

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-150204

DOCKET NO. UG-150205

EXHIBIT NO. ____ (JSS-6)

JENNIFER S. SMITH

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES

WASHINGTON NATURAL GAS - PRO FORMA STUDY

CROSS CHECK

TWELVE MONTHS ENDED SEPTEMBER 30, 2014

(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$166,628	\$103	\$166,731	\$10,009	\$176,740
2	Total Transportation	4,112	71	\$4,183		4,183
3	Other Revenues	83,502	(83,225)	\$277		277
4	Total Gas Revenues	254,242	(83,051)	171,191	10,009	181,200
EXPENSES						
Production Expenses						
5	City Gate Purchases	173,262	(85,395)	87,867		87,867
6	Purchased Gas Expense	839	38	877		877
7	Net Nat Gas Storage Trans	(5,990)	5,990	-		-
8	Total Production	168,111	(79,367)	88,744	-	88,744
Underground Storage						
9	Operating Expenses	858	0	858		858
10	Depreciation	392	48	440		440
11	Taxes	216	53	269		269
12	Total Underground Storage	1,466	101	1,567	-	1,567
Distribution						
13	Operating Expenses	10,666	1,435	12,101		12,101
14	Depreciation	8,386	1,013	9,399		9,399
15	Taxes	14,954	(5,405)	9,549	383	9,932
16	Total Distribution	34,006	(2,957)	31,049	383	31,432
17	Customer Accounting	6,550	303	6,853	56	6,909
18	Customer Service & Information	6,427	(5,456)	971		971
19	Sales Expenses	-	1	1		1
Administrative & General						
20	Operating Expenses	11,883	2,393	14,276	20	14,296
21	Depreciation/Amortization	4,316	2,013	6,329		6,329
22	Regulatory Amortizations	11	1,132	1,143		1,143
23	Taxes	-	-	-		-
24	Total Admin. & General	16,210	5,538	21,748	20	21,768
25	Total Gas Expense	232,770	(81,837)	150,933	459	151,392
26	OPERATING INCOME BEFORE FIT	21,472	(1,214)	20,258	9,550	29,808
FEDERAL INCOME TAX						
27	Current Accrual	4,339	(190)	4,149	3,343	7,492
28	Debt Interest	-	(478)	(478)	-	(478)
29	Deferred FIT	2,153	(74)	2,079		2,079
30	Amort ITC	(22)	-	(22)		(22)
31	NET OPERATING INCOME	15,002	(472)	14,530	6,207	20,737
RATE BASE: PLANT IN SERVICE						
32	Underground Storage	24,932	1,667	26,599		26,599
33	Distribution Plant	332,439	36,769	369,208		369,208
34	General Plant	58,679	23,605	82,284		82,284
35	Total Plant in Service	416,050	62,041	478,091	-	478,091
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(9,345)	(817)	(10,162)		(10,162)
37	Distribution Plant	(113,282)	(13,421)	(126,703)		(126,703)
38	General Plant	(16,998)	(5,478)	(22,476)		(22,476)
39	Total Accum. Depreciation/Amort.	(139,625)	(19,716)	(159,341)	-	(159,341)
40	NET PLANT	276,425	42,325	318,750	-	318,750
41	DEFERRED FIT	(55,323)	(14,307)	(69,630)		(69,630)
42	Net Plant After DFIT	221,102	28,018	249,120	-	249,120
43	GAS INVENTORY	12,801	-	12,801		12,801
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	(428)	12,591	12,163		12,163
46	WORKING CAPITAL	-	10,371	10,371		10,371
47	TOTAL RATE BASE	233,475	38,389	284,455	0	284,455
48	RATE OF RETURN	6.43%		5.11%		7.29%

AVISTA UTILITIES
CALCULATION OF GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
PRO FORMA CROSS CHECK STUDY

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$ 284,455
2	Proposed Rate of Return	7.29%
3	Net Operating Income Requirement	\$20,737
4	Pro Forma Net Operating Income	<u>\$ 14,530</u>
5	Net Operating Income Deficiency	\$6,207
6	Conversion Factor	0.62014
7	Revenue Requirement - 2016	\$10,009
8	Total General Business Revenues*	\$ 170,914
9	Percentage Revenue Increase	<u>5.86%</u>

* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

AVISTA UTILITIES
Multiparty Settlement - COST OF CAPITAL
WASHINGTON NATURAL GAS

Proposed:			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.5%	5.20%	2.68%
Common Equity	48.5%	9.50%	4.61%
Total	<u>100.00%</u>		<u>7.29%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED SEPTEMBER 30, 2014**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.005631
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038303
6	Total Expense	<u>0.045934</u>
7	Net Operating Income Before FIT	0.954066
8	Federal Income Tax @ 35%	0.333923
9	REVENUE CONVERSION FACTOR	0.620140

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-RPT	G-UE
REVENUES								
1	Total General Business	\$ 166,628	\$ -	\$ -	\$ -	\$ (6,055)	\$ -	\$ -
2	Total Transportation	4,112	-	-	-	(139)	-	-
3	Other Revenues	83,502	-	-	-	-	-	-
4	Total Gas Revenues	254,242	-	-	-	(6,194)	-	-
EXPENSES								
Production Expenses								
5	City Gate Purchases	173,262	-	-	-	-	-	-
6	Purchased Gas Expense	839	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	(5,990)	-	-	-	-	-	-
8	Total Production	168,111	-	-	-	-	-	-
Underground Storage								
9	Operating Expenses	858	-	-	-	-	-	-
10	Depreciation/Amortization	392	-	-	-	-	-	-
11	Taxes	216	-	-	-	-	7	-
12	Total Underground Storage	1,466	-	-	-	-	7	-
Distribution								
13	Operating Expenses	10,666	-	-	-	-	-	-
14	Depreciation/Amortization	8,386	-	-	-	-	-	-
15	Taxes	14,954	-	-	-	(6,183)	73	-
16	Total Distribution	34,006	-	-	-	(6,183)	73	-
17	Customer Accounting	6,550	-	-	-	-	-	(150)
18	Customer Service & Information	6,427	-	1	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	11,883	-	-	-	-	-	-
21	Depreciation/Amortization	4,316	-	-	-	-	-	-
22	Regulatory Amortizations	11	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	16,210	-	-	-	-	-	-
25	Total Gas Expense	232,770	-	1	-	(6,183)	80	(150)
26	OPERATING INCOME BEFORE FIT	21,472	-	(1)	-	(11)	(80)	150
FEDERAL INCOME TAX								
27	Current Accrual	4,339	-	(0)	-	(4)	(28)	53
28	Debt Interest	-	28	-	(97)	-	-	-
29	Deferred FIT	2,153	-	-	-	-	-	-
30	Amort ITC	(22)	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 15,002	\$ (28)	\$ (1)	\$ 97	\$ (7)	\$ (52)	\$ 98
RATE BASE								
PLANT IN SERVICE								
32	Underground Storage	\$ 24,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	332,439	-	-	-	-	-	-
34	General Plant	58,679	-	-	-	-	-	-
35	Total Plant in Service	416,050	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	(9,345)	-	-	-	-	-	-
37	Distribution Plant	(113,282)	-	-	-	-	-	-
38	General Plant	(16,998)	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(139,625)	-	-	-	-	-	-
40	NET PLANT	276,425	-	-	-	-	-	-
41	DEFERRED TAXES	(55,323)	(3,032)	-	-	-	-	-
42	Net Plant After DFIT	221,102	(3,032)	-	-	-	-	-
43	GAS INVENTORY	12,801	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	(428)	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	10,371	-	-	-
47	TOTAL RATE BASE	\$ 233,475	\$ (3,032)	\$ -	\$ 10,371	\$ -	\$ -	\$ -
48	RATE OF RETURN	6.43%						
50	REVENUE REQUIREMENT	3,255	-311	1	1,062	12	84	-157
	Pro Forma Rate of Return	7.29%						
	Revenue Conversion Factor	0.62014						

