

Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

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IDAHO PUBLIC
UTILITIES COMMISSION



June 30, 2020

State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714

Attention: Ms. Diane Hanian, Secretary

Re: **Case No. AVU-G-20-25**
Natural Gas Fixed Cost Adjustment Annual Rate Filing of Avista Corporation

In accordance with Case No. GNR-U-20-01, Order No. 34602, which suspends the requirement to file physical copies, the Company has attached for electronic filing with the Commission the following revised tariff sheets:

Fourth Revision Sheet 175	canceling	Third Revision Sheet 175
Second Revision Sheet 175B	canceling	First Revision Sheet 175B
Second Revision Sheet 175C	canceling	First Revision Sheet 175C

These tariff sheets reflect Avista's natural gas Fixed Cost Adjustment (FCA) annual rate adjustment filing. This filing consists of Avista's Application, Exhibit A (the Company's proposed tariffs), Exhibit B (rate calculation), Exhibit C (2019 deferral), and Exhibit D (customer communications) in support of the Application. The Company requests that the proposed tariff sheets be made effective November 1, 2020.

Filed concurrently with this FCA is the Company's annual Purchased Gas Cost Adjustment (PGA) filing. If both the natural gas FCA and PGA filings are approved, residential natural gas customers in Idaho using an average of 64 therms per month would see their monthly bills decrease from \$50.98 to \$50.18, a decrease of \$0.80 per month, or approximately 1.6%. The proposed natural gas rate changes would be effective Nov. 1, 2020.

Electronic versions of the Company's filing were emailed to the Commission, and the Service List, on June 30, 2020.

Please direct any questions on this matter to me at (509) 495-8620 or Joel Anderson at (509) 495-2811.

Sincerely,

/s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 30th day of June, 2020, served the Application of Avista Corporation – Fixed Cost Rate Adjustment, upon the following parties, by electronically mailing thereof to:

Diane Hanian, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714
diane.hanian@puc.idaho.gov

Karl Klein
Brandon Karpen
Deputy Attorneys General
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-0659
karl.klein@puc.idaho.gov
Brandon.karpen@puc.idaho.gov

Marv Lewallen
28530 SW Canyon Creek Rd. - South
Wilsonville, OR 97070
marv@malewallen.com

Larry A. Crowley
The Energy Strategies Institute, Inc.
5549 S. Cliffsedge Ave
Boise, ID 83716
crowleyla@aol.com

Wendy Wilsons
Clean Energy Program Director
Snake River Alliance
223 N 6th Street, Suite 317
Boise, ID 83702
wwilson@snakeriveralliance.org

Brad M. Purdy
Attorney at Law
2019 N 17th Street
Boise, ID 83702
bmpurdy@hotmail.com

Peter J. Richardson
Greg M. Adams
Richardson Adams
515 N. 27th Street
PO Box 7218
Boise, ID 83702
peter@richardsonadams.com
greg@richardsonsdams.com

Dean J. Miller, Lawyer
3620 E. Warm Springs
Boise, ID 83716
deanjmiller@cableone.net

Benjamin J. Otto
Idaho Conservation League
710 N. 6th St.
Boise, ID 83702
botto@idahoconservation.org

Dr. Don Reading
6070 Hill Road
Boise, ID 83703
dreading@mindspring.com

/s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

1 DAVID J. MEYER
2 VICE PRESIDENT AND CHIEF COUNSEL FOR
3 REGULATORY AND GOVERNMENTAL AFFAIRS
4 AVISTA CORPORATION
5 1411 E. MISSION AVENUE
6 P. O. BOX 3727
7 SPOKANE, WASHINGTON 99220
8 PHONE: (509) 495-4316, FAX: (509) 495-8851

9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11

12 IN THE MATTER OF THE FIXED COST)	
13 ADJUSTMENT MECHANISM (FCA))	CASE NO. AVU-G-20- <u>25</u>
14 ANNUAL RATE ADJUSTMENT FILING)	APPLICATION OF AVISTA
15 OF AVISTA CORPORATION)	CORPORATION

16

17

18 **I. INTRODUCTION**

19 In accordance with Idaho Code §61-502, Commission Order No. 33437, and RP
20 052, Avista Corporation, doing business as Avista Utilities (hereinafter “Avista” or
21 “Company”), at 1411 East Mission Avenue, Spokane, Washington, respectfully makes
22 application to the Idaho Public Utilities Commission (“Commission”) for an order
23 approving the level of natural gas Fixed Cost Adjustment Mechanism (FCA) revenue
24 deferred during calendar year 2019 and authorizing FCA rates for natural gas service from
25 November 1, 2020 through October 31, 2021, and to approve the Company’s
26 corresponding modifications to Schedule 175, “Fixed Cost Adjustment Mechanism –
27 Natural Gas”. The FCA rate for the Residential Group (Schedule 101) is proposed to
28 change from a present surcharge rate of 0.951¢ to a proposed rebate rate of -0.783¢ per
29 therm. The FCA rate for the Non-Residential Group (Schedules 111 and 112) is proposed

1 to change from a present rebate rate of -0.554¢ to a proposed rebate rate of -0.687¢ per
2 therm. The Residential Group rate change represents a \$1.1 million, or 2.2% decrease, to
3 Schedule 101 customers, and the Non-Residential Group rate change represents a \$35,000,
4 or 0.3%, decrease. The combined effect of expiring FCA rates and the proposed 2019 rates
5 are shown on the table below.

6

	Expiring Present FCA Revenue	Proposed FCA Revenue	Proposed FCA Decrease
7 Residential	\$ 619,181	\$ (509,799)	\$ (1,128,980)
8 Non-Residential	\$ (143,645)	\$ (178,131)	\$ (34,485)

9 In addition to the Schedule 175 rate changes, the Company is proposing to update
10 language in the tariff to reflect the approved extension of the mechanism through March
11 31, 2025 per Order No. 34502 (Case No. AVU-E-19-06 and AVU-G-19-03). The
12 Company has requested a November 1, 2020 effective date.

13 The Company requests that this filing be processed under the Commission's
14 Modified Procedure Rules (RP 201-204). Communications in reference to this Application
15 should be addressed to:

16 David J. Meyer, Esq.
17 Vice President and Chief Counsel for
18 Regulatory & Governmental Affairs
19 Avista Corporation
20 P.O. Box 3727
21 MSC-10
22 1411 E. Mission Ave
23 Spokane, WA 99220-3727
24 Phone: (509) 495-4316
25 David.Meyer@avistacorp.com
26

27 Patrick D. Ehrbar
28 Director of Regulatory Affairs
29 Avista Utilities
30 P.O. Box 3727

1 MSC-27
2 1411 E. Mission Ave
3 Spokane, WA 99220-3727
4 Phone: (509) 495-8620
5 patrick.ehrbar@avistacorp.com
6

7 **II. BACKGROUND**

8 The purpose of the natural gas FCA is to adjust the Company's Commission-
9 authorized revenues from therm sales, such that the Company's revenues will be
10 recognized based on the number of customers served under the applicable natural gas
11 service schedules. The FCA allows the Company to: 1) defer the difference between actual
12 FCA-related revenue received from customers through volumetric rates, and the FCA-
13 related revenue approved for recovery in the Company's last general rate case on a per-
14 customer basis; and 2) file a tariff to surcharge or rebate, by rate group, the total deferred
15 amount accumulated in the deferred revenue accounts for the prior January through
16 December time period.

17 In Case Nos. AVU-E-15-05 and AVU-G-15-01, the Commission in Order No.
18 33437 approved for Avista a Fixed Cost Adjustment Mechanism. On page 10 of Order
19 No. 33437, the Commission stated:

20 The parties have also agreed upon a three-year¹ FCA pilot for electric and natural
21 gas operations. The FCA will compare actual FCA revenues to allowed FCA
22 revenues determined on a per-customer basis. Any differences will be deferred for
23 a rebate or surcharge. There are a number of customer safeguards, including that an
24 FCA surcharge cannot exceed a 3% annual rate adjustment. Any unrecovered
25 balances will be carried forward to recover in future years. Further, there is no limit
26 to the level of the FCA rebate. As part of the Stipulation, Staff and other interested
27 parties, will review the efficacy of the FCA after its second full year to ensure it is
28 functioning as intended. Fixed cost adjustment mechanisms are intended to
29 encourage conservation and allow customers more control over their bills. Further,

¹ On June 15, 2018, the Idaho Public Utilities Commission approved an Addendum to the Stipulation which extended the term of the pilot for an additional year by Order No. 34085.

1 the proposed FCA will remove any financial disincentive of the Company to
2 encourage energy conservation.
3

4 The Section 13 of the Stipulation and Settlement, as amended by Addendum to the
5 Stipulation approved by the Commission in Order No. 34085 on June 15, 2018, provided
6 further details, reproduced below, regarding the mechanics of the fixed cost adjustment
7 mechanism. The proposed Tariff Sheet 175 reflects the change in the term of the
8 mechanism from three years to four in accordance with the Addendum.

9 A. FCA Mechanisms Term. The Parties agree to an initial FCA term of 4 years,
10 with a review of how the mechanisms have functioned conducted by Avista, Staff,
11 and other interested parties following the end of the third full-year. Avista may
12 seek to extend the term of the mechanism prior to its expiration.²
13

14 B. Rate Groups. There will be two rate groups established for both the electric
15 FCA and natural gas FCA:
16

17 Electric Customer Rate Groups:

- 18 1. Residential – Schedule 1
19 2. Commercial – Schedules 11, 12, 21, 22, 31, 32
20

21 Natural Gas Rate Groups:

- 22 1. Residential – Schedule 101
23 2. Commercial – Schedules 111 and 112
24

25 C. Existing Customers and New Customers. The Parties have agreed that revenue
26 related to certain items discussed below would not be included in the FCA for new
27 customers. The result is that the Fixed Cost Adjustment Revenue-Per-Customer
28 for new customers will be less than the Fixed Cost Adjustment Revenue-Per-
29 Customer for existing customers. For new electric customers added after the test
30 period, recovery of incremental revenue related to fixed production and
31 transmission costs would be excluded from the electric FCA. For new natural gas
32 customers added after the test period, recovery of incremental revenue related to

² Review of the mechanisms took place at a workshop March 27, 2019, and the FCA Mechanisms has been extended through March 31, 2025.

