

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 UG 389

4 In the Matter of)
5)
6 AVISTA CORPORATION, dba AVISTA) THIRD PARTIAL SETTLEMENT
7 UTILITIES) STIPULATION
8)
9 Request for a General Rate Revision)

10
11 This Third Partial Settlement Stipulation (“Third Stipulation”) is entered into for the
12 purpose of resolving the remaining issue in this proceeding, the treatment of Working Capital.

13 **PARTIES**

14 The Parties to this Third Stipulation are Avista Corporation (“Avista” or the “Company”),
15 the Staff of the Public Utility Commission of Oregon (“Staff”), the Oregon Citizens’ Utility Board
16 (“CUB”), and the Alliance of Western Energy Consumers (“AWEC”) (collectively, “Parties”).
17 These Parties represent all who intervened and appeared in this proceeding.¹

18 **BACKGROUND**

19 1. On March 13, 2020, Avista filed revised tariff schedules to affect a general rate
20 increase for Oregon retail customers of \$6,777,000, or 6.8% of its annual revenues or 9.8% margin
21 increase. The filing was suspended by the Commission on March 16, 2020, per its Order No. 20-
22 086.

¹ The Parties previously entered into a Partial Settlement on Cost of Capital, which was filed on May 18, 2020 and a Second Partial Settlement which settled all remaining issues in this Docket, except for Working Capital, filed on August 13, 2020.

1 2. Pursuant to Administrative Law Judge Allan J. Arlow’s Prehearing Conference
2 Notice of Telephone Prehearing Conference Memorandum of April 3, 2020, the first settlement
3 conference, held telephonically, occurred on May 7, 2020.

4 3. As a result of that first settlement discussion, the Parties agreed to settle all issues in
5 this Docket concerning the Cost of Capital, including Capital Structure, Long-Term Debt Cost and
6 Return on Equity, subject to the approval of the Commission, which was filed on May 18, 2020.

7 4. Staff, CUB, and AWEC filed Opening Testimony on July 21, 2020, in response to
8 the Company’s original filing on March 13, 2020.

9 5. On August 3, 2020 the Parties held a second telephonic settlement discussion and
10 agreed to settle all remaining issues in this Docket, except the issue of Working Capital. The
11 settled items include adjustments to the revenue requirement, rate spread and rate design issues,
12 Allowance for Funds Used During Construction (AFUDC) accounting treatment, changes in
13 customer deposit requirements, and modifications to the language regarding the Comfort Level
14 Billing program, subject to the approval of the Commission. The Second Partial Settlement
15 Stipulation was filed on August 13, 2020. The issue of Working Capital was to be further reviewed
16 by the Parties under the existing Procedural Schedule.

17 6. On August 18, 2020 the Company filed reply testimony, sponsored by Company
18 witness Ms. Pluth, which addressed the issue of Working Capital. On August 20, 2020 the Parties
19 participated in a telephonic workshop addressing Working Capital and the components of the
20 Company’s proposed lead/lag study. On August 24, 2020, a third telephonic settlement discussion
21 was held, for purposes of resolving the final issue of Working Capital. Both the workshop and the
22 settlement discussion were attended by all Parties. The third telephonic settlement discussion
23 resulted in agreement on the treatment of Working Capital and is the basis of this Third Stipulation.

1 **SUMMARY OF THE FIRST PARTIAL SETTLEMENT STIPULATION**

2 **7. Adjustments to Filed Revenue Requirement:**

3 The adjustments reached in the First Partial Settlement Stipulation amounted to a total
 4 reduction in Avista’s revenue requirement increase request from \$6.777 million to a base revenue
 5 increase request of \$5.685 million. The adjustments to Avista’s revenue requirement reflected in
 6 the first Partial Settlement Stipulation are shown in Table No. 1 below:

7 **Table No. 1 – Summary of Adjustments to Revenue Requirement and Rate Base (First**
 8 **Partial Settlement Stipulation)**

	Revenue Requirement	Rate Base
	\$6,777	\$304,664
Cost of Capital		
Adjusts return on equity to 9.40%, long-term debt cost to 5.07%, with a common stock equity component of 50%, and overall Cost of Capital of 7.24%.	(1,092)	-
Total Adjustments:	(\$1,092)	\$0
	\$5,685	\$304,664