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

(Adjustment
 removed, no impact
 on revenue
 requirement or CBR)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT / DFIT Expense	Office Space Charges to Subs	Restate Excise Taxes	Net Gains/Losses
	Adjustment Number	2.04	2.05	2.06	2.07	2.08	2.09
	Worksheet Reference	G-RE	G-ID	G-FIT	G-OSC	G-RET	G-NGL
REVENUES							
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-
3	Other Revenues	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-
EXPENSES							
Production Expenses							
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	-
Underground Storage							
9	Operating Expenses	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-
Distribution							
13	Operating Expenses	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(5)
15	Taxes	-	-	-	-	-	-
16	Total Distribution	-	-	-	-	-	(5)
17	Customer Accounting	-	-	-	-	-	-
18	Customer Service & Information	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-
Administrative & General							
20	Operating Expenses	32	280	-	(2)	-	-
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	32	280	-	(2)	-	-
25	Total Gas Expense	32	280	-	(2)	-	(5)
26	OPERATING INCOME BEFORE FIT	(32)	(280)	-	2	-	5
FEDERAL INCOME TAX							
27	Current Accrual	(11)	(98)	74	1	-	2
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	(74)	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (21)	\$ (182)	\$ -	\$ 1	\$ -	\$ 3
RATE BASE							
PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN						
50	REVENUE REQUIREMENT	34	293	0	-2	0	-5

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Weather Normalization / Gas Cost Adjust	Eliminate Adder Schedules	Misc Restating Adjustments	Restating Incentive Adjustment	Restate Debt Interest	Restated TOTAL
	Adjustment Number	2.10	2.11	2.12	2.13	2.14	
	Worksheet Reference	G-RNGC	G-EAS	G-MR	G-RI	G-DI	R-Ttl
	REVENUES						
1	Total General Business	\$ (2,140)	\$ (6,068)	\$ -	\$ -	\$ -	152,365
2	Total Transportation	-	-	-	-	-	3,973
3	Other Revenues	-	(83,225)	-	-	-	277
4	Total Gas Revenues	(2,140)	(89,293)	-	-	-	156,615
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	(1,278)	(89,511)	-	-	-	82,473
6	Purchased Gas Expense	-	-	-	-	-	839
7	Net Nat Gas Storage Trans	-	5,990	-	-	-	-
8	Total Production	(1,278)	(83,521)	-	-	-	83,312
	Underground Storage						
9	Operating Expenses	-	-	-	-	-	858
10	Depreciation/Amortization	-	-	-	-	-	392
11	Taxes	-	-	-	-	-	223
12	Total Underground Storage	-	-	-	-	-	1,473
	Distribution						
13	Operating Expenses	-	-	-	-	-	10,666
14	Depreciation/Amortization	-	-	-	-	-	8,381
15	Taxes	(82)	(232)	-	-	-	8,530
16	Total Distribution	(82)	(232)	-	-	-	27,577
17	Customer Accounting	(12)	(34)	-	-	-	6,354
18	Customer Service & Information	-	(5,494)	(1)	-	-	933
19	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	(4)	(12)	6	(333)	-	11,850
21	Depreciation/Amortization	-	-	-	-	-	4,316
22	Regulatory Amortizations	-	-	-	-	-	11
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(4)	(12)	6	(333)	-	16,177
25	Total Gas Expense	(1,376)	(89,293)	5	(333)	-	135,826
26	OPERATING INCOME BEFORE FIT	(764)	-	(5)	333	-	20,789
	FEDERAL INCOME TAX						
27	Current Accrual	(267)	-	(2)	117	161	4,335
28	Debt Interest	-	-	-	-	-	(69)
29	Deferred FIT	-	-	-	-	-	2,079
30	Amort ITC	-	-	-	-	-	(22)
31	NET OPERATING INCOME	\$ (497)	\$ -	\$ (3)	\$ 216	\$ (161)	\$ 14,466
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	24,932
33	Distribution Plant	-	-	-	-	-	332,439
34	General Plant	-	-	-	-	-	58,679
35	Total Plant in Service	-	-	-	-	-	416,050
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	-	-	-	-	-	(9,345)
37	Distribution Plant	-	-	-	-	-	(113,282)
38	General Plant	-	-	-	-	-	(16,998)
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	(139,625)
40	NET PLANT	-	-	-	-	-	276,425
41	DEFERRED TAXES	-	-	-	-	-	(58,355)
42	Net Plant After DFIT	-	-	-	-	-	218,070
43	GAS INVENTORY	-	-	-	-	-	12,801
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	(428)
46	WORKING CAPITAL	-	-	-	-	-	10,371
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	240,814
48	RATE OF RETURN						(1)
50	REVENUE REQUIREMENT	801	0	5	-349	260	4,982

