

**Exhibit No. CSH-5  
Dockets UE-150204/UG-150205  
Witness: Christopher S. Hancock**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION dba AVISTA  
UTILITIES,**

**Respondent.**

**DOCKETS UE-150204 and  
UG-150205  
(Consolidated)**

**EXHIBIT TO  
TESTIMONY OF**

**Christopher S. Hancock**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Avista Revised Natural Gas Pro Forma Cross Check Study*

**July 27, 2015**

## AVISTA UTILITIES

## WASHINGTON NATURAL GAS - PRO FORMA STUDY

CROSS CHECK - RESPONSE TO STAFF DR 131

TWELVE MONTHS ENDED SEPTEMBER 30, 2014

(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	a	b	c	d	e	f
<b>REVENUES</b>						
1	Total General Business	\$166,628	\$103	\$166,731	\$9,713	\$176,444
2	Total Transportation	4,112	71	\$4,183		4,183
3	Other Revenues	83,502	(83,225)	\$277		277
4	Total Gas Revenues	254,242	(83,051)	171,191	9,713	180,904
<b>EXPENSES</b>						
Production Expenses						
5	City Gate Purchases	173,262	(85,395)	87,867		87,867
6	Purchased Gas Expense	839	39	878		878
7	Net Nat Gas Storage Trans	(5,990)	5,990	-		-
8	Total Production	168,111	(79,366)	88,745	-	88,745
Underground Storage						
9	Operating Expenses	858	0	858		858
10	Depreciation	392	48	440		440
11	Taxes	216	53	269		269
12	Total Underground Storage	1,466	101	1,567	-	1,567
Distribution						
13	Operating Expenses	10,666	1,441	12,107		12,107
14	Depreciation	8,386	1,216	9,602		9,602
15	Taxes	14,954	(5,077)	9,877	372	10,249
16	Total Distribution	34,006	(2,420)	31,586	372	31,958
17	Customer Accounting	6,550	307	6,857	55	6,912
18	Customer Service & Information	6,427	(5,456)	971		971
19	Sales Expenses	-	1	1		1
Administrative & General						
20	Operating Expenses	11,883	1,116	12,999	19	13,018
21	Depreciation/Amortization	4,316	2,660	6,976		6,976
22	Regulatory Amortizations	11	1,132	1,143		1,143
23	Taxes	-	-	-		-
24	Total Admin. & General	16,210	4,908	21,118	19	21,137
25	Total Gas Expense	232,770	(81,925)	150,845	446	151,291
26	OPERATING INCOME BEFORE FIT	21,472	(1,126)	20,346	9,267	29,613
<b>FEDERAL INCOME TAX</b>						
27	Current Accrual	4,339	(159)	4,180	3,243	7,423
28	Debt Interest	-	(460)	(460)	-	(460)
29	Deferred FIT	2,153	(74)	2,079		2,079
30	Amort ITC	(22)	-	(22)		(22)
31	NET OPERATING INCOME	15,002	(434)	14,568	6,024	20,592
<b>RATE BASE: PLANT IN SERVICE</b>						
32	Underground Storage	24,932	1,710	26,642		26,642
33	Distribution Plant	332,439	41,057	373,496		373,496
34	General Plant	58,679	28,479	87,158		87,158
35	Total Plant in Service	416,050	71,246	487,296	-	487,296
<b>ACCUMULATED DEPREC/AMORT</b>						
36	Underground Storage	(9,345)	(819)	(10,164)		(10,164)
37	Distribution Plant	(113,282)	(13,564)	(126,846)		(126,846)
38	General Plant	(16,998)	(5,946)	(22,944)		(22,944)
39	Total Accum. Depreciation/Amort.	(139,625)	(20,329)	(159,954)	-	(159,954)
40	NET PLANT	276,425	50,917	327,342	-	327,342
41	DEFERRED FIT	(55,323)	(14,574)	(69,897)		(69,897)
42	Net Plant After DFIT	221,102	36,343	257,445	-	257,445
43	GAS INVENTORY	12,801	-	12,801		12,801
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	(428)	2,282	1,854		1,854
46	WORKING CAPITAL	-	10,371	10,371		10,371
47	TOTAL RATE BASE	233,475	46,714	282,471	0	282,471
48	RATE OF RETURN	6.43%		5.16%		7.29%

