

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

Avista Utilities

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

Line No.	Source				1st Quarter 2016	2nd Quarter 2016	2016 YTD	
		Apr-16	May-16	Jun-16	Total	Total	Total	
(a)	(b)	(f)	(g)	(h)				
Residential Group								
1	Actual Customers	Revenue System	209,405	209,004	208,965	628,385	627,374	1,255,759
2	Monthly Decoupled Revenue per Customer	Attachment 4, Page 3	\$53.46	\$51.70	\$45.97	\$76.10	\$50.38	\$63.25
3	Decoupled Revenue	(1) x (2)	\$ 11,195,716	\$ 10,805,288	\$ 9,606,353	\$ 47,822,570	\$ 31,607,357	\$ 79,429,927
4	Actual Base Rate Revenue	Revenue System	\$ 13,895,473	\$ 12,707,668	\$ 13,822,017			
5	Actual Basic Charge Revenue	Revenue System	\$ 1,824,228	\$ 1,831,181	\$ 1,838,974			
6	Actual Usage (kWhs)	Revenue System	156,664,757	142,430,315	156,502,975			
7	Retail Revenue Credit (\$/kWh)	Attachment 4, Page 1	\$ 0.01641	\$ 0.01641	\$ 0.01641			
8	Variable Power Supply Payments	(6) x (7)	\$ 2,570,869	\$ 2,337,281	\$ 2,568,214			
9	Customer Decoupled Payments	(4) - (5) - (8)	\$ 9,500,377	\$ 8,539,206	\$ 9,414,829	\$ 44,130,066	\$ 27,454,412	\$ 71,584,478
	Residential Revenue Per Customer Received		\$45.37	\$40.86	\$45.05	\$70.23	\$43.76	\$57.00
10	Deferral - Surcharge (Rebate)	(3) - (9)	\$ 1,695,339	\$ 2,266,082	\$ 191,524	\$ 3,692,504	\$ 4,152,945	\$ 7,845,449
11	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (77,782)	\$ (103,968)	\$ (8,787)	\$ (169,569)	\$ (190,537)	\$ (360,106)
		FERC Rate	3.46%	3.46%	3.46%			
12	Interest on Deferral	Avg Balance Calc	\$ 12,509	\$ 17,994	\$ 21,426	\$ 6,592	\$ 51,929	\$ 58,521
	Monthly Residential Deferral Totals		\$ 1,630,066	\$ 2,180,108	\$ 204,163	\$ 3,529,528	\$ 4,014,337	\$ 7,543,864
13	Cumulative Residential Deferral Surcharge/(Rebate) Balance	$\Sigma((10) - (12))$	\$ 5,159,594	\$ 7,339,701	\$ 7,543,864			
Non-Residential Group								
14	Actual Customers	Revenue System	35,497	35,658	35,516	106,474	106,671	213,145
15	Monthly Decoupled Revenue per Customer	Attachment 4, Page 3	\$343.55	\$369.91	\$385.27	\$358.14	\$366.25	\$362.20
16	Decoupled Revenue	(14) x (15)	\$ 12,195,019	\$ 13,190,221	\$ 13,683,114	\$ 38,132,380	\$ 39,068,353	\$ 77,200,733
17	Actual Base Rate Revenue	Revenue System	\$ 16,097,542	\$ 17,385,509	\$ 18,365,177			
18	Actual Basic Charge Revenue	Revenue System	\$ 1,575,041	\$ 1,566,939	\$ 1,572,602			
19	Actual Usage (kWhs)	Revenue System	162,142,313	179,654,733	189,325,960			
20	Retail Revenue Credit (\$/kWh)	Attachment 4, Page 1	\$ 0.01641	\$ 0.01641	\$ 0.01641			
21	Variable Power Supply Payments	(19) x (20)	\$ 2,660,755	\$ 2,948,134	\$ 3,106,839			
22	Customer Decoupled Payments	(17) - (18) - (21)	\$ 11,861,746	\$ 12,870,436	\$ 13,685,737	\$ 37,547,838	\$ 38,417,919	\$ 75,965,756
	Non-Residential Revenue Per Customer Received		\$334.16	\$360.94	\$385.34	\$352.65	\$360.15	\$356.40
23	Deferral - Surcharge (Rebate)	(16) - (22)	\$ 333,273	\$ 319,784	\$ (2,623)	\$ 584,542	\$ 650,434	\$ 1,234,976
24	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (15,291)	\$ (14,672)	\$ 120	\$ (26,775)	\$ (29,842)	\$ (56,616)
		FERC Rate	3.46%	3.46%	3.46%			
25	Interest on Deferral	Avg Balance Calc	\$ 2,074	\$ 2,978	\$ 3,423	\$ 2,509	\$ 8,475	\$ 10,984
	Monthly Non-Residential Deferral Totals		\$ 320,056	\$ 308,091	\$ 920	\$ 560,277	\$ 629,067	\$ 1,189,344
26	Cumulative Non-Residential Deferral Surcharge/(Rebate) Balance	$\Sigma((23) - (25))$	\$ 880,333	\$ 1,188,424	\$ 1,189,344			
27	Total Cumulative Electric Deferral	(13) + (26)	\$ 6,039,927	\$ 8,528,126	\$ 8,733,209			

