

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-19 _____

DOCKET NO. UG-19 _____

WORKPAPERS

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

Section 3 – Electric and Natural Gas

Revenue Growth Rate Calculation

Electric Revenue Growth Rate Calculation - Rate Year 2:	(a)	(b)	(c)
Category	Growth Rate 2014-2018	Revenue Portion of Category	Growth Rate % (a) x (b)
Operating Expenses ⁽¹⁾	2.42%	35.55%	0.86%
Depreciation/Amortization ⁽²⁾	8.34%	21.94%	1.83%
Taxes Other than Income	4.00%	10.05%	0.40%
Net Plant After ADFIT	5.95%	<u>32.46%</u>	1.93%
Annual Growth In Sales Revenue		100.00%	-0.88%
Total Revenue Growth Rate %			4.14%
See Exh. EMA- 4, pg. 4 for growth rates and pg. 2 for revenue proportion and annual growth in sales revenue.			
⁽¹⁾ Reflects a 30 basis points efficiency adjustment in O&M expenses.			
⁽²⁾ The growth rate in depreciation/amortization expense is primarily driven by shorter-lived assets representing a higher proportion of investment in recent years.			

Electric - Revenue Growth Rate Calculation

Exh. EMA-4

AVISTA UTILITIES

WASHINGTON ELECTRIC RESU
REVENUE GROWTH RATE CAL
TWELVE MONTHS ENDED DEC
(000'S OF DOLLARS)

Line No.	DESCRIPTION	12.2018 CBR Results	Remove Authorized Power Supply	Non-Energy Restated Total
		R-Ttl	Remove	NE-Total
REVENUES				
1	Total General Business	\$496,969	(100,725)	\$396,244
2	Interdepartmental Sales	1,101		1,101
3	Sales for Resale	42,344	(42,344)	-
4	Total Sales of Electricity	540,414	(143,069)	397,345
5	Other Revenue	18,053	(9,967)	8,086
6	Total Electric Revenue	558,467	(153,036)	405,431
EXPENSES				
Production and Transmission				
7	Operating Expenses	132,992	(74,599)	58,393
8	Purchased Power	73,968	(73,968)	-
9	Depreciation/Amortization	28,724	-	28,724
10	Regulatory Amortization	3,308	-	3,308
11	Taxes	16,795	-	16,795
12	Total Production & Transm	255,787	(148,567)	107,220
Distribution				
13	Operating Expenses	23,753	-	23,753
14	Depreciation/Amortization	32,066	-	32,066
15	Regulatory Amortization	-	-	-
15	Taxes	28,420	(\$3,887)	24,533
16	Total Distribution	84,239	(3,887)	80,352
17	Customer Accounting	11,983	(\$381)	11,602
18	Customer Service & Informa	1,551	-	1,551
19	Sales Expenses	59	-	59
Administrative & General				
20	Operating Expenses	51,109	(\$201)	50,908
21	Depreciation/Amortization	29,471	-	29,471
22	Regulatory Deferrals/Amc	(1,999)	-	(1,999)
23	Taxes	-	-	-
24	Total Admin. & General	78,581	(201)	78,380
25	Total Electric Expenses	432,200	(153,036)	279,164
26	OPERATING INCOME BE	126,267	-	126,267
FEDERAL INCOME TAX				
27	Current Accrual	12,179	-	12,179
28	Debt Interest	126	-	126
29	Deferred Income Taxes	1,014	-	1,014
30	Amortized ITC - Noxon	(317)	-	(317)
31	NET OPERATING INCOM	113,266	-	113,266
PLANT IN SERVICE				
32	Intangible	\$189,271	\$0	\$189,271
33	Production	905,266	-	905,266
34	Transmission	477,024	-	477,024
35	Distribution	1,086,668	-	1,086,668
36	General	260,548	-	260,548
37	Total Plant in Service	2,918,777	-	2,918,777
ACCUMULATED DEPRECIATION/AMORT				
38	Intangible	(43,469)	-	(43,469)
39	Production	(365,167)	-	(365,167)
40	Transmission	(140,271)	-	(140,271)
41	Distribution	(335,270)	-	(335,270)
42	General	(93,140)	-	(93,140)
43	Total Accumulated Deprecia	(977,317)	-	(977,317)
44	NET PLANT	1,941,460	-	1,941,460
DEFERRED TAXES				
45	Net Plant After DFIT	(411,001)	-	(411,001)
46	Net Plant After DFIT	1,530,459	-	1,530,459
47	DEFERRED DEBITS AND	(2,139)	-	(2,139)
48	WORKING CAPITAL	46,614	-	46,614
49	TOTAL RATE BASE	\$1,574,934	\$0	1,574,934

Pro Forma Non-Energy

REVENUE GROWTH RATE CALCULATION

Authorized ROR				
Component	Capital Structure	Weighted Cost		Tax on equity return
Total Debt	51.5%	5.62%	2.89%	
Common	48.5%	9.50%	4.61%	26.58%
Total	100.00%		7.50%	
Tax on Equity Return			1.23%	
Total % to apply to RB			8.73%	

Rate Year 2				
	Revenue on CB Less PS*	Portion of Total	2014-2018 Growth Rate	
Depreciation	90,261	21.94%	8.34%	Includes 30 bps Efficiency Reduction
O&M	146,266	35.55%	2.42%	
Taxes OTI	41,328	10.05%	4.00%	
Net Plant After ADFIT	1,530,459	32.46%	5.95%	
(RB*8.73%)		100.00%		
Non PS Revenue	\$ 411,394	Non-ERM revenues (1)		

*includes revenue related expenses
(1) Non-ERM Revenues, covering investment-related costs and operating expenses.

Revenues Growth: (see w/ps - 2.25 years from 2018 to 03.31.2021)		
	\$	Annual
	11,822	3,638
Revenue Growth to remove:		-0.88%

Rate Yr 2	
04.2021-03.2022	
Growth Rate	
Depreciation	1.83%
O&M	0.86%
Taxes OTI	0.40%
Net Plant After ADFIT	1.93%
Revenues	-0.88%
	4.14%

includes efficiency adj.

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2014-2018**Commission Basis Results of Operations**

AVISTA UTILITIES

(000'S OF DOLLARS)

Line	2014	2015	2016	2017	2018
REVENUES					
1 Total General Business	\$488,372	\$497,229	\$492,413	\$493,969	\$496,969
2 Interdepartmental Sales	922	928	946	1,005	1,101
3 Sales for Resale	60,998	49,505	57,854	57,892	42,344
4 Total Sales of Electricity	550,292	547,662	551,213	552,866	540,414
5 Other Revenue	17,163	16,920	17,310	21,855	18,053
6 Total Electric Revenue	567,455	564,582	568,523	574,721	558,467
EXPENSES					
Production and Transmission					
7 Operating Expenses	120,307	140,485	136,385	136,766	132,992
8 Purchased Power	116,643	85,107	78,794	77,895	73,968
9 Depreciation/Amortization	23,715	24,947	26,676	27,841	28,724
10 Regulatory Amortization	8,101	5,974	4,706	3,597	3,308
11 Taxes	12,828	14,133	14,654	14,743	16,795
12 Total Production & Transmission	281,594	270,646	261,215	260,842	255,787
Distribution					
13 Operating Expenses	21,299	24,056	21,415	21,461	23,753
14 Depreciation/Amortization	23,794	25,379	27,819	29,786	32,066
15 Taxes	25,821	27,448	27,287	27,300	28,420
16 Total Distribution	70,914	76,883	76,521	78,547	84,239
17 Customer Accounting	11,166	12,363	13,021	12,312	11,983
18 Customer Service & Information	1,383	1,454	1,406	1,449	1,551
19 Sales Expenses	0	0	0	0	59
Administrative & General					
20 Operating Expenses	46,210	49,942	48,989	47,166	51,109
21 Depreciation/Amortization	16,947	21,503	23,877	25,247	27,999
22 Regulatory Deferrals/Amortizati	0	0	0	(254)	(527)
23 Taxes	0	0	0	0	0
24 Total Admin. & General	63,157	71,445	72,866	72,159	78,581
25 Total Electric Expenses	428,214	432,791	425,029	425,309	432,200
26 OPERATING INCOME BEFORE FT	139,241	131,791	143,494	149,412	126,267
FEDERAL INCOME TAX					
27 Current Accrual	(7,683)	4,968	(29,081)	7,621	12,179
28 Debt Interest	(136)	1	21	27	125
29 Deferred Income Taxes	46,085	29,492	67,191	30,867	1,014
30 Amortized ITC - Noxon	(128)	(129)	(326)	(226)	(317)
	0	0	0	0	0
31 NET OPERATING INCOME	\$101,103	\$97,459	\$105,689	\$111,123	\$113,266
(1) Corrected excise tax error in 2014-2015.					
RATE BASE					
PLANT IN SERVICE					
32 Intangible	\$102,620	\$144,970	\$156,057	\$163,474	\$189,271
33 Production	746,101	779,441	832,833	879,704	905,266
34 Transmission	371,971	401,700	430,613	451,003	477,024
35 Distribution	842,795	895,055	970,455	1,033,739	1,086,668
36 General	196,867	212,726	233,266	242,339	260,548
37 Total Plant in Service	2,260,354	2,433,892	2,623,224	2,770,259	2,918,777
ACCUMULATED DEPRECIATION/AMORT					
38 Intangible	20,242	24,943	30,914	37,059	43,469
39 Production	325,531	342,899	351,625	352,091	365,167
40 Transmission	123,869	129,936	135,624	136,838	140,271
41 Distribution	252,722	273,578	295,383	314,013	335,270
42 General	65,720	73,050	80,093	85,360	93,140
43 Total Accumulated Depreciation	788,084	844,406	893,639	925,361	977,317
44 NET PLANT	1,472,270	1,589,486	1,729,585	1,844,898	1,941,460
45 DEFERRED TAXES	(257,766)	(317,860)	(353,900)	(396,851)	(411,008)
46 Net Plant After Deferred Incoi	1,214,504	1,271,626	1,375,685	1,448,047	1,530,452
47 DEFERRED DEBITS AND CREDIT	10,846	7,458	4,566	2,110	(2,132)
48 WORKING CAPITAL	47,807	59,722	62,474	63,549	46,614
49 TOTAL RATE BASE	\$1,273,157	\$1,338,806	\$1,442,726	\$1,513,706	\$1,574,934

