

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

Avista Utilities

**Decoupling Mechanism - UE-150204 Base effective 1/11/2016
Development of WA Electric Deferrals (Calendar Year 2017)**

| | | | | | | 1st Quarter 2017 |
|--|---|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Line No. | Source | Jan-17 | Feb-17 | Mar-17 | Total | |
| (a) | (b) | (c) | (d) | (e) | | |
| Residential Group | | | | | | |
| 1 | Actual Customers | Revenue System | 212,134 | 212,059 | 212,618 | 636,811 |
| 2 | Monthly Decoupled Revenue per Customer | Attachment 4, Page 3 | \$88.32 | \$72.17 | \$70.97 | \$77.15 |
| 3 | Decoupled Revenue | (1) x (2) | \$ 18,736,261 | \$ 15,303,273 | \$ 15,089,955 | \$ 49,129,489 |
| 4 | Actual Base Rate Revenue | Revenue System | \$ 29,977,440 | \$ 21,701,036 | \$ 19,217,979 | |
| 5 | Actual Basic Charge Revenue | Revenue System | \$ 1,836,153 | \$ 1,834,377 | \$ 1,843,863 | |
| 6 | Actual Usage (kWhs) | Revenue System | 330,420,975 | 242,845,820 | 216,778,430 | |
| Attachment 4, Page | | | | | | |
| 7 | Retail Revenue Credit (\$/kWh) | 1 | \$ 0.01641 | \$ 0.01641 | \$ 0.01641 | |
| 8 | Variable Power Supply Payments | (6) x (7) | \$ 5,422,208 | \$ 3,985,100 | \$ 3,557,334 | |
| 9 | Customer Decoupled Payments | (4) - (5) - (8) | \$ 22,719,078 | \$ 15,881,560 | \$ 13,816,783 | \$ 52,417,421 |
| Residential Revenue Per Customer Received | | | \$107.10 | \$74.89 | \$64.98 | \$82.31 |
| 10 | Deferral - Surcharge (Rebate) | (3) - (9) | \$ (3,982,817) | \$ (578,287) | \$ 1,273,172 | \$ (3,287,932) |
| 11 | Deferral - Revenue Related Expenses | Rev Conv Factor FERC Rate | \$ 182,732 3.50% | \$ 26,532 3.50% | \$ (58,413) 3.50% | \$ 150,850 |
| 12 | Interest on Deferral | Avg Balance Calc | \$ (5,542) | \$ (11,904) | \$ (10,972) | \$ (28,418) |
| Monthly Residential Deferral Totals | | | \$ (3,805,628) | \$ (563,660) | \$ 1,203,787 | \$ (3,165,501) |
| Cumulative Residential Deferral | | | | | | |
| 13 | Surcharge/(Rebate) Balance | Σ((10) ~ (12)) | \$ (3,805,628) | \$ (4,369,287) | \$ (3,165,501) | |
| Non-Residential Group | | | | | | |
| 14 | Actual Customers | Revenue System | 35,883 | 35,789 | 36,027 | 107,699 |
| 15 | Monthly Decoupled Revenue per Customer | Attachment 4, Page 3 | \$362.51 | \$368.65 | \$345.36 | \$358.81 |
| 16 | Decoupled Revenue | (14) x (15) | \$ 13,008,001 | \$ 13,193,484 | \$ 12,442,315 | \$ 38,643,800 |
| 17 | Actual Base Rate Revenue | Revenue System | \$ 18,192,580 | \$ 17,500,279 | \$ 17,252,313 | |
| 18 | Actual Basic Charge Revenue | Revenue System | \$ 1,566,351 | \$ 1,568,279 | \$ 1,574,252 | |
| 19 | Actual Usage (kWhs) | Revenue System | 185,988,820 | 176,601,249 | 174,880,403 | |
| Attachment 4, Page | | | | | | |
| 20 | Retail Revenue Credit (\$/kWh) | 1 | \$ 0.01641 | \$ 0.01641 | \$ 0.01641 | |
| 21 | Variable Power Supply Payments | (19) x (20) | \$ 3,052,077 | \$ 2,898,026 | \$ 2,869,787 | |
| 22 | Customer Decoupled Payments | (17) - (18) - (21) | \$ 13,574,152 | \$ 13,033,973 | \$ 12,808,273 | \$ 39,416,399 |
| Non-Residential Revenue Per Customer Received | | | \$378.29 | \$364.19 | \$355.52 | \$365.99 |
| 23 | Deferral - Surcharge (Rebate) | (16) - (22) | \$ (566,151) | \$ 159,511 | \$ (365,958) | \$ (772,598) |
| 24 | Deferral - Revenue Related Expenses | Rev Conv Factor FERC Rate | \$ 25,975 3.50% | \$ (7,318) 3.50% | \$ 16,790 3.50% | \$ 35,447 |
| 25 | Interest on Deferral | Avg Balance Calc | \$ (788) | \$ (1,356) | \$ (1,647) | \$ (3,791) |
| Monthly Non-Residential Deferral Totals | | | \$ (540,964) | \$ 150,837 | \$ (350,815) | \$ (740,942) |
| Cumulative Non-Residential Deferral | | | | | | |
| 26 | Surcharge/(Rebate) Balance | Σ((23) ~ (25)) | \$ (540,964) | \$ (390,127) | \$ (740,942) | |
| 27 | Total Cumulative Electric Deferral | (13) + (26) | \$ (4,346,591) | \$ (4,759,414) | \$ (3,906,443) | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

