

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION	)	
	)	
Complainant,	)	DOCKETS UE-170485 and
	)	UG-170486 ( <i>Consolidated</i> )
	)	
v.	)	
	)	<b>ICNU-NWIGU RESPONSE TO</b>
AVISTA CORPORATION d/b/a	)	<b>BENCH REQUEST NO. 1</b>
AVISTA UTILITIES	)	
	)	<b>ATTACHMENT BENCH</b>
Respondent.	)	<b>REQUEST 01-2</b>
	)	
_____	)	

**GAS TRADITIONAL REVENUE REQUIREMENT CALCULATIONS**  
**(UPDATED FOR THE TAX CUTS AND JOBS ACT)**

Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Company Filing (Rev. Req. at ICNU ROR)			NWIGU Proposed		
			Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)
1	1.00	Per Book Results (Y/E Dec. 2016)	23,458	287,787	(4,977)	23,458	287,787	(4,977)
<i>Restating Adjustments:</i>								
2	1.01	Deferred FIT Rate Base	(3)	(325)	(32)	(3)	(325)	(32)
3	1.02	Deferred Debits and Credits	(1)	-	2	(1)	-	2
4	1.03	Working Capital	(9)	(864)	(85)	(9)	(864)	(85)
5	2.01	Eliminate B & O Taxes	(21)	-	34	(21)	-	34
6	2.02	Restate Property Tax	(244)	-	394	(244)	-	394
7	2.03	Uncollectible Expense	384	-	(619)	384	-	(619)
8	2.04	Regulatory Expense	2	-	(3)	2	-	(3)
9	2.05	Injuries & Damages	(49)	-	80	(49)	-	80
10	2.06	FIT / DFIT Expense	-	-	-	-	-	-
11	2.07	Office Space Charges to Subs	6	-	(9)	6	-	(9)
12	2.08	Restate Excise Taxes	(1)	-	2	(1)	-	2
13	2.09	Net Gains & Losses	8	-	(14)	8	-	(14)
14	2.10	Weather Normalization / Gas Cost Adjust	(3)	-	4	(3)	-	4
15	2.11	Eliminate Adder Schedules	(310)	-	501	(310)	-	501
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	205	-	(331)	205	-	(331)
17	2.13	Project Compass Deferral	(701)	-	1,132	(701)	-	1,132
18	2.14	Restating Incentives	118	-	(190)	118	-	(190)
19	2.15	Restate Debt Interest	171	-	(276)	13	-	(20)
20		<b>Restated Results</b>	<b>23,009</b>	<b>286,598</b>	<b>(4,387)</b>	<b>22,850</b>	<b>286,598</b>	<b>(4,131)</b>
<i>Pro Forma Adjustments</i>								
21	3.01	Pro Forma Atmospheric Testing & Leak Survey	(226)	-	365	(226)	-	365
22	3.02	Pro Forma Labor Non-Exec	(568)	-	917	(371)	-	599
23	3.03	Pro Forma Labor Exec	7	-	(10)	7	-	(10)
24	3.04	Pro Forma Employee Benefits	114	-	(185)	114	-	(185)
25	3.05	Pro Forma Incentive Adjustment	(22)	-	36	(22)	-	36
26	3.06	Pro Forma Property Tax	(309)	-	500	(309)	-	500
27	3.07	Pro Forma IS/IT Expense	(131)	-	211	(131)	-	211
28	3.08	Pro Forma Revenue Normalization	(599)	-	968	(599)	-	968
29	3.09	Pro Forma Regulatory Amortization	701	-	(1,132)	701	-	(1,132)
30	3.10	Pro Forma 2017 Threshold Capital Adds	(848)	17,841	3,409	(115)	11,745	1,527
31	3.11	Pro Forma O&M Offsets	21	-	(34)	21	-	(34)
32	3.12	Pro Forma Director Fees Expense	(70)	-	113	-	-	-
33	3.13	Pro Forma Leap Deferral Gas Line Ext.	(365)	1,474	757	(365)	1,474	757
34		<b>Pro Forma Results (Traditional Rev. Req.)</b>	<b>20,712</b>	<b>305,913</b>	<b>1,527</b>	<b>21,555</b>	<b>299,817</b>	<b>(530)</b>
<i>Tax Cuts And Jobs Act Adjustments</i>								
35	TCJA-1	Restate Tax Expense in Results	-	-	-	3,178	-	(4,213)
36	TCJA-2	Excess Deferred Taxes	-	-	-	1,071	533	(1,370)
37	TCJA-3	TCJA Deferral (Jan - Apr 2018)	-	-	-	-	-	-
38	TCJA-4	Update Conversion Factor	-	-	-	-	-	94
39		<b>TCJA Pro Forma Results</b>	<b>20,712</b>	<b>305,913</b>	<b>1,527</b>	<b>25,805</b>	<b>300,350</b>	<b>(6,020)</b>

Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Impact of NWIGU Adjustments				NWIGU Position
			Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	
1	1.00	Per Book Results (Y/E Dec. 2016)					
<i>Restating Adjustments:</i>							
2	1.01	Deferred FIT Rate Base	-	-	-	-	Neutral
3	1.02	Deferred Debits and Credits	-	-	-	-	Neutral
4	1.03	Working Capital	-	-	-	-	Neutral
5	2.01	Eliminate B & O Taxes	-	-	-	-	Neutral
6	2.02	Restate Property Tax	-	-	-	-	Neutral
7	2.03	Uncollectible Expense	-	-	-	-	Neutral
8	2.04	Regulatory Expense	-	-	-	-	Neutral
9	2.05	Injuries & Damages	-	-	-	-	Neutral
10	2.06	FIT / DFIT Expense	-	-	-	-	Neutral
11	2.07	Office Space Charges to Subs	-	-	-	-	Neutral
12	2.08	Restate Excise Taxes	-	-	-	-	Neutral
13	2.09	Net Gains & Losses	-	-	-	-	Neutral
14	2.10	Weather Normalization / Gas Cost Adjust	-	-	-	-	Neutral
15	2.11	Eliminate Adder Schedules	-	-	-	-	Neutral
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	-	-	-	-	Neutral
17	2.13	Project Compass Deferral	-	-	-	-	Neutral
18	2.14	Restating Incentives	-	-	-	-	Neutral
19	2.15	Restate Debt Interest	-	(158)	-	256	Update (Cost of Debt)
20		<b>Restated Results</b>	-	<b>(158)</b>	-	<b>256</b>	
<i>Pro Forma Adjustments</i>							
21	3.01	Pro Forma Atmospheric Testing & Leak Survey	-	-	-	-	Neutral
22	3.02	Pro Forma Labor Non-Exec	304	197	-	(319)	Oppose
23	3.03	Pro Forma Labor Exec	-	-	-	-	Neutral
24	3.04	Pro Forma Employee Benefits	-	-	-	-	Neutral
25	3.05	Pro Forma Incentive Adjustment	-	-	-	-	Neutral
26	3.06	Pro Forma Property Tax	-	-	-	-	Neutral
27	3.07	Pro Forma IS/IT Expense	-	-	-	-	Neutral
28	3.08	Pro Forma Revenue Normalization	-	-	-	-	Neutral
29	3.09	Pro Forma Regulatory Amortization	-	-	-	-	Neutral
30	3.10	Pro Forma 2017 Threshold Capital Adds	1,217	734	(6,096)	(1,882)	Oppose
31	3.11	Pro Forma O&M Offsets	-	-	-	-	Neutral
32	3.12	Pro Forma Director Fees Expense	108	70	-	(113)	Oppose
33	3.13	Pro Forma Leap Deferral Gas Line Ext.	-	-	-	-	Neutral
34		<b>Pro Forma Results (Traditional Rev. Req.)</b>	<b>1,629</b>	<b>843</b>	<b>(6,096)</b>	<b>(2,058)</b>	
<i>Tax Cuts And Jobs Act Adjustments</i>							
35	TCJA-1	Restate Tax Expense in Results	-	3,178.212	-	(4,213.330)	New
36	TCJA-2	Excess Deferred Taxes	-	1,071.223	533.111	(1,370.074)	New
37	TCJA-3	TCJA Deferral (Jan - Apr 2018)	-	-	-	-	New
38	TCJA-4	Update Conversion Factor	-	-	-	94	New
39		<b>TCJA Pro Forma Results</b>	<b>1,629</b>	<b>5,092</b>	<b>(5,563)</b>	<b>(8,857)</b>	

CALCULATION OF TRADITIONAL PRO FORMA STUDY REVENUE REQUIREMENT  
WASHINGTON NATURAL GAS  
TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Per Traditional Pro Forma Study	
		May 1, 2018	
		(000's of Dollars)	
1	Pro Forma Rate Base	\$	300,350
2	Proposed Rate of Return		7.08%
3	Net Operating Income Requirement		\$21,265
4	Pro Forma Net Operating Income	\$	25,805
5	Net Operating Income Deficiency		(\$4,540)
6	Conversion Factor		0.754323
7	Revenue Requirement - 2016		<b>(\$6,020)</b>
8	Total Base Distribution Revenues*	\$	88,832
9	Percentage Base Distribution Revenue Increase		<b>-6.78%</b>
10	Total Present Billed Revenue	\$	152,089
11	Percentage Billed Revenue Increase		<b>-3.96%</b>

\* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

TRADITIONAL PRO FORMA COST OF CAPITAL  
 WASHINGTON NATURAL GAS

<b>Capital Structure</b>			
<b>Component</b>	<b>Capital Structure</b>	<b>Cost</b>	<b>Weighted Cost</b>
Total Debt	51.6%	5.19%	2.68%
Common Equity	48.4%	9.10%	4.40%
Total	<u>100.00%</u>		<u>7.08%</u>

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

<b>Line No.</b>	<b>Description</b>	<b>Factor</b>	<b>TCJA Factor</b>
1	<b>Revenues</b>	1.000000	1.000000
	<b>Expense:</b>		
2	Uncollectibles	0.004827	0.004827
3	Commission Fees	0.002000	0.002000
4	Washington Excise Tax	0.038334	0.038334
6	Total Expense	<u>0.045161</u>	<u>0.045161</u>
7	Net Operating Income Before FIT	0.954839	0.954839
8	Federal Income Tax @ 35%, .21%	0.334194	0.200516
9	REVENUE CONVERSION FACTOR	0.620645	0.754323

WASHINGTON NATURAL GAS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(000'S OF DOLLARS)

ACTUAL   RESTATING ADJUSTMENTS  
RESULTS

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense	Regulatory Expense	Injuries & Damages	FIT / DFT Expense
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03	2.04	2.05	2.06
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-RPT	G-UE	G-RE	G-ID	G-FIT
	REVENUES										
1	Total General Business	\$ 146,098	\$ -	\$ -	\$ -	\$ (5,097)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	4,595	-	-	-	(118)	-	-	-	-	-
3	Other Revenues	69,723	-	-	-	-	-	-	-	-	-
4	Total Gas Revenues	220,416	-	-	-	(5,215)	-	-	-	-	-
	EXPENSES										
	Production Expenses										
5	City Gate Purchases	112,605	-	-	-	-	-	-	-	-	-
6	Purchased Gas Expense	988	-	-	-	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	2,932	-	-	-	-	-	-	-	-	-
8	Total Production	116,525	-	-	-	-	-	-	-	-	-
	Underground Storage										
9	Operating Expenses	974	-	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	492	-	-	-	-	-	-	-	-	-
11	Taxes	210	-	-	-	-	-	-	-	-	-
12	Total Underground Storage	1,676	-	-	-	-	-	-	-	-	-
	Distribution										
13	Operating Expenses	12,049	-	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	9,866	-	-	-	-	-	-	-	-	-
15	Taxes	12,807	-	-	-	(5,183)	375	-	-	-	-
16	Total Distribution	34,722	-	-	-	(5,183)	375	-	-	-	-
17	Customer Accounting	7,352	-	2	-	-	-	(590)	-	-	-
18	Customer Service & Information	7,595	-	-	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-	-	-
	Administrative & General										
20	Operating Expenses	13,763	-	-	-	-	-	-	(3)	76	-
21	Depreciation/Amortization	6,260	-	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	20,023	-	-	-	-	-	-	(3)	76	-
25	Total Gas Expense	187,893	-	2	-	(5,183)	375	(590)	(3)	76	-
26	OPERATING INCOME BEFORE FIT	32,523	-	(2)	-	(32)	(375)	590	3	(76)	-
	FEDERAL INCOME TAX										
27	Current Accrual	(841)	-	(1)	-	(11)	(131)	207	1	(27)	-
28	Debt Interest	-	3	-	8	-	-	-	-	-	-
29	Deferred FIT	9,923	-	-	-	-	-	-	-	-	-
30	EDFIT Amortization	-	-	-	-	-	-	-	-	-	-
31	Amort ITC	(17)	-	-	-	-	-	-	-	-	-
32	NET OPERATING INCOME	\$ 23,458	\$ (3)	\$ (1)	\$ (8)	\$ (21)	\$ (244)	\$ 384	\$ 2	\$ (49)	\$ -
	RATE BASE										
	PLANT IN SERVICE										
33	Underground Storage	\$ 26,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Distribution Plant	390,508	-	-	-	-	-	-	-	-	-
35	General Plant	82,624	-	-	-	-	-	-	-	-	-
36	Total Plant in Service	500,000	-	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT										
37	Underground Storage	(10,317)	-	-	-	-	-	-	-	-	-
38	Distribution Plant	(129,098)	-	-	-	-	-	-	-	-	-
39	General Plant	(23,473)	-	-	-	-	-	-	-	-	-
40	Total Accumulated Depreciation/Amortization	(162,888)	-	-	-	-	-	-	-	-	-
41	NET PLANT	337,112	-	-	-	-	-	-	-	-	-
42	DEFERRED TAXES	(73,856)	(325)	-	-	-	-	-	-	-	-
43	EDFIT	-	-	-	-	-	-	-	-	-	-
44	Net Plant After DFT	263,256	(325)	-	-	-	-	-	-	-	-
45	GAS INVENTORY	9,116	-	-	-	-	-	-	-	-	-
46	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-	-
47	OTHER	(249)	-	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	15,664	-	-	(864)	-	-	-	-	-	-
49	TOTAL RATE BASE	\$ 287,787	\$ (325)	\$ -	\$ (864)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	RATE OF RETURN	8.15%									
51	REVENUE REQUIREMENT	-4,967	-32	2	-86	34	393	-618	-3	80	0

