

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UG 433

In the Matter of

AVISTA CORPORATION, dba
AVISTA UTILITIES,

Request for a General Rate Revision.

ORDER

DISPOSITION: PARTIAL SETTLEMENT STIPULATION AND SECOND
SETTLEMENT STIPULATION RESOLVING ALL REMAINING
ISSUES ADOPTED; APPLICATION FOR GENERAL RATE
REVISION APPROVED AS REVISED

I. SUMMARY

Avista Corporation, dba Avista Utilities (Avista) seeks a general rate revision for Oregon retail customers in this docket. In this order, we adopt the uncontested Partial Settlement Stipulation and the Second Settlement Stipulation Resolving All Remaining Issues (Second Settlement Stipulation) (collectively the Stipulations) that, together, comprehensively settle all issues between the parties regarding Avista's application for a general rate revision. A copy of the Partial Settlement Stipulation is attached to this order as Appendix A; a copy of the Second Settlement Stipulation is attached to this order as Appendix B. The stipulating parties propose to make the effective date for all changes August 22, 2022.

As part of the comprehensive settlement presented in the Stipulations, Avista, the Oregon Citizens' Utility Board (CUB), the Staff of the Public Utility Commission of Oregon (Staff), and the Alliance of Western Energy Consumers (AWEC) (collectively the Stipulating Parties) agreed to reduce the Initial Filing's requested Oregon-allocated revenue requirement of \$3.774 million by \$2.174 million to \$1.6 million. Adjustments agreed to on all Cost of Capital (COC) components in the Partial Settlement Stipulation reduced Avista's total revenue requirement request to \$2.583 million. The Second Settlement Stipulation includes an agreement to further reduce the increase to Avista's revenue requirement to \$1.6 million, based on adjustments to the revenue requirement,

deferred federal customer tax credit, deferred state income tax credit, Business Energy Tax Credit (BETC), and rate spread and rate design.

Increasing Avista's revenue requirement by \$1.6 million would increase the company's annual revenues by 1.3 percent or 2.1 percent on a margin revenue basis. However, the Stipulating Parties agree in the Second Settlement Stipulation to certain tax credits, and after giving effect to the amortization of these tax credits, the bill impact on rates will be an overall decrease of 1.1 percent.

II. BACKGROUND AND PROCEDURAL HISTORY

Avista, a public utility under ORS 757.005, provides natural gas service to Oregon retail customers subject to our jurisdiction regarding prices and terms. On October 22, 2021, Avista filed a request for a general rate increase and revised tariff sheets, Advice No. 21-08-G. Avista requested an increase to Oregon customer billing rates of \$3,774,000 million, or 3.1 percent, before accounting for a proposed tax credit offset that would reduce the increase to 0.0 percent. The Initial Filing was developed using a test year comprised of 12 months ending August 31, 2023 (Test Year). After accounting for historical restating and forecasted adjustments, the rate of return (ROR) for the company's Oregon jurisdictional operations for the Test Year is 6.43 percent; for the twelve months ended December 31, 2020, Avista's earned ROR was 6.11 percent on a normalized basis. Both are well under the company's currently authorized ROR of 7.24 percent, Avista states.¹ Avista proposed an ROR of 7.35 percent, which includes a 50.0 percent common equity ratio, a 9.9 percent return on equity (ROE), and a cost of debt of 4.8 percent.

Cost drivers contributing to the company's increased revenue requirement include investment in capital projects, technologies and programs to better serve customers, as well as greater operating costs due to rising business expenses, Avista indicates. Cognizant of the impact of ongoing pandemic related economic conditions, Avista undertook a tax review and determined that the company's request for a general rate revision could be fully offset by tax benefits.

On October 28, 2021, the CUB filed a notice of intervention as a matter of right under ORS 774.180. The petition to intervene of AWEC was granted on November 5, 2021. In Order No. 21-410, entered on November 9, 2021, we suspended the tariff sheets and undertook investigation of the proposed tariffs.

¹In Order No. 20-468, entered on December 10, 2020, in Docket No. UG 389, we approved Avista's last application for a general rate revision.

On November 28, 2021, a virtual settlement conference was held to discuss COC issues. Prior to the meeting, Avista responded to 313 data requests including those provided as part of the initial filing. As a result of the settlement discussion, an agreement on all COC issues was reached between the Stipulating Parties. The Partial Settlement Stipulation was filed on January 19, 2022, along with supporting joint testimony.

The docket's remaining procedural schedule was established by ruling on January 7, 2022. Pursuant to this schedule, Staff, CUB, and AWEC each filed opening testimony on March 3, 2022, on all issues other than the COC issues. This testimony proposed various adjustments to the company's initial filing.

Virtual settlement conferences were held and attended by all parties on February 2, 9, and 14, 2022; and March 10, 2022. As a result of these settlement discussions, an agreement on all issues other than COC was reached by the Stipulating Parties. On March 18, 2022, the Stipulating Parties filed the Second Settlement Stipulation. The procedural schedule was partially and fully suspended by rulings on March 25 and April 26, 2022, respectively. The Stipulating Parties filed supporting testimony on March 29, 2022.

III. TERMS OF THE STIPULATIONS

A. Partial Settlement Stipulation

The Partial Settlement Stipulation sets forth a comprehensive agreement on all COC issues, the components of which are summarized as follows:

Cost of Capital Settlement			
	Capital Structure	Cost	Weighted Cost
Long-Term Debt	50.0%	4.70%	2.350%
Common Equity	50.0%	9.40%	4.700%
Total/Rate of Return	100%		7.050%

The Stipulating Parties explain that Avista's authorized Capital Structure should be maintained at a composition of fifty percent equity and fifty percent debt. They also recommend keeping Avista's ROE at 9.40 percent, as currently authorized, instead of increasing it to the requested 9.90 percent. Avista's Cost of Long-Term Debt should be revised to 4.70 percent, not the proposed 4.80 percent, the Stipulating Parties recommend. The 9.40 percent ROE, combined with the 50 percent equity layer Capital Structure, and a 4.70 percent Cost of Long-Term debt produce an overall ROR of 7.050

percent. Adjustments recommended in the Partial Settlement Stipulation decrease Avista's requested revenue requirement by \$1,191,000.