1 fixed production and underground storage facility costs would be excluded. These
2 modifications are included in Appendices B and C to the Stipulation.
3

4 D. Quarterly Reporting. Avista will file, within 45 days of the end of each quarter,
5 a report detailing the FCA activity by month. The reporting will also include
6 information related to the deferrals by rate group, what the deferrals would have
7 been if tracked by rate schedule, use and revenue-per-customer for existing and
8 new customers, and other summary financial information. Avista will provide such
9 other information as may be reasonably requested, from time to time, in the future
10 quarterly reports.
11

12 E. Annual Filings. On or before July 1, the Company will file a proposed rate
13 adjustment surcharge or rebate based on the amount of deferred revenue recorded
14 for the prior January through December time period. The rate adjustment would be
15 calculated separately for each Rate Group, with the applicable surcharge or rebate
16 recovered from each group on a uniform cents per kWh or per therm basis. The
17 proposed tariff (Schedule 75 for electric, Schedule 175 for natural gas) included
18 with that filing would include a rate adjustment that recovers/rebates the
19 appropriate deferred revenue amount over a twelve-month period effective on
20 October 1 for electric (to match with Power Cost Adjustment and Residential
21 Exchange annual rate adjustments time period) and November 1st for natural gas
22 (to match with the annual Purchased Gas Cost Adjustment rate adjustment time
23 period). The deferred revenue amount approved for recovery or rebate would be
24 transferred to a balancing account and the revenue surcharged or rebated during the
25 period would reduce the deferred revenue in the balancing account. After
26 determining the amount of deferred revenue that can be recovered through a
27 surcharge (or refunded through a rebate) by Rate Group, the proposed rates under
28 Schedules 75 and 175 would be determined by dividing the deferred revenue to be
29 recovered by Rate Group by the estimated kWh sales (Electric FCA) or therm sales
30 (Natural Gas FCA) for each Rate Group during the twelve-month recovery period.
31 Any deferred revenue remaining in the balancing account at the end of the
32 amortization period would be added to the new revenue deferrals to determine the
33 amount of the proposed surcharge/rebate for the following year.
34

35 F. Interest. Interest will be accrued on the unamortized balance in the FCA
36 balancing accounts at the Customer Deposit Rate.
37

38 G. Accounting. Avista will record the deferral in account 186 – Miscellaneous
39 Deferred Debits. The amount approved for recovery or rebate would then be
40 transferred into a Regulatory Asset or Regulatory Liability account for
41 amortization. On the income statement, the Company would record both the
42 deferred revenue and the amortization of the deferred revenue through Account 456
43 (Other Electric Revenue), or Account 495 (Other Gas Revenue), in separate sub-
44 accounts. The Company would file quarterly reports with the Commission showing
45 pertinent information regarding the status of the current deferral. This report would

1 include a spreadsheet showing the monthly revenue deferral calculation for each
2 month of the deferral period (January - December), as well as the current and
3 historical monthly balance in the deferral account.
4

5 H. 3% Rate Increase Cap. An FCA surcharge, by rate group, cannot exceed a 3%
6 annual rate adjustment, and any unrecovered balances will be carried forward to
7 future years for recovery. There is no limit to the level of the FCA rebate.
8
9

10 As detailed above, the Commission approved the following procedural schedule for
11 administering the annual natural gas FCA filings for deferrals through December 31, 2019:

12 July 1 - Company filing for prior January – December deferral period
13

14 November 1 - Commission Order and effective date of natural gas FCA rate
15 adjustment.
16

17 In accordance with the provisions in Section A, a workshop was held on March 27,
18 2019 to review the mechanism with the Staff and other interested parties, followed by an
19 application to extend the mechanism (Case No. AVU-E-19-06, AVU-G-19-03).

20 The Commission approved extension of the mechanism January 1, 2020 through
21 March 31, 2025 by Order No. 34502. As part of the extension, the Commission approved
22 modification of the deferral period to a July to June basis by using a one-time 18-month
23 deferral period, January 1, 2020 through June 30, 2021. The effective date of natural gas
24 FCA rate adjustments is to remain November 1, however, the annual rate adjustment filings
25 will be made by July 31 of each year, beginning with next year's filing. Other
26 modifications to the mechanism include an annual revenue-per-customer true-up to the
27 deferral calculation and quarterly reports due by 60-days after the end of each quarter.

28 The Company has included revisions to the Term provision stated on tariff Sheet
29 175, the Calculation of Monthly FCA Deferral mechanism description stated on tariff Sheet
30 175B, and the Annual Natural Gas FCA Rate Adjustment provision on tariff Sheet 175C

1 to reflect these approved modifications to the mechanism going forward in compliance
2 with the Commission Order.

3

4 **III. DRIVERS OF NATURAL GAS FCA REBATES**

5 The FCA rebate deferrals for Residential and Non-Residential customers in 2019
6 were the result of higher monthly use-per-customer than the use-per-customer that was
7 embedded in the 2016 test year (i.e., the FCA base). Residential average monthly use-per-
8 customer was higher by 3 therms, and non-residential average monthly use-per customer
9 was higher by 71 therms in 2019. The Company has identified the primary drivers for the
10 change in use-per-customer.

11 First, weather was colder than normal during February and March and
12 fluctuated with offsetting impacts throughout the rest of the year, giving rise to a weather
13 normalization adjustment that required the subtraction of 2 million therms to residential
14 usage (2 therms per customer) and 0.5 million therms (28 therms per customer) to non-
15 residential usage. The estimated FCA revenue surplus associated with weather was
16 approximately \$0.9 million residential and \$0.1 million non-residential.

17 Since the 2016 test year used to set 2019 rates, Idaho customers have achieved
18 energy efficiency savings from participation in the Company's Demand Side Management
19 programs. Estimated cumulative savings since the test year (derived from the Idaho 2016,³
20 2017, 2018 and 2019 DSM Annual Reports) reduced residential usage in 2019

³ For the energy efficiency savings in 2016, the Company assumed that one-half of those savings were reflected in the test year billing determinants. The reduction in usage attributed to energy efficiency savings in this filing include the other half of 2016 energy efficiency savings.

1 approximately 720 thousand therms and non-residential usage approximately 160 thousand
2 therms. The estimated FCA revenue shortfall associated with energy efficiency
3 programmatic savings is \$350 thousand residential and \$30 thousand non-residential.

4 The “other” drivers are related to items not easily quantifiable, such as the effects
5 of non-programmatic energy efficiency, changes in business cycles, etc. The following
6 table summarizes the impact of these drivers on the FCA Revenues received from
7 customers in 2019.

Driver	Residential Group		Non-Residential Group	
	Use-per- Customer	FCA Revenue	Use-per- Customer	FCA Revenue
Weather	2.0	\$0.94	28.3	\$0.11
Energy Efficiency	(0.7)	(\$0.35)	(8.6)	(\$0.03)
Other	1.2	(\$0.07)	51.7	\$0.10
Total	2.5	\$0.52	71.4	\$0.18

12 **IV. RESIDENTIAL GROUP RATE DETERMINATION**

13 The Company recorded \$517,162 in the rebate direction in deferred revenue for the
14 natural gas residential customer group in 2019. The proposed rate of -0.783 cents per therm
15 is designed to rebate \$509,799 to the Company’s residential natural gas customers served
16 under rate Schedule 101. The following table summarizes the components of the
17 Company’s request to rebate:

2019 Deferred Revenue	(\$517,162)
Add: 2018 Residual Balance	\$22,393
Add: Interest through 10/31/2021	(\$12,200)
Add: Revenue Related Expense Adj.	(\$2,830)
Total Surcharge	(\$509,799)
Customer rebate	(\$509,799)
Carryover Deferred Revenue	\$0

1 Exhibit B, page 1 shows the derivation of the proposed rate to rebate revenue of
2 \$509,799 based on projected sales volumes for Schedule 101 customers during the
3 rebate/amortization period (November 2020 through October 2021). As identified on tariff
4 Sheet 175B under Step 6 of “Calculation of Monthly FCA Deferral”, interest on the
5 deferred balance accrues at the Customer Deposit Interest Rate.⁴ If the proposed rebate is
6 approved by the Commission, the 2019 deferral balance, plus interest through October, and
7 any outstanding balance from the surcharge approved for recovery in the prior year FCA
8 rate filing (Case No. AVU-G-19-04 Order No. 34468) will be transferred into a regulatory
9 liability balancing account. The balance in the liability account will be reduced each month
10 by the rebate received by customers under the tariff.

11

12 **V. NON-RESIDENTIAL GROUP RATE DETERMINATION**

13 The Company recorded \$175,310 in the rebate direction in deferred revenue for the
14 natural gas Non-Residential Group in 2019. The proposed rebate rate of -0.687 cents per
15 therm is designed to rebate \$178,131 to the Company’s commercial and industrial
16 customers served under rate Schedules 111 and 112. The following table summarizes the
17 components of the Company’s request for rebate:

18

2019 Deferred Revenue	(\$175,310)
Add: 2018 Residual Balance	\$2,617
Add: Interest through 10/31/2021	(\$4,347)
Add: Revenue Related Expense Adj.	(\$1,092)
Total Rebate	(\$178,131)
Customer rebate	(\$178,131)
Carryover Deferred Revenue	\$0

19

20

⁴ The Customer Deposit Interest Rate was 2.00% 2019. The current rate of 2.00% has been used as an estimate for purposes of this rate determination.

