



**Avista Corp.**

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July 31, 2019

**Advice No. 19-05-G/ UG-369**

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301

Attention: Filing Center

Pursuant to Order No. 17-450 in Docket UM 1753, ORS 757.210 and ORS 757.259(5), Avista Utilities hereby electronically submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting work papers.

**Decoupling Mechanism - Oregon**

**Third Revision Sheet 475**

**Canceling**

**Second Revision Sheet 475**

Third Revision Sheet 475 represents a surcharge (Residential) and rebate (Non-Residential) of the deferred revenues associated with the Company's natural gas Decoupling Mechanism from January 1, 2018 through December 31, 2018. The Company is requesting an increase in overall retail revenues of \$4,387,399, or 5.2%, effective November 1, 2019. Over \$3 million of this increase is due to the expiration of rebates currently being amortized, as approved by the Commission in last years' decoupling rate adjustment. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

<u>Rate Schedule</u>	<u>Current Amortization Rates</u>	<u>Proposed Rate Change</u>	<u>Updated Amortization Rate</u>
410	(\$0.04098)	\$0.06828	\$0.02730
420	(\$0.02220)	\$0.02158	(\$0.00062)
424	(\$0.02220)	\$0.02158	(\$0.00062)
440	(\$0.02220)	\$0.02158	(\$0.00062)
444	(\$0.02220)	\$0.02158	(\$0.00062)

On October 17, 2017, the Company filed its “Application for Reauthorization to Defer Expenses or Revenues” related to the Company’s natural gas decoupling mechanism for calendar year 2018. Avista made that filing under ORS 757.259 and OAR 860-027-0300(4). This filing is in compliance with ORS 757.210 which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application and Commission authorization, as rate orders or under approved tariffs.

This filing is the “Natural Gas Decoupling Rate Adjustment”, filed in compliance with docket UM 1753. The Commission approved a natural gas decoupling mechanism for Avista beginning in 2016<sup>1</sup>. Order No. 17-450 reauthorized the mechanism deferrals for 2018. This filing reflects the deferral balance for the year (January 1, 2018 through December 31, 2018), with that deferral being amortized over the period November 1, 2019 – October 31, 2020.

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

The proposed tariff reflects a surcharge of 2.73 cents per therm for the Residential Group served under Schedule 410, and a rebate of 0.062 cents per therm for the Non-Residential Group (Schedules 420, 424, 440 and 444). The Residential Group surcharge represents a 2.72% increase to Schedule 410 customers that, combined with the expiration of the present rebate, results in a total increase to Schedule 410 customers of 6.5%. The Non-Residential group rebate represents a 0.09% decrease that, combined with the expiration of the present rebate, results in a net increase for the Non-Residential group customers of 3.1%. The Company has requested a November 1, 2019 effective date to coincide with the rate changes related to the Company’s annual Purchased Gas Cost Adjustment and other annual rate adjustment filings.

### **Residential Group Rate Determination**

The Company recorded \$1,269,242 in the surcharge direction in deferred revenue for the natural gas residential customer group in 2018. The proposed rate of 2.73 cents per therm is designed to recover \$1,401,457 from the Company’s residential natural gas customers served under rate Schedule 410. The following table summarizes the components of the Company’s requested surcharge:

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<sup>1</sup> The decoupling mechanism was initially approved in Order Nos. 16-076 and 16-109 for General Rate Revision Docket No. UG 288 and Authorization to Defer Expenses or Revenues Related to the Natural Gas Decoupling Mechanism Docket No. UM 1753. Subsequent reauthorizations to defer under Docket No. UM 1753 have been approved by Order Nos. 16-489 (2017), 17-450 (2018), and 18-474 (2019).

2018 Deferred Revenue	\$1,269,242
Add: Prior Year Residual Balance	(\$9,926)
Add: Interest through 10/31/2020	\$97,016
Add: Revenue Related Expense Adj.	\$45,125
Total For Recovery	\$1,401,457
Customer Surcharge Revenue	\$1,401,457
Carryover Deferred Revenue	\$0

Attachment A, pages 1 and 2 show the derivation of the proposed rate to recover revenue of \$1,401,457 based on projected sales volumes for Schedule 410 customers during the surcharge/amortization period (November 2019 through October 2020). As identified on First Revision Sheet 475B under Step 6 of “Calculation of Monthly Decoupling Deferral”, interest on the deferred balance accrues at the Company’s authorized rate of return.<sup>2</sup> If the proposed surcharge is approved by the Commission, the 2018 deferral balance, plus interest through October and any outstanding residual balance approved for rebate in the prior year decoupling filing (Order No. 18-394 for Docket No. UG-361, Advice No. 18-02-G), will be transferred into a regulatory asset balancing account. The balance in the account will be reduced each month by the surcharge received from customers under the tariff. Consistent with other amortizations, interest will accrue on the amortization balance at the Modified Blended Treasury Rate.

#### **Non-Residential Group Rate Determination**

The Company recorded \$107,087 in the rebate direction in deferred revenue for the natural gas Non-Residential Group in 2018. The proposed rebate rate of (0.062) cents per therm is designed to rebate \$25,346 to the Company’s commercial and industrial customers served under rate Schedules 420, 424, 440 and 444. The following table summarizes the components of the Company’s requested rebate:

2018 Deferred Revenue	(\$107,087)
Add: Prior Year Residual Balance	\$89,865
Add: Interest through 10/31/2018	(\$7,384)
Add: Revenue Related Expense Adj.	(\$741)
Total For Rebate	(\$25,346)
Customer Rebate Revenue	(\$25,346)
Carryover Deferred Revenue	\$0

Attachment A, pages 3 and 4 show the derivation of the proposed rate to rebate the revenue of \$25,346, based on projected sales volumes for Schedules 420, 424, 440 and 444 during the rebate/amortization period (November 2019 through October 2020). Interest on the deferred balance accrues at the Company’s authorized rate of return. If the proposed rebate is approved by the Commission, the 2018 deferral balance, plus interest through October, will be transferred into

<sup>2</sup> The Company’s authorized rate of return of 7.35% was approved with rates effective October 1, 2017 in Docket No. UG-325.

a regulatory liability balancing account to combine with any outstanding residual balance approved for rebate in the prior year decoupling filing (Order No. 18-394 for Docket No. UG-361, Advice No. 18-02-G). The balance in the account will be reduced each month by the rebate received by customers under the tariff. Consistent with other amortizations, interest will accrue on the amortization balance at the Modified Blended Treasury Rate.

Support showing the monthly calculation of the 2018 deferral balances for both the Residential and Non-Residential Groups is provided as Attachment B. These calculations were also provided to the Commission in quarterly reports.