Electric - Revenue Growth Rate Calculation

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2014-2018

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
(000'S OF DOLLARS)

	2014	2015	2016	2017	2018	
Line No.	Exclude Power Supply and Adder Schedule Expenses (DSM Tariff Rider and Residential Exchange Credit) fro					
1	Production/Transmission	120,307	140,485	136,385	136,766	132,992
2	Purchased Power	116,643	85,107	78,794	77,895	73,968
3	Distribution	21,299	24,056	21,415	21,461	23,753
4	Customer Accounting	11,166	12,363	13,021	12,312	11,983
5	Customer Service and Information	1,383	1,454	1,406	1,449	1,551
6	Sales	0	0	0	0	59
7	Administrative and General	46,210	49,942	48,989	47,166	51,109
8	Total Operating & Maintenance Expense	317,008	313,407	300,010	297,049	295,415
9	Deduct Power Supply Expenses	(186,117)	(175,095)	(159,612)	(157,982)	(148,565)
10	Deduct DSM Tariff Rider Expense	0	0	0	0	0
11	Deduct Res X Credit Expenses	0	0	0	0	0
	CS2/Colstrip 2012 Deferral/Amort	1,000	1,000	1,100	0	0
	Remove Wind Storm		(2,303)	0	0	0
12	Adjusted Operating Expenses	131,891	137,009	141,498	139,067	146,850
			3.88%	3.28%	-1.72%	5.60%
	Depreciation/Amortization	2014	2015	2016	2017	2018
13	Production/Transmission	23,715	24,947	26,676	27,841	28,724
14	Distribution	23,794	25,379	27,819	29,786	32,066
15	Administrative and General	16,947	21,503	23,877	25,247	27,999
16	Total Depreciation/Amortization	64,456	71,829	78,372	82,874	88,789
			11.44%	9.11%	5.74%	7.14%
	Exclude Adder Schedule excise taxes (DSM Tariff Rider and Residential Exchange Credit) from Taxes Other Than					
20	Production/Transmission	12,828	14,133	14,654	14,743	16,795
21	Distribution	25,821	27,448	27,287	27,300	28,420
22	Administrative and General	0	0	0	0	0
23	Total Taxes Other Than Income Tax	38,649	41,581	41,941	42,043	45,215
24	Deduct DSM Tariff Rider Excise Tax	0	0	0	0	0
25	Deduct Res X Credit Excise Tax	0	0	0	0	0
26	Adjusted Taxes Other Than Income Tax	38,649	41,581	41,941	42,043	45,215
			7.59%	0.87%	0.24%	7.54%
27	Net Plant After Deferred Income Taxes	1,214,504	1,271,626	1,375,685	1,448,047	1,530,452

ANNUAL GROWTH RATES

Line **Electric Revenue Growth Rate Analysis**

No. **5-Year Compound Growth Rate 2014 to 2018**

	2014-2018		
1	Adjusted Operating Expenses	2.72%	2.42% 30 bps Efficiency Adj
2	Total Depreciation/Amortization	8.34%	
3	Adjusted Taxes Other than Income	4.00%	
4	Net Plant After Deferred Income Taxes	5.95%	
			Rate Year 2 04.2021-03.2022
5	Depreciation	21.94%	1.83%
6	O&M	35.55%	0.97%
7	Taxes OTI	10.05%	0.40%
8	Net plant After ADFIT	32.46%	1.93%
9	Revenues		-0.88%
10	Total K Factor %	4.25%	4.14%

Electric - Revenue Growth Rate Calculation

Decoupled Revenue Comparison

12 ME December 2018 Test Year Electric Service	UE-19 Proposed Decoupling Base at Present Rates						EX LG GEN SVC SCHEDULE 25	ST & AREA LTG SCH. 41-48
	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 30, 31, 32			
Revenue at Present Rates	\$502,300,000	\$ 216,075,000	\$ 75,061,000	\$ 125,677,000	\$ 12,039,000	\$ 66,744,000	\$ 6,704,000	
Usage	5,637,842,826	2,374,703,689	619,305,952	1,365,904,624	145,822,517	1,113,564,012	18,542,032	
Customer Bills	3,027,008	2,587,975	386,800	22,787	29,446			
Fixed Charge per Bill		\$9.00	\$20.00	\$500.00	\$20.00			
Decoupled Power Cost Revenue \$0.01895	\$106,837,122	\$45,000,635	\$11,735,848	\$25,883,893	\$2,763,337	\$21,102,038	\$351,372	
Decoupled Fixed Charge Revenue	\$43,010,195	\$23,291,775	\$7,736,000	\$11,393,500	\$588,920			
Revenue Not Subject to Decoupling	\$51,994,590					\$ 45,641,962	\$ 6,352,628	
Decoupled Revenues from Rates	\$300,458,093	\$ 147,782,590	\$55,589,152	\$88,399,607	\$8,686,743	\$0	\$0	
Allowed Annual Decoupled Revenue per Customer		\$685.24	\$4,173.05			Usage Per Customer average \$/kWh	UE-19 Base	
Allowed Decoupled Revenues	\$300,457,554	\$147,781,999	\$152,675,555			Residential \$ 0.062232	11,011.08	
Decoupling Revenue Adjustment	(\$539)	(\$591)	\$52			Non-Residential \$ 0.071644	58,247	
						Average Customers		
Total Revenue with Decoupling	\$502,299,461					Residential	215,665	
Exclude Power Cost Revenue	\$395,462,340					Non-Residential	36,586	
Test Year Annual Decoupled Revenue per Customer		\$685.24	\$4,173.05					

