



Avista Corp.

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August 15, 2016

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

2016 AUG 15 AM 9:53
OFFICE OF THE
SECRETARY
WASHINGTON UTILITIES
AND TRANSPORTATION
COMMISSION
1000 4TH AVENUE
OLYMPIA, WA 98501

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, July 2016
Docket No. UE-140188, Monthly REC Report, July 2016

Dear Mr. King:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of July 2016.

The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers (Attachment A). In July, actual net power costs were greater than authorized costs by \$1,643,691. Year-to-date actual net power costs were less than authorized costs by \$3,282,021. A deferral entry of \$694,284 was made in the surcharge direction. The ERM deferral at July 2016 is \$12,466 (interest only) in the rebate direction.

Actual power supply expense was higher than the authorized level due primarily to lower hydro generation. Hydro generation was 245 aMW below the authorized level. The average purchased power price was \$29.92/MWh compared to an authorized price of \$33.90/MWh. The average natural gas price was \$3.36/dth compared to an authorized price of \$2.68/dth.

Colstrip and Kettle Falls generation was 18 aMW and 22 aMW above the authorized level respectively. Gas-fired generation was 50 aMW above the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 33 aMW above the authorized level.

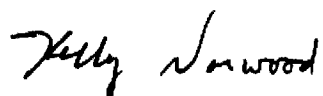
The report also includes the monthly renewable energy credits (REC) accounting journal together with backup work papers (Attachment B). Per Order 05, Docket UE-140188 the

Company defers 100% of the net monthly renewable energy credits (REC) not associated with compliance for the Washington Energy Independence Act. The amount of net revenues for July 2016 is \$330,925.

Interest for the ERM is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated July 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's actual cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The July 2016 report on page 20 contains the information for the July – December calculations.

If you have any questions, please contact Bill Johnson at (509) 495-4046 or Annette Brandon at (509) 495-4324.

Sincerely,



Kelly Norwood
Vice President, State and Federal Regulation

AB

Enclosure

C: Public Counsel
Industrial Customers of Northwest Utilities

2016 AUG 15 AM 9:53
STATE OF WASHINGTON
PUBLIC UTILITIES
DIVISION

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT
MONTH OF JULY 2016

STATE OF WASHINGTON
186280 ERM DEFERRAL (CURRENT YEAR)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ (11,535,183.18)
201601	\$ (11,535,183.18)	\$ (32,804.00)	\$ (11,567,987.18)
201602	\$ (11,567,987.18)	\$ 11,567,987.00	\$ (0.18)
201603	\$ (0.18)	\$ (1,159,616.00)	\$ (1,159,616.18)
201604	\$ (1,159,616.18)	\$ (30,851.00)	\$ (1,190,467.18)
201605	\$ (1,190,467.18)	\$ (154,976.00)	\$ (1,345,443.18)
201606	\$ (1,345,443.18)	\$ 639,705.00	\$ (705,738.18)
201607	\$ (705,738.18)	\$ 693,272.00	\$ (12,466.18)
201608		\$ -	
201609		\$ -	
201610		\$ -	
201611		\$ -	
201612		\$ -	

201607 \$ (12,466.18)

<u>Current Month</u>	<u>GL Account</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 6/30/2016		\$ (705,738)	
Deferral		\$ 694,284	481 - ERM
Interest		\$ (1,012)	481 - ERM
Balance 02/29/2016		\$ (12,466)	
 YTD			
Balance 1/31/2016		\$ (11,535,183)	
Deferral Year to Date		\$ -	481 - ERM
Transfer to Account 186290		\$ 11,535,183	481 - ERM
Interest		\$ (12,466)	481 - ERM
Balance 02/29/2016		\$ (12,466)	
 Total			
First \$4M at 100%	\$ (4,000,000)	\$ (4,000,000)	\$ -
\$4M to \$10M at 25% (rebate)	\$ (925,712)	\$ (231,428)	\$ (694,284)
\$4M to \$10M at 50% (surcharge)	\$ -	\$ -	\$ -
Over \$10M at 10%	\$ -	\$ -	\$ -
	\$ (4,925,712)	\$ (4,231,428)	\$ (694,284)

STATE OF WASHINGTON
186290 ERM AMORTIZATION BALANCE (Pending Approval 2015)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ -
201601	\$ -	\$ -	\$ -
201602	\$ -	\$ (11,600,791.00)	\$ (11,600,791.00)
201603	\$ (11,600,791.00)	\$ (32,804.00)	\$ (11,633,595.00)
201604	\$ (11,633,595.00)	\$ (32,804.00)	\$ (11,666,399.00)
201605	\$ (11,666,399.00)	\$ (32,804.00)	\$ (11,699,203.00)
201606	\$ (11,699,203.00)	\$ (32,804.00)	\$ (11,732,007.00)
201607	\$ (11,732,007.00)	\$ 11,732,007.00	\$ -
201608		\$ -	
201609		\$ -	
201610		\$ -	
201611		\$ -	
201612		\$ -	
201607			\$ -

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 6/30/2016	\$ (11,699,203.00)	
Transfer to 186280 interest	\$ 11,732,007.00	481 - ERM
	\$ (32,804.00)	481 - ERM
Balance 02/29/2016	\$ -	

STATE OF WASHINGTON
182350 RECOVERABLE DEFERRAL BALANCE (CURRENT YEAR - 2016)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ (6,457,270.71)
201601	\$ (6,457,270.71)	\$ 579,345.00	\$ (5,877,925.71)
201602	\$ (5,877,925.71)	\$ 27,371.00	\$ (5,850,554.71)
201603	\$ (5,850,554.71)	\$ (16,541.00)	\$ (5,867,095.71)
201604	\$ (5,867,095.71)	\$ (16,541.00)	\$ (5,883,636.71)
201605	\$ (5,883,636.71)	\$ (16,541.00)	\$ (5,900,177.71)
201606	\$ (5,900,177.71)	\$ (16,541.00)	\$ (5,916,718.71)
201607	\$ (5,916,718.71)	\$ (11,781,831.00)	\$ (17,698,549.71)
201608		\$ -	
201609		\$ -	
201610		\$ -	
201611		\$ -	
201612		\$ -	

201607 \$ (17,698,549.71)

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 6/30/2016	\$ (5,900,177.71)	
Surcharge Amortization	\$ -	481 - ERM
Transfer From 186290	\$ (11,732,007.00)	481 - ERM
Interest	\$ (66,365.71)	481 - ERM
	\$ (17,698,550.42)	

STATE OF WASHINGTON 232380 DFIT ASSOCIATED WITH ERM DEFERRALS
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DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	\$	(12,466.18)
Account 186290.ED.WA balance	\$	-
Account 182350.ED.WA balance	\$	(17,698,549.71)
Total	\$	(17,711,015.89)
Federal income tax rate		-35%
Deferred FIT related to deferrals	\$	6,198,855.56
Rounding	\$	0.88
Balance that should be in account - January 31, 2015	\$	6,198,856.44
 GL Check	 \$	 6,198,856.44
	\$	0.00

STATE OF WASHINGTON
186322 REC AMORTIZATION

FERC Account	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
186322	Beginning Balance			\$ 2,038,919.11
ED.WA	201601	\$ 2,038,919.11	\$ 577,521.00	\$ 2,616,440.11
	201602	\$ 2,616,440.11	\$ 506,191.00	\$ 3,122,631.11
	201603	\$ 3,122,631.11	\$ 470,428.00	\$ 3,593,059.11
	201604	\$ 3,593,059.11	\$ 442,617.00	\$ 4,035,676.11
	201605	\$ 4,035,676.11	\$ 439,893.00	\$ 4,475,569.11
	201606	\$ 4,475,569.11	\$ 417,994.00	\$ 4,893,563.11
	201607	\$ 4,893,563.11	\$ (1,711,045.01)	\$ 3,182,518.10
	201608		\$ -	
	201609		\$ -	
	201610		\$ -	
	201611		\$ -	
	201612		\$ -	

GL YTD Check 201607 \$ 3,182,518.10

<u>Current Month</u>		<u>Amount</u>	<u>Journal ID</u>
Account 186322	Begin Balance	\$ 4,893,563.11	
Amortization		\$ 323,100.00	475 - WA REC Journal
Transfer from 186323		\$ (2,086,461.13)	
Interest - 6.340%		\$ 52,316.12	475 - WA REC Journal
	Ending Balance	\$ 3,182,518.10	

STATE OF WASHINGTON 232305/283310 DFIT ASSOCIATED WITH REC DEFERRALS

DFIT Associated with ERM Deferrals

Account 283305.ED.WA

Account 186322.ED.WA balance	\$	3,182,518.10	\$	1,113,881.34
Account 186323.ED.WA balance	\$	-	\$	-
Account 186324.ED.WA balance	\$	(2,138,896.00)	\$	(748,613.60)
Total	\$	1,043,622.10		
Federal income tax rate		-35%		
Deferred FIT related to deferrals	\$	<u>(365,267.74)</u>		
True up to Tax Return	\$	8,082.00		
Balance that should be in account	\$	<u>(357,185.74)</u>		

GL Check

201607 \$ (357,185.73)

\$ (0.01)

Attachment A

Avista Corporation
Monthly Power Cost Deferral Report
Month of July 2016

ERM Deferral Journal

Avista Corporation Journal Entry

Effective Date: 201607

Journal: 481-WA ERM
 Team: Resource Accounting
 Type: C
 Category: DJ
 Currency: USD

Last Saved by: Cheryl Kettner
 Submitted by: Cheryl Kettner
 Approved by:

Last Saved: 08/05/2016 1:51 PM
 Approval Requested: 08/05/2016 2:20 PM

Seq	Co	FERC	Ser	Jul	S.I.	Debit	Credit	Comment
10	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	ED	WA	DL		49,824.00	Interest Accrual for Amortization Balance
20	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	49,824.00		Interest Expense on Amortization Balance
30	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL	694,284.00		Current Year ERM (2016)
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		694,284.00	Current Year ERM Deferral Expense (2016)
50	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		1,012.00	Current Year ERM Interest Accrual (2016)
60	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	1,012.00		Current Year ERM Interest Expense (2016)
70	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	ED	WA	DL		11,732,007.00	Prudency Approval Received in WA-Transfer 2015 1
80	001	186290 - REGULATORY ASSET ERM DEFERRED LAST YEAR	ED	WA	DL	11,732,007.00		Prudency Approval Received in WA-Transfer 2015 1
Totals:						12,477,127.00	12,477,127.00	

Prepared by Cheryl Kettner
 Date 8/5/2016

Reviewed by _____
 Date _____

Approved for Entry
 Corporate Accounting use Only
 Date _____

Explanation:
 Record current month deferred power supply costs, and interest per WA accounting order.

