

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
(000'S OF DOLLARS)
TWELVE MONTHS ENDED DECEMBER 31, 2019

Line No.	DESCRIPTION	FIT/DFIT/ ITC Expense
	Adjustment Number	2.06
	Workpaper Reference	E-FIT
REVENUES		
1	Total General Business	\$0
2	Interdepartmental Sales	-
3	Sales for Resale	-
4	Total Sales of Electricity	-
5	Other Revenue	-
6	Total Electric Revenue	-
EXPENSES		
Production and Transmission		
7	Operating Expenses	-
8	Purchased Power	-
9	Depreciation/Amortization	-
10	Regulatory Amortization	-
11	Taxes	-
12	Total Production & Transmission	-
Distribution		
13	Operating Expenses	-
14	Depreciation/Amortization	-
	Regulatory Amortizations	-
15	Taxes	-
16	Total Distribution	-
17	Customer Accounting	-
18	Customer Service & Information	-
19	Sales Expenses	-
Administrative & General		
20	Operating Expenses	-
21	Depreciation/Amortization	-
22	Regulatory Deferrals/Amortization	-
23	Taxes	-
24	Total Admin. & General	-
25	Total Electric Expenses	-
26	OPERATING INCOME BEFORE FIT	-
FEDERAL INCOME TAX		
27	Current Accrual	1
28	Debt Interest	-
29	Deferred Income Taxes	(4)
30	Amortized ITC - Noxon	-
31	NET OPERATING INCOME	\$3
RATE BASE		
PLANT IN SERVICE		
32	Intangible	\$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

AVISTA UTILITIES
Electric FIT Adjustment
For the Twelve Months Ended December 31, 2019

	System	Washington	Idaho
Taxable NOI per Results (Per E-FIT-12A)	46,434,721	23,632,095	22,802,626
Schedule M Reallocations and Adjustments			
(1) Investment in Exchange Power			
No change to Schedule M	0	0	0
(2) Kettle Falls Disallowance			
Ended 12/2018 Elim Schedule M	5,609	5,609	0
Reallocated Taxable NOI	46,440,330	23,637,704	22,802,626
FIT Accrual per Results (Per E-FIT-12A)	9,751,291	4,962,740	4,788,551
Adjusted FIT Accrual	16,254,116	4,963,918	4,788,551
Total Current FIT Adjustment	6,502,825	1,178	0
Deferred FIT Adjustment			
(1) Investment in Exchange Power			
Adj to Flow through per Amortization Schedule	(125)	(125)	0
(2) Kettle Falls Disallowance			
Ended 12/2018 Elim DFIT amortization	(3,683)	(3,683)	0
Total Deferred FIT Adjustment	(3,808)	(3,808)	0
Amortized Investment Tax Credit Adjustment			
ITC Amortization per Results (Per E-FIT-12A)	(484,788)	(318,215)	(166,573)
Adjusted ITC Accrual	(484,788)	(318,215)	(166,573)
Amortized Investment Tax Credit - Noxon & Nine Mile	0	0	0
Net FIT/DFIT/ITC Adjustment	6,499,017	(2,630)	0
FIT Adjustment for Production Tax Credit *	0	0	0
* Production Tax Credit ceased April 2017			
Net Tax Adjustment	6,499,017	(2,630)	0

Effective Tax Rate Test

Net Operating Income Before FIT	196,867,701	127,497,480	69,370,221
Less: Colstrip Reallocation	0	(152,192)	152,192
Less: ID ITC Deferred & Amortization	1,066,366	0	1,066,366
Less: Interest Charges	69,413,211	46,857,701	22,555,510
	127,454,490	80,791,971	45,596,153
Current FIT per ROO	9,751,291	4,962,740	4,788,551
Deferred FIT per ROO	11,461,387	7,830,166	3,631,221
Production Tax Credit	0	0	0
Investment Tax Credit - Noxon and Nine Mile	(484,788)	(318,215)	(166,573)
Adjustment to Tax Expense	(2,630)	(2,630)	0
Adjusted FIT Expense	20,725,260	12,472,061	8,253,199
Effective Tax Rate	16.26%	15.44%	18.10%

FIT Adjustments and Reallocations
Electric System
For the Twelve Months Ended December 31, 2019

(1) **Investment in Exchange Power**

Schedule M and Deferred FIT do not agree, flow through prior tax rate until amortization is complete August 2019.

