

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-170485

DOCKET NO. UG-170486

EXH. EMA-11

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED CAPITAL STRUCTURE

TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

		May 1, 2018				
		WITH PRESENT RATES			WITH 05.2018 PROPOSED RATES	
Line No.	DESCRIPTION	Actual Per Results Report	Total Adjustments	05.2018 Adjusted Total (1)	Proposed Revenues & Related Exp	2018 Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$516,333	(\$25,145)	\$491,188	\$54,387	\$545,575
2	Interdepartmental Sales	946	-	946		946
3	Sales for Resale	78,098	(42,535)	35,563		35,563
4	Total Sales of Electricity	595,377	(67,680)	527,697	54,387	582,084
5	Other Revenue	81,735	(68,703)	13,032		13,032
6	Total Electric Revenue	677,112	(136,383)	540,729	54,387	595,116
EXPENSES						
Production and Transmission						
7	Operating Expenses	184,672	(50,226)	134,446		134,446
8	Purchased Power	96,772	(23,552)	73,220		73,220
9	Depreciation/Amortization	26,677	1,453	28,130		28,130
10	Regulatory Amortization	4,310	(998)	3,312		3,312
11	Taxes	14,904	1,215	16,119		16,119
12	Total Production & Transmission	327,335	(72,108)	255,227	-	255,227
Distribution						
13	Operating Expenses	21,420	212	21,632		21,632
14	Depreciation/Amortization	27,913	1,638	29,551		29,551
15	Regulatory Amortization	-	-	-		-
16	Taxes	45,258	(18,172)	27,086	2,094	29,180
17	Total Distribution	94,591	(16,322)	78,269	2,094	80,363
18	Customer Accounting	11,733	1,359	13,092	336	13,428
19	Customer Service & Information	18,081	(16,651)	1,430		1,430
20	Sales Expenses	-	-	-		-
Administrative & General						
21	Operating Expenses	50,568	(304)	50,264	109	50,373
22	Depreciation/Amortization	23,877	5,189	29,066		29,066
23	Taxes	-	-	-		-
24	Total Admin. & General	74,445	4,885	79,330	109	79,439
25	Total Electric Expenses	526,185	(98,837)	427,348	2,539	429,887
26	OPERATING INCOME BEFORE FIT	150,927	(37,546)	113,381	51,848	165,229
FEDERAL INCOME TAX						
27	Current Accrual	(25,741)	(14,282)	(40,023)	18,147	(21,876)
28	Debt Interest	-	(1,178)	(1,178)		(1,178)
29	Deferred Income Taxes	66,436	755	67,191		67,191
30	Amortized Investment Tax Credit	(325)	(1)	(326)		(326)
31	NET OPERATING INCOME	\$110,557	(\$22,841)	\$87,716	\$33,701	\$121,417
RATE BASE						
PLANT IN SERVICE						
32	Intangible	\$156,057	\$15,857	\$171,914		\$171,914
33	Production	832,833	60,668	893,501		893,501
34	Transmission	430,613	26,581	457,194		457,194
35	Distribution	970,455	58,708	1,029,163		1,029,163
36	General	233,266	22,762	256,028		256,028
37	Total Plant in Service	2,623,224	184,576	2,807,800	-	2,807,800
ACCUMULATED DEPRECIATION						
38	Intangible	(30,914)	(4,247)	(35,161)		(35,161)
39	Production	(351,625)	4,398	(347,227)		(347,227)
40	Transmission	(135,624)	(605)	(136,229)		(136,229)
41	Distribution	(295,383)	(9,990)	(305,373)		(305,373)
42	General	(80,093)	(3,771)	(83,864)		(83,864)
43	Total Accumulated Depreciation	(893,639)	(14,214)	(907,853)	-	(907,853)
44	NET PLANT BEFORE DFIT	1,729,585	170,361	1,899,946	-	1,899,946
45	DEFERRED TAXES	(354,707)	(37,320)	(392,027)		(392,027)
46	NET PLANT AFTER DFIT	1,374,878	133,041	1,507,919	-	1,507,919
47	DEFERRED DEBITS AND CREDITS	4,568	(5,346)	(778)		(778)
48	WORKING CAPITAL	65,480	(7,957)	57,523		57,523
50	TOTAL RATE BASE	\$1,444,926	\$119,738	\$1,564,664	\$0	\$1,564,664
51	RATE OF RETURN	7.65%		5.61%		7.76%

AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Requested Base Rate Change 5/1/2018 (000's of Dollars)		
1	Pro Forma Rate Base	\$ 1,564,664		
2	Proposed Rate of Return	7.76%		
3	Net Operating Income Requirement	\$121,418		
4	Pro Forma Net Operating Income	87,716		
5	Net Operating Income Deficiency	\$33,702		
6	Conversion Factor	0.619660		
7	Revenue Requirement	\$54,387		
8	Total General Business Revenues	\$492,134		
9	Percentage Revenue Increase	11.05%		
10	Total <u>Billed</u> General Business Revenues	\$511,823		
11	Percentage Revenue Increase	10.63%		
K-Factor Rate Adjustment for Rate Years 2 & 3 (5/1/2019 & 5/1/2020)				
12	K-Factor %	3.14%	per Exh. EMA-13, pg. 1	
13	Delivery & Power Plant Revenues 5/1/2018 <i>(\$390,850 + \$61,332 - \$16,609 = \$435,573) *</i>	\$ 428,635		
14	Rate Year 2: 5/1/2019 - 4/30/2020	\$ 13,459	2.46%	2.38%
15	Delivery & Power Plant Revenues 5/1/2019 <i>(\$435,573 + \$13,982 = \$449,555)</i>	\$ 442,094		
16	Rate Year 3: 5/1/2020 - 4/30/2021	\$ 13,882	2.48%	2.39%
* Current Delivery & Power Plant Revenues per Exh. EMA-13, pg 2.		\$390,850		
5/1/2018 Proposed Revenue Increase from line 7, includes Pro Forma Power Supply (\$16.609 million)		\$54,387		
Pro Forma Power Supply per Exh. EMA-11, pg 10.		\$16,602		

AVISTA UTILITIES PROPOSED COST OF CAPITAL WASHINGTON ELECTRIC			
Proposed Capital Structure*			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	50.0%	5.62%	2.81%
Common	50.0%	9.90%	4.95%
Total	<u>100.00%</u>		<u>7.76%</u>

* Based on rate year capital structure and cost of debt.

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles (1)	0.006183 <i>FILED</i> 0.006578
3	Commission Fees	0.002000
4	Washington Excise Tax (1)	0.038495 0.038479
6	Total Expense	<u>0.046677</u>
7	Net Operating Income Before FIT	0.953323
8	Federal Income Tax @ 35%	<u>0.333663</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.619660</u></u>

(1) Revised to reflect Uncollectible correction as provided in Avista's response to Staff_DR_034 -Attachment A (page 8 of 9). The effective Uncollectible rate is also a component within the calculation of the Washington Excise Tax Rate.

