

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT
MONTH OF OCTOBER 2018

STATE OF WASHINGTON
186280 ERM DEFERRAL (CURRENT YEAR)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ (1,684,801.18)
201801	\$ (1,684,801.18)	\$ 1,684,801.00	\$ (0.18)
201802	\$ (0.18)	\$ (1,009,768.82)	\$ (1,009,769.00)
201803	\$ (1,009,769.00)	\$ (1,636,858.00)	\$ (2,646,627.00)
201804	\$ (2,646,627.00)	\$ (1,269,213.00)	\$ (3,915,840.00)
201805	\$ (3,915,840.00)	\$ (2,031,223.00)	\$ (5,947,063.00)
201806	\$ (5,947,063.00)	\$ (1,686,482.00)	\$ (7,633,545.00)
201807	\$ (7,633,545.00)	\$ 1,256,911.00	\$ (6,376,634.00)
201808	\$ (6,376,634.00)	\$ 141,404.00	\$ (6,235,230.00)
201809	\$ (6,235,230.00)	\$ 515,143.00	\$ (5,720,087.00)
201810	\$ (5,720,087.00)	\$ (481,117.00)	\$ (6,201,204.00)
201811			\$ -
201812			\$ -

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Beginning Balance	\$ (5,720,087.00)	
Deferral	\$ (460,960.00)	481 - ERM
Interest	\$ (20,157.00)	481 - ERM
Misc. Adjustment		481 - ERM
Ending Balance	\$ (6,201,204.00)	
<u>YTD</u>	<u>Amount</u>	<u>Journal ID</u>
Beginning Balance	\$ (1,684,801.18)	
Transfer to Account 186290	\$ 1,684,801.00	481 - ERM
Deferral Year to Date	\$ (6,052,826.82)	481 - ERM
Interest	\$ (148,377.00)	481 - ERM
Ending Balance	\$ (6,201,204.00)	
	<u>Total</u>	<u>Absorbed (Avista)</u> <u>Deferred (Customer)</u>
First \$4M at 100%	\$ (4,000,000)	\$ (4,000,000) \$ -
\$4M to \$10M at 25% (rebate)	\$ (6,000,000)	\$ (1,500,000) \$ (4,500,000)
\$4M to \$10M at 50% (surcharge)	\$ -	\$ - \$ -
Over \$10M at 10%	\$ (1,725,363)	\$ (172,536) \$ (1,552,827)
	\$ (11,725,363)	\$ (5,672,536) \$ (6,052,827)

STATE OF WASHINGTON
186290 ERM AMORTIZATION BALANCE (Pending Approval 2016)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ -
201801	\$ -	\$ (1,689,828.00)	\$ (1,689,828.00)
201802	\$ (1,689,828.00)	\$ (7,191.00)	\$ (1,697,019.00)
201803	\$ (1,697,019.00)	\$ (6,109.00)	\$ (1,703,128.00)
201804	\$ (1,703,128.00)	\$ (6,109.00)	\$ (1,709,237.00)
201805	\$ (1,709,237.00)	\$ (6,109.00)	\$ (1,715,346.00)
201806	\$ (1,715,346.00)	\$ (6,109.00)	\$ (1,721,455.00)
201807	\$ (1,721,455.00)	\$ 1,721,455.00	\$ -
201808	\$ -		\$ -
201809			\$ -
201810			\$ -
201811			\$ -
201812			\$ -

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Beginning Balance	\$ -	
Interest	\$ -	
Transfer from 182350	\$ -	481 - ERM
Ending Balance	\$ -	

STATE OF WASHINGTON
182350 RECOVERABLE DEFERRAL BALANCE (CURRENT YEAR - 2017)

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
Beginning Balance			\$ (22,048,814.71)
201801	\$ (22,048,814.71)	\$ (65,783.00)	\$ (22,114,597.71)
201802	\$ (22,114,597.71)	\$ (94,119.00)	\$ (22,208,716.71)
201803	\$ (22,208,716.71)	\$ (79,951.00)	\$ (22,288,667.71)
201804	\$ (22,288,667.71)	\$ (79,951.00)	\$ (22,368,618.71)
201805	\$ (22,368,618.71)	\$ (79,951.00)	\$ (22,448,569.71)
201806	\$ (22,448,569.71)	\$ (79,951.00)	\$ (22,528,520.71)
201807	\$ (22,528,520.71)	\$ (1,804,518.00)	\$ (24,333,038.71)
201808	\$ (24,333,038.71)	\$ (83,063.00)	\$ (24,416,101.71)
201809	\$ (24,416,101.71)	\$ (83,063.00)	\$ (24,499,164.71)
201810	\$ (24,499,164.71)	\$ (83,063.00)	\$ (24,582,227.71)
201811			\$ -
201812			\$ -

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Beginning Balance	\$ (24,499,164.71)	
Transfer from 186290	\$ -	
Interest	\$ (83,063.00)	481 - ERM
Ending Balance	\$ (24,582,227.71)	

**STATE OF WASHINGTON
 186322 REC AMORTIZATION**

FERC Account	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
186322	Beginning Balance			\$ 761,417.68
ED.WA	201801	\$ 761,417.68	\$ 319,962.90	\$ 1,081,380.58
	201802	\$ 1,081,380.58	\$ 272,735.29	\$ 1,354,115.87
	201803	\$ 1,354,115.87	\$ 263,329.11	\$ 1,617,444.98
	201804	\$ 1,617,444.98	\$ 259,677.18	\$ 1,877,122.16
	201805	\$ 1,877,122.16	\$ 220,212.41	\$ 2,097,334.57
	201806	\$ 2,097,334.57	\$ 244,537.25	\$ 2,341,871.82
	201807	\$ 2,341,871.82	\$ (2,780,283.21)	\$ (438,411.39)
	201808	\$ (438,411.39)	\$ 169,593.18	\$ (268,818.21)
	201809	\$ (268,818.21)	\$ 150,393.67	\$ (118,424.54)
	201810	\$ (118,424.54)	\$ 136,823.05	\$ 18,398.51
	201811			\$ -
	201812			\$ -

<u>Current Month</u>		<u>Amount</u>	<u>Journal ID</u>
Account 186322	Begin Balance	\$ (118,424.54)	
Transfer from 186323		\$ -	
Amortization		\$ 137,074.00	475 - WA REC Journal
Interest - 6.340%		\$ (250.95)	475 - WA REC Journal
	Ending Balance	\$ 18,398.51	

STATE OF WASHINGTON
186323 REC DEFERRAL (2017)

FERC Account	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
186323	Beginning Balance			\$ (937,728.72)
ED WA	201801	\$ (937,728.72)	\$ (1,017,623.46)	\$ (1,955,352.18)
	201802	\$ (1,955,352.18)	\$ (177,945.11)	\$ (2,133,297.29)
	201803	\$ (2,133,297.29)	\$ (234,661.20)	\$ (2,367,958.49)
	201804	\$ (2,367,958.49)	\$ (210,987.02)	\$ (2,578,945.51)
	201805	\$ (2,578,945.51)	\$ (201,071.34)	\$ (2,780,016.85)
	201806	\$ (2,780,016.85)	\$ (204,416.93)	\$ (2,984,433.78)
	201807	\$ (2,984,433.78)	\$ 2,984,433.78	\$ -
	201808			\$ -
	201809			\$ -
	201810			\$ -
	201811			\$ -
	201812			\$ -

<u>Current Month</u>	<u>Beginning Balance</u>	<u>Amount</u>	<u>Journal ID</u>
Account 186323	Beginning Balance	\$ -	
Transfer to 186322		\$ -	
Interest		\$ -	475 - WA REC Journal
Adjustment		\$ -	475 - WA REC Journal
	Ending Balance	\$ -	

STATE OF WASHINGTON
186324 REC DEFERRAL (2018)

FERC Account	Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
186324	Beginning Balance			\$ -
ED WA	201801	\$ -	\$ -	\$ -
	201802	\$ -		
	201803	\$ -		
	201804	\$ -		
	201805	\$ -		
	201806	\$ -	\$ -	\$ -
	201807	\$ -	\$ (200,557.12)	\$ (200,557.12)
	201808	\$ (200,557.12)	\$ (202,749.35)	\$ (403,306.47)
	201809	\$ (403,306.47)	\$ (178,407.59)	\$ (581,714.06)
	201810	\$ (581,714.06)	\$ (216,728.65)	\$ (798,442.71)
	201811			
	201812			

<u>Current Month</u>	<u>Amount</u>	<u>Journal ID</u>
Account 186324		
Beginning Balance	\$ (581,714.06)	
Transfer to 186322	\$ -	
Deferral	\$ (212,807.00)	475 - WA REC Journal
Interest	\$ (3,921.65)	475 - WA REC Journal
Ending Balance	\$ (798,442.71)	

Attachment A

Avista Corporation
Monthly Power Cost Deferral Report
Month of October 2018

ERM Deferral Journal

Avista Corporation Journal Entry

Effective Date: 201810

Journal: 481-WA ERM

Team: Resource Accounting

Last Saved by: Cheryl Kettner

Last Saved: 11/05/2018 4:21 PM

Type: C

Submitted by: Cheryl Kettner

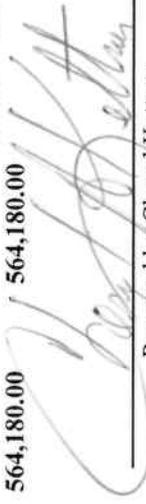
Approval Requested: 11/05/2018 4:22 PM

Category: DJ

Approved by:

Currency: USD

Seq	Co	FERC	ED	Jur.	S.I.	Debit	Credit	Comment
10	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	ED	WA	DL		83,063.00	Interest Accrual for Amortization Balance
20	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	83,063.00		Interest Expense on Amortization Balance
30	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		460,960.00	Current Year ERM (2018)
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	460,960.00		Current Year ERM Deferral Expense (2018)
50	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		20,157.00	Current Year ERM Interest Accrual (2018)
60	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	20,157.00		Current Year ERM Interest Expense (2018)
Totals:						564,180.00	564,180.00	


 Prepared by Cheryl Kettner
 Date 11/5/18

Explanation:

Record current month deferred power supply costs, and interest per WA accounting order.

Reviewed by

Date

Approved for Entry
 Corporate Accounting use Only

Date

Washington Energy Recovery Mechanism (ERM) Amortizing Deferral Balance

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

Jan-June Interest Rate	0.36261%
Jul-Dec Interest Rate	0.34253%

Account 182350

Month Ending	Beg. Balance	Balance Transfer	Amortization	Adjustments	Interest	Interest Adjustments	End Balance before interest	Balance with Interest	GLW Balance	Check	Adjustment Notes
12/31/2017									(22,048,815)	14,168.00	
1/31/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,128,766)	(22,114,598)		
2/28/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,208,717)	(22,208,717)		
3/31/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,288,668)	(22,288,668)		
4/30/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,368,619)	(22,368,619)		
5/31/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,448,570)	(22,448,570)		
6/30/2018	(22,048,815)		0		(79,951)		(22,048,815)	(22,528,521)	(22,528,521)		
7/31/2018	(22,528,521)	(1,721,455)	0		(83,063)		(24,249,976)	(24,333,039)	(24,333,039)		
8/31/2018	(24,249,976)		0		(83,063)		(24,249,976)	(24,416,102)	(24,416,102)		
9/30/2018	(24,249,976)		0		(83,063)		(24,249,976)	(24,499,165)	(24,499,165)		
10/31/2018	(24,249,976)		0		(83,063)		(24,249,976)	(24,582,228)	(24,499,165)	83,063.00	
11/30/2018			0								
12/31/2018			0								

Entry:

182350 ED WA	Debit	0	Credit	
557290 ED WA				Regulatory Asset ERM Approved For Recovery
431600 ED WA	83,063		0	WA ERM Amortization
182350 ED WA			83,063	Interest Expense Energy Deferrals
				Regulatory Asset ERM Approved For Recovery

Avista Corp. - Resource Accounting
Washington Energy Recovery Mechanism (ERM) Current Year Deferral

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

watch interest (-) Balance Int Exp 431600 ED WA
 watch interest (+) Balance Int Exp 419600 ED WA

Jan-June Interest Rate	0.36261%
Jul-Dec Interest Rate	0.34253%

Account 186280

Month Ending	Beg. Balance	Balance Transfer	Deferral - Sur./(Reb.)	Adjustments	Interest	Interest Adjustments	End Balance before interest	Balance with Interest	GLW Balance	Check	Adjustment Notes
12/31/2017	(1,684,801)	1,684,801	0		0		0	0	(1,684,801)	0	
1/31/2018	0		(1,007,942)		(1,827)		(1,007,942)	(1,009,769)	(1,009,769)	0.00	
2/28/2018	(1,007,942)		(1,630,247)		(6,611)		(2,638,189)	(2,646,627)	(2,646,627)	0.00	
3/31/2018	(2,638,189)		(1,257,367)		(11,846)		(3,895,556)	(3,915,840)	(3,915,840)	0.00	
4/30/2018	(3,895,556)		(2,013,447)		(17,776)		(5,909,003)	(5,947,063)	(5,947,063)	0.00	
5/31/2018	(5,909,003)		(1,662,042)		(24,440)		(7,571,045)	(7,633,545)	(7,633,545)	0.00	
6/30/2018	(7,633,545)		1,280,865		(23,954)		(6,352,680)	(6,376,634)	(6,376,634)	0.00	
7/31/2018	(6,352,680)		162,885		(21,481)		(6,189,795)	(6,235,230)	(6,235,230)	0.00	
8/31/2018	(6,189,795)		535,428		(20,265)		(5,654,367)	(5,720,087)	(5,720,087)	0.00	
9/30/2018	(5,654,367)		(450,960)		(20,157)		(6,115,327)	(6,201,204)	(5,720,087)	481,117.00	
10/31/2018			0								
11/30/2018			0								
12/31/2018			0								

Entry:

557280 ED WA	Debit	460,960.00	Credit	
186280 ED WA		-	460,960.00	Deferred Power Supply Expense
431600 ED WA	20,157.00			Regulatory Asset ERM Deferred Current Year Interest Expense Energy Deferrals
186280 ED WA			20,157.00	Regulatory Asset ERM Deferred Current Year