14 8. This adjustment reduces Avista’s requested cost of capital to an overall cost of capital
 15 equal to 7.24% based on the following components: a capital structure consisting of 50% common
 16 stock equity and 50% long-term debt, return on equity of 9.40%, and a long-term debt cost of
 17 5.07%. This combination of capital structure and capital costs is shown in the Table No. 2 below.²

18 **Table No. 2 – Agreed-Upon Cost of Capital**

AGREED-UPON COST OF CAPITAL			
	Capital Structure	Debt Cost	Weighted Cost
Long Term Debt	50.00%	5.07%	2.54%
Common Equity	50.00%	9.40%	4.70%
Total	100.00%		7.24%

² The agreed-upon capital structure (50/50) and cost of equity (9.4%) represent a continuation of currently approved levels approved in Docket No. UG-366.

1 **SUMMARY OF THE SECOND PARTIAL SETTLEMENT STIPULATION**

2 9. The adjustments reached in the Second Partial Settlement Stipulation resolved all
3 remaining issues in this Docket, with the exception of Working Capital. This resulted in a further
4 reduction to Avista’s proposed increase from the First Partial Settlement Stipulation of \$5.685
5 million (as shown in Table No. 1 above) to a base revenue increase request of \$4.212 million. In
6 addition, the Parties agreed to reduce rate base from the First Partial Settlement Stipulation of
7 \$304.7 million to \$303.3 million. The net impact of these adjustments is shown in Table No. 3
8 below:

9 **Table No. 3 – Summary of Adjustments to Revenue Requirement and Rate Base (Second**
10 **Partial Settlement)**

11

	Revenue Requirement	Rate Base
First Partial Settlement Stipulation	\$5,685	\$304,664
Miscellaneous Adjustments These adjustments resolve all issues in this Docket, with the exception of Working Capital	(1,473)	(1,338)
Total Adjustments:	(\$1,473)	(\$1,338)
Second Partial Settlement Stipulation Final	\$4,212	\$303,326

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17 **SUMMARY OF THE THIRD PARTIAL SETTLEMENT STIPULATION**

18 10. The adjustment reached in this Third Stipulation resolved the final outstanding issue
19 of Working Capital. Company witness Ms. Pluth provided detailed testimony on August 18, 2020
20 related to the genesis and calculation of Avista’s Working Capital adjustment. With this
21 adjustment, the Parties have now addressed all issues in this Docket. The Parties agreed that Avista
22 should be provided an additional \$0.155 million increase related to Working Capital. This results
23 in an increase to Avista’s revenue requirement increase request from the Second Partial Settlement
24 Stipulation of \$4.212 million (as shown in Table No. 3 above) to a final base revenue increase

request of \$4.367 million. In addition, the Parties agreed to increase rate base from the Second Partial Settlement Stipulation of \$303.3 million to \$305.0 million. The net impact of these adjustments is shown in Table No. 4 below:

Table No. 4 – Summary of Adjustments to Revenue Requirement and Rate Base (Third Stipulation)

	Revenue Requirement	Rate Base
Second Partial Settlement Stipulation	\$4,212	\$303,326
Miscellaneous Adjustments This adjustment reflects the impact of the lead/lag study on Working Capital. For Settlement purposes the Parties agree to a working cash factor of 2.5% resulting in an \$155,000 of additional revenue requirement and \$1,700,000 increase in rate base.	155	1,700
Total Adjustments:	\$155	\$1,700
Third Partial Settlement Stipulation	\$4,367	\$305,026

In addition to the change in revenue requirement and rate base, the Parties agreed to the following as it relates to Working Capital:

- a. The Parties agree to include a working cash factor of 2.5 percent, resulting in \$155,000 of additional revenue requirement in UG 389 rates for cash working capital (as discussed above).
- b. Avista agrees to conduct a new lead/lag study that is robust and designed consistent with industry standards prior to the filing of its next rate case that includes cash working capital in revenue requirement.
- c. The Parties agree that measurements used in the new lead/lag study may include but are not limited to statistical sampling, 100 percent sampling, mathematical formula, and segregation of data by type (e.g. customer class, fuel type, or maintenance type).
- d. Avista agrees to provide, in supporting testimony for its next rate case that includes cash working capital, a description and supporting documentation for its method of measuring lead or lag for each study component that establishes the validity and appropriateness of the measurement used.
- e. Avista agrees to perform sufficient analysis to ensure there is no double-counting between working cash and rate base and will review and document its treatment of vacation accrual, purchase gas and materials and supplies in supporting testimony for its next rate case.