Washington Energy Recovery Mechanism (ERM) Amortizing Deferral Balance

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 8/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

Jan-June Interest Rate	0.28438%
Jul-Dec Interest Rate	0.28231%

Account 182350

Month Ending	Balance Transfer	Amortization	Adjustments	Interest	Interest Adjustments	End Balance before interest	Balance with Interest	GLW Balance	Check	Adjustment Notes
12/31/2015								(6,457,271)		
1/31/2016		596,860		(17,515)		(5,860,411)	(5,877,926)	(5,877,926)	0.00	
2/29/2016		43,974		(16,603)		(5,816,437)	(5,850,555)	(5,850,555)	0.00	
3/31/2016		0		(16,541)		(5,816,437)	(5,867,096)	(5,867,096)	0.00	
4/30/2016		0		(16,541)		(5,816,437)	(5,883,637)	(5,883,637)	0.00	
5/31/2016		0		(16,541)		(5,816,437)	(5,900,178)	(5,900,178)	0.00	
6/30/2016		0		(16,541)		(5,816,437)	(5,916,719)	(5,916,719)	0.00	
7/31/2016		(11,732,007)		(49,824)		(17,648,726)	(17,898,550)	(5,916,719)	11,781,831.00	
8/31/2016										
9/30/2016										
10/31/2016										
11/30/2016										
12/31/2016										

Entry:	Debit	Credit	
182350 ED WA	0		Regulatory Asset ERM Approved For Recovery
557290 ED WA		0	WA ERM Amortization
431600 ED WA	49,824		Interest Expense Energy Deferrals
182350 ED WA		49,824	Regulatory Asset ERM Approved For Recovery

**Avista Corp. - Resou... counting
Washington Energy Recovery Mechanism (ERM) Current Year Deferral**

Changes Semiannually on January 1 and July 1
 The rate is based on Avista's actual cost of debt, updated semiannually.
 The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.
 The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.
 Interest will be accrued monthly and compounded semi-annually.
 Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

WETA - Washington Energy Recovery Mechanism (ERM) Current Year Deferral
 WETA - Washington Energy Recovery Mechanism (ERM) Current Year Deferral

Jan-June Interest Rate	0.28438%
Jul-Dec Interest Rate	0.28231%

Account 186280

Month Ending	12/31/2015	1/31/2016	2/29/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016
Beg. Balance		(11,535,183)	0	0	(1,157,969)	(1,185,488)	(1,336,877)	(705,738)					
Balance Transfer		11,535,183	0	0	(1,157,969)	(1,185,488)	(1,336,877)	(705,738)					
Deferral - Sur./ (Reb.)		0	0	0	(1,157,969)	(1,185,488)	(1,336,877)	(705,738)					
Interest Adjustments		0	0	(1,547)	(3,332)	(3,387)	(2,888)	(1,012)					
End Balance before interest		0	0	(1,157,969)	(1,185,488)	(1,336,877)	(705,738)	(11,454)					
Balance with Interest		0	0	(1,159,616)	(1,190,467)	(1,345,443)	(705,738)	(12,466)					
GLW Balance	(11,535,183)	(11,567,967)	0	(1,159,616)	(1,190,467)	(1,345,443)	(705,738)	(705,738)					
Check		(11,567,967)	(11,567,967.00)	0.00	0.00	0.00	0.00	(693,272.00)					
Adjustment Notes								This transfer should have occurred in Jan but was completed on the Feb DJ481					

Entry	Debit	Credit
557280 ED WA		694,284.00
186280 ED WA	694,284.00	
431600 ED WA	1,012.00	
186280 ED WA		1,012.00
		Deferred Power Supply Expense
		Regulatory Asset ERM Deferred Current Year
		Interest Expense Energy Deferrals
		Regulatory Asset ERM Deferred Current Year

**Avisia Corp. - Resource Accounting
Washington Energy Recovery Mechanism (ERM) Pending Deferral Balances from 2015**

Changes Semiannually on January 1 and July 1

The rate is based on Avisia's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

Jan-June Interest Rate	0.28438%
Jul-Dec Interest Rate	0.28231%

Account 186290

Month Ending	Reg Balance	Balance Transfer	Other Activity	Adjustments	Interest	Interest Adjustments	End Balance before interest	Balance with Interest	GLW Balance	Check	Adjustment Notes
12/31/2015									0	0	
1/31/2016		0	(11,535,183)		(32,804)		(11,535,183)	(11,567,987)	0	11,567,987.00	
2/29/2016	(11,535,183)	0			(32,804)		(11,535,183)	(11,600,791)	(11,600,791)	0.00	
3/31/2016	(11,535,183)				(32,804)		(11,535,183)	(11,633,595)	(11,633,595)	0.00	
4/30/2016	(11,535,183)				(32,804)		(11,535,183)	(11,666,399)	(11,666,399)	0.00	
5/31/2016	(11,535,183)				(32,804)		(11,535,183)	(11,699,203)	(11,699,203)	0.00	
6/30/2016	(11,535,183)				(32,804)		(11,535,183)	(11,732,007)	(11,732,007)	0.00	
7/31/2016	(11,732,007)	11,732,007			0		0	0	(11,732,007)	(11,732,007.00)	
8/31/2016											
9/30/2016											
10/31/2016											
11/30/2016											
12/31/2016											

Entry:	
182350 ED WA	Debit 11,732,007 Prudency Approval Received in WA - Transfer 2015 Bal
186290 ED WA	Credit 11,732,007 Prudency Approval Received in WA - Transfer 2015 Bal

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS	TOTAL	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
1	555 Purchased Power	\$85,718,578	\$13,933,633	\$13,763,477	\$13,932,523	\$11,975,351	\$10,398,522	\$10,545,763	\$11,108,309	\$0	\$0	\$0	\$0	\$0
2	447 Sale for Resale	(\$69,134,301)	(\$10,291,009)	(\$10,637,878)	(\$11,228,965)	(\$9,817,050)	(\$10,187,127)	(\$9,220,527)	\$0	\$0	\$0	\$0	\$0	\$0
3	501 Thermal Fuel	\$14,596,012	\$2,753,922	\$2,300,883	\$2,083,055	\$2,266,480	\$662,548	\$1,809,764	\$2,719,360	\$0	\$0	\$0	\$0	\$0
4	547 CT Fuel	\$39,106,588	\$9,063,085	\$8,579,384	\$5,500,996	\$3,000,874	\$3,869,806	\$3,866,295	\$7,216,368	\$0	\$0	\$0	\$0	\$0
5	456 Transmission Revenue	(\$9,475,687)	(\$1,328,449)	(\$1,116,884)	(\$1,158,440)	(\$1,302,590)	(\$1,407,227)	(\$1,571,973)	(\$1,590,124)	\$0	\$0	\$0	\$0	\$0
6	565 Transmission Expense	\$10,002,895	\$1,376,369	\$1,599,865	\$1,438,139	\$1,405,327	\$1,375,315	\$1,371,935	\$1,435,945	\$0	\$0	\$0	\$0	\$0
7	557 Broker Fees	\$236,142	\$35,918	\$36,649	\$23,939	\$35,762	\$41,688	\$36,375	\$25,811	\$0	\$0	\$0	\$0	\$0
8	Adjusted Actual Net Expense	\$71,050,227	\$15,603,449	\$12,525,496	\$10,851,247	\$7,563,954	\$4,744,825	\$6,857,632	\$13,163,924	\$0	\$0	\$0	\$0	\$0
Total through July														
AUTHORIZED NET EXPENSE-SYSTEM														
9	555 Purchased Power	\$70,261,427	\$12,809,205	\$11,591,985	\$10,660,401	\$10,031,882	\$8,675,133	\$8,326,700	\$8,166,121	\$9,056,301	\$7,863,688	\$8,186,793	\$11,995,643	\$12,493,230
10	447 Sale for Resale	(\$54,642,698)	(\$6,583,991)	(\$6,331,593)	(\$7,373,144)	(\$9,451,450)	(\$8,798,449)	(\$8,347,826)	(\$7,766,255)	(\$5,454,044)	(\$6,343,594)	(\$6,461,587)	(\$7,582,420)	(\$7,533,482)
11	501 Thermal Fuel	\$15,734,307	\$2,696,114	\$2,503,517	\$2,494,287	\$2,179,004	\$1,851,578	\$1,612,580	\$2,427,227	\$2,652,598	\$2,644,728	\$2,706,850	\$2,628,470	\$2,755,227
12	547 CT Fuel	\$39,898,489	\$9,014,456	\$7,698,692	\$7,292,619	\$5,265,751	\$2,664,694	\$2,712,482	\$5,239,795	\$6,788,998	\$6,983,768	\$7,442,560	\$7,920,542	\$8,801,867
13	456 Transmission Revenue	(\$9,365,579)	(\$1,305,692)	(\$1,061,936)	(\$1,137,644)	(\$1,166,933)	(\$1,506,921)	(\$1,586,633)	(\$1,599,620)	(\$1,447,883)	(\$1,304,804)	(\$1,285,929)	(\$1,197,858)	(\$1,199,571)
14	565 Transmission Expense	\$10,031,773	\$1,485,367	\$1,417,562	\$1,557,927	\$1,347,286	\$1,410,951	\$1,401,574	\$1,411,206	\$1,443,939	\$1,441,121	\$1,400,226	\$1,464,406	\$1,437,755
15	557 Broker Fees	\$412,876	\$67,876	\$67,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500
16	Settlement Adjustment	(\$1,289,574)	(\$130,554)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)	(\$193,170)
17	Authorized Net Expense	\$71,031,021	\$18,022,781	\$15,682,567	\$13,358,676	\$8,069,870	\$4,171,316	\$3,983,007	\$7,742,804	\$12,904,239	\$11,169,238	\$11,853,243	\$15,093,313	\$16,619,356
18	Actual - Authorized Net Expense	\$19,206	(\$2,419,332)	(\$3,157,071)	(\$2,767,429)	(\$505,916)	\$573,209	\$2,874,625	\$5,421,120	\$0	\$0	\$0	\$0	\$0
19	Resource Optimization - Subtotal	(\$7,399,147)	(\$1,670,162)	(\$1,226,333)	(\$485,617)	(\$505,286)	(\$1,204,148)	(\$1,126,929)	(\$2,280,872)	\$0	\$0	\$0	\$0	\$0
20	Adjusted Net Expense	(\$7,379,941)	(\$4,089,494)	(\$3,283,404)	(\$3,253,046)	(\$1,011,202)	(\$630,939)	(\$1,747,696)	\$3,140,448	\$0	\$0	\$0	\$0	\$0
21	Washington Allocation	\$4,781,695	\$2,652,446	\$2,124,691	\$2,105,046	\$654,349	\$408,281	\$1,130,934	\$2,032,184	\$0	\$0	\$0	\$0	\$0
22	Washington Share	\$459,971	\$266,163	\$5,438	\$5,438	\$181,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	WA Retail Revenue Adjustment	\$1,040,703	\$77,754	\$542,838	\$440,594	\$435,724	\$206,430	(\$274,144)	(\$368,493)	\$0	\$0	\$0	\$0	\$0
24	Net Power Cost (+) Surcharge (-)	(\$3,282,021)	(\$2,308,529)	(\$1,576,415)	(\$1,659,014)	(\$36,693)	\$201,851)	\$656,790	\$1,643,691	\$0	\$0	\$0	\$0	\$0
25	Rebate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Cumulative Balance	(\$2,308,529)	(\$3,884,944)	(\$5,543,958)	(\$5,580,651)	(\$5,792,502)	(\$4,926,712)	(\$3,282,021)	(\$3,282,021)	\$0	\$0	\$0	\$0	\$0
Deferral Amount, Cumulative (Customer)														
Deferral Amount, Monthly Entry														
Acct 65780 Entry; (+) Rebate; (-) Surcharge														
Company Band Gross Margin Impact, Cumulative														