Avista Corp. - Resource Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Deal Number	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
51	TOTAL	(\$14,346,279)	(\$1,346,464)	(\$1,085,780)	(\$1,084,499)	(\$1,558,363)	(\$1,680,324)	(\$1,890,542)	(\$1,741,991)	(\$1,215,513)	(\$1,310,638)
52	565000 ED AN	\$14,611,265	\$1,532,604	\$1,475,846	\$1,450,713	\$1,423,950	\$1,403,945	\$1,426,836	\$1,466,731	\$1,502,930	\$1,415,387
53	565312 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	565710 ED AN	\$45,360	\$4,536	\$4,536	\$4,536	\$4,536	\$4,536	\$4,536	\$4,536	\$4,536	\$4,536
55	Total 565 Transmission Expense	\$14,656,625	\$1,537,140	\$1,480,382	\$1,455,249	\$1,428,486	\$1,408,481	\$1,431,372	\$1,471,267	\$1,507,466	\$1,419,923
56	557 Broker & Related Fees	\$405,262	\$29,412	\$45,913	\$44,067	\$46,595	\$39,558	\$33,991	\$45,069	\$39,699	\$33,612
57	557170 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	557172 ED AN	\$87,095	\$5,453	\$6,923	\$8,212	\$6,507	\$10,866	\$4,109	\$5,832	\$23,300	\$2,610
59	557018 ED AN	\$38,770	\$3,619	\$3,280	\$3,497	\$3,798	\$4,287	\$4,417	\$3,737	\$4,391	\$4,129
60	Total 557 ED AN Broker & Related Fees	\$531,127	\$38,145	\$56,451	\$55,776	\$56,900	\$54,711	\$42,517	\$54,638	\$67,390	\$40,351
RESOURCE OPTIMIZATION											
61	Econ Dispatch-557010	\$17,744,486	\$1,083,619	\$1,645,941	\$1,492,640	\$2,912,803	\$2,761,505	\$1,833,937	\$973,692	\$1,907,615	\$1,755,516
62	Econ Dispatch-557150	(\$2,037,436)	(\$336,824)	\$363,762	\$652,918	\$675,072	\$1,435,046	(\$2,218,714)	(\$914,639)	\$86,436	\$509,676
63	Gas Bookouts-557700	\$5,935,933	\$414,178	\$204,400	\$233,130	\$0	\$487,824	\$357,663	\$1,564,964	\$817,656	\$1,806,503
64	Gas Bookouts-557711	(\$5,935,933)	(\$414,178)	(\$204,400)	(\$233,130)	\$0	(\$487,824)	(\$357,663)	(\$1,564,964)	(\$817,656)	(\$1,806,503)
65	Intraco Thermal Gas-557730	\$35,466,057	\$5,812,837	\$2,658,645	\$2,305,684	\$2,957,007	\$2,015,344	\$4,667,489	\$5,198,705	\$2,580,244	\$5,426,961
66	Fuel DispatchFin-456010	(\$10,470,187)	(\$168,836)	(\$1,280,368)	(\$1,424,435)	(\$1,952,688)	(\$1,566,138)	(\$1,059,625)	(\$315,640)	(\$834,788)	(\$1,154,925)
67	Fuel Dispatch-456015	(\$29,867,480)	(\$364,889)	(\$2,477,540)	(\$3,601,157)	(\$5,475,344)	(\$5,390,232)	(\$1,141,788)	(\$1,251,787)	(\$1,233,448)	(\$6,461,511)
68	Other Elec Rev - Extraction Plant Cr. - 456018	(\$639,807)	\$0	(\$182,104)	(\$49,440)	(\$58,523)	(\$68,065)	(\$67,171)	(\$82,167)	(\$78,042)	(\$74,042)
69	Intraco Thermal Gas-456730	(\$22,064,038)	(\$4,514,484)	(\$1,324,718)	(\$916,042)	(\$523,918)	(\$664,057)	(\$3,408,554)	(\$4,540,587)	(\$3,692,298)	(\$1,562,158)
70	Fuel Bookouts-456711	\$4,812,250	\$187,589	\$238,295	\$371,923	\$107,454	\$225,014	\$356,500	\$1,156,300	\$709,500	\$1,432,550
71	Fuel Bookouts-456720	(\$4,812,250)	(\$187,589)	(\$238,295)	(\$371,923)	(\$107,454)	(\$225,014)	(\$356,500)	(\$1,156,300)	(\$709,500)	(\$1,432,550)
72	Resource Optimizaton Subtotal	(\$11,868,405)	(\$641,922)	(\$1,114,864)	(\$1,239,632)	(\$1,465,591)	(\$1,476,597)	(\$1,394,426)	(\$912,423)	(\$1,264,534)	(\$1,560,483)
73	Misc. Power Exp. Actual-557160 ED AN	\$176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74	Misc. Power Exp. Subtotal	\$176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75	Wind REC Exp Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
76	Wind REC Exp Actual 557395	\$641	\$10	\$15	\$30	\$30	\$36	\$196	\$160	\$61	\$69
77	Wind REC Subtotal	\$641	\$10	\$15	\$30	\$30	\$36	\$196	\$160	\$61	\$69
78	WA EIA937 Requirement (EWEB) - Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
79	WA EIA937 Requirement (EWEB) - Broker Fee Exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
80	WA EIA 937 Requirement (EWEB) - Broker Fee Exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81	EWEB REC WA EIA 937 Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82	Net Resource Optimization	(\$11,867,588)	(\$641,912)	(\$1,114,849)	(\$1,239,602)	(\$1,465,561)	(\$1,476,561)	(\$1,394,230)	(\$912,263)	(\$1,264,473)	(\$1,560,414)
83	Adjusted Actual Net Expense	\$95,802,038	\$12,192,934	\$10,729,456	\$9,915,933	\$2,082,804	\$2,947,387	\$11,690,361	\$15,710,836	\$12,369,831	\$12,555,774

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
	TOTAL												
1	555 Purchased Power	\$10,845,564	\$15,418,244	\$12,301,548	\$11,248,597	\$7,857,289	\$8,387,960	\$6,606,233	\$15,747,984	\$9,527,787	\$6,852,563	\$31,525	\$32,573
2	447 Sale for Resale	(\$6,412,200)	(\$9,676,671)	(\$11,198,097)	(\$11,240,332)	(\$6,705,953)	(\$7,688,520)	(\$2,002,952)	(\$8,712,018)	(\$4,747,226)	(\$412,907)	\$0	\$0
3	501 Thermal Fuel	\$20,779,350	\$1,451,692	\$2,809,889	\$2,116,433	\$593,184	\$1,706,688	\$1,521,108	\$2,093,856	\$2,667,404	\$3,019,827	\$0	\$0
4	547 CT Fuel	\$51,615,439	\$6,964,296	\$6,313,406	\$4,231,002	\$1,876,822	\$2,234,952	\$7,376,855	\$7,709,363	\$5,836,996	\$4,507,069	\$0	\$0
5	456 Transmission Revenue	(\$14,346,279)	(\$1,432,165)	(\$1,085,780)	(\$1,084,499)	(\$1,558,363)	(\$1,690,324)	(\$1,890,542)	(\$1,741,991)	(\$1,215,513)	(\$1,310,638)	\$0	\$0
6	565 Transmission Expense	\$14,656,625	\$1,480,382	\$1,516,859	\$1,455,249	\$1,428,486	\$1,408,481	\$1,431,372	\$1,471,267	\$1,507,466	\$1,419,923	\$0	\$0
7	557 Broker Fees	\$531,127	\$38,145	\$56,451	\$55,776	\$66,900	\$54,711	\$42,517	\$54,638	\$67,390	\$40,351	\$0	\$0
8	Adjusted Actual Net Expense	\$107,669,626	\$11,844,305	\$10,713,656	\$6,782,226	\$3,548,365	\$4,423,948	\$13,084,591	\$16,623,099	\$13,634,304	\$14,116,188	\$31,525	\$32,573
	Total through October												
	AUTHORIZED NET EXPENSE-SYSTEM												
9	555 Purchased Power	\$89,328,934	\$11,591,985	\$10,660,401	\$10,031,882	\$7,204,007	\$6,832,768	\$7,367,141	\$8,064,916	\$7,448,796	\$7,999,787	\$11,642,227	\$12,112,599
10	447 Sale for Resale	(\$53,947,812)	(\$6,331,593)	(\$7,373,144)	(\$9,451,450)	(\$3,992,970)	(\$3,782,256)	(\$5,325,599)	(\$3,215,251)	(\$4,016,772)	(\$3,304,259)	(\$4,488,025)	(\$6,320,023)
11	501 Thermal Fuel	\$22,623,076	\$2,667,343	\$2,503,517	\$2,179,004	\$1,551,263	\$1,358,751	\$2,219,592	\$2,478,125	\$2,578,207	\$2,592,987	\$2,566,833	\$2,703,884
12	547 CT Fuel	\$57,454,937	\$8,481,668	\$7,698,692	\$5,265,751	\$1,426,182	\$1,698,327	\$5,653,252	\$7,341,418	\$6,493,558	\$6,103,470	\$6,561,954	\$8,397,561
13	456 Transmission Revenue	(\$12,813,598)	(\$1,061,936)	(\$1,137,644)	(\$1,166,933)	(\$1,253,488)	(\$1,398,529)	(\$1,450,378)	(\$1,346,819)	(\$1,372,213)	(\$1,319,316)	(\$1,257,650)	(\$1,191,496)
14	565 Transmission Expense	\$14,481,959	\$1,417,562	\$1,557,827	\$1,347,286	\$1,394,142	\$1,391,308	\$1,452,951	\$1,443,202	\$1,567,441	\$1,406,861	\$1,416,449	\$1,446,134
15	557 Broker Fees	\$435,500	\$57,500	\$57,500	\$57,500	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250	\$34,250
16	Settlement Adjustment	(\$2,284,164)	(\$193,170)	(\$193,170)	(\$193,170)	(\$251,914)	(\$251,914)	(\$251,914)	(\$251,914)	(\$251,914)	(\$251,914)	(\$251,914)	(\$251,914)
17	Authorized Net Expense	\$115,278,832	\$16,183,101	\$13,358,676	\$8,069,870	\$6,111,472	\$5,882,705	\$9,699,295	\$14,547,927	\$12,481,353	\$13,261,866	\$16,244,124	\$16,930,995
18	Actual - Authorized Net Expense	(\$7,673,304)	(\$3,348,255)	(\$2,645,020)	(\$1,287,644)	(\$2,563,107)	(\$1,458,757)	\$3,385,296	\$2,075,172	\$1,152,951	\$854,322	(\$16,212,599)	(\$16,898,422)
19	Resource Optimization - Subtotal	(\$11,867,588)	(\$641,912)	(\$797,723)	(\$1,239,602)	(\$1,485,561)	(\$1,476,561)	(\$1,394,230)	(\$912,263)	(\$1,284,473)	(\$1,560,414)	\$0	\$0
20	Adjusted Net Expense	(\$52,651,913)	(\$3,990,167)	(\$3,442,743)	(\$2,527,246)	(\$4,028,668)	(\$2,935,318)	\$1,991,066	\$1,162,909	(\$111,522)	(\$706,092)	(\$16,212,599)	(\$16,898,422)
21	Washington Allocation		64.71%	64.71%	64.71%	65.73%	65.73%	65.73%	65.73%	65.73%	65.73%	65.73%	65.73%
22	Washington Share	(\$12,692,112)	(\$3,205,158)	(\$2,227,799)	(\$1,635,381)	(\$2,648,043)	(\$1,929,385)	\$1,308,728	\$764,380	(\$73,303)	(\$464,114)	(\$10,656,641)	(\$11,107,333)
23	Washington 100% Activity (EIA 937)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	\$966,749	\$166,826	\$54,137	(\$41,108)	\$276,558	\$82,672	\$114,455	(\$583,396)	\$668,223	(\$48,064)	\$0	\$0
25	Net Power Cost (+) Surcharge (-) Rebate	(\$11,725,363)	(\$2,415,211)	(\$2,173,662)	(\$1,676,489)	(\$2,371,485)	(\$1,846,713)	\$1,423,183	\$180,984	\$594,920	(\$512,178)	#VALUE!	#VALUE!
27	Cumulative Balance	\$2,415,211	(\$5,343,923)	(\$7,517,585)	(\$9,194,074)	(\$11,565,559)	(\$13,412,272)	(\$11,989,089)	(\$11,808,105)	(\$11,213,185)	(\$11,725,363)	#VALUE!	#VALUE!
	Deferral Amount, Cumulative (Customer)	\$0	(\$1,007,942)	(\$2,638,189)	(\$3,895,556)	(\$5,909,003)	(\$7,571,045)	(\$6,290,180)	(\$6,127,295)	(\$5,591,867)	(\$6,052,827)	#VALUE!	#VALUE!
	Deferral Amount, Monthly Entry	\$0	(\$1,007,942)	(\$1,630,247)	(\$1,257,367)	(\$2,013,447)	(\$1,662,042)	\$1,280,865	\$162,885	\$535,428	(\$460,960)	#VALUE!	#VALUE!
	Acct 557280 Entry: (+) Rebate, (-) Surcharge	\$0	\$1,007,942	\$1,630,247	\$1,257,367	\$2,013,447	\$1,662,042	(\$1,280,865)	(\$162,885)	(\$535,428)	\$460,960	#VALUE!	#VALUE!
	Company Band Gross Margin Impact, Cumulative	(\$2,415,211)	(\$4,335,961)	(\$4,879,396)	(\$5,298,518)	(\$5,656,556)	(\$5,841,227)	(\$5,695,909)	(\$5,680,810)	(\$5,621,318)	(\$5,672,536)	#VALUE!	#VALUE!

WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Avista Corp. - Resource Accounting

Line No.	Deal Number	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
555 PURCHASED POWER											
1	Short-Term Purchases	\$5,222,009	\$4,094,932	\$2,500,917	\$1,879,275	\$1,466,768	\$1,497,022	\$45,964	\$9,116,052	\$3,059,931	\$446,709
2	Chelan County PUD (Rocky Reach Slice)	\$11,679,175	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938	\$1,216,938
3	Douglas County PUD (Wells Settlement)	\$948,409	\$81,241	\$93,498	\$152,574	\$162,897	\$158,630	\$58,962	\$55,518	\$50,510	\$66,662
4	Douglas County PUD (Wells)	\$1,560,356	\$153,740	\$153,740	\$153,740	\$153,740	\$153,740	\$153,740	\$153,740	\$165,218	\$165,218
5	Grant County PUD (Priest Rapids/Wanapum)	\$6,357,200	\$618,454	\$618,454	\$791,114	\$618,454	\$618,454	\$618,454	\$618,454	\$618,454	\$618,454
6	Bonneville Power Admin. (WNP-3)	\$10,767,601	\$3,383,687	\$1,848,737	\$1,790,510	\$0	\$0	\$0	\$0	\$0	\$0
7	Inland Power & Light - Deer Lake	\$7,413	\$1,068	\$1,088	\$1,717	\$691	\$444	\$537	\$656	\$648	\$679
8	Small Power	\$1,170,645	\$176,449	\$137,700	\$145,245	\$118,256	\$119,818	\$109,807	\$71,032	\$47,084	\$48,927
9	Stimson Lumber	\$1,324,657	\$167,411	\$134,752	\$93,639	\$139,720	\$156,195	\$206,662	\$124,688	\$38,427	\$196,021
10	City of Spokane-UPriver	\$2,429,221	\$509,116	\$428,290	\$551,749	\$336,086	\$237,801	\$242,505	\$61	\$7,399	\$98,205
11	City of Spokane - Waste-to-Energy	\$4,689,159	\$503,270	\$406,388	\$349,208	\$332,411	\$457,880	\$561,311	\$434,208	\$588,005	\$590,209
12	Cleanwater Power Company	\$10,403	\$0	\$2,771	\$1,252	\$1,246	\$1,021	\$1,028	\$1,025	\$1,109	\$951
13	Rathdrum Power, LLC (Lancaster PPA)	\$22,787,513	\$2,182,871	\$2,357,771	\$2,235,771	\$2,098,059	\$2,056,390	\$2,377,596	\$2,416,248	\$2,425,366	\$2,310,596
14	Palouse Wind	\$16,016,812	\$2,365,264	\$2,072,807	\$2,009,810	\$1,146,211	\$1,530,959	\$1,018,827	\$1,297,090	\$1,187,102	\$1,148,264
15	WPM Ancillary Services	\$1,947,229	\$248,240	\$197,702	\$182,889	\$168,311	\$169,612	\$210,888	\$216,324	\$162,315	\$177,643
16	Non-Mon. Accruals	\$17,127	(\$25,491)	\$6,656	(\$6,171)	(\$4,214)	\$8,352	\$7,510	\$25,950	(\$40,713)	(\$232,912)
17 Total 555 Purchased Power		\$110,845,564	\$15,418,244	\$12,301,548	\$11,248,597	\$7,857,289	\$8,387,960	\$6,606,233	\$15,747,984	\$9,527,787	\$6,852,563

(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-86-99

555 PURCHASED POWER

555000		\$116,616,416	\$15,846,149	\$14,328,579	\$11,657,321	\$10,660,127	\$6,734,179	\$7,640,445	\$10,641,659	\$18,089,475	\$8,495,547	\$12,522,935
555030	Fin Swaps	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
555100	Fin Swaps	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
555312	Lancaster	(\$11,439,590)	\$412,596	(\$12,728)	\$137,952	\$895,113	\$416,570	(\$5,111,900)	(\$3,610,131)	\$846,658	(\$5,673,672)	\$0
555313	Lancaster	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
555380	Clearwater	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
555550	NonMonetary	(\$243,906)	\$17,127	(\$25,491)	\$6,656	(\$4,214)	\$8,352	\$7,510	\$25,950	(\$40,713)	(\$232,912)	\$0
555700	Bookouts	\$3,036,316	\$185,905	\$182,496	\$304,081	\$73,900	\$858,076	\$858,076	\$1,026,366	\$63,980	\$56,569	\$0
555710	Intercompany Ancillary	\$1,947,229	\$213,305	\$248,240	\$197,702	\$182,889	\$169,612	\$210,888	\$216,324	\$162,315	\$177,643	\$0
WNP3 Mid Point Bonneville Power Admin Deal #573 En		\$929,099	300,823,05	271,824,240	148,515,90	143,838,34						
17 Total 555 Purchased Power		\$110,845,564	\$15,418,244	\$12,301,548	\$11,248,597	\$7,857,289	\$8,387,960	\$6,606,233	\$15,747,984	\$9,527,787	\$6,852,563	

