550	\$ 1,123,212	\$ 15,125,347
7 Subtotal (Ln 3 - Ln 6)	\$ 163,503,580	\$ 88,722,301	\$ 30,704,806	\$ 39,651,677	\$ 4,424,796	\$ 42,716,000
7A Subtotal (Ln 3 - Ln 6 - Ln 6B)	\$ 104,444,855	\$ 58,632,606	\$ 19,837,538	\$ 22,673,127	\$ 3,301,584	\$ 1,723,000
8 Customer Bills (Test Year)	1,541,160	1,258,258	252,366	13,657	16,879	733,206,197
9 Settlement Fixed Charges	\$ 6.00	\$ 6.00	\$ 13.00	\$ 425.00	\$ 11.00	\$ 1,723,000
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 16,820,200	\$ 7,549,548	\$ 3,280,758	\$ 5,804,225	\$ 185,669	\$ 601,000
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10)	\$ 146,683,380	\$ 81,172,753	\$ 27,424,048	\$ 33,847,452	\$ 4,239,127	\$ 45,040,000
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 87,624,655	\$ 51,083,058	\$ 16,556,780	\$ 16,868,902	\$ 3,115,915	\$ 45,040,000
12 Load Change Adjustment Rate	\$0.02484					
13 Gross Up Factor for Revenue Related Exp	100.59%					
14 Grossed Up Load Change Adjustment Rate	\$0.02499					
15 Average Number of Customers (Line 8 / 12)		Residential	Non-Residential Group			
16 Annual kWh		104,855	23,575			
17 Basic Charge Revenues		1,145,126,003	1,074,698,733			
18 Customer Bills		7,549,548	9,270,652			
19 Average Basic Charge		1,258,258	282,902			
		\$6.00	\$32.77			

Excluded From Fixed Cost Adjustment

Avista Utilities  
 Electric Fixed Cost Adjustment Mechanism (Idaho)  
 Development of Annual Fixed Cost Adjustment Revenue Per Customer - Electric  
 AVU-E-17-01 Rates Effective 1/1/2019

Line No.	(a)	Source	Residential	Non-Residential Schedules*
		(b)	(c)	(d)
<u>Existing Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 81,172,753	\$ 65,510,627
2	Test Year Number of Customers	Revenue Data	104,855	23,575
3	Fixed Cost Adjustment Revenue Per Customer	(1)/(2)	\$ 774.14	\$ 2,778.80
<u>New Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 51,083,058	\$ 36,541,597
2	Test Year Number of Customers	Revenue Data	104,855	23,575
3	Fixed Cost Adjustment Revenue Per Customer	(1)/(2)	\$ 487.18	\$ 1,550.00

\* Schedules 11, 12, 21, 22, 31, and 32.

**Avista Utilities**  
**Electric Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Monthly Fixed Cost Adjustment Revenue Per Customer - Electric**  
**AVU-E-17-01 Rates Effective 1/1/2019**

Line No.	Source	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL		
1	Electric Sales															
2	Residential															
3	- Weather-Normalized kWh Sales	134,773,540	109,184,340	104,461,439	89,424,559	73,283,780	68,482,395	90,156,452	84,289,571	65,446,504	81,832,941	107,082,607	136,704,875	1,145,126,003		
4	- % of Annual Total	11.77%	9.53%	9.12%	7.81%	6.40%	5.98%	7.87%	7.36%	5.72%	7.15%	9.35%	11.94%	100.00%		
5																
6	Non-Residential*															
7	- Weather-Normalized kWh Sales	93,195,023	90,992,765	87,805,557	84,652,946	88,051,305	82,995,898	99,203,732	93,685,221	81,568,577	88,839,679	86,044,341	97,663,689	1,074,698,733		
8	- % of Annual Total	8.67%	8.47%	8.17%	7.88%	8.19%	7.72%	9.23%	8.72%	7.59%	8.27%	8.01%	9.09%	100.00%		
9																
10																
11	Monthly Fixed Cost Adjustment Revenue Per Customer ("RRC")															
12	For Test Year Existing Customers															
13	Residential															
14	- 2016 Fixed Cost Adj. Revenue per Customer															
15	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 91.11	\$ 73.81	\$ 70.62	\$ 60.45	\$ 49.54	\$ 46.30	\$ 60.95	\$ 56.98	\$ 44.24	\$ 55.32	\$ 72.39	\$ 92.42	\$ 774.14		
16																
17	Non-Residential*															
18	- 2016 Fixed Cost Adj. Revenue per Customer															
19	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 240.97	\$ 235.28	\$ 227.03	\$ 218.88	\$ 227.67	\$ 214.60	\$ 256.51	\$ 242.24	\$ 210.91	\$ 229.71	\$ 222.48	\$ 252.52	\$ 2,778.80		
20																
21																
22	For New Customers															
23	Residential															
24	- 2016 Fixed Cost Adj. Revenue per Customer															
25	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 57.34	\$ 46.45	\$ 44.44	\$ 38.04	\$ 31.18	\$ 29.14	\$ 38.36	\$ 35.86	\$ 27.84	\$ 34.81	\$ 45.56	\$ 58.16	\$ 487.18		
26																
27	Non-Residential*															
28	- 2016 Fixed Cost Adj. Revenue per Customer	\$ 134.41	\$ 131.24	\$ 126.64	\$ 122.09	\$ 126.09	\$ 119.70	\$ 143.08	\$ 135.12	\$ 117.64	\$ 128.13	\$ 124.10	\$ 140.86	\$ 1,550.00		
29	- 2016 Monthly Fixed Cost Adj. Revenue per Customer	\$ 1,189.853	\$ 1,089.157	\$ 1,076.010	\$ 1,109.609	\$ 1,129.068	\$ 1,100.399	\$ 1,117.528	\$ 1,129.571	\$ 1,093.959	\$ 1,082.770	\$ 1,093.232	\$ 1,133.947	\$ 13,345.092		
30	Total Normalized Test Year Usage	294,914,293	261,971,069	251,421,772	228,917,469	211,440,587	204,735,869	252,025,774	245,231,666	206,024,214	240,300,893	257,716,632	298,130,694	2,933,030,933		
31	Normalized Test Year Usage															
32	Residential Schedule 001															
33	General Svc Schedule 01/01/02	134,773,540	109,184,340	104,461,439	89,424,559	73,283,780	68,482,395	90,156,452	84,289,571	65,446,504	81,832,941	107,082,607	136,704,875	1,145,126,003		
34	Large Gen Svc Schedule 02/1/022	35,677,209	32,638,038	32,194,706	26,832,832	27,876,806	25,659,303	32,421,434	30,378,232	25,603,558	28,827,826	30,183,771	36,620,099	365,113,814		
35	Extra Large Gen Schedule 25	53,952,803	55,479,102	50,949,780	54,473,211	55,343,313	50,618,288	58,052,348	54,648,617	49,289,801	55,255,451	53,353,221	57,776,660	649,192,595		
36	Extra Large Gen Schedule 25P	30,934,099	28,172,537	30,840,636	28,922,885	29,246,524	28,897,457	29,684,052	30,920,800	30,180,303	29,379,132	30,976,723	35,728,245	357,288,245		
37	Extra Large Gen Schedule 31/32	34,821,780	32,532,270	27,238,130	24,807,470	19,729,910	23,256,720	31,864,010	35,206,500	28,782,080	38,565,200	34,117,330	31,651,460	362,572,860		
38	Pumping Schedule 31/32	3,565,011	2,875,625	4,661,071	3,346,903	4,831,186	6,718,307	8,729,950	8,458,372	6,675,218	4,756,402	2,507,349	3,266,930	60,392,324		
39	Street and Area Lights	1,189,853	1,089,157	1,076,010	1,109,609	1,129,068	1,100,399	1,117,528	1,129,571	1,093,959	1,082,770	1,093,232	1,133,947	13,345,092		
40	Total Normalized Test Year Usage	294,914,293	261,971,069	251,421,772	228,917,469	211,440,587	204,735,869	252,025,774	245,231,666	206,024,214	240,300,893	257,716,632	298,130,694	2,933,030,933		
41	Normalized Test Year Customer Bills															
42	Residential Schedule 001	104,681	104,659	104,786	104,674	104,445	104,362	104,498	104,627	105,120	105,159	105,547	105,700	1,258,258		
43	General Svc Schedule 01/01/02	20,915	20,991	20,979	20,949	21,002	21,009	21,093	21,103	21,076	21,048	21,087	21,114	252,366		
44	Large Gen Svc Schedule 02/1/022	1,140	1,144	1,131	1,143	1,139	1,133	1,137	1,139	1,145	1,142	1,139	1,125	13,657		
45	Extra Large Gen Schedule 25	11	11	11	11	11	11	11	11	11	11	11	11	132		
46	Extra Large Gen Schedule 25P	1	1	1	1	1	1	1	1	1	1	1	1	12		
47	Pumping Schedule 31/32	1,409	1,411	1,403	1,399	1,404	1,391	1,417	1,408	1,415	1,408	1,411	1,403	16,879		
48	Street and Area Lights	143	143	146	147	148	148	150	155	151	151	154	153	1,789		
49	Total Normalized Test Year Customer Bills	128,300	128,360	128,457	128,324	128,130	128,055	128,307	128,444	128,919	128,920	129,350	129,507	1,543,093		
50																
51	Test Year Average Usage per Customer	1,287	1,043	997	854	702	656	863	806	623	778	1,015	1,293	10,917		
52	Residential	3,972	3,864	3,734	3,604	3,740	3,527	4,195	3,961	3,451	3,765	3,640	4,131	45,584		
53	Non-Residential													3,799		