1 f. The Parties acknowledge this Stipulation does not address any effects of the
2 utility's and ratepayers' actions in response to the COVID-19 pandemic, and that
3 any such effects may be addressed separately from this stipulation.

4 11. For the ease of the Commission, Attachment A to this Stipulation provides the final
5 agreed-upon revenue requirement, incorporating all of the agreements reached in the three
6 Stipulations. Further, Attachments B-D also include the net effect of all of the items agreed to in
7 the three Stipulations related to rate spread, rate design, and decoupling, and are discussed further
8 below.

9 12. **Proposed Effective Date:** The proposed rate effective date is January 15, 2021,
10 consistent with the Second Partial Settlement Stipulation.

11 13. **Rate Spread:** The Parties support the spread of the January 15, 2021, overall billed
12 revenue increase of \$4.367 million, or 4.4 percent, to the Company's service schedules as shown
13 in Table No. 4 below (and as shown in Attachment B to this Stipulation), including the impact of
14 the Working Capital adjustment agreed to in this Stipulation. This reflects all agreements reached
15 in all three Settlement Stipulations.

16 **Table No. 5: Agreed-Upon Rate Spread**

	Rate	Revenue	% Increase in	% Increase in
<u>Schedule Description</u>	<u>Schedule</u>	<u>Increase</u>	<u>Base Revenue</u>	<u>Billed Revenue*</u>
		<u>(\$000s)</u>		
18 Residential	410	\$2,810	6.3%	4.4%
19 General Service	420	\$1,535	7.9%	5.4%
20 Large General Service	424	\$2	0.5%	0.2%
Interruption Service	440	\$8	0.5%	0.2%
21 Seasonal Service	444	\$0	0.5%	0.2%
Transportation Service	456	<u>\$12</u>	<u>0.5%</u>	<u>0.5%</u>
Total		<u>\$4,367</u>	<u>6.3%</u>	<u>4.4%</u>

22 * Billed Revenue includes base rate revenue plus revenues associated with natural gas supply, energy efficiency, intervenor funding, and other items.

1 14. **Rate Design:** The Parties support the rate design contained in the Second Partial
2 Settlement Stipulation. Attachment C to this Stipulation provides the agreed-upon base rates,
3 reflecting the additional increase related to Working Capital.³

4 15. **Residential Bill Change:** For the revenue requirement included in this Stipulation,
5 based on an average usage level of 47 therms per month, the average bill for a Schedule 410
6 residential customer, which includes both base and adder schedules⁴, would increase \$2.51 per
7 month, or 4.4 percent, from \$56.40 to \$58.91. This bill change includes the Working Capital
8 adjustment, previously discussed.

9 16. **Decoupling:** Attachment D to the Third Stipulation reflects the new decoupling base,
10 incorporating the impacts of the Working Capital adjustment, effective January 15, 2021 that is
11 supported by the Parties. The new decoupling base provides the “Monthly Allowed Customers”
12 and “Monthly Decoupled Revenue per Customer” which incorporate the effects of the settlement
13 revenue requirement discussed earlier.⁵

14 17. The Parties agree that this Third Stipulation is in the public interest and results in an
15 overall fair, just, and reasonable outcome, and will serve to reduce the number of contested
16 adjustments in this case.

17 18. The Parties agree that this Third Stipulation represents a compromise in the positions
18 of the Parties. Without the written consent of all Parties, evidence of conduct or statements,
19 including but not limited to term sheets or other documents created solely for use in settlement
20 conferences in this Docket, are not admissible in the instant or any subsequent proceeding unless

³ The agreed-upon billing determinants reflect the updated load adjustments as discussed in Section 7 item q in the Second Partial Settlement Stipulation.

⁴ “Adder” schedules recover costs associated with natural gas supply (Schedules 461 and 462), energy efficiency (Schedules 469 and 478), intervenor funding (Schedule 476), and other items.

⁵ See footnote 4.

1 independently discoverable or offered for other purposes allowed under ORS 40.190. Nothing in
2 this paragraph precludes a party from stating as a factual matter what the Parties agreed to in this
3 Third Stipulation or in the Parties' testimony supporting the stipulation.

