



Avista Corp.
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November 10, 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 July through September 2015.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", is written over a horizontal line.

Patrick Ehrbar
Manager, Rates and Tariffs
Enc.

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 3rd Quarter 2015

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

Line No.	Source	Jul-15	Aug-15	Sep-15	1st Quarter 2015 Total	2nd Quarter 2015 Total	3rd Quarter 2015 Total	YTD Sept 2015 Total	
(a)	(b) €	(i)	(j)	(k)				(o)	
Residential Group									
1	Actual Customers	Revenue System	207,030	206,682	207,742	620,896	619,088	621,454	1,861,438
2	Monthly Decoupled Revenue per Customer	Appendix 4, Page 3	\$51.18	\$54.25	\$45.86	\$71.04	\$47.67	\$50.42	\$56.38
3	Decoupled Revenue	(1) x (2)	\$ 10,595,553	\$ 11,211,862	\$ 9,526,829	\$ 44,108,946	\$ 29,512,533	\$ 31,334,244	\$ 104,955,723
4	Actual Base Rate Revenue	Revenue System	\$ 19,331,801	\$ 17,006,511	\$ 13,586,943				
5	Actual Basic Charge Revenue	Revenue System	\$ 1,821,150	\$ 1,819,598	\$ 1,819,260				
6	Actual Usage (kWhs)	Revenue System	215,398,297	186,598,692	148,639,680				
7	Retail Revenue Credit (\$/kWh)	Appendix 4, Page 1	\$ 0.021080	\$ 0.021080	\$ 0.021080				
8	Variable Power Supply Payments	(6) x (7)	\$ 4,540,596	\$ 3,933,500	\$ 3,133,324				
9	Customer Decoupled Payments	(4) - (5) -(8)	\$ 12,970,055	\$ 11,253,413	\$ 8,634,359	\$ 41,180,380	\$ 28,189,715	\$ 32,857,827	\$ 102,227,921
	Residential Revenue Per Customer Received		\$62.65	\$54.45	\$41.56	\$66.32	\$45.53	\$52.87	\$54.92
10	Deferral - Surcharge (Rebate)	(3) - (9)	\$ (2,374,502)	\$ (41,551)	\$ 892,470	\$ 2,928,567	\$ 1,322,818	\$ (1,523,583)	\$ 2,727,801
11	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 107,791	\$ 1,886	\$ (40,514)	\$ (132,942)	\$ (60,049)	\$ 69,163	\$ (123,829)
		FERC Rate	3.25%	3.25%	3.25%				
12	Interest on Deferral	Avg Balance Calc	\$ 8,013	\$ 4,911	\$ 6,025	\$ 3,971	\$ 29,581	\$ 18,949	\$ 52,501