AVISTA UTILITIES		Actual Results	RESTATEMENT ADJUSTMENTS						
WASHINGTON ELECTRIC RESULTS									
INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED CAPITAL STRUCTURE									
TWELVE MONTHS ENDED DECEMBER 31, 2016									
(000'S OF DOLLARS)									
Line No.	DESCRIPTION	Results of Operations	Deferred FIT	Deferred Debits and Credits	Accept in Part / Contest in Part	Eliminate B & O Taxes	Updated / Accepted by Staff	Updated / Accepted by Staff	Regulatory Expense
			Rate Base		Working Capital		Restate Property Tax	Uncollect. Expense	
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03	2.04
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-EBO	E-RPT	E-UE	E-RE
REVENUES									
1	Total General Business	\$516,333	\$0	\$0	\$0	(\$17,807)	\$0	\$0	\$0
2	Interdepartmental Sales	946	-	-	-	-	-	-	-
3	Sales for Resale	78,098	-	-	-	-	-	-	-
4	Total Sales of Electricity	595,377	-	-	-	(17,807)	-	-	-
5	Other Revenue	81,735	-	-	-	(14)	-	-	-
6	Total Electric Revenue	677,112	-	-	-	(17,821)	-	-	-
EXPENSES									
Production and Transmission									
7	Operating Expenses	184,672	-	4	-	-	-	-	-
8	Purchased Power	96,772	-	-	-	-	-	-	-
9	Depreciation/Amortization	26,677	-	-	-	-	-	-	0
10	Regulatory Amortization	4,310	-	-	-	-	-	-	-
11	Taxes	14,904	-	-	-	-	(181)	-	-
12	Total Production & Transmission	327,335	-	4	-	-	(181)	-	-
Distribution									
13	Operating Expenses	21,420	-	-	-	-	-	-	-
14	Depreciation/Amortization	27,913	-	-	-	-	-	-	-
15	Regulatory Amortization	0	-	-	-	-	-	-	-
16	Taxes	45,258	-	-	-	(17,674)	(701)	-	-
17	Total Distribution	94,591	-	-	-	(17,674)	(701)	-	-
18	Customer Accounting	11,733	-	8	-	-	-	1,117	-
19	Customer Service & Information	18,081	-	-	-	-	-	-	-
20	Sales Expenses	0	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	50,568	-	-	-	-	-	-	7
22	Depreciation/Amortization	23,877	-	-	-	-	-	-	-
23	Taxes	0	-	-	-	-	-	-	-
24	Total Admin. & General	74,445	-	-	-	-	-	-	7
25	Total Electric Expenses	526,185	-	12	-	(17,674)	(882)	1,117	7
26	OPERATING INCOME BEFORE FIT	150,927	-	(12)	-	(147)	882	(1,117)	(7)
FEDERAL INCOME TAX									
27	Current Accrual	(25,741)	-	(4)	-	(51)	309	(391)	(2)
28	Debt Interest	0	(8)	-	78	-	-	-	-
29	Deferred Income Taxes	66,436	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(325)	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$110,557	\$8	(\$8)	(\$78)	(\$96)	\$573	(\$726)	(\$5)
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$156,057	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	832,833	-	-	-	-	-	-	-
34	Transmission	430,613	-	-	-	-	-	-	-
35	Distribution	970,455	-	-	-	-	-	-	-
36	General	233,266	-	-	-	-	-	-	-
37	Total Plant in Service	2,623,224	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	(30,914)	-	-	-	-	-	-	-
39	Production	(351,625)	-	-	-	-	-	-	-
40	Transmission	(135,624)	-	-	-	-	-	-	-
41	Distribution	(295,383)	-	-	-	-	-	-	-
42	General	(80,093)	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(893,639)	-	-	-	-	-	-	-
44	NET PLANT	1,729,585	-	-	-	-	-	-	-
45	DEFERRED TAXES	(354,707)	806	-	-	-	-	-	-
46	Net Plant After DFIT	1,374,878	806	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	4,568	-	-	-	-	-	-	-
48	WORKING CAPITAL	65,480	-	-	(7,957)	-	-	-	-
49	TOTAL RATE BASE	1,444,926	\$806	\$0	(\$7,957)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	7.65%							
51	REVENUE REQUIREMENT	2,532	88	13	(870)	154	(925)	1,172	7

AVISTA UTILITIES

WASHINGTON ELECTRIC RESULTS

INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED C

TWELVE MONTHS ENDED DECEMBER 31, 2016

(000'S OF DOLLARS)

Line No.	DESCRIPTION	CF*					CF*		Misc. Restating Non-Util / Non-Recurring Expenses
		Injuries and Damages	FIT/DFIT/ ITC Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains / Losses	Weather Normalization	Eliminate Adder Schedules	
		2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12
	Adjustment Number	E-ID	E-FIT	E-OSC	E-RET	E-NGL	E-WN	E-EAS	E-MR
	Workpaper Reference								
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$7,392	(\$18,203)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	7,392	(18,203)	-
5	Other Revenue	-	-	-	-	-	(5,775)	684	(2,566)
6	Total Electric Revenue	-	-	-	-	-	1,617	(17,519)	(2,566)
EXPENSES									
Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	(383)	(5)
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	395	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	12	(5)
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(94)	-	-	-
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	(62)	-	284	(701)	-
17	Total Distribution	-	-	-	(62)	(94)	284	(701)	(2)
18	Customer Accounting	-	-	-	-	-	46	(113)	-
19	Customer Service & Information	-	-	-	-	-	-	(16,675)	-
20	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	151	-	(31)	-	-	15	(36)	(1,068)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	151	-	(31)	-	-	15	(36)	(1,068)
25	Total Electric Expenses	151	-	(31)	(62)	(94)	345	(17,513)	(1,075)
26	OPERATING INCOME BEFORE FIT	(151)	-	31	62	94	1,272	(6)	(1,491)
FEDERAL INCOME TAX									
27	Current Accrual	(53)	110	11	22	33	445	(2)	(522)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	(40)	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	(1)	-	-	-	-	-	-
31	NET OPERATING INCOME	(\$98)	(\$69)	\$20	\$40	\$61	\$827	(\$4)	(\$969)
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	-	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	158	111	(33)	(65)	(99)	(1,334)	6	1,564