**AVISTA UTILITIES**  
**CALCULATION OF GENERAL REVENUE REQUIREMENT**  
**WASHINGTON NATURAL GAS**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2014**  
**PRO FORMA CROSS CHECK STUDY**  
**RESPONSE TO STAFF DR 131**

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$ 282,471
2	Proposed Rate of Return	<u>7.29%</u>
3	Net Operating Income Requirement	\$20,592
4	Pro Forma Net Operating Income	<u>\$ 14,568</u>
5	Net Operating Income Deficiency	\$6,024
6	Conversion Factor	0.62014
7	Revenue Requirement - 2016	<b>\$9,713</b>
8	Total General Business Revenues*	\$ 170,914
9	Percentage Revenue Increase	<u><u>5.68%</u></u>

\* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

**AVISTA UTILITIES**  
**Multiparty Settlement - COST OF CAPITAL**  
**WASHINGTON NATURAL GAS**  
**RESPONSE TO STAFF DR 131**

Proposed:			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.5%	5.20%	2.68%
Common Equity	48.5%	9.50%	4.61%
Total	<u>100.00%</u>		<u>7.29%</u>

**AVISTA UTILITIES  
REVENUE CONVERSION FACTOR  
WASHINGTON NATURAL GAS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
RESPONSE TO STAFF DR 131**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	<b>Revenues</b>	1.000000
	<b>Expense:</b>	
2	Uncollectibles	0.005631
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038303
6	Total Expense	<u>0.045934</u>
7	Net Operating Income Before FIT	0.954066
8	Federal Income Tax @ 35%	0.333923
9	REVENUE CONVERSION FACTOR	0.620140

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense
	Adjustment Number Worksheet Reference	1.00 G-ROO	1.01 G-DFIT	1.02 G-DDC	1.03 G-WC	2.01 G-EBO	2.02 G-RPT	2.03 G-UE
REVENUES								
1	Total General Business	\$ 166,628	\$ -	\$ -	\$ -	\$ (6,055)	\$ -	\$ -
2	Total Transportation	4,112	-	-	-	(139)	-	-
3	Other Revenues	83,502	-	-	-	-	-	-
4	Total Gas Revenues	254,242	-	-	-	(6,194)	-	-
EXPENSES								
Production Expenses								
5	City Gate Purchases	173,262	-	-	-	-	-	-
6	Purchased Gas Expense	839	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	(5,990)	-	-	-	-	-	-
8	Total Production	168,111	-	-	-	-	-	-
Underground Storage								
9	Operating Expenses	858	-	-	-	-	-	-
10	Depreciation/Amortization	392	-	-	-	-	-	-
11	Taxes	216	-	-	-	-	7	-
12	Total Underground Storage	1,466	-	-	-	-	7	-
Distribution								
13	Operating Expenses	10,666	-	-	-	-	-	-
14	Depreciation/Amortization	8,386	-	-	-	-	-	-
15	Taxes	14,954	-	-	-	(6,183)	73	-
16	Total Distribution	34,006	-	-	-	(6,183)	73	-
17	Customer Accounting	6,550	-	-	-	-	-	(150)
18	Customer Service & Information	6,427	-	1	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	11,883	-	-	-	-	-	-
21	Depreciation/Amortization	4,316	-	-	-	-	-	-
22	Regulatory Amortizations	11	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	16,210	-	-	-	-	-	-
25	Total Gas Expense	232,770	-	1	-	(6,183)	80	(150)
26	OPERATING INCOME BEFORE FIT	21,472	-	(1)	-	(11)	(80)	150
FEDERAL INCOME TAX								
27	Current Accrual	4,339	-	(0)	-	(4)	(28)	53
28	Debt Interest	-	28	-	(97)	-	-	-
29	Deferred FIT	2,153	-	-	-	-	-	-
30	Amort ITC	(22)	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 15,002	\$ (28)	\$ (1)	\$ 97	\$ (7)	\$ (52)	\$ 98
RATE BASE								
PLANT IN SERVICE								
32	Underground Storage	\$ 24,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	332,439	-	-	-	-	-	-
34	General Plant	58,679	-	-	-	-	-	-
35	Total Plant in Service	416,050	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	(9,345)	-	-	-	-	-	-
37	Distribution Plant	(113,282)	-	-	-	-	-	-
38	General Plant	(16,998)	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(139,625)	-	-	-	-	-	-
40	NET PLANT	276,425	-	-	-	-	-	-
41	DEFERRED TAXES	(55,323)	(3,032)	-	-	-	-	-
42	Net Plant After DFIT	221,102	(3,032)	-	-	-	-	-
43	GAS INVENTORY	12,801	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	(428)	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	10,371	-	-	-
47	TOTAL RATE BASE	\$ 233,475	\$ (3,032)	\$ -	\$ 10,371	\$ -	\$ -	\$ -
48	RATE OF RETURN	6.43%	-	-	-	-	-	-
50	REVENUE REQUIREMENT	3,255	-311	1	1,062	12	84	-157
	Pro Forma Rate of Return	7.29%						
	Revenue Conversion Factor	0.62014						