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd 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				1st Quarter	2nd Quarter	2016 YTD	
		Apr-16	May-16	Jun-16	Total	Total	Total	
(a)	(b)	(f)	(g)	(h)	(o)	(o)	(o)	
Residential Group								
1	Actual Customers	Revenue System	153,360	153,389	153,224	460,305	459,973	920,278
2	Monthly Decoupled Revenue per Customer	Attachment 5, Page 3	\$22.87	\$14.23	\$8.72	\$49.68	\$15.27	\$32.49
3	Decoupled Revenue	(1) x (2)	\$ 3,507,375	\$ 2,182,868	\$ 1,335,470	\$ 22,869,686	\$ 7,025,713	\$ 29,895,399
	Actual Usage (informational only)	Revenue System	5,360,973	3,390,462	2,769,530			
	Actual Base Rate Revenue (Excludes Gas Costs)	Revenue System	\$ 3,429,418	\$ 2,661,586	\$ 2,472,638			
4	Actual Fixed Charge Revenue	Revenue System	\$ 1,402,389	\$ 1,406,025	\$ 1,409,895			
5	Customer Decoupled Payments	(4) - (5)	\$ 2,027,029	\$ 1,255,561	\$ 1,062,743	\$ 20,187,656	\$ 4,345,332	\$ 24,532,989
6	Residential Revenue Per Customer Received		\$13.22	\$8.19	\$6.94	\$43.86	\$9.45	\$26.66
7	Deferral - Surcharge (Rebate)	() - (6)	\$ 1,480,346	\$ 927,307	\$ 272,727	\$ 2,682,030	\$ 2,680,380	\$ 5,362,410
8	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (67,604)	\$ (42,348)	\$ (12,455)	\$ (122,924)	\$ (122,408)	\$ (245,331)
		FERC Rate	3.46%	3.46%	3.46%			
9	Interest on Deferral	Avg Balance Calc	\$ 9,435	\$ 12,775	\$ 14,463	\$ 6,810	\$ 36,673	\$ 43,483
	Monthly Residential Deferral Totals		\$ 1,422,177	\$ 897,734	\$ 274,735	\$ 2,565,916	\$ 2,594,645	\$ 5,160,561
10	Cumulative Residential Deferral Surcharge/(Rebate) Balance	Σ((8) + (9))	\$ 3,988,093	\$ 4,885,826	\$ 5,160,561			
Non-Residential Group								
11	Actual Customers	Revenue System	2,797	2,769	2,793	8,077	8,359	16,436
12	Monthly Decoupled Revenue per Customer	Attachment 5, Page 3	\$374.05	\$292.94	\$222.78	\$636.87	\$296.64	\$463.84
13	Decoupled Revenue	(11) x (12)	\$ 1,046,220	\$ 811,149	\$ 622,215	\$ 5,144,014	\$ 2,479,584	\$ 7,623,598
	Actual Usage (informational only)		2,896,859	2,532,832	1,900,306			
	Actual Base Rate Revenue (Excludes Gas Costs)	Revenue System	\$ 1,020,533	\$ 884,603	\$ 726,949			
14	Actual Fixed Charge Revenue	Revenue System	\$ 288,136	\$ 285,292	\$ 287,768			
15	Customer Decoupled Payments	(14) - (15)	\$ 732,397	\$ 599,311	\$ 439,181	\$ 4,502,544	\$ 1,770,889	\$ 6,273,434
16	Non-Residential Revenue Per Customer Received		\$261.85	\$216.44	\$157.24	\$557.45	\$211.85	\$381.69
17	Deferral - Surcharge (Rebate)	(13) - (16)	\$ 313,823	\$ 211,838	\$ 183,034	\$ 641,470	\$ 708,695	\$ 1,350,165
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (14,332)	\$ (9,674)	\$ (8,359)	\$ (29,305)	\$ (32,365)	\$ (61,670)
		FERC Rate	3.46%	3.46%	3.46%			
19	Interest on Deferral	Avg Balance Calc	\$ 2,204	\$ 2,933	\$ 3,485	\$ 2,415	\$ 8,622	\$ 11,038
	Monthly Non-Residential Deferral Totals		\$ 301,695	\$ 205,097	\$ 178,160	\$ 614,580	\$ 684,952	\$ 1,299,533
20	Cumulative Non-Residential Deferral Surcharge/(Rebate) Balance	Σ((17) + (19))	\$ 916,275	\$ 1,121,373	\$ 1,299,533			
21	Total Cumulative Natural Gas Deferral	(10) + (20)	\$ 4,904,368	\$ 6,007,199	\$ 6,460,094			