Each stipulating party provided a statement supporting the settlement on COC issues. The Partial Settlement Stipulation represents a reasonable balance reached by give-and-take among the differing interests, Avista states, while Staff, CUB, and AWEC indicate that the revenue requirement adjustments propound a reasonable and fair compromise between the interests of Avista and its customers. Staff also states that based on modeling and analysis, each COC component is reasonable and that together they generate an overall ROR that is reasonable. AWEC agrees that the recommended ROR is reasonable and further notes that it decreases Avista's proposed revenue requirement by \$1.191 million. CUB also indicates that the 9.40 percent ROE reflects current market conditions and is reasonable amidst the current economic uncertainty and potential financial hardships faced by Avista's customers. The Stipulating Parties assert that the Partial Settlement Stipulation is in the public interest and recommend that we adopt the stipulation in its entirety.

B. SECOND SETTLEMENT STIPULATION RESOLVING ALL REMAINING ISSUES

1. Further Reductions to Revenue Requirement

As discussed above, COC adjustments in the Partial Settlement Stipulation reduced Avista's requested revenue requirement to \$2.583 million. In the Second Settlement Stipulation, the Stipulating Parties recommend a further revenue requirement reduction of \$0.983 million, based on a "black box" settlement, reducing Avista's total revenue requirement increase to \$1.6 million. This "black box" settlement reflects give-and-take among the Stipulating Parties across multiple issues. Finding it easier to agree to a reasonable total level for the revenue requirement instead of individual components, the Stipulating Parties recommend a \$1.6 million base revenue increase that is reflective of all plant that will be in service as of the effective date of the proposed rate schedules.

2. Effective Date

The Stipulating Parties propose an effective date of August 22, 2022. Avista will file revised rate schedules to be effective then, as part of a compliance filing, after approval of the Stipulations.

3. *Tax-Related Items*

a. *Deferred Federal Customer Tax Credit*

In Order No. 21-131, entered on May 4, 2021, in docket UM 2124, we authorized Avista to change accounting for federal income tax expense from the normalization method to the flow-through method for certain “non-protected” plant basis adjustments, including for Industry Director Directive No. 5 (IDD #5) and meters.² Due to this change, the company’s ongoing costs are now deducted as an expense for tax purposes, thereby creating an annual benefit. Order No. 21-131 created an immediate customer benefit in the form of accumulated deferred federal income taxes (ADFIT).³

ADFIT tax credits totaled \$22.3 million (grossed up) as of December 31, 2021. As these funds are available now for return to customers, the Stipulating Parties agree to return them over ten (10) years, or approximately \$2.2 million annually, through Tariff Schedule 486 “Tax Customer Credit.” Any remaining balance will be combined with Avista’s annual ADFIT, with ratemaking consideration open to discussion in a future general rate case.

b. *Deferred State Income Tax Credit*

In Order No. 21-131, we also approved deferral of the Oregon state income tax change between that approved in customer rates in docket UG 389 and what is associated with the federal tax accounting change. As of August 31, 2022, the resulting amount owed to customers is expected to be \$2.2 million.

Additionally, Avista has an outstanding residual balance owed to the company on its books from the amortization of temporary federal income tax benefits from the enactment of the Tax Cuts and Jobs Acts of 2017 (as addressed in docket UM 1918). Avista’s customers received federal tax reform benefits through Schedule 474 rate reductions between March 1, 2019, and February 28, 2021. These benefits exceeded the federal income tax benefits, thereby creating the residual balance of a \$0.7 million surcharge owed by customers.

The Stipulating Parties agree to return \$1.5 million of the deferred state income tax credits, net of the deferred tax reform residual balances, over two years through Schedule 487 “Deferred Tax Credit,” or \$755,000 annually.

² Avista/600, Andrews/Page 9.

³*Id.* at 10; *See also* Stipulating Parties/104, Muldoon-Schultz-Miller-Gehrke-Mullins/8.

c. Business Energy Tax Credits

The Stipulating Parties agree there will be no shareholder impact related to retiring BETC credits.

4. Rate Design, Spread, and Effects

a. Net Impact on Billed Rates

An increase of \$1.6 million in Avista's revenue requirement would, by itself, increase the company's annual revenues by 1.3 percent or 2.1 percent on a margin revenue basis. After giving effect to the amortization of the tax credits, however, the billed impact on rates will be an overall decrease of 1.1 percent.

b. Rate Spread

The Stipulating Parties agree to spread the revenue increase of \$1.6 million to three of Avista's service schedules: 410, 420, 424/425. These schedules were selected based on information in the Long Run Incremental Costs Studies showing that their respective rates are at or below their respective cost of service.

For Tax Customer Credit Schedule 486, the Stipulating Parties agree to spread the rate credit based on a weighted allocation of 35 percent number of customers and 65 percent distribution margin. Observing that approximately 35 percent of the Tax Customer Credit is attributable to the tax deduction for meter expenditures, and that meter costs are allocated in a greater amount to smaller-use customer classes, the Stipulating Parties agree to allocate a higher proportion of the Tax Customer Credit to smaller-use customer classes using an allocation factor based on customer counts. They note that doing so partially offsets the higher base rate increase for such customers.

For Deferred Tax Credit Schedule 487 rate spread, the Stipulating Parties agree to spread the rate credit based on a uniform percent of distribution margin.