Avista Corp. - R
 e Accounting
 WASHINGTON DEFERRED POWER COST CALCUL - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
TOTAL	\$3,724,065	\$3,534,857	\$4,742,755	\$4,181,604	\$3,391,033	\$4,429,364	\$5,035,985	\$0	\$0	\$0	\$0	\$0
1 Short-Term Purchases	\$1,034,397	\$1,034,397	\$1,034,397	\$1,034,397	\$1,034,397	\$1,034,397	\$1,034,397	\$0	\$0	\$0	\$0	\$0
2 Chelan County PUD (Rocky Reach Slice)	\$7,941	\$2,590	\$130,766	\$150,689	\$173,528	\$173,528	\$87,298	\$0	\$0	\$0	\$0	\$0
3 Douglas County PUD (Wells Settlement)	\$1,069,502	\$152,786	\$152,786	\$152,786	\$152,786	\$152,786	\$152,786	\$0	\$0	\$0	\$0	\$0
4 Douglas County PUD (Wells)	\$4,168,262	\$595,466	\$595,466	\$595,466	\$595,466	\$595,466	\$595,466	\$0	\$0	\$0	\$0	\$0
5 Grant County PUD (Priest Rapids/Wanapum)	\$9,153,502	\$3,182,991	\$2,876,135	\$1,521,428	\$1,521,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Bonneville Power Admin. (WNP-3)	\$4,477	\$505	\$517	\$1,152	\$670	\$558	\$525	\$0	\$0	\$0	\$0	\$0
7 Inland Power & Light - Deer Lake	\$930,458	\$148,489	\$179,736	\$144,771	\$134,880	\$118,779	\$88,096	\$0	\$0	\$0	\$0	\$0
8 Small Power	\$976,606	\$154,074	\$143,960	\$120,136	\$97,983	\$131,037	\$198,444	\$0	\$0	\$0	\$0	\$0
9 Stimson Lumber	\$1,964,578	\$290,963	\$433,302	\$428,478	\$337,508	\$352,975	\$8,903	\$0	\$0	\$0	\$0	\$0
10 City of Spokane-Upriver	\$2,941,242	\$179,092	\$475,957	\$440,063	\$458,837	\$333,511	\$596,389	\$0	\$0	\$0	\$0	\$0
11 City of Spokane - Waste-to-Energy	\$14,653,767	\$2,291,398	\$2,222,770	\$2,144,775	\$2,041,651	\$1,923,752	\$1,947,743	\$0	\$0	\$0	\$0	\$0
12 Ratrium Power, LLC (Lancaster PPA)	\$11,854,817	\$2,014,951	\$1,894,190	\$2,352,918	\$1,216,297	\$1,419,523	\$1,241,871	\$0	\$0	\$0	\$0	\$0
13 Palouse Wind	\$942,882	\$159,500	\$143,002	\$126,079	\$122,216	\$140,979	\$137,362	\$0	\$0	\$0	\$0	\$0
14 WPM Ancillary Services	\$48,314	\$57,015	\$23,812	(\$3,447)	(\$7,158)	\$28,390	(\$16,956)	\$0	\$0	\$0	\$0	\$0
15 Non-Mon. Accruals	\$85,716,578	\$13,993,633	\$13,763,477	\$13,932,523	\$11,975,351	\$10,399,522	\$11,108,309	\$0	\$0	\$0	\$0	\$0
16 Non-Mon. Accruals	\$85,716,578	\$13,993,633	\$13,763,477	\$13,932,523	\$11,975,351	\$10,399,522	\$11,108,309	\$0	\$0	\$0	\$0	\$0
17 Total 555 Purchased Power	\$69,311,977	\$11,172,330	\$10,466,744	\$8,821,585	\$7,910,479	\$8,403,820	\$10,371,706	\$0	\$0	\$0	\$0	\$0
18 Short-Term Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Nichols Pumping Index Sale	\$12,098,429	\$1,073,575	\$3,114,788	\$2,844,465	\$2,083,875	\$1,061,674	(\$7,851)	\$0	\$0	\$0	\$0	\$0
20 Sovereign Power/Kaiser Load Following	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Pend Oreille DES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Merchant Ancillary Services	\$48,314	\$57,015	(\$53,447)	(\$71,581)	\$81,081	\$28,390	(\$16,956)	\$0	\$0	\$0	\$0	\$0
23 Total 447 Sales for Resale	\$61,611,729	\$9,432,598	\$9,964,540	\$8,673,892	\$9,040,411	\$8,385,283	\$6,969,973	\$0	\$0	\$0	\$0	\$0
24 Kettle Falls Wood-501110	\$431,046	\$86,485	\$36,444	\$28,689	\$40,502	\$64,104	\$123,217	\$0	\$0	\$0	\$0	\$0
25 Kettle Falls Gas-501120	\$85,695	\$11,801	\$12,810	\$12,326	\$12,683	\$12,676	\$12,676	\$0	\$0	\$0	\$0	\$0
26 Colstrip Coal-501140	\$347,285	\$53,367	\$52,282	\$47,873	\$50,386	\$42,377	\$45,879	\$0	\$0	\$0	\$0	\$0
27 Colstrip Oil-501160	\$83,986,598	(\$1,297,630)	(\$1,320,149)	(\$1,368,961)	(\$1,250,287)	(\$953,981)	(\$963,544)	\$0	\$0	\$0	\$0	\$0
28 Total 447 Fuel Expense	\$65,134,301	(\$10,291,009)	(\$10,637,878)	(\$11,228,965)	(\$9,817,060)	(\$10,187,127)	(\$7,751,745)	\$0	\$0	\$0	\$0	\$0
29 Kettle Falls	\$35,708,890	\$6,496,636	\$5,424,454	\$4,367,257	\$3,765,345	\$4,588,663	\$5,685,309	\$0	\$0	\$0	\$0	\$0
30 Colstrip	\$21,760,995	(\$2,146,443)	(\$3,541,393)	(\$5,250,573)	(\$4,598,265)	(\$4,021,805)	(\$334,206)	\$0	\$0	\$0	\$0	\$0
31 Kettle Falls Wood-501110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Kettle Falls Gas-501120	\$2,334,936	(\$190,800)	(\$208,860)	(\$116,095)	(\$99,178)	(\$212,628)	(\$876,031)	\$0	\$0	\$0	\$0	\$0
33 Colstrip Coal-501140	\$942,882	(\$159,500)	(\$143,002)	(\$126,079)	(\$122,216)	(\$113,744)	(\$137,362)	\$0	\$0	\$0	\$0	\$0
34 Colstrip Oil-501160	\$83,986,598	(\$1,297,630)	(\$1,320,149)	(\$1,368,961)	(\$1,232,046)	(\$1,250,287)	(\$963,544)	\$0	\$0	\$0	\$0	\$0
35 Total 501 Fuel Expense	\$69,134,301	(\$10,291,009)	(\$10,637,878)	(\$11,228,965)	(\$9,817,060)	(\$10,187,127)	(\$7,751,745)	\$0	\$0	\$0	\$0	\$0
36 Kettle Falls Wood-501110	\$3,473,802	\$605,629	\$648,276	\$532,607	\$564,829	\$393,317	\$605,641	\$0	\$0	\$0	\$0	\$0
37 Kettle Falls Gas-501120	\$11,488	\$6,552	(\$1,238)	\$1,537	\$1,740	(\$95)	\$214	\$0	\$0	\$0	\$0	\$0
38 Colstrip Coal-501140	\$10,992,272	\$2,120,032	\$1,637,450	\$1,538,966	\$2,049,491	\$1,386,491	\$2,089,876	\$0	\$0	\$0	\$0	\$0
39 Colstrip Oil-501160	\$118,450	\$21,709	\$16,395	\$9,945	\$15,776	\$30,051	\$23,629	\$0	\$0	\$0	\$0	\$0
40 Total 501 Fuel Expense	\$14,596,012	\$2,753,922	\$2,300,863	\$2,083,055	\$2,266,480	\$1,809,764	\$2,719,360	\$0	\$0	\$0	\$0	\$0
41 Kettle Falls	305,997	52,760	52,312	47,910	49,319	44,127	50,829	\$0	\$0	\$0	\$0	\$0
42 Colstrip	485,440	98,075	81,222	70,154	66,206	45,977	93,974	\$0	\$0	\$0	\$0	\$0
43 Kettle Falls	wood	\$11,48	\$12,39	\$11,12	\$11,45	\$8,91	\$11,92	\$0	\$0	\$0	\$0	\$0
44 Kettle Falls	wood	\$11,48	\$12,39	\$11,12	\$11,45	\$8,91	\$11,92	\$0	\$0	\$0	\$0	\$0

(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-86-99

Avista Corp. - R
Accounting
WASHINGTON DEFERRED POWER COST CALCUL
- ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
32	Colstrip	\$21,62	\$20,16	\$21,94	\$25,66	\$17,45	\$30,16	\$22,24				
547 FUEL												
33	NE CT Gas/Oil-547213	\$13,645	\$6,936	(\$217)	\$1,249	\$1,728	\$1,816	\$2,084	\$0	\$0	\$0	\$0
34	Boulder Park-547216	\$243,352	\$4,942	\$7,792	\$33,927	\$75,378	\$19,204	\$58,175	\$0	\$0	\$0	\$0
35	Kettle Falls CT-547211	\$62,668	(\$1,229)	\$6,888	\$1,778	\$4,494	\$15,459	\$21,979	\$0	\$0	\$0	\$0
36	Coyote Springs2-547610	\$21,846,332	\$3,662,342	\$2,926,444	\$1,221,907	\$1,253,656	\$3,342,564	\$4,889,246	\$0	\$0	\$0	\$0
37	Lancaster-547312	\$16,290,967	\$2,889,442	\$2,552,994	\$1,727,538	\$2,377,237	\$412,106	\$1,957,978	\$0	\$0	\$0	\$0
38	Rathdrum CT-547310	\$649,624	\$16,951	\$7,095	\$14,275	\$147,313	\$95,146	\$286,906	\$0	\$0	\$0	\$0
39	Total 547 Fuel Expense	\$9,063,065	\$6,579,384	\$5,500,936	\$3,000,674	\$3,859,806	\$3,886,295	\$7,216,368	\$0	\$0	\$0	\$0
40	TOTAL NET EXPENSE	\$70,286,877	\$15,519,611	\$12,005,866	\$10,287,609	\$7,425,455	\$4,734,749	\$7,021,295	\$13,292,292	\$0	\$0	\$0
456 TRANSMISSION REVENUE												
41	456100 ED AN	(\$5,516,120)	(\$812,185)	(\$665,591)	(\$673,083)	(\$737,286)	(\$982,412)	(\$1,028,415)	\$0	\$0	\$0	\$0
45	456120 ED AN - BPA Settlement	(\$1,862,000)	(\$266,000)	(\$266,000)	(\$266,000)	(\$266,000)	(\$266,000)	(\$266,000)	\$0	\$0	\$0	\$0
46	456020 ED AN - Sale of excess BPA Trans	(\$274,743)	\$0	(\$10,016)	(\$93,901)	(\$133,737)	(\$30,662)	(\$6,427)	\$0	\$0	\$0	\$0
47	456130 ED AN - Ancillary Services Revenue	(\$942,882)	(\$159,500)	(\$126,079)	(\$122,216)	(\$113,744)	(\$140,979)	(\$137,362)	\$0	\$0	\$0	\$0
48	456017 ED AN - Low Voltage	(\$35,140)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	\$0	\$0	\$0	\$0
49	456700 ED WA - Low Voltage	(\$56,254)	(\$6,322)	(\$6,322)	(\$6,322)	(\$6,322)	(\$6,322)	(\$6,322)	\$0	\$0	\$0	\$0
50	456705 ED AN - Low Voltage	(\$786,548)	(\$77,412)	(\$77,412)	(\$134,048)	(\$143,108)	(\$138,578)	(\$136,578)	\$0	\$0	\$0	\$0