4 19. Further, this Third Stipulation sets forth the entire agreement between the Parties and
5 supersedes any and all prior communications, understandings, or agreements, oral or written,
6 between the Parties pertaining to the subject matter of this Stipulation.

7 20. This Third Stipulation will be offered into the record in this proceeding as evidence
8 pursuant to OAR 860-001-0350(7). The Parties agree to support this Third Stipulation throughout
9 this proceeding and any appeal. The Parties further agree to provide witnesses to sponsor the Third
10 Stipulation at any hearing held, or, in a Party's discretion, to provide a representative at the hearing
11 authorized to respond to the Commission's questions on the Party's position as may be appropriate.

12 21. If this Third Stipulation is challenged by any other party to this proceeding, the
13 Parties to this Third Stipulation reserve the right to cross-examine witnesses and put on such case
14 as they deem appropriate to respond fully to the issues presented, including the right to raise issues
15 that are incorporated in the settlement embodied in this Third Stipulation. Notwithstanding this
16 reservation of rights, the Parties agree that they will continue to support the Commission's
17 adoption of the terms of this Third Stipulation.

18 22. The Parties have negotiated this Third Stipulation as an integrated document. If the
19 Commission rejects all or any material portion of this Third Stipulation, or imposes additional
20 material conditions in approving this Third Stipulation, any Party disadvantaged by such action
21 shall have the rights provided in OAR 860-001-0350(9) and shall be entitled to seek
22 reconsideration or appeal of the Commission's Order.

1 23. By entering into this Third Stipulation, no Party shall be deemed to have approved,
2 admitted, or consented to the facts, principles, methods, or theories employed by any other Party
3 in arriving at the terms of this Third Stipulation. No Party shall be deemed to have agreed that any
4 provision of this Third Stipulation is appropriate for resolving the issues in any other proceeding.

5 24. This Third Stipulation may be executed in counterparts and each signed counterpart
6 shall constitute an original document. The Parties further agree that any electronically-generated
7 signature of a Party is valid and binding to the same extent as an original signature.

8 25. This Third Stipulation may not be modified or amended except by written agreement
9 among all Parties who have executed it.

10 This Third Stipulation is entered into by each Party on the date entered below such Party's
11 signature.

12 AVISTA CORPORATION

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16 By: /s/ David J. Meyer
17 David J. Meyer

18
19 Date: September 3, 2020

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22 ALLIANCE OF WESTERN ENERGY
23 CONSUMERS

24
25 By: 
26 Chad M. Stokes

27
28 Date: 09-03-2020

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By:
Johanna Riemenschneider

Date:

OREGON CITIZENS' UTILITY BOARD

By:
Michael P. Goetz

Date:

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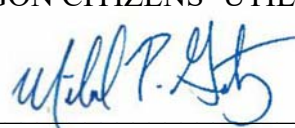
STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____
Johanna Riemenschneider

Date: _____

21
22 ALLIANCE OF WESTERN ENERGY
23 CONSUMERS
24
25 By: _____
26 Chad M. Stokes
27
28 Date: _____

OREGON CITIZENS' UTILITY BOARD

By:  _____
Michael P. Goetz

Date: 9/3/20

Avista Utilities
UG 389
Twelve Months Ended 12.31.2021
(\$000)

