

Avista Corporation Decoupling Mechanism  
Washington Jurisdiction  
Quarterly Report for 1st Quarter 2016

**Avista Utilities**  
**Decoupling Mechanism - UE-150204 Base effective 1/11/2016**  
**Development of WA Electric Deferrals (Calendar Year 2016)**

Line No.	Source	32%		68%		Pro Rated			1st Quarter 2016	
		Old Base	New Base	Jan-16	Feb-16	Mar-16	Total			
(a)	(b)			(c)	(d)	(e)				
<b>Residential Group</b>										
1	Actual Customers	Revenue System	67,166.77	141,050.23	208,217	210,418	209,750		628,385	
2	Monthly Decoupled Revenue per Customer	Attachment 4, Page 3	\$78.81	\$88.32	\$85.25	\$72.17	\$70.97		\$76.10	
3	Decoupled Revenue	(1) x (2)	\$ 5,293,368	\$ 12,457,946	\$ 17,751,313	\$ 15,184,850	\$ 14,886,407	\$	47,822,570	
4	Actual Base Rate Revenue	Revenue System	\$ 8,069,977	\$ 16,946,951	\$ 25,016,927	\$ 18,682,934	\$ 17,505,111			
5	Actual Basic Charge Revenue	Revenue System	\$ 582,373	\$ 1,222,984	\$ 1,805,358	\$ 1,824,049	\$ 1,818,745			
6	Actual Usage (kWhs)	Revenue System	88,782,350	186,442,936	275,225,286	209,519,142	198,506,123			
		Attachment 4, Page								
7	Retail Revenue Credit (\$/kWh)	1	\$ 0.02108	\$ 0.01641	\$ 0.01792	\$ 0.01641	\$ 0.01641			
8	Variable Power Supply Payments	(6) x (7)	\$ 1,871,532	\$ 3,059,529	\$ 4,931,061	\$ 3,438,209	\$ 3,257,485			
9	Customer Decoupled Payments	(4) - (5) - (8)	\$ 5,616,071	\$ 12,664,438	\$ 18,280,509	\$ 13,420,676	\$ 12,428,881	\$	44,130,066	
	Residential Revenue Per Customer Received		\$83.61	\$89.79	\$87.80	\$63.78	\$59.26		\$70.23	
10	Deferral - Surcharge (Rebate)	(3) - (9)	\$ (322,704)	\$ (206,492)	\$ (529,196)	\$ 1,764,174	\$ 2,457,526	\$	3,692,504	
11	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 14,649	\$ 9,474	\$ 24,123	\$ (80,940)	\$ (112,751)	\$	(169,569)	
		FERC Rate			3.25%	3.25%	3.25%			
12	Interest on Deferral	Avg Balance Calc			\$ (684)	\$ 910	\$ 6,367	\$	6,592	
	<b>Monthly Residential Deferral Totals</b>				<b>\$ (505,757)</b>	<b>\$ 1,684,144</b>	<b>\$ 2,351,141</b>	<b>\$</b>	<b>3,529,528</b>	