447 SALES FOR RESALE

18	Short-Term Sales	(\$64,678,948)	(\$7,466,737)	(\$9,182,024)	(\$11,923,918)	(\$5,578,440)	(\$6,436,712)	(\$1,152,037)	(\$8,024,373)	(\$4,057,183)	\$193,004
19	Nichols Pumping Index Sale	\$1,126,325	\$54,051	\$67,735	\$46,838	\$23,444	\$38,086	\$256,173	\$268,722	\$122,395	\$152,031
20	Sovereign Power/Kaiser Load Following	\$134,092	\$12,978	\$12,269	\$23,957	\$12,240	\$11,887	\$12,458	\$12,397	\$11,830	\$12,482
21	Pend Oreille DES	\$558,816	\$61,859	\$59,141	\$65,628	\$58,213	\$49,177	\$56,197	\$50,370	\$50,107	\$59,684
22	Merchant Ancillary Services	(\$13,552,485)	(\$3,148,683)	(\$2,334,720)	(\$2,161,705)	\$554,578	(\$1,211,637)	(\$1,350,958)	(\$1,019,134)	(\$874,375)	(\$830,108)
23 Total 447 Sales for Resale		(\$76,412,200)	(\$14,027,524)	(\$9,676,671)	(\$11,198,097)	(\$6,705,953)	(\$7,688,520)	(\$2,002,952)	(\$8,712,018)	(\$4,747,226)	(\$412,907)

447 SALES FOR RESALE

447000		(\$53,868,973)	(\$5,047,431)	(\$6,544,317)	(\$9,297,915)	(\$2,000,078)	(\$3,078,046)	(\$7,435,346)	(\$9,019,288)	(\$2,016,175)	(\$1,820,697)
447100		\$13,433,132	(\$673,570)	(\$511,606)	(\$976,572)	(\$2,428,489)	(\$1,826,072)	\$10,813,550	\$5,716,003	(\$98,830)	\$4,724,616
447150		(\$17,077,741)	(\$1,161,880)	(\$1,419,235)	(\$1,164,177)	(\$810,888)	(\$1,049,973)	(\$3,046,570)	(\$3,103,594)	(\$1,524,851)	(\$2,241,375)
447700		(\$3,398,904)	(\$194,760)	(\$363,532)	(\$173,357)	(\$86,550)	(\$213,859)	(\$947,955)	(\$1,069,681)	(\$70,680)	(\$177,700)
447710		\$1,947,229	\$213,305	\$248,240	\$197,702	\$182,889	\$169,612	\$210,888	\$216,324	\$162,315	\$177,643
447720	Intercompany Transmission	(\$13,552,485)	(\$3,148,683)	(\$2,334,720)	(\$2,161,705)	\$554,578	(\$1,211,637)	(\$1,350,958)	(\$1,019,134)	(\$874,375)	(\$830,108)
23 Total 447 Sales for Resale		(\$76,412,200)	(\$14,027,524)	(\$9,676,671)	(\$11,198,097)	(\$6,705,953)	(\$7,688,520)	(\$2,002,952)	(\$8,712,018)	(\$4,747,226)	(\$412,907)

501 FUEL-DOLLARS

24	Kettle Falls Wood-501110	\$5,395,410	\$554,862	\$679,297	\$585,374	\$9,446	\$196,175	\$666,074	\$714,243	\$706,827	\$656,511
25	Kettle Falls Gas-501120	\$6,593	\$93	(\$929)	(\$249)	(\$93)	\$5,088	\$1,199	\$50	(\$52)	\$487
26	Colstrip Coal-501140	\$1,128,453	\$895,901	\$2,130,831	\$1,522,366	\$574,651	\$1,456,750	\$847,317	\$1,275,042	\$1,879,646	\$3,362,829
27	Colstrip Oil-501160	\$248,894	\$0	\$0	\$8,592	\$9,180	\$48,755	\$6,518	\$104,521	\$70,983	\$0
28 Total 501 Fuel Expense		\$20,779,350	\$1,451,692	\$2,809,269	\$2,116,433	\$593,184	\$1,706,688	\$1,521,108	\$2,093,856	\$2,657,404	\$3,019,827

501 FUEL-TONS

29	Kettle Falls	454,821	53,359	58,811	52,478	-	16,710	56,362	58,199	57,315	53,085
30	Colstrip	706,503	99,606	96,702	72,391	52,614	61,022	23,288	49,111	82,493	80,893

501 FUEL-COST PER TON

31	Kettle Falls	wood	\$11.74	\$11.44	\$11.55	\$11.15	\$11.74	\$11.82	\$12.27	\$12.33	\$12.33
32	Colstrip	coal	\$21.92	\$12.26	\$22.04	\$21.03	\$10.92	\$36.38	\$25.96	\$22.79	\$22.79

Avista Corp. - Resource Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Deal Number	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
	TOTAL										
33	NE CT Gas/Oil-547213	\$2,244	\$11,535	\$1,931	\$1,504	\$1,164	\$8,398	\$1,300	\$1,328	\$1,181	\$2,148
34	Boulder Park-547216	\$9,587	\$32,574	\$14,367	\$16,430	\$49,935	\$27,262	\$161,056	\$186,465	\$142,461	\$266,208
35	Kettle Falls CT-547211	\$5	\$4,249	\$1,968	\$5,147	\$1,935	\$2,105	\$48,328	\$61,499	\$34,991	\$14,934
36	Coyote Springs2-547610	\$3,721,117	\$2,449,832	\$3,201,306	\$2,230,502	\$619,692	\$1,250,902	\$3,342,340	\$3,561,575	\$2,427,012	\$610,298
37	Lancaster-547312	\$3,228,167	\$2,007,130	\$3,075,485	\$1,912,292	\$1,066,060	\$925,950	\$3,017,772	\$2,993,539	\$2,764,033	\$2,606,766
38	Rathdrum CT-547310	\$3,176	\$59,358	\$18,349	\$65,122	\$138,016	\$20,335	\$806,059	\$904,957	\$467,318	\$1,006,715
39	Total 547 Fuel Expense	\$6,964,296	\$4,564,678	\$6,313,406	\$4,231,002	\$1,876,822	\$2,234,952	\$7,376,855	\$7,709,363	\$5,836,996	\$4,507,069
40	TOTAL NET EXPENSE	\$12,579,922	\$11,757,943	\$10,226,126	\$6,355,700	\$3,621,342	\$4,641,080	\$13,501,244	\$16,839,185	\$13,274,961	\$13,966,552
		201801	201802	201803	201804	201805	201806	201807	201808	201809	201810
41	456100 ED AN	(\$903,780)	(\$922,637)	(\$658,705)	(\$659,155)	(\$1,040,681)	(\$1,187,805)	(\$1,447,941)	(\$1,294,522)	(\$809,430)	(\$830,529)
45	456120 ED AN - BPA Settlement	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)	(\$77,000)
46	456020 ED AN - Sale of excess BPA Trans	\$0	(\$31,909)	\$6	(\$13,076)	(\$119,992)	(\$16,868)	(\$939)	(\$371)	(\$12,320)	(\$71,692)
47	456130 ED AN - Ancillary Services Revenue	(\$213,305)	(\$248,240)	(\$197,702)	(\$182,889)	(\$168,311)	(\$169,612)	(\$210,888)	(\$216,324)	(\$162,989)	(\$177,643)
48	456017 ED AN - Low Voltage	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)	(\$5,020)
49	456700 ED WA - Low Voltage	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)	(\$8,781)
50	456705 ED AN - Low Voltage	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)	(\$138,578)
	B on A Low Voltage - In Auth revenues										

WASHINGTON DEFE

Line No.	Deal Number	TOTAL	Nov-18	Dec-18
555 PURCHASED POWER				
1	Short-Term Purchases	\$29,393,677	\$31,525	\$32,573
2	Chelan County PUD (Rocky Reach Slice)	\$11,679,175	\$0	\$0
3	Douglas County PUD (Wells Settlement)	\$948,409	\$0	\$0
4	Douglas County PUD (Wells)	\$1,560,356	\$0	\$0
5	Grant County PUD (Priest Rapids/Wanapum)	\$6,357,200	\$0	\$0
6	Bonneville Power Admin. (WNP-3)	\$10,767,601	\$0	\$0
7	Inland Power & Light - Deer Lake	\$7,413	\$0	\$0
8	Small Power	\$1,170,645	\$0	\$0
9	Stimson Lumber	\$1,324,657	\$0	\$0
10	City of Spokane-Upriver	\$2,429,221	\$0	\$0
11	City of Spokane - Waste-to-Energy	\$4,689,159	\$0	\$0
12	Clearwater Power Company	\$10,403	\$0	\$0
13	Rathdrum Power, LLC (Lancaster PPA)	\$22,787,513	\$0	\$0
14	Palouse Wind	\$16,016,812	\$0	\$0
15	WPM Ancillary Services	\$1,947,229	\$0	\$0
16	Non-Mon. Accruals	(\$243,906)	\$0	\$0
17	Total 555 Purchased Power	\$110,845,564	\$31,525	\$32,573
(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per \$k				
555 PURCHASED POWER				
	555000	\$116,616,416	\$0	\$0
	555030	\$0	\$0	\$0
	555100 Fin Swaps	(\$11,439,590)	\$0	\$0
	555312 Lancaster	\$0	\$0	\$0
	555313 Lancaster	\$0	\$0	\$0
	555380 Cleanwater	\$0	\$0	\$0
	555550 NonMonetary	(\$243,906)	\$0	\$0
	555700 Bookouts	\$3,036,316	\$0	\$0
	555710 Intercountry Ancillary	\$1,947,229	\$0	\$0
	WNP3 Mid Point Bonneville Power Admin Deal #573 Er	\$929,099	31,525.20	32,572.80
		\$110,845,564	\$31,525	\$32,573
447 SALES FOR RESALE				
18	Short-Term Sales	(\$64,678,948)	\$0	\$0
19	Nichols Pumping Index Sale	\$1,126,325	\$0	\$0
20	Sovereign Power/Kaiser Load Following	\$134,092	\$0	\$0
21	Pend Oreille DES	\$558,816	\$0	\$0
22	Merchant Ancillary Services	(\$13,552,485)	\$0	\$0
23	Total 447 Sales for Resale	(\$76,412,200)	\$0	\$0
447 SALES FOR RESALE				
	447000	(\$53,868,973)	\$0	\$0
	447100	\$13,433,132	\$0	\$0
	447150	(\$17,077,741)	\$0	\$0
	447700	(\$3,398,904)	\$0	\$0
	447710	(\$1,947,229)	\$0	\$0
	447720 Intercountry Transmission	(\$13,552,485)	\$0	\$0
		(\$76,412,200)	\$0	\$0
501 FUEL-DOLLARS				
24	Kettle Falls Wood-501110	\$5,395,410	\$0	\$0
25	Kettle Falls Gas-501120	\$6,593	\$0	\$0
26	Colstrip Coal-501140	\$15,128,453	\$0	\$0
27	Colstrip Oil-501160	\$248,894	\$0	\$0
28	Total 501 Fuel Expense	\$20,779,350	\$0	\$0
501 FUEL-TONS				
29	Kettle Falls	454,821	-	-
30	Colstrip	706,503	-	-
501 FUEL-COST PER TON				
31	Kettle Falls	wood		
32	Colstrip	coal		

WASHINGTON DEFE

Line No.	Deal Number	TOTAL	Nov-18	Dec-18
547 FUEL				
33	NE CT Gas/Oil-547213	\$32,733	\$0	\$0
34	Boulder Park-547216	\$906,345	\$0	\$0
35	Kettle Falls CT-547211	\$175,161	\$0	\$0
36	Coyote Springs2-547610	\$23,414,576	\$0	\$0
37	Lancaster-547312	\$23,597,219	\$0	\$0
38	Rathdrum CT-547310	\$3,489,405	\$0	\$0
39	Total 547 Fuel Expense	\$51,615,439	\$0	\$0
<hr/>				
40	TOTAL NET EXPENSE	\$106,828,153	\$31,525	\$32,573
<hr/>				
456 TRANSMISSION REVENUE				
41	456100 ED AN	(\$9,755,185)	\$0	\$0
45	456120 ED AN - BPA Settlement	(\$770,000)	\$0	\$0
46	456020 ED AN - Sale of excess BPA Trans	(\$267,161)	\$0	\$0
47	456130 ED AN - Ancillary Services Revenue	(\$1,947,903)	\$0	\$0
48	456017 ED AN - Low Voltage	(\$50,200)	\$0	\$0
49	456700 ED WA - Low Voltage	(\$87,810)	\$0	\$0
50	456705 ED AN - Low Voltage	(\$1,468,020)	\$0	\$0

201811 201812

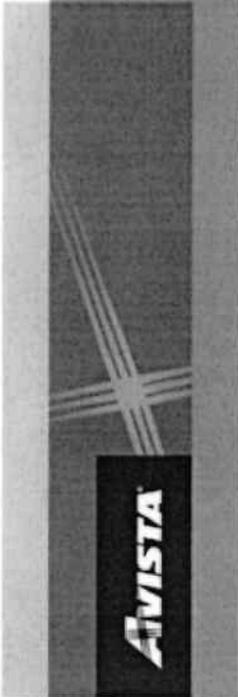
B on A Low Voltage - in Auth revenues

WASHINGTON DEFE

Line No.	Deal Number	TOTAL	Nov-18	Dec-18
51	Total 456 Transmission Revenue	(\$14,346,279)	\$0	\$0
565 TRANSMISSION EXPENSE				
52	565000 ED AN	\$14,611,265	\$0	\$0
53	565312 ED AN	\$0	\$0	\$0
54	565710 ED AN	\$45,360	\$0	\$0
55	Total 565 Transmission Expense	\$14,656,625	\$0	\$0
557 Broker & Related Fees				
56	557170 ED AN	\$405,262	\$0	\$0
57	557172 ED AN	\$0	\$0	\$0
58	557165 ED AN	\$87,095	\$0	\$0
59	557018 ED AN	\$38,770	\$0	\$0
60	Total 557 ED AN Broker & Related Fees	\$531,127	\$0	\$0
RESOURCE OPTIMIZATION				
61	Econ Dispatch-557010	\$17,744,486	\$0	\$0
62	Econ Dispatch-557150	(\$2,037,436)	\$0	\$0
63	Gas Bookouts-557700	\$5,935,933	\$0	\$0
64	Gas Bookouts-557711	(\$5,935,933)	\$0	\$0
65	Intraco Thermal Gas-557730	\$35,466,057	\$0	\$0
66	Fuel DispatchFin -456010	(\$10,470,187)	\$0	\$0
67	Fuel Dispatch-456015	(\$29,867,480)	\$0	\$0
68	Other Elec Rev - Extraction Plant Cr - 456018	(\$639,807)	\$0	\$0
69	Intraco Thermal Gas-456730	(\$22,064,038)	\$0	\$0
70	Fuel Bookouts-456711	\$4,812,250	\$0	\$0
71	Fuel Bookouts-456720	(\$4,812,250)	\$0	\$0
72	Resource Optimization Subtotal	(\$11,868,405)	\$0	\$0
73	Misc. Power Exp. Actual-557160 ED AN	\$176	\$0	\$0
74	Misc. Power Exp. Subtotal	\$176	\$0	\$0
75	Wind REC Exp Authorized	\$0	\$0	\$0
76	Wind REC Exp Actual 557395	\$641	\$0	\$0
77	Wind REC Subtotal	\$641	\$0	\$0
78	WA EIA937 Requirement (EWEB) - Expense	\$0	\$0	\$0
79	WA EIA937 Requirement (EWEB) - Broker Fee Exp	\$0	\$0	\$0
80	WA EIA 937 Requirement (EWEB) - Broker Fee Exp	\$0	\$0	\$0
81	EWEB REC WA EIA 937 Compliance	\$0	\$0	\$0
82	Net Resource Optimization	(\$11,867,588)	\$0	\$0
83	Adjusted Actual Net Expense	\$95,802,038	\$31,525	\$32,573

Avista Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2018

Retail Sales - MWh	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	YTD
Total Billed Sales	574,460	485,123	466,253	456,157	380,976	422,918	442,082	510,132	452,187	409,389	-	-	4,599,677
Deduct Prior Month Unbilled	(261,456)	(232,280)	(228,151)	(250,554)	(228,167)	(264,393)	(261,603)	(303,871)	(290,570)	(237,419)	-	-	(2,558,464)
Add Current Month Unbilled	232,280	228,151	250,554	228,167	264,393	261,603	303,871	290,570	237,419	267,643	-	-	2,564,651
Total Retail Sales	545,284	480,994	488,656	433,770	417,202	420,128	484,350	496,831	399,036	439,613	-	-	4,605,864
Test Year Retail Sales	555,937	498,647	492,113	431,145	432,473	424,693	490,670	464,617	435,934	436,959	468,856	553,150	4,663,188
Difference from Test Year	(10,653)	(17,653)	(3,457)	2,625	(15,271)	(4,565)	(6,320)	32,214	(36,898)	2,654			(57,324)
Production Rate - \$/MWh	\$15.66	\$15.66	\$15.66	\$15.66	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11
Total Revenue Credit - \$	(\$166,826)	(\$276,446)	(\$54,137)	\$41,108	(\$276,558)	(\$82,672)	(\$114,455)	\$583,396	(\$668,223)	\$48,064	\$0	\$0	(\$966,749)