Avista Corp. - R Accounting
ACTUAL SYSTEM POWER SUPPLY EXPENSES

WASHINGTON DEFERRED POWER COST CALCUL

Line No.	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
TOTAL	(\$9,475,687)	(\$1,328,449)	(\$1,116,884)	(\$1,158,440)	(\$1,302,590)	(\$1,407,227)	(\$1,590,124)					
51 Total 456 Transmission Revenue	\$9,988,685	\$1,374,339	\$1,597,835	\$1,436,109	\$1,403,297	\$1,373,285	\$1,369,905	\$1,433,915	\$0	\$0	\$0	\$0
52 565000 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 565312 ED AN	\$14,210	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$0	\$0	\$0	\$0
54 565710 ED AN	\$10,002,895	\$1,376,369	\$1,599,865	\$1,438,139	\$1,405,327	\$1,375,315	\$1,371,935	\$1,435,945	\$0	\$0	\$0	\$0
55 Total 565 Transmission Expense	\$223,787	\$35,543	\$36,274	\$23,564	\$35,387	\$41,688	\$36,375	\$22,909	(\$7,953)	\$0	\$0	\$0
56 557170 ED AN	\$1,500	\$375	\$375	\$375	\$375	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 557172 ED AN	\$2,902	\$0	\$0	\$0	\$0	\$0	\$0	\$2,902	\$0	\$0	\$0	\$0
58 557165 ED AN	\$228,189	\$35,918	\$36,649	\$23,939	\$35,762	\$41,688	\$36,375	\$25,811	(\$7,953)	\$0	\$0	\$0
59 Total 557 ED AN Broker & Related Fees	\$32,670,775	\$3,554,533	\$3,401,868	\$4,730,932	\$5,396,722	\$5,932,343	\$4,909,733	\$4,744,644	\$0	\$0	\$0	\$0
RESOURCE OPTIMIZATION	(\$17,073,954)	(\$1,532,123)	(\$2,088,815)	(\$879,906)	(\$1,685,047)	(\$747,310)	(\$5,740,010)					
60 Econ Dispatch-557010	\$564,858	\$200,335	\$146,030	\$180,037	\$0	\$0	\$38,456	\$0	\$0	\$0	\$0	\$0
61 Econ Dispatch-557150	(\$564,858)	(\$200,335)	(\$146,030)	(\$180,037)	\$0	\$0	(\$38,456)	\$0	\$0	\$0	\$0	\$0
62 Gas Bookouts-557700	\$20,026,540	\$2,751,487	\$4,645,223	\$2,366,339	\$2,073,340	\$1,468,332	\$1,559,224	\$5,162,595	\$0	\$0	\$0	\$0
63 Gas Bookouts-557711	(\$20,026,540)	(\$2,751,487)	(\$4,645,223)	(\$2,366,339)	(\$2,073,340)	(\$1,468,332)	(\$1,559,224)	(\$5,162,595)	\$0	\$0	\$0	\$0
64 Intraco Thermal Gas-557730	\$20,694,442	\$1,894,955	\$1,958,501	\$2,842,316	\$3,730,666	\$3,937,353	\$2,834,192	\$3,496,459	\$0	\$0	\$0	\$0
65 Fuel DispatchFin -456010	(\$3,156,370)	(\$12,189)	(\$73,353)	(\$627,696)	(\$947,007)	(\$1,026,064)	(\$384,956)	(\$87,105)	\$0	\$0	\$0	\$0
66 Fuel Dispatch-456015	(\$19,170,227)	(\$1,668,568)	(\$4,609,447)	(\$2,024,110)	(\$2,417,801)	(\$1,956,399)	(\$3,629,487)	(\$2,864,415)	\$0	\$0	\$0	\$0
67 Intraco Thermal Gas-456730	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68 Fuel Bookouts-456711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69 Fuel Bookouts-456720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70 Resource Optimization Subtotal	(\$7,399,678)	(\$1,670,435)	(\$126,333)	(\$485,666)	(\$505,318)	(\$1,204,188)	(\$1,126,988)	(\$2,280,750)	\$0	\$0	\$0	\$0
71 Misc. Power Exp. Actual-557160 ED AN	\$273	\$273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72 Misc. Power Exp. Subtotal	\$273	\$273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73 Wind REC Exp Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74 Wind REC Exp Actual 557395	\$258	\$0	\$0	\$49	\$32	\$40	\$59	\$78	\$0	\$0	\$0	\$0
75 Wind REC Subtotal	\$258	\$0	\$0	\$49	\$32	\$40	\$59	\$78	\$0	\$0	\$0	\$0
76 WA EIA937 Requirement (EWEB) - Expense	\$437,219	\$260,725	\$0	\$0	\$176,494	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77 WA EIA937 Requirement (EWEB) - Broker Fee Exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
78 WA EIA 937 Requirement (EWEB) - Broker Fee Exp	\$21,752	\$5,438	\$5,438	\$5,438	\$5,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79 EWEB REC WA EIA 937 Compliance	\$459,971	\$266,163	\$5,438	\$5,438	\$181,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0
80 Net Resource Optimization	(\$7,399,147)	(\$1,670,162)	(\$126,333)	(\$485,617)	(\$505,286)	(\$1,204,148)	(\$1,126,929)	(\$2,280,672)	\$0	\$0	\$0	\$0
81 Adjusted Actual Net Expense	\$64,110,051	\$14,199,450	\$12,404,601	\$10,111,068	\$7,240,600	\$3,540,377	\$5,730,703	\$10,883,252	\$0	\$0	\$0	\$0

Avista Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2016

Retail Sales - MWh	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	YTD
Total Billed Sales	568,164	493,703	455,358	424,541	419,370	393,720	490,276	-	-	-	-	-	3,245,132
Deduct Prior Month Unbilled	(246,831)	(226,595)	(196,875)	(205,495)	(184,275)	(190,230)	(237,646)	-	-	-	-	-	(1,487,947)
Add Current Month Unbilled	226,595	196,875	205,495	184,275	190,230	237,646	223,202	-	-	-	-	-	1,464,318
Total Retail Sales	547,928	463,983	463,978	403,321	425,325	441,136	475,832	-	-	-	-	-	3,221,503
Test Year Retail Sales	552,475	498,647	492,113	431,145	438,507	423,630	451,024	469,267	421,946	451,214	471,440	-	3,287,541
Difference from Test Year	(4,547)	(34,664)	(28,135)	(27,824)	(13,182)	17,506	24,808	-	-	-	-	-	(66,038)
Production Rate - \$/MWh	\$17.10	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66
Total Revenue Credit - \$	(\$77,754)	(\$542,838)	(\$440,594)	(\$435,724)	(\$206,430)	\$274,144	\$388,493	\$0	\$0	\$0	\$0	\$0	(\$1,040,703)

Line No	Description	Coupon Rate (%)	Maturity Date	Settlement Date	Principal Amount (\$)	Issuance Costs (\$)	SWAP Loss/Gain (\$)	Discount (Premium) (\$)	Less/Resort Expenses (\$)	Net Proceeds (\$)	Yield to Maturity (%)	Principal Outstanding 6/30/2016 (\$)	Effective Cost	Line No
1	FMSB - SERIES A	7.50%	5/5/2023	5/6/1993	5,500,000	42,712	-	-	963,011	4,494,277	9.359%	5,500,000	514,744	1
2	FMSB - SERIES A	7.50%	5/5/2023	5/7/1993	1,000,000	7,786	-	-	175,412	816,822	9.375%	1,000,000	93,747	2
3	FMSB - SERIES A	7.50%	5/11/2018	5/11/1993	7,000,000	54,364	-	-	1,237,883	5,717,753	9.287%	7,000,000	869,114	3
4	FMSB - SERIES A	7.450%	8/11/2018	8/9/1993	15,500,000	120,377	-	50,220	2,140,440	13,158,993	8.953%	15,500,000	1,387,715	4
5	FMSB - SERIES A	7.180%	8/11/2023	8/12/1993	7,000,000	54,364	-	-	-	6,945,636	7.244%	7,000,000	507,264	5
6	ADVANCE ASSOCIAT	1.441%	8/1/2037	6/31/1997	40,000,000	1,296,066	-	-	(1,769,125)	40,473,039	1.402%	40,000,000	590,812	6
7	FMSB - SERIES C	6.370%	6/18/2028	6/18/1998	25,000,000	158,304	-	-	188,848	24,853,047	6.475%	25,000,000	1,818,863	7
8	5.45% SERIES	5.450%	12/1/2019	11/18/2004	80,000,000	1,182,081	-	238,400	7,244,816	81,333,001	6.482%	80,000,000	5,815,420	8
9	FMSB - 6.25%	6.250%	12/1/2035	11/17/2005	150,000,000	1,812,935	(4,445,000)	367,500	1,700,376	150,584,168	6.222%	150,000,000	9,332,881	9
10	FMSB - 5.78%	5.780%	7/1/2037	12/15/2008	150,000,000	4,702,304	3,738,000	222,000	-	141,337,698	6.120%	150,000,000	8,178,874	10
11	5.95% SERIES	5.950%	6/1/2018	4/30/2008	250,000,000	2,246,419	18,365,000	835,000	-	230,623,591	7.034%	250,000,000	17,586,306	11
12	5.125% SERIES	5.125%	4/1/2022	9/22/2008	250,000,000	2,284,788	(10,778,222)	575,000	2,875,817	255,040,618	4.907%	250,000,000	12,268,815	12
13	3.89% SERIES	3.890%	12/20/2020	12/20/2010	52,000,000	385,129	-	-	6,273,664	45,341,207	5.578%	52,000,000	2,900,391	13
14	5.55% SERIES	5.550%	12/20/2040	12/20/2010	35,000,000	258,834	-	-	5,263,822	29,477,345	6.788%	35,000,000	2,375,887	14
15	4.45% SERIES	4.450%	12/14/2041	12/14/2011	85,000,000	682,833	10,557,000	-	105,020	73,750,187	5.340%	85,000,000	4,538,671	15
16	4.23% SERIES	4.230%	11/28/2047	11/28/2012	80,000,000	730,833	18,346,070	-	-	60,917,277	5.868%	80,000,000	4,694,533	16
17	0.84% SERIES	0.840%	8/14/2016	8/14/2013	80,000,000	515,388	(2,900,000)	-	-	82,385,311	-0.043%	80,000,000	(38,506)	17
18	4.11% SERIES	4.110%	12/1/2044	12/1/2014	60,000,000	428,782	(5,429,000)	-	-	65,000,218	3.650%	60,000,000	2,190,070	18
19	4.37% SERIES	4.370%	12/1/2045	12/1/2015	100,000,000	588,954	9,363,299	-	-	90,027,747	5.017%	100,000,000	5,816,762	19
20												1,483,000,000	81,163,883	20
21														21
22	Repurchase	8.85%	6/5/2028	5/24/2002	10,000,000	-	-	-	(2,228,153)	12,228,153	6.981%	-	-188,084	22
23	Repurchase	8.83%	6/5/2028	4/9/2003	10,000,000	-	-	-	(460,789)	10,459,789	8.385%	-	-43,681	23
24	Repurchase	8.63%	12/24/2022	3/11/2003	5,000,000	-	-	-	82,365	4,907,637	9.029%	-	10,341	24
25	Repurchase	5.72%	3/1/2004	12/30/2009	17,000,000	-	-	-	1,918,297	15,083,703	6.661%	-	156,446	25
26	Repurchase	6.55%	10/1/2032	12/31/2008	66,700,000	-	-	-	3,799,174	62,990,826	7.034%	-	324,360	26
27												1,483,000,000	81,456,284	27
28					113,979,890						2.021%	113,979,890	2,304,144	28
29												1,600,979,890	83,760,329	29
30														30
31														31
32														32