The following table (\$000s) provides more details:

Type of Service	Schedule Number	Distribution Revenue Increase	Distribution Revenue Percentage Increase	Schedule 486 Tax Customer Credit	Schedule 487 Deferred Tax Credit	Total Billed Revenue Increase	Total Billed Revenue Percentage Increase
Residential	410	\$1,034	2.1%	(\$1,631)	(\$489)	-\$1,096	-1.4%
General Service	420	\$551	2.7%	(\$489)	(\$209)	-\$147	-0.4%
Large General Service	424/425	\$15	2.1%	(\$14)	(\$7)	-\$6	-0.2%
Interruptible Service	439/440	\$0	0.0%	(\$35)	(\$18)	-\$52	-0.9%
Seasonal Service	444	\$0	0.0%	(\$1)	(\$0)	-\$1	-0.8%
Transportation Service	456	\$0	0.0%	(\$61)	(\$32)	-\$93	-2.9%
Total		\$1,600	2.1%	(\$2,230)	(\$755)	-\$1,385	-1.1%

c. Rate Design

The Stipulating Parties agree that the base revenue increase, Tax Customer Credit Schedule 486, and Deferred Tax Credit 487 will be applied only to the volumetric charges of individual rate schedules. A customer's monthly basic charge for all rate schedules will remain at current levels. The Stipulating Parties agree to all other rate design components as proposed by Avista's original filing.

d. Residential Bill Change

Based on an average usage level of 48 therms per month, the average bill for a Schedule 410 residential customer would decrease \$0.96 per month, or 1.4 percent, from \$68.17 to \$67.21.

e. Decoupling

The new decoupling base provides the "Monthly Allowed Customers" and "Monthly Decoupled Revenue per Customer" which incorporate the effects of the settlement revenue requirement and billing determinants.

5. *Other Items*

a. *Regulatory Deferral Amortizations*

In Order No. 17-329, entered on August 24, 2017, in docket UM 1851, we directed Avista to defer the amount recovered from customers for the excess depreciation expense built into rates on the Meter Data Management (MDM) system. In docket UM 1851, The Stipulating Parties agree to regulatory deferral amortizations for MDM depreciation and Corporate Activity Tax deferred asset/liability (Adjustment 2.11).

b. *Multifamily Study*

The Stipulating Parties agree that Avista will include a study in the company's next general rate case filing that seeks to determine if it is less costly to serve multi-family residential customers than single-family residential customers.

c. *UM 2069 COVID-19 Filing*

The Stipulating Parties agree that Avista will make a tariff filing no later than April 30, 2022, with an effective date of November 1, 2022, related to the COVID-19 deferral balances (docket UM 2069) and proposed recovery of net deferred costs of \$778,000 reflected as of December 31, 2021.

IV. RESOLUTION

We reviewed the pertinent case record, together with the terms of the Partial Settlement Stipulation, the Second Settlement Stipulation Resolving All Remaining Issues, and the supporting testimony for both stipulations. We understand that the Stipulations were voluntarily entered into by the Stipulating Parties for the purpose of presenting us with reasonable compromises that comprehensively settle all issues in Avista's request for a general rate revision in the public interest. Based on the evidence presented, we find the terms of the Stipulations to be collectively reasonable for the characteristics and circumstances of Avista's operations, and we approve their adoption.

V. ORDER

IT IS ORDERED that:

1. The Partial Settlement Stipulation between Avista Corporation, dba Avista Utilities, the Staff of the Public Utility Commission of Oregon, the Oregon

Citizens' Utility Board, and the Alliance of Western Energy Consumers, attached as Appendix A, is adopted.

2. The Second Settlement Stipulation Resolving All Issues between Avista Corporation, dba Avista Utilities, the Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, and the Alliance of Western Energy Consumers, attached as Appendix B, is adopted.
3. Prior to the rate effective date of August 22, 2022, Avista Corporation, dba Avista Utilities, shall file an officer attestation confirming that all projects included in rate base in this case have been completed and placed in service, including the actual cost of each such project.
4. Advice No. 21-08-G filed on October 22, 2021, is permanently suspended.
5. Avista Corporation, dba Avista Utilities, must file new tariffs consistent with this order to be effective on August 22, 2022.

Made, entered, and effective Aug 02 2022.



Megan W. Decker
Chair



Letha Tawney
Commissioner



Mark R. Thompson
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 433

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

9 This Partial Settlement Stipulation (“Stipulation”) is entered into for the purpose of
10 resolving several, but not all, issues in this Docket.

PARTIES

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

BACKGROUND

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17 1. On October 22, 2021, Avista filed revised tariff schedules to effect a general rate
18 increase for Oregon retail customers of \$3,774,000, or 3.1% of its annual revenues. The filing was
19 suspended by the Commission on November 9, 2021, per its Order No. 21-410.

20 2. On November 29, 2021 a virtual settlement conference was held to discuss Cost of
21 Capital issues only with the above named Parties. No other Parties subsequently intervened.

22 3. As a result of the settlement discussion, the Parties have agreed to settle all issues in
23 this Docket concerning the Cost of Capital, including Capital Structure, Cost of Long-Term Debt,
24 and Return on Equity, subject to the approval of the Commission.

1 **TERMS OF PARTIAL SETTLEMENT STIPULATION**

2 4. **Adjustments to Revenue Requirement:**

3 The Parties support reducing Avista's requested revenue requirement to reflect the
4 adjustment to the Cost of Capital discussed below. The adjustments reached in this Stipulation
5 amount to a total reduction in Avista's revenue requirement increase request from \$3.774 million
6 to a base revenue increase request of \$2.583 million. The new base revenue increase request is
7 subject to further adjustment, as the remaining issues are resolved.