12 ME March 2022 Forecast Customers Electric Service	2019 Final Budget Version EREV December Mid-month_v4_12 13 18_GRC and decoupling update -1-18-19.xlsm						EX LG GEN SVC SCHEDULE 25	ST & AREA LTG SCH. 41-48
	TOTAL	RESIDENTIAL SCHEDULE 1,2	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 30, 31, 32			
Base Rate Revenue at Present Rates	\$514,830,305	\$ 220,522,480	\$ 78,275,307	\$ 128,826,247	\$ 12,250,572	\$ 68,976,262	\$ 5,979,438	
Usage	5,797,861,119	2,420,743,011	646,694,762	1,404,986,747	144,343,311	1,168,768,789	12,324,499	
Customer Bills	3,109,452	2,651,340	405,284	22,864	29,965			
Fixed Charge per Bill		\$9.00	\$20.00	\$500.00	\$20.00			
Decoupled Power Cost Revenue \$0.01895	\$109,869,468	\$45,873,080	\$12,254,866	\$26,624,499	\$2,735,306	\$22,148,169	\$233,549	
Decoupled Fixed Charge Revenue	\$43,999,081	\$23,862,060	\$8,105,671	\$11,432,056	\$599,294			
Revenue Not Subject to Decoupling	\$52,573,982					\$ 46,828,094	\$ 5,745,888	
Decoupled Revenues from Rates	\$308,387,774	\$150,787,340	\$57,914,770	\$90,769,692	\$8,915,972	\$0	\$0	
Allowed Annual Decoupled Revenue per Customer		\$685.24	\$4,173.05					
Allowed Decoupled Revenues	\$310,710,825	\$151,400,352	\$159,310,473					
Decoupling Revenue Adjustment	\$2,323,051	\$613,011	\$1,710,040					
Total Revenue with Decoupling	\$517,153,356							
Exclude Power Cost Revenue	\$407,283,888							

Change in Non-Power Supply Revenue	\$11,821,549
Annual Average Revenue Growth 3.25 years	\$3,637,400

RG-5

AVISTA UTILITIES
Restatement Summary
Washington Electric
TWELVE MONTHS ENDED DECEMBER 31, 2018

Column	WP Ref	Description of Adjustment	Washington Electric		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	E-ROO	Results of Operations	117,595	1,596,053	7.37%
1.01	E-DFIT	Deferred FIT Rate Base	(12)	(1,946)	
1.02	E-DDC	Deferred Debits and Credits	(28)	(7)	
1.03	E-WC	Working Capital	-	-	
1.04	E-AMI	Remove AMI Rate Base	(114)	(19,166)	
2.01	E-EBO	Eliminate B & O Taxes	(70)	-	
2.02	E-RPT	Restate Property Tax	427	-	
2.03	E-UE	Uncollect. Expense	(557)	-	
2.04	E-RE	Regulatory Expense	14	-	
2.05	E-ID	Injuries and Damages	(20)	-	
2.06	E-FIT	FIT/DFIT/ ITC Expense	36	-	
2.07	E-OSC	Office Space Charges to Non-Utility	45	-	
2.08	E-RET	Restate Excise Taxes	(21)	-	
2.09	E-NGL	Net Gains & Losses	49	-	
2.10	E-WN	Weather Normalization	406	-	
2.11	E-EAS	Eliminate Adder Schedules	1,103	-	
2.12	E-MR	Misc. Restating Non-Util / Non- Recurring Expenses	1,237	-	
2.13	E-RI	Restating Incentives	196	-	
2.14	E-RDI	Restate Debt Interest	(268)	-	
2.15	E-EWPC	Eliminate WA Power Cost Defer	9,982	-	
2.16	E-NPS	Nez Perce Settlement Adjustment	6	-	
2.17	E-PMM	Normalize CS2/Colstrip Major Maint	(\$1,017)	-	
2.18	E-APS	Power Supply	(15,724)	-	
Restated Total			113,266	1,574,934	<u>7.19%</u>

Other CF WA Elec Conversion Factor

AVISTA UTILITIES CBR COST OF CAPITAL WASHINGTON ELECTRIC			
Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Total Debt	52.65%	5.38%	2.83%
Common	47.35%	9.50%	4.50%
Total	<u>100.00%</u>		<u>7.33%</u>

AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2018

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.003782</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038587</i>
6	Total Expense	<u><i>0.044369</i></u>
7	Net Operating Income Before FIT	<i>0.955631</i>
8	Federal Income Tax @ 21%	<u><i>0.200683</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.754948</i></u></u>

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER RESTATED TOTALS
(000'S OF DOLLARS)

RE - Pg 9

Line No.	DESCRIPTION	2014	2015	2016	2017	2018
	Adjustment Number					
	Workpaper Reference					
	REVENUES					
1	Total General Business	\$488,372	\$497,229	\$492,413	\$493,969	\$496,969
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20	Operating Expenses	46,210	49,942	48,989	47,166	51,109
21	Depreciation/Amortization	16,947	21,503	23,877	24,993	27,472
22	Taxes	0	0	0	0	0
23	Total Admin. & General	63,157	71,445	72,866	72,159	78,581
24	Total Electric Expenses	428,214	432,791	425,029	425,309	432,200
25	OPERATING INCOME BEFORE FIT	\$139,241	\$131,791	\$143,494	\$149,412	\$126,267
	FEDERAL INCOME TAX					
26	Current Accrual	(7,683)	4,968	(29,081)	7,621	12,179
27	Debt Interest	(136)	1	21	27	125
28	Deferred Income Taxes	46,085	29,492	67,191	30,867	1,014
29	Amortized ITC - Noxon	(128)	(129)	(326)	(226)	(317)
	Levelized Settlement Exchange Power					
30	NET OPERATING INCOME	\$101,103	\$97,459	\$105,689	\$111,123	\$113,266
	(1) Excise tax correction identified in UE-160228 for the periods 2009-2015.					
	RATE BASE					
	PLANT IN SERVICE					
31	Intangible	\$102,620	\$144,970	\$156,057	\$163,474	\$189,271
32	Production	746,101	779,441	832,833	879,704	905,266
33	Transmission	371,971	401,700	430,613	451,003	477,024
34	Distribution	842,795	895,055	970,455	1,033,739	1,086,668
35	General	196,867	212,726	233,266	242,339	260,548
36	Total Plant in Service	2,260,354	2,433,892	2,623,224	2,770,259	2,918,777
	ACCUMULATED DEPRECIATION/AMORT					
37	Intangible	20,242	24,943	30,914	37,059	43,469
38	Production	325,531	342,899	351,625	352,091	365,167
39	Transmission	123,869	129,936	135,624	136,838	140,271
40	Distribution	252,722	273,578	295,383	314,013	335,270
41	General	65,720	73,050	80,093	85,360	93,140
42	Total Accumulated Depreciation	788,084	844,406	893,639	925,361	977,317
43	NET PLANT	1,472,270	1,589,486	1,729,585	1,844,898	1,941,460
44	DEFERRED TAXES	(257,766)	(317,860)	(353,900)	(396,851)	(411,008)
45	Net Plant After DFIT	1,214,504	1,271,626	1,375,685	1,448,047	1,530,452
46	DEFERRED DEBITS AND CREDITS	10,846	7,458	4,567	2,110	(2,132)
47	WORKING CAPITAL	47,807	59,722	62,474	63,549	46,614
48	TOTAL RATE BASE	\$1,273,157	\$1,338,806	\$1,442,726	\$1,513,706	\$1,574,934

AVISTA UTILITIES
 WASHINGTON ELECTRIC RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2014 - 2018
 (000'S OF DOLLARS)

	2014	2015	2016	2017	2018
P/T Depreciation/Amort as filed	23,715	24,947	26,677	27,841	28,724
Regulatory Amortizations as filed	8,101	5,974	4,705	3,597	3,308
403 Production Depreciation	16,426	17,083	18,302	19,174	19,692
403 Transmission Depreciation	6,725	7,246	7,755	8,054	8,421
404 Intangible Amortization	710	760	761	756	754
	(146)	(142)	(142)	(143)	(143)
P/T Depreciation	23,715	24,947	26,676	27,841	28,724
405 Exchange Power Amortization	2,450	2,450	2,450	2,450	2,450
406 Colstrip Common AFUDC	32	32	32	32	32
407 Amort of CO2 credits					
407 Amort of Centralia Gain					
407 Amort of Rate Base Reduction					
407 Amort of MOPS Reg Asset					
407 Amort of Residential Exchange					
407 Small Gen Amortization	153	153	-	-	-
407 Kettle Falls Disallowed Depreciation	(135)	(135)	(134)	(135)	(135)
407 SRR & CDA Settlement Deferrals & Amorts	958	968	970	965	966
407 Lancaster Generation	1,360	1,247	-	-	-
407 Optional Renewable Power Revenue Offset	-	-	-	-	-
407 Deferred O&M Deferral & Amort	974	974	1,103	-	-
407 LiDAR Deferral & Amortization	67	-	-	-	-
407 WA Renewable Energy Credits Amortization	-	-	-	-	-
407 CNC Transmission Amortization	165	-	-	-	-
407 BPA Parallel Capacity Support	2,082	-	-	-	-
407 Colstrip Outage Return	-	-	-	-	-
407 Optional Renewable Solar Project Offset	(5)	(5)	(5)	(5)	(5)
407 Amort of Spokane River TDG		290	290	290	-
407 Palouse Wind Deferral	-	-	-	-	-
P/T Regulatory Deferrals and Amortizations	8,101	5,974	4,706	3,597	3,308
PT Regulatory Deferrals & Amorts Excluding Revenue	8,101	5,974	4,706	3,597	3,308
Check Total	31,816	30,921	31,382	31,438	32,032
General Regulatory Deferrals and Amortizations					
407 FISERVE Deferral				(254)	(527)
407 MDM Deferral				(520)	(2,310)
407 AFUDC Equity Deferral and Amortization					838
GEN Regulatory Deferrals and Amortizations				(774)	(1,999)