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT / DFIT Expense	Office Space Charges to Subs	Restate Excise Taxes	Net Gains/Losses
	Adjustment Number Workpaper Reference	2.04 G-RE	2.05 G-ID	2.06 G-FIT	2.07 G-OSC	2.08 G-RET	2.09 G-NGL
<b>REVENUES</b>							
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-
3	Other Revenues	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-
<b>EXPENSES</b>							
<b>Production Expenses</b>							
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	-
<b>Underground Storage</b>							
9	Operating Expenses	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-
<b>Distribution</b>							
13	Operating Expenses	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(5)
15	Taxes	-	-	-	-	328	-
16	Total Distribution	-	-	-	-	328	(5)
17	Customer Accounting	-	-	-	-	-	-
18	Customer Service & Information	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-
<b>Administrative &amp; General</b>							
20	Operating Expenses	32	280	-	(2)	-	-
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	32	280	-	(2)	-	-
25	Total Gas Expense	32	280	-	(2)	328	(5)
26	OPERATING INCOME BEFORE FIT	(32)	(280)	-	2	(328)	5
<b>FEDERAL INCOME TAX</b>							
27	Current Accrual	(11)	(98)	74	1	(115)	2
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	(74)	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (21)	\$ (182)	\$ -	\$ 1	\$ (213)	\$ 3
<b>RATE BASE</b>							
<b>PLANT IN SERVICE</b>							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>							
36	Underground Storage	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	-	-	-	-	-	-
50	REVENUE REQUIREMENT	34	293	0	-2	344	-5

Pro Forma Rate of Return  
 Revenue Conversion Factor

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Weather	Eliminate	Misc	Restating	Restate	Restated
		Normalization / Gas Cost Adjust	Adder Schedules	Restating Adjustments	Incentive Adjustment	Debt Interest	TOTAL
Adjustment Number		2.10	2.11	2.12	2.13	2.14	
Worksheet Reference		G-RNGC	G-EAS	G-MR	G-RI	G-DI	R-TU
<b>REVENUES</b>							
1	Total General Business	\$ (2,140)	\$ (6,068)	\$ -	\$ -	\$ -	\$ 152,365
2	Total Transportation	-	-	-	-	-	3,973
3	Other Revenues	-	(83,223)	-	-	-	277
4	Total Gas Revenues	(2,140)	(89,293)	-	-	-	156,615
<b>EXPENSES</b>							
<b>Production Expenses</b>							
5	City Gate Purchases	(1,278)	(89,511)	-	-	-	82,473
6	Purchased Gas Expense	-	-	-	-	-	839
7	Net Nat Gas Storage Trans	-	5,990	-	-	-	-
8	Total Production	(1,278)	(83,521)	-	-	-	83,312
<b>Underground Storage</b>							
9	Operating Expenses	-	-	-	-	-	858
10	Depreciation/Amortization	-	-	-	-	-	392
11	Taxes	-	-	-	-	-	223
12	Total Underground Storage	-	-	-	-	-	1,473
<b>Distribution</b>							
13	Operating Expenses	-	-	-	-	-	10,666
14	Depreciation/Amortization	-	-	-	-	-	8,381
15	Taxes	(82)	(232)	-	-	-	8,858
16	Total Distribution	(82)	(232)	-	-	-	27,905
17	Customer Accounting	(12)	(34)	-	-	-	6,354
18	Customer Service & Information	-	(5,494)	(1)	-	-	933
19	Sales Expenses	-	-	-	-	-	-
<b>Administrative &amp; General</b>							
20	Operating Expenses	(4)	(12)	6	(333)	-	11,850
21	Depreciation/Amortization	-	-	-	-	-	4,316
22	Regulatory Amortizations	-	-	-	-	-	11
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(4)	(12)	6	(333)	-	16,177
25	Total Gas Expense	(1,376)	(89,293)	5	(333)	-	136,154
26	OPERATING INCOME BEFORE FIT	(764)	-	(5)	333	-	20,461
<b>FEDERAL INCOME TAX</b>							
27	Current Accrual	(267)	-	(2)	117	161	4,220
28	Debt Interest	-	-	-	-	-	(69)
29	Deferred FIT	-	-	-	-	-	2,079
30	Amort ITC	-	-	-	-	-	(22)
31	NET OPERATING INCOME	\$ (497)	\$ -	\$ (3)	\$ 216	\$ (161)	\$ 14,253
<b>RATE BASE</b>							
<b>PLANT IN SERVICE</b>							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	24,932
33	Distribution Plant	-	-	-	-	-	332,439
34	General Plant	-	-	-	-	-	58,679
35	Total Plant in Service	-	-	-	-	-	416,050
<b>ACCUMULATED DEPRECIATION/AMORT</b>							
36	Underground Storage	-	-	-	-	-	(9,345)
37	Distribution Plant	-	-	-	-	-	(113,282)
38	General Plant	-	-	-	-	-	(16,998)
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	(139,625)
40	NET PLANT	-	-	-	-	-	276,425
41	DEFERRED TAXES	-	-	-	-	-	(58,355)
42	Net Plant After DFIT	-	-	-	-	-	218,070
43	GAS INVENTORY	-	-	-	-	-	12,801
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	(428)
46	WORKING CAPITAL	-	-	-	-	-	10,371
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	240,814
48	RATE OF RETURN	-	-	-	-	-	(1)
50	REVENUE REQUIREMENT	801	0	5	-349	260	5,326