### **Weather Related Deferral**

As part of the Decoupling Mechanism approved by the Commission, the Company is required to track how much of the decoupling deferral is related to weather and how much is related to conservation (non-weather). As shown on page 1 of Attachment B, of the total decoupling deferral for residential customers of \$1,269,242, weather accounted for \$686,939 and \$582,303 is attributed to conservation (non-weather). As shown on page 2 of Attachment B, of the (\$107,087) total decoupling deferral for non-residential customers, \$334,714 surcharge is attributed to weather and (\$441,802) rebate is attributed to conservation (non-weather).

### **3% Annual Rate Increase Test**

Decoupling rate adjustment surcharges are subject to a 3% annual rate increase limitation. The 3% annual rate increase limitation is determined by dividing the incremental annual revenue to be collected 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 balance will be carried over to the following year. As stated in the decoupling tariff on First Revision Sheet 475C “there is no limit to rebate rate adjustments, and the reversal of any rebate rate would not be included in the 3% incremental surcharge test”.

This year the rates in place for the prior year were both rebates, therefore the 3% tests shown on Page 6 of Attachment A compare the proposed rates to \$0, resulting in incremental surcharge/rebate percentages of 2.72% for the Residential group and (0.9)% for the Non-Residential group. Since neither the Residential nor Non-Residential groups exceeded 3%, the limitation was not applicable in 2018.

### **Existing Customers and New Customers**

The decoupling mechanism approved by the Commission in Docket No. UG-288 excludes new customers. The language in the Settlement Stipulation<sup>3</sup> states that new customers, defined as new

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<sup>3</sup> Order No. 16-076, Appendix A, page 7.

meters hooked up to Avista's distribution system, will not be included in the decoupling mechanism unless those new meters were included in the test year forecast of revenues. Specifically, the number of customers decoupled each month cannot exceed the monthly forecasted number of customers, by rate group, included in the rate year forecasted customers. The Company uses the new customer hookup report to determine the average decoupled revenue per new customer. The average decoupled revenue per customer is then multiplied by the number of actual customers that exceed the monthly forecasted level of customers. That amount would then be deducted from the monthly actual decoupled revenue prior to calculating the decoupling deferral entry.

Avista tracked the usage of new customers since January 1, 2017 for the period of January – December 2018 as compared with existing customers<sup>4</sup> for Docket No. UG-325. The Decoupling Mechanism Quarterly Reports (RG 78) provide the specific usage characteristic details of new customers versus existing customers. Avista will continue to track the usage of new customers over the term of the Decoupling Mechanism.

### **Other Information**

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

<b><u>Rate Schedule</u></b>	<b><u>Number of Customers</u></b>
Schedule 410	92,202
Schedule 420	11,877
Schedule 424	91
Schedule 444	4

Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Change to Monthly Cost	% Change Monthly Cost
410	Residential	\$ 53,596,121	\$ 57,101,303	\$ 3,505,182	6.5%	46	\$ 48.11	\$ 51.25	\$ 3.14	6.5%
420	General	\$ 24,771,096	\$ 25,375,656	\$ 604,560	2.4%	197	\$ 174.15	\$ 178.40	\$ 4.25	2.4%
424	Large General	\$ 1,798,192	\$ 1,892,569	\$ 94,377	5.2%	3,990	\$ 1,640.57	\$ 1,726.68	\$ 86.11	5.2%
440	Interruptible	\$ 1,748,440	\$ 1,927,134	\$ 178,694	10.2%	17,038	\$ 3,597.57	\$ 3,965.25	\$ 367.68	10.2%
444	Seasonal	\$ 91,583	\$ 96,169	\$ 4,586	5.0%	4,087	\$ 1,761.21	\$ 1,849.41	\$ 88.20	5.0%

After combining the impact of this filing with the four other regulatory filings which also have a November 1, 2019 effective date<sup>5</sup>, a residential customer using an average of 46 therms a month

<sup>4</sup> "Existing customers" were in service prior to 2017. "New customers" consist of all new hookups in 2017 and after.

<sup>5</sup> On July 31, 2019, Avista filed to update effective November 1, 2019 Schedule 476 Intervenor Funding (Advice No. 19-03-G), Schedule 461/462 PGA (Advice No. 19-04-G), Schedule 475 Decoupling (Advice No. 19-05-G)

could expect their bill to *increase* by \$5.07, or 10.5 percent, for a revised monthly bill of \$53.18 effective November 1, 2019.

The Company will issue a media release coincident with the annual PGA filing and provide notice to customers via a newspaper advertisement following the updated PGA filing in mid-September.

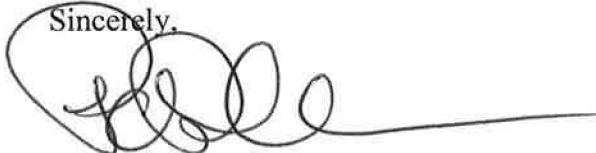
**3% Test for Amortizations (All November 1 Filings)**

Pursuant to ORS 757.259 and OAR 860-027-0300, the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the proceeding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. As shown on Attachment C of the Company's PGA workpapers (UG-368, Advice No. 19-04-G), total gross revenue for calendar year 2018 was \$145,242,892 and Decoupling is a surcharge of \$1,376,110. The resulting annual average rate impact from the Decoupling amortization is 0.9%.<sup>6</sup>

Including the effect of the Company's other four amortization rates filed coincident with the Decoupling filing (Intervenor Funding Advice No. 19-03-G, Purchased Gas Cost Adjustment Advice No. 19-04-G, Demand Side Management Amortization Advice No. 19-06-G, and Bank Payment Fee Free Amortization Advice No. 19-07-G) the resulting annual average rate impact from the Company's qualifying amortization is 0.3%.

Please direct any questions regarding this filing to Tara Knox at (509) 495-4325 or Joel Anderson at (509) 495-2811.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Ehrbar', with a long horizontal line extending to the right.

Patrick Ehrbar  
Director of Regulatory Affairs

Enc.

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Schedule 478 Demand Side Management (Advice No. 19-06-G), and Schedule 484 Bank Fee Free (Advice No. 19-07-G), and the net effect of all filings is a revenue increase of \$8.3 million or 9.8%.

<sup>6</sup> Please see attachment C included in the Purchase Gas Adjustment workpapers.

BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES  
ADVICE NO. 19-05-G

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**Tariff Sheets**

July 31, 2019



AVISTA CORPORATION  
dba Avista Utilities**SCHEDULE 475  
DECOUPLING MECHANISM – NATURAL GAS****PURPOSE:**

This Schedule establishes balancing accounts and implements an annual rate adjustment mechanism that decouples or separates the recovery of the Company's Commission authorized revenues from the therm sales to customers served under the applicable natural gas service schedules.

**APPLICABLE:**

To Customers in the State of Oregon where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 410, 420, 424, 440, and 444. This Schedule does not apply to Schedule 447 (Special Contract Natural Gas Service) or Schedule 456 (Interruptible Transportation Service For Customer-Owned Gas). Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 410

Group 2 – Schedules 420, 424, 440 and 444

**MONTHLY RATE:**

Group 1 – \$0.02730 per therm

Group 2 – (\$0.00062) per therm

(I)

(I)

**DESCRIPTION OF THE NATURAL GAS DECOUPLING MECHANISM:**Calculation of Monthly Allowed Delivery Revenue Per Customer:

Step 1 – Determine the Total Delivery Revenue - The Total Normalized Revenue is equal to the final approved base rate revenue approved in the Company's last general rate case, individually for each Rate Schedule.