8 This Stipulation represents the settlement of the revenue requirement issues resulting from
9 the Cost of Capital in the Company's filing. The Parties support the adjustments to Avista's
10 revenue requirement request shown in Table No. 1 below:

11 **Table No. 1 – Summary of Adjustments to Revenue Requirement and Rate Base**

	Revenue Requirement	Rate Base
	\$3,774	\$315,957
Cost of Capital		
Adjusts return on equity to 9.40%, long-term debt cost to 4.70%, with a common stock equity component of 50%, and overall Cost of Capital of 7.05%.	(1,191)	-
Total Adjustments:	(\$1,191)	\$0
	\$2,583	\$315,957

17 The following information provides an explanation for each of the adjustments in Table No. 1
18 above.

19 **Rate of Return (ROR)** (-\$1,191,000): This adjustment reduces Avista's requested
20 Cost of Capital to an overall Cost of Capital equal to 7.05 percent based on the following
21 components: a Capital Structure consisting of 50% Common Stock Equity and 50% Long-Term
22 Debt, Return on Equity (ROE) of 9.40%, and a Long-Term Debt cost of 4.700%. This

1 combination of Capital Structure and Capital Costs is shown in the schedule below.¹

Agreed Upon Cost of Capital (CoC)			
Component	Capital Structure	Cost	Weighted Cost
Cost of Long-Term (LT) Debt	50%	4.700%	2.350%
Return on Common Equity (ROE)	50%	9.400%	4.700%
Rate of Return (ROR)			7.050%

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8 5. The Parties agree that this Stipulation is in the public interest and results in an overall
9 fair, just and reasonable outcome, and will serve to reduce the number of remaining contested
10 adjustments in this case.

11 6. The Parties agree that this Stipulation represents a compromise in the positions of the
12 Parties. Without the written consent of all Parties, evidence of conduct or statements, including
13 but not limited to term sheets or other documents created solely for use in settlement conferences
14 in this Docket, are not admissible in the instant or any subsequent proceeding unless independently
15 discoverable or offered for other purposes allowed under ORS 40.190. Nothing in this paragraph
16 precludes a Party from stating as a factual matter what the Parties agreed to in this Stipulation or
17 in the Parties' testimony supporting the Stipulation.

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

21 8. This Stipulation will be offered into the record in this proceeding as evidence
22 pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this

¹ The agreed-upon Capital Structure (50/50) and Cost of Equity (9.40%) represent a continuation of currently-approved levels approved in Docket No. UG-389.

1 proceeding and any appeal. The Parties further agree to provide witnesses to sponsor the
2 Stipulation at any hearing held, or, in a Party's discretion, to provide a representative at the hearing
3 authorized to respond to the Commission's questions on the Party's position, as may be
4 appropriate.

5 9. If this Stipulation is challenged by any other Party to this proceeding, the Parties to
6 this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem
7 appropriate to respond fully to the issues presented, including the right to raise issues that are
8 incorporated in the Settlement embodied in this Stipulation. Notwithstanding this reservation of
9 rights, the Parties agree that they will continue to support the Commission's adoption of the terms
10 of this Stipulation.

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

16 11. By entering into this Stipulation, no Party shall be deemed to have approved,
17 admitted, or consented to the facts, principles, methods, or theories employed by any other Party
18 in arriving at the terms of this Stipulation. No Party shall be deemed to have agreed that any
19 provision of this Stipulation is appropriate for resolving the issues in any other proceeding.

20 12. This Stipulation may be executed in counterparts and each signed counterpart shall
21 constitute an original document. Given the circumstances surrounding physical access to facsimile
22 or other forms of signature due to the COVID-19 epidemic, the Parties further agree that any

1 electronically-generated Party signatures are valid and binding to the same extent as an original
2 signature.

3 13. This Stipulation may not be modified or amended except by written agreement among
4 all Parties who have executed it.

5 This Stipulation is entered into by each Party on the date entered below such Party's
6 signature.

7 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

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11 By: /s/ David J. Meyer

By: /s/ Johanna Riemenschneider

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David J. Meyer

Johanna Riemenschneider

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ALLIANCE OF WESTERN ENERGY
CONSUMERS

OREGON CITIZENS' UTILITY BOARD

By: _____

By: _____

Chad M. Stokes

Michael P. Goetz

Date: _____

Date: _____

1 electronically-generated Party signatures are valid and binding to the same extent as an original
2 signature.

3 13. This Stipulation may not be modified or amended except by written agreement among
4 all Parties who have executed it.

5 This Stipulation is entered into by each Party on the date entered below such Party's
6 signature.

7 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

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11 By: /s/ David J. Meyer
12 David J. Meyer

By: _____
Johanna Riemenschneider

13
14 Date: January 19, 2022

Date: _____

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17 ALLIANCE OF WESTERN ENERGY
18 CONSUMERS

OREGON CITIZENS' UTILITY BOARD

19
20 By: 
21 Chad M. Stokes

By: _____
Michael P. Goetz

22
23 Date: January 18, 2022

Date: _____

1 electronically-generated Party signatures are valid and binding to the same extent as an original
2 signature.

3 13. This Stipulation may not be modified or amended except by written agreement among
4 all Parties who have executed it.

5 This Stipulation is entered into by each Party on the date entered below such Party's
6 signature.

7 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

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11 By: /s/ David J. Meyer
12 David J. Meyer

By: _____
Johanna Riemenschneider

13
14 Date: January 19, 2022

Date: _____

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17 ALLIANCE OF WESTERN ENERGY
18 CONSUMERS

OREGON CITIZENS' UTILITY BOARD

19
20 By: _____
21 Chad M. Stokes

By:  _____
Michael P. Goetz

22
23 Date: _____

Date: January 19, 2022

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 433

In the Matter of)	
)	
AVISTA CORPORATION, dba AVISTA)	SECOND SETTLEMENT STIPULATION
UTILITIES)	RESOLVING ALL REMAINING ISSUES
)	
Request for a General Rate Revision.)	

This Second Settlement Stipulation Resolving all Remaining Issues is entered into for the purpose of resolving all remaining issues in this Docket.

PARTIES

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

BACKGROUND

1. On October 22, 2021, Avista filed revised tariff schedules to effect a general rate increase for Oregon retail customers of \$3,774,000, which on a percentage basis is 3.1% of its annual revenues or 5.0% on a margin revenue basis. The filing was suspended by the Commission on November 9, 2021, per its Order No. 21-410.