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Description	System	Residential	General	Large Gen	Extra Large	Extra Large	Pumping	Street &				
	Total	Sch 1	Sch 11-12	Sch 21-22	Sch 25	Sch 25P	Sch 31-32	Sch 41-49				
<b>Functional Cost Components at Current Return by Schedule</b>												
1 Production	114,646,270	45,111,643	15,228,972	25,609,640	12,734,393	13,438,695	2,109,604	413,323				
2 Transmission	25,055,123	9,976,647	3,671,250	5,739,727	2,457,988	2,780,206	378,134	51,171				
3 Distribution	59,196,490	28,634,910	10,853,569	12,885,978	1,932,538	325,878	2,023,619	2,539,997				
4 Common	47,685,117	25,267,800	7,558,209	7,834,655	2,821,080	2,600,221	982,643	620,509				
5 Total Current Rate Revenue	246,583,000	108,991,000	37,312,000	52,070,000	19,946,000	19,145,000	5,494,000	3,625,000				
Expressed as \$/kWh												
6 Production	\$0.03882	\$0.03939	\$0.04171	\$0.03945	\$0.03564	\$0.03706	\$0.03493	\$0.03097				
7 Transmission	\$0.00848	\$0.00871	\$0.01006	\$0.00884	\$0.00688	\$0.00767	\$0.00626	\$0.00383				
8 Distribution	\$0.02005	\$0.02501	\$0.02973	\$0.01985	\$0.00541	\$0.00090	\$0.03351	\$0.19033				
9 Common	\$0.01615	\$0.02207	\$0.02070	\$0.01207	\$0.00790	\$0.00717	\$0.01627	\$0.04650				
10 Total Current Melded Rates	\$0.08350	\$0.09518	\$0.10219	\$0.08021	\$0.05583	\$0.05280	\$0.09097	\$0.27164				
<b>Functional Cost Components at Uniform Current Return</b>												
11 Production	114,418,471	47,048,298	13,852,041	24,902,553	12,831,153	13,225,459	2,148,985	409,983				
12 Transmission	25,065,275	11,203,251	2,903,566	5,336,883	2,508,299	2,665,881	397,509	50,085				
13 Distribution	59,191,896	31,371,720	8,917,460	12,017,365	1,970,915	312,054	2,118,079	2,484,302				
14 Common	47,907,358	26,666,191	6,692,334	7,533,256	2,850,752	2,543,950	1,008,114	612,760				
15 Total Uniform Current Cost	246,583,000	116,289,460	32,365,401	49,789,857	20,161,119	18,747,344	5,672,688	3,557,130				
Expressed as \$/kWh												
16 Production	\$0.03875	\$0.04109	\$0.03794	\$0.03836	\$0.03591	\$0.03648	\$0.03558	\$0.03072				
17 Transmission	\$0.00849	\$0.00978	\$0.00795	\$0.00822	\$0.00702	\$0.00735	\$0.00658	\$0.00375				
18 Distribution	\$0.02004	\$0.02740	\$0.02442	\$0.01851	\$0.00552	\$0.00086	\$0.03507	\$0.18616				
19 Common	\$0.01622	\$0.02329	\$0.01833	\$0.01160	\$0.00798	\$0.00702	\$0.01669	\$0.04592				
20 Total Current Uniform Melded Rates	\$0.08350	\$0.10155	\$0.08864	\$0.07670	\$0.05643	\$0.05171	\$0.09393	\$0.26655				
21 Revenue to Cost Ratio at Current Rates	1.00	0.94	1.15	1.05	0.99	1.02	0.97	1.02				

<b>Functional Cost Components at Proposed Return by Schedule</b>												
22 Production	119,869,116	47,326,710	15,929,577	26,789,546	13,208,909	13,981,881	2,206,571	425,923				
23 Transmission	28,111,199	11,379,684	4,061,885	6,412,327	2,704,737	3,071,456	425,845	55,265				
24 Distribution	65,427,760	31,765,345	11,838,747	14,335,517	2,120,757	361,096	2,256,221	2,750,076				
25 Common	50,608,926	26,867,261	7,998,791	8,337,610	2,966,597	2,743,567	1,045,363	649,737				
26 Total Proposed Rate Revenue	264,017,000	117,339,000	39,829,000	55,875,000	21,001,000	20,158,000	5,934,000	3,881,000				
Expressed as \$/kWh												
27 Production	\$0.04059	\$0.04133	\$0.04363	\$0.04127	\$0.03697	\$0.03856	\$0.03854	\$0.03192				
28 Transmission	\$0.00952	\$0.00994	\$0.01112	\$0.00988	\$0.00757	\$0.00847	\$0.00705	\$0.00414				
29 Distribution	\$0.02216	\$0.02774	\$0.03242	\$0.02208	\$0.00594	\$0.00100	\$0.03736	\$0.20607				
30 Common	\$0.01714	\$0.02346	\$0.02191	\$0.01284	\$0.00830	\$0.00757	\$0.01731	\$0.04869				
31 Total Proposed Melded Rates	\$0.08941	\$0.10247	\$0.10909	\$0.08607	\$0.05878	\$0.05560	\$0.09826	\$0.29082				

<b>Functional Cost Components at Uniform Requested Return</b>												
32 Production	119,686,479	49,214,476	14,489,811	26,049,106	13,421,919	13,834,380	2,247,928	428,859				
33 Transmission	28,135,043	12,575,324	3,259,169	5,990,272	2,815,493	2,992,374	446,192	56,219				
34 Distribution	65,384,510	34,433,067	9,814,286	13,425,932	2,205,242	351,534	2,355,421	2,799,028				
35 Common	50,810,969	28,230,352	7,093,402	8,021,995	3,031,917	2,704,643	1,072,112	656,547				
36 Total Uniform Cost	264,017,000	124,453,219	34,656,668	53,487,304	21,474,571	19,882,931	6,121,653	3,940,654				
Expressed as \$/kWh												
37 Production	\$0.04053	\$0.04298	\$0.03969	\$0.04013	\$0.03757	\$0.03816	\$0.03722	\$0.03214				
38 Transmission	\$0.00953	\$0.01098	\$0.00893	\$0.00923	\$0.00788	\$0.00825	\$0.00739	\$0.00421				
39 Distribution	\$0.02214	\$0.03007	\$0.02688	\$0.02068	\$0.00617	\$0.00097	\$0.03900	\$0.20974				
40 Common	\$0.01721	\$0.02465	\$0.01943	\$0.01236	\$0.00849	\$0.00746	\$0.01775	\$0.04920				
41 Total Uniform Melded Rates	\$0.08941	\$0.10868	\$0.09492	\$0.08239	\$0.06010	\$0.05484	\$0.10136	\$0.29529				

42 Revenue to Cost Ratio at Proposed Rates	1.00	0.94	1.15	1.04	0.98	1.01	0.97	0.98				
43 Current Revenue to Proposed Cost Ratio	0.93	0.88	1.08	0.97	0.93	0.96	0.90	0.92				
44 Target Revenue Increase	17,434,000	15,461,000	(2,655,000)	1,417,000	1,529,000	738,000	628,000	316,000				

AVISTA UTILITIES  
 Revenue Conversion Factor  
 Idaho - Electric System  
 TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expenses:		
2	Uncollectibles	0.003563	0.003563
3	Commission Fees	0.002275	0.002275
4	Idaho Income Tax	0.051264	
5	Total Expenses	<u>0.057102</u>	<u>0.005838</u>
6	Net Operating Income Before FIT	0.942898	0.994162
7	Federal Income Tax @ 35%	0.330014	
8	REVENUE CONVERSION FACTOR	<u><u>0.612884</u></u>	