PRESENT RATES

SUMMARY SHEET	Base Period Results Per Company Filing 12 ME 12.31.19 (1)	Company Adjustments to Base Period (2)	Restated Company 12 ME 12.31.2021 Test Year (1) + (2) (3)	Company Proposed incremental Rev. requirement (4)	Company Filed 12.31.2021 Results at Reasonable Return (3) + (4) (5)	Staff Adjustments to Company 12.31.2021 Results Test Year (6)	Staff Adjusted 12.31.2021 Company Results (3) + (6) (7)	Staff Required Change for Reasonable Return (8)	Staff Results at Reasonable Return (7) + (8) (9)
Operating Revenues									
General Business	\$88,988	(\$23,005)	\$65,983	\$6,777	\$72,760	\$6	\$65,989	\$4,368	\$70,357
Transportation	\$2,951	\$3	\$2,954	\$0	\$2,954	\$0	\$2,954	\$0	\$2,954
Other Revenues	\$52,794	(\$52,611)	\$183	\$0	\$183	\$5	\$188	\$0	\$188
Total Operating Revenues	\$144,733	(\$75,613)	\$69,120	\$6,777	\$75,897	\$11	\$69,131	\$4,368	\$73,498
Operating Expenses									
Gas Purchased	\$87,176	(\$87,176)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPUC Fees	\$612	(\$289)	\$323	\$32	\$355	\$0	\$323	\$20	\$343
Franchise Fees	\$1,966	(\$426)	\$1,540	\$151	\$1,691	\$0	\$1,541	\$97	\$1,638
Uncollectibles	\$56	\$259	\$315	\$23	\$338	\$0	\$315	\$15	\$330
General Operations & Maintenance	\$4,746	\$3,831	\$8,577	\$0	\$8,577	(\$174)	\$8,403	\$0	\$8,403
Admin & General Expenses	\$16,335	\$458	\$16,793	\$0	\$16,793	(\$1,327)	\$15,466	\$0	\$15,466
Total Operation & Maintenance	\$110,891	(\$83,342)	\$27,549	\$206	\$27,755	(\$1,500)	\$26,048	\$133	\$26,181
Depreciation	\$11,083	\$3,987	\$15,070	\$0	\$15,070	\$92	\$15,162	\$0	\$15,162
Amortization	\$249	\$0	\$249	\$0	\$249	\$158	\$407	\$0	\$407
Taxes Other than Income	\$6,131	(\$612)	\$5,519	\$0	\$5,519	(\$16)	\$5,503	\$0	\$5,503
Income Taxes	\$1,194	\$1,559	\$2,753	\$1,701	\$4,454	\$312	\$3,065	\$1,097	\$4,161
Total Operating Expenses	\$129,548	(\$78,408)	\$51,140	\$1,907	\$53,047	(\$955)	\$50,185	\$1,229	\$51,414
Net Operating Revenues	\$15,185	\$2,795	\$17,980	\$4,870	\$22,850	\$965	\$18,946	\$3,138	\$22,084
Average Rate Base									
Utility Plant in Service	\$474,210	\$49,626	\$523,836	\$0	\$523,836	(\$1,150)	\$522,686	\$0	\$522,686
Less: Accumulated Depreciation & Amortization	(\$135,955)	(\$14,544)	(\$150,499)	\$0	(\$150,499)	(\$188)	(\$150,687)	\$0	(\$150,687)
Accumulated Deferred Income Taxes	(\$72,787)	(\$1,735)	(\$74,522)	\$0	(\$74,522)	\$0	(\$74,522)	\$0	(\$74,522)
Accumulated Deferred Inv. Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Utility Plant	\$265,468	\$33,347	\$298,815	\$0	\$298,815	(\$1,338)	\$297,477	\$0	\$297,477
Plant Held for Future Use	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Working Capital	\$0	\$0	\$0	\$0	\$0	\$1,700	\$1,700	\$0	\$1,700
Fuel Stock	\$2,377	\$0	\$2,377	\$0	\$2,377	\$0	\$2,377	\$0	\$2,377
Materials & Supplies	\$3,656	\$159	\$3,815	\$0	\$3,815	\$0	\$3,815	\$0	\$3,815
Customer Advances for Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Weatherization Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Deferred Debits & Credits	(\$343)	\$0	(\$343)	\$0	(\$343)	\$0	(\$343)	\$0	(\$343)
Misc. Rate Base Additions/(Deductions)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Average Rate Base	\$271,158	\$33,506	\$304,664	\$0	\$304,664	\$362	\$305,026	\$0	\$305,026
Rate of Return	5.60%		5.90%		7.50%		6.21%		7.24%
Implied Return on Equity	6.100%		6.100%		9.900%		7.342%		9.400%

* includes \$1 rounding difference

Avista Utilities
Proposed Revenue Increase by Schedule
Oregon - Natural Gas
Pro Forma 12 Months Ended December 31, 2021
(000s of Dollars)