Advice No. 19-05-G  
Issued July 31, 2019Effective For Service On & After  
November 1, 2019Issued by: Avista Utilities  
By: 

Patrick Ehrbar, Director of Regulatory Affairs



BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES  
ADVICE NO. 19-05-G

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**ATTACHMENT A**  
**DECOUPLING RATE ADJUSTMENT CALCULATION**

July 31, 2019

Avista Utilities  
Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates  
Effective November 1, 2019 - October 31, 2020

RESIDENTIAL GROUP				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		0.02609	3.74%	
2	Oct-19	\$1,339,235		
3	Nov-19	\$1,185,031	\$3,928	6,061,018
4	Dec-19	\$958,355	\$3,335	8,816,056
5	Jan-20	\$723,953	\$2,618	9,084,686
6	Feb-20	\$549,789	\$1,982	6,751,459
7	Mar-20	\$400,828	\$1,479	5,766,214
8	Apr-20	\$298,315	\$1,088	3,970,883
9	May-20	\$239,036	\$836	2,304,127
10	Jun-20	\$198,775	\$681	1,569,272
11	Jul-20	\$164,452	\$565	1,337,218
12	Aug-20	\$131,469	\$460	1,281,878
13	Sep-20	\$95,616	\$353	1,387,741
14	Oct-20	\$17,395	\$176	3,004,858
15	Annual Total		\$17,501	51,335,409
16	Incremental Rate to Recover Estimated Interest		\$0.00034	
17	Estimated Rate to Recover Deferral Balance		\$0.02609	
18	Rate before Gross-up for Revenue-related items		\$0.02643	
19	Times: Gross-up for Revenue-related items (3)		1.03278	
20	Preliminary Proposed Decoupling Rate		\$0.02730	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed Decoupling Rate		\$0.02730	Surcharge Rate
23	Adjusted for Revenue Related Expenses		\$0.02643	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of \$0.02609 to rebate the October 2019 balance of \$1,339,235 over 12 months. See page 2 and 5 of Attachment A for October 2019 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the Modified Blended Treasury Rate.
- (3) UG 325 conversion factor, see page 7 of Attachment A.
- (4) See page 6 of Attachment A for 3% test adjustment calculations.
- (5) See page 2 of Attachment A for estimated carryover balance calculations.

RESIDENTIAL GROUP

Calculate Estimated Monthly Balances through October 2020

Line No.		Ending Balance	Allowed Rate of Return 7.35% (Deferral) & 3.74% (Amort)	Amortization
1	Dec-18	<b>\$1,269,242</b>		
2	Jan-19	\$1,277,016	\$7,774	
3	Feb-19	\$1,284,838	\$7,822	
4	Mar-19	\$1,292,707	\$7,870	
5	Apr-19	\$1,300,625	\$7,918	
6	May-19	\$1,308,592	\$7,966	
7	Jun-19	\$1,316,607	\$8,015	
8	Jul-19	\$1,324,671	\$8,064	
9	Aug-19	\$1,332,785	\$8,114	
10	Sep-19	\$1,340,948	\$8,163	
11	<b>Oct-19</b>	<b>\$1,349,161</b>	<b>\$8,213</b>	
12	prior year balance	<b>\$ (9,926)</b>		
13	Nov-19	\$1,182,998	\$3,955	\$160,193
14	Dec-19	\$953,313	\$3,324	\$233,008
15	Jan-20	\$715,802	\$2,597	\$240,108
16	Feb-20	\$539,314	\$1,953	\$178,441
17	Mar-20	\$388,356	\$1,443	\$152,401
18	Apr-20	\$284,452	\$1,047	\$104,950
19	May-20	\$224,346	\$792	\$60,898
20	Jun-20	\$183,505	\$635	\$41,476
21	Jul-20	\$148,679	\$517	\$35,343
22	Aug-20	\$115,209	\$411	\$33,880
23	Sep-20	\$78,833	\$302	\$36,678
24	<b>Oct-20</b>	<b>(\$463)</b>	<b>\$122</b>	<b>\$79,418</b>
25	Total		\$97,016	\$1,356,795

**Summary**

26	2018 Deferred Revenue	\$1,269,242
27	Add Prior Year Residual/Carryover Bal.	\$ (9,926)
28	Add Interest through 10/31/2020	\$97,016
29	Add Revenue Related Expense Adj.	\$45,125
30	Total Requested Recovery	<u>\$1,401,457</u>
31	Customer Surcharge Revenue	\$1,401,457
32	Carryover Deferred Revenue	\$0

Avista Utilities  
Calculation of Decoupling Mechanism Surcharge or Rebate Amortization Rates  
Effective November 1, 2019 - October 31, 2020

NON-RESIDENTIAL GROUP				
Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.00059	3.74%	
2	Oct-19	(\$23,965)		
3	Nov-19	(\$21,360)	(\$71)	4,534,947
4	Dec-19	(\$17,963)	(\$61)	5,860,782
5	Jan-20	(\$14,388)	(\$50)	6,144,891
6	Feb-20	(\$11,645)	(\$41)	4,717,509
7	Mar-20	(\$9,268)	(\$33)	4,083,341
8	Apr-20	(\$7,548)	(\$26)	2,960,057
9	May-20	(\$6,419)	(\$22)	1,950,619
10	Jun-20	(\$5,430)	(\$18)	1,706,669
11	Jul-20	(\$4,390)	(\$15)	1,789,534
12	Aug-20	(\$3,302)	(\$12)	1,863,502
13	Sep-20	(\$2,084)	(\$8)	2,079,984
14	Oct-20	(\$205)	(\$4)	3,189,425
15	Annual Total		(\$361)	40,881,261
16	Incremental Rate to Recover Estimated Interest		(\$0.00001)	
17	Estimated Rate to Recover Deferral Balance		(\$0.00059)	
18	Rate before Gross-up for Revenue-related items		(\$0.00060)	
19	Times: Gross-up for Revenue-related items (3)		1.032780	
20	Preliminary Proposed Decoupling Rate		(\$0.00062)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed Decoupling Rate		(\$0.00062)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.00060)	Amortization Rate
24	Estimated Carryover Balance (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.00059 to recover the October 2019 balance of -\$023,965 over 12 months. See page 4 and 5 of Attachment A for October 2019 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the Modified Blended Treasury Rate.
- (3) UG 325 conversion factor, see page 7 of Attachment A.
- (4) See page 6 of Attachment A for 3% test adjustment calculations.
- (5) See page 4 of Attachment A for estimated carryover balance calculations.

