

*Summary*

**AVISTA UTILITIES**  
Restatement Summary  
Washington Electric  
TWELVE MONTHS ENDED DECEMBER 31, 2014

Column	WP Ref	Description of Adjustment	Washington Electric		
			NOI	Rate Base	ROR
<b>Restating adjustments</b>					
1.00	E-ROO	Results of Operations	104,183	1,258,955	8.28%
1.01	E-DFIT	Deferred FIT Rate Base	(79)	(8,203)	
1.02	E-DDC	Deferred Debits and Credits	(43)	-	
1.03	E-WC	Working Capital	215	22,405	
2.01	E-EBO	Eliminate B & O Taxes	(62)	-	
2.02	E-PT	Restate Property Tax	(70)	-	
2.03	E-UE	Uncollectible Expense	(599)	-	
2.04	E-RE	Regulatory Expense	51	-	
2.05	E-ID	Injuries and Damages	(99)	-	
2.06	E-FIT	FIT/DFIT Expense	1	-	
2.07	E-OSC	Office Space Charges to Subsidiaries	7	-	
2.08	E-RET	Restate Excise Taxes	177	-	
2.09	E-NGL	Net Gains / Losses	60	-	
2.10	E-WN	Weather Normalization	(1,454)	-	
2.11	E-EAS	Eliminate Adder Schedules	-	-	
2.12	E-MR	Miscellaneous Restating	(107)	-	
2.13	E-EWPC	Eliminate WA Power Cost Defer	2,164	-	
2.14	E-NPS	Nez Perce Settlement Adjustment	(7)	-	
2.15	E-RDI	Restate Debt Interest	(436)	-	
2.16	E-CBPS	CB Power Supply	(3,110)	-	
<b>CB Restated Total</b>			<b>100,793</b>	<b>1,273,157</b>	<b>7.92%</b>
<b>Other</b>					
		CF WA Elec Conversion Factor			

*Jna*

CBR Electric - 12/2014

DESCRIPTION	Results of Operations	Deferred FJT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax
Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02
Worksheet Reference	E-ROD	E-DFIT	E-DDC	E-WC	E-EBO	E-PT
<b>REVENUES</b>						
Total General Business	\$508,833	\$0	\$0	\$0	(\$17,685)	\$0
Interdepartmental Sales	922	-	0	0	0	0
Sales for Resale	97,639	-	0	0	0	0
Total Sales of Electricity	607,394	-	0	0	(17,685)	0
Other Revenue	73,553	-	0	0	(13)	0
Total Electric Revenue	680,947	-	0	0	(17,698)	0
<b>EXPENSES</b>						
<b>Production and Transmission</b>						
Operating Expenses	192,589	-	64	0	0	0
Purchased Power	127,926	-	0	0	0	0
Depreciation/Amortization	23,715	-	0	0	0	0
Regulatory Amortization	(1,139)	-	0	0	0	0
Taxes	12,844	-	0	0	0	(16)
Total Production & Transmission	355,935	-	64	0	0	(16)
<b>Distribution</b>						
Operating Expenses	21,301	-	0	0	0	0
Depreciation/Amortization	23,887	-	0	0	0	0
Taxes	43,433	-	0	0	(17,602)	124
Total Distribution	88,621	-	0	0	(17,602)	124
<b>Customer Accounting</b>						
Customer Service & Information	19,816	-	2	0	0	0
Sales Expenses	0	-	0	0	0	0
<b>Administrative &amp; General</b>						
Operating Expenses	45,984	-	0	0	0	0
Depreciation/Amortization	16,947	-	0	0	0	0
Taxes	0	-	0	0	0	0
Total Admin & General	62,931	-	0	0	0	0
Total Electric Expenses	537,560	-	66	0	(17,602)	108
OPERATING INCOME BEFORE PIT	143,387	-	(66)	0	(96)	(108)
<b>FEDERAL INCOME TAX</b>						
Current Accrual	(5,289)	-	(23)	0	(34)	(38)
Debt Interest	0	79	0	(215)	0	0
Deferred Income Taxes	44,620	-	0	0	0	0
Amortized ITC - Nonson	(127)	-	0	0	0	0
NET OPERATING INCOME	\$104,183	(\$79)	(\$43)	\$215	(\$62)	(\$70)
<b>RATE BASE</b>						
<b>PLANT IN SERVICE</b>						
Intangible	\$102,620	\$0	\$0	\$0	\$0	\$0
Production	746,101	-	0	0	0	0
Transmission	371,971	-	0	0	0	0
Distribution	842,795	-	0	0	0	0
General	196,867	-	0	0	0	0
Total Plant in Service	2,260,354	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>						
Intangible	(20,242)	-	0	0	0	0
Production	(325,531)	-	0	0	0	0
Transmission	(123,869)	-	0	0	0	0
Distribution	(252,722)	-	0	0	0	0
General	(65,720)	-	0	0	0	0
Total Accumulated Depreciation	(788,084)	-	-	-	-	-
NET PLANT	1,472,270	-	-	-	-	-
<b>DEFERRED TAXES</b>						
Net Plant After DEIT	(249,563)	(8,203)	-	-	-	-
Net Plant After DEIT	1,222,707	(8,203)	-	-	-	-
DEFERRED DEBITS AND CREDITS	10,846	-	-	-	-	-
WORKING CAPITAL	25,402	-	-	22,405	-	-
TOTAL RATE BASE	1,258,955	(\$8,203)	-	22,405	-	-
RATE OF RETURN	8.28%	0	-	-	-	-