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

Balance Sheet Accounts

GL Account Balance Accounting Period : '201604, 201605, 201606'

Jurisdiction:WA

Deferred Revenue

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
186328	REG ASSET-DECOUPLING DEFERRED	ED	201604	3,529,528.29	1,630,065.88	5,159,594.17	
	REG ASSET-DECOUPLING DEFERRED		201605	5,159,594.17	2,180,107.79	7,339,701.96	
	REG ASSET-DECOUPLING DEFERRED		201606	7,339,701.96	204,162.95	7,543,864.91	
	Electric Service				Sum: 4,014,336.62		
	REG ASSET-DECOUPLING DEFERRED	GD	201604	2,565,916.05	1,422,176.78	3,988,092.83	
	REG ASSET-DECOUPLING DEFERRED		201605	3,988,092.83	897,733.70	4,885,826.53	
	REG ASSET-DECOUPLING DEFERRED		201606	4,885,826.53	274,734.88	5,160,561.41	
	Natural Gas Service				Sum: 2,594,645.36		
	FERC Acct 186328				Sum: 6,608,981.98		
186338	REG ASSET NON-RES DECOUPLING D	ED	201604	560,277.15	320,056.07	880,333.22	
	REG ASSET NON-RES DECOUPLING D		201605	880,333.22	308,090.88	1,188,424.10	
	REG ASSET NON-RES DECOUPLING D		201606	1,188,424.10	920.33	1,189,344.43	
	Electric Service				Sum: 629,067.28		
	REG ASSET NON-RES DECOUPLING D	GD	201604	614,580.62	301,694.71	916,275.33	
	REG ASSET NON-RES DECOUPLING D		201605	916,275.33	205,097.37	1,121,372.70	
	REG ASSET NON-RES DECOUPLING D		201606	1,121,372.70	178,160.35	1,299,533.05	
	Natural Gas Service				Sum: 684,952.43		
	FERC Acct 186338				Sum: 1,314,019.71		

GL Account Balance Accounting Period : '201604, 201605, 201606'

Jurisdiction:WA

Rollover Balance

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
182328	REG ASSET- DECOUPLING SURCHARG	GD	201604	5,685.95	16.39	5,702.34
	REG ASSET- DECOUPLING SURCHARG		201605	5,702.34	16.44	5,718.78
	REG ASSET- DECOUPLING SURCHARG		201606	5,718.78	16.49	5,735.27
	Natural Gas Service				Sum: 49.32	

GL Account Balance Accounting Period : '201604, 201605, 201606'