**NON-RESIDENTIAL GROUP**

**Calculate Estimated Monthly Balances through October 2020**

Line No.		Ending Balance	Allowed Rate of Return 7.35% (Deferral) & 3.74% (Amort)	Amortization
1	Dec-18	(\$107,087)		
2	Jan-19	(\$107,743)	(\$656)	
3	Feb-19	(\$108,403)	(\$660)	
4	Mar-19	(\$109,067)	(\$664)	
5	Apr-19	(\$109,735)	(\$668)	
6	May-19	(\$110,407)	(\$672)	
7	Jun-19	(\$111,083)	(\$676)	
8	Jul-19	(\$111,764)	(\$680)	
9	Aug-19	(\$112,448)	(\$685)	
10	Sep-19	(\$113,137)	(\$689)	
11	<b>Oct-19</b>	<b>(\$113,830)</b>	<b>(\$693)</b>	
12	prior year balance	\$ <b>89,865</b>		
13	Nov-19	(\$21,594)	(\$351)	(\$2,721)
14	Dec-19	(\$18,140)	(\$62)	(\$3,516)
15	Jan-20	(\$14,504)	(\$51)	(\$3,687)
16	Feb-20	(\$11,714)	(\$41)	(\$2,831)
17	Mar-20	(\$9,296)	(\$33)	(\$2,450)
18	Apr-20	(\$7,547)	(\$26)	(\$1,776)
19	May-20	(\$6,398)	(\$22)	(\$1,170)
20	Jun-20	(\$5,392)	(\$18)	(\$1,024)
21	Jul-20	(\$4,334)	(\$15)	(\$1,074)
22	Aug-20	(\$3,227)	(\$12)	(\$1,118)
23	Sep-20	(\$1,988)	(\$8)	(\$1,248)
24	<b>Oct-20</b>	<b>(\$77)</b>	<b>(\$3)</b>	<b>(\$1,914)</b>
25	Total		(\$7,384)	(\$24,529)

**Summary**

26	2018 Deferred Revenue	(\$107,087)
27	Add Prior Year Residual/Carryover Bal.	\$ 89,865
28	Add Interest through 10/31/2020	(\$7,384)
29	Add Revenue Related Expense Adj.	(\$741)
30	Total Requested Recovery	(\$25,346)
31	Customer Rebate Revenue	(\$25,346)
32	Carryover Deferred Revenue	\$0

Avista Utilities  
Decoupling Mechanism Prior Surcharge or Rebate Amortization  
Effective November 1, 2018 - October 31, 2019

**Residential Natural Gas Surcharge**

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	July - October Forecast Usage
1	Nov-18	\$ (1,993,195.07)	(\$4,626.51)	\$ 183,780.04	\$ (1,814,041.54)	2.92%	
2	Dec-18	\$ (1,814,041.54)	(\$3,987.57)	\$ 350,631.98	\$ (1,467,397.13)	2.92%	
3	Jan-19	\$ (1,467,397.13)	(\$3,225.60)	\$ 283,615.15	\$ (1,187,007.58)	2.92%	
4	Feb-19	\$ (1,187,007.58)	(\$2,454.01)	\$ 357,019.38	\$ (832,442.21)	2.92%	
5	Mar-19	\$ (832,442.21)	(\$1,706.35)	\$ 262,401.69	\$ (571,746.87)	2.92%	
6	Apr-19	\$ (571,746.87)	(\$1,215.57)	\$ 144,396.86	\$ (428,565.58)	2.92%	
7	May-19	\$ (428,565.58)	(\$932.18)	\$ 90,954.20	\$ (338,543.56)	2.92%	
8	Jun-19	\$ (338,543.56)	(\$754.77)	\$ 56,725.72	\$ (282,572.61)	2.92%	
9	Jul-19	\$ (282,572.61)	(\$624.06)	\$ 52,220.27	\$ (230,976.40)	2.92%	1,316,035
10	Aug-19	\$ (230,976.40)	(\$501.93)	\$ 49,411.26	\$ (182,067.07)	2.92%	1,245,243
11	Sep-19	\$ (182,067.07)	(\$379.04)	\$ 52,594.16	\$ (129,851.95)	2.92%	1,325,458
12	Oct-19	\$ (129,851.95)	(\$169.86)	\$ 120,095.68	\$ (9,926.13)	2.92%	3,026,605

**Non-Residential Natural Gas Surcharge**

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	July - October Forecast Usage
13	Nov-18	\$ (777,758.46)	(\$1,808.00)	\$ 69,485.52	\$ (710,080.94)	2.92%	
14	Dec-18	\$ (710,080.94)	(\$1,583.83)	\$ 118,386.53	\$ (593,278.24)	2.92%	
15	Jan-19	\$ (593,278.24)	(\$1,318.29)	\$ 103,027.70	\$ (491,568.83)	2.92%	
16	Feb-19	\$ (491,568.83)	(\$1,035.40)	\$ 132,121.90	\$ (360,482.33)	2.92%	
17	Mar-19	\$ (360,482.33)	(\$747.01)	\$ 106,986.79	\$ (254,242.55)	2.92%	
18	Apr-19	\$ (254,242.55)	(\$538.76)	\$ 65,672.73	\$ (189,108.58)	2.92%	
19	May-19	\$ (189,108.58)	(\$396.93)	\$ 51,970.00	\$ (137,535.51)	2.92%	
20	Jun-19	\$ (137,535.51)	(\$287.35)	\$ 38,895.96	\$ (98,926.90)	2.92%	
21	Jul-19	\$ (98,926.90)	(\$194.33)	\$ 38,129.19	\$ (60,992.04)	2.92%	1,773,451
22	Aug-19	\$ (60,992.04)	(\$99.71)	\$ 40,027.89	\$ (21,063.86)	2.92%	1,861,762
23	Sep-19	\$ (21,063.86)	\$3.79	\$ 45,242.04	\$ 24,181.97	2.92%	2,104,281
24	Oct-19	\$ 24,181.97	\$138.59	\$ 65,544.53	\$ 89,865.09	2.92%	3,048,583

Avista Utilities  
Decoupling Mechanism 3% Test  
2018 Oregon Natural Gas Deferrals

Line No.		Residential	Non-Residential	Total
1	Revenue From 2018 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$51,603,679	\$27,053,245	\$78,656,924
2	November 2019 - October 2020 Usage	51,335,409	40,881,261	
3	Proposed Decoupling Recovery Rates	\$0.02730	-\$0.00062	
4	Present Decoupling Recovery Rates (Note 2)	\$0.00000	\$0.00000	
5	Incremental Decoupling Recovery Rates	\$0.02730	-\$0.00062	
6	Incremental Recovery	\$1,401,457	(\$25,346)	\$1,376,110
7	Incremental Surcharge/Rebate %	2.72%	-0.09%	
8	3% Test Adjustment (Note 3 and 4)	\$0	\$0	\$0
9	3% Test Rate Adjustment	\$0.00000	\$0.00000	
10	Adjusted Proposed Decoupling Recovery Rates	\$0.02730	-\$0.00062	
11	Adjusted Incremental Decoupling Recovery	\$1,401,457	(\$25,346)	\$1,376,110
12	Adjusted Incremental Surcharge/Rebate %	2.72%	-0.09%	1.75%

Notes

(1) 2018 Normalized Revenue from Revenue System Reports, Weather Normalization model, with effective rates at March 1, 2019.