	Monthly Residential Deferral Totals		\$ (2,258,699)	\$ (34,753)	\$ 857,981	\$ 2,799,595	\$ 1,292,350	\$ (1,435,472)	\$ 2,656,474
13	Cumulative Residential Deferral (Rebate)/Surcharge	Σ((10) ~ (12))	\$ 1,833,247	\$ 1,798,493	\$ 2,656,474				
Non-Residential Group									
14	Actual Customers	Revenue System	35,004	35,238	35,232	105,778	105,726	105,474	316,978
15	Monthly Decoupled Revenue per Customer	Appendix 4, Page 3	\$382.86	\$405.75	\$347.13	\$342.97	\$326.53	\$378.57	\$349.33
16	Decoupled Revenue	(14) x (15)	\$ 13,401,801	\$ 14,297,930	\$ 12,229,924	\$ 36,278,851	\$ 34,522,992	\$ 39,929,656	\$ 110,731,499
17	Actual Base Rate Revenue	Revenue System	\$ 19,981,392	\$ 20,610,294	\$ 17,559,914				
18	Actual Basic Charge Revenue	Revenue System	\$ 1,620,119	\$ 1,617,035	\$ 1,618,291				
19	Actual Usage (kWhs)	Revenue System	205,625,075	213,909,780	176,781,649				
20	Retail Revenue Credit (\$/kWh)	Appendix 4, Page 1	\$ 0.021080	\$ 0.021080	\$ 0.021080				
21	Variable Power Supply Payments	(19) x (20)	\$ 4,334,577	\$ 4,509,218	\$ 3,726,557				
22	Customer Decoupled Payments	(17) - (18) -(21)	\$ 14,026,697	\$ 14,484,040	\$ 12,215,066	\$ 35,155,060	\$ 37,978,836	\$ 40,725,803	\$ 113,859,700
	Non-Residential Revenue Per Customer Received		\$400.72	\$411.03	\$346.70	\$332.35	\$359.22	\$386.12	\$359.20
23	Deferral - Surcharge (Rebate)	(16) - (22)	\$ (624,895)	\$ (186,110)	\$ 14,858	\$ 1,123,790	\$ (3,455,844)	\$ (796,147)	\$ (3,128,201)
24	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ 28,367	\$ 8,448	\$ (674)	\$ (51,014)	\$ 156,878	\$ 36,141	\$ 142,005
		FERC Rate	3.25%	3.25%	3.25%				
25	Interest on Deferral	Avg Balance Calc	\$ (6,823)	\$ (7,890)	\$ (8,133)	\$ 7,617	\$ (2,423)	\$ (22,845)	\$ (17,652)
	Monthly Non-Residential Deferral Totals		\$ (603,351)	\$ (185,552)	\$ 6,051	\$ 1,080,393	\$ (3,301,390)	\$ (782,852)	\$ (3,003,848)
26	Cumulative Non-Residential Deferral (Rebate)/Surcharge	Σ((23) ~ (25))	\$ (2,824,348)	\$ (3,009,899)	\$ (3,003,848)				
25	Total Cumulative Electric Deferral	(13) + (26)	\$ (991,101)	\$ (1,211,406)	\$ (347,374)				