13	Cumulative Residential Deferral Surcharge/(Rebate) Balance	Σ((10) ~ (12))			\$ (505,757)	\$ 1,178,387	\$ 3,529,528			
<b>Non-Residential Group</b>										
14	Actual Customers	Revenue System	11,397.10	23,933.90	35,331	35,572	35,571		106,474	
15	Monthly Decoupled Revenue per Customer	Attachment 4, Page 3	\$356.03	\$362.51	\$360.42	\$368.65	\$345.36		\$358.14	
16	Decoupled Revenue	(14) x (15)	\$ 4,057,746	\$ 8,676,316	\$ 12,734,062	\$ 13,113,488	\$ 12,284,830	\$	38,132,380	
17	Actual Base Rate Revenue	Revenue System	\$ 5,689,116	\$ 11,947,143	\$ 17,636,258	\$ 16,471,105	\$ 16,873,160			
18	Actual Basic Charge Revenue	Revenue System	\$ 512,506	\$ 1,076,263	\$ 1,588,769	\$ 1,582,404	\$ 1,565,686			
19	Actual Usage (kWhs)	Revenue System	57,402,939	120,546,172	177,949,111	164,762,769	170,862,451			
		Attachment 4, Page								
20	Retail Revenue Credit (\$/kWh)	1	\$ 0.02108	\$ 0.01641	\$ 0.01792	\$ 0.01641	\$ 0.01641			
21	Variable Power Supply Payments	(19) x (20)	\$ 1,210,054	\$ 1,978,163	\$ 3,188,217	\$ 2,703,757	\$ 2,803,853			
22	Customer Decoupled Payments	(17) - (18) - (21)	\$ 3,966,555	\$ 8,892,717	\$ 12,859,272	\$ 12,184,944	\$ 12,503,621	\$	37,547,838	
	Non-Residential Revenue Per Customer Received		\$348.03	\$371.55	\$363.97	\$342.54	\$351.51		\$352.65	
23	Deferral - Surcharge (Rebate)	(16) - (22)	\$ 91,191	\$ (216,401)	\$ (125,210)	\$ 928,544	\$ (218,791)	\$	584,542	
24	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (4,140)	\$ 9,928	\$ 5,789	\$ (42,602)	\$ 10,038	\$	(26,775)	
		FERC Rate			3.25%	3.25%	3.25%			
25	Interest on Deferral	Avg Balance Calc			\$ (162)	\$ 876	\$ 1,795	\$	2,509	
	<b>Monthly Non-Residential Deferral Totals</b>				<b>\$ (119,583)</b>	<b>\$ 886,818</b>	<b>\$ (206,958)</b>	<b>\$</b>	<b>560,277</b>	
26	Cumulative Non-Residential Deferral Surcharge/(Rebate) Balance	Σ((23) ~ (25))			\$ (119,583)	\$ 767,235	\$ 560,277			
27	<b>Total Cumulative Electric Deferral</b>	<b>(13) + (26)</b>			<b>\$ (625,340)</b>	<b>\$ 1,945,621</b>	<b>\$ 4,089,805</b>			

