



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

VIA ELECTRONIC MAIL

April 29, 2020

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Avista Utilities 2019 Electric Commission Basis Report Pursuant to
WAC 480-100-257

Dear Mr. Johnson:

Enclosed for filing is an electronic copy of Avista Utilities 2019 Electric Commission Basis Report (CBR). The original and two copies are being provided via overnight mail. The report is being filed pursuant to WAC 480-100-257. The report is based on the period of twelve months ended December 31, 2019. This report is being supplied for informational purposes only.

Additional CBR reporting requirements per UTC Commission Orders are as follows:

Per Order No. 05, Docket No. UE-050482, the Company's 2019 annual expense for vegetation management totaled approximately \$6.4 million (Washington electric).

Per Order No. 05, Docket No. UE-070804, the Company's 2019 Wood Pole Test & Treat Program (system electric) expenses and capital expenditures totaled approximately \$0.7 million and \$12.6 million, respectively. Included as Attachment A is the summary table showing the Wood Pole Test & Treat Model Budget (as reported by Avista in Docket No. UE-070804 for the years 2008 through 2017 only) compared to the Annual Budget and Actual expense and capital expenditures for each reporting year as requested by Staff.

If you have any questions, please contact me at (509) 495-8601.

Sincerely,

/s/ Elizabeth Andrews

Elizabeth Andrews
Senior Manager, Revenue Requirements
Enclosure

Received
Records Management
04/29/20 09:38
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Attachment A
AVISTA
Annual Wood Pole Treatment Report - System

Transmission - Capital				Distribution - Capital			TOTAL - CAPITAL		
Year	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure
2008	576,000	\$ 459,003	\$ 961,301	4,944,500	\$ 4,923,001	\$ 4,749,915	5,520,500	\$ 5,382,004	\$ 5,711,216
2009	705,000	\$ 469,004	\$ 1,391,193	5,096,000	\$ 3,700,001	\$ 7,494,569	5,801,000	\$ 4,169,005	\$ 8,885,761
2010	666,000	\$ 500,002	\$ 1,442,969	5,313,000	\$ 7,384,000	\$ 7,507,144	5,979,000	\$ 7,884,002	\$ 8,950,113
2011	733,000	\$ 1,000,001	\$ 1,029,597	5,548,000	\$ 8,899,976	\$ 9,118,377	6,281,000	\$ 9,899,977	\$ 10,147,974
2012	741,000	\$ 1,100,039	\$ 1,409,972	5,733,000	\$ 9,485,710	\$10,064,203	6,474,000	\$10,585,749	\$ 11,474,175
2013	816,000	\$ 1,050,001	\$ 970,036	6,025,000	\$ 9,281,686	\$ 9,258,713	6,841,000	\$10,331,687	\$ 10,228,749
2014	763,000	\$ 1,100,001	\$ 4,107,971	6,088,000	\$ 9,900,011	\$ 9,512,319	6,851,000	\$11,000,012	\$ 13,620,290
2015	803,000	\$ 1,489,457	\$ 2,723,777	6,556,000	\$ 11,000,000	\$ 9,789,649	7,359,000	\$12,489,457	\$ 12,513,426
2016	881,000	\$ 1,547,263	\$ 3,891,692	6,733,000	\$ 7,840,001	\$ 8,601,732	7,614,000	\$ 9,387,264	\$ 12,493,424
2017	928,000	\$ 1,555,249	\$ 1,534,594	6,976,000	\$ 9,000,001	\$ 9,644,501	7,904,000	\$10,555,250	\$ 11,179,095
2018	NA	\$ 2,213,420	\$ 2,149,335	NA	\$ 9,000,045	\$10,246,378	NA	\$11,213,465	\$ 12,395,713
2019	NA	\$ 1,659,120	\$ 2,097,222	NA	\$ 10,500,000	\$10,533,616	NA	\$12,159,120	\$ 12,630,838