	2014	2015	2016	2017	2018	
RATE BASE						
PLANT IN SERVICE						
31	Intangible	\$102,620	\$144,970	\$156,057	\$163,474	\$189,271
32	Production	746,101	779,441	832,833	879,704	905,266
33	Transmission	371,971	401,700	430,613	451,003	477,024
34	Distribution	842,795	895,055	970,455	1,033,739	1,086,668
35	General	196,867	212,726	233,266	242,339	260,548
36	Total Plant in Service	2,260,354	2,433,892	2,623,224	2,770,259	2,918,777
ACCUMULATED DEPRECIATION/AMORT						
37	Intangible	20,242	24,943	30,914	37,059	43,469
38	Production	325,531	342,899	351,625	352,091	365,167
39	Transmission	123,869	129,936	135,624	136,838	140,271
40	Distribution	252,722	273,578	295,383	314,013	335,270
41	General	65,720	73,050	80,093	85,360	93,140
42	Total Accumulated Depreciation	788,084	844,406	893,639	925,361	977,317
43	NET PLANT	1,472,270	1,589,486	1,729,585	1,844,898	1,941,460
44	DEFERRED TAXES	(257,766)	(317,860)	(353,900)	(396,851)	(411,008)
45	Net Plant After Deferred Income Taxes	1,214,504	1,271,626	1,375,685	1,448,047	1,530,452
46	DEFERRED DEBITS AND CREDITS	10,846	7,458	4,567	2,110	(2,132)
47	WORKING CAPITAL	47,807	59,722	62,474	63,549	46,614
48	TOTAL RATE BASE	\$1,273,157	\$1,338,806	\$1,442,726	\$1,513,706	\$1,574,934

		2014	2015	2016	2017	2018
Deferred Debits and Credits						
Gain on Sale of Office Building	Other	-	-	-	-	-
ADFIT on Gain on Sale of Office Bldg	ADFIT	-	-	-	-	-
Colstrip 3 Reallocation	Prod Plant	(7,426)	(7,220)	(7,197)	(7,197)	(7,197)
Colstrip 3 Reallocation	Accum Depr	6,614	6,572	6,693	6,829	6,972
Colstrip Common AFUDC	Prod Plant	1,111	1,111	1,111	1,111	1,111
Colstrip Common AFUDC	Accum Depr	(873)	(905)	(936)	(968)	(1,000)
Kettle Falls Disallowance	Prod Plant	(5,248)	(5,248)	(5,248)	(5,248)	(5,248)
Kettle Falls Disallowance	Accum Depr	4,640	4,775	4,910	5,045	5,180
Kettle Falls Disallowance	ADFIT	247	191	136	79	24
Settlement Exchange Power	Prod Plant	79,626	79,626	79,626	79,626	79,626
Settlement Exchange Power	Accum Depr	(66,968)	(69,418)	(71,868)	(74,318)	(76,768)
Settlement Exchange Power	ADFIT	(2,275)	(1,835)	(1,394)	(954)	(514)
PGE Monetization	Prod Plant					
PGE Monetization	Accum Depr					
PGE Monetization	ADFIT					
Hydro Relicensing	Prod Plant	2,882	2,882	2,882	2,882	2,882
Hydro Relicensing	Accum Depr	(1,070)	(1,329)	(1,634)	(1,916)	(2,199)
Hydro Relicensing	ADFIT	(609)	(537)	(420)	(324)	(142)
Montana Riverbed Settlement	Prod Plant	1,692	1,015	338	-	-
Montana Riverbed Settlement	ADFIT	(592)	(355)	(119)	-	-
Lancaster Generation	Prod Plant	1,927	571	-	-	-
Lancaster Generation	ADFIT	(674)	(200)	-	-	-
MOPS	Prod Plant					
Reg Liability-Non-plant Excess DFIT	Other					(2,094)
Regulatory Asset - AFUDC	Other					51
Accumulated Amortization - AFUDC	Other					(2)
Customer Advances	Dist Plant	(438)	(487)	(593)	(651)	(840)
Customer Deposits	Dist Plant	(1,720)	(1,751)	(1,721)	(1,886)	(1,974)
Total		10,846	7,458	4,566	2,110	(2,132)
Production Plant						
Distribution Plant						
Accum Depr						
ADFIT						
Other		10,846	7,458	4,567	2,110	(2,132)

AVISTA UTILITIES
ELECTRIC ADJUSTMENT SUMMARY
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

RE - Pg 13

Line No.	DESCRIPTION	PER RESULTS OF OPERATIONS REPORTS			
		ELECTRIC			
		System	Washington	Idaho	
	REVENUES				
1	Total General Business	\$540,037	\$540,037	\$0	
2	Interdepartmental Sales	1,101	1,101	0	
3	Sales For Resale	60,012	60,012	0	
4	Total Sales of Electricity	601,150	601,150	0	
5	Other Revenue	60,951	60,951	0	
6	Total Electric Revenue	662,101	662,101	0	
	EXPENSES				
	Production and Transmission				
7	Operating Expenses	175,404	175,404	0	
8	Purchased Power	89,111	89,111	0	
9	Depreciation/Amortization	28,724	28,724	0	
10	Regulatory Deferrals/Amortization	1,647	1,647	0	
11	Taxes	16,973	16,973	0	
12	Total Production & Transmission	311,859	311,859	0	
	Distribution				
13	Operating Expenses	23,755	23,755	0	
14	Depreciation/Amortization	32,128	32,128	0	
15	Regulatory Amortization				
15	Taxes	48,243	48,243	0	
16	Total Distribution	104,126	104,126	0	
17	Customer Accounting	11,331	11,331	0	
18	Customer Service & Information	27,244	27,244	0	
19	Sales Expenses	59	59	0	
	Administrative & General				
20	Operating Expenses	52,643	52,643	0	
21	Depreciation/Amortization	29,471	29,471	0	
22	Regulatory Deferrals/Amortization	(5,927)	(5,927)	0	
23	Taxes	0	0	0	
24	Total Admin. & General	76,187	76,187	0	
25	Total Electric Expenses	530,806	530,806	0	
26	Operating Income before FIT	131,295	131,295	0	
	Federal Income Taxes				
27	Current Accrual	21.0%	15,092	15,092	0
28	Debt Interest				
29	Deferred Income Taxes		(1,075)	(1,075)	0
30	Amortized ITC		(317)	(317)	0
31	NET OPERATING INCOME	\$117,595	\$117,595	\$0	

AVISTA UTILITIES
ELECTRIC ADJUSTMENT SUMMARY
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

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		PER RESULTS OF OPERATIONS REPORTS ELECTRIC		
Line No.	DESCRIPTION	System	Washington	Idaho
	RATE BASE			
	PLANT IN SERVICE			
32	Intangible	\$189,271	\$189,271	\$0
33	Production	905,266	905,266	0
34	Transmission	477,024	477,024	0
35	Distribution	1,109,132	1,109,132	0
36	General	260,549	260,549	0
37	Total Plant in Service	2,941,242	2,941,242	0
	ACCUMULATED DEPRECIATION/AMORTIZATION			
38	Intangible	(43,469)	(43,469)	0
39	Production	(365,167)	(365,167)	0
40	Transmission	(140,271)	(140,271)	0
41	Distribution	(336,685)	(336,685)	0
42	General	(93,140)	(93,140)	0
43	Total Accumulated Depreciation	(978,732)	(978,732)	0
44	NET PLANT BEFORE DFIT	1,962,510	1,962,510	0
45	DFIT	(410,937)	(410,937)	0
46	NET PLANT AFTER DFIT	1,551,573	1,551,573	0
47	DEFERRED DEBITS AND CREDITS	(2,134)	(2,134)	0
48	WORKING CAPITAL	46,614	46,614	0
49	TOTAL RATE BASE	\$1,596,053	\$1,596,053	\$0
		7.37%	7.37%	