Pro Forma Rate of Return
 Revenue Conversion Factor

(1) The Restated TOTAL column does not represent 9/30/2014 Test Period results of operation on a normalized basis, due to variances between certain restating adjustments included in the normalized commission basis reports (CBRS) versus those included here, such as inclusion of pro forma debt interest. Normalized CB results of operations at 09/30/2014 was 5.9% as shown on Exhibit No. __ (EMA-3) page 5.

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

Adjustment revised for current information & correction noted by Staff.
 Updated to reflect

Updated to reflect 12.2014 actual results

Line No.	DESCRIPTION	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance	Pro Forma Property Tax	Pro Forma Information Tech/Serv Exp	Pro Forma Revenue Normalization	Planned Capital Add Dec 2014 EOP	Planned Capital Add-Dec '14 EOP-Update
	Adjustment Number Workpaper Reference	3.00 G-PLN	3.01 G-PLE	3.02 G-PEB	3.03 G-PI	3.04 G-PPT	3.05 G-ISIT	3.06 G-PREV	3.07 G-CAP14	3.07U G-CAP14
REVENUES										
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,366	\$ -	\$ -
2	Total Transportation	-	-	-	-	-	-	210	-	-
3	Other Revenues	-	-	-	-	-	-	-	-	-
4	Total Gas Revenues	-	-	-	-	-	-	14,576	-	-
EXPENSES										
Production Expenses										
5	City Gate Purchases	-	-	-	-	-	-	5,394	-	-
6	Purchased Gas Expense	27	(23)	35	-	-	-	(1)	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-	-	-
8	Total Production	27	(23)	35	-	-	-	5,393	-	-
Underground Storage										
9	Operating Expenses	0	-	(0)	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-	14	(4)
11	Taxes	-	-	-	-	46	-	-	-	-
12	Total Underground Storage	0	-	(0)	-	46	-	-	14	(4)
Distribution										
13	Operating Expenses	343	-	425	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	399	(261)
15	Taxes	-	-	-	-	461	-	558	-	-
16	Total Distribution	343	-	425	-	461	-	558	399	(261)
17	Customer Accounting	186	-	231	-	-	-	82	-	-
18	Customer Service & Information	17	-	21	-	-	-	-	-	-
19	Sales Expenses	0	-	1	-	-	-	-	-	-
Administrative & General										
20	Operating Expenses	580	73	250	46	-	412	29	-	-
21	Depreciation/Amortization	-	-	-	-	-	-	-	708	(635)
22	Regulatory Amortizations	-	-	-	-	-	-	(11)	-	-
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	580	73	250	46	-	412	18	708	(635)
25	Total Gas Expense	1,154	50	963	46	507	412	6,051	1,121	(900)
26	OPERATING INCOME BEFORE FIT	(1,154)	(50)	(963)	(46)	(507)	(412)	8,525	(1,121)	900
FEDERAL INCOME TAX										
27	Current Accrual	(404)	(17)	(337)	(16)	(177)	(144)	2,984	(392)	315
28	Debt Interest	-	-	-	-	-	-	-	(28)	(4)
29	Deferred FIT	-	-	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (750)	\$ (32)	\$ (626)	\$ (30)	\$ (330)	\$ (268)	\$ 5,541	\$ (701)	\$ 589
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287	\$ 321
33	Distribution Plant	-	-	-	-	-	-	-	11,785	1,494
34	General Plant	-	-	-	-	-	-	-	4,378	(3,284)
35	Total Plant in Service	-	-	-	-	-	-	-	16,450	(1,469)
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	-	-	-	-	-	-	-	(299)	98
37	Distribution Plant	-	-	-	-	-	-	-	(4,159)	(251)
38	General Plant	-	-	-	-	-	-	-	(1,684)	1,280
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	(6,142)	1,127
40	NET PLANT	-	-	-	-	-	-	-	10,308	(342)
41	DEFERRED TAXES	-	-	-	-	-	-	-	(7,348)	770
42	Net Plant After DFIT	-	-	-	-	-	-	-	2,960	428
43	GAS INVENTORY	-	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,960	\$ 428
48	RATE OF RETURN									
50	REVENUE REQUIREMENT	1,209	52	1,009	48	531	432	-8,935	1,478	-899