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

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	201604	7,226,143.93	20,835.38	7,246,979.31	
	REG ASSET- DECOUPLING PRIOR YE		201605	7,246,979.31	20,895.46	7,267,874.77	
	REG ASSET- DECOUPLING PRIOR YE		201606	7,267,874.77	20,955.71	7,288,830.48	
	Electric Service				Sum: 62,686.55		
	REG ASSET- DECOUPLING PRIOR YE	GD	201604	5,354,831.34	15,439.76	5,370,271.10	
	REG ASSET- DECOUPLING PRIOR YE		201605	5,370,271.10	15,484.28	5,385,755.38	
	REG ASSET- DECOUPLING PRIOR YE		201606	5,385,755.38	15,528.93	5,401,284.31	
	Natural Gas Service				Sum: 46,452.97		
	FERC Acct 182329				Sum: 109,139.52		
182339	REG ASSET - NON RES DECOUPLING	ED	201604	-2,392,808.51	-6,899.26	-2,399,707.77	
	REG ASSET - NON RES DECOUPLING		201605	-2,399,707.77	-6,919.16	-2,406,626.93	
	REG ASSET - NON RES DECOUPLING		201606	-2,406,626.93	-6,939.11	-2,413,566.04	
	Electric Service				Sum: -20,757.53		
	REG ASSET - NON RES DECOUPLING	GD	201604	1,750,885.70	5,048.39	1,755,934.09	
	REG ASSET - NON RES DECOUPLING		201605	1,755,934.09	5,062.94	1,760,997.03	
	REG ASSET - NON RES DECOUPLING		201606	1,760,997.03	5,077.54	1,766,074.57	
	Natural Gas Service				Sum: 15,188.87		
	FERC Acct 182339				Sum: -5,568.66		

GL Account Balance Accounting Period : '201604, 201605, 201606'

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	201604	-3,123,099.22	-687,420.33	-3,810,519.55	
	ADFIT DECOUPLING DEFERRED REV		201605	-3,810,519.55	-851,738.99	-4,662,258.54	
	ADFIT DECOUPLING DEFERRED REV		201606	-4,662,258.54	-90,391.31	-4,752,649.85	
	Electric Service				Sum: -1,629,550.63		
	ADFIT DECOUPLING DEFERRED REV	GD	201604	-3,283,721.97	-833,446.05	-4,117,168.02	
	ADFIT DECOUPLING DEFERRED REV		201605	-4,117,168.02	-295,963.75	-4,413,131.77	
	ADFIT DECOUPLING DEFERRED REV		201606	-4,413,131.77	-166,134.22	-4,579,265.99	
	Natural Gas Service				Sum: -1,295,544.02		
	FERC Acct 283328				Sum: -2,925,094.65		

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

Income Statement Accounts

GL Account Balance Accounting Period : '201604, 201605, 201606'

Jurisdiction:WA

Deferred Revenue

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
456328	RESIDENTIAL DECOUPLING DEFERRE	ED	201604	-3,522,935.56	-1,617,557.10	-5,140,492.66
	RESIDENTIAL DECOUPLING DEFERRE		201605	-5,140,492.66	-2,162,113.91	-7,302,606.57
	RESIDENTIAL DECOUPLING DEFERRE		201606	-7,302,606.57	-182,736.70	-7,485,343.27
	FERC Acct 456328				Sum: -3,962,407.71	
456338	NON-RES DECOUPLING DEFERRED RE	ED	201604	-557,767.63	-317,982.18	-875,749.81
	NON-RES DECOUPLING DEFERRED RE		201605	-875,749.81	-305,112.72	-1,180,862.53
	NON-RES DECOUPLING DEFERRED RE		201606	-1,180,862.53	2,502.68	-1,178,359.85
	FERC Acct 456338				Sum: -620,592.22	
495328	RESIDENTIAL DECOUPLING DEFERRE	GD	201604	-2,559,106.07	-1,412,741.69	-3,971,847.76
	RESIDENTIAL DECOUPLING DEFERRE		201605	-3,971,847.76	-884,958.88	-4,856,806.64
	RESIDENTIAL DECOUPLING DEFERRE		201606	-4,856,806.64	-260,272.19	-5,117,078.83
	FERC Acct 495328				Sum: -2,557,972.76	
495338	NON-RES DECOUPLING DEFERRED RE	GD	201604	-612,165.31	-299,490.90	-911,656.21
	NON-RES DECOUPLING DEFERRED RE		201605	-911,656.21	-202,163.99	-1,113,820.20
	NON-RES DECOUPLING DEFERRED RE		201606	-1,113,820.20	-174,675.24	-1,288,495.44
	FERC Acct 495338				Sum: -676,330.13	

