



Avista Corp.

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

May 15, 2015

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Mr. King:

RE: UE-140188/UG-140189
Electric and Natural Gas Decoupling Mechanism
Quarterly Report

Attached for filing with the Commission is an electronic copy of the Electric and Natural Gas Decoupling Mechanism Quarterly Report.

The report consists of spreadsheets showing the monthly revenue deferral calculations for January through March 2015.

Also included in the report are the monthly general ledger balances resulting from the deferral and amortization activity during the first quarter of 2015.

Questions regarding this filing should be directed to Tara Knox at (509) 495-4325.

Sincerely,

A handwritten signature in dark ink, appearing to read "Patrick Ehrbar", is written over a large, light-colored circular scribble. The signature is fluid and cursive, extending to the right with a long horizontal stroke.

Patrick Ehrbar
Manager, Rates and Tariffs
Enc.

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2015

Avista Utilities
Electric Decoupling Mechanism
Development of Electric Deferrals (Calendar Year 2015)

Line No.	Source	Revised			1st Quarter 2015	
		Jan-15	Feb-15	Mar-15	Total	
	(a)	(b)	(c)	(d)	(e)	(o)
Residential Group						
1	Actual Customers	Revenue System	207,224	207,250	206,422	620,896
2	Monthly Decoupled Revenue per Customer	Appendix 4, Page 3	\$78.81	\$69.94	\$64.35	\$ 71.04
3	Decoupled Revenue	(1) x (2)	\$ 16,331,182	\$ 14,495,372	\$ 13,282,392	\$ 44,108,946
4	Actual Base Rate Revenue	Revenue System	\$ 25,101,845	\$ 17,879,887	\$ 17,559,760	
5	Actual Basic Charge Revenue	Revenue System	\$ 1,761,404	\$ 1,761,625	\$ 1,754,587	
6	Actual Usage (kWhs)	Revenue System	273,966,953	197,618,642	196,511,929	
7	Retail Revenue Credit (\$/kWh)	Appendix 4, Page 1	\$ 0.021080	\$ 0.021080	\$ 0.021080	
8	Variable Power Supply Payments	(6) x (7)	\$ 5,775,223	\$ 4,165,801	\$ 4,142,471	
9	Customer Decoupled Payments	(4) - (5) - (8)	\$ 17,565,217	\$ 11,952,461	\$ 11,662,701	\$ 41,180,380
	Residential Revenue Per Customer Received		\$84.76	\$57.67	\$56.50	\$66.32
10	Deferral - Surcharge (Rebate)	(3) - (9)	\$ (1,234,035)	\$ 2,542,911	\$ 1,619,691	\$ 2,928,567
11	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 56,019	\$ (115,435)	\$ (73,526)	\$ (132,942)
		FERC Rate	3.25%	3.25%	3.25%	
12	Interest on Deferral	Avg Balance Calc	\$ (1,595)	\$ 92	\$ 5,474	\$ 3,971
	Monthly Residential Deferral Totals		\$ (1,179,611)	\$ 2,427,568	\$ 1,551,638	\$ 2,799,595
13	Cumulative Residential Deferral (Rebate)/Surchar	$\Sigma((10) \sim (12))$	\$ (1,179,611)	\$ 1,247,957	\$ 2,799,595	
Non-Residential Group						
14	Actual Customers	Revenue System	35,059	35,579	35,140	105,778
15	Monthly Decoupled Revenue per Customer	Appendix 4, Page 3	\$356.03	\$334.39	\$338.63	\$342.97
16	Decoupled Revenue	(14) x (15)	\$ 12,482,171	\$ 11,897,180	\$ 11,899,500	\$ 36,278,851
17	Actual Base Rate Revenue	Revenue System	\$ 16,258,940	\$ 17,169,122	\$ 17,145,797	
18	Actual Basic Charge Revenue	Revenue System	\$ 1,590,724	\$ 1,612,616	\$ 1,612,908	
19	Actual Usage (kWhs)	Revenue System	162,655,588	168,483,376	171,828,336	
20	Retail Revenue Credit (\$/kWh)	Appendix 4, Page 1	\$ 0.021080	\$ 0.021080	\$ 0.021080	
21	Variable Power Supply Payments	(19) x (20)	\$ 3,428,780	\$ 3,551,630	\$ 3,622,141	
22	Customer Decoupled Payments	(17) - (18) - (21)	\$ 11,239,437	\$ 12,004,877	\$ 11,910,747	\$ 35,155,060
	Non-Residential Revenue Per Customer Received		\$320.59	\$337.41	\$338.95	\$332.35
23	Deferral - Surcharge (Rebate)	(16) - (22)	\$ 1,242,735	\$ (107,697)	\$ (11,247)	\$ 1,123,790
24	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (56,414)	\$ 4,889	\$ 511	\$ (51,014)
		FERC Rate	3.25%	3.25%	3.25%	
25	Interest on Deferral	Avg Balance Calc	\$ 1,606	\$ 3,078	\$ 2,933	\$ 7,617
	Monthly Non-Residential Deferral Totals		\$ 1,187,927	\$ (99,730)	\$ (7,804)	\$ 1,080,393
26	Cumulative Non-Residential Deferral (Rebate)/Su	$\Sigma((23) \sim (25))$	\$ 1,187,927	\$ 1,088,197	\$ 1,080,393	
25	Total Cumulative Deferral	(13) + (26)	\$ 8,316	\$ 2,336,154	\$ 3,879,988	