Revised per Staff\_PR\_079, Attachment A



# **APPENDIX D**

**Avista Utilities**  
**Natural Gas Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Fixed Cost Adjustment Revenue by Rate Schedule - Natural Gas**  
**AVU-G-17-01 Rates Effective 1/1/2018**

	TOTAL	GENERAL SERVICE SCHEDULE 101	LARGE GENERAL SERVICE SCH. 1111/112	OTHER SERVICE SCHEDULES
1 Total Staff Adjusted Normalized Test Year Revenue	\$ 40,652,000	\$ 33,197,000	\$ 6,950,000	\$ 505,000
2 Settlement Revenue Increase	\$ 1,180,000	\$ 1,073,000	\$ 95,000	\$ 12,000
3 Total Base Rate Revenue (January 1, 2018)	\$ 41,832,000	\$ 34,270,000	\$ 7,045,000	\$ 517,000
4 Normalized Therms (Test Year)	138,212,674	59,156,634	23,271,119	55,784,921
5 WACOG Rate Embedded in Base Rates	\$ -	\$ -	\$ -	\$ -
6 Variable Gas Cost Revenue (Ln 4 * Ln 5)	\$ -	\$ -	\$ -	\$ -
6A Fixed Production and Underground Storage Rate per Therm	\$ -	\$ 0.02566	\$ 0.02770	\$ -
6B Fixed Production and Underground Storage	\$ 2,205,353	\$ 1,518,089	\$ 644,501	\$ 42,763
7 Subtotal (Ln 3 - Ln 6)	\$ 41,315,000	\$ 34,270,000	\$ 7,045,000	\$ -
7A Subtotal (Ln 3 - Ln 6 - Ln 6B)	\$ 39,152,410	\$ 32,751,911	\$ 6,400,499	\$ -
8 Customer Bills (Test Year)	960,302	943,245	17,057	\$ -
9 Settlement Fixed Charges	\$ -	\$ 6.00	\$ 102.73	\$ -
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 7,411,736	\$ 5,659,470	\$ 1,752,266	\$ -
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10)	\$ 33,903,264	\$ 28,610,530	\$ 5,292,734	\$ -
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 31,740,674	\$ 27,092,441	\$ 4,648,233	\$ -
12 Average Number of Customers (Line 8 / 12)		Residential	Non-Residential Group	
13 Annual Therms		78,604	1,421	
14 Basic Charge Revenues		59,156,634	23,271,119	
15 Customer Bills		5,659,470	1,752,266	
16 Average Basic Charge		943,245	17,057	
		\$6.00	\$102.73	

**Avista Utilities**  
**Natural Gas Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Annual Fixed Cost Adjustment Revenue Per Customer - Natural Gas**  
**AVU-G-17-01 Rates Effective 1/1/2018**

Line No.	(a)	(b)	(c)	(d)
		Source	Residential	Non-Residential Schedules*
	<b><u>Existing Customer FCA</u></b>			
1	Fixed Cost Adjustment Revenue	Page 1	\$ 28,610,530	\$ 5,292,734
2	Test Year Number of Customers	Revenue Data	78,604	1,421
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 363.98	\$ 3,723.56
	<b><u>New Customer FCA</u></b>			
1	Fixed Cost Adjustment Revenue	Page 1	\$ 27,092,441	\$ 4,648,233
2	Test Year Number of Customers	Revenue Data	78,604	1,421
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 344.67	\$ 3,270.14

\* Schedules 111 and 112.

**Avista Utilities**  
**Natural Gas Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Monthly Fixed Cost Adjustment Revenue Per Customer - Natural Gas**  
**AVU-G-17-01 Rates Effective 1/1/2018**

Line No.	Source	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	
1	<b>Natural Gas Sales</b>														
2	Residential														
3	- Weather-Normalized Therm Delivery Volume	9,319,909	7,933,964	6,757,265	4,377,085	2,457,565	1,514,614	1,193,307	1,180,168	1,401,784	3,930,171	8,004,649	11,086,092	59,156,634	
4	- % of Annual Total	15.75%	13.41%	11.42%	7.40%	4.15%	2.86%	2.02%	1.99%	2.37%	6.64%	13.53%	18.74%	100.00%	
5															
6	<b>Non-Residential Sales*</b>														
7	- Weather-Normalized Therm Delivery Volume	3,010,243	2,765,523	2,386,786	1,725,613	1,384,859	1,066,070	1,083,827	1,332,665	1,028,780	1,762,355	2,685,935	3,038,463	23,271,119	
8	- % of Annual Total	12.94%	11.88%	10.26%	7.42%	5.95%	4.58%	4.66%	5.73%	4.42%	7.57%	11.54%	13.06%	100.00%	
9															
10															
11	<b>Monthly Fixed Cost Adjustment Revenue Per Customer ("RPC")</b>														
12	<b>For Test Year Existing Customers</b>														
13	Residential														
14	- Allowed Fixed Cost Adj. Revenue per Customer	\$ 57.34	\$ 48.82	\$ 41.58	\$ 26.93	\$ 15.12	\$ 9.32	\$ 7.34	\$ 7.26	\$ 8.62	\$ 24.18	\$ 49.25	\$ 68.21	\$ 363.98	
15	- Allowed Monthly Fixed Cost Adj. Revenue per Customer														
16															
17	<b>Non-Residential Sales*</b>														
18	- Allowed Fixed Cost Adj. Revenue per Customer	\$ 481.66	\$ 442.51	\$ 381.90	\$ 276.11	\$ 221.59	\$ 170.58	\$ 173.42	\$ 213.24	\$ 164.61	\$ 281.99	\$ 429.77	\$ 486.18	\$ 3,723.56	
19	- Allowed Monthly Fixed Cost Adj. Revenue per Customer														
20															
21															
22	<b>For New Customers</b>														
23	Residential														
24	- Allowed Fixed Cost Adj. Revenue per Customer	\$ 54.30	\$ 46.23	\$ 39.37	\$ 25.50	\$ 14.32	\$ 8.82	\$ 6.95	\$ 6.88	\$ 8.17	\$ 22.90	\$ 46.64	\$ 64.59	\$ 344.67	
25	- Allowed Monthly Fixed Cost Adj. Revenue per Customer														
26															
27	<b>Non-Residential Sales*</b>														
28	- Allowed Fixed Cost Adj. Revenue per Customer	\$ 423.01	\$ 388.62	\$ 335.40	\$ 242.49	\$ 194.61	\$ 149.81	\$ 152.30	\$ 187.27	\$ 144.57	\$ 247.65	\$ 377.44	\$ 426.98	\$ 3,270.14	
29	- Allowed Monthly Fixed Cost Adj. Revenue per Customer														
30															
31	Normalized Test Year Usage	9,319,909	7,933,964	6,757,265	4,377,085	2,457,565	1,514,614	1,193,307	1,180,168	1,401,784	3,930,171	8,004,649	11,086,092	59,156,634	
32	Small Service Schedule 101	3,010,243	2,765,523	2,386,786	1,725,613	1,384,859	1,066,070	1,083,827	1,332,665	1,028,780	1,762,355	2,685,935	3,038,463	23,271,119	
33	Large Service Schedule 111/112	258,551	330,679	255,099	294,126	255,691	218,925	201,080	207,868	208,303	216,161	222,877	221,790	2,891,150	
34	Interrupt Service Schedule 131/132	5,371,194	5,432,014	4,400,560	3,420,592	3,413,413	2,907,702	6,185,831	3,246,590	4,217,659	8,303,818	167,594	5,826,794	52,893,771	
35	Special Contract Transport	17,959,896	16,462,180	13,799,710	9,817,416	7,511,528	5,707,311	8,664,105	5,967,291	6,856,537	14,212,505	11,081,055	20,173,139	138,212,674	
36	Total Normalized Test Year Usage														
37															
38															
39	Normalized Test Year Customer Bills														
40	Small Service Schedule 101	78,021	78,174	78,273	78,247	78,230	78,287	78,357	78,634	78,840	79,010	79,433	79,729	943,245	
41	Large Service Schedule 111/112	1,411	1,416	1,430	1,425	1,433	1,426	1,428	1,418	1,419	1,420	1,423	1,408	17,057	
42	Interrupt Service Schedule 131/132	6	6	6	6	6	6	6	6	6	6	6	6	72	
43	Transport Service Schedule 146	2	2	2	2	2	2	2	2	2	2	2	2	24	
44	Special Contract Transport	79,440	79,598	79,711	79,680	79,671	79,731	79,793	80,060	80,267	80,438	80,864	81,145	960,398	
45	Total Normalized Test Year Customer Bills														
46															
47															
48	Test Year Average Usage per Customer	119	101	86	56	31	19	15	15	18	50	101	139	752	
49	Residential	2,133	1,953	1,669	1,211	966	748	759	940	725	1,241	1,888	2,158	16,391	
50	Non-Residential													1,364	

\* Schedules 111 and 112.