AVISTA UTILITIES
Restate Debt Interest
Washington - Electric
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000's)

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Adjustment Description	Restate Debt Interest			Reconciliation
	2.14 Adjustment ROO	All other Adjustments	TOTAL	FIT Expense
				Line No. 27 Adjustments
1.00 Results of Operations	1,596,053		1,596,053	268
1.01 Deferred FIT Rate Base		(1,946)	-1,946	12
1.02 Deferred Debits and Credits		(7)	(7)	-
1.03 Working Capital		-	0	-
1.04 Remove AMI Rate Base		(19,166)	-19,166	114
2.01 Eliminate B & O Taxes		-	0	-
2.01 Eliminate B & O Taxes		-	0	-
2.02 Restate Property Tax		-	0	-
2.03 Uncollect. Expense		-	0	-
2.04 Regulatory Expense		-	0	-
2.05 Injuries and Damages		-	0	-
2.06 FIT/DFIT/ ITC Expense		-	0	-
2.07 Office Space Charges to Non-Utility		-	0	-
2.08 Restate Excise Taxes		-	0	-
2.09 Net Gains & Losses		-	0	-
2.10 Weather Normalization		-	0	-
2.11 Eliminate Adder Schedules		-	0	-
2.12 Misc. Restating Non-Util / Non- Recurring Expenses		-	0	-
2.13 Restating Incentives		-	0	-
2.14 Restate Debt Interest		-	0	-
2.15 Eliminate WA Power Cost Defer		-	0	-
2.16 Nez Perce Settlement Adjustment		-	0	-
2.17 Normalize CS2/Colstrip Major Maint		-	0	-
2.18 Power Supply		-	0	-
Totals	1,596,053	(21,119)	1,574,934	
Weighted Average Cost of Debt	2.83%	2.83%		
Restated Debt Interest	45,168	(598)	44,571	394
Interest Per Results (E-FIT-12A)	46,445		46,445	
Increase (Decrease) in Interest Expense	(1,277)	(598)	(1,874)	
FIT Rate	0.21	0.21		
Increase (Decrease) in FIT	268	126	394	394
	2.14 Adjustment			

Avista Corporation
Power Supply Net Costs

Total Washington
Normalized ERM Costs Per Power Supply Adjustment

	2016	2017	2018
P/T Allocation Percentages	65.73%	65.35%	65.39%
447 Sales for Resale	\$57,854	\$57,892	\$42,331
453 Sales of Water and Water Power	0	0	0
454 Misc Rents	0	0	0
456 Other Electric Revenue Transmission Whe	10,387	10,327	9,980
456 Other Electric Revenue Direct WA	0	0	0
Total Revenue	68,241	68,219	52,311
501 Thermal Fuel Expense	19,142	19,032	18,240
546 Other Power Gen Supvsn & Eng	0	0	0
547 Other Fuel Expense	51,155	50,511	47,352
536 Water for Power	0	0	0
555 Purchased Power	78,795	77,894	73,946
549 Misc Other Gen Expense	0	0	0
550 Rents	0	0	0
556 System Control & Dispatch	0	0	0
557 Other Expenses	460	451	330
557 Other Expenses Direct WA	-1,258	-1,170	-2,643
565 Trans. of Elec. by Others	11,318	11,264	11,342
Total Expense	159,612	157,982	148,567
Net Income Before Income Taxes	-91,371	-89,763	-96,256
Federal Income Tax	-31,980	-31,417	-20,214
Net Income	\$ (59,391)	\$ (58,346)	\$ (76,042)

Tran 456
 PS or Tran 456

500-562 CS2 and Colstrip | -599,400,593 -588,851,198 -378,866,504

Natural Gas			
Revenue Growth Rate Calculation - Rate Year 2:			
	(a)	(b)	(c)
Category	Growth Rate 2014-2018	Revenue Portion of Category	Growth Rate % (a) x (b)
Operating Expenses⁽¹⁾	3.99%	39.53%	1.58%
Depreciation/Amortization⁽¹⁾	11.03%	22.38%	2.47%
Taxes Other than Income	8.36%	7.97%	0.67%
Net Plant After ADFIT	9.11%	30.13%	2.74%
Annual Growth In Sales Revenue		100.00%	-1.34%
Total Revenue Growth Rate %			6.11%
See Exh. EMA- 5, pg. 4 for growth rates and pg. 2 for revenue proportion and annual growth in sales revenue.			
⁽¹⁾ Reflects a 30 basis points efficiency adjustment in O&M expenses.			
⁽²⁾ The growth rate in depreciation/amortization expense is primarily driven by shorter-lived assets representing a higher proportion of investment in recent years.			

Natural Gas - Revenue Growth Rate Calculation

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Restated	
		Commission Basis	TOTAL
	Adjsutment Number		
	Workpaper Reference		PF-STH
	REVENUES		
1	Total General Business	\$ 146,870	
2	Total Transportation	4,960	
3	Other Revenues	(4,216)	
4	Total Gas Revenues		147,614
	EXPENSES		
	Production Expenses		
5	City Gate Purchases	51,519	
6	Purchased Gas Expense	959	
7	Net Nat Gas Storage Trans	-	
8	Total Production		52,478
	Underground Storage		
9	Operating Expenses	1,532	
10	Depreciation/Amortization	627	
11	Taxes	224	
12	Total Underground Storage		2,383
	Distribution		
13	Operating Expenses	12,308	
14	Depreciation/Amortization	11,629	
15	Taxes	9,458	
16	Total Distribution		33,395
17	Customer Accounting	6,967	
18	Customer Service & Information	1,232	
19	Sales Expenses	-	
	Administrative & General		
20	Operating Expenses	14,612	
21	Depreciation/Amortization	8,492	
22	Regulatory Amortizations	(476)	
23	Taxes	-	
24	Total Admin. & General		22,628
25	Total Gas Expense		119,083
26	OPERATING INCOME BEFORE FIT		28,531
	FEDERAL INCOME TAX		
27	Current Accrual	2,893	
28	Debt Interest	43	
29	Deferred FIT	393	
30	Amort ITC	(15)	
31	NET OPERATING INCOME	\$ 25,216	
	RATE BASE		
	PLANT IN SERVICE		
32	Underground Storage	\$ 28,442	
33	Distribution Plant	455,595	
34	General Plant	114,053	
35	Total Plant in Service		598,090
	ACCUMULATED DEPRECIATION/AMORT		
36	Underground Storage	(11,051)	
37	Distribution Plant	(144,969)	
38	General Plant	(32,354)	
39	Total Accumulated Depreciation/Amortization		(188,374)
40	NET PLANT		409,716
41	DEFERRED TAXES		(89,585)
42	Net Plant After DFIT		320,131
43	GAS INVENTORY	8,355	
44	GAIN ON SALE OF BUILDING	-	
45	OTHER	5,331	
46	WORKING CAPITAL	7,549	
47	TOTAL RATE BASE	\$ 341,366	

REVENUE GROWTH RATE CALCULATION					
Authorized ROR					
Component	Capital Structure	Cost	Weighted Cost	Tax	Tax on equity return
Total Debt	51.5%	5.62%	2.89%		
Common	48.5%	9.50%	4.61%	26.58%	1.23%
Total	100.00%		7.50%		
Tax on Equity Return				1.23%	
Total % to apply to RB				8.73%	

Rate Year 2				
	Revenue on CB *	Portion of Total	2014-2018 Growth Rate	
Depreciation	20,748	22.38%	11.0%	Includes 30 bps Efficiency Reduction
O&M	36,651	39.53%	3.99%	
Taxes OTI	7,390	7.97%	8.36%	
Net Plant After ADFIT	320,131	27,933	30.13%	9.11%
(RB*9.77%)				
Revenue	\$ 92,722	Non-gas cost revenues (1)		

*includes revenue related expenses
 (1) Non-gas cost revenues, covering investment-related costs and operating expenses.