WASHINGTON'S TOTAL DEBT OUTSTANDING AND COST OF DEBT AT JUNE 30, 2016

Adjusted Weighted Average Cost of Debt 6.212%

1 Average Monthly Average Rate over a twelve month period

2 Short Term Debt

Kettner, Cheryl

From: Brandon, Annette
Sent: Thursday, June 23, 2016 3:27 PM
To: Kettner, Cheryl
Subject: ERM Approval

Cheryl, the ERM was approved today so you can go ahead and make that transfer in July closing.

Annette Brandon | AVISTA UTILITIES

10000 15th St, NW, Everett, WA 98201
Phone: 425.774.4311 | Fax: 425.774.4312
<mailto:annette.brandon@avistacorp.com>

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION,

Energy Recovery Mechanism Annual
Filing to Review Deferrals for Calendar
Year 2015

DOCKET UE-160357

ORDER 01

ORDER AUTHORIZING ENERGY
RECOVERY MECHANISM
DEFERRALS FOR CALENDAR
YEAR 2015

BACKGROUND

- 1 The Utilities and Transportation Commission (Commission) in its Fifth Supplemental Order in Docket UE-011595 (June 18, 2002), authorized Avista Corporation (Avista or Company) to implement an Energy Recovery Mechanism (ERM) allowing for positive or negative adjustments to its rates to account for fluctuations in power costs outside of an authorized band for power-cost recovery in base rates. Under the Settlement Stipulation approved by the Commission in the same order, Avista is required to make a filing by April 1 of each year regarding the power costs it deferred the prior calendar year under the ERM.¹
- 2 The Company's April 1 filings are intended to be sufficient to provide the Commission and interested parties an opportunity to audit and review the prudence of the ERM deferrals for the year in question. A 90-day review period is contemplated, though that period can be extended by agreement of the parties.²
- 3 The first ERM annual review covered the period July 1, 2002, through December 31, 2002, and resulted in a Commission Order approving a settlement of the issues presented.³ Among other things, the Settlement Stipulation in Docket UE-030751 identified specific documentation the Company would file in future ERM annual review proceedings.⁴

¹ Settlement Stipulation in Docket UE-011595 at 6-7, 4.b.

² *Id.*

³ *WUTC v. Avista Corp.*, Docket UE-030751, Order 05, Order Approving and Adopting Settlement Stipulation (Feb. 3, 2004).

⁴ See Settlement Stipulation in Docket UE-030751 at 6-7, ¶ III.C.

**DOCKET UE-160357
ORDER 01**

PAGE 2

- 4 Pursuant to the terms of the ERM, the first \$4 million of amounts of net power supply costs below the authorized level is absorbed by the Company; for the next \$6 million, 25 percent is absorbed by the Company and 75 percent is deferred for rebate to customers; and 90 percent of any remaining amount over \$10 million is deferred as a potential rebate to rate payers.
- 5 On March 30, 2016, Avista filed testimony, exhibits, and supporting documentation relating to power costs deferred under the ERM for calendar year 2015. The 90-day review period was March 30, 2016, to June 30, 2016.
- 6 In 2015, Avista's actual net power expense allocated to Washington was lower than the authorized baseline expense by \$17,578,148. Since actual costs are lower than authorized costs the calculation is as follows:
- a. The first \$4 million is retained by the Company;
 - b. Twenty-five percent of the next \$6 million is retained by the Company or \$1.5 million (25 percent of \$6 million) and \$4.5 million (75 percent of \$6 million) is deferred as a rebate to rate payers.
 - c. Ten percent of the remaining amount is retained by the Company or \$757,815 (10 percent of \$7,578,148) and \$6,820,333 (90 percent of \$7,578,148) is deferred as a rebate to rate payers.
- 7 Additionally, there is a rebate of \$214,850 related to interest.
- 8 For the year 2015 the total calculated rate payer deferral taking into consideration the additional interest is \$11,535,183. At the end of 2015, the total balance in the ERM deferral accounts, including the 2015 rebate recorded, was \$17,992,454 in the rebate direction.
- 9 The baseline for this ERM calculation results from the power supply revenues and expenses approved by the Commission in Dockets UE-140188 and UG-140189 (consolidated).
- 10 Staff has conducted a review of the Company's ERM annual review filing in this docket, and is satisfied the Company provided adequate documentation of its ERM power cost revenue and expenses.
- 11 Staff has not identified any related issues nor has any other person or party filed comments with the Commission within the review period.

DISCUSSION

- 12 Avista's March 30, 2016, filing provides sufficient information to allow the Commission and interested parties to audit and review the prudence of the ERM deferrals for 2015. We agree with Staff that the Company's documentation of its ERM power cost deferrals for calendar year 2015 adequately supports the rate payer deferral or rebate amount of \$11,535,183 reflected in the filing.

FINDINGS AND CONCLUSIONS

- 13 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including electric companies.
- 14 (2) Avista is a public service Company subject to Commission jurisdiction. Avista is engaged in the business of providing electric and natural gas service within the state of Washington.
- 15 (3) This matter was brought before the Commission at its regularly scheduled meeting on June 23, 2016. The Commission received no written or oral comments from any person or party other than Commission Staff.
- 16 (4) The Company has provided adequate documentation of its ERM power cost deferrals for calendar year 2015 to support the rate payer deferral or rebate amount of \$11,535,183.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Avista Corporation's filing meets the requirements in Dockets UE-011595 and UE-030751 and Avista Corporation has properly calculated the 2015 Energy Recovery Mechanism amount.
- 18 (2) Pursuant to the terms of the Energy Recovery Mechanism, Avista Corporation is authorized to record a 2015 rate payer deferral or rebate amount of \$11,535,183.
- 19 (3) This Order shall in no way affect the Commission's authority over rates, services, accounts, valuations, estimations, or determination of costs, or any matters whatsoever that may come before it. Nor shall this Order be construed as an

**DOCKET UE-160357
ORDER 01**

PAGE 4

agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

- 20 (4) The Commission retains jurisdiction to effectuate the terms of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 23, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary

Electric Revenue Report by Revenue Class Current Month and Year-to-Date for Accounting Period : 201607 , State Code : WA

Accounting Period:201607		State Code:WA				
Rate Schedule Desc	Meters	Usage	Revenue Amt	YTD Average Meter	Ytd Usage	Ytd Revenue Amt
0001 - RESIDENTIAL	208,666	163,015,520	14,824,873	208,855	1,348,080,000	122,381,400
0002 - RESIDENTIAL DISCOUNT	538	410,113	24,118	425	3,030,891	177,308
0011 - GENERAL SERVICE	22,220	45,054,165	5,408,503	22,219	323,779,555	38,697,531
0012 - RESID&FARM-GEN SERV	9,036	3,679,642	582,170	8,979	33,405,137	4,918,534
0021 - LARGE GENERAL SERV	1,847	116,844,899	10,840,362	1,862	789,468,194	72,888,759
0022 - RESID&FRM-LGE GEN SE	48	2,443,540	224,714	49	18,785,619	1,706,099
0025 - EXTRA LGE GEN SERV	23	135,689,737	7,948,562	21	647,158,560	38,748,499
0030 - PUMPING SERV-SPECIAL	32	3,672,600	258,289	31	11,754,300	826,291
0031 - PUMPING SERVICE	1,172	16,212,281	1,318,413	1,203	52,107,821	4,434,256
0032 - PUMPING SVC RES&FRM	1,164	1,355,312	136,605	1,189	3,962,964	493,103
0041 - CO OWNED ST LIGHTS	11	7,311	1,663	11	55,154	12,849
0042 - CO OWND ST LTS SO VA	329	997,931	389,575	325	7,263,630	2,748,513
0044 - CST OWND ST LT SO VA	13	26,611	3,497	13	184,023	24,284
0045 - CUST OWND ST LT ENGY	10	53,068	4,361	9	385,516	30,400
0046 - CUST OWND ST LT S V	53	98,517	10,322	52	707,252	72,485
0047 - AREA LIGHT-COM&INDUS	0	467,028	113,353	0	3,255,896	792,177
0048 - AREA LGHT-FARM&RESID	0	247,428	66,065	0	1,747,229	464,174
0058 - TAX ADJUSTMENT	0	0	1,455,795	0	0	10,435,765
0058A - TAX ADJUSTMENT TRIBAL	0	0	-4,958	0	0	-44,243
0095 - WIND POWER	0	0	14,692	0	0	104,434
0099 - MISC ELECT REVENUE	0	0	44,354	0	0	333,579
025B - PVD	0	0	-169,728	0	0	-592,118
Total WA	245,162	490,275,703	43,495,598	245,244	3,245,131,741	299,654,081
Total WA	245,162	490,275,703	43,495,598	245,244	3,245,131,741	299,654,081