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2015

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Natural Gas Deferrals (Calendar Year 2015)

Line No.	Source	Revised	Revised	1st Quarter 2015		
		Jan-15	Feb-15	Mar-15	Total	
(a)	(b)	(c)	(d)	(e)	(o)	
Residential Group						
1	Actual Customers	Revenue System	150,806	150,842	150,516	
2	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$48.14	\$40.07	\$ 34.22	
3	Decoupled Revenue	(1) x (2)	\$ 7,259,455	\$ 6,044,750	\$ 5,150,412	\$ 18,454,617
4	Actual Base Rate Revenue (Excluding Gas Costs)	Revenue System	\$ 9,163,509	\$ 5,564,097	\$ 5,529,316	
5	Actual Fixed Charge Revenue	Revenue System	\$ 1,357,254	\$ 1,357,578	\$ 1,354,644	
6	Customer Decoupled Payments	(4) - (5)	\$ 7,806,255	\$ 4,206,519	\$ 4,174,672	\$ 16,187,446
	Residential Revenue Per Customer Received		\$51.76	\$27.89	\$27.74	
7	Deferral - Surcharge (Rebate)	(3) - (6)	\$ (546,800)	\$ 1,838,231	\$ 975,740	\$ 2,267,171
8	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 24,495	\$ (82,347)	\$ (43,710)	\$ (101,562)
		FERC Rate	3.25%	3.25%	3.25%	
9	Interest on Deferral	Avg Bal Calc	\$ (707)	\$ 961	\$ 4,604	\$ 4,858
	Monthly Residential Deferral Totals		\$ (523,012)	\$ 1,756,845	\$ 936,634	\$ 2,170,467
10	Cumulative Residential Deferral (Rebate)/Surcharge	$\Sigma((7) + (9))$	\$ (523,012)	\$ 1,233,833	\$ 2,170,467	
Non-Residential Group						
11	Actual Customers	Revenue System	2,622	2,634	2,688	
12	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$642.24	\$547.50	\$ 491.15	
13	Decoupled Revenue	(11) x (12)	\$ 1,683,941	\$ 1,442,114	\$ 1,320,224	\$ 4,446,278
14	Actual Base Rate Revenue (Excluding Gas Costs)	Revenue System	\$ 1,739,453	\$ 1,533,381	\$ 1,343,015	
15	Actual Fixed Charge Revenue	Revenue System	\$ 231,552	\$ 232,468	\$ 237,297	
16	Customer Decoupled Payments	(14) - (15)	\$ 1,507,901	\$ 1,300,913	\$ 1,105,719	\$ 3,914,533
	Non-Residential Revenue Per Customer Received		\$575.10	\$493.89	\$411.35	
17	Deferral - Surcharge (Rebate)	(13) - (16)	\$ 176,039	\$ 141,201	\$ 214,505	\$ 531,745
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (7,886)	\$ (6,325)	\$ (9,609)	\$ (23,821)
		FERC Rate	3.25%	3.25%	3.25%	
19	Interest on Deferral	Avg Balance Calc	\$ 228	\$ 639	\$ 1,101	\$ 1,967
	Monthly Non-Residential Deferral Totals		\$ 168,381	\$ 135,514	\$ 205,996	\$ 509,892
20	Cumulative Non-Residential Deferral (Rebate)/Surcharge	$\Sigma((17) + (19))$	\$ 168,381	\$ 303,895	\$ 509,892	
21	Total Natural Gas Decoupling Cumulative Deferral	(10) + (20)	\$ (354,631)	\$ 1,537,728	\$ 2,680,358	