AVISTA UTILITIES

WASHINGTON ELECTRIC RESULTS

INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED

TWELVE MONTHS ENDED DECEMBER 31, 2016

(000'S OF DOLLARS)

Line No.	DESCRIPTION	CF*		Accept Staff's Adjustment	Normalize CS2/Colstrip Major Maint	Flow Thru impact of cost of debt / capital structure	(Authorized P.S. @ Authorized P/T ratio)	Accept Staff Rate Base / Contest Depr Exp	Restated TOTAL
		Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Restating Incentives	Restate Debt Interest	Authorized Power Supply	Restate 2016 AMA Rate Base to EOP		
		2.13	2.14	2.15	2.16	2.17	2.18	2.19 NEW	R-Ttl
		E-EWPC	E-NPS	E-RI	E-PMM	E-RDI	E-APS	E-EOPCAP16	
REVENUES									
1	Total General Business	\$4,698	\$0	\$0	\$0	\$0	\$0	\$0	\$492,413
2	Interdepartmental Sales	-	-	-	-	-	-	-	946
3	Sales for Resale	-	-	-	-	-	(20,773)	-	57,325
4	Total Sales of Electricity	4,698	-	-	-	-	(20,773)	-	550,684
5	Other Revenue	-	-	-	-	-	(56,948)	-	17,116
6	Total Electric Revenue	4,698	-	-	-	-	(77,721)	-	567,800
EXPENSES									
Production and Transmission									
7	Operating Expenses	(2,270)	(4)	-	(1,174)	-	(46,240)	-	134,600
8	Purchased Power	-	-	-	-	-	(19,641)	-	77,131
9	Depreciation/Amortization	-	-	-	-	-	-	880	27,557
10	Regulatory Amortization	-	-	-	-	-	-	-	4,705
11	Taxes	-	-	-	-	-	-	-	14,723
12	Total Production & Transmission	(2,270)	(4)	-	(1,174)	-	(65,881)	880	258,716
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	21,418
14	Depreciation/Amortization	-	-	-	-	-	-	1,051	28,870
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	181	-	-	-	-	-	-	26,585
17	Total Distribution	181	-	-	-	-	-	1,051	76,873
18	Customer Accounting	28	-	-	-	-	-	-	12,819
19	Customer Service & Information	-	-	-	-	-	-	-	1,406
20	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	9	-	(580)	-	-	-	-	49,035
22	Depreciation/Amortization	-	-	-	-	-	-	1,895	25,772
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	9	-	(580)	-	-	-	1,895	74,807
25	Total Electric Expenses	(2,052)	(4)	(580)	(1,174)	-	(65,881)	3,826	424,621
26	OPERATING INCOME BEFORE FIT	6,750	4	580	1,174	-	(11,840)	(3,826)	143,179
FEDERAL INCOME TAX									
27	Current Accrual	1,567	1	203	411	(455)	(4,144)	(1,339)	(29,593)
28	Debt Interest	-	-	-	-	-	-	(685)	(615)
29	Deferred Income Taxes	795	-	-	-	-	-	-	67,191
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	(326)
31	NET OPERATING INCOME	\$4,388	\$3	377	763	455	(\$7,696)	(\$1,801)	106,522
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$4,033	\$160,090
33	Production	-	-	-	-	-	-	41,243	874,076
34	Transmission	-	-	-	-	-	-	15,525	446,138
35	Distribution	-	-	-	-	-	-	35,381	1,005,836
36	General	-	-	-	-	-	-	9,313	242,579
37	Total Plant in Service	-	-	-	-	-	-	105,495	2,728,719
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	-	-	-	-	-	-	(2,984)	(33,898)
39	Production	-	-	-	-	-	-	4,587	(347,038)
40	Transmission	-	-	-	-	-	-	(503)	(136,127)
41	Distribution	-	-	-	-	-	-	(9,716)	(305,099)
42	General	-	-	-	-	-	-	(3,551)	(83,644)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(12,167)	(905,806)
44	NET PLANT	-	-	-	-	-	-	93,328	1,822,913
45	DEFERRED TAXES	-	-	-	-	-	-	(23,637)	(377,538)
46	Net Plant After DFIT	-	-	-	-	-	-	69,691	1,445,375
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	4,568
48	WORKING CAPITAL	-	-	-	-	-	-	-	57,523
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	69,691	\$1,507,466
50	RATE OF RETURN								(1)
51	REVENUE REQUIREMENT	(7,081)	(4)	(608)	(1,231)	(734)	12,420	11,635	16,875