Transmission - Testing Exp				Transmission - Aerial Patrol Exp			Distribution - Testing Exp			TOTAL - EXPENSES		
Year	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure	Model Budget (1)	Annual Budget (2)	Actual Expenditure
2008	273,000	\$ 356,329	\$ 308,672	48,000	\$ 41,600	\$ 67,248	492,000	\$ 356,328	\$ 468,812	813,000	\$ 754,257	\$ 844,732
2009	283,000	\$ 362,360	\$ 198,410	50,000	\$ 41,600	\$ 80,051	509,000	\$ 446,584	\$ 406,053	842,000	\$ 850,544	\$ 684,513
2010	293,000	\$ 288,660	\$ 259,680	52,000	\$ 48,256	\$ 96,621	527,000	\$ 563,879	\$ 546,367	872,000	\$ 900,795	\$ 902,668
2011	303,000	\$ 287,070	\$ 287,307	54,000	\$ 90,000	\$ 86,492	546,000	\$ 495,931	\$ 528,730	903,000	\$ 873,001	\$ 902,529
2012	314,000	\$ 216,720	\$ 159,239	56,000	\$ 97,797	\$ 121,801	565,000	\$ 661,860	\$ 731,182	935,000	\$ 976,377	\$ 1,012,222
2013	325,000	\$ 191,341	\$ 297,029	57,000	\$ 101,895	\$ 94,595	585,000	\$ 611,496	\$ 635,822	967,000	\$ 904,732	\$ 1,027,446
2014	336,000	\$ 191,341	\$ 316,161	60,000	\$ 101,000	\$ 95,706	605,000	\$ 619,437	\$ 563,360	1,001,000	\$ 911,778	\$ 975,227
2015	348,000	\$ 191,341	\$ 191,395	62,000	\$ 104,155	\$ 135,318	626,000	\$ 515,345	\$ 504,075	1,036,000	\$ 810,841	\$ 830,788
2016	360,000	\$ 217,344	\$ 288,988	64,000	\$ 105,000	\$ 126,590	648,000	\$ 463,710	\$ 621,554	1,072,000	\$ 786,054	\$ 1,037,132
2017	372,000	\$ 194,484	\$ 167,281	66,000	\$ 106,701	\$ 108,547	671,000	\$ 394,860	\$ 475,646	1,109,000	\$ 696,045	\$ 751,474
2018	NA	\$ 200,000	\$ 152,207	NA	\$ 111,000	\$ 106,236	NA	\$ 531,795	\$ 653,809	NA	\$ 842,795	\$ 912,252
2019	NA	\$ 202,700	\$ 101,273	NA	\$ 111,000	\$ 123,193	NA	\$ 546,419	\$ 506,916	NA	\$ 860,119	\$ 731,382

Note:
(1) Model Budget per Docket No. UE-070804 only available 2008 - 2017.
(2) Annual Budget is the approved Budget for the year

AVISTA UTILITIES
Restatement Summary
Washington Electric
TWELVE MONTHS ENDED DECEMBER 31, 2019

Column	WP Ref	Description of Adjustment	Washington Electric		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	E-ROO	Results of Operations	115,023	1,710,135	6.73%
1.01	E-DFIT	Deferred FIT Rate Base	0	47	
1.02	E-DDC	Deferred Debits and Credits	(45)	1	
1.03	E-WC	Working Capital	(21)	(3,752)	
1.04	E-AMI	Remove AMI Rate Base	(275)	(48,288)	
2.01	E-EBO	Eliminate B & O Taxes	(63)	-	
2.02	E-RPT	Restate Property Tax	(1,240)	-	
2.03	E-UE	Uncollect. Expense	(992)	-	
2.04	E-RE	Regulatory Expense	294	-	
2.05	E-ID	Injuries and Damages	(40)	-	
2.06	E-FIT	FIT/DFIT/ ITC Expense	3	-	
2.07	E-OSC	Office Space Charges to Non-Utility	41	-	
2.08	E-RET	Restate Excise Taxes	(27)	-	
2.09	E-NGL	Net Gains & Losses	46	-	
2.10	E-WN	Weather Normalization	(621)	-	
2.11	E-EAS	Eliminate Adder Schedules	(1,104)	-	
2.12	E-MR	Misc. Restating Non-Util / Non- Recurring Expenses	962	-	
2.13	E-RI	Restating Incentives	(595)	-	
2.14	E-RDI	Restate Debt Interest	(108)	-	
2.15	E-EWPC	Eliminate WA Power Cost Defer	1,074	-	
2.16	E-NPS	Nez Perce Settlement Adjustment	4	-	
2.17	E-PMM	Normalize CS2/Colstrip Major Maint	\$732	-	
2.18	E-APS	Authorized Power Supply	(4,633)	-	
		Restated Total	108,414	1,658,143	<u>6.54%</u>
Other		CF WA Elec Conversion Factor			

(1) Adjustment 2.18 "CB Power Supply" normalizes power supply costs to reflect the authorized level of net power supply costs for the twelve month period. The Energy Recovery Mechanism (ERM), approved by the Commission, is designed to share all differences in actual vs authorized net power supply costs within the ERM between customers and the Company based on the pre-determined deadband and sharing bands embedded within the ERM. The customer portion of the difference between actual vs authorized net power supply costs (higher or lower) is deferred and set aside for future rebate or surcharge to customers. The Company portion of the deadband and sharing bands (higher or lower) is absorbed by the Company. By normalizing power supply costs to reflect the authorized level, the Commission Basis Report reflects Company results after removing the agreed-upon treatment of differences in actual vs authorized net power supply costs.