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Sub-Total	Updated to reflect 12.2014 update and July 10th Staff_DR_XX		Project Compass Deferral, Regulatory Amortization	Adjustment revised for current information	After Attrition Adjustment
			Planned Capital Add 2015 EOP	Planned Capital Add 2016 AMA		O&M Offsets	
			4.01 G-CAP15	4.02 G-CAP16	4.03 G-PCD	4.04 G-OFF	4.05 G-PFAT
	Adjustment Number						
	Worksheet Reference	PF-STtl					
	REVENUES						
1	Total General Business	\$ 166,731	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	4,183	-	-	-	-	-
3	Other Revenues	277	-	-	-	-	-
4	Total Gas Revenues	171,191	-	-	-	-	-
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	87,867	-	-	-	-	-
6	Purchased Gas Expense	877	-	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	88,744	-	-	-	-	-
	Underground Storage						
9	Operating Expenses	858	-	-	-	-	-
10	Depreciation/Amortization	402	32	6	-	-	-
11	Taxes	269	-	-	-	-	-
12	Total Underground Storage	1,529	32	6	-	-	-
	Distribution						
13	Operating Expenses	11,434	-	-	-	(40)	707
14	Depreciation/Amortization	8,519	696	184	-	-	-
15	Taxes	9,549	-	-	-	-	-
16	Total Distribution	29,502	696	184	-	(40)	707
17	Customer Accounting	6,853	-	-	-	-	-
18	Customer Service & Information	971	-	-	-	-	-
19	Sales Expenses	1	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	13,240	-	-	-	(36)	-
21	Depreciation/Amortization	4,389	1,730	210	-	-	-
22	Regulatory Amortizations	-	-	-	1,143	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	17,629	1,730	210	1,143	(36)	-
25	Total Gas Expense	145,229	2,458	400	1,143	(76)	707
26	OPERATING INCOME BEFORE FIT	25,962	(2,458)	(400)	(1,143)	76	(707)
	FEDERAL INCOME TAX						
27	Current Accrual	6,145	(860)	(140)	(400)	27	(247)
28	Debt Interest	(101)	(243)	(16)	-	-	-
29	Deferred FIT	2,079	-	-	-	-	-
30	Amort ITC	(22)	-	-	-	-	-
31	NET OPERATING INCOME	\$ 17,860	\$ (1,354)	\$ (244)	\$ (743)	\$ 49	\$ (460)
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ 25,540	\$ 683	\$ 376	\$ -	\$ -	\$ -
33	Distribution Plant	345,718	16,176	7,314	-	-	-
34	General Plant	59,773	20,996	1,515	-	-	-
35	Total Plant in Service	431,031	37,855	9,205	-	-	-
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	(9,546)	(407)	(209)	-	-	-
37	Distribution Plant	(117,692)	(5,698)	(3,313)	-	-	-
38	General Plant	(17,402)	(2,873)	(2,201)	-	-	-
39	Total Accumulated Depreciation/Amortization	(144,640)	(8,978)	(5,723)	-	-	-
40	NET PLANT	286,391	28,877	3,482	-	-	-
41	DEFERRED TAXES	(64,933)	(2,922)	(1,775)	-	-	-
42	Net Plant After DFIT	221,458	25,955	1,707	-	-	-
43	GAS INVENTORY	12,801	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	(428)	-	-	-	-	-
46	WORKING CAPITAL	10,371	-	-	-	-	-
47	TOTAL RATE BASE	\$ 244,202	\$ 25,955	\$ 1,707	\$ -	\$ -	\$ -
48	RATE OF RETURN						
50	REVENUE REQUIREMENT	-93	5,235	594	1,198	-80	741