(2) As stated on tariff Sheet 475C, the reversal of a rebate rate is not included in the 3% incremental surcharge test. Therefore the 'Present Decoupling Recovery Rates' are \$0.00 in this incremental rate calculation.

(3) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.

(4) There is no limit to incremental recovery reduction.



**AVISTA UTILITIES  
OREGON NATURAL GAS  
CONVERSION FACTOR EXHIBIT  
TWELVE MONTHS BASE YEAR ENDED JUNE 30, 2016**

<b>Line No.</b>	<b>Description</b>	<b>Factor</b>	
1	<b>Revenues</b>	1.000000	1.000000
2	<b>Expense:</b>		
3	Uncollectibles	0.006335	0.006335
4	Commission Fees	0.003000	0.003000
5	Energy Resource Supplier Assessment	0.001172	0.001172
6	Franchise Fees	0.021230	0.021230
7	Oregon Excise Tax	0.000000	
5	Total Expense	0.031737	0.031737
6	Net Operating Income Before FIT	0.968263	0.968263
7	Federal Income Tax @ 21%	0.203335	
8	REVENUE CONVERSION FACTOR	0.764928	0.968263
9	Gross Up Factor		1.03278

Conversion Factor From Docket No. UG-325 with Federal Income Tax Rate Updated

BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES  
ADVICE NO. 19-05-G

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**ATTACHMENT B**  
**2018 DECOUPLING DEFERRED REVENUE**

July 31, 2019

**Avista Utilities**  
**Natural Gas Decoupling Mechanism (Oregon)**  
**Development of OR Natural Gas Deferrals (Calendar Year 2018)**  
**Docket No. UG-325 Rates Eff. October 1, 2017 and November 1, 2017**

Line No.		Source	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Residential Group															
1	Rate Year Allowed Customers	Page 3	90,463	90,463	90,455	90,379	90,208	89,906	89,583	89,345	89,344	88,757	89,449	90,099	1,078,451
2	Total Actual Billed Customers	Revenue Reports	90,112	90,142	90,337	90,197	90,101	89,830	89,683	89,582	89,455	90,312	90,598	91,079	1,081,428
3	Total Actual Usage (Therms)	Revenue Reports	7,075,606	7,049,650	6,274,853	3,880,081	1,913,786	1,304,504	1,063,320	1,138,988	1,170,186	3,005,114	5,324,906	8,893,698	48,094,692
4	Total Actual Base Rate Revenue	Revenue Reports	\$ 5,054,766	\$ 5,076,233	\$ 4,621,000	\$ 3,199,683	\$ 2,100,230	\$ 1,640,635	\$ 1,515,892	\$ 1,505,322	\$ 1,612,531	\$ 2,830,206	\$ 4,388,720	\$ 6,211,830	\$ 39,757,048
5	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 906,476	\$ 905,311	\$ 908,238	\$ 907,143	\$ 907,100	\$ 905,038	\$ 903,309	\$ 902,255	\$ 899,116	\$ 907,168	\$ 909,654	\$ 914,451	\$ 10,875,259
6	New Hook-up Customers Billed	Revenue Reports	1,657	1,731	1,854	1,990	2,031	2,130	2,181	2,227	2,387	2,487	2,655	2,792	26,122
7	New Hook-up Usage (Therms)	Revenue Reports	114,336	95,666	113,214	80,664	47,628	24,610	20,270	18,325	23,034	36,613	92,495	169,281	836,135
8	New Hook-up Base Rate Revenue	Revenue Reports	\$ 83,660	\$ 73,390	\$ 84,837	\$ 66,839	\$ 47,942	\$ 35,194	\$ 33,156	\$ 32,409	\$ 36,956	\$ 45,775	\$ 80,530	\$ 127,437	\$ 748,126
9	New Hook-up Fixed Charge Revenue	Revenue Reports	\$ 15,886	\$ 16,684	\$ 17,729	\$ 19,025	\$ 19,710	\$ 20,605	\$ 21,139	\$ 21,546	\$ 23,301	\$ 24,072	\$ 25,702	\$ 27,095	\$ 252,494
10	Actual Customers	Rate Year Adjusted	90,112	90,142	90,337	90,197	90,101	89,830	89,583	89,345	89,344	88,757	89,449	90,099	1,077,296
11	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$57.01	\$42.35	\$38.50	\$26.88	\$17.44	\$11.19	\$9.27	\$8.70	\$8.74	\$18.70	\$38.79	\$56.44	\$334.02
12	Decoupled Revenue	(10) x (11)	\$ 5,137,056	\$ 3,817,312	\$ 3,478,160	\$ 2,424,882	\$ 1,570,985	\$ 1,005,433	\$ 830,673	\$ 777,357	\$ 781,006	\$ 1,659,383	\$ 3,470,124	\$ 5,085,631	\$ 30,038,001
