

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/17/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Karen Schuh
REQUESTER:	Public Counsel	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC - 100	TELEPHONE:	(509) 495-2204
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REQUEST:

Please refer to the Rebuttal Testimony of Karen K. Schuh, pages 17-18. Please provide the total amount of the repairs deduction and the resulting impact on ADFIT that the Company plans to take on its 2014 federal income tax return on a total Company, Washington electric operations and a Washington natural gas operations basis. Please also separate the total amounts being provided between amounts associated with tax years prior to 2014 (i.e., 2013 and prior) and the amount associated with the 2014 tax year. In other words, separate between the amounts associated with the Section 481(a) adjustment as a result of the cumulative difference of the change in tax accounting for years prior to 2014 and the amount specific to the 2014 tax year.

RESPONSE:

The Company recently received the information from its consultant that was hired to perform the Repairs Study that is included in the 2014 Federal tax return that will be filed September 15, 2015. Please see PC_DR_100-Attachment A for both the preliminary study results on a system and WA allocated basis (i.e. amount included in the pro forma cross check analysis) and the final study results on a system and WA allocated basis.

PRELIMINARY ESTIMATE - FOR DECEMBER 31, 2014 ACCRUAL

SYSTEM AMOUNT						WASHINGTON ALLOCATED AMOUNT					
		2014 Depreciation		2014				2014			
		Impact for prior		Depreciation				Depreciation		2014	
Prior Years	2014	years	Impact	Impact	Net	Prior Years	2014	years	Impact	Net	
Electric	(38,969,295)	(7,887,088)	2,261,925	4,069,541	(40,524,918)	Electric	(26,460,151)	(5,355,333)	1,535,847	2,763,218	(27,516,420)
Natural Gas	(12,809,698)	(3,873,075)	1,120,910	2,010,744	(13,551,119)	Natural Gas	(6,229,790)	(1,883,608)	545,136	977,893	(6,590,368)
	(51,778,993)	(11,760,163)	3,382,835	6,080,285	(54,076,037)		(32,689,942)	(7,238,940)	2,080,983	3,741,111	(34,106,788)

FINAL REPAIRS STUDY - FOR 2014 FEDERAL TAX RETURN

SYSTEM AMOUNT						WASHINGTON ALLOCATED AMOUNT					
		2014 Depreciation		2014				2014			
		Impact for prior		Depreciation				Depreciation		2014	
Prior Years	2014	years	Impact	Impact	Net	Prior Years	2014	years	Impact	Net	
Electric	(39,423,105)	(8,545,187)	3,429,779	4,390,135	(40,148,378)	Electric	(26,768,289)	(5,802,182)	2,328,820	2,980,902	(27,260,749)
Natural Gas	(5,599,394)	(4,097,464)	459,205	2,115,124	(7,122,530)	Natural Gas	(2,723,175)	(1,992,736)	223,327	1,028,656	(3,463,927)
	(45,022,499)	(12,642,651)	3,888,984	6,505,259	(47,270,908)		(29,491,464)	(7,794,917)	2,552,147	4,009,558	(30,724,676)