¹ The Parties previously entered into a Partial Settlement on Cost of Capital, which was filed on January 19, 2022.

1 2. On November 29, 2021, a virtual settlement conference was held to discuss Cost of
2 Capital issues only with the above-named Parties. No other Parties subsequently intervened.

3 3. As a result of that first settlement discussion, the Parties agreed to settle all issues in
4 this Docket concerning the Cost of Capital, including Capital Structure, Long-Term Debt Cost and
5 Return on Equity, subject to the approval of the Commission, which Settlement Stipulation was
6 filed on January 19, 2022 (First Settlement Stipulation). The adjustments reached in the First
7 Settlement Stipulation resulted in a total reduction in Avista's revenue requirement increase
8 request from \$3.774 million to a base revenue increase request of \$2.583 million. This reduced
9 Avista's requested cost of capital to an overall cost of capital equal to 7.050 percent based on the
10 following components: a capital structure consisting of 50 percent common stock equity and 50
11 percent long-term debt, return on equity of 9.400 percent, and a long-term debt cost of 4.700
12 percent.

13 4. Staff, CUB, and AWEC filed Opening Testimony on March 3, 2022 on other issues,
14 in response to the Company's original filing on October 22, 2021. On March 10, 2022, an
15 electronic settlement conference was held, and was attended by all Parties.

16 5. As a result of the settlement discussions, the Parties have agreed to settle all
17 remaining issues in this Docket, as memorialized in this Second Settlement Stipulation. This
18 includes adjustments to the revenue requirement, deferred federal customer tax credit, deferred
19 state income tax credit, business energy tax credit (BETC), and rate spread and rate design issues
20 based on the following terms, subject to the approval of the Commission.

21
22 **TERMS OF THE SECOND SETTLEMENT STIPULATION**

23 6. **Adjustments to Revenue Requirement:**

1 The Parties support a further reduction to Avista’s requested revenue requirement. The
2 overall natural gas revenue requirement is part of a “black box” settlement, reflecting give-and-
3 take on multiple issues. This “black box” settlement resolves all remaining issues and amounts to
4 a further reduction in Avista’s revenue requirement increase request from \$2.583 million (resulting
5 from a cost of capital settlement) to a base revenue increase request of \$1.600 million.
6 Notwithstanding the “black box” settlement, all capital projects in Avista’s filed case are included
7 in the \$1.600 million base revenue increase.

8 7. **Proposed Effective Date:** The proposed rate effective date is August 22, 2022. Upon
9 approval of the First and Second Settlement Stipulations, Avista will file revised rate schedules
10 reflecting rates as agreed-upon in the Settlement Stipulations as a compliance filing, effective
11 August 22, 2022.

12 8. **Deferred Federal Customer Tax Credit:** The Parties agree to return the deferred
13 federal tax credit balance owed customers, totaling \$22.3 million (grossed up amount) as of
14 December 31, 2021 over 10 years, or approximately \$2.2 million annually, through Tariff Schedule
15 486 “Tax Customer Credit.” Any party may propose a different amortization period of the
16 remaining balance, including additional net deferrals, available at the time of the Company’s next
17 general rate case. The Company will continue to defer annually the on-going deferred federal
18 customer tax credits, beyond the December 31, 2021 amount deferred, for consideration in a future
19 general rate case or other proceeding.

20 9. **Deferred State Income Tax Credit:** The Parties agree to return \$1.5 million of
21 deferred state income tax credits, net of deferred tax reform residual balances, over two (2) years
22 through Schedule 487 “Deferred Tax Credit”, or \$755,000 annually.

1 10. **Business Energy Tax Credits (“BETC”)**: The Parties agree that there will be no
2 shareholder impact related to expiring BETC credits.

3 11. **Regulatory Deferral Amortizations**: The Parties agree to the regulatory deferral
4 amortizations for the Meter Data Management (“MDM”) depreciation and Corporate Activity Tax
5 (“CAT”) deferred asset/liability (Adjustment 2.11), as filed by the Company and updated in
6 response to Staff DR 191. Commission authorization will allow Avista to amortize these balances
7 on its books of record.

8 12. **Rate Spread**: The Parties support the spread of the August 22, 2022, overall base
9 revenue increase of \$1.600 million, which on a percentage basis is 1.3% of its annual revenues or
10 2.1% on a margin revenue basis, to the Company’s service schedules 410, 420, 424/425 as
11 described in Table 1 below. For purposes of the Tax Customer Credit Schedule 486 rate spread,
12 the Parties agree to spread the rate credit based on a weighted allocation of 35 percent number of
13 customers and 65 percent distribution margin. For purposes of the Deferred Tax Credit Schedule
14 487 rate spread, the Parties agree to spread the rate credit based on a uniform percent of distribution
15 margin. Table No. 1 below (and as shown in Attachment A to this Second Settlement Stipulation)
16 details the rate spread changes as described above:

17 13. **Table No. 1: Agreed-Upon Rate Spread**

Type of Service	Schedule Number	Distribution Revenue Increase	Distribution	Schedule 486 Tax Customer Credit	Schedule 487 Deferred Tax Credit	Total Billed Revenue Decrease	Total Billed Revenue Decrease *
			Revenue Percentage Increase			Revenue Percentage Decrease	
Residential	410	\$1,034	2.1%	(\$1,631)	(\$489)	-\$1,086	-1.4%
General Service	420	\$551	2.7%	(\$489)	(\$209)	-\$147	-0.4%
Large General Service	424/425	\$15	2.1%	(\$14)	(\$7)	-\$6	-0.2%
Interruptible Service	439/440	\$0	0.0%	(\$35)	(\$18)	-\$52	-0.9%
Seasonal Service	444	\$0	0.0%	(\$1)	(\$0)	-\$1	-0.8%
Transportation Service	456	\$0	0.0%	(\$61)	(\$32)	-\$93	-2.9%
Total		\$1,600	2.1%	(\$2,230)	(\$755)	-\$1,385	-1.1%