13	Actual Base Rate Revenue (Excludes Gas Costs)	Rate Year Adjusted	\$ 5,054,766	\$ 5,076,233	\$ 4,621,000	\$ 3,199,683	\$ 2,100,230	\$ 1,640,635	\$ 1,514,371	\$ 1,501,873	\$ 1,610,813	\$ 2,801,585	\$ 4,353,870	\$ 6,167,099	\$ 39,642,157
14	Actual Fixed Charge Revenue	Rate Year Adjusted	\$ 906,476	\$ 905,311	\$ 908,238	\$ 907,143	\$ 907,100	\$ 905,038	\$ 902,340	\$ 899,962	\$ 898,032	\$ 892,116	\$ 898,531	\$ 904,941	\$ 10,835,229
15	Customer Decoupled Payments	(13) - (14)	\$ 4,148,289	\$ 4,170,922	\$ 3,712,762	\$ 2,292,540	\$ 1,193,130	\$ 735,597	\$ 612,031	\$ 601,911	\$ 712,781	\$ 1,909,469	\$ 3,455,339	\$ 5,262,158	\$ 28,806,928
16	Residential Revenue Per Customer Received		\$46.03	\$46.27	\$41.10	\$25.42	\$13.24	\$8.19	\$6.83	\$6.74	\$7.98	\$21.51	\$38.63	\$58.40	
17	Deferral - Surcharge (Rebate)	(12) - (15)	\$ 988,766	\$ (353,610)	\$ (234,601)	\$ 132,342	\$ 377,855	\$ 269,836	\$ 218,641	\$ 175,446	\$ 68,226	\$ (250,086)	\$ 14,785	\$ (176,527)	\$ 1,231,073
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (31,380)	\$ 11,223	\$ 7,446	\$ (4,200)	\$ (11,992)	\$ (8,564)	\$ (6,939)	\$ (5,568)	\$ (2,165)	\$ 7,937	\$ (469)	\$ 5,602	\$ (39,071)
19		Authorized ROR	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	
20	Interest on Deferral	Avg Balance Calc	\$ 2,932	\$ 4,833	\$ 3,119	\$ 2,835	\$ 4,365	\$ 6,312	\$ 7,799	\$ 9,016	\$ 9,794	\$ 9,314	\$ 8,674	\$ 8,247	\$ 77,239
21	Monthly Residential Deferral Totals		\$ 960,318	\$ (337,554)	\$ (224,037)	\$ 130,977	\$ 370,228	\$ 267,584	\$ 219,502	\$ 178,894	\$ 75,854	\$ (232,834)	\$ 22,989	\$ (162,678)	\$ 1,269,242
22	Cumulative Deferral Balance	Σ((17) + (20))	\$ 960,318	\$ 622,764	\$ 398,727	\$ 529,704	\$ 899,931	\$ 1,167,515	\$ 1,387,017	\$ 1,565,911	\$ 1,641,765	\$ 1,408,930	\$ 1,431,920	\$ 1,269,242	
23	Weather Related Deferred Revenue		\$ 575,857	\$ (355,903)	\$ (198,352)	\$ 114,421	\$ 347,942	\$ 35,677	\$ 987	\$ (578)	\$ (15,328)	\$ 43,722	\$ 125,169	\$ 457	
24	Revenue Related Expenses		\$ (18,276)	\$ 11,295	\$ 6,295	\$ (3,631)	\$ (11,043)	\$ (1,132)	\$ (31)	\$ 486	\$ (1,388)	\$ (3,972)	\$ (14)		
25	Interest		\$ 1,708	\$ 2,370	\$ 741	\$ 3,765	\$ 1,891	\$ 3,040	\$ 3,168	\$ 3,188	\$ 3,160	\$ 3,264	\$ 3,785	\$ 4,181	
26	Total Residential Weather Related Deferral Surcharge (Rebate)		\$ 559,289	\$ (342,237)	\$ (191,315)	\$ 114,554	\$ 338,791	\$ 37,585	\$ 4,123	\$ 2,629	\$ (11,682)	\$ 45,598	\$ 124,982	\$ 4,623	
27	Cumulative Weather Related Deferral Balance		\$ 559,289	\$ 217,052	\$ 25,736	\$ 140,290	\$ 479,081	\$ 516,666	\$ 520,789	\$ 523,418	\$ 511,737	\$ 557,335	\$ 682,317	\$ 686,939	
28	Conservation (Non-Weather) Related Deferred Revenue		\$ 412,909	\$ 2,293	\$ (36,250)	\$ 17,922	\$ 29,912	\$ 234,159	\$ 217,654	\$ 176,024	\$ 83,554	\$ (293,808)	\$ (110,384)	\$ (176,984)	
29	Revenue Related Expenses		\$ (13,104)	\$ (73)	\$ 1,150	\$ (569)	\$ (949)	\$ (7,431)	\$ (6,908)	\$ (5,586)	\$ (2,652)	\$ 9,325	\$ 3,503	\$ 5,617	
30	Interest		\$ 1,224	\$ 2,463	\$ 2,377	\$ (930)	\$ 2,474	\$ 3,272	\$ 4,632	\$ 5,828	\$ 6,633	\$ 6,050	\$ 4,889	\$ 4,067	
31	Total Residential Conservation (Non-Weather) Related Deferral Surcharge (Rebate)		\$ 401,029	\$ 4,683	\$ (32,722)	\$ 16,423	\$ 31,437	\$ 229,999	\$ 215,378	\$ 176,265	\$ 87,535	\$ (278,433)	\$ (101,992)	\$ (167,300)	
32	Cumulative Conservation (Non-Weather) Related Deferral Balance		\$ 401,029	\$ 405,712	\$ 372,991	\$ 389,413	\$ 420,850	\$ 650,850	\$ 866,228	\$ 1,042,493	\$ 1,130,028	\$ 851,596	\$ 749,603	\$ 582,303	
33	Residential Cumulative Deferral Surcharge (Rebate) Balance		\$ 960,318	\$ 622,764	\$ 398,727	\$ 529,704	\$ 899,931	\$ 1,167,515	\$ 1,387,017	\$ 1,565,911	\$ 1,641,765	\$ 1,408,930	\$ 1,431,920	\$ 1,269,242	