Avista Utilities
Decoupling Mechanism - UG-150205 Base effective 1/11/2016
Development of WA Natural Gas Deferrals (Calendar Year 2017)

| Line No. | Source | | | | | 1st Quarter 2017 |
|------------------------------|--|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Jan-17 | Feb-17 | Mar-17 | Total | |
| | (a) | (b) | (c) | (d) | (e) | (o) |
| Residential Group | | | | | | |
| 1 | Actual Customers | Revenue System | 156,425 | 156,620 | 156,919 | 469,964 |
| 2 | Monthly Decoupled Revenue per Customer | Attachment 5, Page 3 | \$61.49 | \$50.87 | \$41.03 | \$51.12 |
| 3 | Decoupled Revenue | (1) x (2) | \$ 9,618,092 | \$ 7,966,722 | \$ 6,438,449 | \$ 24,023,263 |
| | Actual Usage (informational only) | Revenue System | 27,300,256 | 19,186,624 | 14,338,876 | |
| | Actual Base Rate Revenue | | | | | |
| 4 | (Excludes Gas Costs) | Revenue System | \$ 14,178,143 | \$ 9,916,592 | \$ 7,596,509 | |
| 5 | Actual Fixed Charge Revenue | Revenue System | \$ 1,422,936 | \$ 1,424,844 | \$ 1,431,234 | |
| 6 | Customer Decoupled Payments | (4) - (5) | \$ 12,755,207 | \$ 8,491,748 | \$ 6,165,275 | \$ 27,412,230 |
| | Residential Revenue Per Customer Received | | \$81.54 | \$54.22 | \$39.29 | \$58.33 |
| 7 | Deferral - Surcharge (Rebate) | (3) - (6) | \$ (3,137,115) | \$ (525,026) | \$ 273,174 | \$ (3,388,967) |
| 8 | Deferral - Revenue Related Expenses | Rev Conv Factor | \$ 143,266 | \$ 23,977 | \$ (12,475) | \$ 154,767 |
| | | FERC Rate | 3.50% | 3.50% | 3.50% | |
| 9 | Interest on Deferral | Avg Balance Calc | \$ (4,366) | \$ (9,475) | \$ (9,854) | \$ (23,695) |
| | Monthly Residential Deferral Totals | | \$ (2,998,215) | \$ (510,524) | \$ 250,845 | \$ (3,257,895) |
| | Cumulative Residential Deferral | | | | | |
| 10 | Surcharge/(Rebate) Balance | Σ((7) ~ (9)) | \$ (2,998,215) | \$ (3,508,740) | \$ (3,257,895) | |
| Non-Residential Group | | | | | | |
| 11 | Actual Customers | Revenue System | 2,866 | 2,902 | 2,916 | 8,684 |
| 12 | Monthly Decoupled Revenue per Customer | Attachment 5, Page 3 | \$753.65 | \$633.97 | \$560.25 | \$648.71 |
| 13 | Decoupled Revenue | (11) x (12) | \$ 2,159,958 | \$ 1,839,786 | \$ 1,633,675 | \$ 5,633,419 |
| | Actual Usage (informational only) | | 9,022,828 | 7,657,412 | 5,938,084 | |
| | Actual Base Rate Revenue | | | | | |
| 14 | (Excludes Gas Costs) | Revenue System | \$ 2,687,109 | \$ 2,288,757 | \$ 1,839,236 | |
| 15 | Actual Fixed Charge Revenue | Revenue System | \$ 319,691 | \$ 298,237 | \$ 299,449 | |
| 16 | Customer Decoupled Payments | (14) - (15) | \$ 2,367,417 | \$ 1,990,520 | \$ 1,539,787 | \$ 5,897,724 |
| | Non-Residential Revenue Per Customer Received | | \$826.04 | \$685.91 | \$528.05 | \$679.15 |
| 17 | Deferral - Surcharge (Rebate) | (13) - (16) | \$ (207,459) | \$ (150,734) | \$ 93,888 | \$ (264,305) |
| 18 | Deferral - Revenue Related Expenses | Rev Conv Factor | \$ 9,474 | \$ 6,884 | \$ (4,288) | \$ 12,070 |
| | | FERC Rate | 3.50% | 3.50% | 3.50% | |
| 19 | Interest on Deferral | Avg Balance Calc | \$ (289) | \$ (788) | \$ (869) | \$ (1,946) |
| | Monthly Non-Residential Deferral Totals | | \$ (198,274) | \$ (144,639) | \$ 88,731 | \$ (254,181) |
| | Cumulative Non-Residential Deferral | | | | | |
| 20 | Surcharge/(Rebate) Balance | Σ((17) ~ (19)) | \$ (198,274) | \$ (342,912) | \$ (254,181) | |
| 21 | Total Cumulative Natural Gas Deferral | (10) + (20) | \$ (3,196,489) | \$ (3,851,652) | \$ (3,512,076) | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