GL Account Balance Accounting Period : '201604, 201605, 201606'

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	201604	-68,343.75	-35,418.05	-103,761.80	
	INT INC ON OTH DEFERRALS-IV FU		201605	-103,761.80	-41,867.50	-145,629.30	
	INT INC ON OTH DEFERRALS-IV FU		201606	-145,629.30	-45,804.97	-191,434.27	
	Electric Service				Sum: -123,090.52		
	INT INC ON OTH DEFERRALS-IV FU	GD	201604	-66,935.18	-32,143.44	-99,078.62	
	INT INC ON OTH DEFERRALS-IV FU		201605	-99,078.62	-36,271.86	-135,350.48	
	INT INC ON OTH DEFERRALS-IV FU		201606	-135,350.48	-38,570.76	-173,921.24	
Natural Gas Service				Sum: -106,986.06			
FERC Acct 419605				Sum: -230,076.58			
431605	INT EXP ON OTH DEFERRALS-IV FU	ED	201604	20,182.40	6,899.26	27,081.66	
	INT EXP ON OTH DEFERRALS-IV FU		201605	27,081.66	6,919.16	34,000.82	
	INT EXP ON OTH DEFERRALS-IV FU		201606	34,000.82	6,939.11	40,939.93	
	Electric Service				Sum: 20,757.53		
	INT EXP ON OTH DEFERRALS-IV FU	GD	201604	241.31	0.00	241.31	
	INT EXP ON OTH DEFERRALS-IV FU		201605	241.31	0.00	241.31	
	INT EXP ON OTH DEFERRALS-IV FU		201606	241.31	0.00	241.31	
Natural Gas Service				Sum: 0.00			
FERC Acct 431605				Sum: 20,757.53			
Net Interest Income				Sum: -209,319.05			

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
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Financial Reporting Contra Asset Accounts

GL Account Balance Accounting Period : '201604, 201605, 201606'

Jurisdiction: WA

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
253311	CONTRA DECOUPLING DEFERRED REV	ED	201605	0.00	-68,635.00	-68,635.00
	CONTRA DECOUPLING DEFERRED REV		201606	-68,635.00	39,161.00	-29,474.00
	Electric Service			Sum: -29,474.00		
	CONTRA DECOUPLING DEFERRED REV	GD	201604	-910,063.42	636,898.42	-273,165.00
	CONTRA DECOUPLING DEFERRED REV		201605	-273,165.00	-277,784.00	-550,949.00
	CONTRA DECOUPLING DEFERRED REV		201606	-550,949.00	1,151.00	-549,798.00
Natural Gas Service			Sum: 360,265.42			
FERC Acct 253311			Sum: 330,791.42			
456311	CONTRA DECOUPLING DEFERRAL	ED	201605	0.00	68,635.00	68,635.00
	CONTRA DECOUPLING DEFERRAL		201606	68,635.00	-39,161.00	29,474.00
	Electric Service			Sum: 29,474.00		
495311	CONTRA DECOUPLING DEFERRAL	GD	201604	0.00	-636,898.42	-636,898.42
	CONTRA DECOUPLING DEFERRAL		201605	-636,898.42	277,784.00	-359,114.42
	CONTRA DECOUPLING DEFERRAL		201606	-359,114.42	-1,151.00	-360,265.42
	Natural Gas Service			Sum: -360,265.42		
FERC Accts 495311 and 456311			Sum: -330,791.42			

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

Washington Jurisdiction Decoupling Mechanism Interest Summary

Electric					
	Total Interest	419605	431605	Net Inc/Exp	
Apr-16	\$28,519	\$35,418	(\$6,899)	\$28,519	\$0
May-16	\$34,948	\$41,868	(\$6,919)	\$34,948	\$0
Jun-16	\$38,866	\$45,805	(\$6,939)	\$38,866	\$0
Q2 Total	\$102,333	\$123,091	(\$20,758)	\$102,333	\$0

186328 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$3,529,528	3.25%
Apr-16	\$1,617,557	\$12,509		\$5,159,594	3.46%
May-16	\$2,162,114	\$17,994		\$7,339,701	3.46%
Jun-16	\$182,737	\$21,426		\$7,543,864	3.46%