WASHINGTON NATURAL GAS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Office Space Charges to Subs	Restate Excise Taxes	Net Gains & Losses	Weather Normalization / Gas Cost Adjust	Eliminate Adder Schedules	Misc. Restating Non-Util / Non-Recurring Expenses	Project Compass Deferral	Restating Incentives	Restate Debt Interest	Restated TOTAL
		2.07	2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15	
		G-OSC	G-RET	G-NGL	G-WNGC	G-EAS	G-MR	G-CD	G-RI	G-DI	R-Ttl
	Adjustment Number	2.07	2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15	
	Workpaper Reference	G-OSC	G-RET	G-NGL	G-WNGC	G-EAS	G-MR	G-CD	G-RI	G-DI	R-Ttl
	REVENUES										
1	Total General Business	\$ -	\$ -	\$ -	\$ 11,209	\$ (1,240)	\$ -	\$ -	\$ -	\$ -	\$ 150,970
2	Total Transportation	-	-	-	-	-	-	-	-	-	4,477
3	Other Revenues	-	-	-	(5,427)	(63,276)	-	-	-	-	1,020
4	Total Gas Revenues	-	-	-	5,782	(64,516)	-	-	-	-	156,467
	EXPENSES										
	Production Expenses										
5	City Gate Purchases	-	-	-	5,274	(54,419)	-	-	-	-	63,460
6	Purchased Gas Expense	-	-	-	6	-	-	-	-	-	994
7	Net Nat Gas Storage Trans	-	-	-	-	(2,932)	-	-	-	-	-
8	Total Production	-	-	-	5,280	(57,351)	-	-	-	-	64,454
	Underground Storage										
9	Operating Expenses	-	-	-	-	-	-	-	-	-	974
10	Depreciation/Amortization	-	-	-	-	-	-	-	-	-	492
11	Taxes	-	-	-	-	-	-	-	-	-	210
12	Total Underground Storage	-	-	-	-	-	-	-	-	-	1,676
	Distribution										
13	Operating Expenses	-	-	-	-	-	1	-	-	-	12,050
14	Depreciation/Amortization	-	-	(13)	-	-	-	-	-	-	9,853
15	Taxes	-	2	-	430	(48)	-	-	-	-	8,383
16	Total Distribution	-	2	(13)	430	(48)	1	-	-	-	30,286
17	Customer Accounting	-	-	-	54	(6)	-	-	-	-	6,812
18	Customer Service & Information	-	-	-	-	(6,632)	-	-	-	-	963
19	Sales Expenses	-	-	-	-	-	-	-	-	-	-
	Administrative & General										
20	Operating Expenses	(9)	-	-	22	(2)	(316)	-	(181)	-	13,350
21	Depreciation/Amortization	-	-	-	-	-	-	-	-	-	6,260
22	Regulatory Amortizations	-	-	-	-	-	-	1,079	-	-	1,079
23	Taxes	-	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	(9)	-	-	22	(2)	(316)	1,079	(181)	-	20,689
25	Total Gas Expense	(9)	2	(13)	5,786	(64,039)	(315)	1,079	(181)	-	124,880
26	OPERATING INCOME BEFORE FIT	9	(2)	13	(4)	(477)	315	(1,079)	181	-	31,587
	FEDERAL INCOME TAX										
27	Current Accrual	3	(1)	5	(1)	(167)	110	(378)	63	40	(1,129)
28	Debt Interest	-	-	-	-	-	-	-	-	-	11
29	Deferred FIT	-	-	-	-	-	-	-	-	-	9,923
30	EDFIT Amortization	-	-	-	-	-	-	-	-	-	-
31	Amort ITC	-	-	-	-	-	-	-	-	-	(17)
32	NET OPERATING INCOME	\$ 6	\$ (1)	\$ 8	\$ (3)	\$ (310)	\$ 205	\$ (701)	\$ 118	\$ (40)	\$ 22,798
	RATE BASE										
	PLANT IN SERVICE										
33	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,868
34	Distribution Plant	-	-	-	-	-	-	-	-	-	390,508
35	General Plant	-	-	-	-	-	-	-	-	-	82,624
36	Total Plant in Service	-	-	-	-	-	-	-	-	-	500,000
	ACCUMULATED DEPRECIATION/AMORT										
37	Underground Storage	-	-	-	-	-	-	-	-	-	(10,317)
38	Distribution Plant	-	-	-	-	-	-	-	-	-	(129,098)
39	General Plant	-	-	-	-	-	-	-	-	-	(23,473)
40	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-	-	(162,888)
41	NET PLANT	-	-	-	-	-	-	-	-	-	337,112
42	DEFERRED TAXES	-	-	-	-	-	-	-	-	-	(74,181)
43	EDFIT	-	-	-	-	-	-	-	-	-	-
44	Net Plant After DFIT	-	-	-	-	-	-	-	-	-	262,931
45	GAS INVENTORY	-	-	-	-	-	-	-	-	-	9,116
46	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-	-
47	OTHER	-	-	-	-	-	-	-	-	-	(249)
48	WORKING CAPITAL	-	-	-	-	-	-	-	-	-	14,800
49	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,598
50	RATE OF RETURN										(1)
51	REVENUE REQUIREMENT	-9	2	-14	4	500	-330	1,130	-190	64	-4,040