(1) The Restated TOTAL column does not represent 9/30/2014 Test Period results of operation on a normalized basis, due to variances between certain restating adjustments included in the normalized commission basis reports (CBRs) versus those included here, such as inclusion of pro forma debt interest. Normalized CB results of operations at 09/30/2014 was 5.9% as shown on

Pro Forma Rate of Return  
 Revenue Conversion Factor



AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	(Updated for most current information)							Updated to reflect known DFIT changes)	
		Pro Forma Labor Non-Exec 3.00	Pro Forma Labor Exce 3.01	Pro Forma Employee Benefits 3.02	Pro Forma Insurance 3.03	Pro Forma Property Tax 3.04	Pro Forma Information Tech/Serv Exp 3.05	Pro Forma Revenue Normalization 3.06	Planned Capital Add Dec 2014 EOP 3.07	Planned Capital Add-Dec '14 EOP-Update 3.07U
	Adjustment Number Workpaper Reference	G-PLN	G-PLE	G-PEB	G-PI	G-PPT	G-JSIT	G-PREV	G-CAP14	G-CAP14
REVENUES										
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,366	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-	210	-	-
3	Other Revenues	-	-	-	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-	14,576	-	-
EXPENSES										
Production Expenses										
5	City Gate Purchases	-	-	-	-	-	-	5,394	-	-
6	Purchased Gas Expense	27	(23)	36	-	-	-	(1)	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-	-	-
8	Total Production	27	(23)	36	-	-	-	5,393	-	-
Underground Storage										
9	Operating Expenses	0	-	(0)	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-	14	(4)
11	Taxes	-	-	-	-	46	-	-	-	-
12	Total Underground Storage	0	-	(0)	-	46	-	-	14	(4)
Distribution										
13	Operating Expenses	343	-	433	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	399	(261)
15	Taxes	-	-	-	-	461	-	558	-	-
16	Total Distribution	343	-	433	-	461	-	558	399	(261)
17	Customer Accounting	186	-	235	-	-	-	82	-	-
18	Customer Service & Information	17	-	21	-	-	-	-	-	-
19	Sales Expenses	0	-	1	-	-	-	-	-	-
Administrative & General										
20	Operating Expenses	580	73	254	77	-	412	29	-	-
21	Depreciation/Amortization	-	-	-	-	-	-	-	708	(635)
22	Regulatory Amortizations	-	-	-	-	-	-	(11)	-	-
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	580	73	254	77	-	412	18	708	(635)
25	Total Gas Expense	1,154	50	980	77	507	412	6,051	1,121	(900)
26	OPERATING INCOME BEFORE FIT	(1,154)	(50)	(980)	(77)	(507)	(412)	8,525	(1,121)	900
FEDERAL INCOME TAX										
27	Current Accrual	(404)	(17)	(343)	(27)	(177)	(144)	2,984	(392)	315
28	Debt Interest	-	-	-	-	-	-	-	(28)	(4)
29	Deferred FIT	-	-	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (750)	\$ (32)	\$ (637)	\$ (50)	\$ (330)	\$ (268)	\$ 5,541	\$ (701)	\$ 589
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	287	321
33	Distribution Plant	-	-	-	-	-	-	-	11,785	1,494
34	General Plant	-	-	-	-	-	-	-	4,378	(3,284)
35	Total Plant in Service	-	-	-	-	-	-	-	16,450	(1,469)
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	-	-	-	-	-	-	-	(299)	98
37	Distribution Plant	-	-	-	-	-	-	-	(4,159)	(251)
38	General Plant	-	-	-	-	-	-	-	(1,684)	1,280
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	(6,142)	1,127
40	NET PLANT	-	-	-	-	-	-	-	10,308	(342)
41	DEFERRED TAXES	-	-	-	-	-	-	-	(7,348)	770
42	Net Plant After DFIT	-	-	-	-	-	-	-	2,960	428
43	GAS INVENTORY	-	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,960	428
48	RATE OF RETURN	-	-	-	-	-	-	-	-	-
50	REVENUE REQUIREMENT	1,209	52	1,027	81	531	432	-8,935	1,478	-899