PRO FORMA ADJUSTMENTS

AVISTA UTILITIES

WASHINGTON ELECTRIC RESULTS

INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED C

TWELVE MONTHS ENDED DECEMBER 31, 2016

(000'S OF DOLLARS)

Line No.	DESCRIPTION	NON ERM				Staff Removed Accept	Updated / Accepted by Staff (1)	CF*	
		Pro Forma Trans/Power Sup Non-ERM Rev/Exp	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Incentive Expenses	Pro Forma Property Tax	Pro Forma IS/IT Expense	Pro Forma Revenue Normalization
		3.01	3.02	3.03	3.04	3.05	3.06	3.07	3.08
		E-PTR	E-PLN	E-PLE	E-PEB	E-PI	E-PPT	E-CI	E-PREV
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,225)
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	-	-	(1,225)
5	Other Revenue	71	-	-	-	-	-	-	(3,887)
6	Total Electric Revenue	71	-	-	-	-	-	-	(5,112)
EXPENSES									
Production and Transmission									
7	Operating Expenses	172	999	-	(125)	-	-	-	-
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	1,396	-	-
12	Total Production & Transmission	172	999	-	(125)	-	1,396	-	-
Distribution									
13	Operating Expenses	-	604	-	(77)	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	-	-	548	-	(47)
17	Total Distribution	-	604	-	(77)	-	548	-	(47)
18	Customer Accounting	-	322	-	(41)	-	-	-	(8)
19	Customer Service & Information	-	27	-	(3)	-	-	-	-
20	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	-	912	(33)	(114)	-	-	694	(2)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	912	(33)	(114)	-	-	694	(2)
25	Total Electric Expenses	172	2,864	(33)	(360)	-	1,944	694	(57)
26	OPERATING INCOME BEFORE FIT	(101)	(2,864)	33	360	-	(1,944)	(694)	(5,055)
FEDERAL INCOME TAX									
27	Current Accrual	(35)	(1,002)	12	126	-	(680)	(243)	(1,769)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	(\$66)	(\$1,862)	\$21	\$234	\$0	(\$1,264)	(\$451)	(3,286)
RATE BASE									
PLANT IN SERVICE									
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	-	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	106	3,004	(35)	(378)	-	2,039	728	5,303

(1) See Andrews' rebuttal testimony. Consistent with Avista, Staff updated restated and pro forma property tax to reflect actual taxes paid. (Per Staff DR159S.) However, Staff incorrectly included wrong amount for MT tax impacting WA electric balance.