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

Actual Results RESTATEMENT ADJUSTMENTS

Done

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense
		1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
		E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
	Adjustment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
	REVENUES									
1	Total General Business	\$546,549	\$0	\$0	\$0	\$0	(\$18,871)	\$0	\$0	\$0
2	Interdepartmental Sales	1,228	-	-	-	-	-	-	-	-
3	Sales for Resale	53,430	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	601,207	-	-	-	-	(18,871)	-	-	-
5	Other Revenue	60,250	-	-	-	-	(14)	-	-	-
6	Total Electric Revenue	661,457	-	-	-	-	(18,885)	-	-	-
	EXPENSES									
	Production and Transmission									
7	Operating Expenses	170,553	-	5	-	-	-	-	-	-
8	Purchased Power	89,083	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	32,447	-	-	-	-	-	-	-	0
10	Regulatory Amortization	(712)	-	-	-	-	-	-	-	-
11	Taxes	16,489	-	-	-	-	-	550	-	-
12	Total Production & Transmission	307,860	-	5	-	-	-	550	-	-
	Distribution									
13	Operating Expenses	26,747	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	31,132	-	-	-	-	-	-	-	-
	Regulatory amortization									
15	Taxes	47,422	-	-	-	-	(18,805)	1,020	-	-
16	Total Distribution	105,301	-	-	-	-	(18,805)	1,020	-	-
17	Customer Accounting	9,916	-	52	-	-	-	-	1,256	-
18	Customer Service & Information	28,425	-	-	-	-	-	-	-	-
19	Sales Expenses	0	-	-	-	-	-	-	-	-
	Administrative & General									
20	Operating Expenses	55,880	-	-	-	-	-	-	-	(372)
21	Depreciation/Amortization	35,595	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	(9,018)	-	-	-	-	-	-	-	-
23	Taxes	0	-	-	-	-	-	-	-	-
24	Total Admin. & General	82,457	-	-	-	-	-	-	-	(372)
25	Total Electric Expenses	533,959	-	57	-	-	(18,805)	1,570	1,256	(372)
26	OPERATING INCOME BEFORE FIT	127,498	-	(57)	-	-	(80)	(1,570)	(1,256)	372
	FEDERAL INCOME TAX									
27	Current Accrual	4,963	-	(12)	-	-	(17)	(330)	(264)	78
28	Debt Interest	0	(0)	(0)	21	275	-	-	-	-
29	Deferred Income Taxes	7,830	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(318)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$115,023	\$0	(\$45)	(\$21)	(\$275)	(\$63)	(\$1,240)	(\$992)	\$294
	RATE BASE									
	PLANT IN SERVICE									
32	Intangible	\$211,035	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	930,160	-	-	-	-	-	-	-	-
34	Transmission	509,897	-	-	-	-	-	-	-	-
35	Distribution	1,194,477	-	-	-	(57,668)	-	-	-	-
36	General	279,555	-	-	-	-	-	-	-	-
37	Total Plant in Service	3,125,124	-	-	-	(57,668)	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	(57,078)	-	-	-	-	-	-	-	-
39	Production	(382,437)	-	-	-	-	-	-	-	-
40	Transmission	(147,016)	-	-	-	-	-	-	-	-
41	Distribution	(358,989)	-	-	-	6,178	-	-	-	-
42	General	(92,865)	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(1,038,385)	-	-	-	6,178	-	-	-	-
44	NET PLANT	2,086,739	-	-	-	(51,490)	-	-	-	-
45	DEFERRED TAXES	(418,972)	47	-	-	3,384	-	-	-	-
46	Net Plant After DFIT	1,667,767	47	-	-	(48,106)	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	(2,094)	-	1	-	(182)	-	-	-	-
48	WORKING CAPITAL	44,462	-	-	(3,752)	-	-	-	-	-
49	TOTAL RATE BASE	1,710,135	\$47	\$1	(\$3,752)	(\$48,288)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	6.73%								
51	REVENUE REQUIREMENT	14,125	4	60	(337)	(4,334)	84	1,642	1,313	(389)