Pro Forma Rate of Return  
 Revenue Conversion Factor

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Updated to reflect 12.2014 update

Line No.	DESCRIPTION	Pro Forma Sub-Total	To Attrition				After Attrition Adjustment
			Planned Capital Add 2015 EOP	Planned Capital Add 2016 AMA	Project Compass Deferral, Regulatory Amortization	O&M Offsets	Pro Forma Atmospheric Testing
Adjustment Number Worksheet Reference		PF-ST01	4.01 G-CAP15	4.02 G-CAP16	4.03 G-PCD	4.04 G-OFF	4.05 G-PFAT
<b>REVENUES</b>							
1	Total General Business	\$ 166,731	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	4,183	-	-	-	-	-
3	Other Revenues	277	-	-	-	-	-
4	Total Gas Revenues	171,191	-	-	-	-	-
<b>EXPENSES</b>							
<b>Production Expenses</b>							
5	City Gate Purchases	87,867	-	-	-	-	-
6	Purchased Gas Expense	878	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	88,745	-	-	-	-	-
<b>Underground Storage</b>							
9	Operating Expenses	858	-	-	-	-	-
10	Depreciation/Amortization	402	33	5	-	-	-
11	Taxes	269	-	-	-	-	-
12	Total Underground Storage	1,529	33	5	-	-	-
<b>Distribution</b>							
13	Operating Expenses	11,442	-	-	-	(42)	707
14	Depreciation/Amortization	8,519	750	333	-	-	-
15	Taxes	9,877	-	-	-	-	-
16	Total Distribution	29,838	750	333	-	(42)	707
17	Customer Accounting	6,857	-	-	-	-	-
18	Customer Service & Information	971	-	-	-	-	-
19	Sales Expenses	1	-	-	-	-	-
<b>Administrative &amp; General</b>							
20	Operating Expenses	13,275	-	-	-	(36)	-
21	Depreciation/Amortization	4,389	2,017	570	-	-	-
22	Regulatory Amortizations	-	-	-	1,143	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	17,664	2,017	570	1,143	(36)	-
25	Total Gas Expense	145,605	2,800	908	1,143	(78)	707
26	OPERATING INCOME BEFORE FIT	25,586	(2,800)	(908)	(1,143)	78	(707)
<b>FEDERAL INCOME TAX</b>							
27	Current Accrual	6,014	(980)	(318)	(400)	27	(247)
28	Debt Interest	(101)	(279)	(58)	-	-	-
29	Deferred FIT	2,079	-	-	-	-	-
30	Amort ITC	(22)	-	-	-	-	-
31	NET OPERATING INCOME	\$ 17,616	\$ (1,541)	\$ (532)	\$ (743)	\$ 51	\$ (460)
<b>RATE BASE</b>							
<b>PLANT IN SERVICE</b>							
32	Underground Storage	\$ 25,540	\$ 769	\$ 333	\$ -	\$ -	\$ -
33	Distribution Plant	345,718	18,309	9,469	-	-	-
34	General Plant	59,773	22,857	4,528	-	-	-
35	Total Plant in Service	431,031	41,935	14,330	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>							
36	Underground Storage	(9,546)	(408)	(210)	-	-	-
37	Distribution Plant	(117,692)	(5,740)	(3,414)	-	-	-
38	General Plant	(17,402)	(3,018)	(2,524)	-	-	-
39	Total Accumulated Depreciation/Amortization	(144,640)	(9,166)	(6,148)	-	-	-
40	NET PLANT	286,391	32,769	8,182	-	-	-
41	DEFERRED TAXES	(64,933)	(3,009)	(1,955)	-	-	-
42	Net Plant After DFIT	221,458	29,760	6,227	-	-	-
43	GAS INVENTORY	12,801	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	(428)	-	-	-	-	-
46	WORKING CAPITAL	10,371	-	-	-	-	-
47	TOTAL RATE BASE	\$ 244,202	\$ 29,760	\$ 6,227	\$ -	\$ -	\$ -
48	RATE OF RETURN						
50	REVENUE REQUIREMENT	301	5,983	1,590	1,198	-82	741