Revenue Growth: (see page 5 - 2.25 years from 2018 to 03.31.2020)		
	Annual	
\$ 4,050	\$ 1,246	1.34%

Rate Year 2	
04.2021-03.2022	
	Growth Rate
Depreciation	2.47%
O&M	1.58%
Taxes OTI	0.67%
Net Plant After ADFIT	2.74%
Revenues	-1.34%
	6.11%

includes efficiency adi.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2014-2018

AVISTA UTILITIES

WASHINGTON NATURAL GAS RESULTS

Commission Basis Results of Operations

(000'S OF DOLLARS)

Line No.	DESCRIPTION	2014 Restated Total	2015 Restated Total	2016 Restated Total	2017 Restated Total	2018 Restated Total
REVENUES						
1	Total General Business	\$ 154,546	\$ 149,865	\$ 150,970	\$ 157,743	\$ 146,870
2	Total Transportation	3,960	4,054	4,477	5,049	4,960
3	Other Revenues	332	7,129	1,020	(824)	(4,216)
4	Total Gas Revenues	158,838	161,048	156,467	161,968	147,614
EXPENSES						
Production Expenses						
5	City Gate Purchases	84,187	79,634	63,460	64,414	51,519
6	Purchased Gas Expense	779	840	994	944	959
7	Net Nat Gas Storage Trans	-	-	1	-	-
8	Total Production	84,966	80,474	64,455	65,358	52,478
Underground Storage						
9	Operating Expenses	893	857	974	1,032	1,532
10	Depreciation/Amortization	402	439	492	537	627
11	Taxes	184	196	210	85	224
12	Total Underground Storage	1,479	1,492	1,676	1,654	2,383
Distribution						
13	Operating Expenses	10,704	12,315	12,050	12,380	12,308
14	Depreciation/Amortization	8,513	9,088	9,866	10,638	11,629
15	Taxes	8,719	8,554	8,383	9,144	9,458
16	Total Distribution	27,936	29,957	30,299	32,162	33,395
17	Customer Accounting	6,108	6,632	6,811	6,991	6,967
18	Customer Service & Information	865	837	964	1,000	1,232
19	Sales Expenses	-	-	-	-	-
Administrative & General						
20	Operating Expenses	12,777	14,007	13,267	13,375	14,612
21	Depreciation/Amortization	4,389	5,649	6,260	6,864	7,965
22	Regulatory Amortizations	(91)	(2,087)	1,079	917	51
23	Taxes	-	-	-	-	-
24	Total Admin. & General	17,075	17,569	20,606	21,156	22,628
25	Total Gas Expense	138,429	136,961	124,811	128,321	119,083
26	OPERATING INCOME BEFORE FIT	20,409	24,087	31,656	33,647	28,531
FEDERAL INCOME TAX						
27	Current Accrual	(6,945)	(729)	(1,133)	2,630	2,893
28	Debt Interest	(137)	(37)	11	13	43
29	Deferred FIT	13,105	7,842	9,923	6,462	393
30	Amort ITC	(20)	(20)	(17)	(15)	(15)
31	NET OPERATING INCOME	\$ 14,406	\$ 17,031	\$ 22,872	\$ 24,557	\$ 25,216
RATE BASE						
PLANT IN SERVICE						
32	Underground Storage	\$ 25,235	\$ 25,720	\$ 26,868	\$ 27,138	\$ 28,442
33	Distribution Plant	337,894	360,612	390,508	422,774	455,595
34	General Plant	59,169	75,514	82,624	93,491	114,053
35	Total Plant in Service	422,298	461,846	500,000	543,403	598,090
ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	9,521	9,906	10,318	10,493	11,051
37	Distribution Plant	114,795	121,623	129,098	136,840	144,969
38	General Plant	17,429	20,741	23,473	27,497	32,354
39	Total Accumulated Depreciation/Amortization	141,745	152,270	162,889	174,830	188,374
40	NET PLANT	280,553	309,576	337,111	368,573	409,716
41	DEFERRED TAXES	(54,652)	(64,929)	(74,181)	(83,133)	(89,585)
42	Net Plant After DFIT	225,901	244,647	262,930	285,440	320,131
43	GAS INVENTORY	14,762	12,740	9,116	10,595	8,355
44	GAIN ON SALE OF BUILDING	-	-	-	-	-
45	OTHER	(479)	(485)	(249)	2,064	5,331
46	WORKING CAPITAL	10,073	16,069	14,800	15,075	7,549
47	TOTAL RATE BASE	\$ 250,257	\$ 272,971	\$ 286,597	\$ 313,174	\$ 341,366

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2014-2018

**AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)
Natural Gas Data for Escalators**

Line No.			2014	2015	2016	2017	2018
	Exclude Gas Cost and Adder Schedule Expenses (DSM Tariff Rider, Decoupling Surcharge/Rebate) from O&M						
1	Underground Storage	CBR Line 9	893	857	974	1,032	1,532
2	Distribution	CBR Line 13	10,704	12,315	12,050	12,380	12,308
3	Customer Accounting	CBR Line 17	6,108	6,632	6,811	6,991	6,967
4	Customer Service and Information	CBR Line 18	865	837	964	1,000	1,232
5	Sales	CBR Line 19	0	0	0	0	0
6	Administrative and General	CBR Line 20	12,777	14,007	13,267	13,375	14,612
7	Operating expenses excluding production		31,347	34,648	34,066	34,778	36,651
8	Add Non PGA production O&M expenses		779	840	994	944	959
9	Deduct Gas Cost Rev Related Expenses		-602	-570	-454	-461	-312
10	Deduct DSM Tariff Rider Expenses		0	0	0	0	0
11	Deduct Decoupling Surcharge/Rebate Expenses		0	0	0	0	0
12	Adjusted Operating Expenses		31,524	34,918	34,606	35,261	37,298
	Annual Percentage Change			10.77%	-0.89%	1.89%	5.78%
	Depreciation/Amortization						
13	Underground Storage	CBR Line 10	402	439	492	537	627
14	Distribution	CBR Line 14	8,513	9,088	9,866	10,638	11,629
15	Administrative & General	CBR Line 21	4,389	5,649	6,260	6,864	7,965
16	Total Depreciation/Amortization		13,304	15,176	16,618	18,039	20,221
	Annual Percentage Change			14.07%	9.50%	8.55%	12.10%
	Exclude Adder Schedule amortizations (Decoupling Surcharge/Rebate) from Regulatory Amortizations						
17	Regulatory Amortizations	CBR Line 22	-91	-2,087	1,079	917	51
18	Deduct Decoupling Surcharge/Rebate Expenses		0	0	0	0	0
19	Adjusted Regulatory Amortizations		-91	-2,087	1,079	917	51
	Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax						
20	Underground Storage	CBR Line 11	184	196	210	85	224
21	Distribution	CBR Line 15	8,719	8,554	8,383	9,144	9,458
22	Administrative & General	CBR Line 23	0	0	0	0	0
23	Total Taxes Other Than Income		8,903	8,750	8,593	9,229	9,682
24	Deduct Gas Cost Excise Tax		-3,380	-3,197	-2,548	-2,586	-2,068
25	Deduct DSM Tariff Rider Excise Tax		0	0	0	0	0
26	Deduct Decoupling Surcharge/Rebate Excise Tax		0	0	0	0	0
27	Adjusted Taxes Other Than Income		5,523	5,553	6,045	6,643	7,614
	Annual Percentage Change			0.54%	8.86%	9.89%	14.62%
28	Net Plant After Deferred Income Tax		225,901	244,647	262,930	285,440	320,131
	Annual Percentage Change			8.30%	7.47%	8.56%	12.15%

ANNUAL AND COMPOUND GROWTH RATES

Natural Gas Revenue Growth Rate Analysis

Line No.		2014-2018	
5	Adjusted Operating Expenses	4.29%	3.99% 30 bps Efficiency Adj
6	Adjusted Depreciation/Amortization	11.03%	
7	Adjusted Taxes Other than Income	8.36%	
8	Net Plant After Deferred Income Taxes	9.11%	Rate Year 2
			04.2021-03.2022
9	Depreciation	22.38%	2.47%
10	O&M	39.53%	1.70%
11	Taxes OTI	7.97%	0.67%
12	Net Plant After ADFIT	30.13%	2.74%
13	Revenues		-1.34%
14	Total K Factor %	6.23%	Includes Efficiency Adj. 6.11%