AVISTA UTILITIES  
Company Settlement Summary by Function with Margin Analysis  
Case 2018 Revenue For the Year Ended December 31, 2016

Natural Gas Utility  
Idaho Jurisdiction

Line	(b) Description	(c)	(d)	(e)	(f) System Total	(g) Residential Service Sch 101	(h) Large Firm Service Sch 111	(j) Interrupt Service Sch 131	(k) Transport Service Sch 146
<b>Functional Cost Components at Current Rates</b>									
1	Production				439,493	313,065	123,154	0	3,273
2	Underground Storage				1,693,952	1,143,425	512,561	0	37,966
3	Distribution				26,983,600	21,889,721	4,825,616	0	268,264
4	Common				11,431,954	9,850,686	1,489,089	0	92,179
5	<b>Total Current Rate Revenue</b>				<b>40,549,000</b>	<b>33,196,897</b>	<b>6,950,421</b>	<b>0</b>	<b>401,683</b>
6	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
7	<b>Total Margin Revenue at Current Rates</b>				<b>40,549,000</b>	<b>33,196,897</b>	<b>6,950,421</b>	<b>0</b>	<b>401,683</b>
Margin per Therm at Current Rates									
8	Production				\$0.00515	\$0.00529	\$0.00529	\$0.00000	\$0.00113
9	Underground Storage				\$0.01985	\$0.01933	\$0.02203	\$0.00000	\$0.01313
10	Distribution				\$0.31627	\$0.37003	\$0.20737	\$0.00000	\$0.09279
11	Common				\$0.13399	\$0.16652	\$0.06399	\$0.00000	\$0.03188
12	<b>Total Current Margin Melded Rate per Therm</b>				<b>\$0.47526</b>	<b>\$0.56117</b>	<b>\$0.29867</b>	<b>\$0.00000</b>	<b>\$0.13894</b>
<b>Functional Cost Components at Uniform Current Return</b>									
13	Production				439,493	313,065	123,154	0	3,273
14	Underground Storage				1,647,826	1,218,829	391,188	0	37,809
15	Distribution				26,939,249	22,869,870	3,802,038	0	267,341
16	Common				11,522,432	10,108,759	1,321,649	0	92,024
17	<b>Total Uniform Current Cost</b>				<b>40,549,000</b>	<b>34,510,524</b>	<b>5,638,029</b>	<b>0</b>	<b>400,447</b>
18	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
19	<b>Total Uniform Current Margin</b>				<b>40,549,000</b>	<b>34,510,524</b>	<b>5,638,029</b>	<b>0</b>	<b>400,447</b>
Margin per Therm at Uniform Current Return									
20	Production				\$0.00515	\$0.00529	\$0.00529	\$0.00000	\$0.00113
21	Underground Storage				\$0.01931	\$0.02060	\$0.01681	\$0.00000	\$0.01308
22	Distribution				\$0.31575	\$0.38680	\$0.16338	\$0.00000	\$0.09247
23	Common				\$0.13505	\$0.17088	\$0.05679	\$0.00000	\$0.03183
24	<b>Total Current Uniform Margin Melded Rate per Therm</b>				<b>\$0.47526</b>	<b>\$0.58338</b>	<b>\$0.24228</b>	<b>\$0.00000</b>	<b>\$0.13851</b>
25	<b>Margin to Cost Ratio at Current Rates</b>				<b>1.00</b>	<b>0.96</b>	<b>1.23</b>	<b>0.00</b>	<b>1.00</b>
<b>Functional Cost Components at Proposed Rates</b>									
26	Production				439,486	313,060	123,152	0	3,273
27	Underground Storage				1,765,868	1,205,029	521,349	0	39,489
28	Distribution				27,867,327	22,690,377	4,899,720	0	277,230
29	Common				11,656,320	10,061,430	1,501,200	0	93,690
30	<b>Total Proposed Rate Revenue</b>				<b>41,729,000</b>	<b>34,269,897</b>	<b>7,046,421</b>	<b>0</b>	<b>413,683</b>
31	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
32	<b>Total Margin Revenue at Proposed Rates</b>				<b>41,729,000</b>	<b>34,269,897</b>	<b>7,046,421</b>	<b>0</b>	<b>413,683</b>
Margin per Therm at Proposed Rates									
33	<b>Production</b>				<b>\$0.00515</b>	<b>\$0.00529</b>	<b>\$0.00529</b>	<b>\$0.00000</b>	<b>\$0.00113</b>
34	<b>Underground Storage</b>				<b>\$0.02070</b>	<b>\$0.02037</b>	<b>\$0.02240</b>	<b>\$0.00000</b>	<b>\$0.01366</b>
35	Distribution				\$0.32863	\$0.38356	\$0.21055	\$0.00000	\$0.09589
36	Common				\$0.13662	\$0.17008	\$0.06451	\$0.00000	\$0.03241
37	<b>Total Proposed Margin Melded Rate per Therm</b>				<b>\$0.48909</b>	<b>\$0.57931</b>	<b>\$0.30275</b>	<b>\$0.00000</b>	<b>\$0.14309</b>
<b>Functional Cost Components at Uniform Proposed Return</b>									
38	Production				439,486	313,060	123,152	0	3,273
39	Underground Storage				1,723,320	1,274,669	409,110	0	39,542
40	Distribution				27,826,314	23,595,605	3,953,172	0	277,537
41	Common				11,739,880	10,299,777	1,346,360	0	93,742
42	<b>Total Uniform Proposed Cost</b>				<b>41,729,000</b>	<b>36,483,111</b>	<b>5,831,795</b>	<b>0</b>	<b>414,094</b>
43	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
44	<b>Total Uniform Proposed Margin</b>				<b>41,729,000</b>	<b>36,483,111</b>	<b>5,831,795</b>	<b>0</b>	<b>414,094</b>
Margin per Therm at Uniform Proposed Return									
45	Production				\$0.00515	\$0.00529	\$0.00529	\$0.00000	\$0.00113
46	Underground Storage				\$0.02020	\$0.02155	\$0.01758	\$0.00000	\$0.01368
47	Distribution				\$0.32614	\$0.39887	\$0.16987	\$0.00000	\$0.09600
48	Common				\$0.13760	\$0.17411	\$0.05786	\$0.00000	\$0.03242
49	<b>Total Proposed Uniform Margin Melded Rate per Therm</b>				<b>\$0.48909</b>	<b>\$0.59982</b>	<b>\$0.25060</b>	<b>\$0.00000</b>	<b>\$0.14323</b>
50	<b>Margin to Cost Ratio at Proposed Rates</b>				<b>1.00</b>	<b>0.97</b>	<b>1.21</b>	<b>0.00</b>	<b>1.00</b>
51	<b>Current Margin to Proposed Cost Ratio</b>				<b>0.97</b>	<b>0.94</b>	<b>1.19</b>	<b>0.00</b>	<b>0.97</b>

**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Idaho - Natural Gas System**  
**TWELVE MONTHS ENDED DECEMBER 31, 2016**

Line No.	Description	Factor
1	<b>Revenues</b>	1.000000
	<b>Expenses:</b>	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0
5	Total Expenses	<u>0.005839</u>
6	Net Operating Income Before FIT	0.994161
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612883</u></u>

Revised per Staff\_PR\_079, Attachment A

# **APPENDIX E**

Avista Utilities

Natural Gas Fixed Cost Adjustment Mechanism (Idaho)  
 Development of Fixed Cost Adjustment Revenue by Rate Schedule - Natural Gas  
 AVU-G-17-01 Rates Effective 1/1/2019