1 Exhibit B, page 3 shows the derivation of the proposed rate to rebate revenue of
2 \$178,131 based on projected sales volumes for Schedules 111 and 112 during the
3 rebate/amortization period (November 2020 through October 2021). As identified on the
4 tariff Sheet 175B under Step 6 of “Calculation of Monthly FCA Deferral”, interest on the
5 deferred balance accrues at the Customer Deposit Interest Rate.⁵ If the proposed rebate is
6 approved by the Commission, the 2019 deferral balance, plus interest through October will
7 be transferred into the regulatory liability balancing account with any outstanding balance
8 from the rebate approved in case No. AVU-G-19-04. The balance in the liability account
9 will be reduced each month by the rebate received by customers under the tariff.

10 Support showing the monthly calculation of the 2019 deferral balances for both the
11 Residential and Non-Residential Groups is provided as Exhibit C. These calculations were
12 also provided to the Commission in quarterly reports.

13

14 **VI. 3% ANNUAL RATE INCREASE TEST**

15 FCA rate adjustment surcharges are subject to a 3% annual rate increase limitation.
16 There is no limit to rebate rate adjustments. As described in Tariff Schedule 175, the 3%
17 annual rate increase limitation will be determined by dividing the incremental annual
18 revenue to be collected (proposed surcharge revenue less present surcharge revenue) under
19 this Schedule by the total “normalized” revenue for the two Rate Groups for the most recent
20 January through December time period. Normalized revenue is determined by multiplying
21 the weather-corrected usage for the period by the present rates in effect. If the incremental

⁵ Ibid.

1 amount of the proposed surcharge exceeds 3%, only a 3% incremental rate increase will be
2 proposed, and any remaining deferred balance will be carried over to the following year.

3 Exhibit B, page 6 shows the 3% test for the two rate groups. As both the Residential
4 deferral and the Non-Residential deferral are rebates for 2019 and there is no limitation on
5 rebate rate adjustments, there is no proposed carry over for either rate class.

6

7 **VII. EXISTING CUSTOMERS AND NEW CUSTOMERS**

8 The Settlement Stipulation approved by the Commission requires that natural gas
9 customers that have been added since the test year are subject to an FCA Revenue-Per-
10 Customer that excludes incremental revenue related to fixed production and underground
11 storage facility costs. Separate calculations for new versus existing customers are clearly
12 identified in the FCA base that was approved in Order No. 33953 (included in this filing
13 as Attachment C, pages 3 through 6).

14 Due to this segregation, Avista tracks the usage of new customers since January 1,
15 2017 as compared with existing customers.⁶ In general, the average usage of new natural
16 gas customers is comparable to the average usage of existing customers. Avista will
17 continue to track the usage of new customers over the Fixed Cost Adjustment term.

18

19 **VIII. PROPOSED RATES TO BE EFFECTIVE NOVEMBER 1, 2020**

20 The Company is proposing a per therm FCA rebate rate of -0.783¢ for the
21 Residential Group, and a per therm FCA rebate rate of -0.687¢ for the Non-Residential

⁶ “Existing customers” were part of the test year used to set the January 1, 2019 rates (2016 calendar year).
“New customers” consist of all new hookups after the test year.

1 Group, both to become effective November 1, 2020. Exhibit B to this Application provides
2 the Residential and Non-Residential Rate Calculation, and Exhibit C provides the support
3 for the deferrals for the January 1, 2019 through December 31, 2019 deferral period.
4 Attached as Exhibit A is a copy of the proposed tariff, Schedule 175, Schedule 175B, and
5 Schedule 175C which contains the proposed FCA rates and tariff revisions discussed
6 earlier in this Application. Exhibit A also includes the proposed changes to Schedule 175,
7 175B, and 175C in strike/underline format.

8 Residential customers using an average of 64 therms per month would see their
9 monthly bills decrease from \$50.98 to \$49.87, a decrease of \$1.11 per month, or 2.18%.

10

11 **IX. COMMUNICATIONS AND SERVICE OF APPLICATION**

12 In conformance with RP 125, this Application will be brought to the attention of
13 the Company's customers. First, the Company has served a copy of this Application upon
14 the service list in Case Nos. AVU-E-15-05 and AVU-G-15-01, the cases that gave rise to
15 the FCA mechanisms. Second, a copy of Company's news release and customer notice is
16 provided as Attachment D. The news release will be issued on June 30, 2020, and the
17 customer notice will be inserted in customer bills starting in the July timeframe and will
18 run for a full billing cycle.

19

20 **X. REQUEST FOR RELIEF**

21 The Company requests that the Commission issue an order approving recovery of
22 FCA deferrals for the period January 1, 2019 through December 31, 2019 and approve a
23 per therm FCA rebate rate of -0.783¢ for the Residential Group, and a per therm FCA

1 rebate rate of -0.687¢ for the Non-Residential Group, both to become effective November
2 1, 2020. The Company also requests that the Commission approve the proposed tariff
3 modifications to tariff Sheet 175, 175B, and 175C. The Residential Group rebate
4 represents a \$1.1 million, or 2.2% incremental decrease to Schedule 101 customers, and
5 the Non-Residential Group rebate represents a \$35,000, or 0.3% incremental decrease to
6 Schedule 111 and 112 customers. The Company requests that the matter be processed
7 under the Commission's Modified Procedure rules through use of written comments.

8 Dated at Spokane, Washington this 30th day of June 2020.

9 AVISTA CORPORATION

10
11 BY /s/ David J. Meyer
12 David J. Meyer
13 Vice President and Chief Counsel for Regulatory &
14 Governmental Affairs
15 Avista Corporation

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-20-05

EXHIBIT A

**Tariff Sheets – Proposed, Strikethrough and Underline
Natural Gas Service**

June 30, 2020

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment ("FCA") rate mechanism that separates the recovery of the Company's Commission authorized revenues from their sales to customers served under the applicable natural gas service schedules.

TERM:

The term of the FCA mechanism will remain in effect through March 31, 2025.

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 101, 111, and 112. This Schedule does not apply to Schedules 131/132 (Interruptible Service), Schedule 146 (Transportation Service For Customer-Owned Gas) or Schedule 148 (Special Contracts). Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 101

Group 2 – Schedules 111 and 112

Note – the recovery of incremental revenue related to fixed production and underground storage costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

Group 1 – (\$0.00783) per therm

Group 2 – (\$0.00687) per therm

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175B
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

Calculation of Monthly FCA Deferral:

Step 1 – Determine the actual number of customers each month (see Note 1 below).

Step 2 – Multiply the actual number of customers by the applicable monthly Allowed FCA Revenue per Customer. The result of this calculation is the total Allowed FCA Revenue for the applicable month.

Step 3 – Determine the actual revenue collected in the applicable month. For new customers only, also multiply actual therm sales by the approved Fixed Production and Underground Storage Cost per Therm to determine actual revenue collected related to fixed production and underground storage costs.

Step 4 – Calculate the amount of fixed charge revenues included in total actual monthly revenues.

Step 5 – Subtract the basic charge revenue (Step 4) from the total actual monthly revenue (Step 3). For new customers, subtract the basic charge revenue (Step 4) and the fixed production and underground storage revenue (Step 3) from the total actual monthly revenue (Step 3). The result is the Actual FCA Revenue.

Step 6 – The difference between the Actual FCA Revenue (Step 5) and the Allowed FCA Revenue (Step 2) is calculated, and the resulting balance is deferred by the Company. Interest on the deferred balance will accrue at the Customer Deposit Rate.

Step 7 – At the end of every 12 month deferral period, the annual FCA revenue per customer, by Rate Group, will be multiplied by the average annual number of actual customers). The result of that calculation will be compared to the actual deferred revenue for the same 12 month period. The difference between the actual deferred revenue, and the calculated value, will be added to, or subtracted from, the total deferred balance, by Rate Group.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175C
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

ANNUAL NATURAL GAS FCA RATE ADJUSTMENT:

On or before July 31 each year, the Company will file a request with the Commission to surcharge or rebate, by Rate Group, the amount accumulated in the deferred revenue accounts for the prior July through June time period (the transition deferral period will be from January 2020 through June 2021).

The proposed tariff revisions included with that filing would include a rate adjustment that recovers/rebates the appropriate deferred revenue amount over a twelve-month period effective on November 1st. The deferred revenue amount approved for recovery or rebate would be transferred to a balancing account and the revenue surcharged or rebated during the period would reduce the deferred revenue in the balancing account. Any deferred revenue remaining in the balancing account at the end of the calendar year would be added to the new revenue deferrals to determine the amount of the proposed surcharge/rebate for the following year.

After determining the amount of deferred revenue that can be recovered through a surcharge (or refunded through a rebate) by Rate Group, the proposed rates under this Schedule will be determined by dividing the deferred revenue to be recovered by Rate Group by the estimated therm sales for each Rate Group during the twelve month recovery period. The deferred revenue amount to be recovered will be transferred to a FCA Balancing Account and the actual revenue received under this Schedule will be applied to the Account to reduce (amortize) the balance. Interest will be accrued on the unamortized balance in the FCA Balancing Account at the Customer Deposit Rate.