Pro Forma Rate of Return  
 Revenue Conversion Factor

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS - PRO FORMA STUDY  
 CROSS CHECK - RESPONSE TO STAFF DR 131  
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Cross Check Total	Reconcile Pro Forma To Attrition	Attrition Adjusted / Pro Forma Total (2)
	Adjustment Number Workpaper Reference	PFCC-TU	4.06 G-REC	AA/PF-TU
	REVENUES			
1	Total General Business	\$ 166,731	\$ -	\$ 166,731
2	Total Transportation	4,183	-	4,183
3	Other Revenues	277	-	277
4	Total Gas Revenues	171,191	-	171,191
	EXPENSES			
	Production Expenses			
5	City Gate Purchases	87,867	-	87,867
6	Purchased Gas Expense	878	-	878
7	Net Nat Gas Storage Trans	-	-	-
8	Total Production	88,745	-	88,745
	Underground Storage			
9	Operating Expenses	858	-	858
10	Depreciation/Amortization	440	-	440
11	Taxes	269	-	269
12	Total Underground Storage	1,567	-	1,567
	Distribution			
13	Operating Expenses	12,107	-	12,107
14	Depreciation/Amortization	9,602	-	9,602
15	Taxes	9,877	-	9,877
16	Total Distribution	31,586	-	31,586
17	Customer Accounting	6,857	-	6,857
18	Customer Service & Information	971	-	971
19	Sales Expenses	1	-	1
	Administrative & General			
20	Operating Expenses	13,239	(240)	12,999
21	Depreciation/Amortization	6,976	-	6,976
22	Regulatory Amortizations	1,143	-	1,143
23	Taxes	-	-	-
24	Total Admin. & General	21,358	(240)	21,118
25	Total Gas Expense	151,085	(240)	150,845
26	OPERATING INCOME BEFORE FIT	20,106	240	20,346
	FEDERAL INCOME TAX			
27	Current Accrual	4,096	84	4,180
28	Debt Interest	(438)	(21)	(460)
29	Deferred FIT	2,079	-	2,079
30	Amort ITC	(22)	-	(22)
31	NET OPERATING INCOME	\$ 14,391	\$ 177	\$ 14,568
	RATE BASE			
	PLANT IN SERVICE			
32	Underground Storage	\$ 26,642	-	\$ 26,642
33	Distribution Plant	373,496	-	373,496
34	General Plant	87,158	-	87,158
35	Total Plant in Service	487,296	-	487,296
	ACCUMULATED DEPRECIATION/AMORT			
36	Underground Storage	(10,164)	-	(10,164)
37	Distribution Plant	(126,846)	-	(126,846)
38	General Plant	(22,944)	-	(22,944)
39	Total Accumulated Depreciation/Amortization	(159,954)	-	(159,954)
40	NET PLANT	327,342	-	327,342
41	DEFERRED TAXES	(69,897)	-	(69,897)
42	Net Plant After DFIT	257,445	-	257,445
43	GAS INVENTORY	12,801	-	12,801
44	GAIN ON SALE OF BUILDING	-	-	-
45	OTHER	(428)	2,282	1,854
46	WORKING CAPITAL	10,371	-	10,371
47	TOTAL RATE BASE	\$ 280,189	\$ 2,282	\$ 282,471
48	RATE OF RETURN		\$ 6,574	5.16%
50	REVENUE REQUIREMENT	9,731	-18	9,713

Pro Forma Rate of Return  
 Revenue Conversion Factor