AVISTA UTILITIES
 WASHINGTON ELECTRIC RESULTS
 INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED (C
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

Updated -
 Threshold - based
 on Functional
 Group-actual thru
 October

Updated -
 Staff DR-150
 Plus New per
 Revised
 Threshold
 Contested

Staff
 Removed
 Accept

MT
 Acquatic
 Fee: EMA-2
 pg 10, fn 2

Line No.	DESCRIPTION	Pro Forma Def. Debits, Credits & Regulatory Amorts	Pro Forma 2017 Threshold Capital Adds	Pro Forma O&M Offsets	Pro Forma Director Fees Exp	PF Normalize CS2/Colstrip Major Maint	Pro Forma Underground Equip Inspection	New MT Acquatic Invasive Fee	Non-Energy Pro Forma Sub-Total
		3.09	3.10	3.11	3.12	3.13	3.14	NEW-A1 E-Fee	PF-SubTtl
	Adjustment Number	E-PRA	E-PCAP16	E-POFF	E-PDF	E-PNM	E-PUEI		
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$491,188
2	Interdepartmental Sales	-	-	-	-	-	-	-	946
3	Sales for Resale	-	-	-	-	-	-	-	57,325
4	Total Sales of Electricity	-	-	-	-	-	-	-	549,459
5	Other Revenue	-	-	-	-	-	-	-	13,300
6	Total Electric Revenue	-	-	-	-	-	-	-	562,759
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	(248)	-	(28)	-	347	-	1,021	136,738
8	Purchased Power	-	-	-	-	-	-	-	77,131
9	Depreciation/Amortization	-	573	-	-	-	-	-	28,130
10	Regulatory Amortization	(1,393)	-	-	-	-	-	-	3,312
11	Taxes	-	-	-	-	-	-	-	16,119
12	Total Production & Transmission	(1,641)	573	(28)	-	347	-	1,021	261,430
	Distribution								
13	Operating Expenses	-	-	(845)	-	-	532	-	21,632
14	Depreciation/Amortization	-	681	-	-	-	-	-	29,551
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	-	-	-	-	27,086
17	Total Distribution	-	681	(845)	-	-	532	-	78,269
18	Customer Accounting	-	-	-	-	-	-	-	13,092
19	Customer Service & Information	-	-	-	-	-	-	-	1,430
20	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
21	Operating Expenses	-	-	(228)	-	-	-	-	50,264
22	Depreciation/Amortization	-	3,294	-	-	-	-	-	29,066
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	3,294	(228)	-	-	-	-	79,330
25	Total Electric Expenses	(1,641)	4,548	(1,101)	-	347	532	1,021	433,551
26	OPERATING INCOME BEFORE FIT	1,641	(4,548)	1,101	-	(347)	(532)	(1,021)	129,208
	FEDERAL INCOME TAX								
27	Current Accrual	574	(1,592)	385	-	(121)	(186)	(357)	(34,483)
28	Debt Interest	53	(615)	-	-	-	-	-	(1,178)
29	Deferred Income Taxes	-	-	-	-	-	-	-	67,191
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	(326)
31	NET OPERATING INCOME	\$1,014	(\$2,341)	716	-	(226)	(346)	(664)	98,004
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$0	\$11,824	\$0	\$0	\$0	\$0	\$0	\$171,914
33	Production	-	19,425	-	-	-	-	-	893,501
34	Transmission	-	11,056	-	-	-	-	-	457,194
35	Distribution	-	23,327	-	-	-	-	-	1,029,163
36	General	-	13,449	-	-	-	-	-	256,028
37	Total Plant in Service	-	79,081	-	-	-	-	-	2,807,800
	ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	(1,263)	-	-	-	-	-	(35,161)
39	Production	-	(189)	-	-	-	-	-	(\$347,227)
40	Transmission	-	(102)	-	-	-	-	-	(136,229)
41	Distribution	-	(274)	-	-	-	-	-	(305,373)
42	General	-	(220)	-	-	-	-	-	(83,864)
43	Total Accumulated Depreciation	-	(2,047)	-	-	-	-	-	(907,853)
44	NET PLANT	-	77,033	-	-	-	-	-	1,899,946
45	DEFERRED TAXES	-	(14,489)	-	-	-	-	-	(392,027)
46	Net Plant After DFIT	-	62,544	-	-	-	-	-	1,507,919
47	DEFERRED DEBITS AND CREDITS & OTHER	(5,346)	-	-	-	-	-	-	(778)
48	WORKING CAPITAL	-	-	-	-	-	-	-	57,523
49	TOTAL RATE BASE	(5,346)	\$62,544	\$0	\$0	\$0	\$0	\$0	1,564,664
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	(2,306)	11,610	(1,155)	-	364	558	1,071	37,786