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

Actual Results RESTATEMENT ADJUSTMENTS

Done

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense
		1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
		E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
	Adjustment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
	REVENUES									
1	Total General Business	\$546,549	\$0	\$0	\$0	\$0	(\$18,871)	\$0	\$0	\$0
2	Interdepartmental Sales	1,228	-	-	-	-	-	-	-	-
3	Sales for Resale	53,430	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	601,207	-	-	-	-	(18,871)	-	-	-
5	Other Revenue	60,250	-	-	-	-	(14)	-	-	-
6	Total Electric Revenue	661,457	-	-	-	-	(18,885)	-	-	-
	EXPENSES									
	Production and Transmission									
7	Operating Expenses	170,553	-	5	-	-	-	-	-	-
8	Purchased Power	89,083	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	32,447	-	-	-	-	-	-	-	0
10	Regulatory Amortization	(712)	-	-	-	-	-	-	-	-
11	Taxes	16,489	-	-	-	-	-	550	-	-
12	Total Production & Transmission	307,860	-	5	-	-	-	550	-	-
	Distribution									
13	Operating Expenses	26,747	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	31,132	-	-	-	-	-	-	-	-
	Regulatory amortization									
15	Taxes	47,422	-	-	-	-	(18,805)	1,020	-	-
16	Total Distribution	105,301	-	-	-	-	(18,805)	1,020	-	-
17	Customer Accounting	9,916	-	52	-	-	-	-	1,256	-
18	Customer Service & Information	28,425	-	-	-	-	-	-	-	-
19	Sales Expenses	0	-	-	-	-	-	-	-	-
	Administrative & General									
20	Operating Expenses	55,880	-	-	-	-	-	-	-	(372)
21	Depreciation/Amortization	35,595	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	(9,018)	-	-	-	-	-	-	-	-
23	Taxes	0	-	-	-	-	-	-	-	-
24	Total Admin. & General	82,457	-	-	-	-	-	-	-	(372)
25	Total Electric Expenses	533,959	-	57	-	-	(18,805)	1,570	1,256	(372)
26	OPERATING INCOME BEFORE FIT	127,498	-	(57)	-	-	(80)	(1,570)	(1,256)	372
	FEDERAL INCOME TAX									
27	Current Accrual	4,963	-	(12)	-	-	(17)	(330)	(264)	78
28	Debt Interest	0	(0)	(0)	21	275	-	-	-	-
29	Deferred Income Taxes	7,830	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(318)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$115,023	\$0	(\$45)	(\$21)	(\$275)	(\$63)	(\$1,240)	(\$992)	\$294
	RATE BASE									
	PLANT IN SERVICE									
32	Intangible	\$211,035	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	930,160	-	-	-	-	-	-	-	-
34	Transmission	509,897	-	-	-	-	-	-	-	-
35	Distribution	1,194,477	-	-	-	(57,668)	-	-	-	-
36	General	279,555	-	-	-	-	-	-	-	-
37	Total Plant in Service	3,125,124	-	-	-	(57,668)	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	(57,078)	-	-	-	-	-	-	-	-
39	Production	(382,437)	-	-	-	-	-	-	-	-
40	Transmission	(147,016)	-	-	-	-	-	-	-	-
41	Distribution	(358,989)	-	-	-	6,178	-	-	-	-
42	General	(92,865)	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(1,038,385)	-	-	-	6,178	-	-	-	-
44	NET PLANT	2,086,739	-	-	-	(51,490)	-	-	-	-
45	DEFERRED TAXES	(418,972)	47	-	-	3,384	-	-	-	-
46	Net Plant After DFIT	1,667,767	47	-	-	(48,106)	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	(2,094)	-	1	-	(182)	-	-	-	-
48	WORKING CAPITAL	44,462	-	-	(3,752)	-	-	-	-	-
49	TOTAL RATE BASE	1,710,135	\$47	\$1	(\$3,752)	(\$48,288)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	6.73%								
51	REVENUE REQUIREMENT	14,125	4	60	(337)	(4,334)	84	1,642	1,313	(389)