Balance Sheet Accounts

GL Account Balance Accounting Period : '201610, 201611, 201612'

Jurisdiction:WA

Deferred Revenue

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance | |
|-----------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|--|
| 186328 | REG ASSET-DECOUPLING DEFERRED | ED | 201701 | 10,288,205.08 | -14,093,832.62 | -3,805,627.54 | |
| | REG ASSET-DECOUPLING DEFERRED | | 201702 | -3,805,627.54 | -563,659.54 | -4,369,287.08 | |
| | REG ASSET-DECOUPLING DEFERRED | | 201703 | -4,369,287.08 | 1,203,786.56 | -3,165,500.52 | |
| | Sum: -13,453,705.60 | | | | | | |
| | REG ASSET-DECOUPLING DEFERRED | GD | 201701 | 7,152,977.58 | -10,151,193.01 | -2,998,215.43 | |
| | REG ASSET-DECOUPLING DEFERRED | | 201702 | -2,998,215.43 | -510,524.43 | -3,508,739.86 | |
| | REG ASSET-DECOUPLING DEFERRED | | 201703 | -3,508,739.86 | 250,845.02 | -3,257,894.84 | |
| | Sum: -10,410,872.42 | | | | | | |
| | Sum: -23,864,578.02 | | | | | | |
| 186338 | REG ASSET NON-RES DECOUPLING D | ED | 201701 | 1,967,777.19 | -2,508,740.81 | -540,963.62 | |
| | REG ASSET NON-RES DECOUPLING D | | 201702 | -540,963.62 | 150,836.70 | -390,126.92 | |
| | REG ASSET NON-RES DECOUPLING D | | 201703 | -390,126.92 | -350,815.30 | -740,942.22 | |
| | Sum: -2,708,719.41 | | | | | | |
| | REG ASSET NON-RES DECOUPLING D | GD | 201701 | 2,002,654.64 | -2,200,928.19 | -198,273.55 | |
| | REG ASSET NON-RES DECOUPLING D | | 201702 | -198,273.55 | -144,638.80 | -342,912.35 | |
| | REG ASSET NON-RES DECOUPLING D | | 201703 | -342,912.35 | 88,730.95 | -254,181.40 | |
| | Sum: -2,256,836.04 | | | | | | |
| | Sum: -4,965,555.45 | | | | | | |