Allocation		
Sch M	\$0	# 99
WA		0.000%
ID		0.000%

Allocation		
DFIT	\$125	# 99
WA	125	0.000%
ID	0	0.000%

	AMOUNT	
	WA	ID
Sch M	\$838,281	\$0
DFIT @ 21%	(176,039)	0
Flow-through DFIT	(117,359)	0
DFIT per ROO	(293,523)	0

(2) **Kettle Falls Disallowance**

Schedule M and Deferred FIT do not agree, flow through as scheduled until amortization is complete December 2018.

Schedule in Deferred Debits and Credits adjustment.

Allocation		
Sch M	\$0	# 99
WA	5,609	0.000%
ID	0	0.000%

Allocation		
DFIT	(\$3,683)	# 99
WA	(3,683)	0.000%
ID	0	0.000%

	AMOUNT	
	WA	ID
Sch M	(\$5,609)	\$0
DFIT @ 21%	1,178	0
DFIT per E-DDC-8	0	0
DFIT per ROO	3,683	0

2019		Washington Electric	Idaho Electric	Washington Gas	Idaho Gas	Oregon Gas	Jurisdiction Total	
SCH M	Schedule Ms							
997082	Meal Disallowances	Perm	435,627	193,992	132,841	50,153	79,476	892,089
997112	AFUDC EQUITY TAX FLOW THROUGH	Perm	-	-	-	-	-	-
997113	AFUDC EQUITY CWIP	Perm	-	-	-	-	-	-
997120	Transportation Disallowance	Perm	36,234	17,576	10,973	4,666	6,792	76,241
997017	Amort - Invest in Exch Pwr	Perm	794,680	-	-	-	-	794,680
			<u>1,266,541</u>	<u>211,568</u>	<u>143,814</u>	<u>54,819</u>	<u>86,268</u>	<u>1,763,010</u>
997000	Book Depreciation	Plant	99,326,036	50,351,441	23,640,751	9,409,776	13,852,849	196,580,853
997001	Contributions In Aid of Construction	Plant	4,888,064	2,371,041	587,837	249,955	121,510	8,218,407
997049	Tax Depreciation	Plant	(122,785,667)	(59,559,354)	(28,732,182)	(12,217,268)	(19,925,537)	(243,220,008)
997080	Book Transportation Depr	Plant	3,934,647	1,908,570	930,793	395,785	1,666,199	8,835,994
997101	Repairs 481 (a)	Plant	(21,817,188)	(10,582,812)	(3,929,240)	(1,670,760)	(3,600,000)	(41,600,000)
997111	CAPITALIZED TRANSPORTATION		(163,919)	(79,512)	(49,642)	(21,109)	(30,728)	(344,910)
997119	AFUDC Tax CPI		2,030,087	984,730	506,100	215,200	369,479	4,105,596
			<u>(34,587,940)</u>	<u>(14,605,896)</u>	<u>(7,045,583)</u>	<u>(3,638,421)</u>	<u>(7,546,228)</u>	<u>(67,424,068)</u>
997004	Boulder Park Write Off	Temp	-	(112,280)	-	-	-	(112,280)
997005	FAS106 Current Retiree Medical Accrual	Temp	592,084	287,201	179,312	76,246	110,991	1,245,834
997007	Idaho PCA	Temp	-	(7,886,123)	-	-	-	(7,886,123)
997008	DSM Book Amortization	Temp	-	-	-	-	(135,318)	(135,318)
997009	Rathdrum Turbine Lease	Temp	(22,775)	(11,047)	-	-	-	(33,822)
997010	Deferred Gas Credit and Refunds	Temp	-	-	(21,959,815)	(9,719,992)	(6,168,057)	(37,847,864)
997016	Redemption Expense	Temp	637,405	309,184	144,469	61,430	89,424	1,241,912
997017	Amort - Invest in Exch Pwr	Temp	838,281	-	-	-	-	838,281
997018	DSM Tariff Rider	Temp	5,008,508	2,758,982	(263,546)	(156,114)	166,439	7,514,269
997020	FAS87 Current Pension Accrual	Temp	755,995	366,709	228,952	97,353	141,718	1,590,727
997024	Kettle Falls Disallowance	Temp	(5,609)	-	-	-	-	(5,609)
997027	Uncollectibles	Temp	(1,337,651)	(648,851)	(405,107)	(172,256)	(250,755)	(2,814,620)
997031	Decoupling Mechanism	Temp	(8,118,704)	(580,565)	(1,404,768)	223,108	(177,184)	(10,058,113)
997032	Interest Rate Swaps	Temp	(4,986,482)	(2,418,781)	(1,510,153)	(642,135)	(934,760)	(10,492,311)
997033	BPA Residential Exchange	Temp	(666,453)	(568,209)	-	-	-	(1,234,662)