Pro Forma Rate of Return
 Revenue Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

Revised to reflect revised
 Attrition Model

Line No.	DESCRIPTION	Pro Forma Cross Check Total	Reconcile Pro Forma To Attrition	Attrition Adjusted / Pro Forma Total (2)
	Adjustment Number	PFCC-Ttl	4.06	AA/PF-Ttl
	Workpaper Reference		G-REC	
	REVENUES			
1	Total General Business	\$ 166,731	\$ -	\$ 166,731
2	Total Transportation	4,183	-	4,183
3	Other Revenues	277	-	277
4	Total Gas Revenues	171,191	-	171,191
	EXPENSES			
	Production Expenses			
5	City Gate Purchases	87,867	-	87,867
6	Purchased Gas Expense	877	-	877
7	Net Nat Gas Storage Trans	-	-	-
8	Total Production	88,744	-	88,744
	Underground Storage			
9	Operating Expenses	858	-	858
10	Depreciation/Amortization	440	-	440
11	Taxes	269	-	269
12	Total Underground Storage	1,567	-	1,567
	Distribution			
13	Operating Expenses	12,101	-	12,101
14	Depreciation/Amortization	9,399	-	9,399
15	Taxes	9,549	-	9,549
16	Total Distribution	31,049	-	31,049
17	Customer Accounting	6,853	-	6,853
18	Customer Service & Information	971	-	971
19	Sales Expenses	1	-	1
	Administrative & General			
20	Operating Expenses	13,204	1,072	14,276
21	Depreciation/Amortization	6,329	-	6,329
22	Regulatory Amortizations	1,143	-	1,143
23	Taxes	-	-	-
24	Total Admin. & General	20,676	1,072	21,748
25	Total Gas Expense	149,861	1,072	150,933
26	OPERATING INCOME BEFORE FIT	21,330	(1,072)	20,258
	FEDERAL INCOME TAX			
27	Current Accrual	4,524	(375)	4,149
28	Debt Interest	(360)	(118)	(478)
29	Deferred FIT	2,079	-	2,079
30	Amort ITC	(22)	-	(22)
31	NET OPERATING INCOME	\$ 15,109	\$ (579)	\$ 14,530
	RATE BASE			
	PLANT IN SERVICE			
32	Underground Storage	\$ 26,599		\$ 26,599
33	Distribution Plant	369,208		369,208
34	General Plant	82,284		82,284
35	Total Plant in Service	478,091	-	478,091
	ACCUMULATED DEPRECIATION/AMORT			
36	Underground Storage	(10,162)		(10,162)
37	Distribution Plant	(126,703)		(126,703)
38	General Plant	(22,476)		(22,476)
39	Total Accumulated Depreciation/Amortization	(159,341)	-	(159,341)
40	NET PLANT	318,750		318,750
41	DEFERRED TAXES	(69,630)		(69,630)
42	Net Plant After DFIT	249,120	-	249,120
43	GAS INVENTORY	12,801	-	12,801
44	GAIN ON SALE OF BUILDING	-		-
45	OTHER	(428)	12,591	12,163
46	WORKING CAPITAL	10,371		10,371
47	TOTAL RATE BASE	\$ 271,864	\$ 12,591	\$ 284,455
48	RATE OF RETURN		\$ 7,263	5.11%
50	REVENUE REQUIREMENT	7,596	2,413	10,009

Pro Forma Rate of Return
 Revenue Conversion Factor