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

2016 Deferred Revenue Pending Recovery

| Acct | Ferc Acct Desc | Service | Period | Balance | Monthly Activity | Ending Balance | |
|--------|--------------------------------|---------|--------|---------------|------------------|----------------|--|
| 182329 | REG ASSET- DECOUPLING PRIOR YE | ED | 201701 | 0.00 | 10,314,747.42 | 10,314,747.42 | |
| | REG ASSET- DECOUPLING PRIOR YE | | 201702 | 10,314,747.42 | 26,619.76 | 10,341,367.18 | |
| | REG ASSET- DECOUPLING PRIOR YE | | 201703 | 10,341,367.18 | 26,697.40 | 10,368,064.58 | |
| | Sum: 10,368,064.58 | | | | | | |
| | REG ASSET- DECOUPLING PRIOR YE | GD | 201701 | 0.00 | 7,167,700.99 | 7,167,700.99 | |
| | REG ASSET- DECOUPLING PRIOR YE | | 201702 | 7,167,700.99 | 14,766.35 | 7,182,467.34 | |
| | REG ASSET- DECOUPLING PRIOR YE | | 201703 | 7,182,467.34 | 14,809.42 | 7,197,276.76 | |
| | Sum: 7,197,276.76 | | | | | | |
| | Sum: 17,565,341.34 | | | | | | |
| 182339 | REG ASSET - NON RES DECOUPLING | ED | 201701 | 0.00 | 1,970,140.27 | 1,970,140.27 | |
| | REG ASSET - NON RES DECOUPLING | | 201702 | 1,970,140.27 | 2,369.98 | 1,972,510.25 | |
| | REG ASSET - NON RES DECOUPLING | | 201703 | 1,972,510.25 | 2,376.89 | 1,974,887.14 | |
| | Sum: 1,974,887.14 | | | | | | |
| | REG ASSET - NON RES DECOUPLING | GD | 201701 | 0.00 | 2,006,563.41 | 2,006,563.41 | |
| | REG ASSET - NON RES DECOUPLING | | 201702 | 2,006,563.41 | 3,920.17 | 2,010,483.58 | |
| | REG ASSET - NON RES DECOUPLING | | 201703 | 2,010,483.58 | 3,931.61 | 2,014,415.19 | |
| | Sum: 2,014,415.19 | | | | | | |
| | Sum: 3,989,302.33 | | | | | | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

Deferred Revenue Approved for Recovery

| Surcharge | | | | | | | |
|-------------------------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|--|
| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance | |
| 182328 | REG ASSET- DECOUPLING SURCHARG | ED | 201701 | 5,793,805.86 | -812,203.06 | 4,981,602.80 | |
| | REG ASSET- DECOUPLING SURCHARG | | 201702 | 4,981,602.80 | -594,857.01 | 4,386,745.79 | |
| | REG ASSET- DECOUPLING SURCHARG | | 201703 | 4,386,745.79 | -531,187.22 | 3,855,558.57 | |
| | Sum: -1,938,247.29 | | | | | | |
| | REG ASSET- DECOUPLING SURCHARG | GD | 201701 | 4,517,449.23 | -749,448.97 | 3,768,000.26 | |
| | REG ASSET- DECOUPLING SURCHARG | | 201702 | 3,768,000.26 | -525,023.99 | 3,242,976.27 | |
| | REG ASSET- DECOUPLING SURCHARG | | 201703 | 3,242,976.27 | -391,090.09 | 2,851,886.18 | |
| | Sum: -1,665,563.05 | | | | | | |
| | Sum: -3,603,810.34 | | | | | | |
| 182338 | REG ASSET - NON RES DECOUPLING | GD | 201701 | 1,523,244.52 | -178,922.73 | 1,344,321.79 | |
| | REG ASSET - NON RES DECOUPLING | | 201702 | 1,344,321.79 | -150,104.36 | 1,194,217.43 | |
| | REG ASSET - NON RES DECOUPLING | | 201703 | 1,194,217.43 | -115,982.69 | 1,078,234.74 | |
| | Sum: -445,009.78 | | | | | | |
| Sum: -445,009.78 | | | | | | | |

Jurisdiction:WA

Rebate

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|------------------------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|
| 254338 | REG LIABILITY NON RES DECOUPLI | ED | 201701 | -2,404,915.60 | 246,757.52 | -2,158,158.08 |
| | REG LIABILITY NON RES DECOUPLI | | 201702 | -2,158,158.08 | 234,639.77 | -1,923,518.31 |
| | REG LIABILITY NON RES DECOUPLI | | 201703 | -1,923,518.31 | 233,010.56 | -1,690,507.75 |
| | Sum: 714,407.85 | | | | | |
| Sum: 714,407.85 | | | | | | |