AVISTA UTILITIES

WASHINGTON ELECTRIC RESULTS

INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Staff	ERM		
		Removed Accept-see adj. 3.10	Related Only		
		EOP 2017 Capital Net Rate Base	Non-Energy Pro Forma Sub-Total	Pro Forma Power Supply & Transm Revs	EOP Pro Forma Including PS Total
		3.15	PF-SubTtl	4.00	PF-Ttl
		E-EOPCAP17		E-PPS	
	Adjustment Number				
	Workpaper Reference				
	REVENUES				
1	Total General Business	\$0	\$491,188	\$0	\$491,188
2	Interdepartmental Sales	-	946	-	946
3	Sales for Resale	-	57,325	(21,762)	35,563
4	Total Sales of Electricity	-	549,459	(21,762)	527,697
5	Other Revenue	-	13,300	(268)	13,032
6	Total Electric Revenue	-	562,759	(22,030)	540,729
	EXPENSES				
	Production and Transmission				
7	Operating Expenses	-	136,738	(2,292)	134,446
8	Purchased Power	-	77,131	(3,911)	73,220
9	Depreciation/Amortization	-	28,130	-	28,130
10	Regulatory Amortization	-	3,312	-	3,312
11	Taxes	-	16,119	-	16,119
12	Total Production & Transmission	-	261,430	(6,203)	255,227
	Distribution				
13	Operating Expenses	-	21,632	-	21,632
14	Depreciation/Amortization	-	29,551	-	29,551
15	Regulatory Amortization	-	-	-	-
16	Taxes	-	27,086	-	27,086
17	Total Distribution	-	78,269	-	78,269
18	Customer Accounting	-	13,092	-	13,092
19	Customer Service & Information	-	1,430	-	1,430
20	Sales Expenses	-	-	-	-
	Administrative & General				
21	Operating Expenses	-	50,264	-	50,264
22	Depreciation/Amortization	-	29,066	-	29,066
23	Taxes	-	-	-	-
24	Total Admin. & General	-	79,330	-	79,330
25	Total Electric Expenses	-	433,551	(6,203)	427,348
26	OPERATING INCOME BEFORE FIT	-	129,208	(15,827)	113,381
	FEDERAL INCOME TAX				
27	Current Accrual	-	(34,483)	(5,539)	(40,023)
28	Debt Interest	-	(1,178)	-	(1,178)
29	Deferred Income Taxes	-	67,191	-	67,191
30	Amortized ITC - Noxon	-	(326)	-	(326)
31	NET OPERATING INCOME	\$0	98,004	(\$10,288)	87,716
	RATE BASE				
	PLANT IN SERVICE				
32	Intangible	\$0	\$171,914	\$0	\$171,914
33	Production	-	893,501	-	893,501
34	Transmission	-	457,194	-	457,194
35	Distribution	-	1,029,163	-	1,029,163
36	General	-	256,028	-	256,028
37	Total Plant in Service	-	2,807,800	-	2,807,800
	ACCUMULATED DEPRECIATION/AMORT				
38	Intangible	-	(35,161)	-	(35,161)
39	Production	-	(\$347,227)	-	(\$347,227)
40	Transmission	-	(136,229)	-	(136,229)
41	Distribution	-	(305,373)	-	(305,373)
42	General	-	(83,864)	-	(83,864)
43	Total Accumulated Depreciation	-	(907,853)	-	(907,853)
44	NET PLANT	-	1,899,946	-	1,899,946
45	DEFERRED TAXES	-	(392,027)	-	(392,027)
46	Net Plant After DFIT	-	1,507,919	-	1,507,919
47	DEFERRED DEBITS AND CREDITS & OTHER	-	(778)	-	(778)
48	WORKING CAPITAL	-	57,523	-	57,523
49	TOTAL RATE BASE	-	1,564,664	\$0	1,564,664
50	RATE OF RETURN				
51	REVENUE REQUIREMENT	-	37,786	16,602	54,387
			Pro Forma Non-Energy	ERM Power Supply Adj	Ttl Pro Forma w/ PS