

Exhibit E

Protocol for Direct Assignment



Date: November 27, 2013

To: All Employees
From: Kelly Norwood *Kelly Norwood*

Subject: Protocol for Direct Assignment of Costs Associated with the Acquisition and Operations of Alaska Energy and Resources Company (AERC) and Alaska Electric Light & Power (AEL&P)

Accounting for Costs Related to AERC and AEL&P Prior to Closing

Prior to the date of closing of the acquisition of AERC, presently anticipated to be on or before July 1, 2014, all costs associated with due diligence and other activities will continue to be recorded below the line to a non-utility account (FERC Account No. 426500). The following table summarizes the accounting for such expenses:

FERC					Project		
Acct	Service	Jurisdiction	FERC Acct	Description	Number	Project Description	Debit
426500	ZZ	ZZ		Miscellaneous Income Deduction	77705228	Project Chinook	XXXX

Direct Assignment of Costs to AERC and AEL&P Post-Closing

Following the date of closing, to the extent Avista employees dedicate time and incur costs supporting the operation of AERC and AEL&P, those costs would be separately tracked and directly assigned to AERC and AEL&P.¹ In the future, if opportunities arise for the consolidation of certain Avista and AEL&P utility functions, it may be appropriate to propose some form of cost allocation between the two utilities.

With regard to Avista's existing subsidiary operations, some of Avista's general office employees spend time providing services and support to our existing subsidiaries. These employee costs are charged to suspense accounts (Deferred Debit Account No. 186), are loaded for benefits, and are then established as a receivable (FERC Account No. 146) when billed to the subsidiary. If other resources are expended during the course of this work, such as travel or consulting services, these costs are also charged to suspense accounts and billed to the subsidiary. All corporate services provided, and costs incurred, are direct billed to subsidiaries at cost. No additional margin or profit is included and no assets are allocated. Avista will use the same methodology for direct

¹ Likewise, if AEL&P employees were to provide support for Avista's utility operations, such costs would be directly assigned to Avista. The Company expects such assignment of costs, both to AEL&P and from AEL&P, to be relatively small since AEL&P will continue to operate as a standalone utility.

assignment of costs to the proposed AERC and AEL&P subsidiary operations, as we currently do for existing subsidiary operations.

A summary of the accounting for post-closing costs directly assigned to AERC and AEL&P is provided below.

To record transaction when employee charges time or incurs costs related to AERC/AEL&P:

FERC				Project		Debit	Credit
Acct	Service	Jurisdiction	FERC Acct Description	Number	Project Description		
186XXX	ZZ	ZZ	Miscellaneous Deferred Debits	777XXXX	Sub Billing - AERC/AELP	XXXX	
131XXX	ZZ	ZZ	Cash	-	-		XXXX

To record transaction to establish a receivable from AERC/AEL&P:

FERC				Project		Debit	Credit
Acct	Service	Jurisdiction	FERC Acct Description	Number	Project Description		
146XXX	ZZ	ZZ	Accouts Receivable Assoc Company - AERC/AELP	777XXXX	Sub Billing - AERC/AELP	XXXX	
186XXX	ZZ	ZZ	Miscellaneous Deferred Debits	777XXXX	Sub Billing - AERC/AELP		XXXX

To record transaction of a payment made to Avista Corp from AERC/AEL&P:

FERC				Project		Debit	Credit
Acct	Service	Jurisdiction	FERC Acct Description	Number	Project Description		
131XXX	ZZ	ZZ	Cash	-	-	XXXX	
146XXX	ZZ	ZZ	Accouts Receivable Assoc Company - AERC/AELP	777XXXX	Sub Billing - AERC/AELP		XXXX

For questions regarding direct assignment of costs associated with AERC or AEL&P or any other subsidiary costs, please contact Keri Meister, Corporate Accounting Analyst at 495-2102, or Jennifer Smith, Senior State and Federal Regulatory Analyst at 495-2098.