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

Accumulated Deferred Taxes

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance | |
|-----------|-------------------------------|---------|-------------------|-------------------|------------------|----------------|--|
| 283328 | ADFIT DECOUPLING DEFERRED REV | ED | 201701 | -5,475,705.30 | 1,709,095.94 | -3,766,609.36 | |
| | ADFIT DECOUPLING DEFERRED REV | | 201702 | -3,766,609.36 | 260,417.62 | -3,506,191.74 | |
| | ADFIT DECOUPLING DEFERRED REV | | 201703 | -3,506,191.74 | -204,354.12 | -3,710,545.86 | |
| | Sum: 1,765,159.44 | | | | | | |
| | ADFIT DECOUPLING DEFERRED REV | GD | 201701 | -5,167,059.37 | 1,379,796.08 | -3,787,263.29 | |
| | ADFIT DECOUPLING DEFERRED REV | | 201702 | -3,787,263.29 | 415,734.57 | -3,371,528.72 | |
| | ADFIT DECOUPLING DEFERRED REV | | 201703 | -3,371,528.72 | 16,705.08 | -3,354,823.64 | |
| | Sum: 1,812,235.73 | | | | | | |
| | Sum: 3,577,395.17 | | | | | | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

Income Statement Accounts

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

Deferred Revenue

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|--------------------------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|
| 456328 | RESIDENTIAL DECOUPLING DEFERRE | ED | 201701 | 0.00 | 3,800,085.75 | 3,800,085.75 |
| | RESIDENTIAL DECOUPLING DEFERRE | | 201702 | 3,800,085.75 | 551,755.15 | 4,351,840.90 |
| | RESIDENTIAL DECOUPLING DEFERRE | | 201703 | 4,351,840.90 | -1,214,758.79 | 3,137,082.11 |
| Sum: 3,137,082.11 | | | | | | |
| 456338 | NON-RES DECOUPLING DEFERRED RE | ED | 201701 | 0.00 | 540,175.86 | 540,175.86 |
| | NON-RES DECOUPLING DEFERRED RE | | 201702 | 540,175.86 | -152,192.56 | 387,983.30 |
| | NON-RES DECOUPLING DEFERRED RE | | 201703 | 387,983.30 | 349,168.23 | 737,151.53 |
| Sum: 737,151.53 | | | | | | |
| 495328 | RESIDENTIAL DECOUPLING DEFERRE | GD | 201701 | 0.00 | 2,993,849.40 | 2,993,849.40 |
| | RESIDENTIAL DECOUPLING DEFERRE | | 201702 | 2,993,849.40 | 501,048.94 | 3,494,898.34 |
| | RESIDENTIAL DECOUPLING DEFERRE | | 201703 | 3,494,898.34 | -260,698.66 | 3,234,199.68 |
| Sum: 3,234,199.68 | | | | | | |
| 495338 | NON-RES DECOUPLING DEFERRED RE | GD | 201701 | 0.00 | 197,984.82 | 197,984.82 |
| | NON-RES DECOUPLING DEFERRED RE | | 201702 | 197,984.82 | 143,850.72 | 341,835.54 |
| | NON-RES DECOUPLING DEFERRED RE | | 201703 | 341,835.54 | -89,600.44 | 252,235.10 |
| Sum: 252,235.10 | | | | | | |

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

Amortization of Prior Period Deferred Revenue

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|--------------------------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|
| 456329 | AMORTIZATION RES DECOUPLING DE | ED | 201701 | 0.00 | 827,894.31 | 827,894.31 |
| | AMORTIZATION RES DECOUPLING DE | | 201702 | 827,894.31 | 608,499.29 | 1,436,393.60 |
| | AMORTIZATION RES DECOUPLING DE | | 201703 | 1,436,393.60 | 543,189.74 | 1,979,583.34 |
| Sum: 1,979,583.34 | | | | | | |
| 456339 | AMORTIZATION NON-RES DECOUPLIN | ED | 201701 | 0.00 | -253,402.31 | -253,402.31 |
| | AMORTIZATION NON-RES DECOUPLIN | | 201702 | -253,402.31 | -240,583.55 | -493,985.86 |
| | AMORTIZATION NON-RES DECOUPLIN | | 201703 | -493,985.86 | -238,273.34 | -732,259.20 |
| Sum: -732,259.20 | | | | | | |
| 495329 | AMORTIZATION RES DECOUPLING DE | GD | 201701 | 0.00 | 761,514.32 | 761,514.32 |
| | AMORTIZATION RES DECOUPLING DE | | 201702 | 761,514.32 | 535,233.44 | 1,296,747.76 |
| | AMORTIZATION RES DECOUPLING DE | | 201703 | 1,296,747.76 | 399,965.49 | 1,696,713.25 |
| Sum: 1,696,713.25 | | | | | | |
| 495339 | AMORTIZATION NON-RES DECOUPLIN | GD | 201701 | 0.00 | 183,098.51 | 183,098.51 |
| | AMORTIZATION NON-RES DECOUPLIN | | 201702 | 183,098.51 | 153,801.01 | 336,899.52 |
| | AMORTIZATION NON-RES DECOUPLIN | | 201703 | 336,899.52 | 119,291.86 | 456,191.38 |
| Sum: 456,191.38 | | | | | | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2017