3% ANNUAL RATE INCREASE LIMITATION:

The amount of the incremental proposed rate adjustment under this Schedule cannot reflect more than a 3% rate increase. This will be determined by dividing the incremental annual revenue to be collected (proposed surcharge revenue less present surcharge revenue) under this Schedule by the total "normalized" revenue for the two Rate Groups for the most recent July through June time period (the transition deferral period will be from January 2020 through June 2021). Normalized revenue is determined by multiplying the weather-corrected usage for the period by the present rates in effect. If the incremental amount of the proposed surcharge exceeds 3%, only a 3% incremental rate increase will be proposed and any remaining deferred revenue will be carried over to the following year. There is no limit to the level of the FCA rebate, and the reversal of any rebate rate would not be included in the 3% incremental surcharge test.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment ("FCA") rate mechanism that separates the recovery of the Company's Commission authorized revenues from therm sales to customers served under the applicable natural gas service schedules.

TERM:

The term of the FCA mechanism is ~~four years, effective January 1, 2016 through December 31, 2019.~~

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 101, 111, and 112. This Schedule does not apply to Schedules 131/132 (Interruptible Service), Schedule 146 (Transportation Service For Customer-Owned Gas) or Schedule 148 (Special Contracts). Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 101

Group 2 – Schedules 111 and 112

Note – the recovery of incremental revenue related to fixed production and underground storage costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

Group 1 – ~~\$0.00951~~ per therm

Group 2 – ~~(\$0.00554)~~ per therm

Issued ~~June 28, 2019~~

Effective ~~November 1, 2019~~

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175B
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

Calculation of Monthly FCA Deferral:

Step 1 – Determine the actual number of customers each month (see Note 1 below).

Step 2 – Multiply the actual number of customers by the applicable monthly Allowed FCA Revenue per Customer. The result of this calculation is the total Allowed FCA Revenue for the applicable month.

Step 3 – Determine the actual revenue collected in the applicable month. For new customers only, also multiply actual therm sales by the approved Fixed Production and Underground Storage Cost per Therm to determine actual revenue collected related to fixed production and underground storage costs.

Step 4 – Calculate the amount of fixed charge revenues included in total actual monthly revenues.

Step 5 – Subtract the basic charge revenue (Step 4) from the total actual monthly revenue (Step 3). For new customers, subtract the basic charge revenue (Step 4) and the fixed production and underground storage revenue (Step 3) from the total actual monthly revenue (Step 3). The result is the Actual FCA Revenue.

Step 6 – The difference between the Actual FCA Revenue (Step 5) and the Allowed FCA Revenue (Step 2) is calculated, and the resulting balance is deferred by the Company. Interest on the deferred balance will accrue at the Customer Deposit Rate.

Issued June 30, 2017

Effective November 1, 2017

Issued by Avista Corporation
By

Kelly Norwood, Vice President, State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175C
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

ANNUAL NATURAL GAS FCA RATE ADJUSTMENT:

On or before July 1st each year, the Company will file a request with the Commission to surcharge or rebate, by Rate Group, the amount accumulated in the deferred revenue accounts for the prior ~~January~~ through ~~December~~ time period.

The proposed tariff revisions included with that filing would include a rate adjustment that recovers/rebates the appropriate deferred revenue amount over a twelve-month period effective on November 1st. The deferred revenue amount approved for recovery or rebate would be transferred to a balancing account and the revenue surcharged or rebated during the period would reduce the deferred revenue in the balancing account. Any deferred revenue remaining in the balancing account at the end of the calendar year would be added to the new revenue deferrals to determine the amount of the proposed surcharge/rebate for the following year.

After determining the amount of deferred revenue that can be recovered through a surcharge (or refunded through a rebate) by Rate Group, the proposed rates under this Schedule will be determined by dividing the deferred revenue to be recovered by Rate Group by the estimated therm sales for each Rate Group during the twelve month recovery period. The deferred revenue amount to be recovered will be transferred to a FCA Balancing Account and the actual revenue received under this Schedule will be applied to the Account to reduce (amortize) the balance. Interest will be accrued on the unamortized balance in the FCA Balancing Account at the Customer Deposit Rate.

3% ANNUAL RATE INCREASE LIMITATION:

The amount of the incremental proposed rate adjustment under this Schedule cannot reflect more than a 3% rate increase. This will be determined by dividing the incremental annual revenue to be collected (proposed surcharge revenue less present surcharge revenue) under this Schedule by the total "normalized" revenue for the two Rate Groups for the most recent ~~January~~ through ~~December~~ time period. Normalized revenue is determined by multiplying the weather-corrected usage for the period by the present rates in effect. If the incremental amount of the proposed surcharge exceeds 3%, only a 3% incremental rate increase will be proposed and any remaining deferred revenue will be carried over to the following year. There is no limit to the level of the FCA rebate, and the reversal of any rebate rate would not be included in the 3% incremental surcharge test.

Issued ~~June 30, 2017~~

Effective ~~November 1, 2017~~

Issued by Avista Corporation
By

~~Kelly Norwood, Vice President, State & Federal Regulation~~

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment (“FCA”) rate mechanism that separates the recovery of the Company’s Commission authorized revenues from their sales to customers served under the applicable natural gas service schedules.

TERM:

The term of the FCA mechanism will remain in effect through March 31, 2025.

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 101, 111, and 112. This Schedule does not apply to Schedules 131/132 (Interruptible Service), Schedule 146 (Transportation Service For Customer-Owned Gas) or Schedule 148 (Special Contracts). Applicable Customers will be segregated into two (2) distinct Rate Groups:

- Group 1 – Schedule 101
- Group 2 – Schedules 111 and 112

Note – the recovery of incremental revenue related to fixed production and underground storage costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

- Group 1 – (\$0.00783) per therm
- Group 2 – (\$0.00687) per therm

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175B
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

Calculation of Monthly FCA Deferral:

Step 1 – Determine the actual number of customers each month (see Note 1 below).

Step 2 – Multiply the actual number of customers by the applicable monthly Allowed FCA Revenue per Customer. The result of this calculation is the total Allowed FCA Revenue for the applicable month.

Step 3 – Determine the actual revenue collected in the applicable month. For new customers only, also multiply actual therm sales by the approved Fixed Production and Underground Storage Cost per Therm to determine actual revenue collected related to fixed production and underground storage costs.

Step 4 – Calculate the amount of fixed charge revenues included in total actual monthly revenues.

Step 5 – Subtract the basic charge revenue (Step 4) from the total actual monthly revenue (Step 3). For new customers, subtract the basic charge revenue (Step 4) and the fixed production and underground storage revenue (Step 3) from the total actual monthly revenue (Step 3). The result is the Actual FCA Revenue.

Step 6 – The difference between the Actual FCA Revenue (Step 5) and the Allowed FCA Revenue (Step 2) is calculated, and the resulting balance is deferred by the Company. Interest on the deferred balance will accrue at the Customer Deposit Rate.

Step 7 – At the end of every 12 month deferral period, the annual FCA revenue per customer, by Rate Group, will be multiplied by the average annual number of actual customers). The result of that calculation will be compared to the actual deferred revenue for the same 12 month period. The difference between the actual deferred revenue, and the calculated value, will be added to, or subtracted from, the total deferred balance, by Rate Group.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175C
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS (continued)

ANNUAL NATURAL GAS FCA RATE ADJUSTMENT:

On or before July 31 each year, the Company will file a request with the Commission to surcharge or rebate, by Rate Group, the amount accumulated in the deferred revenue accounts for the prior July through June time period (the transition deferral period will be from January 2020 through June 2021).

The proposed tariff revisions included with that filing would include a rate adjustment that recovers/rebates the appropriate deferred revenue amount over a twelve-month period effective on November 1st. The deferred revenue amount approved for recovery or rebate would be transferred to a balancing account and the revenue surcharged or rebated during the period would reduce the deferred revenue in the balancing account. Any deferred revenue remaining in the balancing account at the end of the calendar year would be added to the new revenue deferrals to determine the amount of the proposed surcharge/rebate for the following year.

After determining the amount of deferred revenue that can be recovered through a surcharge (or refunded through a rebate) by Rate Group, the proposed rates under this Schedule will be determined by dividing the deferred revenue to be recovered by Rate Group by the estimated therm sales for each Rate Group during the twelve month recovery period. The deferred revenue amount to be recovered will be transferred to a FCA Balancing Account and the actual revenue received under this Schedule will be applied to the Account to reduce (amortize) the balance. Interest will be accrued on the unamortized balance in the FCA Balancing Account at the Customer Deposit Rate.

3% ANNUAL RATE INCREASE LIMITATION:

The amount of the incremental proposed rate adjustment under this Schedule cannot reflect more than a 3% rate increase. This will be determined by dividing the incremental annual revenue to be collected (proposed surcharge revenue less present surcharge revenue) under this Schedule by the total "normalized" revenue for the two Rate Groups for the most recent July through June time period (the transition deferral period will be from January 2020 through June 2021). Normalized revenue is determined by multiplying the weather-corrected usage for the period by the present rates in effect. If the incremental amount of the proposed surcharge exceeds 3%, only a 3% incremental rate increase will be proposed and any remaining deferred revenue will be carried over to the following year. There is no limit to the level of the FCA rebate, and the reversal of any rebate rate would not be included in the 3% incremental surcharge test.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Corporation
By

Patrick Ehrbar, Director of Regulatory Affairs

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-20-05

EXHIBIT B

**FCA Rate Calculation
November 1, 2020 – October 31, 2021
Natural Gas Service**

June 30, 2020

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective November 1, 2020 - October 31, 2021

Idaho Residential Natural Gas				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.00773	2.00%	
2	Oct-19	(\$503,454)		
3	Nov-19	(\$447,354)	(\$792)	7,357,407
4	Dec-19	(\$368,081)	(\$679)	10,339,645
5	Jan-20	(\$283,217)	(\$542)	11,045,078
6	Feb-20	(\$210,813)	(\$411)	9,416,750
7	Mar-20	(\$149,550)	(\$300)	7,961,574
8	Apr-20	(\$108,632)	(\$215)	5,319,343
9	May-20	(\$87,524)	(\$163)	2,750,908
10	Jun-20	(\$74,013)	(\$135)	1,764,663
11	Jul-20	(\$63,061)	(\$114)	1,431,150
12	Aug-20	(\$52,859)	(\$97)	1,331,889
13	Sep-20	(\$39,118)	(\$77)	1,786,853
14	Oct-20	(\$3,560)	(\$36)	4,603,153
15	Annual Total		(\$3,560)	65,108,413
16	Incremental Rate to Recover Estimated Interest		(\$0.00005)	
17	Estimated Rate to Recover Deferral Balance		(\$0.00773)	
18	Rate before Gross-up for Revenue-related items		(\$0.00779)	
19	Times: Gross-up for Revenue-related items (3)		1.005873	
20	Preliminary Proposed FCA Rate		(\$0.00783)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		(\$0.00783)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.00778)	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.00773 to recover the October 2019 balance of -\$503,454 over 12 months. See page 2 of Exhibit B for October 2019 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.