	TOTAL	GENERAL SERVICE SCHEDULE 101	LARGE GENERAL SERVICE SCH. 1111/112	OTHER SERVICE SCHEDULES
1 Total Staff Adjusted Normalized Test Year Revenue	\$ 40,652,000	\$ 33,197,000	\$ 6,950,000	\$ 505,000
2 Year 1 Settlement Revenue Increase	\$ 1,180,000	\$ 1,073,000	\$ 95,000	\$ 12,000
2A Year 2 Settlement Revenue Increase	\$ 1,120,000	\$ 1,020,000	\$ 89,000	\$ 11,000
3 Total Base Rate Revenue (January 1, 2019)	\$ 42,952,000	\$ 35,290,000	\$ 7,134,000	\$ 528,000
4 Normalized Therms (Test Year)	138,212,674	59,156,634	23,271,119	55,784,921
5 WACOG Rate Embedded in Base Rates	\$ -	\$ -	\$ -	\$ -
6 Variable Gas Cost Revenue (Ln 4 * Ln 5)	\$ -	\$ -	\$ -	\$ -
6A Fixed Production and Underground Storage Rate per Therm (New Customers Only)	\$ 0.02599	\$ 0.02599	\$ 0.02781	
6B Fixed Production and Underground Storage (New Customers Only)	\$ 2,228,409	\$ 1,537,536	\$ 647,270	\$ 43,603
7 Subtotal (Ln 3 - Ln 6)	\$ 42,424,000	\$ 35,290,000	\$ 7,134,000	Excluded From
7A Subtotal (Ln 3 - Ln 6 - Ln 6B)	\$ 40,239,194	\$ 33,752,464	\$ 6,486,730	Fixed Cost
8 Customer Bills (Test Year)	960,302	943,245	17,057	Adjustment
9 Settlement Fixed Charges	\$ -	\$ 6.00	\$ 106.18	
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 7,470,582	\$ 5,659,470	\$ 1,811,112	
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10)	\$ 34,953,418	\$ 29,630,530	\$ 5,322,888	
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 32,768,611	\$ 28,092,994	\$ 4,675,617	
12 Average Number of Customers (Line 8 / 12)		Residential	Non-Residential Group	
13 Annual Therms		78,604	1,421	
14 Basic Charge Revenues		59,156,634	23,271,119	
15 Customer Bills		5,659,470	1,811,112	
16 Average Basic Charge		943,245	17,057	
		\$6.00	\$106.18	



**Avista Utilities**  
**Natural Gas Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Annual Fixed Cost Adjustment Revenue Per Customer - Natural Gas**  
**AVU-G-17-01 Rates Effective 1/1/2019**

Line No.	(a)	(b)	(c)	(d)
	<u>Existing Customer FCA</u>	Source	Residential	Non-Residential Schedules*
1	Fixed Cost Adjustment Revenue	Page 1	\$ 29,630,530	\$ 5,322,888
2	Test Year Number of Customers	Revenue Data	78,604	1,421
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 376.96	\$ 3,744.78
	<u>New Customer FCA</u>			
1	Fixed Cost Adjustment Revenue	Page 1	\$ 28,092,994	\$ 4,675,617
2	Test Year Number of Customers	Revenue Data	78,604	1,421
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 357.40	\$ 3,289.41

\* Schedules 111 and 112.

**Avista Utilities**  
**Natural Gas Fixed Cost Adjustment Mechanism (Idaho)**  
**Development of Monthly Fixed Cost Adjustment Revenue Per Customer - Natural Gas**  
**AVU-G-17-01 Rates Effective 1/1/2019**

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	<b>Natural Gas Sales</b>													
2	<i>Residential</i>													
3	- Weather-Normalized Therm Delivery Volume	9,319,909	7,933,964	6,757,265	4,377,085	2,457,565	1,514,614	1,193,367	1,180,168	1,401,784	3,930,171	8,004,649	11,086,092	59,156,634
4	- % of Annual Total	15.75%	13.41%	11.42%	7.40%	4.13%	2.35%	2.02%	1.99%	2.37%	6.64%	13.53%	18.74%	100.00%
5														
6	<i>Non-Residential Sales*</i>													
7	- Weather-Normalized Therm Delivery Volume	3,010,243	2,765,523	2,386,786	1,725,613	1,384,859	1,066,070	1,083,827	1,332,665	1,028,780	1,762,355	2,685,935	3,038,463	23,271,119
8	- % of Annual Total	12.94%	11.88%	10.26%	7.42%	5.95%	4.58%	4.66%	5.73%	4.42%	7.57%	11.54%	13.06%	100.00%
9														
10														
11														
12	<b>Monthly Fixed Cost Adjustment Revenue Per Customer (RPC*)</b>													
13	<i>Residential</i>													
14	- Allowed Fixed Cost Adj. Revenue per Customer	59.39 \$	50.56 \$	43.06 \$	27.89 \$	15.66 \$	9.65 \$	7.60 \$	7.52 \$	8.93 \$	25.04 \$	51.01 \$	70.64 \$	376.96 \$
15	- Allowed Monthly Fixed Cost Adj. Revenue per Customer	(4) x (14)												
16														
17	<i>Non-Residential Sales*</i>													
18	- Allowed Fixed Cost Adj. Revenue per Customer	484.41 \$	445.03 \$	384.08 \$	277.68 \$	222.85 \$	171.55 \$	174.41 \$	214.45 \$	165.55 \$	283.60 \$	432.22 \$	488.95 \$	3,744.78 \$
19	- Allowed Monthly Fixed Cost Adj. Revenue per Customer	(8) x (18)												
20														
21														
22														
23	<b>For New Customers</b>													
24	<i>Residential</i>													
25	- Allowed Fixed Cost Adj. Revenue per Customer	56.31 \$	47.93 \$	40.82 \$	26.44 \$	14.85 \$	9.15 \$	7.21 \$	7.13 \$	8.47 \$	23.74 \$	48.26 \$	66.98 \$	357.40 \$
26	- Allowed Monthly Fixed Cost Adj. Revenue per Customer	(4) x (24)												
27														
28	<i>Non-Residential Sales*</i>													
29	- Allowed Fixed Cost Adj. Revenue per Customer	425.50 \$	390.91 \$	337.38 \$	243.92 \$	195.75 \$	150.69 \$	153.20 \$	188.37 \$	145.42 \$	249.11 \$	379.66 \$	429.49 \$	3,289.41 \$
30	- Allowed Monthly Fixed Cost Adj. Revenue per Customer	(8) x (28)												
31														
32														
33														
34														
35														
36														
37														
38														
39	<b>Normalized Test Year Customer Bills</b>													
40	Small Service Schedule 101	78,021	78,174	78,273	78,247	78,230	78,297	78,357	78,634	78,840	79,010	79,433	79,729	943,245
41	Large Service Schedule 111/112	1,411	1,416	1,430	1,425	1,433	1,426	1,428	1,418	1,419	1,420	1,423	1,408	17,057
42	Interrupt Service Schedule 131/132													
43	Transport Service Schedule 146													
44	Special Contract Transport													
45	Total Normalized Test Year Customer Bills	79,440	79,598	79,711	79,680	79,671	79,731	79,793	80,060	80,267	80,438	80,864	81,145	960,398
46														
47														
48	<b>Test Year Average Usage per Customer</b>													
49	Residential	119	101	86	56	31	19	15	15	18	50	101	139	752
50	Non-Residential	2,133	1,953	1,669	1,211	966	748	759	940	725	1,241	1,838	2,158	16,391

\* Schedules 111 and 112.

Normalized Test Year Customer Usage

Small Service Schedule 101

Large Service Schedule 111/112

Interrupt Service Schedule 131/132

Transport Service Schedule 146

Special Contract Transport

Total Normalized Test Year Usage

17,959,896 16,462,180 13,799,710 9,817,416 7,511,528 5,707,311 8,664,105 5,967,291 6,856,337 14,212,505 11,081,055 20,173,139 138,212,674

AVISTA UTILITIES  
 Company Settlement Summary by Function with Margin Analysis  
 Case 2019 Revenue For the Year Ended December 31, 2016