186338 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$560,277	3.25%
Apr-16	\$317,982	\$2,074		\$880,333	3.46%
May-16	\$305,113	\$2,978		\$1,188,424	3.46%
Jun-16	(\$2,503)	\$3,423		\$1,189,344	3.46%

182329 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$7,226,144	
Apr-16		\$20,835		\$7,246,979	3.46%
May-16		\$20,895		\$7,267,875	3.46%
Jun-16		\$20,956		\$7,288,830	3.46%

182339 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				(\$2,392,809)	
Apr-16		(\$6,899)		(\$2,399,708)	3.46%
May-16		(\$6,919)		(\$2,406,627)	3.46%
Jun-16		(\$6,939)		(\$2,413,566)	3.46%

182328 ED	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16		\$0		\$0	
Apr-16		\$0		\$0	3.46%
May-16		\$0		\$0	3.46%
Jun-16		\$0		\$0	3.46%

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Washington Jurisdiction Decoupling Mechanism Interest Summary

Natural Gas					
	Total Interest	Acct 419605	Acct 431605	Net Inc/Exp	
Apr-16	\$32,143	\$32,143	\$0	\$32,143	\$0
May-16	\$36,272	\$36,272	\$0	\$36,272	\$0
Jun-16	\$38,571	\$38,571	\$0	\$38,571	\$0
Q2 Total	\$106,986	\$106,986	\$0	\$106,986	\$0

186328 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$2,565,916	3.25%
Apr-16	\$1,412,742	\$9,435		\$3,988,093	3.46%
May-16	\$884,959	\$12,775		\$4,885,826	3.46%
Jun-16	\$260,272	\$14,463		\$5,160,561	3.46%

186338 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$614,580	3.25%
Apr-16	\$299,491	\$2,204		\$916,275	3.46%
May-16	\$202,164	\$2,933		\$1,121,373	3.46%
Jun-16	\$174,675	\$3,485		\$1,299,533	3.46%

182329 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$5,354,831	
Apr-16		\$15,440		\$5,370,271	3.46%
May-16		\$15,484		\$5,385,755	3.46%
Jun-16		\$15,529		\$5,401,284	3.46%

182339 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$1,750,886	
Apr-16		\$5,048		\$1,755,934	3.46%
May-16		\$5,063		\$1,760,997	3.46%
Jun-16		\$5,078		\$1,766,075	3.46%

182328 GD	Deferral Entry	Interest Income/(exp)	Amortization	Ending Balance	Interest Rate
Mar-16				\$5,686	
Apr-16		\$16		\$5,702	3.46%
May-16		\$16		\$5,719	3.46%
Jun-16		\$16		\$5,735	3.46%

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 2nd Quarter 2016

NOTES

The following table shows how the decoupled revenue per customer has tracked with use per customer for the 1st and 2nd quarters 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	YTD Average	%
Electric Residential						
Change in Use per Customer	(346)	(196)			(542)	-9.1%
Change in Decoupled Revenue per Customer	-\$17.63	-\$19.86			-\$37.49	-9.9%
Deferral per Average Customer	\$17.63	\$19.86			\$37.49	
Electric Non-Residential						
Change in Use per Customer	(461)	(255)			(716)	-2.4%
Change in Decoupled Revenue per Customer	-\$16.47	-\$18.29			-\$34.76	-1.6%
Deferral per Average Customer	\$16.47	\$18.29			\$34.76	
Natural Gas Residential						
Change in Use per Customer	(47)	(31)			(78)	-17.0%
Change in Decoupled Revenue per Customer	-\$17.48	-\$17.48			-\$34.96	-17.9%
Deferral per Average Customer	\$17.48	\$17.48			\$34.96	
Natural Gas Non-Residential						
Change in Use per Customer	(1,121)	(899)			(2,020)	-18.0%
Change in Decoupled Revenue per Customer	-\$238.26	-\$254.35			-\$492.61	-17.6%
Deferral per Average Customer	\$238.26	\$254.35			\$492.61	

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. Similarly, a portion of the 2016 natural gas surcharge may not be fully recovered by 12/31/2018. The 2016 entries reflect both expected recovery of 2015 amounts during 2018 and the exclusion of 2016 amounts expected to be recovered in 2019. The income statement impact of the contra decoupling deferral will be eliminated for Commission Basis reporting.