<http://www.puc.idaho.gov/gas/34482.pdf>

- (3) AVU-G-17-01 conversion factor, see page 7 of Exhibit B.
- (4) See page 6 of Exhibit B for 3% test adjustment calculations.
- (5) See page 2 of Exhibit B for estimated carryover balance calculations.

Idaho Residential Natural Gas

Calculate Estimated Monthly Balances through October 2021

Line No.		Ending Balance	Consumer Deposit Interest Rate 2.00%	Amortization
1	Dec-19	(\$517,162)		
4	Jan-20	(\$518,024)	(\$862)	
5	Feb-20	(\$518,887)	(\$863)	
6	Mar-20	(\$519,752)	(\$865)	
7	Apr-20	(\$520,618)	(\$866)	
8	May-20	(\$521,486)	(\$868)	
9	Jun-20	(\$522,355)	(\$869)	
10	Jul-20	(\$523,226)	(\$871)	
11	Aug-20	(\$524,098)	(\$872)	
12	Sep-20	(\$524,971)	(\$873)	
13	Oct-20	(\$525,846)	(\$875)	
14	prior year residual	\$22,393		
15	Nov-20	(\$446,973)	(\$791)	(\$57,272)
16	Dec-20	(\$367,164)	(\$678)	(\$80,487)
17	Jan-21	(\$281,726)	(\$540)	(\$85,978)
18	Feb-21	(\$208,832)	(\$408)	(\$73,303)
19	Mar-21	(\$147,153)	(\$296)	(\$61,975)
20	Apr-21	(\$105,957)	(\$211)	(\$41,407)
21	May-21	(\$84,702)	(\$159)	(\$21,414)
22	Jun-21	(\$71,095)	(\$130)	(\$13,737)
23	Jul-21	(\$60,064)	(\$109)	(\$11,140)
24	Aug-21	(\$49,787)	(\$91)	(\$10,368)
25	Sep-21	(\$35,949)	(\$71)	(\$13,909)
26	Oct-21	(\$147)	(\$30)	(\$35,832)
27	Total		(\$12,200)	(\$506,822)

Summary

28	2019 Deferred Revenue	(\$517,162)
29	Add Prior Year Residual Balance	\$22,393
30	Add Interest through 10/31/2021	(\$12,200)
31	Add Revenue Related Expense Adj.	<u>(\$2,830)</u>
32	Total Requested Recovery	(\$509,799)
33	Customer Rebate Revenue	(\$509,799)
34	Carryover Deferred Revenue	\$0

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective November 1, 2020 - October 31, 2021

Idaho Non-Residential Natural Gas				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.00677	2.00%	
2	Oct-19	(\$175,636)		
3	Nov-19	(\$154,758)	(\$275)	3,122,791
4	Dec-19	(\$130,850)	(\$238)	3,564,597
5	Jan-20	(\$105,833)	(\$197)	3,722,308
6	Feb-20	(\$84,454)	(\$158)	3,179,486
7	Mar-20	(\$66,651)	(\$126)	2,646,906
8	Apr-20	(\$54,446)	(\$101)	1,816,608
9	May-20	(\$47,278)	(\$85)	1,070,737
10	Jun-20	(\$40,992)	(\$73)	938,865
11	Jul-20	(\$34,218)	(\$63)	1,009,248
12	Aug-20	(\$26,765)	(\$51)	1,107,778
13	Sep-20	(\$18,135)	(\$37)	1,279,439
14	Oct-20	(\$1,420)	(\$16)	2,470,018
15	Annual Total		(\$1,420)	25,928,782
16	Incremental Rate to Recover Estimated Interest		(\$0.00005)	
17	Estimated Rate to Recover Deferral Balance		(\$0.00677)	
18	Rate before Gross-up for Revenue-related items		(\$0.00683)	
19	Times: Gross-up for Revenue-related items (3)		1.005873	
20	Preliminary Proposed FCA Rate		(\$0.00687)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		(\$0.00687)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.00683)	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.00677 to rebate the October 2019 balance of -\$175,636 over 12 months. See page 4 of Exhibit B for October 2019 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.

<http://www.puc.idaho.gov/gas/34482.pdf>

- (3) AVU-G-17-01 conversion factor, see page 7 of Exhibit B.
- (4) See page 6 of Exhibit B for 3% test adjustment calculations.
- (5) See page 2 of Exhibit B for estimated carryover balance calculations.

Idaho Non-Residential Natural Gas
Calculate Estimated Monthly Balance through October 2021

Line No.		Ending Balance	Consumer Deposit Interest Rate 2.00%	Amortization
1	Dec-19	(\$175,310)		
4	Jan-20	(\$175,602)	(\$292)	
5	Feb-20	(\$175,895)	(\$293)	
6	Mar-20	(\$176,188)	(\$293)	
7	Apr-20	(\$176,481)	(\$294)	
8	May-20	(\$176,776)	(\$294)	
9	Jun-20	(\$177,070)	(\$295)	
10	Jul-20	(\$177,365)	(\$295)	
11	Aug-20	(\$177,661)	(\$296)	
12	Sep-20	(\$177,957)	(\$296)	
13	Oct-20	(\$178,254)	(\$297)	
14	prior year residual	\$2,617		
15	Nov-20	(\$154,583)	(\$275)	(\$21,328)
16	Dec-20	(\$130,475)	(\$237)	(\$24,346)
17	Jan-21	(\$105,248)	(\$196)	(\$25,423)
18	Feb-21	(\$83,690)	(\$157)	(\$21,716)
19	Mar-21	(\$65,736)	(\$124)	(\$18,078)
20	Apr-21	(\$53,428)	(\$99)	(\$12,407)
21	May-21	(\$46,198)	(\$83)	(\$7,313)
22	Jun-21	(\$39,857)	(\$72)	(\$6,412)
23	Jul-21	(\$33,025)	(\$61)	(\$6,893)
24	Aug-21	(\$25,508)	(\$49)	(\$7,566)
25	Sep-21	(\$16,805)	(\$35)	(\$8,738)
26	Oct-21	\$51	(\$14)	(\$16,870)
27	Total		(\$4,347)	(\$177,091)

Summary

28	2019 Deferred Revenue	(\$175,310)
29	Add Prior Year Residual Balance	\$2,617
30	Add Interest through 10/31/2021	(\$4,347)
31	Add Revenue Related Expense Adj.	(\$1,092)
32	Total Requested Recovery	(\$178,131)
33	Customer Rebate Revenue	(\$178,131)
34	Carryover Deferred Revenue	\$0

Avista Utilities
FCA Mechanism Prior Surcharge or Rebate Amortization
Effective November 1, 2019 - October 31, 2020

Residential Natural Gas Rebate

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	June - October Forecast Usage
1	Nov-19	\$ 611,296.77	\$947.13	\$ (86,039.48)	\$ 526,204.42	2.00%	
2	Dec-19	\$ 526,204.42	\$805.36	\$ (85,980.08)	\$ 441,029.70	2.00%	
3	Jan-20	\$ 441,029.70	\$657.25	\$ (93,360.72)	\$ 348,326.23	2.00%	
4	Feb-20	\$ 348,326.23	\$509.23	\$ (85,578.35)	\$ 263,257.11	2.00%	
5	Mar-20	\$ 263,257.11	\$377.49	\$ (73,523.02)	\$ 190,111.58	2.00%	
6	Apr-20	\$ 190,111.58	\$277.27	\$ (47,499.83)	\$ 142,889.02	2.00%	
7	May-20	\$ 142,889.02	\$216.42	\$ (26,077.13)	\$ 117,028.31	2.00%	
8	Jun-20	\$ 117,028.31	\$181.95	\$ (15,715.16)	\$ 101,495.10	2.00%	1,662,980
9	Jul-20	\$ 101,495.10	\$158.59	\$ (12,687.06)	\$ 88,966.63	2.00%	1,342,546
10	Aug-20	\$ 88,966.63	\$139.04	\$ (11,080.32)	\$ 78,025.35	2.00%	1,172,520
11	Sep-20	\$ 78,025.35	\$117.03	\$ (15,619.37)	\$ 62,523.01	2.00%	1,652,843
12	Oct-20	\$ 62,523.01	\$70.70	\$ (40,200.89)	\$ 22,392.82	2.00%	4,254,063