**Avista Utilities**  
**Natural Gas Decoupling Mechanism (Oregon)**  
**Development of OR Natural Gas Deferrals (Calendar Year 2018)**  
**Docket No. UG-325 Rates Eff. October 1, 2017 and November 1, 2017**

Line No.	Source	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
Non-Residential Group															
1	Rate Year Allowed Customers	Page 3	11,860	11,900	11,904	11,870	11,854	11,828	11,790	11,769	11,761	11,663	11,736	11,804	141,739
2	Total Actual Billed Customers	Revenue Reports	11,945	11,877	11,905	11,903	11,858	11,846	11,796	11,789	11,654	11,914	11,876	11,945	142,308
3	Total Actual Usage (Therms)	Revenue Reports	4,834,145	4,607,237	4,039,470	2,922,915	1,763,942	1,608,748	1,380,426	1,666,049	1,685,555	2,436,525	3,257,314	5,634,308	35,836,635
4	Total Actual Base Rate Revenue	Revenue Reports	\$ 2,470,125	\$ 2,358,231	\$ 2,103,405	\$ 1,510,377	\$ 914,481	\$ 807,325	\$ 720,859	\$ 785,291	\$ 785,483	\$ 1,269,467	\$ 1,908,084	\$ 2,902,123	\$ 18,535,250
5	Total Actual Fixed Charge Revenue	Revenue Reports	\$ 224,100	\$ 205,456	\$ 205,342	\$ 205,354	\$ 204,544	\$ 204,163	\$ 203,402	\$ 203,312	\$ 200,794	\$ 205,159	\$ 204,759	\$ 205,318	\$ 2,471,702
6	New Hook-up Customers Billed	Revenue Reports	197	209	224	226	232	255	253	257	262	281	292	330	3,018
7	New Hook-up Usage (Therms)	Revenue Reports	82,990	65,885	72,823	53,002	33,571	21,802	68,476	45,224	43,618	45,526	109,645	196,690	839,253
8	New Hook-up Base Rate Revenue	Revenue Reports	\$ 45,478	\$ 36,364	\$ 40,635	\$ 30,359	\$ 21,709	\$ 16,102	\$ 33,875	\$ 16,254	\$ 17,418	\$ 24,095	\$ 49,334	\$ 79,873	\$ 411,495
9	New Hook-up Fixed Charge Revenue	Revenue Reports	\$ 3,219	\$ 3,453	\$ 3,879	\$ 3,829	\$ 3,999	\$ 4,315	\$ 4,342	\$ 4,318	\$ 4,425	\$ 4,658	\$ 5,195	\$ 5,545	\$ 51,176
10	Actual Customers	Rate Year Adjusted	11,860	11,877	11,904	11,870	11,854	11,828	11,790	11,769	11,654	11,663	11,736	11,804	141,609
11	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$198.44	\$150.89	\$140.42	\$97.30	\$68.88	\$51.28	\$53.63	\$56.35	\$68.03	\$103.00	\$155.01	\$200.86	\$1,344.10
12	Decoupled Revenue	(10) x (11)	\$ 2,353,539	\$ 1,792,177	\$ 1,671,497	\$ 1,154,992	\$ 816,499	\$ 606,546	\$ 632,335	\$ 663,195	\$ 792,793	\$ 1,201,271	\$ 1,819,244	\$ 2,370,927	\$ 15,875,017
13	Actual Base Rate Revenue (Excludes Gas Costs)	Rate Year Adjusted	\$ 2,450,555	\$ 2,358,231	\$ 2,103,187	\$ 1,505,922	\$ 914,078	\$ 806,198	\$ 720,110	\$ 784,016	\$ 785,483	\$ 1,247,955	\$ 1,884,450	\$ 2,867,938	\$ 18,428,123
14	Actual Fixed Charge Revenue	Rate Year Adjusted	\$ 222,714	\$ 205,456	\$ 205,321	\$ 204,792	\$ 204,470	\$ 203,861	\$ 203,306	\$ 202,974	\$ 200,794	\$ 201,001	\$ 202,270	\$ 202,944	\$ 2,459,903
15	Customer Decoupled Payments	(13) - (14)	\$ 2,227,840	\$ 2,152,775	\$ 1,897,866	\$ 1,301,130	\$ 709,608	\$ 602,337	\$ 516,803	\$ 581,042	\$ 584,689	\$ 1,046,955	\$ 1,682,180	\$ 2,664,994	\$ 15,968,220
16	Non-Residential Revenue Per Customer Received		\$187.84	\$181.26	\$159.43	\$109.62	\$59.86	\$50.92	\$43.83	\$49.37	\$50.17	\$89.77	\$143.33	\$225.77	
17	Deferral - Surcharge (Rebate)	(12) - (15)	\$ 125,699	\$ (360,598)	\$ (226,369)	\$ (146,138)	\$ 106,891	\$ 4,209	\$ 115,532	\$ 82,153	\$ 208,104	\$ 154,316	\$ 137,064	\$ (294,067)	\$ (93,203)
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (3,989)	\$ 11,444	\$ 7,184	\$ 4,638	\$ (3,392)	\$ (134)	\$ (3,667)	\$ (2,607)	\$ (6,605)	\$ (4,898)	\$ (4,350)	\$ 9,333	\$ 2,958
19		Authorized ROR	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	
20	Interest on Deferral	Avg Balance Calc	\$ 373	\$ (322)	\$ (2,064)	\$ (3,181)	\$ (3,317)	\$ (3,008)	\$ (2,671)	\$ (2,102)	\$ (1,254)	\$ (187)	\$ 676	\$ 215	\$ (16,842)
21	Monthly Non-Residential Deferral Totals		\$ 122,082	\$ (349,475)	\$ (221,248)	\$ (144,681)	\$ 100,181	\$ 1,067	\$ 109,194	\$ 77,444	\$ 200,245	\$ 149,232	\$ 133,390	\$ (284,519)	\$ (107,087)
22	Cumulative Deferral (Rebate) Balance	Σ((17) + (20))	\$ 122,082	\$ (227,393)	\$ (448,641)	\$ (593,322)	\$ (493,141)	\$ (492,074)	\$ (382,880)	\$ (305,436)	\$ (105,190)	\$ 44,042	\$ 177,432	\$ (107,087)	
23	Weather Related Deferred Revenue		\$ 277,190	\$ (161,039)	\$ (90,215)	\$ 52,853	\$ 158,748	\$ 21,640	\$ 1,619	\$ (432)	\$ (13,852)	\$ 28,429	\$ 55,806	\$ (1,001)	
24	Revenue Related Expenses		\$ (8,797)	\$ 5,111	\$ 2,863	\$ (1,677)	\$ (5,038)	\$ (687)	\$ (51)	\$ 14	\$ 440	\$ (902)	\$ (1,771)	\$ 32	
25	Interest		\$ 822	\$ 1,171	\$ 434	\$ 325	\$ 955	\$ 1,496	\$ 1,574	\$ 1,587	\$ 1,554	\$ 1,607	\$ 1,867	\$ 2,041	
26	Total Non-Residential Weather Related Deferral Surcharge (Rebate)		\$ 269,215	\$ (154,757)	\$ (86,918)	\$ 51,501	\$ 154,665	\$ 22,449	\$ 3,141	\$ 1,169	\$ (11,858)	\$ 29,134	\$ 55,902	\$ 1,071	
27	Cumulative Weather Related Deferral Balance		\$ 269,215	\$ 114,458	\$ 27,540	\$ 79,041	\$ 233,706	\$ 256,155	\$ 259,297	\$ 260,466	\$ 248,607	\$ 277,741	\$ 333,643	\$ 334,714	
28	Conservation (Non-Weather) Related Deferred Revenue		\$ (151,491)	\$ (199,558)	\$ (136,154)	\$ (198,991)	\$ (51,857)	\$ (17,432)	\$ 113,913	\$ 82,585	\$ 221,956	\$ 125,887	\$ 81,258	\$ (293,066)	
29	Revenue Related Expenses		\$ 4,808	\$ 6,333	\$ 4,321	\$ 6,315	\$ 1,646	\$ 553	\$ (3,615)	\$ (2,621)	\$ (7,044)	\$ (3,995)	\$ (2,579)	\$ 9,301	
30	Interest		\$ (449)	\$ (1,493)	\$ (2,498)	\$ (3,507)	\$ (4,272)	\$ (4,504)	\$ (4,245)	\$ (3,688)	\$ (1,794)	\$ (1,190)	\$ (1,190)	\$ (1,826)	
31	Total Non-Residential Conservation (Non-Weather) Related Deferral Surcharge (Rebate)		\$ (147,132)	\$ (194,718)	\$ (134,331)	\$ (196,182)	\$ (54,484)	\$ (21,382)	\$ 106,052	\$ 76,275	\$ 212,104	\$ 120,098	\$ 77,489	\$ (285,590)	
32	Cumulative Conservation (Non-Weather) Related Deferral Balance		\$ (147,132)	\$ (341,850)	\$ (476,181)	\$ (672,363)	\$ (726,847)	\$ (748,229)	\$ (642,176)	\$ (565,901)	\$ (353,797)	\$ (233,700)	\$ (156,211)	\$ (441,802)	
33	Non-Residential Cumulative Deferral Surcharge (Rebate) Balance		\$ 122,082	\$ (227,393)	\$ (448,641)	\$ (593,322)	\$ (493,141)	\$ (492,074)	\$ (382,880)	\$ (305,436)	\$ (105,190)	\$ 44,042	\$ 177,432	\$ (107,087)	
34	Total Oregon Cumulative Deferral Balance	Residential (33) + Non-Residential (33)	\$ 1,082,400	\$ 395,371	\$ (49,915)	\$ (63,619)	\$ 406,791	\$ 675,442	\$ 1,004,137	\$ 1,260,475	\$ 1,536,575	\$ 1,452,972	\$ 1,609,352	\$ 1,162,155	