Avista Corporation Decoupling Mechanism  
Washington Jurisdiction  
Quarterly Report for 1st Quarter 2016

**Avista Utilities**  
**Decoupling Mechanism - UG-150205 Base effective 1/11/2016**  
**Development of WA Natural Gas Deferrals (Calendar Year 2016)**

Line No.	Source	32%		68%		Pro Rated			1st Quarter
		Old Base	New Base	Jan-16	Feb-16	Mar-16	Total		
(a)	(b)			(c)	(d)	(e)	(o)		
<b>Residential Group</b>									
1	Actual Customers	Revenue System	49,326.45	103,585.55	152,912	153,882	153,511	460,305	
2	Monthly Decoupled Revenue per Customer	Attachment 5, Page 3	\$48.14	\$61.49	\$57.18	\$50.87	\$41.03	\$49.68	
3	Decoupled Revenue	(1) x (2)	\$ 2,374,462	\$ 6,369,157	\$ 8,743,619	\$ 7,827,450	\$ 6,298,618	\$ 22,869,686	
	Actual Usage (informational only)	Revenue System	6,502,859	13,656,003	20,158,862	14,311,636	12,256,797		
	Actual Base Rate Revenue (Excludes Gas Costs)	Revenue System	\$ 3,329,859	\$ 6,992,704	\$ 10,322,563	\$ 7,563,312	\$ 6,495,025		
4	Actual Fixed Charge Revenue	Revenue System	\$ 449,251	\$ 943,427	\$ 1,392,678	\$ 1,402,065	\$ 1,398,500		
5	Customer Decoupled Payments	(4) - (5)	\$ 2,880,608	\$ 6,049,277	\$ 8,929,885	\$ 6,161,247	\$ 5,096,525	\$ 20,187,656	
6	Residential Revenue Per Customer Received		\$58.40	\$58.40	\$58.40	\$40.04	\$33.20	\$43.86	
7	Deferral - Surcharge (Rebate)	( ) - (6)	\$ (506,146)	\$ 319,880	\$ (186,266)	\$ 1,666,203	\$ 1,202,093	\$ 2,682,030	
8	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 22,674	\$ (14,608)	\$ 8,066	\$ (76,092)	\$ (54,897)	\$ (122,924)	
		FERC Rate			3.25%	3.25%	3.25%		
9	Interest on Deferral	Avg Balance Calc			\$ (241)	\$ 1,670	\$ 5,381	\$ 6,810	
	<b>Monthly Residential Deferral Totals</b>				<b>\$ (178,442)</b>	<b>\$ 1,591,781</b>	<b>\$ 1,152,577</b>	<b>\$ 2,565,916</b>	
10	Cumulative Residential Deferral Surcharge/(Rebate) Balance	Σ((8) + (9))			\$ (178,442)	\$ 1,413,339	\$ 2,565,916		
<b>Non-Residential Group</b>									
11	Actual Customers	Revenue System	859.35	1,804.65	2,664	2,705	2,708	8,077	
12	Monthly Decoupled Revenue per Customer	Attachment 5, Page 3	\$642.24	\$753.65	\$717.71	\$633.97	\$560.25	\$636.87	
13	Decoupled Revenue	(11) x (12)	\$ 551,908	\$ 1,360,069	\$ 1,911,977	\$ 1,714,893	\$ 1,517,144	\$ 5,144,014	
	Actual Usage (informational only)				6,913,974	5,609,302	5,156,824		
	Actual Base Rate Revenue (Excludes Gas Costs)	Revenue System	\$ 642,749	\$ 1,349,772	\$ 1,992,521	\$ 1,706,491	\$ 1,603,845		
14	Actual Fixed Charge Revenue	Revenue System	\$ 78,920	\$ 165,731	\$ 244,651	\$ 275,956	\$ 279,705		
15	Customer Decoupled Payments	(14) - (15)	\$ 563,829	\$ 1,184,041	\$ 1,747,870	\$ 1,430,535	\$ 1,324,140	\$ 4,502,544	
16	Non-Residential Revenue Per Customer Received		\$656.11	\$656.11	\$656.11	\$528.85	\$488.97	\$557.45	
17	Deferral - Surcharge (Rebate)	(13) - (16)	\$ (11,921)	\$ 176,028	\$ 164,107	\$ 284,359	\$ 193,004	\$ 641,470	
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 534	\$ (8,039)	\$ (7,505)	\$ (12,986)	\$ (8,814)	\$ (29,305)	
		FERC Rate			3.25%	3.25%	3.25%		
19	Interest on Deferral	Avg Balance Calc			\$ 212	\$ 792	\$ 1,411	\$ 2,415	
	<b>Monthly Non-Residential Deferral Totals</b>				<b>\$ 156,815</b>	<b>\$ 272,165</b>	<b>\$ 185,601</b>	<b>\$ 614,580</b>	
20	Cumulative Non-Residential Deferral Surcharge/(Rebate) Balance	Σ((17) + (19))			\$ 156,815	\$ 428,979	\$ 614,580		
21	<b>Total Cumulative Natural Gas Deferral</b>	<b>(10) + (20)</b>			<b>\$ (21,627)</b>	<b>\$ 1,842,318</b>	<b>\$ 3,180,496</b>		

Avista Corporation Decoupling Mechanism  
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**Balance Sheet Accounts**