Non-Residential Natural Gas Rebate

Line No.	Date	Regulatory Liability Beginning Balance	Interest	Amortization	Regulatory Liability Ending Balance	Interest Rate	June - October Forecast Usage
13	Nov-19	\$ (130,971.52)	(\$206.34)	\$ 14,340.59	\$ (116,837.27)	2.00%	
14	Dec-19	\$ (116,837.27)	(\$181.79)	\$ 15,531.11	\$ (101,487.95)	2.00%	
15	Jan-20	\$ (101,487.95)	(\$154.24)	\$ 17,893.43	\$ (83,748.76)	2.00%	
16	Feb-20	\$ (83,748.76)	(\$125.94)	\$ 16,374.94	\$ (67,499.76)	2.00%	
17	Mar-20	\$ (67,499.76)	(\$99.95)	\$ 15,062.07	\$ (52,537.64)	2.00%	
18	Apr-20	\$ (52,537.64)	(\$79.85)	\$ 9,257.61	\$ (43,359.88)	2.00%	
19	May-20	\$ (43,359.88)	(\$66.33)	\$ 7,119.06	\$ (36,307.15)	2.00%	
20	Jun-20	\$ (36,307.15)	(\$55.93)	\$ 5,497.20	\$ (30,865.88)	2.00%	997,678
21	Jul-20	\$ (30,865.88)	(\$46.45)	\$ 5,987.88	\$ (24,924.45)	2.00%	1,086,730
22	Aug-20	\$ (24,924.45)	(\$35.78)	\$ 6,910.56	\$ (18,049.67)	2.00%	1,254,185
23	Sep-20	\$ (18,049.67)	(\$23.92)	\$ 7,391.13	\$ (10,682.46)	2.00%	1,341,403
24	Oct-20	\$ (10,682.46)	(\$6.72)	\$ 13,306.40	\$ 2,617.22	2.00%	2,414,955

Avista Utilities
Fixed Cost Adjustment (FCA) 3% Test
2019 Idaho Natural Gas Deferrals

Line No.		Residential	Non-Residential	Total
1	Revenue From 2019 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$51,029,285	\$12,834,431	\$63,863,716
2	November 2020 - October 2021 Usage	65,108,413	25,928,782	
3	Proposed FCA Recovery Rates	-\$0.00783	-\$0.00687	
4	Present FCA Recovery Rates (2)	\$0.00951	\$0.00000	
5	Incremental FCA Recovery Rates	-\$0.01734	-\$0.00687	
6	Incremental FCA Recovery	(\$1,128,980)	(\$178,131)	(\$1,307,111)
7	Incremental Surcharge %	-2.21%	-1.39%	
8	3% Test Adjustment (2)	\$0	\$0	\$0
9	3% Test Rate Adjustment	\$0.00000	\$0.00000	
10	Adjusted Proposed FCA Recovery Rates	-\$0.00783	-\$0.00687	
11	Adjusted Incremental FCA Recovery	(\$1,128,980)	(\$178,131)	(\$1,307,111)
12	Adjusted Incremental Surcharge %	-2.21%	-1.39%	

Notes

(1) Total 2019 weather normalized billing determinants priced at the billing rates effective since 01/01/2020.

(2) As stated on tariff Sheet 175C, the reversal of a rebate rate is not included in the 3% incremental surcharge test. Therefore the present rebate rate of -\$0.00554 Non-Residential is \$0.00000 in this incremental rate calculation.

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

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expense:		
2	Uncollectibles	0.003564	0.003564
3	Commission Fees	0.002275	0.002275
4	Idaho State Income Tax	0.047973	
5	Total Expense	0.053812	0.005839
6	Net Operating Income Before FIT	0.946188	0.994161
7	Federal Income Tax @ 21%	0.198699	
8	REVENUE CONVERSION FACTOR	0.747489	0.994161
	AVU-E-17-01 Settlement Conversion Factor with Tax Reform		
9	Gross Up Factor		1.005873

Avista Utilities
Idaho Jurisdiction
2020 FCA Schedule 175 Filing
Natural Gas Service

Type of Service (a)	Schedule Number (b)	FCA Billing Determinants (c)	Present FCA Rate (d)	Present FCA Revenue (e)	Proposed FCA Decrease (f)	Proposed FCA Revenue (g)	Proposed FCA Rate (h)	Incremental Rate change (i)	Present Billing Revenue
General Service	101	65,108,413	\$ 0.00951	\$ 619,181	\$ (1,128,980)	\$ (509,799)	\$ (0.00783)	\$ (0.01734)	\$ 51,029,285 -2.21%
Large General Service	111/112	25,928,782	\$ (0.00554)	\$ (143,645)	\$ (34,485)	\$ (178,131)	\$ (0.00687)	\$ (0.00133)	\$ 12,834,431 -0.27%
Interruptible Service	131/132	0	\$ (0.00554)	\$ -	\$ -	\$ -	\$ (0.00687)	\$ (0.00133)	\$ - 0.00%
Excluded Schedules	146/147/159	N/A							\$ 587,266 0.00%
Total		91,037,194		\$ 475,536	\$ (1,163,465)	\$ (687,930)			\$ 64,450,982 -1.81%
Non-Residential Group Subtotal		25,928,782		(143,645)	(34,485)	(178,131)			\$ 12,834,431 -0.27%

Average Residential Bill @64 therms		
Basic Charge	\$6.00	\$6.00
Per Therm	\$0.70279	\$44.98
Residential Bill at 1/1/2020 rates		\$50.98
Proposed rate change	\$ (0.01734)	(\$1.11)
Residential Bill at Proposed rates		\$49.87
Proposed Percent Increase		-2.18%

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-20-05

EXHIBIT C

**FCA 2019 Deferred Revenue Calculation
Natural Gas Service**

June 30, 2020

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Natural Gas Deferrals (Calendar Year 2019)
AVU-G-17-01 FCA Base - Rates Effective 1/1/2019, □
With Sch 172 Tax Reform Adj - Rates Effective 1/1/2019

Line No.	Source	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019 YTD Total
	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Residential Group														
1	Total Actual Billed Customers	83,824	83,731	83,827	83,998	84,107	83,969	84,244	84,415	84,498	85,038	85,128	85,543	1,012,322
2	Total Actual Usage (Therms)	9,766,779	11,758,433	8,099,742	4,435,648	2,161,978	1,473,041	1,139,474	1,084,584	1,844,462	6,421,594	8,684,625	9,118,426	65,988,786
3	Total Actual Base Rate Revenue	\$ 5,235,010	\$ 5,722,434	\$ 3,924,506	\$ 2,573,374	\$ 1,485,925	\$ 1,195,063	\$ 1,046,637	\$ 1,037,871	\$ 1,362,210	\$ 3,510,826	\$ 4,277,973	\$ 4,745,148	\$ 36,116,978
4	Total Actual Fixed Charge Revenue	\$ 504,713	\$ 503,570	\$ 504,482	\$ 506,309	\$ 507,081	\$ 506,584	\$ 508,554	\$ 509,043	\$ 509,242	\$ 512,019	\$ 512,270	\$ 515,403	\$ 6,099,268
Existing Customers														
6	Actual Customers on System During Test Year	79,440	79,260	79,223	79,218	79,122	78,885	78,957	78,964	78,861	79,187	78,978	79,209	949,304
8	Monthly Fixed Cost Adj. Revenue per Customer	\$55.08	\$46.89	\$39.94	\$25.87	\$14.52	\$8.95	\$7.05	\$6.98	\$8.28	\$23.23	\$47.31	\$65.52	\$29,177
9	Fixed Cost Adjustment Revenue	\$ 4,375,787	\$ 3,716,632	\$ 3,163,934	\$ 2,049,341	\$ 1,149,232	\$ 706,158	\$ 556,890	\$ 550,780	\$ 653,354	\$ 1,839,376	\$ 3,736,403	\$ 5,189,891	\$ 27,687,777
10	Actual Base Rate Revenue	\$ 4,985,268	\$ 5,444,639	\$ 3,640,710	\$ 2,407,150	\$ 1,380,001	\$ 1,125,331	\$ 986,596	\$ 980,268	\$ 1,298,540	\$ 3,364,006	\$ 4,034,151	\$ 4,400,768	\$ 34,047,429
12	Actual Fixed Charge Revenue	\$ 478,550	\$ 477,487	\$ 477,616	\$ 478,402	\$ 478,262	\$ 476,871	\$ 477,848	\$ 477,327	\$ 476,659	\$ 478,141	\$ 476,539	\$ 478,222	\$ 5,731,922
13	Actual Usage (Therms)	9,277,436	11,216,505	7,546,664	4,137,907	1,995,950	1,386,898	1,076,327	1,028,859	1,777,542	6,178,485	8,236,701	8,457,168	62,316,441
16	Customer Fixed Cost Adjustment Revenue	\$ 4,506,718	\$ 4,967,153	\$ 3,163,094	\$ 1,928,748	\$ 901,739	\$ 648,461	\$ 508,748	\$ 502,941	\$ 821,881	\$ 2,885,865	\$ 3,557,613	\$ 3,922,546	\$ 28,315,507
17	Residential Revenue Per Customer Received	\$56.73	\$62.67	\$39.93	\$24.35	\$11.40	\$8.22	\$6.44	\$6.37	\$10.42	\$36.44	\$45.05	\$49.52	\$29,833
18	Existing Customer Deferral - Surcharge (Rebate)	\$ (130,932)	\$ (1,250,521)	\$ 841	\$ 120,592	\$ 247,493	\$ 57,697	\$ 48,142	\$ 47,839	\$ (168,527)	\$ (1,046,489)	\$ 178,790	\$ 1,267,345	\$ (627,730)
New Customers														
21	Actual Customers New Since Test Year	4,384	4,471	4,604	4,780	4,985	5,084	5,287	5,451	5,637	5,851	6,150	6,334	63,018
22	Monthly Fixed Cost Adj. Revenue per Customer	\$52.00	\$44.27	\$37.70	\$24.42	\$13.71	\$8.45	\$6.66	\$6.58	\$7.82	\$21.93	\$44.66	\$61.86	\$27,577
24	Fixed Cost Adjustment Revenue	\$ 227,974	\$ 197,924	\$ 173,584	\$ 116,739	\$ 68,355	\$ 42,965	\$ 35,203	\$ 35,894	\$ 44,089	\$ 128,305	\$ 274,676	\$ 391,795	\$ 1,737,502
26	Actual Base Rate Revenue	\$ 249,742	\$ 277,795	\$ 283,796	\$ 166,224	\$ 105,924	\$ 69,732	\$ 60,041	\$ 57,603	\$ 63,670	\$ 146,820	\$ 243,822	\$ 344,380	\$ 2,069,549
27	Actual Fixed Charge Revenue	\$ 26,163	\$ 26,083	\$ 26,866	\$ 27,907	\$ 28,820	\$ 29,713	\$ 30,706	\$ 31,716	\$ 32,583	\$ 33,878	\$ 35,731	\$ 37,181	\$ 367,347
28	Actual Usage (Therms)	489,343	541,928	553,078	297,741	166,028	86,143	63,147	55,725	66,920	243,109	447,924	661,258	\$ 3,672,345
30	Fixed Production and UG Storage Rate per Therm	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599	\$ 0.02599
32	Fixed Production and UG Storage Revenue	\$ 12,719	\$ 14,085	\$ 14,375	\$ 7,739	\$ 4,315	\$ 2,239	\$ 1,641	\$ 1,448	\$ 1,739	\$ 6,319	\$ 11,642	\$ 17,187	\$ 95,448
33	Customer Fixed Cost Adjustment Revenue	\$ 210,861	\$ 237,626	\$ 242,555	\$ 130,578	\$ 72,789	\$ 37,780	\$ 27,693	\$ 24,439	\$ 29,348	\$ 106,623	\$ 196,448	\$ 290,012	\$ 1,606,754
34	Residential Revenue Per Customer Received	\$48.10	\$53.15	\$52.68	\$27.32	\$14.60	\$7.43	\$5.24	\$4.48	\$5.21	\$18.22	\$31.94	\$45.79	\$25,507
35	New Customer Deferral - Surcharge (Rebate)	\$ 17,113	\$ (39,703)	\$ (68,972)	\$ (13,839)	\$ (4,434)	\$ 5,184	\$ 7,510	\$ 11,455	\$ 14,741	\$ 21,682	\$ 78,227	\$ 101,783	\$ 130,748
36														
37	Total Residential Deferral - Surcharge (Rebate)	\$ (113,819)	\$ (1,290,224)	\$ (68,131)	\$ 106,753	\$ 243,059	\$ 62,882	\$ 55,653	\$ 59,294	\$ (153,785)	\$ (1,024,807)	\$ 257,017	\$ 1,369,128	\$ (496,982)
38	Deferral - Revenue Related Expenses	\$ 665	\$ 7,534	\$ 398	\$ (623)	\$ (1,419)	\$ (367)	\$ (325)	\$ (346)	\$ 898	\$ 5,984	\$ (1,501)	\$ (7,994)	\$ 2,902
39	Customer Deposit Rate	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%	\$ 2.00%
40	Interest on Deferral	\$ (94)	\$ (1,258)	\$ (2,385)	\$ (2,357)	\$ (2,071)	\$ (1,821)	\$ (1,726)	\$ (1,634)	\$ (1,715)	\$ (2,694)	\$ (3,335)	\$ (1,993)	\$ (23,082)
41	Monthly Residential Deferral Totals	\$ (113,249)	\$ (1,283,948)	\$ (70,118)	\$ 103,772	\$ 239,568	\$ 60,693	\$ 53,602	\$ 57,314	\$ (154,602)	\$ (1,021,517)	\$ 252,182	\$ 1,359,141	\$ (517,162)
42														
43	Cumulative Residential Deferral (Rebate)/Surcharge	\$ (113,249)	\$ (1,397,196)	\$ (1,467,314)	\$ (1,363,542)	\$ (1,123,974)	\$ (1,063,281)	\$ (1,009,679)	\$ (952,365)	\$ (1,106,967)	\$ (2,128,484)	\$ (1,876,303)	\$ (517,162)	