WASHINGTON NATURAL GAS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(000'S OF DOLLARS)

**PRO FORMA ADJUSTMENTS**

Line No.	DESCRIPTION	Contested							
		Pro Forma Atmospheric Testing & Leak Survey	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Incentive Adjustment	Pro Forma Property Tax	Pro Forma IS/IT Expense	Pro Forma Revenue Normalization
		3.01	3.02	3.03	3.04	3.05	3.06	3.07	3.08
	Adjustment Number	G-PAT	G-PLN	G-PLE	G-PEB	G-PI	G-PPT	G-PIS	G-PREV
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(66,671)
2	Total Transportation	-	-	-	-	-	-	-	56
3	Other Revenues	-	-	-	-	-	-	-	(776)
4	Total Gas Revenues	-	-	-	-	-	-	-	(67,391)
	EXPENSES								
	Production Expenses								
5	City Gate Purchases	-	-	-	-	-	-	-	(63,460)
6	Purchased Gas Expense	-	16	-	(6)	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-	-
8	Total Production	-	16	-	(6)	-	-	-	(63,460)
	Underground Storage								
9	Operating Expenses	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	37	-	-
12	Total Underground Storage	-	-	-	-	-	37	-	-
	Distribution								
13	Operating Expenses	348	202	-	(76)	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	-	439	-	(2,554)
16	Total Distribution	348	202	-	(76)	-	439	-	(2,554)
17	Customer Accounting	-	109	-	(41)	-	-	-	(322)
18	Customer Service & Information	-	9	-	(4)	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	-	133	(10)	(49)	34	-	201	(133)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	133	(10)	(49)	34	-	201	(133)
25	Total Gas Expense	348	469	(10)	(176)	34	476	201	(66,469)
26	OPERATING INCOME BEFORE FIT	(348)	(469)	10	176	(34)	(476)	(201)	(922)
	FEDERAL INCOME TAX								
27	Current Accrual	(122)	(164)	4	62	(12)	(167)	(70)	(323)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-	-	-
30	EDFIT Amortization	-	-	-	-	-	-	-	-
31	Amort ITC	-	-	-	-	-	-	-	-
32	NET OPERATING INCOME	\$ (226)	\$ (305)	\$ 7	\$ 114	\$ (22)	\$ (309)	\$ (131)	\$ (599)
	RATE BASE								
	PLANT IN SERVICE								
33	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Distribution Plant	-	-	-	-	-	-	-	-
35	General Plant	-	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
37	Underground Storage	-	-	-	-	-	-	-	-
38	Distribution Plant	-	-	-	-	-	-	-	-
39	General Plant	-	-	-	-	-	-	-	-
40	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-
41	NET PLANT	-	-	-	-	-	-	-	-
42	DEFERRED TAXES	-	-	-	-	-	-	-	-
43	EDFIT	-	-	-	-	-	-	-	-
44	Net Plant After DFIT	-	-	-	-	-	-	-	-
45	GAS INVENTORY	-	-	-	-	-	-	-	-
46	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-
47	OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	RATE OF RETURN	-	-	-	-	-	-	-	-
51	REVENUE REQUIREMENT	364	491	-10	-184	36	499	211	966