ELECTRIC UNBILLED KWH AND REVENUE									
ACCOUNT DESCRIPTION	TOWN	REVENUE CLASS CODE	RATE SCH	Current Gross Unbilled KWH	Current Gross Unbilled REVENUE	Prior Month Reversal KWH	Prior Month Reversal REVENUE	Net Change KWH	Net Change REVENUE
(1)									
WASHINGTON									
Residential Service	2800	D1	0001	165,995,608	\$ 9,486,478	(90,823,891)	\$ (8,195,148)	15,175,717	\$ 1,290,333
Residential Fixed Income Servo	2800	D1	0002	265,165	\$ 15,441	(232,864)	\$ (13,864)	33,101	\$ 1,877
Residential Farm Gen	2800	D1	012	2,386,483	\$ 353,483	(2,175,888)	\$ (333,284)	210,887	\$ 25,239
Residential Farm Lg	2800	D1	022	1,890,985	\$ 128,787	(2,091,649)	\$ (168,038)	(410,561)	\$ (30,328)
Residential Farm Pump	2800	D1	032	883,912	\$ 64,405	(377,103)	\$ (41,713)	265,809	\$ 22,682
Commercial General	2800	D1	011	28,936,103	\$ 3,329,835	(28,238,816)	\$ (2,930,138)	3,699,187	\$ 399,447
Commercial Lg General	2800	D1	021	89,970,346	\$ 5,866,869	(82,338,085)	\$ (4,887,281)	7,632,263	\$ 598,608
Commercial Extra Lg	2800	D1	025		\$ -		\$ -		\$ -
Commercial Pump	2800	D1	031	6,284,817	\$ 514,224	(5,148,137)	\$ (847,136)	2,116,380	\$ 187,088
Industrial General	2800	D1	011	298,310	\$ 33,321	(290,080)	\$ (32,421)	8,230	\$ 900
Industrial Lg General	2800	D1	021	8,701,042	\$ 436,306	(6,221,431)	\$ (388,644)	479,611	\$ 37,652
Industrial Extra Lg	2800	D1	025		\$ -	(41,610,047)	\$ (2,165,719)	(41,610,047)	\$ (2,165,719)
Industrial Pump	2800	D1	031	1,128,840	\$ 92,515	(5,190,875)	\$ (287,683)	(2,063,925)	\$ (175,046)
WASHINGTON TOTAL				223,202,428.00	\$ 20,028,436	(161,723,138.00)	\$ (18,842,883)	(14,443,348)	\$ 182,833
(2)									
IDAHO									
Residential Service	3800	D1	001	50,712,748	\$ 4,898,228	(43,197,835)	\$ (4,036,292)	7,519,920	\$ 683,534
Residential Farm Gen	3800	D1	012	1,927,813	\$ 127,689	(899,246)	\$ (118,280)	129,267	\$ 12,429
Residential Farm Lg	3800	D1	022	384,882	\$ 28,886	(319,887)	\$ (23,881)	45,515	\$ 2,915
Residential Farm Pump	3800	D1	032	189,874	\$ 20,341	(165,949)	\$ (18,741)	53,834	\$ 4,600
Commercial General	3800	D1	011	17,236,709	\$ 1,889,436	(14,794,045)	\$ (1,466,487)	2,441,654	\$ 213,949
Commercial Lg General	3800	D1	021	31,080,567	\$ 2,168,343	(27,731,800)	\$ (1,366,342)	3,359,967	\$ 210,001
Commercial Extra Lg	3800	D1	025		\$ -		\$ -		\$ -
Commercial Pump	3800	D1	031	2,888,386	\$ 231,891	(1,827,601)	\$ (168,373)	757,855	\$ 63,428
Industrial General	3800	D1	011	232,919	\$ 22,037	(203,046)	\$ (19,623)	28,963	\$ 2,514
Industrial Lg General	3800	D1	021	3,646,877	\$ 235,801	(3,626,983)	\$ (241,499)	(79,416)	\$ (5,608)
Industrial Extra Lg	3800	D1	025		\$ -		\$ -		\$ -
Industrial Pump	3800	D1	031	1,289,533	\$ 112,492	(1,305,368)	\$ (118,073)	(45,825)	\$ (5,581)
IDAHO TOTAL				107,253,608.00	\$ 9,311,872	(84,943,774.00)	\$ (8,167,381)	14,209,734	\$ 1,164,181
(3)									
WASHINGTON & IDAHO TOTAL				331,455,934	\$ 29,337,007	(131,689,548)	\$ 0,0844	(233,614)	\$ 1,347,014

Attachment B

Avista Corporation
Monthly Power Cost Deferral Report
Month of July 2016

REC Revenues Deferral Journal

Avista Corporation Journal Entry

Effective Date: 201607

Journal: 475-WASHINGTON REC DEFERRAL

Team: Resource Accounting

Last Saved by: Keri Meister

Last Saved: 08/04/2016 12:58 PM

Type: C

Submitted by: Keri Meister

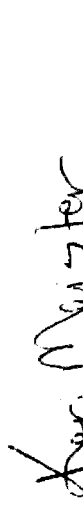
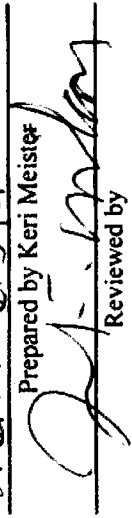
Approval Requested: 08/04/2016 1:47 PM

Category: DJ

Approved by:

Currency: USD

Seq	Co	FERC	Exp	Ser	Jur	S/L	Debit	Credit	Comment
10	001	557322	- DEF POWER SUPPLY EXP-RECS	ED	WA	DL	330,925.00		2016 WA REC Deferral Expense
20	001	186324	- MISC DEF DEBIT-WA REC 3	ED	WA	DL		330,925.00	2016 WA REC Deferred Liability
30	001	431016	- INTEREST EXPENSE ON REC DEFERRAL	ED	WA	DL	10,388.00		2016 WA REC Interest Expense Accrual
40	001	186324	- MISC DEF DEBIT-WA REC 3	ED	WA	DL		10,388.00	2016 WA REC Interest Liability Accrual
50	001	431016	- INTEREST EXPENSE ON REC DEFERRAL	ED	WA	DL	0.00		2015 WA REC Interest Expense Accrual
60	001	186323	- MISC DEF DEBIT-WA REC 2	ED	WA	DL		0.00	2015 WA REC Interest Liability Accrual
70	001	557324	- DEF POWER SUPPLY EXP-REC AMORT	ED	WA	DL	323,100.00		2012-2014 WA REC Deferral Amortization
80	001	186322	- MISC DEF DEBIT - WA REC 1	ED	WA	DL		323,100.00	2012-2014 WA REC Deferral Amortization
90	001	419600	- INTEREST ON ENERGY DEFERRALS	ED	WA	DL		15,902.00	2012-2014 WA REC Deferral Interest Exp Accrual
100	001	186322	- MISC DEF DEBIT - WA REC 1	ED	WA	DL	15,902.00		2012-2014 WA REC Deferral Interest Liability
110	001	186323	- MISC DEF DEBIT-WA REC 2	ED	WA	DL	2,050,047.01		Accrual
120	001	186322	- MISC DEF DEBIT - WA REC 1	ED	WA	DL		2,050,047.01	
Totals:							2,730,362.01	2,730,362.01	


 Prepared by Keri Meister

 Reviewed by
 Date 8-4-16
 Date 8/4/16

Approved for Entry
 Corporate Accounting use Only
 Date

Explanation:
 To account for the Washington REC Deferral per Washington UE-120436 and UE-120437.

Avista Corp. - Resource Accounting
 DJ475 - Washington REC (Current 2016 Deferral)

In. . will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current monthly interest rate

	<u>201601-201606:</u>	<u>201607-201706:</u>
Per rate order, REC rate is after tax cost of capital	6.340%	6.350%
The monthly rate is:	0.0052833	0.0052917

Tax rate 35.00%

Account 186324-ED-WA

Beginning Balance Including Interest		0
January	REC Deferral	(194,244)
January	Interest	(513)
1/31/2016 Balance before interest		(194,244)
February	REC Deferral	(263,626)
February	Interest	(1,723)
2/29/2016 Balance before interest		(457,870)
March	REC Deferral	(286,119)
March	Interest	(3,175)
3/31/2016 Balance before interest		(743,989)
April	REC Deferral	(380,759)
April	Interest	(4,937)
4/30/2016 Balance before interest		(1,124,748)
May	REC Deferral	(335,684)
May	Interest	(6,829)
5/31/2016 Balance before interest		(1,460,432)
	REC Deferral	(311,435)
	Interest	(8,539)
6/30/2016 Balance before interest		(1,771,867)
Balance including Jan-Jun interest		(1,797,583)
July	REC Deferral	(330,925) A
July	Interest	(10,388) Updated interest rate per rate order
7/31/2016 Balance before interest		(2,128,508) ✓

Semi-Annual Compounding

GL Balance	(1,771,867)	(25,716)
Update REC balance to include Interest		(1,797,583)

186324.ED.WA GL Wand (1,797,583.00)

Difference -

**Avista Corp. - Resource Accounting
Washington REC Deferral Summary - DJ475**

REC REVENUE & EXPENSE	Debit	Credit	Entry
May Revenue			
186322		\$335,684	
557322	\$335,684		
May Expense			
186322	\$0		
557322		\$0	
May Total			
186322	\$0	\$335,684	\$335,684 Credit
557322	\$335,684	\$0	-\$335,684 Debit
<hr/>			
June Revenue			
186322		\$311,435	
557322	\$311,435		
June Expense			
186322	\$0		
557322		\$0	
June Total			
186322	\$0	\$311,435	\$311,435 Credit
557322	\$311,435	\$0	-\$311,435 Debit
<hr/>			
July Revenue			
186322		\$330,925 (1) ✓	
557322	\$330,925		
July Expense			
186322	\$0 (2)		
557322		\$0	
July Total			
186322	\$0	\$330,925	\$330,925 Credit (A)
557322	\$330,925	\$0	-\$330,925 Debit

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2016 REC Revenue Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

aw

Actual	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610	201611	201612	Total
Source													
456016-ED-AN													
Non WA EIA - Voluntary REC Revenue													
WA EIA937 Requirement (EWEB) - PGE Rev	(301,068)	(405,644)	(440,748)	(585,665)	(514,932)	(477,735)	(507,631)						\$ (3,233,423)
Sacramento Municipal Utility District (SMUD) - REC Rev From Nucleus													
Total	\$ (301,068)	\$ (405,644)	\$ (440,748)	\$ (585,665)	\$ (514,932)	\$ (477,735)	\$ (507,631)						\$ (3,233,423)
Authorized - System													
Non WA EIA - Voluntary REC Revenue													\$
WA EIA937 Requirement (EWEB) - PGE Revenue													\$
Sacramento Municipal Utility District (SMUD) - REC Rev													\$
Total Authorized													\$
Difference													
Non WA EIA - Voluntary REC Revenue	(301,068)	(405,644)	(440,748)	(585,665)	(514,932)	(477,735)	(507,631)						\$ (3,233,423)
WA EIA937 Requirement (EWEB) - PGE Revenue													\$
Sacramento Municipal Utility District (SMUD) - REC Rev													\$
Total (*) = Surcharge	\$ (301,068)	\$ (405,644)	\$ (440,748)	\$ (585,665)	\$ (514,932)	\$ (477,735)	\$ (507,631)						\$ (3,233,423)
WA Share of Difference													
Non WA EIA - Voluntary (65.19%)	(196,266)	(264,439)	(287,324)	(381,785)	(335,684)	(311,435)	(330,925)						\$ (2,107,868)
WA EIA937 Requirement (EWEB) - PGE Rev (100%)													\$
SMUD (65.19%)													\$
Total - 100% Surcharge (*) or Rebate (-)	\$ (196,266)	\$ (264,439)	\$ (287,324)	\$ (381,785)	\$ (335,684)	\$ (311,435)	\$ (330,925)						\$ (2,107,868)
Accounting Entries													
186322-ED-WA													
557322-ED-WA													