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Natural Gas Deferrals (Calendar Year 2019)
AVU-G-17-01 FCA Base - Rates Effective 1/1/2019, □
With Sch 172 Tax Reform Adj - Rates Effective 1/1/2019

Line No.	Source	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019 YTD Total
	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(s)
Non-Residential Group														
1	Total Actual Billed Customers	1,511	1,511	1,513	1,511	1,506	1,498	1,517	1,507	1,506	1,529	1,524	1,523	18,156
2	Total Actual Usage (Therms)	3,269,759	3,778,824	2,822,891	1,922,603	1,217,828	1,139,613	1,188,374	1,222,024	1,494,723	2,390,461	2,817,090	2,803,664	26,067,653
3	Total Actual Base Rate Revenue	\$ 965,985	\$ 898,888	\$ 729,033	\$ 587,216	\$ 419,046	\$ 378,881	\$ 386,122	\$ 387,974	\$ 436,717	\$ 623,020	\$ 681,286	\$ 810,343	\$ 7,304,511
4	Total Actual Fixed Charge Revenue	\$ 157,849	\$ 160,720	\$ 160,882	\$ 160,631	\$ 160,376	\$ 158,927	\$ 161,177	\$ 160,149	\$ 160,375	\$ 162,542	\$ 161,677	\$ 162,515	\$ 1,927,819
Existing Customers														
6	Actual Customers on System During Test Year	1,481	1,481	1,480	1,479	1,472	1,463	1,479	1,470	1,467	1,490	1,483	1,480	17,725
7	Monthly Fixed Cost Adj. Revenue per Customer	\$444.18	\$408.07	\$352.19	\$254.63	\$204.35	\$157.31	\$159.93	\$196.64	\$151.80	\$260.05	\$396.33	\$448.35	\$286.49
8	Fixed Cost Adjustment Revenue	\$ 657,835	\$ 604,356	\$ 521,237	\$ 376,593	\$ 300,797	\$ 230,139	\$ 236,531	\$ 289,067	\$ 222,696	\$ 387,472	\$ 587,756	\$ 663,553	\$ 5,078,032
11	Actual Base Rate Revenue	\$ 946,941	\$ 876,481	\$ 700,920	\$ 569,977	\$ 405,204	\$ 367,568	\$ 375,751	\$ 375,847	\$ 424,452	\$ 608,662	\$ 661,181	\$ 786,079	\$ 7,099,063
12	Actual Fixed Charge Revenue	\$ 154,837	\$ 157,535	\$ 154,678	\$ 156,694	\$ 156,049	\$ 154,397	\$ 156,701	\$ 154,384	\$ 155,074	\$ 158,479	\$ 157,117	\$ 157,737	\$ 1,873,682
13	Actual Usage (Therms)	3,197,264	3,691,292	2,715,395	1,860,302	1,169,743	1,102,711	1,156,414	1,180,629	1,454,122	2,340,501	2,743,343	2,715,794	25,327,508
16	Customer Fixed Cost Adjustment Revenue	\$ 792,104	\$ 718,946	\$ 546,242	\$ 413,283	\$ 249,155	\$ 213,170	\$ 219,050	\$ 221,464	\$ 269,378	\$ 450,184	\$ 504,064	\$ 628,342	\$ 5,225,381
17	Non-Residential Revenue Per Customer Received	\$534.84	\$485.45	\$369.08	\$279.43	\$169.26	\$145.71	\$148.11	\$150.66	\$183.62	\$302.14	\$339.90	\$424.56	\$294.80
18	Existing Customer Deferral - Surcharge (Rebate)	\$ (134,269)	\$ (114,591)	\$ (25,004)	\$ (36,691)	\$ 51,642	\$ 16,969	\$ 17,481	\$ 67,604	\$ (46,681)	\$ (62,712)	\$ 83,691	\$ 35,212	\$ (147,349)
New Customers														
22	Actual Customers New Since Test Year	30	30	33	32	34	35	38	37	39	39	41	43	431
23	Monthly Fixed Cost Adj. Revenue per Customer	\$385.28	\$353.96	\$305.48	\$220.86	\$177.25	\$136.45	\$138.72	\$170.57	\$131.67	\$225.56	\$343.77	\$388.89	\$247.00
24	Fixed Cost Adjustment Revenue	\$ 11,558	\$ 10,619	\$ 10,081	\$ 7,068	\$ 6,026	\$ 4,776	\$ 5,271	\$ 6,311	\$ 5,135	\$ 8,797	\$ 14,095	\$ 16,722	\$ 106,459
26	Actual Base Rate Revenue	\$ 19,044	\$ 22,407	\$ 28,113	\$ 17,239	\$ 13,842	\$ 11,314	\$ 10,371	\$ 12,127	\$ 12,266	\$ 14,357	\$ 20,104	\$ 24,264	\$ 205,449
27	Actual Fixed Charge Revenue	\$ 3,012	\$ 3,185	\$ 6,203	\$ 3,937	\$ 4,326	\$ 4,529	\$ 4,477	\$ 5,765	\$ 5,301	\$ 4,063	\$ 4,560	\$ 4,778	\$ 54,137
28	Actual Usage (Therms)	72,495	87,533	107,496	62,301	47,885	36,902	31,960	41,395	40,601	49,960	73,747	87,870	740,144
31	Fixed Production and UG Storage Rate per Therm	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781	\$ 0.02781
32	Fixed Production and UG Storage Revenue	\$ 2,016	\$ 2,435	\$ 2,990	\$ 1,733	\$ 1,332	\$ 1,026	\$ 889	\$ 1,151	\$ 1,129	\$ 1,390	\$ 2,051	\$ 2,444	\$ 20,586
33	Customer Fixed Cost Adjustment Revenue	\$ 14,016	\$ 16,787	\$ 18,920	\$ 11,569	\$ 8,184	\$ 5,758	\$ 5,006	\$ 5,211	\$ 5,835	\$ 8,905	\$ 13,494	\$ 17,042	\$ 130,725
34	Non-Residential Revenue Per Customer Received	\$467.21	\$559.55	\$573.33	\$361.54	\$240.70	\$164.51	\$131.73	\$140.83	\$149.62	\$228.33	\$329.11	\$396.33	\$303.31
35	New Customer Deferral - Surcharge (Rebate)	\$ (2,458)	\$ (6,168)	\$ (8,839)	\$ (4,502)	\$ (2,157)	\$ (982)	\$ 266	\$ 1,100	\$ (700)	\$ (108)	\$ 601	\$ (320)	\$ (24,267)
37	Total Non-Residential Deferral - Surcharge (Rebate)	\$ (136,727)	\$ (120,759)	\$ (33,843)	\$ (41,192)	\$ 49,484	\$ 15,987	\$ 17,747	\$ 68,704	\$ (47,381)	\$ (62,820)	\$ 84,292	\$ 34,892	\$ (171,616)
38	Deferral - Revenue Related Expenses	\$ 798	\$ 705	\$ 198	\$ 241	\$ (289)	\$ (93)	\$ (104)	\$ (401)	\$ 277	\$ 367	\$ (492)	\$ (204)	\$ 1,002
39	Customer Deposit Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
40	Avg Balance Calc	\$ (113)	\$ (327)	\$ (455)	\$ (518)	\$ (512)	\$ (459)	\$ (432)	\$ (361)	\$ (344)	\$ (436)	\$ (419)	\$ (321)	\$ (4,696)
41	Monthly Non-Residential Deferral Totals	\$ (136,042)	\$ (120,380)	\$ (34,101)	\$ (41,470)	\$ 48,683	\$ 15,435	\$ 17,211	\$ 67,942	\$ (47,448)	\$ (62,889)	\$ 83,382	\$ 34,367	\$ (175,310)
42	Cumulative Non-Residential Deferral (Rebate)/Surcharge	\$ (136,042)	\$ (256,422)	\$ (290,523)	\$ (331,993)	\$ (283,310)	\$ (267,875)	\$ (250,664)	\$ (182,722)	\$ (230,170)	\$ (293,059)	\$ (209,677)	\$ (175,310)	
44	Total Cumulative Deferral	\$ (249,290)	\$ (1,653,618)	\$ (1,757,837)	\$ (1,695,535)	\$ (1,407,284)	\$ (1,331,156)	\$ (1,260,343)	\$ (1,135,087)	\$ (1,337,138)	\$ (2,421,543)	\$ (2,085,980)	\$ (692,472)	