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

**Deferred Revenue**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
186328	REG ASSET-DECOUPLING DEFERRED	ED	201601	7,167,748.10	-7,673,505.07	-505,756.97	
	REG ASSET-DECOUPLING DEFERRED		201602	-505,756.97	1,684,144.00	1,178,387.03	
	REG ASSET-DECOUPLING DEFERRED		201603	1,178,387.03	2,351,141.26	3,529,528.29	
	<b>Electric Service</b>				<b>Sum: -3,638,219.81</b>		
	REG ASSET-DECOUPLING DEFERRED	GD	201601	5,311,557.94	-5,489,999.81	-178,441.87	
	REG ASSET-DECOUPLING DEFERRED		201602	-178,441.87	1,591,781.00	1,413,339.13	
	REG ASSET-DECOUPLING DEFERRED		201603	1,413,339.13	1,152,576.92	2,565,916.05	
	<b>Natural Gas Service</b>				<b>Sum: -2,745,641.89</b>		
	<b>FERC Acct 186328</b>				<b>Sum: -6,383,861.70</b>		
186338	REG ASSET NON-RES DECOUPLING D	ED	201601	-2,373,471.78	2,253,888.75	-119,583.03	
	REG ASSET NON-RES DECOUPLING D		201602	-119,583.03	886,818.00	767,234.97	
	REG ASSET NON-RES DECOUPLING D		201603	767,234.97	-206,957.82	560,277.15	
	<b>Electric Service</b>				<b>Sum: 2,933,748.93</b>		
	REG ASSET NON-RES DECOUPLING D	GD	201601	1,736,736.47	-1,579,921.93	156,814.54	
	REG ASSET NON-RES DECOUPLING D		201602	156,814.54	272,165.00	428,979.54	
	REG ASSET NON-RES DECOUPLING D		201603	428,979.54	185,601.08	614,580.62	
	<b>Natural Gas Service</b>				<b>Sum: -1,122,155.85</b>		
	<b>FERC Acct 186338</b>				<b>Sum: 1,811,593.08</b>		

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

**Rollover Balance**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
182328	REG ASSET- DECOUPLING SURCHARG	GD	201601	5,640.00	15.27	5,655.27
	REG ASSET- DECOUPLING SURCHARG		201602	5,655.27	15.32	5,670.59
	REG ASSET- DECOUPLING SURCHARG		201603	5,670.59	15.36	5,685.95
	<b>Natural Gas Service</b>				<b>Sum: 45.95</b>	

GL Account Balance Accounting Period : '201601, 201602, 201603'

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Jurisdiction:WA

**2015 Deferred Revenue Pending Recovery**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
182329	REG ASSET- DECOUPLING PRIOR YE	ED	201601	0.00	7,167,748.10	7,167,748.10	
	REG ASSET- DECOUPLING PRIOR YE		201602	7,167,748.10	38,877.88	7,206,625.98	
	REG ASSET- DECOUPLING PRIOR YE		201603	7,206,625.98	19,517.95	7,226,143.93	
	<b>Electric Service</b>				<b>Sum: 7,226,143.93</b>		
	REG ASSET- DECOUPLING PRIOR YE	GD	201601	0.00	5,311,557.94	5,311,557.94	
	REG ASSET- DECOUPLING PRIOR YE		201602	5,311,557.94	28,809.90	5,340,367.84	
	REG ASSET- DECOUPLING PRIOR YE		201603	5,340,367.84	14,463.50	5,354,831.34	
	<b>Natural Gas Service</b>				<b>Sum: 5,354,831.34</b>		
	<b>FERC Acct 182329</b>				<b>Sum: 12,580,975.27</b>		
182339	REG ASSET - NON RES DECOUPLING	ED	201601	0.00	-2,373,471.78	-2,373,471.78	
	REG ASSET - NON RES DECOUPLING		201602	-2,373,471.78	-12,873.71	-2,386,345.49	
	REG ASSET - NON RES DECOUPLING		201603	-2,386,345.49	-6,463.02	-2,392,808.51	
	<b>Electric Service</b>				<b>Sum: -2,392,808.51</b>		
	REG ASSET - NON RES DECOUPLING	GD	201601	0.00	1,736,736.47	1,736,736.47	
	REG ASSET - NON RES DECOUPLING		201602	1,736,736.47	9,420.06	1,746,156.53	
	REG ASSET - NON RES DECOUPLING		201603	1,746,156.53	4,729.17	1,750,885.70	
	<b>Natural Gas Service</b>				<b>Sum: 1,750,885.70</b>		
	<b>FERC Acct 182339</b>				<b>Sum: -641,922.81</b>		