Decoupled Revenue Comparison

12 ME December 2018 Test Year
Natural Gas Service

	UG-19 Proposed Decoupling Base at Present Rates					SCHEDULES	
	TOTAL	RESIDENTIAL SCHEDULE 101/102	GENERAL SVC. SCH. 111/112/116	LG. GEN. SVC. SCH. 121/122/126	INTERRUPTIBLE SCH 131	132	SCHEDULES 146 & 148
Revenue at Present Rates	\$93,707,000	\$71,132,000	\$17,111,000	\$307,000	\$0	\$201,000	\$4,956,000
Usage	275,981,665	128,985,980	54,329,806	1,555,071	-	985,267	90,125,541
Customer Bills	1,978,935	1,941,495	36,840	36	-	24	540
Fixed Charge per Bill		\$9.50	\$97.25	\$240.44			
PGA Sch 150 Rate		\$0	\$0	\$0			
Decoupled Gas Cost Revenue	\$0	\$0	\$0	\$0			
Decoupled Fixed Charge Revenue	\$22,035,548	\$18,444,203	\$3,582,690	\$8,656			
Revenue Not Subject to Decoupling	\$5,157,000				\$0	\$201,000	\$4,956,000
Decoupled Revenues from Rates	\$66,514,452	\$52,687,798	\$13,528,310	\$298,344	\$0	\$0	\$0
Allowed Annual Decoupled Revenue per Customer		\$325.65	\$4,499.40		Usage Per Customer	average \$/therm	UG-19 Base
Allowed Decoupled Revenues	\$66,513,977	\$52,687,321	\$13,826,656		Residential	\$ 0.408473	797
Decoupling Revenue Adjustment	(\$475)	(\$477)	\$2		Non-Residential	\$ 0.247413	18,186
					Average Customers		
Total Revenue with Decoupling excl Gas Cost	\$93,706,525				Residential		161,791
					Non-Residential		3,073
Test Year Annual Decoupled Revenue per Customer		\$325.65	\$4,499.40				

12 ME March 2022 Forecast Customers

Natural Gas Service

2019 Final Budget Version GSFM December MidMonth (12 13 18 pricing) - v4 GRC update 1-18-19.xlsm

	2019 Final Budget Version GSFM December MidMonth (12 13 18 pricing) - v4 GRC update 1-18-19.xlsm					SCHEDULES	
	TOTAL	RESIDENTIAL SCHEDULE 101/102	GENERAL SVC. SCH. 111/112/116	LG. GEN. SVC. SCH. 121/122/126	INTERRUPTIBLE SCH 131	132	SCHEDULES 146 & 148
Revenue at Present Rates	\$97,774,862	\$ 73,117,804	\$ 18,327,051	\$ 1,197,260	\$ -	\$ 188,557	\$ 4,944,190
Usage	232,924,161	131,829,018	57,664,429	4,862,904	-	931,312	37,636,498
Customer Bills	2,069,839	2,030,793	38,196	299	0	24	527
Fixed Charge per Bill		\$9.50	\$97.25	\$240.44			
PGA Sch 150 Rate		\$0	\$0	\$0			
Decoupled Gas Cost Revenue	\$0	\$0	\$0	\$0			
Decoupled Fixed Charge Revenue	\$23,078,918	\$19,292,534	\$3,714,585	\$71,799			
Revenue Not Subject to Decoupling	\$5,132,747				\$0	\$188,557	\$4,944,190
Decoupled Revenues from Rates	\$69,563,197	\$53,825,270	\$14,612,466	\$1,125,461	\$0	\$0	\$0
Allowed Annual Decoupled Revenue per Customer		\$325.65	\$4,499.40				
Allowed Decoupled Revenues	\$69,544,790	\$55,111,145	\$14,433,645				
Decoupling Revenue Adjustment	(\$18,407)	\$1,285,876	(\$1,304,283)				
Total Revenue with Decoupling	\$97,756,454						

Change in Non-Gas Cost Revenue	\$4,049,929
Annual Average Revenue Growth 3.25 years	\$1,246,132

AVISTA UTILITIES

Washington Gas

(000's OF DOLLARS)

TWELVE MONTHS ENDED DECEMBER 31, 2018

Column	WP Ref	Description	Washington Gas		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	G-ROO	Per Results Report	24,614	\$ 348,658	
1.01	G-DFIT	Deferred FIT Rate Base	(7)	(1,247)	
1.02	G-DDC	Deferred Debits and Credits	(8)	(7)	
1.03	G-WC	Working Capital	0	0	
1.04	G-AMI	Remove AMI Rate Base	(36)	(6,038)	
2.01	G-EBO	Eliminate B & O Taxes	(11)	0	
2.02	G-RPT	Restate Property Tax	(2)	0	
2.03	G-UE	Uncollectible Expense	253	0	
2.04	G-RE	Regulatory Expense	40	0	
2.05	G-ID	Injuries & Damages	(43)	0	
2.06	G-FIT	FIT / DFIT Expense	0	0	
2.07	G-OSC	Office Space Charges to Non-Utility	13	0	
2.08	G-RET	Restate Excise Taxes	0	0	
2.09	G-NGL	Net Gains & Losses	10	0	
2.10	G-WNGC	Weather Normalization / Gas Cost Adjust	5	0	
2.11	G-EAS	Eliminate Adder Schedules	(0)	0	
2.12	G-MR	Misc. Restating Non-Util / Non- Recurring Expense	390	0	
2.13	G-RI	Restating Incentives Expense	57	0	
2.14	G-DI	Restate Debt Interest	(59)	0	
Restated Total			\$25,216	\$ 341,366	
Conversion Factor					

**AVISTA UTILITIES
 CBR ACTUAL COST OF CAPITAL
 WASHINGTON NATURAL GAS
 DECEMBER 31, 2018**

<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	52.7%	5.38%	2.83%
Common Equity	47.4%	9.50%	4.50%
Total	<u>100.00%</u>		<u>7.33%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2016**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.003781
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038374
6	Total Expense	<u>0.044155</u>
7	Net Operating Income Before FIT	0.955845
8	Federal Income Tax @ 21%	0.200727
9	REVENUE CONVERSION FACTOR	0.755118

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2014 - 2018
 (000'S OF DOLLARS)

	2014	2015	2016	2017	2018
Administration and General as filed					
21 Depreciation/Amortization	4,389	5,649	6,260	7,014	8,492
22 Regulatory Amortizations	(91)	(2,087)	1,079	767	(476)
Depreciation Expense - General Plant	2,586	2,987	3,269	3,430	4,244
Amortization Expense - Intangible Plant	1,799	2,658	2,988	3,585	4,248
Amortization Expense - Leasehold Improvements	4	4	3	-	-
MDM Deferrals				(151)	(769)
AFUDC Deferrals					242
Total Plant Related Depreciation/Amortization	4,389	5,649	6,260	6,864	7,965
Hamilton Street Bridge Amortization					
WA GRC JP O&M Deferral					
WA Decoupling Deferral	(91)	-	-	-	-
WA Decoupling Amortization Revenue	0	0	0	0	0
Project Compass Deferral		(2,087)	1,079	1,079	-
Tax Reform Amortization					-
WA Excess Nat. Gas Line Extension Amort					390
Deferred FISERVE				(162)	(339)
Total Regulatory Amortizations	(91)	(2,087)	1,079	917	51

Check Total 4,298 3,562 7,339 7,781 8,016

Regulatory Deferrals & Amorts Excluding Revenue (91) (2,087) 1,079 917 51

	2013	2015	2016	2017	2018
RATE BASE					
PLANT IN SERVICE					
32 Underground Storage	\$ 25,235	\$ 25,720	\$ 26,868	\$ 27,138	\$ 28,442
33 Distribution Plant	337,894	360,612	390,508	422,774	455,595
34 General Plant	59,169	75,514	82,624	93,491	114,053
35 Total Plant in Service	422,298	461,846	500,000	543,403	598,090
ACCUMULATED DEPRECIATION/AMORT					
36 Underground Storage	9,521	9,906	10,318	10,493	11,051
37 Distribution Plant	114,795	121,623	129,098	136,840	144,969
38 General Plant	17,429	20,741	23,473	27,497	32,354
39 Total Accumulated Depreciation/Amortization	141,745	152,270	162,889	174,830	188,374
40 NET PLANT	280,553	309,576	337,111	368,573	409,716
41 DEFERRED TAXES	(54,652)	(64,929)	(74,181)	(83,133)	(89,585)
42 Net Plant After DFIT	225,901	244,647	262,930	285,440	320,131
43 GAS INVENTORY	14,762	12,740	9,116	10,595	8,355
44 GAIN ON SALE OF BUILDING	-	-	-	-	-
45 OTHER	(479)	(485)	(249)	2,064	5,331
46 WORKING CAPITAL	10,073	16,069	14,800	15,075	7,549
47 TOTAL RATE BASE	\$ 250,257	\$ 272,971	\$ 286,597	\$ 313,174	\$ 341,366