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2015

Balance Sheet Accounts

GL Account Balance Accounting Period : '201501, 201502, 201503'

Jurisdiction:WA

Deferred Revenue

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
186328	REG ASSET-DECOUPLING DEFERRED	ED	201501	0.00	-1,278,653.58	-1,278,653.58	
	REG ASSET-DECOUPLING DEFERRED		201502	-1,278,653.58	2,858,255.90	1,579,602.32	
	REG ASSET-DECOUPLING DEFERRED		201503	1,579,602.32	1,219,992.90	2,799,595.22	
	Electric Service				Sum: 2,799,595.22		
	REG ASSET-DECOUPLING DEFERRED	GD	201501	0.00	-546,785.79	-546,785.79	
	REG ASSET-DECOUPLING DEFERRED		201502	-546,785.79	1,662,286.70	1,115,500.91	
	REG ASSET-DECOUPLING DEFERRED		201503	1,115,500.91	1,054,965.65	2,170,466.56	
	Natural Gas Service				Sum: 2,170,466.56		
	FERC Acct 186328				Sum: 4,970,061.78		
186338	REG ASSET NON-RES DECOUPLING D	ED	201501	0.00	187,190.44	187,190.44	
	REG ASSET NON-RES DECOUPLING D		201502	187,190.44	941,210.87	1,128,401.31	
	REG ASSET NON-RES DECOUPLING D		201503	1,128,401.31	-48,008.09	1,080,393.22	
	Electric Service				Sum: 1,080,393.22		
	REG ASSET NON-RES DECOUPLING D	GD	201501	0.00	147,535.39	147,535.39	
	REG ASSET NON-RES DECOUPLING D		201502	147,535.39	171,655.84	319,191.23	
	REG ASSET NON-RES DECOUPLING D		201503	319,191.23	190,700.34	509,891.57	
	Natural Gas Service				Sum: 509,891.57		
	FERC Acct 186338				Sum: 1,590,284.79		

GL Account Balance Accounting Period : '201501, 201502, 201503'

Jurisdiction:WA

Rollover Balance

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
182328	REG ASSET- DECOUPLING SURCHARG	GD	201501	5,459.88	0.00	5,459.88
	REG ASSET- DECOUPLING SURCHARG		201502	5,459.88	29.62	5,489.50
	REG ASSET- DECOUPLING SURCHARG		201503	5,489.50	14.87	5,504.37
	Natural Gas Service				Sum: 44.49	

GL Account Balance Accounting Period : '201501, 201502, 201503'

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	201503	0.00	-1,357,995.95	-1,357,995.95	
	Electric Service				Sum: -1,357,995.95		
	ADFIT DECOUPLING DEFERRED REV	GD	201501	-1,862.01	191,375.03	189,513.02	
	ADFIT DECOUPLING DEFERRED REV		201502	189,513.02	-581,810.71	-392,297.69	
	ADFIT DECOUPLING DEFERRED REV		201503	-392,297.69	-324,271.37	-716,569.06	
	Natural Gas Service				Sum: -714,707.05		
	FERC Acct 283328				Sum: -2,072,703.00		

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2015

Income Statement Accounts

GL Account Balance Accounting Period : '201501, 201502, 201503'