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 3rd Quarter 2015

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

Line No.	Source	Jul-15	Aug-15	Sep-15	1st Quarter	2nd Quarter	3rd Quarter	YTD Sept	2015
					2015	2015	2015	2015	
(a)	(b)	(i)	(j)	(k)	Total	Total	Total	Total	(o)
Residential Group									
1	Actual Customers	Revenue System	150,813	150,779	151,278	452,164	451,630	452,870	1,356,664
2	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$ 5.88	\$ 5.34	\$ 6.97	\$ 40.81	\$ 14.14	\$ 6.06	\$ 20.33
3	Decoupled Revenue	(1) x (2)	\$ 887,283	\$ 804,478	\$ 1,053,729	\$ 18,454,617	\$ 6,384,466	\$ 2,745,490	\$ 27,584,573
4	Actual Base Rate Revenue (Excluding Gas Costs)	Revenue System	\$ 2,133,781	\$ 2,054,596	\$ 2,453,090				
5	Actual Fixed Charge Revenue	Revenue System	\$ 1,386,104	\$ 1,384,612	\$ 1,386,467				
6	Customer Decoupled Payments	(4) - (5)	\$ 747,677	\$ 669,984	\$ 1,066,623	\$ 16,187,446	\$ 4,207,959	\$ 2,484,284	\$ 22,879,688
	Residential Revenue Per Customer Received		\$ 4.96	\$ 4.44	\$ 7.05	\$ 35.80	\$ 9.32	\$ 5.49	\$ 16.86
7	Deferral - Surcharge (Rebate)	(3) - (6)	\$ 139,606	\$ 134,493	\$ (12,893)	\$ 2,267,171	\$ 2,176,508	\$ 261,206	\$ 4,704,885
8	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (6,254)	\$ (6,025)	\$ 578	\$ (101,562)	\$ (97,501)	\$ (11,701)	\$ (210,765)
		FERC Rate	3.25%	3.25%	3.25%				
9	Interest on Deferral	Avg Balance Calc	\$ 11,762	\$ 12,148	\$ 12,338	\$ 4,858	\$ 26,607	\$ 36,248	\$ 67,712
	Monthly Residential Deferral Totals		\$ 145,114	\$ 140,617	\$ 23	\$ 2,170,467	\$ 2,105,613	\$ 285,753	\$ 4,561,833
10	Cumulative Residential Deferral (Rebate)/Surcharge	Σ((7) + (9))	\$ 4,421,193	\$ 4,561,810	\$ 4,561,833				
Non-Residential Group									
11	Actual Customers	Revenue System	2,647	2,642	2,653	7,944	7,941	7,942	23,827
12	Monthly Decoupled Revenue per Customer	Appendix 5, Page 3	\$ 142.15	\$ 156.16	\$ 211.99	\$ 559.70	\$ 236.29	\$ 170.14	\$ 322.07
13	Decoupled Revenue	(11) x (12)	\$ 376,263	\$ 412,584	\$ 562,400	\$ 4,446,278	\$ 1,876,353	\$ 1,351,247	\$ 7,673,879
14	Actual Base Rate Revenue (Excluding Gas Costs)	Revenue System	\$ 549,119	\$ 547,598	\$ 686,637				
15	Actual Fixed Charge Revenue	Revenue System	\$ 234,360	\$ 233,812	\$ 235,201				
16	Customer Decoupled Payments	(14) - (15)	\$ 314,759	\$ 313,786	\$ 451,436	\$ 3,914,533	\$ 1,717,379	\$ 1,079,981	\$ 6,711,893
	Non-Residential Revenue Per Customer Received		\$ 118.91	\$ 118.77	\$ 170.16	\$ 492.77	\$ 216.27	\$ 135.98	\$ 281.69
17	Deferral - Surcharge (Rebate)	(13) - (16)	\$ 61,504	\$ 98,798	\$ 110,964	\$ 531,745	\$ 158,975	\$ 271,266	\$ 961,986
18	Deferral - Revenue Related Expenses	Rev Conv Factor	\$ (2,755)	\$ (4,426)	\$ (4,971)	\$ (23,821)	\$ (7,122)	\$ (12,152)	\$ (43,094)
		FERC Rate	3.25%	3.25%	3.25%				
19	Interest on Deferral	Avg Balance Calc	\$ 1,884	\$ 2,097	\$ 2,374	\$ 1,967	\$ 4,662	\$ 6,355	\$ 12,984
	Monthly Non-Residential Deferral Totals		\$ 60,633	\$ 96,469	\$ 108,367	\$ 509,892	\$ 156,515	\$ 265,469	\$ 931,876
20	Cumulative Non-Residential Deferral (Rebate)/Surcharge	Σ((17) + (19))	\$ 727,040	\$ 823,509	\$ 931,876				
21	Total Cumulative Natural Gas Deferral	(10) + (20)	\$ 5,148,233	\$ 5,385,319	\$ 5,493,708				

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 3rd Quarter 2015

Balance Sheet Accounts

GL Account Balance Accounting Period : '201507, 201508, 201509'