*Jms*

CBR Electric - 12/2014

DESCRIPTION	Uncollectible Expense	Regulatory Expense	Injuries and Damages	FTT/DFTT Expense	Office Space Charges to Subsidiaries	Rebate Excise Taxes
Adjustment Number	2.03	2.04	2.05	2.06	2.07	2.08
Worksheet Reference	E-UE	E-RE	E-ID	E-FIT	E-OSC	E-RET
<b>REVENUES</b>						
Total General Business	\$0	\$0	\$0	\$0	\$0	\$0
Interdepartmental Sales	0	0	0	-	0	0
Sales for Resale	0	0	0	-	0	0
Total Sales of Electricity	0	0	0	-	0	0
Other Revenue	0	0	0	-	0	0
Total Electric Revenue	0	0	0	-	0	0
<b>EXPENSES</b>						
<b>Production and Transmission</b>						
Operating Expenses	0	0	0	-	0	0
Purchased Power	0	0	0	-	0	0
Depreciation/Amortization	0	0	0	-	0	0
Regulatory Amortization	0	0	0	-	0	0
Taxes	0	0	0	-	0	0
Total Production & Transmission	0	0	0	-	0	0
<b>Distribution</b>						
Operating Expenses	0	0	0	-	0	0
Depreciation/Amortization	0	0	0	-	0	0
Taxes	0	0	0	-	0	(273)
Total Distribution	0	0	0	-	0	(273)
<b>Customer Accounting</b>						
Customer Service & Information	922	0	0	-	0	0
Sales Expenses	0	0	0	-	0	0
<b>Administrative &amp; General</b>						
Operating Expenses	0	(79)	153	-	(10)	0
Depreciation/Amortization	0	0	0	-	0	0
Taxes	0	0	0	-	0	0
Total Admin. & General	0	(79)	153	-	(10)	0
Total Electric Expenses	922	(79)	153	-	(10)	(273)
OPERATING INCOME BEFORE FIT	(922)	79	(153)	-	10	273
<b>FEDERAL INCOME TAX</b>						
Current Accrued	(323)	28	(54)	-	4	96
Debt Interest	0	0	0	-	0	0
Deferred Income Taxes	0	0	0	-	0	0
Amortized ITC - Noncom	0	0	0	(1)	0	0
NET OPERATING INCOME	(\$599)	\$51	(\$99)	\$1	\$7	\$177
<b>RATE BASE</b>						
<b>PLANT IN SERVICE</b>						
Intangible	\$0	\$0	\$0	\$0	\$0	\$0
Production	0	0	0	-	0	0
Transmission	0	0	0	-	0	0
Distribution	0	0	0	-	0	0
General	0	0	0	-	0	0
Total Plant in Service	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>						
Intangible	0	0	0	-	0	0
Production	0	0	0	-	0	0
Transmission	0	0	0	-	0	0
Distribution	0	0	0	-	0	0
General	0	0	0	-	0	0
Total Accumulated Depreciation	-	-	-	-	-	-
NET PLANT	-	-	-	-	-	-
<b>DEFERRED TAXES</b>						
Net Plant After DFTT	-	-	-	-	-	-
<b>DEFERRED DEBITS AND CREDITS</b>						
WORKING CAPITAL	-	-	-	-	-	-
TOTAL RATE BASE	-	-	-	\$0	-	-
<b>RATE OF RETURN</b>						

