

Judge Power,

During the Prehearing Conference in Docket UG-284 on September 24, 2014, you requested further information related to the testimony of Avista witness Mr. Morris. Mr. Morris in his direct testimony states that “based on an average usage level of 47 therms per month, the average residential bill would increase \$5.78 per month, or 10.3%, from \$55.97 to \$61.75”. You inquired as to “whether its residential bill comparison includes an imputed gas cost, and if so, how much is the gas cost and why was the value used”.

As it relates to the “average residential bill”, the values used in Mr. Morris’s and Mr. Ehrbar’s testimony, as well as what was provided in the Company’s media notice, is the overall billing impact which includes all billing components. Those components include approved base rates (Rate Schedule 410), the proposed general rate increase of \$5.78, approved natural gas costs (Rate Schedule 461), approved natural gas cost amortization (Rate Schedule 462), approved intervenor funding (Rate Schedule 476), approved current demand side management (Rate Schedule 478), and approved Low-Income Rate Assistance funding (Rate Schedule 493). In short, all of the rates used are Commission approved rates, with the exception of the proposed rate increase.

Below is a table showing the proposed residential bill of \$61.75 broken down into its individual components. As you will see, the overall rate increase is 19.2% as it relates only to the increase in base rates (delivery costs). As it relates to the entire bill, the increase is 10.3%.

Oregon				
GRC - Sch 410 Residential Bill Impact				
	Present Rates	Proposed Rates	% Change	Bill Impact
Sch 410 (Base Rates)	\$ 30.09	\$ 35.87	19.2%	\$ 5.78
Sch 461 (PGA)	\$ 28.70	\$ 28.70	0.0%	\$ -
Sch 462 (PGA - Amortization)	\$ (3.98)	\$ (3.98)	0.0%	\$ -
Sch 476 (Intervenor Funding)	\$ 0.05	\$ 0.05	0.0%	\$ -
Sch 478 (DSM)	\$ 0.90	\$ 0.90	0.0%	\$ -
Sch 493 (LIRAP)	\$ 0.21	\$ 0.21	0.0%	\$ -
<b>Total Bill</b>	<b>\$ 55.97</b>	<b>\$ 61.75</b>	<b>10.3%</b>	<b>\$ 5.78</b>
* Based on average usage of 47 therms				

The reason why Avista provides the residential bill impact is to show customers that, if they use the average usage of 47 therms per month, their overall bill (inclusive of all billing components) will increase by a certain amount and percentage. To not include all billing components in such a calculation could lead to customer confusion.