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

Line No.	DESCRIPTION	Injuries and Damages	FIT/DFIT/ITC Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains & Losses	Weather Normalization	Eliminate Adder Schedules	Misc. Restating Non-Util / Non-Recurring Expenses
		2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12
		E-ID	E-FIT	E-OSC	E-RET	E-NGL	E-WN	E-EAS	E-MR
	Adjustment Number	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12
	Workpaper Reference	E-ID	E-FIT	E-OSC	E-RET	E-NGL	E-WN	E-EAS	E-MR
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	(\$3,836)	(\$21,720)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	(3,836)	(21,720)	-
5	Other Revenue	-	-	-	-	-	2,883	(213)	-
6	Total Electric Revenue	-	-	-	-	-	(953)	(21,933)	-
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	-	-	-	-	-	-	-	-
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	3,332	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	3,332	-
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	(58)	-	-	-
	Regulatory amortization								
15	Taxes	-	-	-	34	-	(148)	(839)	-
16	Total Distribution	-	-	-	34	(58)	(148)	(839)	-
17	Customer Accounting	-	-	-	-	-	(11)	(65)	8
18	Customer Service & Information	-	-	-	-	-	-	(26,835)	-
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	51	-	(52)	-	-	(8)	(43)	(1,226)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	3,914	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	51	-	(52)	-	-	(8)	3,871	(1,226)
25	Total Electric Expenses	51	-	(52)	34	(58)	(167)	(20,536)	(1,218)
26	OPERATING INCOME BEFORE FIT	(51)	-	52	(34)	58	(786)	(1,397)	1,218
	FEDERAL INCOME TAX								
27	Current Accrual	(11)	1	11	(7)	12	(165)	(293)	256
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	(4)	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	(\$40)	\$3	\$41	(\$27)	\$46	(\$621)	(\$1,104)	\$962
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	53	(4)	(54)	36	(61)	822	1,461	(1,274)

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

Line No.	DESCRIPTION	Restating Incentives	Restate Debt Interest	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Normalize CS2/Colstrip Major Maint	Authorized Power Supply	Restated TOTAL
		2.13	2.14	2.15	2.16	2.17	2.18	R-Ttl
		E-RI	E-RDI	E-EWPC	E-NPS	E-PMM	E-APS	
REVENUES								
1	Total General Business	\$0	\$0	\$1,740	\$0	\$0	\$0	\$503,862
2	Interdepartmental Sales	-	-	-	-	-	-	1,228
3	Sales for Resale	-	-	-	-	-	(17,144)	36,286
4	Total Sales of Electricity	-	-	1,740	-	-	(17,144)	541,376
5	Other Revenue	-	-	-	-	-	(39,208)	23,698
6	Total Electric Revenue	-	-	1,740	-	-	(56,352)	565,074
EXPENSES								
Production and Transmission								
7	Operating Expenses	-	-	300	(5)	(926)	(35,686)	134,241
8	Purchased Power	-	-	-	-	-	(14,801)	74,282
9	Depreciation/Amortization	-	-	-	-	-	-	32,447
10	Regulatory Amortization	-	-	-	-	-	-	2,620
11	Taxes	-	-	-	-	-	-	17,039
12	Total Production & Transmission	-	-	300	(5)	(926)	(50,487)	260,629
Distribution								
13	Operating Expenses	-	-	-	-	-	-	26,747
14	Depreciation/Amortization	-	-	-	-	-	-	31,074
	Regulatory amortization	-	-	-	-	-	-	-
15	Taxes	-	-	67	-	-	-	28,751
16	Total Distribution	-	-	67	-	-	-	86,572
17	Customer Accounting	-	-	11	-	-	-	11,167
18	Customer Service & Information	-	-	-	-	-	-	1,590
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	753	-	3	-	-	-	54,986
21	Depreciation/Amortization	-	-	-	-	-	-	35,595
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	(5,104)
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	753	-	3	-	-	-	85,477
25	Total Electric Expenses	753	-	381	(5)	(926)	(50,487)	445,435
26	OPERATING INCOME BEFORE FIT	(753)	-	1,359	5	926	(5,865)	119,639
FEDERAL INCOME TAX								
27	Current Accrual	(158)	108	348	1	194	(1,232)	3,484
28	Debt Interest	-	-	-	-	-	-	296
29	Deferred Income Taxes	-	-	(63)	-	-	-	7,763
30	Amortized ITC - Noxon	-	-	-	-	-	-	(318)
31	NET OPERATING INCOME	(595)	(108)	\$1,074	\$4	732	(\$4,633)	108,414
RATE BASE								
PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$211,035
33	Production	-	-	-	-	-	-	930,160
34	Transmission	-	-	-	-	-	-	509,897
35	Distribution	-	-	-	-	-	-	1,136,809
36	General	-	-	-	-	-	-	279,555
37	Total Plant in Service	-	-	-	-	-	-	3,067,456
ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	-	-	-	-	-	(57,078)
39	Production	-	-	-	-	-	-	(382,437)
40	Transmission	-	-	-	-	-	-	(147,016)
41	Distribution	-	-	-	-	-	-	(352,811)
42	General	-	-	-	-	-	-	(92,865)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(1,032,207)
44	NET PLANT	-	-	-	-	-	-	2,035,249
45	DEFERRED TAXES	-	-	-	-	-	-	(415,541)
46	Net Plant After DFIT	-	-	-	-	-	-	1,619,708
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	(2,275)
48	WORKING CAPITAL	-	-	-	-	-	-	40,710
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,658,143
50	RATE OF RETURN							
51	REVENUE REQUIREMENT	787	143	(1,421)	(5)	(968)	6,132	17,814