23 * 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 following rate design: the base revenue
2 increase, Tax Customer Credit Schedule 486, and Deferred Tax Credit Schedule 487 will be
3 applied solely to the volumetric charges of the individual rate schedules. The monthly customer
4 basic charge for all rate schedules will remain at current levels. All other rate design components
5 are as proposed by the Company in its original filing. Attachment A to this Second Settlement
6 Stipulation provides the agreed-upon base rates.²

7 15. **Residential Bill Change:** For the revenue requirement included in this Stipulation,
8 based on an average usage level of 48 therms per month, the average bill for a Schedule 410
9 residential customer, which includes both base and adder schedules³, would decrease \$0.96 per
10 month, or 1.4 percent, from \$68.17 to \$67.21.

11 16. **Decoupling:** Attachment B to this Second Settlement Stipulation reflects the new
12 decoupling base effective August 22, 2022, that is supported by the Parties. The new decoupling
13 base provides the “Monthly Allowed Customers” and “Monthly Decoupled Revenue per
14 Customer” which incorporate the effects of the settlement revenue requirement and billing
15 determinants discussed above.

16 17. **Multifamily Study:** The Parties agree that the Company, in its next general rate case
17 filing, will include a study to determine if it is less costly to serve multi-family residential
18 customers than single-family residential customers as proposed by Staff witness St. Brown in his
19 Opening Testimony (Exhibit Staff/1400).

20 18. **UM 2069 COVID-19 Filing:** The Parties agree the Company will make a tariff filing
21 no later than April 30, 2022, with an effective date of November 1, 2022, related to the COVID-

² The agreed-upon billing determinants are those in the Company’s filed case.

³ “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.

1 19 deferral balances (UM 2069), and the proposed recovery of net deferred costs of \$778,000
2 reflected as of December 31, 2021.

3 19. The Parties agree that this Second Settlement Stipulation is in the public interest and
4 results in an overall fair, just and reasonable outcome, and will serve to resolve all contested issues
5 in this case.

6 20. The Parties agree that this Second Settlement Stipulation represents a compromise in
7 the positions of the Parties. Without the written consent of all Parties, evidence of conduct or
8 statements, including but not limited to term sheets or other documents created solely for use in
9 settlement conferences in this Docket, are not admissible in the instant or any subsequent
10 proceeding unless independently discoverable or offered for other purposes allowed under ORS
11 40.190. Nothing in this paragraph precludes a party from stating as a factual matter what the
12 Parties agreed to in this Second Settlement Stipulation or in the Parties' testimony supporting the
13 Stipulation.

14 21. Further, this Second Settlement Stipulation sets forth the entire agreement between
15 the Parties and supersedes any and all prior communications, understandings, or agreements, oral
16 or written, between the Parties pertaining to the subject matter of this Stipulation.

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

1 23. If this Second Settlement Stipulation is challenged by any other party to this
2 proceeding, the Parties to this Second Settlement Stipulation reserve the right to cross-examine
3 witnesses and put on such case as they deem appropriate to respond fully to the issues presented,
4 including the right to raise issues that are incorporated in the settlement embodied in this Second
5 Settlement Stipulation. Notwithstanding this reservation of rights, the Parties agree that they will
6 continue to support the Commission's adoption of the terms of this Second Settlement Stipulation.

7 24. The Parties have negotiated this Second Settlement Stipulation as an integrated
8 document. If the Commission rejects all or any portion of this Second Settlement Stipulation, or
9 imposes additional conditions in approving this Second Settlement Stipulation, any Party
10 disadvantaged by such action shall have the rights provided in OAR 860-001-0350(9) and shall be
11 entitled to seek reconsideration or appeal of the Commission's Order.

12 25. By entering into this Second Settlement Stipulation, no Party shall be deemed to have
13 approved, admitted, or consented to the facts, principles, methods, or theories employed by any
14 other Party in arriving at the terms of this Second Settlement Stipulation. No Party shall be deemed
15 to have agreed that any provision of this Second Settlement Stipulation is appropriate for resolving
16 the issues in any other proceeding.

17 26. This Second Settlement Stipulation may be executed in counterparts and each signed
18 counterpart shall constitute an original document. The Parties further agree that any electronically-
19 generated signature of a Party is valid and binding to the same extent as an original signature.

20 27. This Second Settlement Stipulation may not be modified or amended except by
21 written agreement among all Parties who have executed it.

22 28. This Second Settlement Stipulation is entered into by each Party on the date entered
23 below such Party's signature.

1 AVISTA CORPORATION

2

3

4 By: /s/ David J. Meyer

5 David J. Meyer

6

7 Date: March 18, 2022

8

9

10 ALLIANCE OF WESTERN ENERGY
11 CONSUMERS

12

13 By: _____

14 Chad M. Stokes

15

16 Date: _____

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____

Johanna Riemenschneider

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Michael P. Goetz

Date: _____

1 AVISTA CORPORATION

2

3

4 By: _____

5 David J. Meyer

6

7 Date: _____

8

9

10 ALLIANCE OF WESTERN ENERGY
11 CONSUMERS

12

13 By: _____

14 Chad M. Stokes

15

16 Date: _____

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: /s/ Johanna Riemenschneider

Johanna Riemenschneider

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Michael P. Goetz

Date: _____

1 AVISTA CORPORATION

2
3

4 By: _____
5 David J. Meyer

6
7 Date: _____

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9

10 ALLIANCE OF WESTERN ENERGY
11 CONSUMERS

12
13 By:  _____
14 Chad M. Stokes

15
16 Date: March 17, 2022

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____
Johanna Riemenschneider