Jurisdiction: WA

Revenue Deferral Credits

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
407428	REG CREDIT DECOUPLING DEF REV	ED	201501	0.00	0.00	0.00	
	REG CREDIT DECOUPLING DEF REV		201502	0.00	-2,758,672.50	-2,758,672.50	
	REG CREDIT DECOUPLING DEF REV		201503	-2,758,672.50	-1,214,967.74	-3,973,640.24	
	Electric Service				Sum: -3,973,640.24		
	REG CREDIT DECOUPLING DEF REV	GD	201501	0.00	0.00	0.00	
	REG CREDIT DECOUPLING DEF REV		201502	0.00	-1,637,711.83	-1,637,711.83	
	REG CREDIT DECOUPLING DEF REV		201503	-1,637,711.83	-1,050,201.87	-2,687,913.70	
	Natural Gas Service				Sum: -2,687,913.70		
	FERC Acct 407428				Sum: -6,661,553.94		
407438	REG CREDIT NON-RES DECOUPLING	ED	201501	0.00	-186,937.30	-186,937.30	
	REG CREDIT NON-RES DECOUPLING		201502	-186,937.30	-999,383.46	-1,186,320.76	
	REG CREDIT NON-RES DECOUPLING		201503	-1,186,320.76	0.00	-1,186,320.76	
	Electric Service				Sum: -1,186,320.76		
	REG CREDIT NON-RES DECOUPLING	GD	201501	0.00	-147,335.87	-147,335.87	
	REG CREDIT NON-RES DECOUPLING		201502	-147,335.87	-170,968.29	-318,304.16	
	REG CREDIT NON-RES DECOUPLING		201503	-318,304.16	-189,620.51	-507,924.67	
	Natural Gas Service				Sum: -507,924.67		
	FERC Acct 407438				Sum: -1,694,245.43		

GL Account Balance Accounting Period : '201501, 201502, 201503'

Jurisdiction: WA

Revenue Deferral Debits

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
407328	REG DEBIT DECOUPLING DEF REV	ED	201501	0.00	1,276,924.41	1,276,924.41	
	REG DEBIT DECOUPLING DEF REV		201502	1,276,924.41	-98,908.54	1,178,015.87	
	REG DEBIT DECOUPLING DEF REV		201503	1,178,015.87	0.00	1,178,015.87	
	Sum: 1,178,015.87						
	REG DEBIT DECOUPLING DEF REV	GD	201501	0.00	546,046.35	546,046.35	
	REG DEBIT DECOUPLING DEF REV		201502	546,046.35	-23,741.48	522,304.87	
	REG DEBIT DECOUPLING DEF REV		201503	522,304.87	0.00	522,304.87	
	Sum: 522,304.87						
	Sum: 1,700,320.74						
407338	REG DEBIT NON-RES DECOUPLING D	ED	201501	0.00	0.00	0.00	
	REG DEBIT NON-RES DECOUPLING D		201502	0.00	62,658.38	62,658.38	
	REG DEBIT NON-RES DECOUPLING D		201503	62,658.38	50,886.38	113,544.76	
	Sum: 113,544.76						
	REG DEBIT NON-RES DECOUPLING D	GD	201501	0.00	0.00	0.00	
	REG DEBIT NON-RES DECOUPLING D		201502	0.00	0.00	0.00	
	REG DEBIT NON-RES DECOUPLING D		201503	0.00	0.00	0.00	
	Sum: 0.00						
	Sum: 113,544.76						

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2015

NOTES

The initial January and February general ledger journal entries were revised in February and March respectively to properly account for customer count information that became available after the journals were completed. These issues were directly related to the conversion to the new customer care and billing system (Project Compass).

The electric and natural gas deferral calculations provided on Pages 1 and 2 of this report reflect the final monthly customer count information. The monthly general ledger entries provided on Pages 3 and 4 do not tie exactly to the revised deferral calculations as they include the prior month corrections. The March balances agree with the deferral calculation totals shown on Pages 1 and 2.

The Natural Gas Accumulated Deferred Tax balance is overstated as of March 2015. A correcting entry will be recorded in April along with a corresponding Schedule M adjustment to current taxes.

The Company's external auditors have determined that the decoupling deferred revenue under this mechanism qualifies as revenue per generally accepted accounting principals and therefore should be recorded in Other Electric Revenue FERC Account 456 and Other Natural Gas Revenue FERC Account 495. The 2015 amounts already recorded in FERC Account 407 Regulatory Debits and Credits will be transferred to dedicated sub accounts in 456 and 495, and all subsequent entries will be recorded as revenue. There will be no change to the balance sheet accounts associated with this transfer.