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

**Accumulated Deferred Taxes**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
283328	ADFIT DECOUPLING DEFERRED REV	ED	201601	-1,677,996.71	-611,846.12	-2,289,842.83	
	ADFIT DECOUPLING DEFERRED REV		201602	-2,289,842.83	-908,938.16	-3,198,780.99	
	ADFIT DECOUPLING DEFERRED REV		201603	-3,198,780.99	75,681.77	-3,123,099.22	
	<b>Electric Service</b>				<b>Sum: -1,445,102.51</b>		
	ADFIT DECOUPLING DEFERRED REV	GD	201601	-2,150,354.85	615,421.99	-1,534,932.86	
	ADFIT DECOUPLING DEFERRED REV		201602	-1,534,932.86	-665,766.95	-2,200,699.81	
	ADFIT DECOUPLING DEFERRED REV		201603	-2,200,699.81	-1,083,022.16	-3,283,721.97	
	<b>Natural Gas Service</b>				<b>Sum: -1,133,367.12</b>		
	<b>FERC Acct 283328</b>				<b>Sum: -2,578,469.63</b>		

Avista Corporation Decoupling Mechanism  
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**Income Statement Accounts**

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

**Deferred Revenue**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
456328	RESIDENTIAL DECOUPLING DEFERRE	ED	201601	0.00	505,073.02	505,073.02
	RESIDENTIAL DECOUPLING DEFERRE		201602	505,073.02	-1,683,234.00	-1,178,160.98
	RESIDENTIAL DECOUPLING DEFERRE		201603	-1,178,160.98	-2,344,774.58	-3,522,935.56
	<b>FERC Acct 456328</b>				<b>Sum: -3,522,935.56</b>	
456338	NON-RES DECOUPLING DEFERRED RE	ED	201601	0.00	119,421.31	119,421.31
	NON-RES DECOUPLING DEFERRED RE		201602	119,421.31	-885,942.00	-766,520.69
	NON-RES DECOUPLING DEFERRED RE		201603	-766,520.69	208,753.06	-557,767.63
	<b>FERC Acct 456338</b>				<b>Sum: -557,767.63</b>	
495328	RESIDENTIAL DECOUPLING DEFERRE	GD	201601	0.00	178,200.56	178,200.56
	RESIDENTIAL DECOUPLING DEFERRE		201602	178,200.56	-1,590,111.00	-1,411,910.44
	RESIDENTIAL DECOUPLING DEFERRE		201603	-1,411,910.44	-1,147,195.63	-2,559,106.07
	<b>FERC Acct 495328</b>				<b>Sum: -2,559,106.07</b>	
495338	NON-RES DECOUPLING DEFERRED RE	GD	201601	0.00	-156,602.47	-156,602.47
	NON-RES DECOUPLING DEFERRED RE		201602	-156,602.47	-271,373.00	-427,975.47
	NON-RES DECOUPLING DEFERRED RE		201603	-427,975.47	-184,189.84	-612,165.31
	<b>FERC Acct 495338</b>				<b>Sum: -612,165.31</b>	