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____
Michael P. Goetz

Date: _____

1 AVISTA CORPORATION

2
3

4 By: _____
5 David J. Meyer

6
7 Date: _____

8
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10 ALLIANCE OF WESTERN ENERGY
11 CONSUMERS

12
13 By: _____
14 Chad M. Stokes

15
16 Date: _____

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____
Johanna Riemenschneider

Date: _____

OREGON CITIZENS' UTILITY BOARD

By:  _____
Michael P. Goetz

Date: ___3/17/2022_____

Avista Utilities
Proposed Revenue Increase by Schedule
Oregon - Gas
Pro Forma 12 Months Ended August 31, 2023
(000s of Dollars)

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates	Distribution Revenue Increase	Distribution Revenue Under Proposed Rates	Distribution Revenue Percentage Increase	Billed Revenue Under Present Rates	Settlement GRC Increase	Schedule 486 Tax Customer Credit	Schedule 487 Deferred Tax Credit	Billed Revenue Under Proposed Rates	Billed Revenue Percentage Increase
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	Residential	410	\$48,603	\$1,034	\$49,636	2.1%	\$77,071	\$1,034	(\$1,631)	(\$489)	\$75,985	-1.4%
2	General Service	420	\$20,769	\$551	\$21,320	2.7%	\$35,579	\$551	(\$489)	(\$209)	\$35,432	-0.4%
3	Large General Service	424/425	\$690	\$15	\$704	2.1%	\$2,878	\$15	(\$14)	(\$7)	\$2,872	-0.2%
4	Interruptible Service	439/440	\$1,772	\$0	\$1,772	0.0%	\$6,104	\$0	(\$35)	(\$18)	\$6,051	-0.9%
5	Seasonal Service	444	\$37	\$0	\$37	0.0%	\$142	\$0	(\$1)	(\$0)	\$141	-0.8%
6	Transportation Service	456	\$3,142	\$0	\$3,142	0.0%	\$3,155	\$0	(\$61)	(\$32)	\$3,063	-2.9%
7	Special Contract	447	\$175	\$0	\$175	0.0%	\$175	\$0	\$0	\$0	\$175	0.0%
8	Total		\$75,188	\$1,600	\$76,788	2.1%	\$125,104	\$1,600	(\$2,230)	(\$755)	\$123,719	-1.1%

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

<u>Present Base Rates</u>	<u>Base Tariff Change</u>	<u>Proposed Base Rates</u>
Residential Service Schedule 410		
\$10.50 Customer Charge	\$0.00/month	\$10.50 Customer Charge
All Therms - \$0.67642/Therm	\$0.01907/therm	All Therms - \$0.69549/Therm
General Service Schedule 420		
\$17.00 Customer Charge	\$0.00/month	\$17.00 Customer Charge
All Therms - \$0.63115/Therm	\$0.01899/therm	All Therms - \$0.65014/Therm
Large General Service Schedule 424 & 425		
\$55.00 Customer Charge	\$0.00/month	\$55.00 Customer Charge
All Therms - \$0.13832/Therm	\$0.00326/therm	All Therms - \$0.14158/Therm
Interruptible Service Schedule 439 & 440		
\$75.00 Customer Charge	\$0.00/month	\$75.00 Customer Charge
All Therms - \$0.11468/Therm	\$0.00000/therm	All Therms - \$0.11468/Therm
Seasonal Service Schedule 444		
All Therms - \$0.17241/Therm	\$0.00000/therm	All Therms - \$0.17241/Therm
Seasonal Minimum Charge:		Seasonal Minimum Charge:
\$ 5,840.04		\$ 5,840.04
Transportation Service Schedule 456		
\$300.00 Customer Charge	\$0.00/month	\$300.00 Customer Charge
1st 10,000 Therms - \$0.15890/Therm	\$0.00000/therm	1st 10,000 Therms - \$0.15890/Therm
Next 20,000 Therms - \$0.09563/Therm	\$0.00000/therm	Next 20,000 Therms - \$0.09563/Therm
Next 20,000 Therms - \$0.07860/Therm	\$0.00000/therm	Next 20,000 Therms - \$0.07860/Therm
Next 200,000 Therms - \$0.06152/Therm	\$0.00000/therm	Next 200,000 Therms - \$0.06152/Therm
Over 250,000 Therms - \$0.03121/Therm	\$0.00000/therm	Over 250,000 Therms - \$0.03121/Therm
<u>Schedule 456 Monthly Minimum Charge</u>		<u>Schedule 456 Monthly Minimum Charge</u>
\$ 2,725.78		\$ 2,725.76

Avista Utilities
Tax Customer Credit
Schedule 486

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates	Annual Customers	Meters	IDD#5	Sch. 486 Tax Customer Credit Allocation		Billing Determinants	Per Therm Rate
					Customer Allocation	Percentage of Base Revenue				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
					35%	65%				
1	Residential	410	\$48,603	94,663	88.6%	64.8%	\$ 1,631	54,219,249	\$ 0.03007	
2	General Service	420	\$20,769	12,020	11.2%	27.7%	\$ 489	29,021,461	\$ 0.01685	
3	Large General Service	424/425	\$690	93	0.1%	0.9%	\$ 14	4,539,621	\$ 0.00309	
4	Interruptible Service	439/440	\$1,772	38	0.0%	2.4%	\$ 35	15,153,934	\$ 0.00228	
5	Seasonal Service	444	\$37	6	0.0%	0.0%	\$ 1	216,390	\$ 0.00353	
6	Transportation Service	456	\$3,142	31	0.0%	4.2%	\$ 61	37,340,974	\$ 0.00320	
7	1st 10,000 Therms								\$ 0.00192	
8	Next 20,000 Therms								\$ 0.00158	
9	Next 20,000 Therms								\$ 0.00124	
10	Next 200,000 Therms								\$ 0.00063	
11	Over 250,000 Therms								\$ 0.00063	
12	Total		\$75,013	106,851			\$ 2,230			