Revenue By Revenue Class Data Source: Financial Reporting
 Electric Data Updated Daily

Accounting Period	Service	Revenue Class	Revenue Class Desc	Meter Qty	Usage Qty	Revenue Amt	YTD Average Meters	YTD Usage	YTD Revenue Amt
201810	ED	01	01 RESIDENTIAL	229,238	156,206,237	16,334,695	226,014	2,022,268,498	206,947,563
		21	21 FIRM COMMERCIAL	25,697	171,810,967	18,033,354	25,001	1,795,117,897	185,195,400
		31	31 FIRM- INDUSTRIAL	363	74,783,361	4,994,022	343	711,420,457	46,276,666
		39	39 FIRM-PUMPING-IRRIGATION ONLY	548	4,679,140	387,547	549	52,824,328	4,253,068
		51	51 LIGHTING-PUBLIC STREET AND HIWAY	429	920,655	415,034	424	9,130,214	4,031,518
		80	80 INTERDEPARTMENT REVENUE	93	988,197	103,811	82	8,916,127	917,192
		83	83 MISC-SERVICE REVENUE SNP	0	0	14,352	0	0	150,430
		85	85 MISC-RENT FROM ELECTRIC PROPERTY	0	0	25,209	0	0	232,551
		ED - Summary		256,368	409,388,557	40,268,024	252,412	4,599,677,520	448,004,387
201810 - Summary				256,368	409,388,557	40,268,024	252,412	4,599,677,520	448,004,387
Overall - Summary				256,368	409,388,557	40,268,024	252,412	4,599,677,520	448,004,387

Run Date: Nov 5, 2018

For Internal Use Only

Current Month Journal Entry

Jurisdiction: ID

Revenue Class	Revenue Class Desc	Town Code	Revenue Class	Rate Schedule	Gross Unbilled kWh	Total Unbilled + Basic Charge
01	01 RESIDENTIAL	3800	01	022	257,270	\$19,962
	01 RESIDENTIAL	3800	01	032	98,200	\$12,628
	01 RESIDENTIAL	3800	01	001	40,460,787	\$3,947,041
	01 RESIDENTIAL	3800	01	012	961,745	\$130,831
01 - Summary					41,778,001	\$4,110,463
21	21 FIRM COMMERCIAL	3800	21	031	1,639,856	\$149,575
	21 FIRM COMMERCIAL	3800	21	021	23,493,806	\$1,695,202
	21 FIRM COMMERCIAL	3800	21	011	13,378,571	\$1,330,334
	21 FIRM COMMERCIAL	3800	21	025	6,121,095	\$355,541
21 - Summary					44,633,328	\$3,530,652
31	31 FIRM-INDUSTRIAL	3800	31	025	22,133,725	\$1,261,333
	31 FIRM-INDUSTRIAL	3800	31	011	212,691	\$20,158
	31 FIRM-INDUSTRIAL	3800	31	021	2,762,901	\$184,623
	21 FIRM COMMERCIAL	3800	31	025P	36,250,894	\$1,877,249
	31 FIRM-INDUSTRIAL	3800	31	031	929,300	\$63,816
31 - Summary					62,289,511	\$3,427,179
ID - Summary					148,700,840	\$11,068,294

Jurisdiction: WA

Revenue Class	Revenue Class Desc	Town Code	Revenue Class	Rate Schedule	Gross Unbilled kWh	Total Unbilled + Basic Charge
01	01 RESIDENTIAL	2800	01	001	82,163,972	\$8,032,789
	01 RESIDENTIAL	2800	01	022	1,257,371	\$107,570
	01 RESIDENTIAL	2800	01	012	2,137,728	\$353,185
	01 RESIDENTIAL	2800	01	002	160,938	\$10,512
	01 RESIDENTIAL	2800	01	032	231,486	\$32,250
01 - Summary					85,951,495	\$8,536,305
21	21 FIRM COMMERCIAL	2800	21	021	54,734,705	\$4,585,584
	21 FIRM COMMERCIAL	2800	21	011	22,648,023	\$2,740,314
	21 FIRM COMMERCIAL	2800	21	025	23,823,902	\$1,628,213
	21 FIRM COMMERCIAL	2800	21	031	3,651,296	\$207,711
21 - Summary					104,857,925	\$9,161,822
31	31 FIRM-INDUSTRIAL	2800	31	011	239,060	\$27,654
	31 FIRM-INDUSTRIAL	2800	31	021	4,478,987	\$356,587
	31 FIRM-INDUSTRIAL	2800	31	031	637,282	\$55,490
	31 FIRM-INDUSTRIAL	2800	31	025	71,478,041	\$4,372,414
31 - Summary					76,833,370	\$4,812,145
WA - Summary					267,642,789	\$22,510,272
Overall - Summary					416,343,629	\$33,578,565

Attachment B

Avista Corporation
Monthly Power Cost Deferral Report
Month of October 2018

REC Deferral Journal

Avista Corporation Journal Entry

Effective Date: 201810

Journal: 475-WASHINGTON REC DEFERRAL

Team: Resource Accounting

Last Saved by: Keri Meister

Last Saved: 11/02/2018 2:53 PM

Type: C

Submitted by: Keri Meister

Approval Requested: 11/02/2018 2:53 PM

Category: DJ

Approved by:

Currency: USD

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
			ED	WA	DL			
10	001	186324 - MISC DEF DEBIT-WA REC 3	ED	WA	DL	3,921.65	3,921.65	WA REC Deferral Interest
20	001	431016 - INTEREST EXPENSE ON REC DEFERRAL	ED	WA	DL			WA REC Deferral Interest
30	001	186324 - MISC DEF DEBIT-WA REC 3	ED	WA	DL	212,807.00	212,807.00	WA REC Deferral 201807-201906
40	001	557322 - DEF POWER SUPPLY EXP-RECs	ED	WA	DL			WA REC Deferral 201807-201906
50	001	186322 - MISC DEF DEBIT - WA REC 1	ED	WA	DL	250.95	250.95	WA REC Deferral Amort Interest
60	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL			WA REC Deferral Amort Interest
70	001	186322 - MISC DEF DEBIT - WA REC 1	ED	WA	DL	137,074.00	137,074.00	WA Rec Deferral Amort
80	001	557324 - DEF POWER SUPPLY EXP-REC AMORT	ED	WA	DL			WA Rec Deferral Amort
Totals:						354,053.60	354,053.60	

Keri Meister
Prepared by Keri Meister
[Signature]
Reviewed by
Approved for Entry
Corporate Accounting use Only

Date: 11-2-18
Date: 11/2/18
Date:

Explanation:
To account for the Washington REC Deferral per Washington UE-120436 and UE-120437.

DJ475 - Washington REC Deferral - Account 186324

The rate is based on WA Rate Order for REC deferral interest will be accrued monthly and compounded semi-annually. Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current monthly interest rate

Account	186324 ED WA										
Month Ending	Balance before Interest	Balance Transfer	Deferral	WA I-937 RPS	Monthly Interest Rate	Interest	Interest Adjustments	End Balance before interest	GL Wand Balance	Variance	Notes
201701	(3,544,506)		(635,042)		0.52917%	(20,437)		(4,179,548)	(4,199,985.00)	0.12	Semi-Annual Compounding
201702	(4,179,548)		(1,889)		0.52917%	(22,122)		(4,181,437)	(4,223,996.00)	0.12	
201703	(4,181,437)		(454,452)		0.52917%	(23,329)		(4,635,869)	(4,701,777.00)	0.12	
201704	(4,635,869)		(442,666)		0.52917%	(25,703)		(5,078,557)	(5,170,148.00)	0.12	
201705	(5,078,557)		(265,971)		0.52917%	(27,578)		(5,344,528)	(5,463,697.00)	0.12	
201706	(5,344,528)		(437,627.12)		0.52917%	(29,440)		(5,782,155)	(5,930,764.00)	0.00	
201707	(5,930,764)	5,930,764	0		0.52917%	0		0	-	0.00	Transfer 186324 Def balance to 186322 for Amortization.
201708	0	0	0		0.52917%	0		0	-	0.00	201707-201806 Deferrals will be recorded in Def account 186323
201709	0	0	0		0.52917%	0		0	-	0.00	
201710	0	0	0		0.52917%	0		0	-	0.00	
201711	0	0	0		0.52917%	0		0	-	0.00	
201712	0	0	0		0.52917%	0		0	-	0.00	
201801	-	-	-		0.52917%	-		-	-	0.00	Semi-Annual Compounding
201802	-	-	-		0.52917%	-		-	-	0.00	
201803	-	-	-		0.52917%	-		-	-	0.00	
201804	-	-	-		0.52917%	-		-	-	0.00	
201805	-	-	-		0.52917%	-		-	-	0.00	
201806	-	-	-		0.52917%	-		-	-	0.00	
201807	(199,983.00)		(199,983.00)		0.57417%	(574.12)		(199,983.00)	(200,557.12)	0.00	
201808	(401,007.00)		(201,024.00)		0.57417%	(1,725.35)		(401,007.00)	(403,306.47)	0.00	Semi-Annual Compounding
201809	(576,608.00)		(175,601.00)		0.57417%	(2,806.59)		(576,608.00)	(581,714.06)	0.00	
201810	(789,415.00)		(212,807.00)		0.57417%	(3,921.65)		(789,415.00)	(798,442.71)	216,728.65	
201811	(789,415.00)							(789,415.00)			
201812	(789,415.00)							(789,415.00)			
current month entry			(212,807.00)			(3,921.65)					

201810 UPDATE DATE TO CALC JET ENTRY

JET ENTRY:	DR	CR
186324 ED WA		3,921.65
431016 ED WA	3,921.65	
186324 ED WA		212,807.00
557322 ED WA	212,807.00	

Misc Def Debit - WA Rec 3
Interest Exp on Rec Def
Misc Def Debit - WA Rec 3
Def Power Supply Exp - RECs

216,728.65 TTL

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2018 REC Revenue and Expense Deferral Calculation

REC Revenue and Expense	Source	201801	201802	201803	201804	201805	201806	Total
Voluntary REC Revenue	456016-ED-AN	(1,551,698)	(257,622)	(345,931)	(308,392)	(292,745)	(292,450)	\$ (3,048,838)
Voluntary REC Broker Fee Expense	557171-ED-AN	2,397	1,147	4,038	4,523	5,651	1,751	\$ 19,507
Total		\$ (1,549,301)	\$ (256,475)	\$ (341,894)	\$ (303,869)	\$ (287,094)	\$ (290,699)	\$ (3,029,331)

Washington State Share	Source	201801	201802	201803	201804	201805	201806	Total
Voluntary REC Revenue	65.19%	(1,011,552)	(187,944)	(225,512)	(201,041)	(190,840)	(190,648)	\$ (1,987,537)
Voluntary REC Broker Fee Expense	65.19%	1,563	748	2,632	2,949	3,684	1,142	\$ 12,717
Total Surcharge (+) or Rebate (-)		\$ (1,009,989)	\$ (187,196)	\$ (222,880)	\$ (198,092)	\$ (187,157)	\$ (189,506)	\$ (1,974,821)

Accounting Entries	189323 ED WA (201707 thru 201806)	557322 ED WA
	Credit	Debit
	Debit	Credit

NW

REC Revenue and Expense	Source	201807	201808	201809	201810	201811	201812	Total
Voluntary REC Revenue	456016-ED-AN	(306,206)	(312,832)	(270,044)	(325,119)	-	-	\$ (1,214,201)
Voluntary REC Broker Fee Expense	557171-ED-AN	1,956	6,989	2,899	1,360	-	-	\$ 13,205
Total		\$ (304,249)	\$ (305,843)	\$ (267,145)	\$ (323,759)	\$ -	\$ -	\$ (1,200,996)

Washington State Share	Source	201807	201808	201809	201810	201811	201812	Total
Voluntary REC Revenue	65.73%	(201,269)	(205,624)	(177,500)	(213,701)	-	-	\$ (798,094)
Voluntary REC Broker Fee Expense	65.73%	1,286	4,601	1,899	884	-	-	\$ 8,679
Total Surcharge (+) or Rebate (-)		\$ (199,983)	\$ (201,024)	\$ (175,601)	\$ (212,817)	\$ -	\$ -	\$ (789,415)

Accounting Entries	189324 ED WA (201807 thru 201906)	557322 ED WA
	Credit	Debit
	Debit	Credit

A

DJ475 - Washington REC Deferral (Current Amortization)

The rate is based on WA Rate Order for REC deferral
Interest will be accrued monthly and compounded semi-annually.
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current monthly interest rate

Account	186322 ED WA										
Month Ending	Balance before Interest	Balance Transfer	Amortization	Adjustments	Monthly Interest Rate	Interest	Interest Adjustments	End Balance before interest	GL Wand Balance	Variance	Notes
201701	4,016,381		213,308		0.52917%	21,818		4,229,689	4,251,506.98	(0.02)	Semi-Annual Compounding
201702	4,229,689		185,533		0.52917%	22,873		4,415,222	4,459,913.00	(0.02)	
201703	4,415,222		187,162		0.52917%	23,806		4,602,384	4,650,881.00	(0.02)	
201704	4,602,384		150,548		0.52917%	24,647		4,732,932	4,826,076.00	(0.02)	
201705	4,732,932		140,962		0.52917%	25,418		4,873,894	4,982,456.00	(0.02)	
201706	4,873,894		143,097.02		0.52917%	26,170		5,016,991	5,161,723.00	0.00	
201707	5,161,723	(5,930,764)	213,155		0.52917%	(3,506)		(555,886)	(559,392.00)	0.00	-Semi-Annual Compounding -UE-150204 rate order 7-2017 thru 6-2018 REC rate after tax cost of capital to remain at 6.350% -Transfer 186324 Def balance to 186322 for Amortization
201708	(555,886.00)		281,998.00		0.52917%	(2,195.46)		(273,888.00)	(279,589.46)	0.00	
201709	(273,888.00)		286,095.00		0.52917%	(745.52)		(7,883.00)	(14,329.98)	0.00	
201710	(7,883.00)		205,054.00		0.52917%	500.83		197,171.00	191,224.85	0.00	
201711	197,171.00		275,483.00		0.52917%	1,772.26		472,654.00	488,480.11	0.00	
201712	472,654.00		289,670.00		0.52917%	3,267.57		762,324.00	761,417.68	0.00	
201801	761,417.68		315,100.00		0.52917%	4,862.90		1,076,517.68	1,081,380.58	0.00	Semi-Annual Compounding
201802	1,076,517.68		266,334.00		0.52917%	6,401.29		1,342,851.68	1,354,115.87	0.00	
201803	1,342,851.68		255,547.00		0.52917%	7,782.11		1,598,398.68	1,617,444.98	0.00	
201804	1,598,398.68		250,556.00		0.52917%	9,121.18		1,848,954.68	1,877,122.16	0.00	
201805	1,848,954.68		209,873.00		0.52917%	10,339.41		2,058,827.68	2,097,334.57	0.00	
201806	2,058,827.68		233,026.00		0.52917%	11,511.25		2,291,853.68	2,341,871.82	0.00	
201807	2,341,871.82	(2,984,433.78)	207,245.00		0.57417%	(3,094.43)		(435,316.96)	(438,411.39)	0.00	-Semi-Annual Compounding -per annual REC filing 7-2018 thru 6-2019 REC rate after tax cost of capital changes to 6.890% -Transfer 186323 Def balance to 186322 for amortization
201808	(435,316.96)		171,600.00		0.57417%	(2,006.82)		(263,716.96)	(268,818.21)	0.00	
201809	(263,716.96)		151,473.00		0.57417%	(1,079.33)		(112,243.96)	(118,424.54)	0.00	
201810	(112,243.96)		137,074.00		0.57417%	(250.95)		24,830.04	(136,823.05)	(136,823.05)	
201811	24,830.04					-		24,830.04	18,398.51		
201812	24,830.04					-		24,830.04	18,398.51		
current month entry			137,074.00			(250.95)					