WASHINGTON NATURAL GAS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Contested		Contested		Pro Forma Leap Deferral Gas Line Ext.	Pro Forma Total
		Pro Forma Regulatory Amortization	Pro Forma 2017 Threshold Capital Adds	Pro Forma O&M Offsets	Pro Forma Director Fees Expense		
		3.09	3.10	3.11	3.12	3.13	
	Adjustment Number						
	Workpaper Reference	G-PRA	G-PCAP16	G-POFF	G-PDF	G-PLEAP	PF-Ttl
	REVENUES						
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,299
2	Total Transportation	-	-	-	-	-	4,533
3	Other Revenues	-	-	-	-	-	244
4	Total Gas Revenues	-	-	-	-	-	89,076
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	1,004
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	1,004
	Underground Storage						
9	Operating Expenses	-	-	-	-	-	974
10	Depreciation/Amortization	-	-	-	-	-	492
11	Taxes	-	-	-	-	-	247
12	Total Underground Storage	-	-	-	-	-	1,713
	Distribution						
13	Operating Expenses	-	-	-	-	-	12,524
14	Depreciation/Amortization	-	366	-	-	-	10,219
15	Taxes	-	-	-	-	-	6,268
16	Total Distribution	-	366	-	-	-	29,011
17	Customer Accounting	-	-	-	-	-	6,558
18	Customer Service & Information	-	-	-	-	-	968
19	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	-	-	(32)	-	-	13,494
21	Depreciation/Amortization	-	-	-	-	-	6,260
22	Regulatory Amortizations	(1,079)	-	-	-	584	584
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(1,079)	-	(32)	-	584	20,338
25	Total Gas Expense	(1,079)	366	(32)	-	584	59,592
26	OPERATING INCOME BEFORE FIT	1,079	(366)	32	-	(584)	29,484
	FEDERAL INCOME TAX						
27	Current Accrual	378	(128)	11	-	(204)	(1,865)
28	Debt Interest	-	(110)	-	-	(14)	(113)
29	Deferred FIT	-	-	-	-	-	9,923
30	EDFIT Amortization	-	-	-	-	-	-
31	Amort ITC	-	-	-	-	-	(17)
32	NET OPERATING INCOME	\$ 701	\$ (128)	\$ 21	\$ -	\$ (366)	\$ 21,555
	RATE BASE						
	PLANT IN SERVICE						
33	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,868
34	Distribution Plant	-	14,510	-	-	-	405,018
35	General Plant	-	-	-	-	-	82,624
36	Total Plant in Service	-	14,510	-	-	-	514,510
	ACCUMULATED DEPRECIATION/AMORT						
37	Underground Storage	-	-	-	-	-	(10,317)
38	Distribution Plant	-	(163)	-	-	-	(129,261)
39	General Plant	-	-	-	-	-	(23,473)
40	Total Accumulated Depreciation/Amortization	-	(163)	-	-	-	(163,051)
41	NET PLANT	-	14,347	-	-	-	351,459
42	DEFERRED TAXES	-	(2,602)	-	-	-	(76,783)
43	EDFIT	-	-	-	-	-	-
44	Net Plant After DFIT	-	11,745	-	-	-	274,676
45	GAS INVENTORY	-	-	-	-	-	9,116
46	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
47	OTHER	-	-	-	-	1,474	1,225
48	WORKING CAPITAL	-	-	-	-	-	14,800
49	TOTAL RATE BASE	\$ -	\$ 11,745	\$ -	\$ -	\$ 1,474	\$ 299,817
50	RATE OF RETURN						
51	REVENUE REQUIREMENT	-1,130	1,546	-34	0	757	(529)

WASHINGTON NATURAL GAS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(000'S OF DOLLARS)