Jurisdiction:WA

Deferred Revenue

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
186328	REG ASSET-DECOUPLING DEFERRED	ED	201507	4,091,945.45	-2,258,698.92	1,833,246.53	
	REG ASSET-DECOUPLING DEFERRED		201508	1,833,246.53	-34,753.17	1,798,493.36	
	REG ASSET-DECOUPLING DEFERRED		201509	1,798,493.36	857,980.58	2,656,473.94	
	Electric Service				Sum: -1,435,471.51		
	REG ASSET-DECOUPLING DEFERRED	GD	201507	4,276,079.86	145,113.53	4,421,193.39	
	REG ASSET-DECOUPLING DEFERRED		201508	4,421,193.39	140,616.55	4,561,809.94	
	REG ASSET-DECOUPLING DEFERRED		201509	4,561,809.94	22.67	4,561,832.61	
	Natural Gas Service				Sum: 285,752.75		
	FERC Acct 186328				Sum: -1,149,718.76		
186338	REG ASSET NON-RES DECOUPLING D	ED	201507	-2,220,996.49	-603,351.11	-2,824,347.60	
	REG ASSET NON-RES DECOUPLING D		201508	-2,824,347.60	-185,551.56	-3,009,899.16	
	REG ASSET NON-RES DECOUPLING D		201509	-3,009,899.16	6,050.97	-3,003,848.19	
	Electric Service				Sum: -782,851.70		
	REG ASSET NON-RES DECOUPLING D	GD	201507	666,406.31	60,633.38	727,039.69	
	REG ASSET NON-RES DECOUPLING D		201508	727,039.69	96,469.08	823,508.77	
	REG ASSET NON-RES DECOUPLING D		201509	823,508.77	108,366.93	931,875.70	
	Natural Gas Service				Sum: 265,469.39		
	FERC Acct 186338				Sum: -517,382.31		

GL Account Balance Accounting Period : '201507, 201508, 201509'

Jurisdiction:WA

Rollover Balance

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
182328	REG ASSET- DECOUPLING SURCHARG	GD	201507	5,549.22	15.03	5,564.25
	REG ASSET- DECOUPLING SURCHARG		201508	5,564.25	15.07	5,579.32
	REG ASSET- DECOUPLING SURCHARG		201509	5,579.32	15.11	5,594.43
	Natural Gas Service				Sum: 45.21	

GL Account Balance Accounting Period : '201507, 201508, 201509'

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	201507	-654,832.13	1,001,717.51	346,885.38	
	ADFIT DECOUPLING DEFERRED REV		201508	346,885.38	77,106.66	423,992.04	
	ADFIT DECOUPLING DEFERRED REV		201509	423,992.04	-302,411.05	121,580.99	
	Electric Service				Sum: 776,413.12		
	ADFIT DECOUPLING DEFERRED REV	GD	201507	-1,731,812.39	-72,016.68	-1,803,829.07	
	ADFIT DECOUPLING DEFERRED REV		201508	-1,803,829.07	-82,985.24	-1,886,814.31	
	ADFIT DECOUPLING DEFERRED REV		201509	-1,886,814.31	-37,941.65	-1,924,755.96	
	Natural Gas Service				Sum: -192,943.57		
	FERC Acct 283328				Sum: 583,469.55		

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 3rd Quarter 2015

Income Statement Accounts

GL Account Balance Accounting Period : '201507, 201508, 201509'

Jurisdiction:WA

Deferred Revenue

Ferc Acct	Ferc Acct Desc	Service	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
456328	RESIDENTIAL DECOUPLING DEFERRE	ED	201507	-4,058,393.23	2,266,711.77	-1,791,681.46
	RESIDENTIAL DECOUPLING DEFERRE		201508	-1,791,681.46	39,664.50	-1,752,016.96
	RESIDENTIAL DECOUPLING DEFERRE		201509	-1,752,016.96	-851,955.97	-2,603,972.93
FERC Acct 456328				Sum: 1,454,420.30		
456338	NON-RES DECOUPLING DEFERRED RE	ED	201507	2,226,190.34	596,528.11	2,822,718.45
	NON-RES DECOUPLING DEFERRED RE		201508	2,822,718.45	177,661.70	3,000,380.15
	NON-RES DECOUPLING DEFERRED RE		201509	3,000,380.15	-14,183.57	2,986,196.58
FERC Acct 456338				Sum: 760,006.24		
495328	RESIDENTIAL DECOUPLING DEFERRE	GD	201507	-4,244,615.48	-133,351.90	-4,377,967.38
	RESIDENTIAL DECOUPLING DEFERRE		201508	-4,377,967.38	-128,468.52	-4,506,435.90
	RESIDENTIAL DECOUPLING DEFERRE		201509	-4,506,435.90	12,315.55	-4,494,120.35
FERC Acct 495328				Sum: -249,504.87		
495338	NON-RES DECOUPLING DEFERRED RE	GD	201507	-659,777.70	-58,748.97	-718,526.67
	NON-RES DECOUPLING DEFERRED RE		201508	-718,526.67	-94,372.22	-812,898.89
	NON-RES DECOUPLING DEFERRED RE		201509	-812,898.89	-105,993.06	-918,891.95
FERC Acct 495338				Sum: -259,114.25		