AVISTA UTILITIES ACTUAL COST OF CAPITAL WASHINGTON ELECTRIC DECEMBER 31, 2019			
Component	Capital Structure	Cost	Weighted Cost
Debt	51.21%	5.30%	2.71%
Equity	48.79%	9.50%	4.64%
Total	<u>100.00%</u>		<u>7.35%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2019**

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.002996</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038618</i>
6	Total Expense	<u><i>0.043614</i></u>
7	Net Operating Income Before FIT	<i>0.956386</i>
8	Federal Income Tax @ 21%	<u><i>0.200841</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.755545</i></u></u>

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

1.00 Per Results of Operation (ROO) Report

ROO Report amounts are for the twelve months ended December 31, 2019. Amounts agree to the Company's financial general ledger records with the removal of certain prior period costs. Rate base was computed using the average-of-monthly-averages method. Rate base includes all rate base components, including net plant (costs, less accumulated depreciation, net of ADFIT), working capital, and all other regulatory deferred debits and credits.

1.01 Accumulated Deferred FIT (ADFIT) Rate Base

ADFIT arises from accelerated tax depreciation in excess of book depreciation expense, bond refinancing premiums, and contributions in aid of construction. ADFIT that was included in ROO report were included in column (1.00). The adjustment was necessary to adjust the ROO balances to actual. The primary difference between ADFIT per ROO and the Commission Basis amounts relates to the allocation of common ADFIT amounts.

1.02 Deferred Debits and Credits

Deferred debits and credits that were included in the ROO Reports were included in column 1.00. This adjustment corrects the amounts as shown in ROO Reports. The Deferred Debits and Credits include the following regulatory deferrals:

- Colstrip 3 AFUDC Elimination
This deferral reflects a reallocation of rate base and depreciation expense between jurisdictions. In Cause Nos. U-81-15 and U-82-10, the WUTC allowed the Company a return on a portion of Colstrip Unit 3 construction work in progress (CWIP). A much smaller amount of Colstrip Unit 3 CWIP was allowed in rate base in Case No. U-1008-144 by the IPUC. The Company eliminated the AFUDC associated with the portion of CWIP allowed in rate base in each jurisdiction. Since production facilities are allocated on the production/transmission percentages, the allocation is reversed and a direct assignment is made. The ROO balance was appropriate; therefore, no Commission Basis Report (CBR) adjustment was needed. This regulatory deferral was fully amortized in 2019.
- Colstrip Common AFUDC
Differing amounts of Colstrip common facilities were excluded from rate base by the WUTC and IPUC until Colstrip Unit No. 4 was placed in service. The Company was allowed to accrue AFUDC on the Colstrip common facilities during the time that they were excluded from rate base. It is necessary to directly assign the AFUDC because of the differing amounts of common facilities excluded from rate base by the WUTC and IPUC. In September 1988, an entry was made to comply with a FERC Audit Exception, which transferred Colstrip common AFUDC from the plant accounts to account 186. This deferral reflects a

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

direct assignment of rate base for the appropriate average of monthly averages amounts of Colstrip common AFUDC to the Washington and Idaho jurisdictions. Amortization expense associated with the Colstrip common AFUDC is charged directly to the Washington and Idaho jurisdictions through Account 406. The ROO balance was appropriate; therefore, no CBR adjustment was needed. This regulatory deferral will be fully amortized in 2021.

- Kettle Falls Disallowance

This deferral reflects the Kettle Falls disallowance ordered by the WUTC in Cause No. U-83-26. The WUTC disallowed both a return of and a return on a certain portion of the investment in Kettle Falls. The disallowed investment and related depreciation expense, FIT expense, accumulated depreciation and deferred FIT are removed. The ROO balance was correct; therefore, no CBR adjustment was needed. During 2019, a small expense correction was recorded of approximately \$6,000, however, this regulatory deferral was fully amortized in 2018.

- Settlement Exchange Power

This deferral reflects the rate base associated with the recovery of 64.1% of the Company's investment in Settlement Exchange Power. The 64.1% recovery level was approved by the Commission's Second Supplemental Order in Cause No. U-86-99 dated February 24, 1987. Amortization expense and deferred FIT expense recorded during the test period are appropriately reflected in results of operations, therefore for CBR, no adjustment was needed. This regulatory deferral was fully amortized in 2019.