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

Interest Income or Expense

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance | |
|-------------------------|--------------------------------|---------|-------------------|-------------------|------------------|----------------|--|
| 419605 | INT INC ON OTH DEFERRALS-IV FU | ED | 201701 | 0.00 | -44,596.67 | -44,596.67 | |
| | INT INC ON OTH DEFERRALS-IV FU | | 201702 | -44,596.67 | -42,632.02 | -87,228.69 | |
| | INT INC ON OTH DEFERRALS-IV FU | | 201703 | -87,228.69 | -41,076.81 | -128,305.50 | |
| | Sum: -128,305.50 | | | | | | |
| | INT INC ON OTH DEFERRALS-IV FU | GD | 201701 | 0.00 | -34,873.31 | -34,873.31 | |
| | INT INC ON OTH DEFERRALS-IV FU | | 201702 | -34,873.31 | -32,592.62 | -67,465.93 | |
| | INT INC ON OTH DEFERRALS-IV FU | | 201703 | -67,465.93 | -30,925.60 | -98,391.53 | |
| | Sum: -98,391.53 | | | | | | |
| | Sum: -226,697.03 | | | | | | |
| 431605 | INT EXP ON OTH DEFERRALS-IV FU | ED | 201701 | 0.00 | 12,974.34 | 12,974.34 | |
| | INT EXP ON OTH DEFERRALS-IV FU | | 201702 | 12,974.34 | 19,204.03 | 32,178.37 | |
| | INT EXP ON OTH DEFERRALS-IV FU | | 201703 | 32,178.37 | 17,882.08 | 50,060.45 | |
| | Sum: 50,060.45 | | | | | | |
| | INT EXP ON OTH DEFERRALS-IV FU | GD | 201701 | 0.00 | 4,654.76 | 4,654.76 | |
| | INT EXP ON OTH DEFERRALS-IV FU | | 201702 | 4,654.76 | 10,263.57 | 14,918.33 | |
| | INT EXP ON OTH DEFERRALS-IV FU | | 201703 | 14,918.33 | 10,723.13 | 25,641.46 | |
| | Sum: 25,641.46 | | | | | | |
| | Sum: 75,701.91 | | | | | | |
| Sum: -150,995.12 | | | | | | | |

Financial Reporting Contra Asset Accounts

GL Account Balance Accounting Period : '201701, 201702, 201703'

Jurisdiction:WA

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance | |
|--|--|---------|-------------------|-------------------|------------------|----------------|--|
| 253311 | CONTRA DECOUPLING DEFERRED REV | ED | 201701 | 0.00 | 0.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRED REV | | 201702 | 0.00 | 0.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRED REV | | 201703 | 0.00 | 0.00 | 0.00 | |
| | Sum: 0.00 | | | | | | |
| | CONTRA DECOUPLING DEFERRED REV | GD | 201701 | -433,300.00 | 433,300.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRED REV | | 201702 | 0.00 | 0.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRED REV | | 201703 | 0.00 | 0.00 | 0.00 | |
| | Sum: 433,300.00 | | | | | | |
| | Current Year Contra Asset Balance Sum: 433,300.00 | | | | | | |
| 253312 | CONTRA DECOUPLED DEFERRED REVE | GD | 201701 | 0.00 | -269,346.00 | -269,346.00 | |
| | CONTRA DECOUPLED DEFERRED REVE | | 201702 | -269,346.00 | 123,792.00 | -145,554.00 | |
| | CONTRA DECOUPLED DEFERRED REVE | | 201703 | -145,554.00 | 101,027.00 | -44,527.00 | |
| | Sum: -44,527.00 | | | | | | |
| Prior Year Contra Asset Balance Sum: -44,527.00 | | | | | | | |
| 456311 | CONTRA DECOUPLING DEFERRAL | ED | 201701 | 0.00 | 0.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRAL | | 201702 | 0.00 | 0.00 | 0.00 | |
| | CONTRA DECOUPLING DEFERRAL | | 201703 | 0.00 | 0.00 | 0.00 | |
| | Sum: 0.00 | | | | | | |
| 495311 | CONTRA DECOUPLING DEFERRAL | GD | 201701 | 0.00 | -163,954.00 | -163,954.00 | |
| | CONTRA DECOUPLING DEFERRAL | | 201702 | -163,954.00 | -123,792.00 | -287,746.00 | |
| | CONTRA DECOUPLING DEFERRAL | | 201703 | -287,746.00 | -101,027.00 | -388,773.00 | |
| Sum: -388,773.00 | | | | | | | |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
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Washington Jurisdiction Decoupling Mechanism Interest Summary