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

**Interest Income or Expense**

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
419605	INT INC ON OTH DEFERRALS-IV FU	ED	201601	0.00	0.00	0.00	
	INT INC ON OTH DEFERRALS-IV FU		201602	0.00	-40,663.88	-40,663.88	
	INT INC ON OTH DEFERRALS-IV FU		201603	-40,663.88	-27,679.87	-68,343.75	
	<b>Electric Service</b>				<b>Sum: -68,343.75</b>		
	INT INC ON OTH DEFERRALS-IV FU	GD	201601	0.00	-227.34	-227.34	
	INT INC ON OTH DEFERRALS-IV FU		201602	-227.34	-40,707.28	-40,934.62	
	INT INC ON OTH DEFERRALS-IV FU		201603	-40,934.62	-26,000.56	-66,935.18	
	<b>Natural Gas Service</b>				<b>Sum: -66,935.18</b>		
	<b>FERC Acct 419605</b>				<b>Sum: -135,278.93</b>		
	431605	INT EXP ON OTH DEFERRALS-IV FU	ED	201601	0.00	845.67	845.67
INT EXP ON OTH DEFERRALS-IV FU		201602		845.67	12,873.71	13,719.38	
INT EXP ON OTH DEFERRALS-IV FU		201603		13,719.38	6,463.02	20,182.40	
<b>Electric Service</b>				<b>Sum: 20,182.40</b>			
INT EXP ON OTH DEFERRALS-IV FU		GD	201601	0.00	241.31	241.31	
INT EXP ON OTH DEFERRALS-IV FU			201602	241.31	0.00	241.31	
INT EXP ON OTH DEFERRALS-IV FU			201603	241.31	0.00	241.31	
<b>Natural Gas Service</b>				<b>Sum: 241.31</b>			
<b>FERC Acct 431605</b>				<b>Sum: 20,423.71</b>			
<b>Net Interest Income</b>				<b>Sum: -114,855.22</b>			

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**Financial Reporting Contra Asset Accounts**

GL Account Balance Accounting Period : '201601, 201602, 201603'

Jurisdiction:WA

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
253311	CONTRA DECOUPLING DEFERRED REV	GD	201601	-910,063.42	0.00	-910,063.42
	CONTRA DECOUPLING DEFERRED REV		201602	-910,063.42	0.00	-910,063.42
	CONTRA DECOUPLING DEFERRED REV		201603	-910,063.42	0.00	-910,063.42
<b>Natural Gas Service</b>					<b>Sum: 0.00</b>	
<b>FERC Acct 253311</b>					<b>Sum: 0.00</b>	
495311	CONTRA DECOUPLING DEFERRAL	GD	201601	0.00	0.00	0.00
	CONTRA DECOUPLING DEFERRAL		201602	0.00	0.00	0.00
	CONTRA DECOUPLING DEFERRAL		201603	0.00	0.00	0.00
<b>Natural Gas Service</b>					<b>Sum: 0.00</b>	
<b>FERC Acct 495311</b>					<b>Sum: 0.00</b>	

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Washington Jurisdiction Decoupling Mechanism Interest Summary

	Electric				
	Total Interest	419605	431605	Net Inc/Exp	
Jan-16	\$12,139	\$0	(\$846)	(\$846)	\$12,984
Feb-16	\$14,805	\$40,664	(\$12,874)	\$27,790	(\$12,985)
Mar-16	\$21,217	\$27,680	(\$6,463)	\$21,217	(\$0)
Q1 Total	\$48,161	\$68,344	(\$20,182)	\$48,161	(\$1)

186328 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$0	
Jan-16	(\$505,073)	(\$684)		(\$505,757)	3.25%
Feb-16	\$1,683,234	\$910		\$1,178,387	3.25%
Mar-16	\$2,344,775	\$6,367		\$3,529,528	3.25%

186338 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$0	
Jan-16	(\$119,421)	(\$162)		(\$119,583)	3.25%
Feb-16	\$885,942	\$876		\$767,235	3.25%
Mar-16	(\$208,753)	\$1,795		\$560,277	3.25%

182329 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$7,167,748	
Jan-16		\$19,413		\$7,187,161	3.25%
Feb-16		\$19,465		\$7,206,626	3.25%
Mar-16		\$19,518		\$7,226,144	3.25%

182339 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				(\$2,373,472)	
Jan-16		(\$6,428)		(\$2,379,900)	3.25%
Feb-16		(\$6,446)		(\$2,386,345)	3.25%
Mar-16		(\$6,463)		(\$2,392,809)	3.25%