**Avista Utilities
Deferred Tax Credit
Schedule 487**

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates (1)	Percentage of Base Revenue	Sch. 487 Deferred Tax Credit Allocation	Billing Determinants	Per Therm Rate
	(a)	(b)	(c)	(c)	(d)	(e)	(f)
1	Residential	410	\$48,603	64.8%	\$ 489	54,219,249	\$ 0.00902
2	General Service	420	\$20,769	27.7%	\$ 209	29,021,461	\$ 0.00720
3	Large General Service	424/425	\$690	0.9%	\$ 7	4,539,621	\$ 0.00153
4	Interruptible Service	439/440	\$1,772	2.4%	\$ 18	15,153,934	\$ 0.00118
5	Seasonal Service	444	\$37	0.0%	\$ 0	216,390	\$ 0.00174
6	Transportation Service	456	\$3,142	4.2%	\$ 32	37,340,974	
7	1st 10,000 Therms						\$ 0.00166
8	Next 20,000 Therms						\$ 0.00100
9	Next 20,000 Therms						\$ 0.00082
10	Next 200,000 Therms						\$ 0.00064
11	Over 250,000 Therms						\$ 0.00033
7	Total		<u>\$75,013</u>		<u>\$ 755</u>		

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue by Rate Schedule - Natural Gas
Docket No. UG-433 Rates Effective August 22, 2022

	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 12ME 08.2023 Margin Revenue	\$ 75,188,000	\$ 48,603,000	\$ 20,769,000	\$ 689,000	\$ 1,772,000	\$ 37,000	\$ 3,318,000
2 Settlement Margin Revenue Increase	\$ 1,600,000	\$ 1,034,000	\$ 551,000	\$ 15,000	\$ -	\$ -	\$ -
3 Total Delivery Revenue (12ME 08.2023 Test Year) (Ln 1 + Ln 2)	\$ 76,788,000	\$ 49,637,000	\$ 21,320,000	\$ 704,000	\$ 1,772,000	\$ 37,000	\$ 3,318,000
4 Customer Bills (12ME 08.2023 Test Year)	1,282,196	1,135,956	144,236	1,121	454	33	396
5 Proposed Basic Charges		\$10.50	\$17.00	\$55.00	\$75.00	\$0.00	\$300.00
6 Basic Charge Revenue (Ln 4 * Ln 5)	\$ 14,586,832	\$ 11,927,538	\$ 2,452,019	\$ 61,654	\$ 34,021	\$ -	\$ 111,600
7 Decoupled Revenue (Ln 6 - Ln 3)	\$ 62,201,168	\$ 37,709,462	\$ 18,867,981	\$ 642,346	\$ 1,737,979	\$ 37,000	\$ 3,206,400
8 Normalized Therms (12ME 08.2023 Test Year)	147,155,320	54,219,249	29,021,461	4,539,621	15,153,934	216,390	44,004,664
9 Average Number of Customers (Line 8 / 12 mos.)		Residential 94,663	Non-Residential Group 12,154				Exempt from Decoupling Mechanism
10 Annual Therms		54,219,249	48,931,406				
11 Basic Charge Revenues		\$ 11,927,538	\$ 2,547,694				
12 Customer Bills		1,135,956	145,844				
13 Average Basic Charge		\$10.50	\$17.47				

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue Per Customer - Natural Gas
Docket No. UG-433 Rates Effective August 22, 2023

Line No.	Source	Residential	Non-Residential Schedules*
(a)	(b)	(c)	(d)
1	Decoupled Revenue	Page 1	
		\$ 37,709,462	\$ 21,285,306
2	Test Year Number of Customers (12ME 08.2023)	Revenue Data	
		94,663	12,154
3	Decoupled Revenue Per Customer	(1) / (2)	
		\$ 398.35	\$ 1,751.35

*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-433 Rates Effective August 22, 2022

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	9,067,724	7,299,776	6,186,661	4,298,743	2,614,148	1,684,638	1,235,527	1,310,134	1,353,929	3,310,971	6,622,933	9,234,065	54,219,249
5	- % of Annual Total	% of Total	16.72%	13.46%	11.41%	7.93%	4.82%	3.11%	2.28%	2.42%	2.50%	6.11%	12.22%	17.03%	100.00%
6															
7	<i>Non-Residential Sales*</i>														
8	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	6,474,635	5,495,597	4,854,234	3,663,574	2,609,097	2,175,279	2,049,840	2,391,254	2,482,502	4,082,668	5,798,164	6,854,563	48,931,406
9	- % of Annual Total	% of Total	13.23%	11.23%	9.92%	7.49%	5.33%	4.45%	4.19%	4.89%	5.07%	8.34%	11.85%	14.01%	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													\$ 398.35
14	- Monthly Decoupled Revenue per Customer	(5) x (13)	\$ 66.62	\$ 53.63	\$ 45.45	\$ 31.58	\$ 19.21	\$ 12.38	\$ 9.08	\$ 9.63	\$ 9.95	\$ 24.33	\$ 48.66	\$ 67.84	\$ 398.35
15	- Monthly Allowed Customers		95,202	95,211	95,250	95,179	95,043	94,802	94,527	94,325	93,319	93,806	94,369	94,923	
16	<i>Non-Residential Sales*</i>														
17	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 1,751.35
18	- Monthly Decoupled Revenue per Customer	(9) x (17)	\$ 231.74	\$ 196.70	\$ 173.74	\$ 131.13	\$ 93.38	\$ 77.86	\$ 73.37	\$ 85.59	\$ 88.85	\$ 146.13	\$ 207.53	\$ 245.34	\$ 1,751.35
19	- Monthly Allowed Customers		12,220	12,231	12,233	12,208	12,191	12,175	12,136	12,120	12,019	12,044	12,093	12,173	
20	*Schedules 420, 424, 425, 439, 440, and 444.														