201810 UPDATE DATE TO CALC JET ENTRY

JET ENTRY:	DR	CR
186322 ED WA		250.95
419600 ED WA	250.95	
186322 ED WA	137,074.00	
557324 ED WA		137,074.00

Misc Def Debit - WA Rec 1
Interest on Energy Deferrals
Misc Def Debit - WA Rec 1
Def Power Supply Exp - Rec Amort

136,823.05 TTL

Revenue By Rate Schedule

Data Source: Financial Reporting
 Data Updated Daily

State Code: WA
 Billing Determinant: RIDER 98

Accounting Period	Service	State Code	Rate Schedule	Rate Schedule Desc	FISC Acct	Revenue Class Desc	Meter Qty	Usage Qty	Revenue Amt	YTD Average Meters	YTD Usage	YTD Revenue Amt
201810	ED	WA	0001	RESIDENTIAL	440000	01 RESIDENTIAL	0	0	-50,712	0	0	-966,189
			0001	RESIDENTIAL	440000	80 INTERDEPARTMENT REVENUE	0	0	-46	0	0	-46
			0002	RESIDENTIAL DISCOUNT	440000	01 RESIDENTIAL	0	0	-100	0	0	-2,065
			0011	GENERAL SERVICE	442200	21 FIRM COMMERCIAL	0	0	-14,797	0	0	-231,134
			0011	GENERAL SERVICE	442300	31 FIRM INDUSTRIAL	0	0	-156	0	0	-2,516
			0011	GENERAL SERVICE	448000	80 INTERDEPARTMENT REVENUE	0	0	-81	0	0	-966
			0012	RESIDFARM-GEN SERV	448000	01 RESIDENTIAL	0	0	-1,396	0	0	-24,702
			0012	RESIDFARM-GEN SERV	448000	80 INTERDEPARTMENT REVENUE	0	0	0	0	0	0
			0021	LARGE GENERAL SERV	442200	21 FIRM COMMERCIAL	0	0	-35,761	0	0	-530,190
			0021	LARGE GENERAL SERV	442300	31 FIRM INDUSTRIAL	0	0	-2,926	0	0	-39,769
			0021	LARGE GENERAL SERV	448000	80 INTERDEPARTMENT REVENUE	0	0	-252	0	0	-3,305
			0022	RESIDFARM-LGE GEN SE	440000	01 RESIDENTIAL	0	0	-822	0	0	-13,857
			0025	EXTRA LGE GEN SERV	442200	21 FIRM COMMERCIAL	0	0	-8,525	0	0	-188,584
			0025	EXTRA LGE GEN SERV	442300	31 FIRM INDUSTRIAL	0	0	-22,769	0	0	-307,210
			0030	PUMPING SERV-SPECIAL	448000	01 RESIDENTIAL	0	0	0	0	0	0
			0030	PUMPING SERV-SPECIAL	442300	39 FIRM-PUMPING-IRRIGATION ONLY	0	0	-1,103	0	0	-14,362
			0031	PUMPING SERVICE	442200	21 FIRM COMMERCIAL	0	0	-2,452	0	0	-32,420
			0031	PUMPING SERVICE	442300	31 FIRM INDUSTRIAL	0	0	-428	0	0	-4,858
			0031	PUMPING SERVICE	442300	39 FIRM-PUMPING-IRRIGATION ONLY	0	0	-551	0	0	-9,198
			0031	PUMPING SERVICE	448000	80 INTERDEPARTMENT REVENUE	0	0	-21	0	0	-218
			0032	PUMPING SVC RES&FRM	440000	01 RESIDENTIAL	0	0	-155	0	0	-2,625
			0032	PUMPING SVC RES&FRM	442300	39 FIRM-PUMPING-IRRIGATION ONLY	0	0	-77	0	0	-1,193
			0041	CO OWNED ST LIGHTS	440000	51 LIGHTING-PUBLIC STREET AND HWAY	0	0	-2	0	0	-22
			0042	CO OWNED ST LITS SO VA	440000	51 LIGHTING-PUBLIC STREET AND HWAY	0	0	-342	0	0	-4,447
			0044	CST OWNED ST LT SO VA	440000	51 LIGHTING-PUBLIC STREET AND HWAY	0	0	-8	0	0	-94
			0045	CUST OWNED ST LT ENGY	440000	51 LIGHTING-PUBLIC STREET AND HWAY	0	0	-17	0	0	-214
			0046	CUST OWNED ST LT S V	440000	51 LIGHTING-PUBLIC STREET AND HWAY	0	0	-40	0	0	-537
			0047	AREA LIGHT-COMBUNDUS	442200	21 FIRM COMMERCIAL	0	0	-186	0	0	-2,406
			0047	AREA LIGHT-COMBUNDUS	442300	31 FIRM INDUSTRIAL	0	0	-5	0	0	-60
			0047	AREA LIGHT-COMBUNDUS	442300	39 FIRM-PUMPING-IRRIGATION ONLY	0	0	0	0	0	-2
			0047	AREA LIGHT-COMBUNDUS	448000	80 INTERDEPARTMENT REVENUE	0	0	-3	0	0	-43
			0048	AREA LGHT-FARMSRESID	440000	01 RESIDENTIAL	0	0	-99	0	0	-1,319
			0048	AREA LGHT-FARMSRESID	442300	39 FIRM-PUMPING-IRRIGATION ONLY	0	0	0	0	0	-1
			WA - Total						-443,785			-2,304,550
			ED - Total						-143,785			-2,304,550
			Overall - Total						-443,785			-2,304,550

Run Date: Nov 2, 2018

Conversion Factor 0.953323
 Amort Expense \$ **137,074**

UE-170485 7-2018 thru 6-2019

B

For Internal Use Only



Attachment C

Avista Corporation
Monthly Power Cost Deferral Report
Month of October 2018

Long Term Power Sales Contract

POWER PURCHASE AGREEMENT
BETWEEN
THE CITY OF COVE, OREGON
AND
AVISTA CORPORATION

POWER PURCHASE AGREEMENT

This Agreement is made by and between Avista Corporation, a Washington corporation (“Avista”), and the City of Cove, Oregon (“Seller”). Avista and Seller are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Seller will own, operate and maintain an 800 kilowatt electric power generating facility in or around the City of Cove, Oregon, as more fully described in Exhibit A (“Facility”);

WHEREAS, Seller will operate the Facility as a Qualifying Facility, as defined by the Public Utility Regulatory Policies Act of 1978 (“PURPA”); and

WHEREAS, Seller will deliver and sell, and Avista will purchase, electric energy generated from the Facility subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows.

1. DEFINITIONS

Except as otherwise defined in this Agreement, whenever used in this Agreement and exhibits hereto, the following terms shall have the following meanings:

1.1 “Agreement” means this Power Purchase Agreement, including all exhibits, and any written amendments.

1.2 “Alternate Point of Delivery” shall have the meaning provided in Section 11.3 of this Agreement.

1.3 “Ancillary Services” means those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the electrical systems in accordance with Prudent Utility Practices and any existing or future WECC requirements.

1.4 “Avoided Cost Rates” shall have the meaning provided in Section 7.2 of this Agreement.

1.5 “aMW” means average megawatt(s). An average megawatt is calculated by dividing the total generation in MWh over a given period of time (e.g., a calendar month) by the number of hours in that period of time.

1.6 **“Balancing Authority Area”** The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.7 **“Base Energy Amount”** means monthly Net Output that is greater than or equal to 90 percent, and less than or equal to 110 percent, of the Monthly Net Output Estimate.

1.8 **“Business Day”** means every day other than a Saturday or Sunday or a national holiday. National holidays shall be those holidays observed NERC.

1.9 **Reserved.**

1.10 **Reserved.**

1.11 **“Commission”** means the Idaho Public Utilities Commission, or its successor.

1.12 **“Declared Suspension of Net Output”** shall have the meaning provided in Section 10.3.1 of this Agreement.

1.13 **Reserved.**

1.14 **Reserved.**

1.15 **Reserved.**

1.16 **“Effective Date”** shall have the meaning provided in Section 4 of this Agreement.

1.17 **“Excess Energy”** shall have the meaning provided in Section 7.3 of this Agreement.

1.18 **“Facility”** means the electric energy generating facilities, including all equipment and structures necessary to generate and supply electric energy, more particularly described at Exhibit A.

1.19 **“Facility Service Power”** means the electric energy generated and used by the Facility during its operation to operate equipment that is auxiliary to primary generation equipment including, but not limited to, pumping, generator excitation, cooling or other operations related to the production of electric energy by the Facility.

1.20 **“Force Majeure”** shall have the meaning provided in Section 12 of this Agreement.

1.21 **“FERC”** means the Federal Energy Regulatory Commission, or its successor.

1.22 “**Independent Engineering Certification**” means certifications detailed in Section 3.4 provided by a professional engineer registered in Oregon or Idaho, who has no direct or indirect, legal, or equitable ownership interest in the Facility.

1.23 “**Initial Capacity Determination**” shall have the meaning provided in Section 3.5 of this Agreement.

1.24 “**Initial Delivery Date**” shall mean the date upon which Seller first schedules Net Output to Avista pursuant to this Agreement.

1.25 “**Initial Year Monthly Net Output Estimates**” shall have the meaning provided in Section 5.1 of this Agreement.

1.26 “**Interconnection Agreement**” means, as applicable, the agreement between Seller and Avista or Seller and a Transmitting Entity that is providing interconnection service which governs how the Net Output is delivered to Avista’s or the Transmitting Entity’s electrical system at the Point of Interconnection during the Term of this Agreement.

1.27 “**Interconnection Facilities**” means all facilities required to connect the Facility to the Point of Interconnection, including connection, transformation, switching, relaying and safety equipment. Interconnection Facilities shall also include all telemetry, metering, cellular telephone, and/or communication equipment required under this Agreement regardless of location

1.28 “**Losses**” means the loss of electrical energy occurring as a result of the transformation and transmission of energy between the Point of Interconnection and the Point of Delivery. For purposes of this Agreement, Losses shall equal 2.135 percent of the total generation of the Facility as metered at the Facility.

1.29 “**MW**” means megawatt. One thousand kilowatts equals one megawatt.

1.30 “**MWh**” means megawatt-hour. One thousand kilowatt-hours equals one megawatt-hour.

1.31 “**Market Energy Price**” means 85 percent (85%) of the PowerDex hourly Mid-Columbia (“Mid-C”) index.

1.32 “**Monthly Net Output Estimate**” means, as applicable, the Initial Year Monthly Net Output Estimates provided pursuant to Section 5.1 or the Subsequent Monthly Net Output Estimates provided pursuant to Section 5.2.

1.33 “**Nameplate Capacity Rating**” means the maximum generating capacity of the Facility, as determined by the manufacturer, and expressed in kilowatts (kW).

1.34 “**NERC**” means the North American Electric Reliability Corporation or its successor.

1.35 “**Net Output**” means the capability and electric energy generated by the Facility, less Facility Service Power and Losses, that is delivered to the Point of Delivery, expressed in kilowatt-hours. To the extent that any electric energy is scheduled by Seller and delivered to the Point of Delivery in excess of the Net Output, such electric energy shall be Surplus Energy.

1.38 “**Operating Year**” means each 12-month period from January 1 through December 31.

1.39 “**Point of Delivery**” means the location, as specified in Exhibit A of this Agreement, where Seller’s Facility interconnects with Avista’s electrical system and the electric energy produced by the Facility is delivered to Avista’s electrical system.

1.40 “**Point of Interconnection**” means the high voltage side of Seller’s step-up transformer at the point of interconnection between Seller’s Facility and the Transmitting Entity’s electric system, which is commonly referred to as the “busbar.”

1.41 “**Prudent Utility Practices**” means the practices, methods, and acts commonly and ordinarily used in electrical engineering and operations by a significant portion of the electric power generation and transmission industry, in the exercise of reasonable judgment in the light of the facts known or that should have been known at the time a decision was made, that would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy, and expedition.

1.42 “**Qualifying Facility**” or “**QF**” means a generating facility which meets the requirements for “QF” status under PURPA and part 292 of FERC’s Regulations, 18 C.F.R. Part 292, and which has obtained certification of its QF status.

1.43 “**Scheduled Outage**” means any outage which is scheduled by the Seller to remove electrical or mechanical equipment from service for repair, replacement, maintenance, safety or any other reason, and which thereby limits the generating capability of the Facility to less than the Initial Capacity Determination.

1.44 “**Shortfall Energy**” shall have the meaning provided in section 7.4 of this Agreement.

1.45 “**Shortfall Energy Price**” shall mean the price Avista will pay Seller for Shortfall Energy as provided in section 7.4 of this Agreement.

1.46 “**Start-Up Testing**” means the start-up tests required by the manufacturer and/or Avista that prove that the Facility is reliably producing electric energy.

1.47 “**Surplus Energy**” means (i) Net Output during any month which exceeds 110 percent of the Monthly Net Output Estimate for the corresponding month up to 10 aMW; and (ii)

any electric energy that is scheduled by Seller and delivered to the Point of Delivery in excess of the Net Output.

1.48 “Surplus Energy Price” shall have the meaning provided in section 7.3 of this Agreement.

1.49 “Transmitting Entity” means any entity or entities that provide transmission and/or interconnection service to deliver electric energy from the Facility to Avista’s electrical system at the Point of Delivery.

1.50 “Transmission Agreement” means any agreement(s) entered into between Seller and a Transmitting Entity under which the Transmitting Entity shall provide firm transmission from the Facility to Point of Delivery for the Term of this Agreement. The Transmission Agreement is attached hereto as Exhibit F.

1.51 “Term” shall have the meaning provided in Section 4.1 of this Agreement.

1.52 “WECC” means the Western Electricity Coordinating Council or its successor.

2. WARRANTIES

2.1 No Warranty by Avista. Avista makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility, and any review, acceptance or failure to review Seller’s design, specifications, equipment or Facility shall not be an endorsement or a confirmation by Avista. Avista assumes no responsibility or obligation with regard to any NERC and/or WECC reliability standard associated with the Facility or the delivery of electric energy from the Facility to the Point of Delivery.

2.2 Seller’s Warranty. Seller warrants and represents that: (a) Seller has investigated and determined that it is capable of performing and will perform the obligations hereunder and has not relied upon the advice, experience or expertise of Avista in connection with the transactions contemplated by this Agreement; (b) all professionals and experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller; (c) Seller will comply with all applicable laws and regulations and shall obtain and comply with applicable licenses, permits and approvals in the design, construction, operation and maintenance of the Facility; and (d) the Facility is, and during the Term of this Agreement will remain, a Qualifying Facility as that term is used in 18 C.F.R Part 292. Seller’s failure to maintain Qualifying Facility status will be a material breach of this Agreement. Avista reserves the right to review the Seller’s Qualifying Facility status and associated support and compliance documents at any time during the Term of this Agreement.

3. CONDITIONS PRIOR TO DELIVERY OF NET OUTPUT

3.1. Time is of the Essence. Time is of the essence in the performance of this Agreement and Seller understands and agrees that Avista is relying on Seller to meet the requirements of Section 4.2 on or before the Effective Date. Seller understands and agrees that Avista's acceptance of deliveries of energy from Seller is contingent upon Seller fully satisfying each of the requirements in Section 4.2 of this Agreement prior to the commencement of the first delivery of Net Output to Avista.

3.2 Reserved.

3.3 Opinion of Counsel. Upon Avista's request, prior to the commencement of the first delivery of Net Output to Avista, Seller shall submit to Avista an opinion letter signed by an attorney admitted to practice and in good standing in the state where the Facility is located providing an opinion that Seller's licenses, permits and approvals (including, but not limited to, evidence of compliance with Subpart B, 18 C.F.R. § 292.207, tribal, state and local business licenses, environmental permits, easements, leases and all other required approvals) are legally and validly issued, are held in the name of the Seller, and based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of such opinion letter. The opinion letter will be in a form acceptable to Avista and will acknowledge that the attorney rendering the opinion understands that Avista is relying on said opinion. Avista's acceptance of the form shall not be unreasonably withheld.

3.4 Independent Engineering Certifications. Upon Avista's request, prior to the commencement of the first delivery of Net Output to Avista, Seller shall submit to Avista applicable Independent Engineering Certifications for (a) Construction Adequacy for a Qualifying Facility, and (b) Operations and Maintenance Policy for a Qualifying Facility as described in Commission Order No. 21690. Each Independent Engineering Certification shall be signed by a licensed professional engineer in good standing submitted in a form acceptable to Avista and will acknowledge that the licensed professional engineer rendering the opinion understands that Avista is relying on said opinion. Avista's acceptance of such forms shall not be unreasonably withheld.