Avista Corp. - Resource Accounting
 DJ 476 - Washington REC Deferral
 2016 REC Expense Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

2

Actual	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610	201611	201612	Total
Source													
Other Non WA EIA - Voluntary REC Expense													
557160-ED-AN													
Other Non WA EIA - Voluntary REC Broker Fees Exp	3,102	1,247	1,849	1,590									\$ 7,787
557171-ED-AN	\$ 3,102	\$ 1,247	\$ 1,849	\$ 1,590									\$ 7,787
Total Other Non WA EIA REC Expenses													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authorized - System													
Other Non WA EIA - Voluntary REC Expense													
557160-ED-AN													
Total Authorized													\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference													
Other Non WA EIA - Voluntary REC Expense	3,102	1,247	1,849	1,590									\$ 7,787
Total	\$ 3,102	\$ 1,247	\$ 1,849	\$ 1,590									\$ 7,787
WA Share of Difference													
Non WA EIA - Voluntary (65.19%)	2,022	813	1,205	1,036									\$ 5,076
Total - 100% Surcharge (+) or Rebate (-)	\$ 2,022	\$ 813	\$ 1,205	\$ 1,036									\$ 5,076
Accounting Entries													
186322-ED-WA													
557322-ED-WA													

**Avista Corp. - Resource Accounting
 DJ475 - Washington REC (Current "2015" Deferral)**

Int will be accrued monthly and compounded semi-annually.
 Int is calculated using the prior month ending balance plus 1/2 month of current month charges times the current monthly interest rate

Per rate order, REC rate is after tax cost of capital
 The monthly rate is:

	201501-201606: 201607-201706:
	6.340% 6.350%
	0.0052833 0.0052917

Account 186323-ED-WA		35.00% Tax rate	
		Current (2015) Deferral	
July	Balance including Jan-Jun interest	(981,404)	Semi-Annual Compounding
July	REC Deferral	(132,321)	
July	REC Deferral Adjustment -NSJ004	38,979	WA I-937 Compliance-Foregone ID REC Rev Adj (Annual adjustment)
July	Interest		(5,329)
7/30/2015	Balance before interest	(1,074,746)	
Aug	REC Deferral	(176,946)	
Aug	Interest		(6,146)
8/31/2015	Balance before interest	(1,251,692)	
Sept	REC Deferral	(159,025)	
Sept	Interest		(7,033)
9/30/2015	Balance before interest	(1,410,717)	
Oct	REC Deferral	(140,831)	
Oct	Interest		(7,829)
10/31/2015	Balance before interest	(1,552,269)	
Nov	REC Deferral	(185,673)	
Nov	Interest		(8,692)
11/30/2015	Balance before interest	(1,737,942)	
Dec	REC Deferral	(239,558)	
Dec	Interest		(9,815)
12/31/2015	Balance before interest	(1,977,500)	
	Balance including Jul-Dec interest	(2,022,344)	Semi-Annual Compounding
Jan 2016	REC Deferral	0	use acct 186324 as of Jan'16
Jan 2016	Interest		(10,685)
1/31/2016	Balance before interest	(2,022,344)	
Feb 2016	REC Deferral	0	use acct 186324 as of Jan'16
Feb 2016	Interest		(10,685)
2/29/2016	Balance before interest	(2,022,344)	
Mar 2016	REC Deferral	0	use acct 186324 as of Jan'16
Mar 2016	Interest		(10,685)
3/31/2016	Balance before interest	(2,022,344)	
Apr 2016	REC Deferral	0	use acct 186324 as of Jan'16
Apr 2016	Interest		(10,685)
4/30/2016	Balance before interest	(2,022,344)	
May 2016	REC Deferral	0	use acct 186324 as of Jan'16
May 2016	Interest		(10,685)
5/31/2016	Balance before interest	(2,022,344)	
June 2016	REC Deferral	0	use acct 186324 as of Jan'16
June 2016	Interest		(10,685)
6/30/2016	Balance before interest	(2,022,344)	
	Balance including Jan-Jun interest	(2,086,454.00)	Semi-Annual Compounding
July 2016	REC Deferral	0.00	use acct 186324 as of Jan'16
July 2016	REC Deferral Adjustment -NSJ004	36,414.12	WA I-937 Compliance-Foregone ID REC Rev Adj (Annual adjustment)
July 2016	Xfer balance to 186322 for Amortization	2,050,047.01	added \$7.13 to account for variance between spreadsheet and actual GL balance
July 2016	Interest		0
7/31/2016	Balance before interest	0.00	

Start using acct 186324 to record deferral as of Jan'16 per Annette Brandon. Do not xfer balance out of 186323 and continue to record interest on balance in acct 186323 as before.

GL Balance	(2,022,344)	(64,110)
Update REC balance to include Interest		(2,086,454)

186323.ED.WA GL Wand (2,086,461.13)
 Difference 7.13

Detail Balances (AMSTA CORP) - 001.188323 ED WA DL					
	Balance Type	Actual		Currency Type	Total
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201601	USD	-10,685.00		-2,033,036.13	
201602	USD	-10,685.00		-2,043,721.13	
201603	USD	-10,685.00		-2,054,406.13	
201604	USD	-10,685.00		-2,065,091.13	
201605	USD	-10,685.00		-2,075,776.13	
201606	USD	-10,685.00		-2,086,461.13	
201607	USD	36,414.12		2,050,047.01	

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Journal Details

Summary Balances

**Avista Corp. - Resource Accounting
 DJ475 - Washington REC Deferral (Current Amortization)**

Interest will be accrued monthly and compounded semi-annually.
 Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current monthly interest rate

	201501-201606:	201607-201706:
Per rate order, REC rate is after tax cost of capital	6.340%	6.350%
The monthly rate is.	0.0052833	0.0052917

Account 186322-ED-WA		35.00% Tax rate	
		Currently Amortization of 2012-2014 activity, Amortized over 18 months (Jan '15-June '16)	
		<i>Semi-Annual Compounding</i>	
	<i>Balance including Jan-Jun Interest</i>	(807,821)	
July	REC Amortization	480,682	
July	Interest		(2,997)
7/31/2015	Balance before interest	(326,939)	
August	REC Amortization	533,175	
August	Interest		(319)
8/31/2015	Balance before interest	206,236	
September	REC Amortization	465,306	
September	Interest		2,319
9/30/2015	Balance before interest	671,542	
October	REC Amortization	401,728	
October	Interest		4,609
10/31/2015	Balance before interest	1,073,270	
November	REC Amortization	428,427	
November	Interest		6,802
11/30/2015	Balance before interest	1,501,697	
December	REC Amortization	517,507	
December	Interest		9,301
12/31/2015	Balance before interest	2,019,204	
	<i>Balance including Jul-Dec Interest</i>	2,038,919	
January	REC Amortization	565,256	
January	Interest		12,265
1/31/2016	Balance before interest	2,604,175	
February	REC Amortization	491,135	
February	Interest		15,056
2/29/2016	Balance before interest	3,095,310	
March	REC Amortization	452,878	
March	Interest		17,550
3/31/2016	Balance before interest	3,548,188	
April	REC Amortization	422,754	
April	Interest		19,863
4/30/2016	Balance before interest	3,970,942	
May	REC Amortization	417,810	
May	Interest		22,083
5/31/2016	Balance before interest	4,388,752	
June	REC Amortization	393,767	
June	Interest		24,227
6/30/2016	Balance before interest	4,782,519	
	<i>Balance including Jan-Jun Interest</i>	4,893,563	
July	REC Amortization	323,100	
July	Xfer from acct 186323 Deferral	(2,050,047.01)	
July	Interest		15,902
7/31/2016	Balance before interest	3,166,616	

GL Balance	4,782,519	111,044
Update REC balance to include Interest		4,893,563

186322.ED.WA GL Wand	4,893,563.11
Difference	-

AVISTA CORPORATION
JULY 2016 WASHINGTON REC REVENUE & DEFERRAL AMORTIZATION

Schedule	kWh or \$ (b)	Proration Percentages		Rebate Rates		Rate Before 1-Jan-15 (g)	Rate On/After 1-Jan-15 (h)	Current Month Rebate Revenue (g)+(h)
		Before 1-Jan-15 (c)	On/After 1-Jan-15 (d)	Before 1-Jan-16 (e)	On/After 1-Jul-16 (f)			
1	163,015,520	0.00%	100.00%	(0.104c)	(0.035c)	\$ -	(120,564)	\$ (120,564)
2	410,113	0.00%	100.00%	(0.104c)	(0.035c)	\$ -	(300)	\$ (300)
11	45,054,165	0.00%	100.00%	(0.104c)	(0.035c)	\$ -	(33,710)	\$ (33,710)
12	3,679,642	0.00%	100.00%	(0.104c)	(0.035c)	\$ -	(2,833)	\$ (2,833)
21	116,844,899	0.00%	100.00%	(0.105c)	(0.036c)	\$ -	(85,999)	\$ (85,999)
22	2,443,540	0.00%	100.00%	(0.106c)	(0.036c)	\$ -	(2,013)	\$ (2,013)
25	135,689,797	0.00%	100.00%	(0.107c)	(0.034c)	\$ -	(74,509)	\$ (74,509)
30	3,672,600	0.00%	100.00%	(0.113c)	(0.042c)	\$ -	(2,947)	\$ (2,947)
31	16,212,280	0.00%	100.00%	(0.113c)	(0.042c)	\$ -	(13,444)	\$ (13,444)
32	1,355,312	0.00%	100.00%	(0.113c)	(0.042c)	\$ -	(1,108)	\$ (1,108)
41-46	1,183,438	0.00%	100.00%	(0.105c)	(0.037c)	\$ -	(912)	\$ (912)
47	467,028	0.00%	100.00%	(0.105c)	(0.037c)	\$ -	(304)	\$ (304)
48	247,428	0.00%	100.00%	(0.105c)	(0.037c)	\$ -	(165)	\$ (165)
Schedule Totals	490,275,762					\$0	(338,808)	\$ (338,808)

kWh not subject to surcharge	0	Conversion factor	0.953638
Sch 62		Amortization	(B) -\$323,100
Total kWh	490,275,762	FIT rate	-35%
		DFIT expense	\$113,085

Meister, Keri

From: Brandon, Annette
Sent: Thursday, August 04, 2016 8:25 AM
To: Meister, Keri
Cc: Kettner, Cheryl
Subject: REC Revenue
Attachments: 2016.07 Revenue_RateSch_REC Rev.xls; 07-2016WARev - REC (rate change).xlsx; 2016.07 Revenue_RateSch_CM_YTD.xls

Keri, you'll notice there is another attachment this month ending in REC Rev. This supports the system-determined revenue received from REC, rather than trying to calculate it as we used to do.