Natural Gas Utility  
 Idaho Jurisdiction

Line	(b) Description	(c)	(d)	(e)	(f) System Total	(g) Residential Service Sch 101	(h) Large Firm Service Sch 111	(j) Interrupt Service Sch 131	(k) Transport Service Sch 146
<b>Functional Cost Components at Current Rates</b>									
1	Production				446,533	318,080	125,127	0	3,326
2	Underground Storage				1,642,040	1,099,594	505,097	0	37,348
3	Distribution				26,376,438	21,361,097	4,751,283	0	264,058
4	Common				12,083,990	10,418,126	1,568,914	0	96,950
5	<b>Total Current Rate Revenue</b>				<b>40,549,000</b>	<b>33,196,897</b>	<b>6,950,421</b>	<b>0</b>	<b>401,683</b>
6	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
7	<b>Total Margin Revenue at Current Rates</b>				<b>40,549,000</b>	<b>33,196,897</b>	<b>6,950,421</b>	<b>0</b>	<b>401,683</b>
<b>Margin per Therm at Current Rates</b>									
8	Production				\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115
9	Underground Storage				\$0.01925	\$0.01859	\$0.02170	\$0.00000	\$0.01292
10	Distribution				\$0.30915	\$0.36109	\$0.20417	\$0.00000	\$0.09133
11	Common				\$0.14163	\$0.17611	\$0.06742	\$0.00000	\$0.03353
12	<b>Total Current Margin Melded Rate per Therm</b>				<b>\$0.47526</b>	<b>\$0.56117</b>	<b>\$0.29867</b>	<b>\$0.00000</b>	<b>\$0.13894</b>
<b>Functional Cost Components at Uniform Current Return</b>									
13	Production				446,533	318,080	125,127	0	3,326
14	Underground Storage				1,593,144	1,178,383	378,207	0	36,555
15	Distribution				26,324,087	22,372,220	3,692,422	0	259,444
16	Common				12,185,236	10,704,143	1,384,968	0	96,126
17	<b>Total Uniform Current Cost</b>				<b>40,549,000</b>	<b>34,572,826</b>	<b>5,680,723</b>	<b>0</b>	<b>395,460</b>
18	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
19	<b>Total Uniform Current Margin</b>				<b>40,549,000</b>	<b>34,572,826</b>	<b>5,680,723</b>	<b>0</b>	<b>395,460</b>
<b>Margin per Therm at Uniform Current Return</b>									
20	Production				\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115
21	Underground Storage				\$0.01867	\$0.01992	\$0.01625	\$0.00000	\$0.01264
22	Distribution				\$0.30854	\$0.37819	\$0.15867	\$0.00000	\$0.08974
23	Common				\$0.14282	\$0.18095	\$0.05951	\$0.00000	\$0.03325
24	<b>Total Current Uniform Margin Melded Rate per Therm</b>				<b>\$0.47526</b>	<b>\$0.58443</b>	<b>\$0.23981</b>	<b>\$0.00000</b>	<b>\$0.13678</b>
25	<b>Margin to Cost Ratio at Current Rates</b>				<b>1.00</b>	<b>0.96</b>	<b>1.25</b>	<b>0.00</b>	<b>1.02</b>
<b>Functional Cost Components at Proposed Rates</b>									
26	Production				446,522	318,072	125,124	0	3,326
27	Underground Storage				1,781,887	1,219,464	522,147	0	40,277
28	Distribution				28,073,873	22,899,245	4,893,541	0	281,087
29	Common				12,546,718	10,853,116	1,593,609	0	99,993
30	<b>Total Proposed Rate Revenue</b>				<b>42,849,000</b>	<b>35,289,897</b>	<b>7,134,421</b>	<b>0</b>	<b>424,683</b>
31	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
32	<b>Total Margin Revenue at Proposed Rates</b>				<b>42,849,000</b>	<b>35,289,897</b>	<b>7,134,421</b>	<b>0</b>	<b>424,683</b>
<b>Margin per Therm at Proposed Rates</b>									
33	<b>Production</b>				<b>\$0.00523</b>	<b>\$0.00538</b>	<b>\$0.00538</b>	<b>\$0.00000</b>	<b>\$0.00115</b>
34	<b>Underground Storage</b>				<b>\$0.02089</b>	<b>\$0.02061</b>	<b>\$0.02244</b>	<b>\$0.00000</b>	<b>\$0.01393</b>
35	Distribution				\$0.32905	\$0.38710	\$0.21028	\$0.00000	\$0.09722
36	Common				\$0.14706	\$0.18346	\$0.06648	\$0.00000	\$0.03459
37	<b>Total Proposed Margin Melded Rate per Therm</b>				<b>\$0.50222</b>	<b>\$0.59655</b>	<b>\$0.30668</b>	<b>\$0.00000</b>	<b>\$0.14689</b>
<b>Functional Cost Components at Uniform Proposed Return</b>									
38	Production				446,522	318,072	125,124	0	3,326
39	Underground Storage				1,740,042	1,287,037	413,080	0	39,925
40	Distribution				28,028,889	23,766,435	3,983,412	0	279,042
41	Common				12,633,547	11,098,418	1,435,500	0	99,628
42	<b>Total Uniform Proposed Cost</b>				<b>42,849,000</b>	<b>36,469,963</b>	<b>5,957,116</b>	<b>0</b>	<b>421,921</b>
43	Exclude Cost of Gas w / Revenue Exp.				0	0	0	0	0
44	<b>Total Uniform Proposed Margin</b>				<b>42,849,000</b>	<b>36,469,963</b>	<b>5,957,116</b>	<b>0</b>	<b>421,921</b>
<b>Margin per Therm at Uniform Proposed Return</b>									
45	Production				\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115
46	Underground Storage				\$0.02039	\$0.02176	\$0.01775	\$0.00000	\$0.01381
47	Distribution				\$0.32852	\$0.40175	\$0.17117	\$0.00000	\$0.09652
48	Common				\$0.14807	\$0.18781	\$0.06169	\$0.00000	\$0.03446
49	<b>Total Proposed Uniform Margin Melded Rate per Therm</b>				<b>\$0.50222</b>	<b>\$0.61650</b>	<b>\$0.25599</b>	<b>\$0.00000</b>	<b>\$0.14594</b>
50	<b>Margin to Cost Ratio at Proposed Rates</b>				<b>1.00</b>	<b>0.97</b>	<b>1.20</b>	<b>0.00</b>	<b>1.01</b>
51	<b>Current Margin to Proposed Cost Ratio</b>				<b>0.95</b>	<b>0.91</b>	<b>1.17</b>	<b>0.00</b>	<b>0.96</b>

**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Idaho - Natural Gas System**  
**TWELVE MONTHS ENDED DECEMBER 31, 2016**

Line No.	Description	Factor
1	Revenues	1.000000
	<b>Expenses:</b>	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0
5	Total Expenses	<u>0.057103</u>
6	Net Operating Income Before FIT	0.942897
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612883</u></u>

Revised per Staff\_PR\_079, Attachment A

# APPENDIX F

**AVISTA UTILITIES**  
**IDAHO ELECTRIC, CASE NO. AVU-E-17-01**  
**PROPOSED INCREASE BY SERVICE SCHEDULE**  
**12 MONTHS ENDED DECEMBER 31, 2016**  
(000s of Dollars)

**Effective January 1, 2018**

Line No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates (1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates(2)	Total General Increase	Percent Increase on Billed Revenue	Sch 97 Earnings Test Increase	Sch 97 Percent Increase on Billed Revenue	Total Billed Revenue at Proposed Rates(2)	Percent Increase on Billed Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	Residential	1	\$108,991	\$6,169	\$115,160	5.7%	\$112,048	\$6,169	5.5%	\$470	0.4%	\$118,887	5.9%
2	General Service	11,12	\$37,312	\$1,861	\$39,173	5.0%	\$38,524	\$1,861	4.8%	\$150	0.4%	\$40,534	5.2%
3	Large General Service	21,22	\$52,071	\$2,811	\$54,882	5.4%	\$53,685	\$2,811	5.2%	\$266	0.5%	\$56,762	5.7%
4	Extra Large General Service	25	\$19,946	\$782	\$20,728	3.9%	\$19,546	\$782	4.0%	\$146	0.7%	\$20,475	4.7%
5	Clearwater	25P	\$19,145	\$752	\$19,897	3.9%	\$18,881	\$752	4.0%	\$149	0.8%	\$19,582	4.8%
6	Pumping Service	31,32	\$5,494	\$325	\$5,819	5.9%	\$5,674	\$325	5.7%	\$25	0.4%	\$6,024	6.1%
7	Street & Area Lights	41-49	\$3,625	\$189	\$3,814	5.2%	\$3,760	\$189	5.0%	\$5	0.1%	\$3,954	5.1%
8	Total		\$248,584	\$12,889	\$259,473	5.2%	\$251,918	\$12,889	5.1%	\$1,211	0.5%	\$266,018	5.6%

**Effective January 1, 2019**

Line No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates (1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates(2)	Total General Increase	Percent Increase on Billed Revenue	Sch 97 Earnings Test Increase	Sch 97 Percent Increase on Billed Revenue	Total Billed Revenue at Proposed Rates(2)	Percent Increase on Billed Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	Residential	1	\$115,160	\$2,179	\$117,339	1.9%	\$118,687	\$2,179	1.8%	\$573	0.5%	\$121,439	2.3%
2	General Service	11,12	\$39,173	\$656	\$39,829	1.7%	\$40,534	\$656	1.6%	\$183	0.5%	\$41,373	2.1%
3	Large General Service	21,22	\$54,882	\$993	\$55,875	1.8%	\$56,762	\$993	1.7%	\$325	0.6%	\$58,080	2.3%
4	Extra Large General Service	25	\$20,728	\$273	\$21,001	1.3%	\$20,475	\$273	1.3%	\$179	0.9%	\$20,926	2.2%
5	Clearwater	25P	\$19,897	\$261	\$20,158	1.3%	\$19,582	\$261	1.3%	\$181	0.9%	\$20,024	2.2%
6	Pumping Service	31,32	\$5,819	\$115	\$5,934	2.0%	\$6,024	\$115	1.9%	\$30	0.5%	\$6,169	2.4%
7	Street & Area Lights	41-49	\$3,814	\$67	\$3,881	1.8%	\$3,954	\$67	1.7%	\$7	0.2%	\$4,028	1.9%
8	Total		\$259,473	\$4,544	\$264,017	1.8%	\$266,018	\$4,544	1.7%	\$1,477	0.6%	\$272,038	2.3%

(1) Excludes all present rate adjustments (see below).