3.5 Initial Capacity Determination. Seller shall operate the Facility in a manner such that under normal design conditions the Net Output does not exceed 10 aMW in any calendar Month. Prior to the commencement of the first delivery of Net Output to Avista, Seller shall submit to Avista the maximum hourly generation capability of the Facility ("Initial Capacity Determination"). Such Initial Capacity Determination shall be determined either by use of the Nameplate Capacity Rating or such other means acceptable to Avista and shall be documented and submitted to Avista by Seller. Such documentation shall include the information listed in Exhibit E. Upon receipt of Seller's Initial Capacity Determination, Avista will review such determination within a reasonable time and, if acceptable to Avista, Avista shall issue to Seller its written approval of the Initial Capacity Determination. If the Initial Capacity Determination submitted by Seller is not acceptable to Avista, Avista will promptly notify Seller that Avista will not accept its Initial Capacity Determination. In such event, Avista shall engage, at Seller's sole expense, an independent qualified consultant to determine the Initial Capacity Determination. During the Term of this Agreement, Seller shall not cause the capacity of the Facility to be greater than the Initial Capacity Determination by any means, including by addition, upgrade, or replacement.

3.6 Interconnection Agreement. Prior to the Effective Date, Seller shall provide Avista a copy of its Interconnection Agreement, which shall be attached hereto as Exhibit G.

3.7 Ancillary Services. In the event that the Facility is located outside of Avista's Balancing Authority Area, Seller shall be responsible at its sole expense for obtaining any and all necessary Ancillary Services.

3.8 Insurance; Security. Prior to the commencement of the first delivery of Net Output to Avista, Seller shall submit to Avista evidence of compliance with Sections 8.1 and 8.2.

3.9 Reserved.

3.10 Network Resource Designation. Prior to the commencement of the first delivery of Net Output to Avista, Seller shall provide to Avista all data required by Avista to enable the Facility to be designated by Avista as a network resource.

3.11 Written Acceptance. Prior to the commencement of the first delivery of Net Output to Avista, Seller shall request and obtain from Avista written confirmation that all conditions to acceptance of electric energy have been fulfilled. Avista shall use reasonable commercial efforts to promptly provide Seller written confirmation that all conditions to acceptance of electric energy have been fulfilled or provide notice that such conditions have not been fulfilled.

4. TERM OF AGREEMENT; COMMISSION APPROVAL

4.1 This Agreement shall be effective on the date last signed below or such other date set by Commission order (the "Effective Date") and shall continue for twenty years after the Effective Date (the "Term"), unless otherwise terminated as provided herein.

4.2 Project Developer and Avista shall jointly petition the Commission for an order approving the Agreement and any mutually agreed to amendment to the Agreement. This Agreement and any amendment to this Agreement is conditioned upon the approval and determination by the Commission that the prices to be paid for electric power are just and reasonable, in the public interest, and that the costs incurred by Avista for purchases of electric power from Seller are legitimate expenses.

4.3 In the event that the Commission fails to issue a final order approving this Agreement by October 29, 2018, neither Party shall have any further obligations to purchase or sell electric power hereunder, and this Agreement shall terminate on October 29, 2018.

5. NET OUTPUT AMOUNTS

5.1 Initial Monthly Net Output Estimates. Seller shall provide to Avista Net Output estimates for each of the twelve consecutive months that begin with the month containing the Initial Delivery Date, counting the month during which the Initial Delivery Date occurs as month one (“Initial Year Monthly Net Output Estimates”). Seller shall provide to Avista such Initial Year Monthly Net Output Estimates by written notice in accordance with Section 29 no later than five (5) calendar days prior to the commencement of the first delivery of Net Output to Avista.

5.2 Subsequent Monthly Net Output Estimates. At the end of month three following the Initial Delivery Date, and at the end of every month thereafter, Seller shall provide to Avista Net Output estimates pertaining to each additional consecutive month for which Seller has not yet delivered to Avista Net Output estimates. Seller shall provide such Net Output estimates to Avista by written notice in accordance with Section 29, no later than 5:00 p.m. of the last Business Day of the month during which they are required to be provided.

5.3 Content of Net Output Estimates. All Net Output estimates shall be expressed in kilowatt-hours by month.

5.4 Failure to Provide Net Output Estimates. Failure to provide Monthly Output Estimates when required herein shall be a material breach of this Agreement and Avista may, in its sole discretion, either terminate this Agreement or Avista may determine the Monthly Net Output Estimates pertaining to such month or months, and the Monthly Net Output Estimates determined by Avista shall be binding for purposes of the Agreement as though they were prepared by Seller and provided to Avista as required by the Agreement.

5.5 Reserved.

5.6 Avista Adjustment of Monthly Net Output Estimate. If, pursuant to Section 10.2, Avista is excused from accepting the Seller’s Net Output the Monthly Net Output Estimate for the specific month in which the reduction or suspension occurs will be reduced in accordance with the following:

Where:

- NO = Current Month’s Net Output estimate
- SGU = (a) If Avista is excused from accepting the Seller’s Net Output as specified in Section 10.2 this value will be equal to the percentage of curtailment as specified by Avista multiplied by the TGU as defined below.
- (b) If the Seller declares a suspension of Net Output as specified in Section 10.3 this value will be the generation unit size rating of 0.8 MW,
- TGU = Generation unit size rating of 0.8 MW,

RSH = Actual hours the Facility’s Net Output was either reduced or suspended under Sections 10.2 or 10.3.

TH = Actual total hours in the current month

Resulting formula being:

$$\text{Adjusted Net Output} = \text{NO} - \left(\left(\frac{\text{SGU}}{\text{TGU}} \times \text{NO} \right) \times \left(\frac{\text{RSH}}{\text{TH}} \right) \right)$$

This Adjusted Net Output estimate will be used in applicable Surplus Energy calculations for only the specific month in which Avista was excused from accepting the Net Output or the Seller’s Declared Suspension of Net Output.

6. SCHEDULING

6.1 Seller is responsible for supplying day(s)-ahead energy pre-schedules for each hour. Such schedules will, to the extent practical, be based on the anticipated actual generation of the Facility for each such hour. Seller shall submit energy pre-schedules for the next Business Day by email, or by other mutually agreed upon means, to Avista no later than 5:30 am on the Business Day immediately preceding the day on which energy deliveries are to be made; *provided, however*, that for estimates of deliveries on weekends and holidays (as defined by NERC), Seller and Avista shall follow scheduling procedures in accordance with then-current WECC standard scheduling practices with regard to multiple day scheduling.

6.2 Seller shall create an electronic tag (e-Tag) that reflects the day-ahead hourly estimate no later than 2:00 pm on the Business Day immediately preceding the day on which energy deliveries are to be made; *provided, however*, that for estimates of deliveries on weekends and holidays (as defined by NERC), Seller and Avista shall follow scheduling procedures in accordance with then current WECC standard scheduling practices with regard to multiple day scheduling.

6.3 The day-ahead estimate shall be provided for preschedule purposes and shall not restrict Seller’s right to submit revised hour-ahead schedules as provided herein.

6.4 At least sixty minutes prior to the start of each delivery hour during the delivery Business Day, Seller shall provide Avista with an updated electric tag (e-Tag) that reflects the firm schedule for that delivery hour. Seller shall pay any energy imbalance charges or penalties imposed by the Transmission Entity on the delivery of the Net Output to the Point of Delivery.

6.5 Email contact information with regard to pre-scheduling and telephone contact information with regard to generation level changes, interruptions or outages are specified in Exhibit C, Communication and Reporting.

6.6 Should circumstances change in the WECC or WECC sub-region, within which Avista operates its electric system, dictate that scheduling protocols or timing of schedule notifications need to conform, then the Parties agree to negotiate in good faith to a mutually agreed modification of this Section 6 as necessary.

7. PURCHASE PRICES AND PAYMENT

7.1 Except when either Party's performance is excused as provided herein, for the Term of this Agreement, Seller shall deliver all Net Output from the Facility to Avista at the Point of Delivery. For all Net Output delivered to Avista at the Point of Delivery, Avista shall pay the applicable rate specified in Sections 7.2, 7.3, 7.4 and 7.5 of this Agreement.

7.2 **Base Energy.** For all Base Energy delivered to Avista at the Point of Delivery, Avista shall pay Seller the applicable rate based upon the Avoided Cost Rates For Non-Fueled Projects Smaller Than Ten Average Megawatts - Levelized in effect on the Effective Date ("Avoided Cost Rates") as specified in Exhibit B.

7.3 **Surplus Energy.** For all Surplus Energy delivered to Avista at the Point of Delivery, Avista shall pay Seller 85 percent of the current month's Market Energy Price ("Surplus Energy Price").

7.4 **Shortfall Energy.** If the month's Net Output is less than 90 percent of the Monthly Net Output Estimate for the corresponding month, Shortfall Energy will be the same month's actual Net Output delivered to Avista at the Point of Delivery. For all Shortfall Energy delivered to Avista at the Point of Delivery, Avista shall pay Seller 85% of the current month's Market Energy Price ("Shortfall Energy Price").

7.5 **Excess Energy.** Excess Energy is Net Output, expressed in MWh, which Seller delivers to Avista at the Point of Delivery that exceeds 10 aMW in a calendar Month. Avista, at its sole discretion, may accept Excess Energy, but Avista will not pay for any Excess Energy. Where Avista does not elect to accept Excess Energy, and Seller delivers such energy after notification by Avista in accordance with Exhibit C, Seller shall pay Avista liquidated damages equal to \$100 per MWh of Excess Energy delivered to Avista. The Parties agree that the damages that Avista would incur due to Seller's delivery of Excess Energy when Avista does not elect to accept Excess Energy would be difficult or impossible to predict with certainty and the liquidated damages contemplated by this provision are a fair and reasonable calculation of such damages and are not a penalty.

7.6 **Payments to Seller.** Avista shall prepare and submit to Seller monthly statements during the Term of the Agreement based upon Net Output delivered to Avista during the previous month. Payments owed by Avista shall be paid no later than the 15th day of the month following the end of the monthly billing period or five days after the receipt of a monthly statement, whichever is later. If the due date falls on a non-Business Day, then the payment shall be due on the next Business Day.

7.7 **Payments to Avista and Right of Set Off.** If Seller is obligated to make any payment or refund to Avista, Seller agrees that Avista may set off such payment or refund

amount against any current or future payments due Seller under this Agreement. If Avista does not elect to set off, or if no current or future payment is owed by Avista, Avista shall submit an invoice to Seller for such payments. Seller shall pay Avista no later than the 15th day of the month following the end of the monthly billing period or five days after the receipt of a monthly statement, whichever is later. If the due date falls on a non-Business Day, then the payment shall be due on the next Business Day.

7.8 Interest. In addition to the remedies set forth in Section 16 of this Agreement, any amounts owing after the due date specified in Sections 7.6 and 7.7 will be subject to interest in the amount of one and one half percent (1.5%) per month, not to exceed the maximum rate allowed by the law, multiplied by the unpaid balance.

7.9 Wire Transfer. All payments shall be made by ACH or wire transfer in accordance with further agreement of the Parties.

8. INSURANCE; SECURITY; CONTINUING OBLIGATIONS

8.1 Insurance. Prior to the commencement of the first delivery of Net Output to Avista, Seller, at its own cost, shall obtain and maintain the following insurance in force over the term of this Agreement and shall provide certificates of all insurance policies. All insurance policies required to fulfill the requirements of this Section 9 shall include language requiring that any notice of cancellation or notice of change in policy terms be sent to Avista by the insurance carrier(s) at least sixty days prior to any change or termination of the policies.

8.1.1 General Liability. Seller shall carry commercial general liability insurance for bodily injury and property damage with a minimum limit equal to \$2,000,000 for each occurrence. The deductible shall not exceed the Seller's financial ability to cover claims and shall not be greater than prevailing practices for similar operations in the State of Idaho.

8.1.2 Property. Seller shall carry all-risk property insurance for repair or replacement of the Facility. The limit of property insurance shall be sufficient to restore operations in the event of reasonably foreseeable losses from natural, operational, mechanical and human-caused perils. The deductible shall not exceed the Seller's financial ability to fund the cost of losses and shall not be greater than prevailing practices for similar operations in the State of Idaho.

8.1.3 Qualifying Insurance. The insurance coverage required by this Section 8 shall be obtained from an insurance company reasonably acceptable to Avista and shall include an endorsement naming Avista as an additional insured and loss payee as applicable.

8.1.4 Notice of Loss or Lapse of Insurance by Seller. If the insurance coverage required by this Section 8 is lost or lapses for any reason, Seller will immediately notify Avista in writing of such loss or lapse. Such notice shall advise Avista of (i) the reason for such loss or lapse and (ii) the steps Seller is taking to replace

or reinstate coverage. Notice provided by the insurer required by Section 8.1 shall not satisfy the notice requirement of this Section and Seller's failure to provide the notice required by this Section and/or to promptly replace or reinstate coverage will constitute a material breach of this Agreement

8.2 Security. For the Term of this Agreement, Seller will provide Avista with the following:

Prior to delivering any output from the Facility pursuant to this Agreement, Seller shall provide Avista a cash deposit, or other form of security that is acceptable to Avista, that represents the difference between the levelized payment Avista will pay and the non-levelized payment that Avista would have paid plus accumulated interest. An estimate of each year's cash deposit is show in Exhibit H, Estimated Security Deposit by Year. The Security Deposit shall be rounded to the nearest \$5,000.

The initial Security Deposit of \$10,000 shall be made be the first day of scheduled deliveries (assumed to be November 1, 2018). Once a year by the 10th business day of a new calendar year Avista will re-calculate the Security Deposit amount to reflect actual generation from the prior year and estimated generation for the current year plus accumulated interest. Seller will increase the security deposit to reflect such calculation by February 1, or if the required Security Deposit amount is reduced, Avista will provide a refund of any cash security that exceeds the amount Seller is required to deposit with Avista for that calendar year.

Avista will hold this security deposit in its account in a domestic bank (or a domestic branch of a foreign bank) that has a senior debt rating of at least "A-" (or its equivalent) from Standard and Poor's, Moody's, Fitch, DBRS or CBRS. Avista will pay daily interest on the amount deposited on a monthly basis based on the Fed Funds rate as reported by the Federal Reserve Bank of New York at <https://apps.newyorkfed.org/markets/autorates/fed%20funds>.

In the event of default as defined in Section 16 or early termination due to failure to perform, Avista is entitled to keep the total security deposit or a reduced amount if Avista, at its sole discretion, determines that the total security deposit exceeds the amount required

8.3 Continuing Obligations. For the Term of this Agreement, Seller will provide Avista with the following:

8.3.1 Insurance. Upon Avista's request, Seller shall provide Avista evidence of compliance with the provisions of Section 8.1. If Seller fails to comply, such failure will be a material breach and may only be cured by Seller promptly supplying evidence that the required insurance coverage has been replaced or reinstated.

8.3.2 Engineer's Certification. If requested by Avista, Seller will supply Avista with a Certification of Ongoing Operations and Maintenance from a Registered Professional Engineer licensed in the State of Idaho or the state in which the Facility is

located, which certification shall be in the form specified in Exhibit B. Seller's failure to supply the certificate required by this Section 8.3.2 will be a material breach that may only be cured by Seller promptly providing the required certificate. Avista may request the Certification of Ongoing Operations and Maintenance required by this section once in any three-year period during the Term.

8.3.3 Licenses and Permits. During the Term of this Agreement, Seller shall maintain compliance with all permits and licenses described in Section 3.3 of this Agreement. In addition, Seller will obtain, and supply Avista with copies of, any new or additional permits or licenses that may be required for Seller's operations. At least every fifth year after the Effective Date, Seller will update the documentation described in Section 3.3. If at any time Seller fails to maintain compliance with the permits and licenses described in Section 3.3 or this Section, or to provide documentation required by this Section, such failure will be a material breach of this Agreement that may only be cured by Seller submitting to Avista evidence of compliance.

9. CURTAILMENT, INTERRUPTION OR REDUCTION OF DELIVERY

Avista may require Seller to curtail, interrupt or reduce delivery of Net Output if, in accordance with Section 10.2, Avista determines that curtailment, interruption or reduction is necessary because of a Force Majeure event or to protect persons or property from injury or damage, or because of emergencies, necessary system maintenance, system modification or special operating circumstances. Avista shall use commercially reasonable efforts to keep any period of curtailment, interruption, or reduction to a minimum. In order not to interfere unreasonably with Seller operations, Avista shall, to the extent practical, give Seller reasonable prior notice of any curtailment, interruption, or reduction, the reason for its occurrence and its probable duration. Seller understands and agrees that Avista may not be able to provide notice to Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Avista in emergency circumstances, real-time operations of the electric system, and/or unplanned events.