**COMPLIANCE FILING #2 DECOUPLING BASELINE DOCKET NO. UG-325**

**Avista Utilities**

**Natural Gas Decoupling Mechanism (Oregon)**

**Development of Decoupled Revenue by Rate Schedule - Natural Gas**

**Docket No. UG-325 Rates Effective October 1, 2017**

		TOTAL	RESIDENTIAL SCHEDULE 410	SM COMMERCIAL & INDUSTRIAL SCH. 420	LG COMMERCIAL & INDUSTRIAL SCH. 424	INTERRUPTIBLE SCH 440	INTERRUPTIBLE SCH 444	TRANSPORTATION SCH 456/447
1 Total Normalized 09.2018 Margin Revenue	\$	59,079,000	\$ 39,110,000	\$ 15,314,000	\$ 643,000	\$ 502,000	\$ 45,000	\$ 3,465,000
2 Settlement Margin Revenue Increase	\$	2,593,000	\$ 1,249,000	\$ 1,344,000	\$ -	\$ -	\$ -	\$ -
2a Compliance Filing #2 UG-325 (Schedule 495)	\$	907,000	\$ 444,000	\$ 463,000	\$ -	\$ -	\$ -	\$ -
3 Total Delivery Revenue (09.2018 Test Year) (Ln 1 + Ln 2)	\$	62,579,000	\$ 40,803,000	\$ 17,121,000	\$ 643,000	\$ 502,000	\$ 45,000	\$ 3,465,000
4 Customer Bills (09.2018 Test Year)		1,220,646	1,078,451	140,240	1,018	434	47	456
5 Proposed Basic Charges			\$10.00	\$17.00	\$50.00	\$0.00	\$0.00	\$275.00
6 Basic Charge Revenue (Ln 4 * Ln 5)	\$	13,344,903	\$ 10,784,510	\$ 2,384,080	\$ 50,913	\$ -	\$ -	\$ 125,400
7 Decoupled Revenue (Ln 6 - Ln 3)	\$	49,234,097	\$ 30,018,490	\$ 14,736,920	\$ 592,087	\$ 502,000	\$ 45,000	\$ 3,339,600
8 Normalized Therms (09.2018 Test Year)		132,935,258	50,643,606	26,929,384	4,260,059	4,307,537	264,821	46,529,852
9 Average Number of Customers (Line 8 / 12 mos.)			Residential 89,871	Non-Residential Group 11,812				Exempt from Decoupling Mechanism
10 Annual Therms			50,643,606	35,761,801				
11 Basic Charge Revenues	\$		10,784,510	\$ 2,434,993				
12 Customer Bills			1,078,451	141,739				
13 Average Basic Charge			\$10.00	\$17.18				

**Page 1 - Baseline**

**Schedule 495 Effective November 1, 2017**

**COMPLIANCE FILING #2 DECOUPLING BASELINE DOCKET NO. UG-325**

Avista Utilities

Natural Gas Decoupling Mechanism (Oregon)

Development of Decoupled Revenue Per Customer - Natural Gas

Docket No. UG-325 Rates Effective October 1, 2017

Line No.		Source	Residential	Non-Residential Schedules*
	(a)	(b)	(c)	(d)
1	Decoupled Revenue	Page 1	\$ 30,018,490	\$ 15,876,007
2	Test Year Number of Customers 2017/2018	Revenue Data	89,871	11,812
3	Decoupled Revenue Per Customer	(1) / (2)	\$ 334.02	\$ 1,344.10

\*Schedules 420, 424, 440, and 444

Page 2 - Decoupled RPC

Schedule 495 Effective November 1, 2017

**COMPLIANCE FILING #2 DECOUPLING BASELINE DOCKET NO. UG-325**

**Avista Utilities**

**Natural Gas Decoupling Mechanism (Oregon)**

**Development of Monthly Decoupled Revenue Per Customer - Natural Gas**

**Docket No. UG-325 Rates Effective October 1, 2017**

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		<b><u>Natural Gas Delivery Volume</u></b>													
3		<b><u>Residential</u></b>													
4	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	8,643,384	6,420,703	5,837,624	4,076,155	2,643,593	1,697,007	1,405,907	1,319,175	1,325,382	2,834,629	5,881,954	8,558,093	50,643,606
5	- % of Annual Total	% of Total	17.07%	12.68%	11.53%	8.05%	5.22%	3.35%	2.78%	2.60%	2.62%	5.60%	11.61%	16.90%	100.00%
6															
7		<b><u>Non-Residential Sales*</u></b>													
8	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	5,279,786	4,014,782	3,736,008	2,588,941	1,832,694	1,364,378	1,426,942	1,499,323	1,809,975	2,740,397	4,124,341	5,344,234	35,761,801
9	- % of Annual Total	% of Total	14.76%	11.23%	10.45%	7.24%	5.12%	3.82%	3.99%	4.19%	5.06%	7.66%	11.53%	14.94%	100.00%
10															
11		<b><u>Monthly Decoupled Revenue Per Customer ("RPC")</u></b>													
12		<b><u>Residential</u></b>													
13	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 334.02
14	- Monthly Decoupled Revenue per Customer	(4) x (13)	\$ 57.01	\$ 42.35	\$ 38.50	\$ 26.88	\$ 17.44	\$ 11.19	\$ 9.27	\$ 8.70	\$ 8.74	\$ 18.70	\$ 38.79	\$ 56.44	\$ 334.02
15	- Monthly Allowed Customers		90,463	90,463	90,455	90,379	90,208	89,906	89,583	89,345	89,344	88,757	89,449	90,099	
16		<b><u>Non-Residential Sales*</u></b>													
17	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 1,344.10
18	- Monthly Decoupled Revenue per Customer	(8) x (17)	\$ 198.44	\$ 150.89	\$ 140.42	\$ 97.30	\$ 68.88	\$ 51.28	\$ 53.63	\$ 56.35	\$ 68.03	\$ 103.00	\$ 155.01	\$ 200.86	\$ 1,344.10
19	- Monthly Allowed Customers		11,860	11,900	11,904	11,870	11,854	11,828	11,790	11,769	11,761	11,663	11,736	11,804	
20	*Schedules 420, 424, 440, and 444.														

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**Schedule 495 Effective November 1, 2017**