**TCJA ADJUSTMENTS**

Line No.	DESCRIPTION	New	New	New	New	TCJA Pro Forma Total
		Restate Test Period Tax Expense	Apply Excess Deferred Taxes	TCJA Deferral Amort.	Update Gross-Up Factor	
		TCJA-1	TCJA-2	TCJA-3	TCJA-4	TCJA-Ttl
	Adjustment Number					
	Workpaper Reference					
	REVENUES					
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ 84,299
2	Total Transportation	-	-	-	-	4,533
3	Other Revenues	-	-	-	-	244
4	Total Gas Revenues	-	-	-	-	89,076
	EXPENSES					
	Production Expenses					
5	City Gate Purchases	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	1,004
7	Net Nat Gas Storage Trans	-	-	-	-	-
8	Total Production	-	-	-	-	1,004
	Underground Storage					
9	Operating Expenses	-	-	-	-	974
10	Depreciation/Amortization	-	-	-	-	492
11	Taxes	-	-	-	-	247
12	Total Underground Storage	-	-	-	-	1,713
	Distribution					
13	Operating Expenses	-	-	-	-	12,524
14	Depreciation/Amortization	-	-	-	-	10,219
15	Taxes	-	-	-	-	6,268
16	Total Distribution	-	-	-	-	29,011
17	Customer Accounting	-	-	-	-	6,558
18	Customer Service & Information	-	-	-	-	968
19	Sales Expenses	-	-	-	-	-
	Administrative & General					
20	Operating Expenses	-	-	-	-	13,494
21	Depreciation/Amortization	-	-	-	-	6,260
22	Regulatory Amortizations	-	-	-	-	584
23	Taxes	-	-	-	-	-
24	Total Admin. & General	-	-	-	-	20,338
25	Total Gas Expense	-	-	-	-	59,592
26	OPERATING INCOME BEFORE FIT	-	-	-	-	29,484
	FEDERAL INCOME TAX					
27	Current Accrual	791	-	-	-	(1,074)
28	Debt Interest	-	(5)	-	-	(118)
29	Deferred FIT	(3,969)	-	-	-	5,954
30	EDFIT Amortization	-	(1,066)	-	-	(1,066)
31	Amort ITC	-	-	-	-	(17)
32	NET OPERATING INCOME	\$ 3,178	\$ 1,071	\$ -	\$ -	\$ 25,805
	RATE BASE					
	PLANT IN SERVICE					
33	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ 26,868
34	Distribution Plant	-	-	-	-	405,018
35	General Plant	-	-	-	-	82,624
36	Total Plant in Service	-	-	-	-	514,510
	ACCUMULATED DEPRECIATION/AMORT					
37	Underground Storage	-	-	-	-	(10,317)
38	Distribution Plant	-	-	-	-	(129,261)
39	General Plant	-	-	-	-	(23,473)
40	Total Accumulated Depreciation/Amortization	-	-	-	-	(163,051)
41	NET PLANT	-	-	-	-	351,459
42	DEFERRED TAXES	-	30,713	-	-	(46,070)
43	EDFIT	-	(30,180)	-	-	(30,180)
44	Net Plant After DFIT	-	533	-	-	275,209
45	GAS INVENTORY	-	-	-	-	9,116
46	GAIN ON SALE OF BUILDING	-	-	-	-	-
47	OTHER	-	-	-	-	1,225
48	WORKING CAPITAL	-	-	-	-	14,800
49	TOTAL RATE BASE	\$ -	\$ 533	\$ -	\$ -	\$ 300,350
50	RATE OF RETURN					
51	REVENUE REQUIREMENT	(4,213)	(1,370)	-	94	(6,019)