| Electric | | | | | |
|----------|----------------|-----------|------------|-------------|-------|
| | Total Interest | 419605 | 431605 | Net Inc/Exp | |
| Jan-17 | \$31,622 | \$44,597 | (\$12,974) | \$31,622 | \$0 |
| Feb-17 | \$23,428 | \$42,632 | (\$19,204) | \$23,428 | (\$0) |
| Mar-17 | \$23,195 | \$41,077 | (\$17,882) | \$23,195 | (\$0) |
| Q1 Total | \$78,245 | \$128,306 | (\$50,060) | \$78,245 | \$0 |

| 186328 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | (\$3,800,086) | (\$5,542) | | (\$3,805,628) | 3.50% |
| Feb-17 | (\$551,755) | (\$11,904) | | (\$4,369,287) | 3.50% |
| Mar-17 | \$1,214,759 | (\$10,972) | | (\$3,165,501) | 3.50% |

| 186338 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | (\$540,176) | (\$788) | | (\$540,964) | 3.50% |
| Feb-17 | \$152,193 | (\$1,356) | | (\$390,127) | 3.50% |
| Mar-17 | (\$349,168) | (\$1,647) | | (\$740,942) | 3.50% |

| 182329 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|---------------------------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$10,288,205 | |
| Provision for Rate Refund | | | | (\$1,187,973) | |
| Jan-17 | | \$26,542 | | \$10,314,747 | 3.50% |
| Feb-17 | | \$26,620 | | \$10,341,367 | 3.50% |
| Mar-17 | | \$26,697 | | \$10,368,065 | 3.50% |

| 182339 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|---------------------------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$1,967,777 | |
| Provision for Rate Refund | | | | (\$1,157,577) | |
| Jan-17 | | \$2,363 | | \$1,970,140 | 3.50% |
| Feb-17 | | \$2,370 | | \$1,972,510 | 3.50% |
| Mar-17 | | \$2,377 | | \$1,974,887 | 3.50% |

| 182328 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$5,793,806 | |
| Jan-17 | | \$15,691 | (\$827,894) | \$4,981,603 | 3.50% |
| Feb-17 | | \$13,642 | (\$608,499) | \$4,386,746 | 3.50% |
| Mar-17 | | \$12,003 | (\$543,190) | \$3,855,559 | 3.50% |

| 182338 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | | \$0 | | \$0 | 3.50% |
| Feb-17 | | \$0 | | \$0 | 3.50% |
| Mar-17 | | \$0 | | \$0 | 3.50% |

| 254338 ED | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | (\$2,404,916) | |
| Jan-17 | | (\$6,645) | \$253,402 | (\$2,158,158) | 3.50% |
| Feb-17 | | (\$5,944) | \$240,584 | (\$1,923,518) | 3.50% |
| Mar-17 | | (\$5,263) | \$238,273 | (\$1,690,508) | 3.50% |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
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Washington Jurisdiction Decoupling Mechanism Interest Summary

| Natural Gas | | | | | |
|-------------|----------------|-------------|-------------|-------------|-------|
| | Total Interest | Acct 419605 | Acct 431605 | Net Inc/Exp | |
| Jan-17 | \$30,219 | \$34,873 | (\$4,655) | \$30,219 | \$0 |
| Feb-17 | \$22,329 | \$32,593 | (\$10,264) | \$22,329 | \$0 |
| Mar-17 | \$20,202 | \$30,926 | (\$10,723) | \$20,202 | (\$0) |
| Q1 Total | \$72,750 | \$98,392 | (\$25,641) | \$72,750 | \$0 |

| 186328 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | (\$2,993,849) | (\$4,366) | | (\$2,998,215) | 3.50% |
| Feb-17 | (\$501,049) | (\$9,475) | | (\$3,508,740) | 3.50% |
| Mar-17 | \$260,699 | (\$9,854) | | (\$3,257,895) | 3.50% |

