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

Line No.	DESCRIPTION	Pro Forma Employee Benefits
	Adjustment Number	3.06
	Workpaper Reference	E-PEB
	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	392
8	Purchased Power	-
9	Depreciation/Amortization	-
10	Regulatory Amortization	-
11	Taxes	
12	Total Production & Transmission	392
	Distribution	0.15
13	Operating Expenses	247
14	Depreciation/Amortization	-
15	Taxes	
16	Total Distribution	247
17	Customer Accounting	112
18	Customer Service & Information	11
19	Sales Expenses	-
• •	Administrative & General	
20	Operating Expenses	358
21	Depreciation/Amortization	-
22	Regulatory Deferrals/Amortization	-
23	Taxes	-
24	Total Admin. & General	358
25	Total Electric Expenses	1,120
26	OPERATING INCOME BEFORE FIT	(1,120
	FEDERAL INCOME TAX	-
27	Current Accrual	(235
28	Debt Interest	-
29	Deferred Income Taxes	-
30	Amortized ITC - Noxon	
31	NET OPERATING INCOME	(\$885
	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	-
40		
49	TOTAL RATE BASE	\$0

Workpaper Ref. WA GRC BEN-01

Avista Utilities State of Washington Benefits Adjustment

Assumptions/Purpose of Adjustment: The purpose of this adjustment is to pro-form Company Medical and Retirement expenses from the base year 12-months-ending 12.31.2019 to that expected during the Rate Period 10/1/2021 - 9/30/2022. (Cost level information based on third party informatin as noted below, available May 2020. Updated information will be used once available late 2020).

The basis for the Medical portion of the adjustment is third-party Consultants (Meridian Partners for Health Insurance and Willis Towers Watson for Post-Retirement Medical, as well as actual plan utilization. Cost levels for 2020 are used for the rate period expense, as this is the most current information available.)

The Retirement portion of the adjustment is based on information provided by third-party Consultants (Willis Towers Watson401(K)). Cost levels for 2022 are used, as this amount is provided by the Consultant.

The 401K expense is based on forecasted O&M Expense increases.

The labor expense spread is based on 12-months-ending 12.31.2019 actual labor expense by service and jurisdiction.

Task Name	Source:	Task Number	Year End YE 12.31.2019	Pro-Forma Rate Period	Adjustment				
Health Insurance (Premera and Group Health)	BEN-02	926220	21,829,251	23,540,000	1,710,749				
Health Insurance (High Deductible Plan)	BEN-02	926221	1,624,667	1,570,000	-54,667				
FAS 106/FAS 106 NS (Post-Retirement Medical)	BEN-02	926240	8,745,377	11,800,000	3,054,623				
Total Medical			32,199,295	36,910,000	4,710,705	\$	2,691,226		
401 (k)	BEN-02	926225	9,270,825	9,827,075	556,250				
401(K) Non-Elect Con	BEN-02	926226	1,090,687	1,156,128	65,441	\$	355,172		
Pension FAS 87/Pension FAS 81 NS	BEN-02	926230	24,817,445	23,500,000	-1,317,445	Ś	(752,656)		
Total Retirement			35,178,957	34,483,203	-695,754				
		Total	67,378,252	71,393,203	4,014,951				
	BEN-03	O & M Percent	57.13%	57.13%	57.13%				
		Total O&M	\$ 38,493,195	\$ 40,786,937 \$	2,293,742	By Funct	ion	Electr	ric
						Transmis	sion & Production	35% \$	391
						Distribut	ion	22% \$	246
Allocation						Custome	er Accounts	10% \$	111
Allocated toWashington Electric						Custome	er Service	1% \$	11
0.70	578 Note 7					Admin a	nd General	32% \$	358
0.69	180 Note 4			\$	1,119,939	LMA		\$	1,119
Allocated to Washington Gas									
	513 Note 7					By Funct	ion	Natur	al Gas
0.72	593 Note 4			Ś	341,561	LMA Productio	n	3% \$	10
				<u>النا</u> ر		Undergro	und Storage	0% \$	
						Distributi	0	45% \$	153

391.979

246,387

111,994 11,199

358,380 1,119,939

10,247

153,702 71,728

6,831

99,053 341,561

Customer Accounts

Customer Service

Admin and General

Mgr. Review:_____

21% \$

2% **\$**

29% **\$**

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Workpaper Ref. BEN-02 (Data)

Base Year Benefits Expense

Cognos Query Ran: 02.04.19 Accounting Period: 01.01.2019 through 12.31.2019

Summary EXP Categ

Non-Labor

				Pro-Forma
			Actual	2022*
			Sum of	
			Transaction	Updated
Task Number	Task Name		Amount	03.19.20*
926220	Health Insurance	BEN-01 \$	21,829,251	\$ 23,540,000
926221	Health Insure - HDHP	BEN-01 \$	1,624,667	\$ 1,570,000
926240	FAS 106/FAS 106 NS	BEN-01 \$	8,745,377	\$ 11,800,000
926225	401 (k)	BEN-01 \$	9,270,825	\$ 9,827,075
926226	401(K) Non-Elect Con	BEN-01 \$	1,090,687	\$ 1,156,128
926230	Pension FAS 87/FAS 87 NS	BEN-01 \$	24,817,445	\$ 23,500,000
Grand Total		\$	67,378,252	\$ 71,393,203

*Amounts will be updated during process of case with updated information from Meridian Partners for Health Insurance and Willis Towers Watson for Post-Retirement Medical and 401(K).

Prep by: <u>AMB</u>

Workpaper Ref. <u>BEN-03 (% Util-Non-Util)</u>

Accounting Period BETWEEN '201901' AND '201912', , Expenditure Type Parameter 1 : '510 Payroll Benefits loading'

Accounting Period:<All>

	Transaction Amount				
Desc	САР	NONOP	OPER	OTHER	Total
Projects	18,588,122	698,892	34,561,715	6,643,879	60,492,608
	18,588,122	698,892	34,561,715	6,643,879	60,492,608
Percent	30.73%	1.16%	57.13%	10.98%	100.00%
	Projects	Projects 18,588,122 18,588,122 18,588,122	Desc CAP NONOP Projects 18,588,122 698,892 18,588,122 698,892	Desc CAP NONOP OPER Projects 18,588,122 698,892 34,561,715 18,588,122 698,892 34,561,715	Desc CAP NONOP OPER OTHER Projects 18,588,122 698,892 34,561,715 6,643,879 18,588,122 698,892 34,561,715 6,643,879

BEN-01

Prep by: <u>AMB</u>

Workpaper Ref. Pro-Forma Increases

AVISTA UTILITIES

Percentage Increase Adjustments

NOTE: Thes 2020 increase is based on <u>actual</u> increased approved and in effect. The 2021 increase will be approved by the Board of Directors in November of 2020. The Company will update the adjustment to reflect the approved amount at that time.

UNION

March 26, 2019 increase Factor to adjust Jan 1 2019 - March 26, 2019 Adjustment % to annualize Increase	87/365 =	3.00% 0.238 0.714%
2020 Adjustment		3.00%
March 26, 2021 increase		3.00%
Factor to adjust March 26, 2022-September 30, Adjustment % partial year 2022	2022 187/365=	0.512 0.000%
ADMIN		
March 5, 2019 increase Factor to adjust Jan 1 2019 - March 5, 2019 Adjustment % to annualize Increase	63/365=	3.00% 0.173 0.519%
2020 Adjustment		3.00%

3.00%

3.00000%

March 1, 2021 increase

Factor to adjust March 1, 2022-September 30, 2022 183/365=