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates	Proposed GRC Increase	Distribution Revenue Under Proposed Rates	Therms (000s)	Distribution Revenue Percentage Increase	Billed Revenue Under Present Rates	Proposed GRC Increase	Billed Revenue Under Proposed Rates	Billed Revenue Percentage Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Residential	410	\$44,931	\$2,810	\$47,741	52,670	6.3%	\$63,250	\$2,810	\$66,060	4.4%
2	General Service	420	\$19,385	\$1,535	\$20,920	29,002	7.9%	\$28,609	\$1,535	\$30,143	5.4%
3	Large General Service	424/425	\$496	\$2	\$498	3,264	0.5%	\$1,565	\$2	\$1,567	0.2%
4	Interruptible Service	439/440	\$1,623	\$8	\$1,631	13,929	0.5%	\$3,743	\$8	\$3,751	0.2%
5	Seasonal Service	444	\$34	\$0	\$34	199	0.5%	\$99	\$0	\$99	0.2%
6	Transportation Service	456	\$2,299	\$12	\$2,311	27,049	0.5%	\$2,218	\$12	\$2,230	0.5%
7	Special Contract	447	\$175	\$0	\$175	5,856	0.0%	\$175	\$0	\$175	0.0%
8	Total		\$68,943	\$4,367	\$73,310	131,968	6.3%	\$99,658	\$4,367	\$104,026	4.4%

Avista Utilities
Comparison of Present & Proposed Natural Gas Rates
Oregon - Natural Gas

<u>Present Base Rates</u>	<u>Base Tariff Change</u>	<u>Proposed Base Rates</u>
Residential Service Schedule 410		
\$10.00 Customer Charge	\$0.50/month	\$10.50 Customer Charge
All Therms - \$0.63943/Therm	\$0.04267/therm	All Therms - \$0.68210/Therm
General Service Schedule 420		
\$17.00 Customer Charge	\$0.00/month	\$17.00 Customer Charge
All Therms - \$0.58382/Therm	\$0.05291/therm	All Therms - \$0.63673/Therm
Large General Service Schedule 424 and 425		
\$50.00 Customer Charge	\$5.00/month	\$55.00 Customer Charge
All Therms - \$0.13887/Therm	-\$0.00055/therm	All Therms - \$0.13832/Therm
Interruptible Service Schedule 439 and 440		
\$0.00 Customer Charge	\$75.00/month	\$75.00 Customer Charge
All Therms - \$0.11652/Therm	-\$0.00184/therm	All Therms - \$0.11468/Therm
Seasonal Service Schedule 444		
All Therms - \$0.17155/Therm	\$0.00086/therm	All Therms - \$0.17241/Therm
Seasonal Minimum Charge:		Seasonal Minimum Charge:
\$ 5,810.92		\$ 5,840.04
Transportation Service Schedule 456		
\$275.00 Customer Charge	\$25.00/month	\$300.00 Customer Charge
1st 10,000 Therms - \$0.15876/Therm	\$0.00014/therm	1st 10,000 Therms - \$0.15890/Therm
Next 20,000 Therms - \$0.09555/Therm	\$0.00008/therm	Next 20,000 Therms - \$0.09563/Therm
Next 20,000 Therms - \$0.07853/Therm	\$0.00007/therm	Next 20,000 Therms - \$0.07860/Therm
Next 200,000 Therms - \$0.06147/Therm	\$0.00005/therm	Next 200,000 Therms - \$0.06152/Therm
Over 250,000 Therms - \$0.03118/Therm	\$0.00003/therm	Over 250,000 Therms - \$0.03121/Therm
<u>Schedule 456 Monthly Minimum Charge</u>		<u>Schedule 456 Monthly Minimum Charge</u>
\$ 2,698.69		\$ 2,725.78

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue by Rate Schedule - Natural Gas
Docket No. UG-389 Rates Effective January 15, 2021