| 186338 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | (\$197,985) | (\$289) | | (\$198,274) | 3.50% |
| Feb-17 | (\$143,851) | (\$788) | | (\$342,912) | 3.50% |
| Mar-17 | \$89,600 | (\$869) | | (\$254,181) | 3.50% |

| 182329 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|---------------------------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$7,152,978 | |
| Provision for Rate Refund | | | | (\$2,104,951) | |
| Jan-17 | | \$14,723 | | \$7,167,701 | 3.50% |
| Feb-17 | | \$14,766 | | \$7,182,467 | 3.50% |
| Mar-17 | | \$14,809 | | \$7,197,277 | 3.50% |

| 182339 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|---------------------------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$2,002,655 | |
| Provision for Rate Refund | | | | (\$662,504) | |
| Jan-17 | | \$3,909 | | \$2,006,563 | 3.50% |
| Feb-17 | | \$3,920 | | \$2,010,484 | 3.50% |
| Mar-17 | | \$3,932 | | \$2,014,415 | 3.50% |

| 182328 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$4,517,449 | |
| Jan-17 | | \$12,065 | (\$761,514) | \$3,768,000 | 3.50% |
| Feb-17 | | \$10,209 | (\$535,233) | \$3,242,976 | 3.50% |
| Mar-17 | | \$8,875 | (\$399,965) | \$2,851,886 | 3.50% |

| 182338 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$1,523,245 | |
| Jan-17 | | \$4,176 | (\$183,099) | \$1,344,322 | 3.50% |
| Feb-17 | | \$3,697 | (\$153,801) | \$1,194,217 | 3.50% |
| Mar-17 | | \$3,309 | (\$119,292) | \$1,078,235 | 3.50% |

| 254338 GD | Deferral Entry | Interest Income/(exp) | Amortization | Ending Balance | Interest Rate |
|-----------|----------------|-----------------------|--------------|----------------|---------------|
| Dec-16 | | | | \$0 | |
| Jan-17 | | \$0 | | \$0 | 3.50% |
| Feb-17 | | \$0 | | \$0 | 3.50% |
| Mar-17 | | \$0 | | \$0 | 3.50% |

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
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NOTES

The following table shows how the decoupled revenue per customer has tracked with use per customer for the 1st quarter of 2017. Both use per customer and revenue per customer were greater than the test year base, resulting in rebate deferrals for all groups. Revenues tended to be up by a higher percentage than usage, likely due to more usage in the higher priced tail block rates during the abnormally cold winter experienced this quarter.

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

| | Q1 | Q2 | Q3 | Q4 | YTD Average | % |
|--|----------|----|----|----|----------------|-------|
| Electric Residential | | | | | | |
| Change in Use per Customer | 86 | | | | 86 | 2.4% |
| Change in Decoupled Revenue per Customer | \$15.49 | | | | \$15.49 | 6.7% |
| Deferral per Average Customer | -\$15.49 | | | | -\$15.49 | |
| Electric Non-Residential | | | | | | |
| Change in Use per Customer | 88 | | | | 88 | 0.6% |
| Change in Decoupled Revenue per Customer | \$21.52 | | | | \$21.52 | 2.0% |
| Deferral per Average Customer | -\$21.52 | | | | -\$21.52 | |
| Natural Gas Residential | | | | | | |
| Change in Use per Customer | 34 | | | | 34 | 9.7% |
| Change in Decoupled Revenue per Customer | \$21.63 | | | | \$21.63 | 14.1% |
| Deferral per Average Customer | -\$21.63 | | | | -\$21.63 | |
| Natural Gas Non-Residential | | | | | | |
| Change in Use per Customer | 95 | | | | 95 | 1.2% |
| Change in Decoupled Revenue per Customer | \$91.31 | | | | \$91.31 | 4.7% |
| Deferral per Average Customer | -\$91.31 | | | | -\$91.31 | |

The contra decoupling accounting shown on page 6 is for financial reporting purposes only. Generally Accepted Accounting Principles allow revenue recognition from alternative revenue programs up to the amount expected to be collected within 24 months following the end of the annual period in which they are recognized. Due to the 3% annual rate increase limitation a portion of the 2016 natural gas surcharge may not be fully recovered by 12/31/2018 and therefore was not recognizable as income for financial reporting purposes in 2016. The 2017 entries reflect the recognition of 2016 amounts expected to be recovered during 2019. The income statement impact of the contra decoupling deferral will be eliminated for Commission Basis reporting.