(2) Includes all present rate adjustments: Schedule 59 - Residential & Farm Energy Rate Adjustment, Schedule 66 - Temporary Power Cost Adjustment, Schedule 91 - Energy Efficiency Rider Adjustment, and Schedule 97 - Earnings Test Deferral.

**AVISTA UTILITIES  
IDAHO ELECTRIC, CASE NO. AVU-E-17-01  
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

**Effective January 1, 2018**

(a)	Base Tariff Sch. Rate (b)	Present Other Adj.(1) (c)	Present Billing Rate (d)	General Rate Inc/(Decr) (e)	Schedule 97 Earnings Test Increase (f)	Proposed Billing Rate (g)	Proposed Base Tariff Rate (h)
<b><u>Residential Service - Schedule 1</u></b>							
Basic Charge	\$5.75		\$5.75	\$0.25		\$6.00	\$6.00
Energy Charge:							
First 600 kWhs	\$0.08449	\$0.00267	\$0.08716	\$0.00486	\$0.00041	\$0.09243	\$0.08935
All over 600 kWhs	\$0.09434	\$0.00267	\$0.09701	\$0.00543	\$0.00041	\$0.10285	\$0.09977
<b><u>General Services - Schedule 11</u></b>							
Basic Charge	\$12.00		\$12.00	\$1.00		\$13.00	\$13.00
Energy Charge:							
First 3,650 kWhs	\$0.09704	\$0.00337	\$0.10041	\$0.00513	\$0.00041	\$0.10595	\$0.10217
All over 3,650 kWhs	\$0.07216	\$0.00337	\$0.07553	\$0.00192	\$0.00041	\$0.07786	\$0.07408
Demand Charge:							
20 kW or less	no charge		no charge	no charge			no charge
Over 20 kW	\$5.75/kW		\$5.75/kW	\$0.25/kW		\$6.00/kW	\$6.00/kW
<b><u>Large General Service - Schedule 21</u></b>							
Energy Charge:							
First 250,000 kWhs	\$0.06322	\$0.00250	\$0.06572	\$0.00340	\$0.00041	\$0.06953	\$0.06662
All over (2) <u>Includes</u> all preser	\$0.05396	\$0.00250	\$0.05646	\$0.00290	\$0.00041	\$0.05977	\$0.05686
Demand Charge:							
50 kW or less	\$400.00		\$400.00	\$25.00		\$425.00	\$425.00
Over 50 kW	\$5.25/kW		\$5.25/kW	\$0.25/kW		\$5.50/kW	\$5.50/kW
Primary Voltage Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
<b><u>Extra Large General Service - Schedule 25</u></b>							
Energy Charge:							
First 500,000 kWhs	\$0.05299	(\$0.00112)	\$0.05187	\$0.00200	\$0.00041	\$0.05428	\$0.05499
All over 500,000 kWhs	\$0.04487	(\$0.00112)	\$0.04375	\$0.00169	\$0.00041	\$0.04585	\$0.04656
Demand Charge:							
3,000 kva or less	\$13,500		\$13,500	\$500		\$14,000	\$14,000
Over 3,000 kva	\$4.75/kva		\$4.75/kva	\$0.25/kva		\$5.00/kva	\$5.00/kva
Primary Volt. Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
Annual Minimum	Present:	\$704,290			Proposed:	\$730,740	
<b><u>Clearwater - Schedule 25P</u></b>							
Energy Charge:							
all kWhs	\$0.04308	(\$0.00128)	\$0.04180	\$0.00144	\$0.00041	\$0.04365	\$0.04452
Demand Charge:							
3,000 kva or less	\$13,500		\$13,500	\$500		\$14,000	\$14,000
3,000 - 55,000 kva	\$4.75/kva		\$4.75/kva	\$0.25/kva		\$5.00/kva	\$5.00/kva
Over 55,000 kva	\$2.25/kva		\$2.25/kva	\$0.25/kva		\$2.50/kva	\$2.50/kva
Primary Volt. Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
Annual Minimum	Present:	\$635,880			Proposed:	\$657,720	
<b><u>Pumping Service - Schedule 31</u></b>							
Basic Charge	\$10.00		\$10.00	\$1.00		\$11.00	\$11.00
Energy Charge:							
First 165 kW/kWhs	\$0.09605	\$0.00306	\$0.09911	\$0.00555	\$0.00041	\$0.10507	\$0.10160
All additional kWhs	\$0.08187	\$0.00306	\$0.08493	\$0.00473	\$0.00041	\$0.09007	\$0.08660

(1) Includes all present rate adjustments: Schedule 59 - Residential & Farm Energy Rate Adjustment, Schedule 66 - Temporary Power Cost Adjustment, Schedule 91 - Energy Efficiency Rider Adjustment, and Schedule 97 - Earnings Test Deferral

**AVISTA UTILITIES**  
**IDAHO ELECTRIC, CASE NO. AVU-E-17-01**  
**PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

**Effective January 1, 2019**

(a)	Base Tariff Sch. Rate (b)	Present Other Adj. (1) (c)	Present Billing Rate (d)	General Rate Inc/(Decr) (e)	Schedule 97 Earnings Test Increase (f)	Proposed Billing Rate (g)	Proposed Base Tariff Rate (h)
<b><u>Residential Service - Schedule 1</u></b>							
Basic Charge	\$6.00		\$6.00	\$0.00		\$6.00	\$6.00
Energy Charge:							
First 600 kWhs	\$0.08935	\$0.00308	\$0.09243	\$0.00181	\$0.00050	\$0.09474	\$0.09116
All over 600 kWhs	\$0.09977	\$0.00308	\$0.10285	\$0.00202	\$0.00050	\$0.10537	\$0.10179
<b><u>General Services - Schedule 11</u></b>							
Basic Charge	\$13.00		\$13.00	\$0.00		\$13.00	\$13.00
Energy Charge:							
First 3,650 kWhs	\$0.10217	\$0.00378	\$0.10595	\$0.00218	\$0.00050	\$0.10863	\$0.10435
All over 3,650 kWhs	\$0.07408	\$0.00378	\$0.07786	\$0.00079	\$0.00050	\$0.07915	\$0.07487
Demand Charge:							
20 kW or less	no charge		no charge	no charge			no charge
Over 20 kW	\$6.00/kW		\$6.00/kW			\$6.00/kW	\$6.00/kW
<b><u>Large General Service - Schedule 21</u></b>							
Energy Charge:							
First 250,000 kWhs	\$0.06662	\$0.00291	\$0.06953	\$0.00155	\$0.00050	\$0.07158	\$0.06817
All over : (2) <u>Includes</u> all preser	\$0.05686	\$0.00291	\$0.05977	\$0.00132	\$0.00050	\$0.06159	\$0.05818
Demand Charge:							
50 kW or less	\$425.00		\$425.00	\$0.00		\$425.00	\$425.00
Over 50 kW	\$5.50/kW		\$5.50/kW			\$5.50/kW	\$5.50/kW
Primary Voltage Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
<b><u>Extra Large General Service - Schedule 25</u></b>							
Energy Charge:							
First 500,000 kWhs	\$0.05499	(\$0.00071)	\$0.05428	\$0.00087	\$0.00050	\$0.05565	\$0.05586
All over 500,000 kWhs	\$0.04656	(\$0.00071)	\$0.04585	\$0.00074	\$0.00050	\$0.04709	\$0.04730
Demand Charge:							
3,000 kva or less	\$14,000		\$14,000			\$14,000	\$14,000
Over 3,000 kva	\$5.00/kva		\$5.00/kva			\$5.00/kva	\$5.00/kva
Primary Volt. Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
Annual Minimum	Present:	\$730,740			Proposed:	\$739,660	
<b><u>Clearwater - Schedule 25P</u></b>							
Energy Charge:							
all kWhs	\$0.04452	(\$0.00087)	\$0.04365	\$0.00072	\$0.00050	\$0.04487	\$0.04524
Demand Charge:							
3,000 kva or less	\$14,000		\$14,000			\$14,000	\$14,000
3,000 - 55,000 kva	\$5.00/kva		\$5.00/kva			\$5.00/kva	\$5.00/kva
Over 55,000 kva	\$2.50/kva		\$2.50/kva			\$2.50/kva	\$2.50/kva
Primary Volt. Discount	\$0.20/kW		\$0.20/kW			\$0.20/kW	\$0.20/kW
Annual Minimum	Present:	\$657,720			Proposed:	\$665,640	
<b><u>Pumping Service - Schedule 31</u></b>							
Basic Charge	\$11.00		\$11.00	\$0.00		\$11.00	\$11.00
Energy Charge:							
First 165 kW/kWhs	\$0.10160	\$0.00347	\$0.10507	\$0.00208	\$0.00050	\$0.10765	\$0.10368
All additional kWhs	\$0.08660	\$0.00347	\$0.09007	\$0.00177	\$0.00050	\$0.09234	\$0.08837