10. OPERATION

10.1 Communications and Reporting. Avista and the Seller shall maintain appropriate operating communications through the Communicating and Reporting Guidelines specified in Exhibit C.

10.2 Excuse From Acceptance of Delivery of Energy.

10.2.1 Avista may curtail, interrupt, reduce or suspend delivery, receipt or acceptance of Net Output if Avista, in its sole discretion, reasonably determines that such curtailment, interruption, reduction or suspension is necessary, consistent with Prudent Utility Practice, and that the failure to do so may:

(a) endanger any person or property, or Avista's electric system, or any electric system with which Avista's system is interconnected;

(b) cause, or contribute to, an imminent significant disruption of electric service to Avista's or another utility's customers; or

(c) interfere with any construction, installation, inspection, testing, repair, replacement, improvement, alteration, modification, operation, use or maintenance of, or addition to, Avista's electric system or other property of Avista.

10.2.2 Avista shall promptly notify Seller of the reasons for any such curtailment, interruption, reduction or suspension provided for in Section 10.2. Avista shall use reasonable efforts to limit the duration of any such curtailment, interruption, reduction or suspension.

10.3 Reserved.

10.4 Scheduled Outage. On or before December 15 prior to each calendar year, Seller shall submit a written proposal of Scheduled Outages for the upcoming calendar year. Such written proposal of Scheduled Outages shall contain the percentage of hours in each calendar month where the Facility is expected to be on Scheduled Outage. Seller may update the annual Scheduled Outages proposal periodically. The Seller in no instance may change Scheduled Outages for the current or following 2 calendar months. Avista and Seller shall mutually agree as to the acceptability of the proposal and any updates or changes to the proposal. The Parties' determination as to the acceptability of Seller's timetable for Scheduled Outages shall take into consideration Prudent Utility Practices, Avista's system requirements and Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed Scheduled Outages. The Parties shall cooperate in determining mutually acceptable times for Scheduled Outages.

10.5 Seller's Risk. Seller shall design, construct, own, operate and maintain the Facility at its own risk and expense in compliance with all applicable laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of any governmental authority.

10.6 Avista's Right to Inspect. Seller shall permit Avista to inspect and audit the Facility, any related production, delivery and scheduling documentation or the operation, use or maintenance of the Facility at any reasonable time and upon reasonable notice. Seller shall provide Avista reasonable advance notice of any Facility test or inspection performed by or at the direction of Seller.

10.7 Seller Obligations in Accordance with Prudent Utility Practices. Seller shall own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow reliable generation and delivery of Net Output to Avista for the full Term of the Agreement, in accordance with Prudent Utility Practices.

11.0 INTERCONNECTION AND TRANSMISSION

11.1 Seller shall make all necessary arrangements and pay all costs to interconnect its Facility with the electrical system of such Transmitting Entity.

11.2 Prior to the commencement of the first delivery of Net Output, Seller shall provide Avista with copies of all executed Transmission Agreements in a form reasonably satisfactory to Avista, providing for the firm transmission of Net Output from the Facility to the Point of Delivery for the Term of this Agreement. Seller shall not consent to any modification of any firm Transmission Agreement without Avista's advance written approval, which approval shall not be unreasonably withheld.

11.3 In the event that Seller is required to curtail, interrupt or reduce delivery of Net Output to the Point of Delivery, Seller shall arrange at its own expense to deliver Net Output to a secondary point of delivery ("Alternate Point of Delivery"), and Avista shall use reasonable commercial efforts to accept Net Output at such Alternate Point of Delivery.

11.4 The termination, cancellation or expiration of any Transmission Agreement required to deliver electric energy to Avista under this Agreement shall constitute a material breach of this Agreement, and Avista may terminate the Agreement by giving Seller written notice of such termination which shall be effective upon written notice of such termination, cancellation or expiration of the applicable Transmission Agreement.

11.5 Seller shall be responsible for any and all costs and expenses related to transmission of Net Output to the Point of Delivery under this Agreement, including but not limited to Ancillary Services any costs or expenses incurred by Avista resulting from the Transmission Agreements including, but not limited to, any charges, reimbursable expenses or other amounts payable by Avista to any Transmitting Entity. Seller shall defend, indemnify and hold harmless, Avista from all claims, losses, harm, liabilities, damages, costs, and expenses including, but not limited to, reasonable attorneys' fees, arising out of any act or omission of Seller in connection with the Transmission Agreements, including, but not limited to, any breach of or default under any of the Transmission Agreements by Seller.

12. FORCE MAJEURE

12.1 Except as expressly provided in section 12.6, neither Party shall be liable to the other Party, or be considered to be in breach of or default under this Agreement, for delay in performance due to a cause or condition beyond such Party's reasonable control which despite the exercise of reasonable due diligence, such Party is unable to prevent or overcome ("Force Majeure"), including but not limited to:

(a) fire, flood, earthquake, volcanic activity; court order and act of civil, military or governmental authority; strike, lockout and other labor dispute; riot, insurrection, sabotage or war; unanticipated electrical disturbance originating in or transmitted through such Party's electric system or any electric system with which such Party's system is interconnected; or

(b) an action taken by such Party which is, in the sole judgment of such Party, necessary or prudent to protect the operation, performance, integrity, reliability or stability of such Party's electric system or any electric system with which such Party's electric system is interconnected, whether such actions occur automatically or manually.

12.2 In the event of a Force Majeure event, the time for performance shall be extended by a period of time reasonably necessary to overcome such delay. Avista shall not be required to pay for Net Output which, as a result of any Force Majeure event, is not delivered.

12.3 Nothing contained in this Section shall require any Party to settle any strike, lockout or other labor dispute.

12.4 In the event of a Force Majeure event, the delayed Party shall provide the other Party notice by telephone or email as soon as reasonably practicable and written notice within fourteen days after the occurrence of the Force Majeure event. Such notice shall include the particulars of the occurrence. The suspension of performance shall be of no greater scope and no longer duration than is required by the Force Majeure and the delayed Party shall use its best efforts to remedy its inability to perform.

12.5 Force Majeure shall include any unforeseen electrical disturbance that prevents any electric energy deliveries from occurring at the Point of Delivery.

12.6 Notwithstanding anything to the contrary herein, Force Majeure shall not apply to, or excuse any default under, Sections 16.1(a), 16.1(h) or 16.1(i). For the avoidance of doubt, Avista may declare Seller in Default if an event described in any of Sections 16.1(a), 16.1(h), or 16.1(i) occurs and Avista may pursue any remedy available to it under this agreement, including draw upon the security posted by Seller pursuant to Section 8.2.

13. INDEMNITY

13.1 Each Party shall defend, indemnify and hold harmless, the other Party, its directors, officers, employees, and agents (as the "Indemnitee") from and against all claims, demands, causes of action, judgments, liabilities and associated costs and expenses (including reasonable attorney's fees) to the extent arising from or attributable to the performance or non-performance of that Party's (as the "Indemnitor") obligations under this Agreement, including but not limited to, damage to tangible property and bodily injury or death suffered by any person (including employees of Seller or Avista or the public), provided that:

- (a) No Indemnitee shall be indemnified for any loss, liability, injury, or damage resulting from its sole negligence, gross negligence, fraud or willful misconduct; and
- (b) The Indemnitor shall be entitled, at its option, to assume and control the defense and any settlement of such suit.

Each indemnity set forth in this Section is a continuing obligation, separate and independent of the other obligations of each Party and shall survive the expiration or termination of this Agreement.

13.2 SELLER AND AVISTA SPECIFICALLY WARRANT THAT THE TERMS AND CONDITIONS OF THE FOREGOING INDEMNITY PROVISIONS ARE THE SUBJECT OF MUTUAL NEGOTIATION BY THE PARTIES, AND ARE SPECIFICALLY AND EXPRESSLY AGREED TO IN CONSIDERATION OF THE MUTUAL BENEFITS DERIVED UNDER THE TERMS OF THE AGREEMENT.

13.3 EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT, SAVINGS OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, OR COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY.

14. ASSIGNMENT

14.1 Seller shall not assign its rights or delegate its duties under this Agreement without the prior written consent of Avista, which consent shall not be unreasonably withheld. Subject to the foregoing restrictions on assignments, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors, heirs and assigns.

14.2 Seller shall have the right, subject to the obligation to provide security specified in Section 8, without Avista's consent, but with a thirty days prior written notice to Avista, to make collateral assignments of its rights under this Agreement to satisfy the requirements of any development, construction, or other reasonable long term financing. A collateral assignment shall not constitute a delegation of Seller's obligations under this Agreement, and this Agreement shall not bind the collateral assignee. Any collateral assignee succeeding to any portion of the ownership interest of Seller shall be considered Seller's successor in interest and shall thereafter be bound by this Agreement.

15. NO UNSPECIFIED THIRD PARTY BENEFICIARIES

There are no third party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, and their respective successors, heirs and assigns permitted under Section 14.

16. DEFAULT AND TERMINATION

16.1 In addition to any other breach or failure to perform under this Agreement, including without limitation failure to deliver Net Output in the amounts required by this

Agreement that is not otherwise excused under this Agreement, each of the following events shall constitute a Default:

- (a) Seller abandons the Facility;
- (b) The Facility ceases to be a Qualifying Facility;
- (c) A Party becomes insolvent (e.g., is unable to meet its obligations as they become due or its liabilities exceed its assets);
- (d) Seller makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization or seeks other relief under any applicable insolvency laws;
- (e) Seller has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed or stayed within sixty days after it is filed;
- (f) Seller is in default under any Agreement related to this Agreement;
- (g) Termination, cancellation or expiration of any agreement required for Seller to deliver electric energy to Avista under this Agreement, including but not limited to the Transmission Agreement or the Interconnection Agreement;
- (h) Seller has failed to deliver output from the Facility for a period of six consecutive calendar months or a total of 180 calendar days in any calendar year; or
- (i) Seller fails to post the security, or any part thereof, as required by Section 8.2.

16.2 Notice and Opportunity to Cure. In the event of a Default, the non-Defaulting Party shall give written notice to the Defaulting Party of a Default in accordance with Section 29. Except as provided in Section 16.1(e), if the Defaulting Party has not cured the breach within thirty days after receipt of such written notice, the non-Defaulting Party may, at its option, terminate this Agreement and/or pursue any remedy available to it in law or equity; *provided* that, if a Default occurs under Sections 4.3, 5.4, 5.7, 16.1(a), 16.1(g), 16.1(h) and/or 16.1(i), Avista may immediately terminate this Agreement without opportunity to cure, and such termination shall become effective upon written notice of Default.

16.3 Additional Rights and Remedies. Any right or remedy afforded to either Party under this Agreement on account of a Default by the other Party is in addition to, and not in lieu of, all other rights or remedies available to such Party under any other provisions of this Agreement, by law or otherwise on account of the Default.

16.4 Damages. If this Agreement is terminated as a result of Seller's Default after the Effective Date, Seller shall pay Avista, in addition to other damages, the positive difference, if

any, between the purchase price specified in Section 7.2 and the cost to replace the Net Output for twelve months beginning on the date of the original Default, plus all associated transmission costs to Avista to acquire such replacement Net Output.

17. DISPUTE RESOLUTION

Each Party shall strive to resolve any and all differences during the term of the Agreement through meetings and discussions. If a dispute cannot be resolved within a reasonable time, not to exceed thirty days, each Party shall escalate the unresolved dispute to a senior officer designated by each Party. If the senior officers are not able to resolve the dispute within ten Business Days of escalation then either Party may either agree to mediate or arbitrate the dispute or request a hearing before the Commission.

18. RELEASE BY SELLER

Seller releases Avista from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

18.1 Electric disturbance or fluctuation that migrates, directly or indirectly, from Avista's electric system to the Facility;

18.2 Interruption, suspension or curtailment of electric service to the Facility or any other premises owned, possessed, controlled or served by Seller, which interruption, suspension or curtailment is caused or contributed to by the Facility or the interconnection of the Facility;

18.3 Disconnection, interruption, suspension or curtailment by Avista pursuant to terms of this Agreement or the Interconnection Agreement; or

19. GOVERNMENTAL AUTHORITY

This Agreement is subject to the rules, regulations, orders and other requirements, now or hereafter in effect, of all governmental authorities having jurisdiction over the Facility, this Agreement, the Parties or either of them. All laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of governmental authorities that are required to be incorporated in agreements of this character are by this reference incorporated in this Agreement.

20. SEVERAL OBLIGATIONS

The duties, obligations and liabilities of the Parties under this Agreement are intended to be several not joint or collective. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties. Each Party shall be individually and severally liable for its own obligations under this Agreement. Further, neither Party shall have any rights, power or authority to enter into any agreement or undertaking for or on behalf of, to act as to be an agent or representative of, or to otherwise bind the other Party.

21. IMPLEMENTATION

Each Party shall promptly take such action (including, but not limited to, the execution, acknowledgement and delivery of documents) as may be reasonably requested by the other Party for the implementation or continuing performance of this Agreement.

22. NON-WAIVER

The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment of such Party's right to assert or rely upon any such provision or right in that or any subsequent instance; rather, the same shall be and remain in full force and effect.

23. AMENDMENT

No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties and subsequently approved by the Commission.

24. CHOICE OF LAWS AND VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho without reference to its choice of law provisions.

25. HEADINGS

The Section headings in this Agreement are for convenience only and shall not be considered part of or used in the interpretation of this Agreement.

26. SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

27. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed as an original, and together shall constitute one and the same document.

28. TAXES

Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

29. NOTICES

Unless otherwise specified, all written notices or other communications required by or provided under this Agreement shall be mailed or delivered to the following addresses, and shall be considered delivered when deposited in the US Mail, postage prepaid, by certified or registered mail or delivered in person:

to Avista: Director, Power Supply
 Avista Corporation
 P.O. Box 3727
 Spokane, WA 99220

to Seller: Donna Lewis
 City Recorder
 City of Cove
 P.O. Box 8
 Cove, OR 97824

Either Party may change its designated representative to receive notice and/or address specified above by giving the other Party written notice of such change.

30. SURVIVAL

Rights and obligations which, by their nature, should survive termination or expiration of this Agreement, will remain in effect until satisfied, including without limitation, all outstanding financial obligations, and the provisions of Section 14 (Indemnity) and Section 18 (Dispute Resolution).

31. ENTIRE AGREEMENT

This Agreement, including the following exhibits which are attached and incorporated by reference herein, constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous oral or written agreements between the Parties with respect to the subject matter hereof.

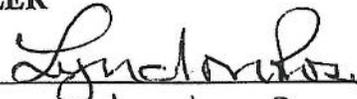
- Exhibit A Project Description and Point of Delivery
- Exhibit B Rates
- Exhibit C Communications and Reporting
- Exhibit D Independent Engineering Certifications for Construction Adequacy for a Qualifying Facility and Operations and Maintenance Policy
- Exhibit E Initial Capacity Determination Documentation

Final
June 6, 2018

- Exhibit F Transmission Agreement
- Exhibit G Interconnection Agreement
- Exhibit H Estimated Security Deposit by Year

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below.

SELLER

By: 
Printed Name: Lyndon Rose
Title: Mayor
Date: 6/5/2018

AVISTA CORPORATION

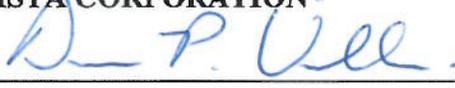
By: 
Printed Name: Dennis P. Vermillion
Title: President
Date: 6/3/18

Exhibit A

Project Description and Point of Delivery

Description of the Facility:

Seller's Facility is described as City of Cove Hydro and consists of: 800 kW hydroelectric QF

Location:

Seller's Facility is located: 67694 Mill Creek Lane, Cove, Oregon, 97824

Point of Delivery: HATWAI by means of interconnection with and transfer over Oregon Trail Electric Consumer's Cooperative (OTECC) and then transmission through Bonneville Power Administration's (BPA) BPAT.AVAT.