Deferred Debits and Credits

ADFIT on Gain on Sale of Office Bldg	ADFIT	-	-	-	-
DSM Investment	Dist Plant	-	-	-	-
Customer Advances	Dist Plant	(12)	(12)	(12)	(8)
Customer Deposits	Dist Plant	(467)	(473)	(472)	(538)
AFUDC Reg Asset and Tax Reform R	Other				(751)
Other Deferred Debits & Credits	Other			235	2,610
Total		(479)	(485)	(249)	2,064
Distribution Plant					
ADFIT					
Other		(479)	(485)	(249)	2,064
					5,331

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
COMMISSION BASIS REPORTS INPUT
(000'S OF DOLLARS)

RG-10

Update annually after hard code previous year row formula

	DESCRIPTION	(Note 1)	2014 **	2015 **	2016**	2017	2018
			Remove Gas Cost	Remove Gas Cost	Remove Gas Cost	Remove Gas Cost	Remove Gas Cost
REVENUES							
1	Total General Business	0.955845	-88,169	-83,400	-66,463	-67,461	-53,899
2	Total Transportation						
3	Other Revenues		0	0	0	0	0
4	Total Gas Revenues		-88,169	-83,400	-66,463	-67,461	-53,899
EXPENSES							
Production Expenses							
5	City Gate Purchases		-84,187	-79,634	-63,460	-64,414	-51,519
6	Purchased Gas Expense		0	0	0	0	0
7	Net Nat Gas Storage Trans		0	0	-1	0	0
8	Total Production		-84,187	-79,634	-63,461	-64,414	-51,519
Underground Storage							
9	Operating Expenses						
10	Depreciation/Amortization						
11	Taxes						
12	Total Underground Storage		0	0	0	0	0
Distribution							
13	Operating Expenses						
14	Depreciation/Amortization						
15	Taxes	0.038374	-3,380	-3,197	-2,548	-2,586	-2,068
16	Total Distribution		-3,380	-3,197	-2,548	-2,586	-2,068
17	Customer Accounting	0.003781	-426	-403	-321	-326	-204
18	Customer Service & Information						
19	Sales Expenses						
Administrative & General							
	Operating Expenses	0.002000	-176	-167	-133	-135	-108
	Depreciation/Amortization						
22	Regulatory Amortizations						
23	Taxes						
24	Total Admin. & General		-176	-167	-133	-135	-108
25	Total Gas Expense		-88,169	-83,401	-66,463	-67,461	-53,899
26	OPERATING INCOME BEFORE FIT		0	1	0	0	0
FEDERAL INCOME TAX							
27	Current Accrual						
28	Debt Interest						
29	Deferred FIT						
30	Amort ITC						
31	NET OPERATING INCOME		0	1	0	0	0
	Sales For Resale Revenue		-	-	-	-	-
	Non PGA Gas Expense		779	840	994	944	959
	check		779	840	994	944	959

AVISTA UTILITIES
Restate Debt Interest
Washington - GAS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000's)

Adjustment Description	Restate Debt Interest			Reconciliation
	#REF!			FIT Expense
	Adjustment ROO	All other Adjustments	Summary TOTAL	Line No. 27 Adjustments
1.00 Per Results Report	348,658		348,658	59
1.01 Deferred FIT Rate Base		(1,247)	(1,247)	7
1.02 Deferred Debits and Credits		(7)	(7)	-
1.03 Working Capital		-	-	-
1.04 Remove AMI Rate Base		(6,038)	(6,038)	36
2.01 Eliminate B & O Taxes		-	-	-
2.02 Restate Property Tax		-	-	-
2.03 Uncollectible Expense		-	-	-
2.04 Regulatory Expense		-	-	-
2.05 Injuries & Damages		-	-	-
2.06 FIT / DFIT Expense		-	-	-
2.07 Office Space Charges to Non-Utility		-	-	-
2.08 Restate Excise Taxes		-	-	-
2.09 Net Gains & Losses		-	-	-
2.10 Weather Normalization / Gas Cost Adjust		-	-	-
2.11 Eliminate Adder Schedules		-	-	-
2.12 Misc. Restating Non-Util / Non- Recurring Expense		-	-	-
2.13 Restating Incentives Expense		-	-	-
2.14 Restate Debt Interest		-	-	-
	348,658	(7,292)	341,366	
Weighted Average Cost of Debt	2.83%	2.83%		
Restated Debt Interest	9,867	(206)	9,661	102
Interest Per Results (G-FIT-12A)	10,146		10,146	
Increase (Decrease) in Interest Expense	(279)	(206)	(485)	
FIT Rate	21%	21%		
Increase (Decrease) in FIT	59	43	102	102

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

PER RESULTS OF
 OPERATIONS REPORTS

Line No.	Description	GAS			
		System	Washington	Idaho	
REVENUES					
1	Total General Business	\$140,625	\$140,625	\$0	
2	Total Transportation	5,088	5,088	0	
3	Other Revenues	50,681	50,681	0	
4	Total Gas Revenues	196,394	196,394	0	
EXPENSES					
Production Expenses					
5	City Gate Purchases	90,669	90,669	0	
6	Purchased Gas Expense	955	955	0	
7	Net Nat. Gas Storage Trans	(292)	(292)	0	
8	Total Production	91,332	91,332	0	
Underground Storage					
9	Operating Expenses	1,532	1,532	0	
10	Depreciation	627	627	0	
11	Taxes	302	302	0	
12	Total Underground Storage	2,461	2,461	0	
Distribution					
13	Operating Expenses	12,316	12,316	0	
14	Depreciation	11,642	11,642	0	
15	Taxes	14,128	14,128	0	
16	Total Distribution	38,086	38,086	0	
17	Customer Accounting	7,234	7,234	0	
18	Customer Service & Information	8,093	8,093	0	
19	Sales	0	0	0	
Administrative and General					
20	Operating Expenses	15,045	15,045	0	
21	Depreciation/Amortization	8,492	8,492	0	
22	Regulatory Amortizations	(1,559)	(1,559)	0	
23	Taxes	0	0	0	
24	Total Admin. & General	21,978	21,978	0	
25	Total Gas Expense	169,184	169,184	0	
26	Operating Income before FIT	27,210	27,210	0	
Federal Income Taxes					
27	Current Accrual	21.0%	2,557	2,557	0
28	Debt Interest				
29	Deferred FIT		54	54	0
30	Amort ITC		(15)	(15)	0
31	NET OPERATING INCOME	\$24,614	\$24,614	\$0	
RATE BASE					
PLANT IN SERVICE					
32	Underground Storage	\$28,442	\$28,442	\$0	
33	Distribution Plant	462,636	462,636	0	
34	General Plant incl Intangible	114,053	114,053	0	
35	Total Plant in Service	605,131	605,131	0	
ACCUMULATED DEPRECIATION/AMORTIZATION					
36	Underground Storage	(11,051)	(11,051)	0	
37	Distribution Plant	(145,402)	(145,402)	0	
38	General Plant incl Intangible	(32,354)	(32,354)	0	
39	Total Accum. Depreciation/Amort.	(188,807)	(188,807)	0	
40	NET PLANT	416,324	416,324	0	
41	DEFERRED TAXES	(88,908)	(88,908)	-	
42	Net Plant After DFIT	327,416	327,416	0	
43	GAS INVENTORY	8,355	8,355	0	
44	GAIN ON SALE OF BUILDING	0	0	0	
45	OTHER	5,338	5,338	0	
46	WORKING CAPITAL	7,549	7,549	0	
47	TOTAL RATE BASE	\$348,658	\$348,658	\$0	