(1) Includes all present rate adjustments: Schedule 59 - Residential & Farm Energy Rate Adjustment, Schedule 66 - Temporary Power Cost Adjustment, Schedule 91 - Energy Efficiency Rider Adjustment, and Schedule 97 - Earnings Test Deferral



**AVISTA UTILITIES**  
**IDAHO GAS, CASE NO. AVU-G-17-01**  
**PROPOSED INCREASE BY SERVICE SCHEDULE**  
**12 MONTHS ENDED DECEMBER 31, 2016**  
(000s of Dollars)

**Effective January 1, 2018**

Line No.	Type of Service (a)	Schedule Number (b)	Base Tariff		Proposed General Increase (d)	Base Tariff Distribution Under Proposed Rates (e)	Base Tariff Percent Increase (f)	Total Billed Revenue at Present Rates (2) (g)	Total General Increase (h)	Total Billed Revenue at Proposed Rates (2) (i)	Percent Increase on Billed GRC Revenue (j)
			Distribution Under Present Rates (1) (c)	Under Proposed Rates (e)							
1	General Service	101	\$33,197	\$34,270	\$1,073	\$34,270	3.2%	\$47,993	\$1,073	\$49,065	2.2%
2	Large General Service	111/112	\$6,950	\$7,045	\$95	\$7,045	1.4%	\$12,776	\$95	\$12,871	0.7%
3	Interruptible Service	131/132	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%
4	Transportation Service	146	\$402	\$414	\$12	\$414	3.0%	\$402	\$12	\$414	3.0%
5	Special Contracts	148	\$103	\$103	\$0	\$103	0.0%	\$103	\$0	\$103	0.0%
6	Total		\$40,652	\$41,832	\$1,180	\$41,832	2.9%	\$61,273	\$1,180	\$62,452	1.9%

(1) Excludes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 - Gas Rate Adjustment, & Schedule 191 - DSM  
(2) Includes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 - Gas Rate Adjustment, & Schedule 191 - DSM

**Effective January 1, 2019**

Line No.	Type of Service (a)	Schedule Number (b)	Base Tariff		Proposed General Increase (d)	Base Tariff Distribution Under Proposed Rates (e)	Base Tariff Percent Increase (f)	Total Billed Revenue at Present Rates (2) (g)	Total General Increase (h)	Total Billed Revenue at Proposed Rates (2) (i)	Percent Increase on Billed GRC Revenue (j)
			Distribution Under Present Rates (1) (c)	Under Proposed Rates (e)							
1	General Service	101	\$34,270	\$35,290	\$1,020	\$35,290	3.0%	\$49,065	\$1,020	\$50,085	2.1%
2	Large General Service	111/112	\$7,045	\$7,134	\$89	\$7,134	1.3%	\$12,871	\$89	\$12,959	0.7%
3	Interruptible Service	131/132	\$0	\$0.00	\$0	\$0.00	0.0%	\$0	\$0	\$0	0.0%
4	Transportation Service	146	\$414	\$425	\$11	\$425	2.7%	\$414	\$11	\$425	2.7%
5	Special Contracts	148	\$103	\$103	\$0	\$103	0.0%	\$103	\$0	\$103	0.0%
6	Total		\$41,832	\$42,952	\$1,120	\$42,952	2.7%	\$62,452	\$1,120	\$63,572	1.8%

(1) Excludes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 - Gas Rate Adjustment, & Schedule 191 - DSM  
(2) Includes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 - Gas Rate Adjustment, & Schedule 191 - DSM

**AVISTA UTILITIES  
IDAHO GAS, CASE NO. AVU-G-17-01  
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

**Effective January 1, 2018**

<u>Type of Service</u> (a)	Present Base Distribution Rate (b)	Present Billing Rate Adj.(1) (c)	Present Billing Rate (d)	General Rate Increase (e)	Proposed Billing Rate (f)	Proposed Base Distribution Rate (g)
<b><u>General Service - Schedule 101</u></b>						
Basic Charge	\$5.25		\$5.25	\$0.75	\$6.00	\$6.00
Usage Charge:						
All therms	\$0.47746	\$0.27421	\$0.75167	\$0.00617	\$0.75784	\$0.48363
<b><u>Large General Service - Schedule 111</u></b>						
Usage Charge:						
First 200 therms	\$0.50375	\$0.26581	\$0.76956	\$0.00990	\$0.77946	\$0.51365
200 - 1,000 therms	\$0.31954	\$0.26581	\$0.58535	\$0.00266	\$0.58801	\$0.32220
1,000 - 10,000 therms	\$0.23783	\$0.26581	\$0.50364	\$0.00198	\$0.50562	\$0.23981
All over 10,000 therms	\$0.18381	\$0.26581	\$0.44962	\$0.00153	\$0.45115	\$0.18534
Minimum Charge:						
per month	\$100.75		\$100.75	\$1.98	\$102.73	\$102.73
per therm	\$0.00000	\$0.26581	\$0.26581		\$0.26581	\$0.00000
<b><u>Interruptible Service - Schedule 131</u></b>						
Usage Charge:						
All Therms	\$0.21972	\$0.14814	\$0.36786	\$0.00637	\$0.37423	\$0.22609
<b><u>Transportation Service - Schedule 146</u></b>						
Basic Charge	\$225.00		\$225.00	\$25.00	\$250.00	\$250.00
Usage Charge:						
All Therms	\$0.12740		\$0.12740	\$0.00337	\$0.13077	\$0.13077

(1) Includes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 - and Gas Rate Adjustment, Schedule 191 - DSM

**AVISTA UTILITIES  
IDAHO GAS, CASE NO. AVU-G-17-01  
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

**Effective January 1, 2019**

<u>Type of Service</u> (a)	Present Base Distribution Rate (b)	Present Billing Rate Adj.(1) (c)	Present Billing Rate (d)	General Rate Increase (e)	Proposed Billing Rate (f)	Proposed Base Distribution Rate (g)
<b><u>General Service - Schedule 101</u></b>						
Basic Charge	\$6.00		\$6.00	\$0.00	\$6.00	\$6.00
Usage Charge:						
All therms	\$0.48363	\$0.27421	\$0.75784	\$0.01724	\$0.77508	\$0.50087
<b><u>Large General Service - Schedule 111</u></b>						
Usage Charge:						
First 200 therms	\$0.51365	\$0.26581	\$0.77946	\$0.01725	\$0.79671	\$0.53090
200 - 1,000 therms	\$0.32220	\$0.26581	\$0.58801	\$0.00182	\$0.58983	\$0.32402
1,000 - 10,000 therms	\$0.23981	\$0.26581	\$0.50562	\$0.00136	\$0.50698	\$0.24117
All over 10,000 therms	\$0.18534	\$0.26581	\$0.45115	\$0.00105	\$0.45220	\$0.18639
Minimum Charge:						
per month	\$102.73		\$102.73	\$3.45	\$106.18	\$106.18
per therm	\$0.00000	\$0.26581	\$0.26581		\$0.26581	\$0.00000
<b><u>Interruptible Service - Schedule 131</u></b>						
Usage Charge:						
All Therms	\$0.22609	\$0.14814	\$0.37423		\$0.37423	\$0.22609
<b><u>Transportation Service - Schedule 146</u></b>						
Basic Charge	\$250.00		\$250.00	\$0.00	\$250.00	\$250.00
Usage Charge:						
All Therms	\$0.13077		\$0.13077	\$0.00364	\$0.13441	\$0.13441

(1) Includes Schedule 150 - Purchased Gas Cost Adjustment, Schedule 155 and - Gas Rate Adjustment, Schedule 191 - DSM.