997034	Montana Hydro Settlement	Temp	3,258,748	1,724,809	-	-	-	4,983,557
997035	SCH M (Leases)	Temp	17,056	7,595	5,201	1,964	3,112	34,928
997043	Washington Deferred Power Costs	Temp	1,096,569	-	-	-	-	1,096,569
997044	Non-Monetary Power Costs	Temp	171,288	83,086	-	-	-	254,374
997046	Nez Perce Settlement	Temp	(22,008)	5,188	-	-	-	(16,820)
997054	Spokane River Relicensing	Temp	72,939	5,797	-	-	-	78,736
997059	Spokane River Relicensing PME	Temp	46,316	26,996	-	-	-	73,312
997063	CDA Lake Settlement	Temp	747,435	319,744	-	-	-	1,067,179
997065	Amortization - Unbilled Revenue Add-Ins	Temp	(359,626)	22,206	269,250	(15,144)	(253,142)	(336,456)
997081	Deferred Compensation	Temp	453,409	219,934	137,314	58,388	84,995	954,040
997083	Paid Time Off	Temp	291,672	141,481	88,333	37,560	54,677	613,723
997088	Deferred O&M Colstrip & CS2	Temp	-	(261,474)	-	-	-	(261,474)
997095	WA REC DEF	Temp	(1,396,907)	-	-	-	-	(1,396,907)
997096	CDA Settlement Costs	Temp	22,032	10,687	-	-	-	32,719
997099	Kettle Falls Diesel Leak	Temp	124,329	60,308	-	-	-	184,637
997102	Amort Idaho Earnings Test (254229)	Temp	-	(87,014)	-	-	-	(87,014)
997103	Def Project Compass	Temp	-	668,590	-	168,136	-	836,726
997104	Spokane River TDG	Temp	-	117,223	-	-	-	117,223
997105	WA Excess Nat Gas Line Extension	Temp	-	-	(657,272)	-	-	(657,272)
997107	MDM System	Temp	(17,272,075)	-	(3,953,313)	-	249,000	(20,976,388)
997108	PROV FOR RATE REFUND - TAX REFORM	Temp	-	(40,777)	-	-	2,468,771	2,427,994
997109	TAX REFORM AMORTIZATION	Temp	(4,146,455)	(3,787,244)	(1,469,943)	-	(2,246,387)	(11,650,029)
997110	FISERVE	Temp	(728,253)	(330,841)	(445,756)	(214,574)	55,908	(1,663,516)
997114	AFUDC DEBT CWIP	Temp	311,589	151,142	94,364	40,125	58,410	655,630
997115	AFUDC EQUITY TAX DEFERRAL	Temp	778,866	342,779	229,489	110,152	(157,643)	1,303,643
997117	Colstrip Plant ADJ	Temp	-	(1,428,366)	-	-	-	(1,428,366)
997118	Natural Gas Deprec Exp Deferral	Temp	-	-	-	81,297	-	81,297
			<u>(23,838,477)</u>	<u>(10,531,931)</u>	<u>(30,692,989)</u>	<u>(9,964,456)</u>	<u>(6,839,801)</u>	<u>(81,867,654)</u>
TOTAL	SCHEDULE Ms		(57,159,876)	(24,926,259)	(37,594,758)	(13,548,058)	(14,299,761)	(147,528,712)
	DFIT Plant - Calculated	-21%	7,263,467	3,067,238	1,479,572	764,068	1,584,708	14,159,054
	Book AFUDC DFIT that will reverse in subsequent ye		877,716	425,752	101,860	43,312	64,893	1,513,533
	Flow Through DFIT, including ARAM		(4,950,408)	(2,401,283)	(989,693)	(420,829)	(700,839)	(9,463,052)
	ITC Flow Through DFIT and Allocation True-Up		36,377	17,645	-	-	-	54,022
	Plant DFIT		3,227,152	1,109,352	591,740	386,551	948,761	6,263,558
	Other DFIT (on Temp items)	-21%	4,891,101	2,211,706	6,445,528	2,092,536	1,436,358	17,077,228
	Other Flow-Through DFIT - Tax Reform		-	-	(651,196)	41,610	(148,968)	(758,554)
	TOTAL DFIT Calculated using Schedule M's		<u>8,118,253</u>	<u>3,321,058</u>	<u>6,386,072</u>	<u>2,520,697</u>	<u>2,236,152</u>	<u>22,582,232</u>
	PER ROO DFIT		7,830,166	3,631,221	6,500,601	2,434,408	2,248,418	22,644,814
	Difference - Immaterial		(288,087)	310,163	114,529	(86,289)	12,266	62,582
	Due to Allocation of Expense in ROO							