CBR Electric - 12/2014

DESCRIPTION	Net Gains / Losses	Weather Normalization	Eliminate Adder Schedules	Miscellaneous Restating	Eliminate WA Power Cost Defer	Net Perce Settlement Adjustment
Adjustment Number Worksheet Reference	2,09 E-NGI.	2,10 E-WN	2,11 E-EAS	2,12 E-MR	2,13 E-EWPC	2,14 E-NPS
<b>REVENUES</b>						
Total General Business	\$0	(\$2,345)	(\$9,308)	\$0	\$8,877	\$0
Interdepartmental Sales	0	-	-	0	0	0
Sales for Resale	0	-	-	0	-	0
Total Sales of Electricity	0	(2,345)	(9,308)	0	8,877	0
Other Revenue	0	-	-	0	-	0
Total Electric Revenue	0	(2,345)	(9,308)	0	8,877	0
<b>EXPENSES</b>						
<b>Production and Transmission</b>						
Operating Expenses	0	-	321	0	4,274	10
Purchased Power	0	-	-	0	-	0
Depreciation/Amortization	0	-	-	0	-	0
Regulatory Amortization	0	-	9,231	0	9	0
Taxes	0	-	-	0	-	0
Total Production & Transmission	0	-	9,552	0	4,283	10
<b>Distribution</b>						
Operating Expenses	0	-	-	(2)	-	0
Depreciation/Amortization	(93)	-	-	0	-	0
Taxes	0	(90)	(359)	0	342	0
Total Distribution	(93)	(90)	(359)	(2)	342	0
<b>Customer Accounting</b>						
Customer Service & Information	0	(13)	(50)	0	48	0
Sales Expenses	0	-	(18,432)	(1)	-	0
<b>Administrative &amp; General</b>						
Operating Expenses	0	(5)	(19)	168	18	0
Depreciation/Amortization	0	-	-	0	-	0
Taxes	0	-	-	0	-	0
Total Admin & General	0	(5)	(19)	168	18	0
Total Electric Expenses	(93)	(108)	(9,308)	165	4,691	10
<b>OPERATING INCOME BEFORE FIT</b>	<b>93</b>	<b>(2,237)</b>	<b>-</b>	<b>(165)</b>	<b>4,186</b>	<b>(10)</b>
<b>FEDERAL INCOME TAX</b>						
Current Accrual	33	(783)	-	(58)	-	(4)
Debt Interest	0	-	-	0	-	0
Deferred Income Taxes	0	-	-	0	2,022	0
Amortized ITC - Nexon	0	-	-	0	-	0
<b>NET OPERATING INCOME</b>	<b>\$60</b>	<b>(\$1,454)</b>	<b>\$0</b>	<b>(\$107)</b>	<b>\$2,164</b>	<b>(\$7)</b>
<b>RATE BASE</b>						
<b>PLANT IN SERVICE</b>						
Intangible	\$0	\$0	\$0	\$0	\$0	\$0
Production	0	-	-	0	-	0
Transmission	0	-	-	0	-	0
Distribution	0	-	-	0	-	0
General	0	-	-	0	-	0
Total Plant in Service	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>						
Intangible	0	-	-	0	-	0
Production	0	-	-	0	-	0
Transmission	0	-	-	0	-	0
Distribution	0	-	-	0	-	0
General	0	-	-	0	-	0
Total Accumulated Depreciation	-	-	-	-	-	-
<b>NET PLANT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED TAXES</b>						
Net Plant After DFIT	-	-	-	-	-	-
<b>DEFERRED DEBITS AND CREDITS</b>						
<b>WORKING CAPITAL</b>						
<b>TOTAL RATE BASE</b>	<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>\$0</b>	<b>-</b>
<b>RATE OF RETURN</b>						

CBR Electric -12/2014

**AVISTA UTILITIES**  
**Actual Cost of Capital AMA 12/31/2014**  
**Washington - Electric System**

<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.07%	5.38%	2.746% WA wtd debt 2.746%
Common	48.93%	9.80%	4.80%
Total	<u>100.00%</u>		<u>7.55%</u>

CBR Electric -12/2014

<u>Description</u>	<u>Factor</u>
Revenues	1.000000
Expense:	
Uncollectibles	0.005353
Commission Fees	0.002000
Washington Excise Tax	0.038527
Total Expense	<u>0.045880</u>
Net Operating Income Before FIT	0.954120
Federal Income Tax @ 35%	<u>0.333942</u>
<b>REVENUE CONVERSION FACTOR</b>	<u><u>0.62018</u></u>