- CDA Settlement Deferral

This deferral reflects the December 31, 2019 AMA net assets, net of ADFIT, associated with the 2008/2009 past storage and §10(e) charges, and CDA/SRR CDR (CDA Tribe Settlement 4(e) Spokane River Relicensing conditions) deferred for future recovery as approved in Docket No. UE-100467. The ROO balance was appropriate; therefore, no CBR adjustment was needed. This regulatory deferral will be fully amortized in 2020.

- Restating CDA/SRR (Spokane River Relicensing) CDR Deferral

This deferral reflects the net assets and ADFIT balances for the CDA Tribe settlement 4(e) Spokane River relicensing conditions deferred for future recovery. A ten-year amortization expense of the CDA/SRR CDR Deferral, as approved in Docket No. UE-100467 is accurately reflected in results of operations. This regulatory deferral will be fully amortized in 2020.

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

- Spokane River Deferral
This deferral reflects the December 31, 2019 AMA net asset, net of ADFIT, related to the Spokane River relicensing and PM&E costs deferred for future recovery, as approved in Docket No. UE-100467. The ROO balance was appropriate; therefore, no CBR adjustment was needed. This regulatory deferral will be fully amortized in 2020.
- Restating Spokane River PM&E Deferral
This deferral reflects the December 31, 2019 AMA net asset, net of ADFIT, related to the Spokane River deferred PM&E costs deferred for future recovery. A ten-year amortization expense of the Spokane River PM&E Deferral, as approved in Docket No. UE-100467 is accurately reflected in results of operations. The ROO balance was appropriate; therefore, no CBR adjustment was needed. This regulatory deferral will be fully amortized in 2020.
- Customer Advances
These amounts decrease rate base for customer advances, as they will most likely be recorded as contributions in aid of construction at some future time. These amounts are a component of actual ROO. The ROO rate base liability was overstated by approximately \$1,000 and therefore adjusted.
- Customer Deposits
These amounts decrease rate base for the average-of-monthly averages of customer deposits held by the Company. The ROO rate base balance is correct; therefore, no adjustment was made. The corresponding interest paid on customer deposits is recorded to an operating expense, at the UTC interest rate during 2019 of 2.57%. This adjustment is consistent with Docket No. UE-090134.

1.03 Working Capital

The working capital rate base balance reflected in ROO as of December 31, 2019 is calculated using the Investor Supplied Working Capital (ISWC) method using an average of monthly averages basis. This method is consistent with the method originally approved in the Company's electric general rate case, Docket No. UE-150204 and updated for minor changes approved in Docket Nos. UE-170485 and UE-190334. The actual ROO balance recorded in 2019 was adjusted to reflect the agreed upon changes in Docket No. UE-190334, reducing working capital \$3,752,000.

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

1.04 AMI Rate Base

This adjustment removes the net rate base of the Company's investment in AMI (Advanced Metering Infrastructure). In Docket Nos. UE-170327 and UG-170328, the Commission authorized the Company to defer the depreciation expense associated with this investment until such plant is included in retail rates in a future general rate case. The Company proposed and the Commission approved that Avista would not earn a return on this investment during the deferral period, therefore, the net rate base of this investment is removed for Commission Basis reporting until such time the investment is included in retail rates.

2.01 Eliminate B & O Taxes

This adjustment removes the revenues and expenses associated with local business and occupation taxes. The adjustment eliminates any timing mismatch that exists between the revenues and expenses by eliminating the revenues and expenses in their entirety. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.02 Restate Property Tax

This adjustment restates the test period accrued levels of property taxes to reflect the actual amounts. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.03 Uncollectible Expense

This adjustment restates the accrued expense to the actual level of net write-offs for the test period. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.04 Regulatory Expenses

This adjustment restates regulatory expense to reflect the WUTC assessment rates applied to revenues for the test period and the actual levels of FERC fees paid during the test period. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.05 Injuries and Damages

As a result of the Commission's Order in Docket No. U-88-2380-T the Company changed to the reserve method of accounting for injuries and damages not covered by insurance. This restating adjustment replaces the accrual with actuals to adjust to the six-year rolling average of injuries and damages payments not covered by insurance. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

2.06 FIT and DFIT Expenses

This adjustment adjusts the level of Schedule M items and jurisdictional allocation of Schedule M items as necessary to reflect the appropriate level of Washington electric FIT expense and DFIT expense. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.07 Office Space Charges to Subsidiaries