	TOTAL	RESIDENTIAL SCHEDULE 410	SM COMMERCIAL & INDUSTRIAL SCH. 420	LG COMMERCIAL & INDUSTRIAL SCH. 424/425	INTERRUPTIBLE SCH 439/440	SEASONAL SCH 444	TRANSPORTATION SCH 456/447
1 Total Normalized 2021 Margin Revenue	\$ 68,943,000	\$ 44,931,000	\$ 19,385,000	\$ 496,000	\$ 1,623,000	\$ 34,000	\$ 2,474,000
2 Settlement Margin Revenue Increase	\$ 4,367,000	\$ 2,810,000	\$ 1,535,000	\$ 2,000	\$ 8,000	\$ -	\$ 12,000
3 Total Delivery Revenue (2021 Test Year) (Ln 1 + Ln 2)	\$ 73,310,000	\$ 47,741,000	\$ 20,920,000	\$ 498,000	\$ 1,631,000	\$ 34,000	\$ 2,486,000
4 Customer Bills (2021 Test Year)	1,271,356	1,125,295	144,309	857	450	37	408
5 Proposed Basic Charges		\$10.50	\$17.00	\$55.00	\$75.00	\$0.00	\$300.00
6 Basic Charge Revenue (Ln 4 * Ln 5)	\$ 14,464,960	\$ 11,815,598	\$ 2,453,253	\$ 47,129	\$ 33,780	\$ -	\$ 115,200
7 Decoupled Revenue (Ln 6 - Ln 3)	\$ 58,845,040	\$ 35,925,403	\$ 18,466,747	\$ 450,871	\$ 1,597,220	\$ 34,000	\$ 2,370,800
8 Normalized Therms (2021 Test Year)	131,968,306	52,669,603	29,002,292	3,264,235	13,929,025	198,830	32,904,321
9 Average Number of Customers (Line 8 / 12 mos.)		Residential 93,775	Non-Residential Group 12,138				Exempt from Decoupling Mechanism
10 Annual Therms		52,669,603	46,394,382				
11 Basic Charge Revenues		\$ 11,815,598	\$ 2,534,162				
12 Customer Bills		1,125,295	145,653				
13 Average Basic Charge		\$10.50	\$17.40				

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue Per Customer - Natural Gas
Docket No. UG-389 Rates Effective January 15, 2021

Line No.	Source	Residential	Non-Residential Schedules*	
	(a)	(b)	(c)	(d)
1	Decoupled Revenue	Page 1	\$ 35,925,403	\$ 20,548,838
2	Test Year Number of Customers 2021	Revenue Data	93,775	12,138
3	Decoupled Revenue Per Customer	(1) / (2)	\$ 383.10	\$ 1,692.97

*Schedules 420, 424, 425, 439, 440, and 444

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Monthly Decoupled Revenue Per Customer - Natural Gas
Docket No. UG-389 Rates Effective January 15, 2021

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1															
2	<u>Natural Gas Delivery Volume</u>														
3	<i>Residential</i>														
4	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	8,676,502	6,962,438	6,276,681	4,433,535	2,529,145	1,683,573	1,404,461	1,359,425	1,369,522	3,004,514	6,118,531	8,851,276	52,669,603
5	- % of Annual Total	% of Total	16.47%	13.22%	11.92%	8.42%	4.80%	3.20%	2.67%	2.58%	2.60%	5.70%	11.62%	16.81%	100.00%
6															
7	<i>Non-Residential Sales*</i>														
8	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	6,056,803	5,233,025	4,778,562	3,650,474	2,460,876	2,136,004	2,232,358	2,293,829	2,458,385	3,658,899	5,194,291	6,240,876	46,394,382
9	- % of Annual Total	% of Total	13.06%	11.28%	10.30%	7.87%	5.30%	4.60%	4.81%	4.94%	5.30%	7.89%	11.20%	13.45%	100.00%
10															
11	<u>Monthly Decoupled Revenue Per Customer ("RPC")</u>														
12	<i>Residential</i>														
13	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 383.10
14	- Monthly Decoupled Revenue per Customer	(5) x (13)	\$ 63.11	\$ 50.64	\$ 45.65	\$ 32.25	\$ 18.40	\$ 12.25	\$ 10.22	\$ 9.89	\$ 9.96	\$ 21.85	\$ 44.50	\$ 64.38	\$ 383.10
15	- Monthly Allowed Customers		94,058	94,061	94,074	93,970	93,808	93,521	93,213	93,012	93,005	93,534	94,222	94,817	
16	<i>Non-Residential Sales*</i>														
17	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 1,692.97
18	- Monthly Decoupled Revenue per Customer	(9) x (17)	\$ 221.02	\$ 190.96	\$ 174.37	\$ 133.21	\$ 89.80	\$ 77.94	\$ 81.46	\$ 83.70	\$ 89.71	\$ 133.52	\$ 189.54	\$ 227.73	\$ 1,692.97
19	- Monthly Allowed Customers		12,173	12,194	12,189	12,161	12,147	12,127	12,087	12,069	12,059	12,082	12,143	12,221	
20	*Schedules 420, 424, 425, 439, 440, and 444.														