2019	Total FT	Other FT	ARAM FT	FAS 106 FT	Total FT	E	GN	GS	WA E	ID E	WA G	ID G	OR G	WA E	ID E	WA G	ID G	OR G
1 Electric	(3,599,988)	346,174	(3,946,162)	226,731	(3,373,257)	100.000%			67.337%	32.663%				(2,271,450)	(1,101,807)			
2 GAS	(426,269)	223,063	(649,332)	71,167	(355,102)		100.000%				70.165%	29.835%		-	-	(249,158)	(105,945)	
3 GAS-Oregon	(276,803)	(7,891)	(268,912)	34,301	(242,502)			100.000%					100.000%	-	-	-	-	(242,502)
4 Utility - CD AA	(5,144,648)	(310,168)	(4,834,480)		(5,144,648)	70.578%	20.513%	8.909%	67.337%	32.663%	70.165%	29.835%	100.000%	(2,444,999)	(1,185,990)	(740,466)	(314,855)	(458,337)
5 Utility - CD AN	(443)	-	(443)		(443)	77.874%	22.126%	0.000%	67.337%	32.663%	70.165%	29.835%	100.000%	(232)	(113)	(69)	(29)	-
6 Rathdrum Turbine	(347,100)	8	(347,108)		(347,100)	100.000%			67.337%	32.663%				(233,726)	(113,373)	-	-	
7	(9,795,251)	251,186	(10,046,437)	332,199	(9,463,052)									(4,950,408)	(2,401,283)	(989,693)	(420,829)	(700,839)

AVISTA UTILITIES
ITC AMORTIZATION

	2009	2010	2011	2012	2016	Total	
	Noxon #1	Noxon #3	Noxon #2	Noxon #4	Nine Mile		
Project Costs per Tax Return	17,700,420	8,298,500	9,371,870	7,750,955	64,728,195		
ITC Rate	30%	30%	30%	30%	30%		
ITC Claimed on Tax Return	(5,310,126)	(2,489,550)	(2,811,561)	(2,325,286)	(19,418,459)	(32,354,982)	
2017 Auditors or Return to Accrual Adjustment	(96,736)	(18)	41,265	36,586	834,644		
2016 Adjusted ITC Balance	(4,767,340)	(2,231,025)	(2,524,998)	(2,124,421)	(18,285,069)	(29,932,853)	
Amortization:							
2009	(44,251)					(44,251)	
2010	(88,502)	(20,746)				(109,248)	
2011	(88,502)	(41,494)	(23,431)			(153,427)	
2012	(88,502)	(41,493)	(46,859)	(19,377)		(196,231)	
2013 Jan	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Feb	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Mar	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Apr	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
May	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Jun	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Jul	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Aug	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Sep	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Oct	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Nov	(7,375)	(3,458)	(3,905)	(3,230)		(17,968)	
Dec	(6,720)	(3,156)	(3,569)	(2,956)		(16,401)	revised to 65
2014	(80,640)	(37,872)	(42,828)	(35,472)		(196,812)	year life
2015	(80,640)	(37,872)	(42,828)	(35,472)		(196,812)	
2016	(80,640)	(37,872)	(42,828)	(35,472)	(298,746)	(495,558)	
2017	(82,199)	(37,812)	(42,084)	(34,824)	(149,376)	(346,295)	
2018	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	Revised Amort
2019	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	for Remaining
2070	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	years
2071	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	
2072	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	
2073	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	
2074	(82,200)	(37,812)	(42,084)	(34,824)	(287,868)	(484,788)	
2075		(37,812)	(42,084)	(34,824)	(287,868)	(402,588)	
2076			(42,084)	(34,824)	(287,868)	(364,776)	
2077				(34,824)	(287,868)	(322,692)	
2078					(287,868)	(287,868)	
2079					(287,868)	(287,868)	
2080					(287,868)	(287,868)	
Total Amortization	(5,407,121)	(2,489,451)	(2,770,338)	(2,288,543)	(18,583,806)	(31,539,259)	
Variance - Will Adjust in final year.	(259)	117	(42)	157	9	815,723	
Restating Adjustment:		65.64%	34.36%				
	<u>System</u>	<u>WA</u>	<u>ID</u>				
Restating ITC Amortization Annual	(484,788)	(318,215)	(166,573)				
Test Period ITC Amortization 1/1/19-12/31/19	(484,788)	(318,215)	(166,573)				
Adjustment	-	-	-				