This adjustment removes a portion of the office space costs (including, but not limited to office building operating and fixed costs, utilities, administrative, security, HVAC, depreciation and property taxes, as well as other costs related to employee use of phones, laptops, etc.) related to non-utility space, using the percentage of labor dollars charged to subsidiary/non-utility activities by employee compared to total labor dollars by employee. These percentages are applied to the employees' office space (expressed in square feet) and multiplied by office space costs/per square foot. This restating adjustment is made as a result of the Commission's Third Supplemental Order in Docket No. U-88-2380-T, which required the company to perform a space utilization study to allocate costs to subsidiaries. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.08 Restate Excise and Franchise Taxes

This adjustment removes the effect of a one-month accrual lag in actual results to reflect the actual level of taxes paid. This restating adjustment is consistent with prior dockets (including Docket No. UE-991606 forward).

2.09 Net Gains/Losses

This adjustment reflects a ten-year amortization of net gains realized from the sale of real property disposed of between 2010 and December 31, 2019. This restating adjustment is made as a result of the Commission's Order in Docket No. UE-050842/UG-050483, and is consistent with prior general rate case dockets starting with Docket No. UE-050842/UG-050483.

2.10 Weather Normalization

This adjustment normalizes weather sensitive electric kWh sales by eliminating the effect of temperature deviations above or below historical normals. This restating adjustment is required per WAC 480-100-208.

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

2.11 Eliminate Adder Schedules

This adjustment removes the impact of the adder schedule revenues and related expenses, including Schedule 59 Residential Exchange Credit, Schedule 74 Tax Reform Temporary Rebate, Schedule 75 Decoupling (Rebate) Surcharge, Schedules 89, 90 and 91 Tariff Rider (DSM and LIRAP), and Schedule 98 Renewable Energy Credit Revenue (Rebate) Surcharge, since these items are recovered/rebated by separate tariffs and therefore not part of base rates. In addition, the contra-decoupling deferral was eliminated, since this revenue was earned in the test period.

2.12 Miscellaneous restating

This adjustment removes a number of non-operating or non-utility expenses included in error in the test period actual results, and removes or restates other expenses incorrectly charged between service and or jurisdiction. The Company also removed 50% of director meeting expenses and director fees.

2.13 Restate Incentives

This adjustment restates O&M incentive compensation expense recorded in 2019 to reflect a six-year average of the actual expense as approved in Docket Nos. UE-170485 and UG-170486.

2.14 Restate Debt Interest

This adjustment reflects debt interest using the Company's weighted average cost of debt, based on rate base as reported in column (1.00), resulting in the level of tax deductible interest expense on actual test period rate base. For each Commission Basis adjustment to rate base, the FIT expense is reflected on that adjustment for the impact of the restated debt interest.

2.15 Eliminate WA Power Cost Deferral

This adjustment eliminates all power supply deferral and amortization entries, including net REC revenues, recorded in results of operations pursuant to the deferral and recovery mechanisms authorized in Docket No. UE-000972. This restating adjustment is consistent with prior general rate case dockets (including Docket No. UE-011595 forward.)

2.16 Nez Perce Settlement Accounting Adjustment

This adjustment directly assigns the Nez Perce Settlement expenses to the Washington and Idaho jurisdictions. This is necessary due to differing regulatory treatment in Idaho Case No. WWP-E-98-11 and Washington Docket No. UE-991606/UG-991607.

AVISTA UTILITIES

Commission Basis Report Washington Electric Adjustment Descriptions Twelve Months Ended December 31, 2019

2.17 Normalize CS2/Colstrip Major Maintenance

This adjustment normalizes major maintenance associated with Avista's Colstrip/Coyote Springs II (CS2) thermal projects. In Order 05, page 56, paragraph 153 of Docket No. UE-150204, the Commission ordered the Company, for regulatory purposes, to normalize and recover its major maintenance expense associated with these plants over a period to match the major maintenance cycles for each plant.

2.18 Authorized Power Supply

This adjustment normalizes power supply costs to reflect the authorized level of net power supply costs for the twelve month period. The Energy Recovery Mechanism (ERM), approved by the Commission, is designed to share all differences in actual versus authorized net power supply costs within the ERM between customers and the Company based on the pre-determined deadband and sharing bands embedded within the ERM. The customer portion of the difference between actual versus authorized net power supply costs (higher or lower) is deferred and set aside for future rebate or surcharge to customers. The Company portion of the deadband and sharing bands (higher or lower) is absorbed by the Company. By normalizing power supply costs to reflect the authorized level, the Commission Basis Report reflects Company results after removing the agreed-upon treatment of differences in actual versus authorized net power supply costs.