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 plus Tax Reform Schedule 172 Effective 1/1/2019

		TOTAL	GENERAL SERVICE SCHEDULE 101	LARGE GENERAL SERVICE SCH. 111/112	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
3A	Tax Reform Adjustment Schedule 172 (Effective January 1, 2019)	\$ (2,616,000)	\$ (2,148,000)	\$ (442,000)	\$ (26,000)
3B	Tax Reform Adjusted Base Rates (January 1, 2019)	\$ 40,336,000	\$ 33,142,000	\$ 6,692,000	\$ 502,000
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 (New Customers Only)	\$ -	\$ 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 3B - Ln 6)	\$ 39,834,000	\$ 33,142,000	\$ 6,692,000	Excluded From Fixed Cost Adjustment
7A	Subtotal (Ln 3B - Ln 6 - Ln 6B)	\$ 37,649,194	\$ 31,604,464	\$ 6,044,730	
8	Customer Bills (Test Year)	960,302	943,245	17,057	
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)	\$ 32,363,418	\$ 27,482,530	\$ 4,880,888	
11A	Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 30,178,611	\$ 25,944,994	\$ 4,233,617	
			Residential	Non-Residential Group	
12	Average Number of Customers (Line 8 / 12)		78,604	1,421	
13	Annual Therms		59,156,634	23,271,119	
14	Basic Charge Revenues		5,659,470	1,811,112	
15	Customer Bills		943,245	17,057	
16	Average Basic Charge		\$6.00	\$106.18	

Exhibit C Page 3 of 7 - Baseline

CASE NO. AVU-G-17-01 SETTLEMENT STIPULATION APPENDIX E WITH SCHEDULE 172

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 plus Tax Reform Schedule 172 Effective 1/1/2019

Line No.	Source	Residential	Non-Residential Schedules*
(a)	(b)	(c)	(d)
<u>Existing Customer FCA</u>			
1 Fixed Cos	Page 1	\$ 27,482,530	\$ 4,880,888
2 Test Year	Revenue Data	78,604	1,421
3 Fixed Cos	(1) / (2)	\$ 349.63	\$ 3,433.82
<u>New Customer FCA</u>			
1 Fixed Cos	Page 1	\$ 25,944,994	\$ 4,233,617
2 Test Year	Revenue Data	78,604	1,421
3 Fixed Cos	(1) / (2)	\$ 330.07	\$ 2,978.45
* Schedules 111 and 112.			
Revenues			
Revenue per customer		\$ 27,482,229	\$ 4,880,889
Revenue from basic charge		\$ 5,659,470	\$ 1,811,112
Revenue from gas supply		\$ -	\$ -
Total		\$ 33,141,699	\$ 6,692,001

Exhibit C Page 4 of 7 - Fixed Cost Adj. RPC

SE NO. AVU-G-17-01 SETTLEMENT STIPULATION APPENDIX E WITH SCHEDULE 172

Exhibit C Page 5 of 7 - Shaping

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

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)
Line Description	System Total	Residential Sch 101	Large Firm Sch 111	Interrupt Service Sch 131	Transport Service Sch 146				
Functional Cost Components at Current Rates									
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 Total Current Rate Revenue	40,548,000	33,196,897	6,950,421	0	401,683				
6 Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0				
7 Total Margin Revenue at Current Rates	40,548,000	33,196,897	6,950,421	0	401,683				
Margin per Therm at Current Rates									
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 Total Current Margin Melded Rate per Therm	\$0.47526	\$0.56117	\$0.29867	\$0.00000	\$0.13894				
Functional Cost Components at Uniform Current Return									
13 Production	446,533	318,080	125,127	0	3,326				
14 Underground Storage	1,693,144	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 Total Uniform Current Cost	40,548,000	34,572,826	5,580,723	0	395,450				
18 Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0				
19 Total Uniform Current Margin	40,548,000	34,572,826	5,580,723	0	395,450				
Margin per Therm at Uniform Current Return									
20 Production	\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115				
21 Underground Storage	\$0.01867	\$0.01962	\$0.01625	\$0.00000	\$0.01264				
22 Distribution	\$0.30854	\$0.37819	\$0.15867	\$0.00000	\$0.08974				
23 Common	\$0.14282	\$0.18096	\$0.05961	\$0.00000	\$0.03326				
24 Total Current Uniform Margin Melded Rate per Therm	\$0.47526	\$0.58443	\$0.23981	\$0.00000	\$0.13678				
25 Margin to Cost Ratio at Current Rates	1.00	0.96	1.25	0.00	1.02				
Functional Cost Components at Proposed Rates									
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	22,869,245	4,893,541	0	281,087				
29 Common	12,546,718	10,853,116	1,593,609	0	99,993				
30 Total Proposed Rate Revenue	42,849,000	35,289,897	7,134,421	0	424,683				
31 Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0				
32 Total Margin Revenue at Proposed Rates	42,849,000	35,289,897	7,134,421	0	424,683				
Margin per Therm at Proposed Rates									
33 Production	\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115				
34 Underground Storage	\$0.02089	\$0.02061	\$0.02244	\$0.00000	\$0.01393				
35 Distribution	\$0.32905	\$0.38710	\$0.21028	\$0.00000	\$0.09722				
36 Common	\$0.14706	\$0.18346	\$0.06848	\$0.00000	\$0.03459				
37 Total Proposed Margin Melded Rate per Therm	\$0.50222	\$0.59656	\$0.30658	\$0.00000	\$0.14689				
Functional Cost Components at Uniform Proposed Return									
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	99,626				
42 Total Uniform Proposed Cost	42,849,000	36,469,963	5,957,116	0	421,921				
43 Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0				
44 Total Uniform Proposed Margin	42,849,000	36,469,963	5,957,116	0	421,921				
Margin per Therm at Uniform Proposed Return									
45 Production	\$0.00523	\$0.00538	\$0.00538	\$0.00000	\$0.00115				
46 Underground Storage	\$0.02039	\$0.02170	\$0.01775	\$0.00000	\$0.01361				
47 Distribution	\$0.32852	\$0.40175	\$0.17117	\$0.00000	\$0.09052				
48 Common	\$0.14807	\$0.18761	\$0.06169	\$0.00000	\$0.03446				
49 Total Proposed Uniform Margin Melded Rate per Therm	\$0.50222	\$0.61650	\$0.25599	\$0.00000	\$0.14594				
50 Margin to Cost Ratio at Proposed Rates	1.00	0.97	1.20	0.00	1.01				
51 Current Margin to Proposed Cost Ratio	0.95	0.91	1.17	0.00	0.95				

Exhibit C Page 6 of 7 - Cost of Service

CASE NO. AVU-G-17-01 SETTLEMENT STIPULATION APPENDIX E WITH SCHEDULE 172

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

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expenses:		
2	Uncollectibles	0.003564	0.003564
3	Commission Fees	0.002275	0.002275
4	Idaho State Income Tax	0.047973	0
5	Total Expenses	0.053812	0.053812
6	Net Operating Income Before FIT	0.946188	0.946188
7	Federal Income Tax @ 21%	0.198699	0.198699
8	REVENUE CONVERSION FACTOR	0.747489	0.747489

Updated to reflect tax reform

Exhibit C Page 7 of 7 - Conversion Factor

CASE NO. AVU-G-17-01 SETTLEMENT STIPULATION APPENDIX E WITH SCHEDULE 172