Annette Brandon | AVISTA UTILITIES

800 North 10th Street, Everett, WA 98201
P.O. Box 10000, Everett, WA 98200
Phone: (425) 440-4111 Fax: (425) 777-9054
<mailto:annette.brandon@avistacorp.com>

Electric Revenue Report by Revenue Class Current Month and Year-to-Date for Accounting Period : 201607 , State Code : WA , Billing Determinant : RIDER 98

Accounting Period:201607	State Code:WA	Billing Determinant:RIDER 98				
Rate Schedule Desc	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
0001 - RESIDENTIAL	0	0	-120.566	0	0	-1,356,770
0002 - RESIDENTIAL DISCOUNT	0	0	-300	0	0	-3,030
0011 - GENERAL SERVICE	0	0	-33,710	0	0	-324,668
0012 - RESID&FARM-GEN SERV	0	0	-2,833	0	0	-33,868
0021 - LARGE GENERAL SERV	0	0	-85,999	0	0	-800,874
0022 - RESID&FRM-LGE GEN SE	0	0	-2,013	0	0	-19,336
0025 - EXTRA LGE GEN SERV	0	0	-74,509	0	0	-596,207
0030 - PUMPING SERV-SPECIAL	0	0	-2,947	0	0	-12,079
0031 - PUMPING SERVICE	0	0	-13,444	0	0	-54,012
0032 - PUMPING SVC RES&FRM	0	0	-1,108	0	0	-4,054
0041 - CO OWNED ST LIGHTS	0	0	-3	0	0	-50
0042 - CO OWND ST LTS SO VA	0	0	-780	0	0	-7,176
0044 - CST OWND ST LT SO VA	0	0	-14	0	0	-179
0045 - CUST OWND ST LT ENGY	0	0	-54	0	0	-395
0046 - CUST OWND ST LT S V	0	0	-61	0	0	-705
0047 - AREA LIGHT-COM&INDUS	0	0	-304	0	0	-3,205
0048 - AREA LGHT-FARM&RESID	0	0	-165	0	0	-1,703
Total RIDER 98	0	0	-338,808	0	0	-3,218,310
Total RIDER 98	0	0	-338,808	0	0	-3,218,310
Total RIDER 98	0	0	-338,808	0	0	-3,218,310

Meister, Keri

Subject: FW: JULY DJ 475 WA REC DEF

From: Brandon, Annette
Sent: Monday, August 01, 2016 11:58 AM
To: Meister, Keri <Keri.Meister@avistacorp.com>
Subject: RE: JULY DJ 475 WA REC DEF

The amount in account 186323 (prior year deferral) can be transferred into the REC amortization bucket (account 186322) for amortization. The deferral since January 1, 2016 will remain in 186324.

From: Meister, Keri
Sent: Monday, August 01, 2016 11:10 AM
To: Brandon, Annette <Annette.Brandon@avistacorp.com>
Subject: JULY DJ 475 WA REC DEF
Importance: High

Looks like as of effective July 1st REC revenues were proposed to be changed. Could you please call me at your earliest convenience so we can discuss how this will affect the journal this month and going forward.

Thank you,

Keri Meister | AVISTA UTILITIES

Principal Accountant | Avista Utilities
11000 1st Avenue SW | Everett, WA 98201
Phone: (360) 452-1721 | Fax: (360) 452-1722
<mailto:keri.meister@avistacorp.com>

<http://www.ute.wa.gov/~/layouts/CasesPublicWebsite/GetDocument.ashx?docID=4&year=2016&docketNumber=160346>

Meister, Keri

From: Brandon, Annette
Sent: Monday, August 01, 2016 11:40 AM
To: Meister, Keri
Subject: RE: JULY DJ 475 WA REC DEF
Attachments: WA_098.pdf; REC workpaper.pdf

Keri, attached is the backup for your journal this month. (you might want to print out this email also).

There is no formal "order" for the REC, but rather it went into effect as part of the "No Action" agenda.

I have attached the approved tariff and work paper to support calculation.

Please let me know if you have any questions. Thank you!

From: Meister, Keri
Sent: Monday, August 01, 2016 11:10 AM
To: Brandon, Annette <Annette.Brandon@avistacorp.com>
Subject: JULY DJ 475 WA REC DEF
Importance: High

Looks like as of effective July 1st REC revenues were proposed to be changed. Could you please call me at your earliest convenience so we can discuss how this will affect the journal this month and going forward.

Thank you.

Keri Meister AVISTA UTILITIES

10000 1st Avenue, Everett, WA 98203
P: 425.799.4000
F: 425.799.4000
M: 425.799.4000
<mailto:keri.meister@avistacorp.com>

http://www.utc.wa.gov/_layouts/CasesPublicWebsite/GetDocument.aspx?docID=4&year=2016&docketNumber=160346

1st Revision Sheet 98
canceling

WN U-28

2nd Substitute Original Sheet 98

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AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 98

RENEWABLE ENERGY CREDIT REVENUE MECHANISM - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Renewable Energy Credit Revenue Mechanism shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rebate will be based on the projected net REC revenues from for the July 2016 through June 2017 time period, as well as a true-up of the amortization of the prior rebate in effect from January 1, 2015 through June 30, 2016. Interest on the deferred balance will accrue at the after-tax cost of capital interest rate (6.35%). *confirmed w/ Annette*

(C)
(C)
(C)
(I)

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 1	0.035¢ per kWh
Schedules 11 & 12	0.036¢ per kWh
Schedules 21 & 22	0.036¢ per kWh
Schedules 25	0.034¢ per kWh
Schedules 31 & 32	0.042¢ per kWh
Schedules 41 - 48	0.037¢ per kWh

(R)
|
(R)

TERM:

The energy charges will be reduced for the July 1, 2016 through June 30, 2017 time period.

(C)
(C)

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued March 30, 2016

Effective July 1, 2016

Issued by Avista Utilities

By *Kelly Norwood*

Kelly Norwood, Vice President, State & Federal Regulation

CONFIDENTIAL

REC Revenues Rebate Allocation - Generation Level Consumption

Line No	DESCRIPTION A	TOTAL B		RESIDENTIAL SCHEDULE 1 C		GENERAL SVC. SCH. 11,12 D		LG GEN SVC SCH. 21,22 E		EX LG GEN SVC SCHEDULE 25 F		PUMPING SCH. 30, 31, 32 H		ST & AREA LTG SCH. 41-48 I		J	
1	Generation Allocated																
2	Total Generation Percentage	100.00%															
3	2016 Rebate Amount (Grossed Up)	\$ (2,041,160)															
4	Annual Load (Rate Year)	5,775,712,978															
5	Cents Per kWh Rate																
6	Total Bills		2,945,007														
7	Avg Monthly Credit Per Customer																
8	Avg Annual Credit Per Customer																
9																	
10	Proposed Cents per kWh Rate																
11	Present Cents per kWh Rate																
12	Difference in Rate																
13	Change in Revenue		\$ 3,983,591														

Present Billed Revenue \$ 505,346,415 \$ 215,228,112 \$ 72,851,061 \$ 132,074,994 \$ 85,255,000 \$ 12,767,622 \$ 7,169,626
 Billed Percentage Change 0.8% 0.8% 0.5% 0.8% 1.2% 0.7% 0.2%

Residential Bill Impact (957 kWh's) \$ 0.66
 Residential Bill Percentage Change 0.8%

(1) E02 Allocator (Generation Level Consumption) from UE-160228
 (2) July 1, 2016 through June 30, 2017 Forecasted Loads

Present Bill
 Basic Charge 8.5
 1st 800 kWhs 0.07565
 Next 700 kWhs 0.08773
 Bill at 957 kWhs \$ 82.79
 Less Bill Impact \$ 0.66
 New Bill after Rate Adjustment \$ 83.45

Meister, Keri

From: Brandon, Annette
Sent: Monday, August 01, 2016 11:12 AM
To: Meister, Keri
Subject: RE: JULY DJ 475 WA REC DEF

It's the amortization rate. I'll send it in the amortization and the backup for your journal.

From: Meister, Keri
Sent: Monday, August 01, 2016 11:10 AM
To: Brandon, Annette <Annette.Brandon@avistacorp.com>
Subject: JULY DJ 475 WA REC DEF
Importance: High

Looks like as of effective July 1st REC revenues were proposed to be changed. Could you please call me at your earliest convenience so we can discuss how this will affect the journal this month and going forward.

Thank you.

Keri Meister | AVISTA UTILITIES

Assistant Controller
10000 1st Avenue, NE
Seattle, WA 98108
Phone: 206.451.2100 | Fax: 206.451.2101
<mailto:keri.meister@avistacorp.com>

<http://www.ute.wa.gov/layouts/CasesPublicWebsite/GetDocument.ashx?docID=4&year=2016&docketNumber=160346>

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



March 30, 2016

Mr. Steven King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Tariff WN U-28, Electric Service
Renewable Energy Credit Revenue Mechanism - Washington

Dear Mr. King:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective July 1, 2016:

First Revision Sheet 98 Canceling 2nd Substitute Original Sheet 98

The proposed tariff sheet reflects a rate adjustment to decrease the present rebate customers are receiving related to Renewable Energy Credits ("RECs"). In Docket Nos. UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to provide customers, by way of a separate tariff, the actual and projected net REC revenues from 2012 through June 2016. That amount was \$8.7 million, and was to be rebated to customers over an 18-month period – January 2015 through June 2016 (on an annualized basis, the amount credited to customers was \$5.9 million).¹ Under the terms of the agreed-upon mechanism, Avista is to file by April 1, 2016, and each year thereafter, to adjust the REC Revenue rebate to reflect both the under or over amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period. The new rates would go into effect July 1 for a twelve month period.

Under current rates, approximately \$5.9 million on an annualized basis is being passed through to customers. As provided in the workpapers accompanying this filing, the proposed rebate for the July 2016 through June 2017 time period is \$2.0 million. This amount reflects the estimated net REC revenues for the July 2016 through June 2017 time period of approximately \$3.4

¹ See Docket Nos. UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

million, offset by an over-rebate of the present rebate of \$1.4 million projected through June 2016.²

The net effect of the new and expiring REC rebate is an increase in revenue of approximately \$3.9 million, or 0.8%. The change in the rate credit has no effect on Avista's net income.

Enclosed is a set of workpapers that shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective July 1, 2016. The average residential customer using 957 kWhs per month will see an increase of \$0.66 per month, or approximately 0.8%. The present bill for 957 kWhs is \$82.79 while the proposed bill is \$83.45. The actual increase will vary based on customer usage.

The Company will provide notice to customers through a bill insert, planned to be inserted during the May 2016 bill cycle. Please direct any questions regarding this filing to Patrick Ehrbar at (509) 495-8620.

Sincerely,



David J. Meyer
Vice President and Chief Counsel for
Regulatory and Governmental Affairs

Enclosures

² The over-rebate is primarily related to an estimated level of net REC revenue for 2015 that came in lower than expected.