Exhibit B

Rates

Contract Length	Levelized Price	Season 1 Pricing (108%)	Season 2 Pricing (84%)
		Jul-Feb	Mar-Jun
20 years	\$48.54	\$52.42	\$40.77

Exhibit C
Communication and Reporting

(1) Email communications between Seller and Avista shall be submitted to:

Avista: chris.drake@avistacorp.com; or
steve.silkworth@avistacorp.com

Seller: Donna Lewis: cityadmin@CityofCove.org
Alternate: Mike Brown 541.786.0377

(2) All oral communications relating to electric energy scheduling, generation level changes, interruptions or outages between Seller and Avista will be communicated on a recorded line as follows:

(a) Pre-Schedule (5:30 am to 12:00 noon on Business Days):

Avista Pre-Scheduler: (509) 495-4911
Alternate Phone: (509) 495-4073

Seller: Mike Brown
Alternate Phone: 541.786.0377

(b) Real-Time Schedule (available 24 hours a day)

Avista Real-Time Scheduler: (509) 495-8534

Seller: Mike Brown
Alternate Phone: 541.786.0377

(3) Either Party may change its contact information upon written notice to the other Party.

Exhibit D

**Independent Engineering Certification for
Construction Adequacy for a Qualifying Facility**

N/A No New Construction

1. I, _____ am a licensed professional engineer registered to practice and in good standing in the State of _____. I have substantial experience in the design, construction and operation of electric power plants of the same type as _____ (Title of QF) sited at _____ in _____ County, State of _____ (the "Facility").

2. I have reviewed and/or supervised the review of the construction in progress and of the completed Facility and it is my professional opinion that said Facility has been designed and built according to appropriate plans and specifications bearing the words "CERTIFIED FOR IDAHO P.U.C. SECURITY ACCEPTANCE" and with the stamp of the certifying licensed professional engineer of the design, and that the Facility was built to commercially acceptable standards for this type of facility.

3. I have no economic relationship to the designer or owner of said Facility and have made my analysis of the plans and specifications independently.

4. I hereby CERTIFY that the above statements are complete, true, and accurate to the best of my knowledge and I therefore set my hand and seal below.

Signed and Sealed

DATE: _____

SIGNATURE: _____

PRINTED NAME: _____

Independent Engineering Certification for
Operations and Maintenance Policy for a Qualifying Facility
Certification Below

APPENDIX D

ENGINEER'S CERTIFICATION

The undersigned C.F. Malm, ("Engineer") hereby
states and certifies as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Power Purchase Agreement, hereinafter "Agreement," between OTEC as Buyer, and City of Cove as Seller, dated 28 June 2017
3. That the Project which is the described in the Agreement is commonly known as the City of Cove Hydroelectric Project, located in Mill Creek, Union County, Oregon with a nameplate capacity rating of 800 kW.
4. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
5. That Engineer has no economic relationship to the Design Engineer of this Project.
6. That Engineer has made a physical inspection of the Project and its operations and maintenance (O & M) records and policy. It is Engineer's professional opinion, based on the Project's appearance, that the ongoing O & M has been substantially in accordance with the Project's O&M Policy; that the Project is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the term of the Agreement.
7. That Engineer recognizes that OTEC, in accordance with paragraph ^{5.1.3 CAM}~~5.2~~ of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.
8. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By.



Date:

7/11/17
C.F. Malm
Expires 12/31/2018

APPENDIX D - 1

Exhibit E

Initial Capacity Determination Documentation

Cove to insert

800 kW Hydroelectric Facility

Exhibit F
Transmission Agreement

See Attached BPA TSR confirmation.

Thu 5/3/2018 10:17 AM

Rowe, Deborah J (BPA) - TSIM-DITT-1 <djrowe@bpa.gov>

Confirmed Cove TSR 86678489

Buzz Thielemann; 'cityadmin@cityofcove.org'

Taylor, Eric K (BPA) - TSE-TPP-2

Queue Time	Customer	And	Related Ref	Deal Ref	Request Type	Source	For	Sink	Pod	Start Time	Stop Time	HW Req	HW Grant	Check HW	Sale Ref	Pre Confirm	Exclude	Short Name
2018-04-04 11:39:09 PD	COVE		86678489		ORIGINAL	LAGRAND230BPA	LAGRANDE	HATWAI230	AVA.BPAT	2018-07-01 00:00:00 PD	2018-07-01 00:00:00 PD	0	0		16530	NO	YES	LTF-YEARLY FTP
05/03/2018 09:17:46 PP																		
Page 1 of 1																		
Record 1 of 1																		

Transmission Reservation Profile 86678489 CONFIRMED

Reservation Profile

Start Date	Stop Date	MW Req	HW Grant	MW1	Bid Price	Offer Price
2018-07-01 00:00:00 PD	2018-11-01 00:00:00 PD	0	0	0	1471.0000	1471.0000
2018-11-01 00:00:00 PD	2018-07-01 00:00:00 PD	1	1	172368	1471.0000	1471.0000
		Profile Total:		172368		

Thank you,

Deborah Rowe

Public Utilities Specialist, Reservation Desk

Exhibit G

Interconnection Agreement

See Attached OTECC Interconnection Agreement.

Exhibit H – Estimated Security Deposit by Year
 See attached spreadsheet

	Actual	Actual	Levelized	Levelized	Total	Non-Levelized				Total	Excess	Cumulative	Cumulative	Posted	
	Generator	Generator				Season 1	Season 2	Season 1	Season 2						Season 1
	Season 1	Season 2	Season 1	Season 2	Levelized	Season 1	Season 2	Season 1	Season 2	Non-Levelized	Payment	Payment	Payment	Payment	Year
	MWh	MWh	\$/MWh	\$/MWh	Payment	\$/MWh	\$/MWh	\$/MWh	\$/MWh	Payment	Payment	Payment	Payment	Interest	
2018	600	-	\$52.42	\$40.77	\$31,452	\$34.00	\$20,400	\$26.44	\$0	\$20,400	\$11,052	\$11,052	\$11,052	\$10,000	\$10,000
2019	1,133	1,409	\$52.42	\$40.77	\$116,833	\$37.17	\$42,103	\$28.91	\$40,742	\$82,845	\$33,988	\$45,040	\$45,914	\$45,000	\$45,000
2020	1,133	1,409	\$52.42	\$40.77	\$116,833	\$38.02	\$43,972	\$30.20	\$42,560	\$86,532	\$30,301	\$75,341	\$79,847	\$80,000	\$80,000
2021	1,133	1,409	\$52.42	\$40.77	\$116,833	\$39.72	\$44,991	\$30.89	\$43,533	\$88,524	\$28,309	\$103,650	\$114,472	\$115,000	\$115,000
2022	1,133	1,409	\$52.42	\$40.77	\$116,833	\$39.27	\$44,482	\$30.54	\$43,040	\$87,521	\$29,312	\$132,962	\$152,839	\$155,000	\$155,000
2023	1,133	1,409	\$52.42	\$40.77	\$116,833	\$40.07	\$45,388	\$31.16	\$43,913	\$89,301	\$27,532	\$160,495	\$192,461	\$190,000	\$190,000
2024	1,133	1,409	\$52.42	\$40.77	\$116,833	\$41.86	\$47,415	\$32.56	\$45,886	\$93,302	\$23,532	\$184,026	\$231,216	\$230,000	\$230,000
2025	1,133	1,409	\$52.42	\$40.77	\$116,833	\$45.41	\$51,437	\$35.32	\$49,776	\$101,213	\$15,621	\$199,647	\$265,127	\$265,000	\$265,000
2026	1,133	1,409	\$52.42	\$40.77	\$116,833	\$60.77	\$68,835	\$47.26	\$65,603	\$135,438	-\$18,604	\$181,043	\$267,494	\$265,000	\$265,000
2027	1,133	1,409	\$52.42	\$40.77	\$116,833	\$62.37	\$70,647	\$48.51	\$68,364	\$139,012	-\$22,178	\$158,865	\$266,474	\$265,000	\$265,000
2028	1,133	1,409	\$52.42	\$40.77	\$116,833	\$63.83	\$72,301	\$49.64	\$69,957	\$142,258	-\$25,425	\$133,440	\$262,127	\$260,000	\$260,000
2029	1,133	1,409	\$52.42	\$40.77	\$116,833	\$86.63	\$98,127	\$67.38	\$94,958	\$193,085	-\$76,251	\$57,189	\$206,610	\$205,000	\$205,000
2030	1,133	1,409	\$52.42	\$40.77	\$116,833	\$87.86	\$99,520	\$68.34	\$96,311	\$195,831	-\$78,997	(\$121,809)	\$143,956	\$145,000	\$145,000
2031	1,133	1,409	\$52.42	\$40.77	\$116,833	\$67.39	\$76,334	\$52.41	\$73,861	\$150,194	-\$33,361	(\$55,170)	\$121,982	\$120,000	\$120,000
2032	1,133	1,409	\$52.42	\$40.77	\$116,833	\$68.77	\$77,897	\$53.48	\$75,369	\$153,265	-\$36,432	(\$91,601)	\$95,199	\$95,000	\$95,000
2033	1,133	1,409	\$52.42	\$40.77	\$116,833	\$69.83	\$79,098	\$54.31	\$76,538	\$155,636	-\$38,802	(\$130,404)	\$63,927	\$65,000	\$65,000
2034	1,133	1,409	\$52.42	\$40.77	\$116,833	\$71.30	\$80,763	\$55.46	\$78,159	\$158,922	-\$42,088	(\$172,492)	\$26,895	\$25,000	\$25,000
2035	1,133	1,409	\$52.42	\$40.77	\$116,833	\$73.00	\$82,688	\$56.78	\$80,019	\$162,707	-\$45,874	(\$218,366)	(\$16,851)	\$0	\$0
2036	1,133	1,409	\$52.42	\$40.77	\$116,833	\$74.74	\$84,659	\$58.13	\$81,922	\$166,581	-\$49,747	(\$268,113)	(\$67,931)	\$0	\$0
2037	1,133	1,409	\$52.42	\$40.77	\$116,833	\$76.67	\$86,845	\$59.63	\$84,036	\$170,881	-\$54,047	(\$322,161)	(\$127,352)	\$0	\$0

AMENDMENT NO. 4

This AMENDMENT NO. 4 ("Amendment 4") to the Power Purchase Agreement ("Agreement") between Avista Corporation ("Avista") and the City of Cove, Oregon ("City"), is entered into by the Parties and this Amendment shall be effective on September 12, 2018, or such other date as set by the Commission.

RECITALS

WHEREAS, the Parties entered into the Agreement, under which the City is to deliver and sell, and Avista will purchase, electric energy generated from Seller's Facility; and

WHEREAS, it has come to the Parties attention that certain terms of the Agreement are incorrect and need to be corrected:

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. Exhibit H to the Agreement is deleted in its entirety and is replaced by the Exhibit H that is attached hereto as Attachment 1.

2. Except as expressly amended by the provisions set forth in this Amendment 4, all of the terms and conditions of the Agreement shall remain in full force and effect following execution of this Amendment 4 and each Party confirms, ratifies and approves the Agreement as amended by this Amendment 4. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Agreement. For the avoidance of doubt, this Amendment 4 is hereby incorporated in the Agreement and, as of the effective date of this Amendment 4, all references to the Agreement shall be deemed to be references to the Agreement as amended.

3. This Amendment 4 may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment 4 to be executed by their duly authorized representatives as of the date first set forth above.

CITY OF COVE, OREGON

AVISTA CORPORATION

By: 
Printed Name: Lyndon Rose
Title: Mayor

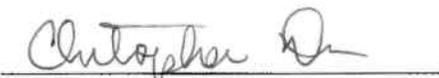
By: 
Printed Name: Christopher Drake
Title: Wholesale Marketing Manager

Exhibit H – Estimated Security Deposit by Year
 See attached spreadsheet

						48.11										Estimated Cash Posted Each Calendar Year
	Actual	Actual			Total	Non-Levelized	Non-Levelized	Non-Levelized	Non-Levelized	Non-Levelized	Total	Excess	Cumulative	Cumulative		
	Generator	Generator	Levelized	Levelized	Levelized	Avoided Cost	Season 1	Payment	Season 2	Payment	Non-Levelized	Excess	Excess	Excess		
	Season 1	Season 2	Season 1	Season 2	Levelized	\$/MWh	\$/MWh	Season 1	Season 2	Season 2	Payment	Payment	Payment	Payment	w/ Interest	
	MWh	MWh	\$/MWh	\$/MWh	Payment			Season 1	\$/MWh	Season 2	Season 2	Payment	Payment	Payment		
2018	500	-	\$51.96	\$40.41	\$25,980	28.51	\$30.79	\$15,395	\$23.95	\$0	\$15,395	\$10,585	\$10,585	\$10,585	\$10,000	
2019	1,133	1,409	\$51.96	\$40.41	\$115,805	31.87	\$34.42	\$38,988	\$26.77	\$37,727	\$76,715	\$39,090	\$49,675	\$50,513	\$50,000	
2020	1,133	1,409	\$51.96	\$40.41	\$115,805	34.47	\$37.22	\$42,160	\$28.95	\$40,799	\$82,958	\$32,847	\$82,522	\$87,355	\$85,000	
2021	1,133	1,409	\$51.96	\$40.41	\$115,805	35.09	\$37.90	\$42,930	\$29.48	\$41,546	\$84,476	\$31,329	\$113,852	\$125,594	\$125,000	
2022	1,133	1,409	\$51.96	\$40.41	\$115,805	36.18	\$39.07	\$44,255	\$30.39	\$42,828	\$87,083	\$28,722	\$142,573	\$164,250	\$165,000	
2023	1,133	1,409	\$51.96	\$40.41	\$115,805	38.22	\$41.28	\$46,758	\$32.11	\$45,252	\$92,011	\$23,794	\$166,368	\$201,037	\$200,000	
2024	1,133	1,409	\$51.96	\$40.41	\$115,805	40.22	\$43.43	\$49,194	\$33.78	\$47,606	\$96,799	\$19,006	\$185,373	\$235,945	\$235,000	
2025	1,133	1,409	\$51.96	\$40.41	\$115,805	42.46	\$45.86	\$51,946	\$35.67	\$50,269	\$102,216	\$13,590	\$198,963	\$268,198	\$270,000	
2026	1,133	1,409	\$51.96	\$40.41	\$115,805	55.58	\$60.03	\$67,997	\$46.69	\$65,800	\$133,796	-\$17,991	\$180,972	\$271,421	\$270,000	
2027	1,133	1,409	\$51.96	\$40.41	\$115,805	57.31	\$61.90	\$70,115	\$48.14	\$67,843	\$137,958	-\$22,153	\$158,819	\$270,737	\$270,000	
2028	1,133	1,409	\$51.96	\$40.41	\$115,805	58.70	\$63.39	\$71,803	\$49.30	\$69,478	\$141,281	-\$25,475	\$133,343	\$266,677	\$265,000	
2029	1,133	1,409	\$51.96	\$40.41	\$115,805	79.94	\$86.34	\$97,799	\$67.15	\$94,633	\$192,432	-\$76,627	\$56,716	\$211,144	\$210,000	
2030	1,133	1,409	\$51.96	\$40.41	\$115,805	81.46	\$87.98	\$99,656	\$68.43	\$96,437	\$196,094	-\$80,289	(\$23,572)	\$147,557	\$150,000	
2031	1,133	1,409	\$51.96	\$40.41	\$115,805	62.87	\$67.90	\$76,911	\$52.81	\$74,424	\$151,336	-\$35,531	(\$59,103)	\$123,698	\$125,000	
2032	1,133	1,409	\$51.96	\$40.41	\$115,805	64.42	\$69.57	\$78,803	\$54.11	\$76,256	\$155,059	-\$39,254	(\$98,357)	\$94,228	\$95,000	
2033	1,133	1,409	\$51.96	\$40.41	\$115,805	65.67	\$70.93	\$80,343	\$55.16	\$77,736	\$158,080	-\$42,275	(\$140,632)	\$59,407	\$60,000	
2034	1,133	1,409	\$51.96	\$40.41	\$115,805	67.26	\$72.64	\$82,280	\$56.50	\$79,625	\$161,905	-\$46,100	(\$186,732)	\$18,006	\$20,000	
2035	1,133	1,409	\$51.96	\$40.41	\$115,805	68.67	\$74.17	\$84,013	\$57.68	\$81,288	\$165,301	-\$49,496	(\$236,228)	(\$30,065)	\$0	
2036	1,133	1,409	\$51.96	\$40.41	\$115,805	71.40	\$77.11	\$87,344	\$59.97	\$84,515	\$171,858	-\$56,053	(\$292,281)	(\$88,497)	\$0	
2037	1,133	1,409	\$51.96	\$40.41	\$115,805	73.01	\$78.86	\$89,326	\$61.33	\$86,431	\$175,757	-\$59,952	(\$352,233)	(\$155,449)	\$0	