GL Account Balance Accounting Period : '201507, 201508, 201509'

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	201507	-44,253.43	-8,012.85	-52,266.28	
	INT INC ON OTH DEFERRALS-IV FU		201508	-52,266.28	-4,911.33	-57,177.61	
	INT INC ON OTH DEFERRALS-IV FU		201509	-57,177.61	-6,024.61	-63,202.22	
	Sum: -18,948.79						
	INT INC ON OTH DEFERRALS-IV FU	GD	201507	-38,889.62	-13,661.07	-52,550.69	
	INT INC ON OTH DEFERRALS-IV FU		201508	-52,550.69	-14,259.96	-66,810.65	
INT INC ON OTH DEFERRALS-IV FU	201509		-66,810.65	-14,727.20	-81,537.85		
Sum: -42,648.23							
Sum: -61,597.02							
431605	INT EXP ON OTH DEFERRALS-IV FU	ED	201507	5,507.36	6,823.00	12,330.36	
	INT EXP ON OTH DEFERRALS-IV FU		201508	12,330.36	7,889.86	20,220.22	
	INT EXP ON OTH DEFERRALS-IV FU		201509	20,220.22	8,132.60	28,352.82	
	Sum: 22,845.46						
	INT EXP ON OTH DEFERRALS-IV FU	GD	201507	707.29	0.00	707.29	
	INT EXP ON OTH DEFERRALS-IV FU		201508	707.29	0.00	707.29	
INT EXP ON OTH DEFERRALS-IV FU	201509		707.29	0.00	707.29		
Sum: 0.00							
Sum: 22,845.46							
Sum: -38,751.56							

Avista Corporation Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 3rd Quarter 2015

NOTES

The following table shows how the decoupled revenue per customer has tracked with use per customer for the first three quarters of 2015. The similarity of the percentage change indicates that the mechanism is working as intended.

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

	Q1	Q2	Q3	YTD	%
Electric Residential					
Change in Use per Customer	(300)	(16)	155	(161)	-1.9%
Change in Decoupled Revenue per Customer	-\$14.15	-\$6.41	\$7.37	-\$13.19	-2.6%
Deferral per Average Customer	\$14.15	\$6.41	-\$7.37	\$13.19	
Electric Non-Residential					
Change in Use per Customer	(639)	1,474	511	1,346	3.0%
Change in Decoupled Revenue per Customer	-\$31.87	\$98.06	\$22.64	\$88.83	2.8%
Deferral per Average Customer	\$31.87	-\$98.06	-\$22.64	-\$88.83	
Natural Gas Residential					
Change in Use per Customer	(50)	(32)	(2)	(84)	-16.3%
Change in Decoupled Revenue per Customer	-\$15.04	-\$14.46	-\$1.73	-\$31.23	-17.1%
Deferral per Average Customer	\$15.04	\$14.46	\$1.73	\$31.23	
Natural Gas Non-Residential					
Change in Use per Customer	(991)	(202)	(289)	(1,482)	-11.3%
Change in Decoupled Revenue per Customer	-\$200.81	-\$60.06	-\$102.47	-\$363.34	-12.5%
Deferral per Average Customer	\$200.81	\$60.06	\$102.47	\$363.34	