182328 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$0	
Jan-16		\$0		\$0	3.25%
Feb-16		\$0		\$0	3.25%
Mar-16		\$0		\$0	3.25%

Avista Corporation Decoupling Mechanism  
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Washington Jurisdiction Decoupling Mechanism Interest Summary

Natural Gas					
	Total Interest	Acct 419605	Acct 431605	Net Inc/Exp	
Jan-16	\$19,075	\$227	(\$241)	(\$14)	\$19,089
Feb-16	\$21,618	\$40,707	\$0	\$40,707	(\$19,089)
Mar-16	\$26,001	\$26,001	\$0	\$26,001	(\$0)
Q1 Total	\$66,694	\$66,935	(\$241)	\$66,694	\$0

186328 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$0	
Jan-16	(\$178,201)	(\$241)		(\$178,442)	3.25%
Feb-16	\$1,590,111	\$1,670		\$1,413,339	3.25%
Mar-16	\$1,147,196	\$5,381		\$2,565,916	3.25%

186338 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$0	
Jan-16	\$156,602	\$212		\$156,815	3.25%
Feb-16	\$271,373	\$792		\$428,979	3.25%
Mar-16	\$184,190	\$1,411		\$614,580	3.25%

182329 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$5,311,558	
Jan-16		\$14,385		\$5,325,943	3.25%
Feb-16		\$14,424		\$5,340,368	3.25%
Mar-16		\$14,463		\$5,354,831	3.25%

182339 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$1,736,736	
Jan-16		\$4,704		\$1,741,440	3.25%
Feb-16		\$4,716		\$1,746,157	3.25%
Mar-16		\$4,729		\$1,750,886	3.25%

182328 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Dec-15				\$5,640	
Jan-16		\$15		\$5,655	3.25%
Feb-16		\$15		\$5,671	3.25%
Mar-16		\$15		\$5,686	3.25%



Avista Corporation Decoupling Mechanism  
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NOTES

The following table shows how the decoupled revenue per customer has tracked with use per customer for the 1st quarter of 2016. The similarity of the percentage change indicates that the mechanism is working as intended. January authorized amounts in the deferral calculations and this analysis have been pro-rated to reflect 10 days at the prior authorized usage and revenue per customer.

Summarized Quarterly and Year to Date Use per Customer and Decoupled Revenue Per Customer  
Change versus Authorized

	Q1	Q2	Q3	Q4	Annual Average	%
<b>Electric Residential</b>						
Change in Use per Customer	(346)				(346)	-9.6%
Change in Decoupled Revenue per Customer	-\$17.63				-\$17.63	-7.7%
Deferral per Average Customer	\$17.63				\$17.63	
<b>Electric Non-Residential</b>						
Change in Use per Customer	(461)				(461)	-3.1%
Change in Decoupled Revenue per Customer	-\$16.47				-\$16.47	-1.5%
Deferral per Average Customer	\$16.47				\$16.47	
<b>Natural Gas Residential</b>						
Change in Use per Customer	(47)				(47)	-13.3%
Change in Decoupled Revenue per Customer	-\$17.48				-\$17.48	-11.7%
Deferral per Average Customer	\$17.48				\$17.48	
<b>Natural Gas Non-Residential</b>						
Change in Use per Customer	(1,121)				(1,121)	-14.6%
Change in Decoupled Revenue per Customer	-\$238.26				-\$238.26	-12.5%
Deferral per Average Customer	\$238.26				\$238.26	

The contra decoupling accounting shown on page 6 is for financial reporting purposes only. Generally Accepted Accounting Principles allow revenue recognition from alternative revenue programs up to the amount expected to be collected within 24 months following the end of the annual period in which they are recognized. Due to the 3% annual rate increase limitation a portion of the 2015 natural gas surcharge may not be fully recovered by 12/31/2017 and therefore is not recognizable as income for financial reporting purposes in 2015. The income statement impact of the contra decoupling deferral will be eliminated for Commission Basis reporting.