RESULTS OF OPERATIONS		AVISTA UTILITIES					Aggregate Impact of Tax Rate Change on Other Restating and Pro Forma Adjustments		
FEDERAL INCOME TAXES-GAS		Report ID: G-FIT-12A					Restating	TCJA	Restating
For Twelve Months Ended December 31, 2016							And Pro Forma Restated @ 21%		
Average of Monthly Averages Basis							Adjustments	Washington	Adjustment
Ref/Basis	Description	System	Washington	Idaho	Washington	Adjustment			
Calculation of Taxable Operating Income:									
G-OPS	Operating Revenue	315,168,743	220,415,618	94,753,125	220,415,618	0			
G-OPS	Operating & Maintenance Expense	228,903,631	158,258,430	70,645,201	158,258,430	0			
G-OPS	Book Deprec/Amort and Reg Amortizations	24,360,597	16,618,046	7,742,551	16,618,046	0			
G-OTX	Taxes Other than FIT	15,699,539	13,017,005	2,682,534	13,017,005	0			
	Net Operating Income Before FIT	46,204,976	32,522,137	13,682,839	32,522,137	0			
G-INT	Less: Interest Expense	11,566,825	7,827,784	3,739,041	7,827,784	0			
G-SCM	Schedule M Adjustments	(39,639,147)	(27,096,770)	(12,542,377)	(27,096,770)	0			
	Taxable Net Operating Income	(5,000,996)	(2,402,417)	(2,598,579)	(2,402,417)	0			
	Tax Rate	35.00%	35.00%	35.00%	21.00%	-14.00%	35.00%	21.00%	-14.00%
	Total Federal Income Tax	(1,750,349)	(840,846)	(909,503)	(504,508)	336,338	(1,136,506)	(681,903)	454,602
G-DTE	Deferred FIT	14,549,380	9,922,880	4,626,500	(a) 5,953,728	(3,969,152)	0	0	0
99	411400 Amortized Investment Tax Credit	(25,164)	(17,490)	(7,674)	(17,490)	0	0	0	0
	Total FIT/Deferred FIT & ITC	12,773,867	9,064,544	3,709,323	5,431,730	(3,632,814)	(1,136,506)	(681,903)	454,602
ALLOCATION RATIOS:									
G-ALL	99 Not Allocated	0.000%	0.000%	0.000%					
	<b>EFFECTIVE TAX RATE</b>	<b>0.3688</b>	<b>0.3671</b>	<b>0.3730</b>					

(a) Deferred FIT calculated by dividing the Deferred FIT amount by the old 35% tax rate and multiplying by the new 21% tax rate

Notes:  
1) This part of the adjustment isolates the impact of the tax change on the other restating and proforma adjustments. In Tab 4, the impact of the rate change can optionally be applied to each adjustment separately, as a check.

RESULTS OF OPERATIONS	Report ID:
<b>GAS SCHEDULE M ITEMS</b>	<b>G-SCM-</b>
For Twelve Months Ended December 31, 2016	
Average of Monthly Averages Basis	

AVISTA UTILITIES

Ref/Basis	Account	Description	***** SYSTEM *****			***** WASHINGTON *****		
			Direct	Allocated	Total	Direct	Allocated	Total
	997000	Book Depreciation & Amortization	15,154,300	9,236,295	24,390,595	10,126,432	6,491,617	16,618,049
12	997001	Contributions In Aid of Construction	0	339,208	339,208	0	228,307	228,307
2	997002	Injuries and Damages	0	6,800	6,800	0	4,502	4,502
12	997003	Salvage	0	0	0	0	0	0
4	997005	FAS106 Current Retiree Medical Accrual	0	669,424	669,424	0	470,518	470,518
6	997008	DSM Book Amortization	0	0	0	0	0	0
99	997010	Deferred Gas Credit and Refunds	10,894,725	0	10,894,725	7,405,819	0	7,405,819
4	997015	Airplane Lease Payments	0	173,967	173,967	0	122,276	122,276
12	997016	Redemption Expense Amortization	0	290,491	290,491	0	195,518	195,518
4	997020	FAS87 Current Pension Accrual	0	419,631	419,631	0	294,946	294,946
4	997029	FAS 106 Post Retirement Benefits	0	0	0	0	0	0
99	997031	Decoupling Mechanism	(10,397,212)	0	(10,397,212)	(8,191,427)	0	(8,191,427)
12	997032	Interest Rate Swaps	0	(10,562,134)	(10,562,134)	0	(7,108,950)	(7,108,950)
4	997033	DSM Tariff Rider	640,309	0	640,309	656,453	0	656,453
12	997048	AFUDC	0	(665,539)	(665,539)	0	(447,948)	(447,948)
11	997049	Tax Depreciation	0	(49,953,270)	(49,953,270)	0	(33,811,370)	(33,811,370)
1	997055	Deferred Gas Exchange	0	0	0	0	0	0
4	997062	Gain on Sale of Office Building	0	0	0	0	0	0
99	997065	Amortization of Unbilled Revenue Add-Ins	460,777	0	460,777	229,962	0	229,962
99	997073	DSIT Amortization - ID	0	0	0	0	0	0
11	997080	Book Transportation Depreciation	0	(534,972)	(534,972)	0	(362,101)	(362,101)
4	997081	Deferred Compensation	0	(66,176)	(66,176)	0	(46,513)	(46,513)
4	997082	Meal Disallowances	0	133,517	133,517	0	93,845	93,845
4	997083	Paid Time Off	0	67,121	67,121	0	47,177	47,177
2	997084	Customer Uncollectibles	0	98,222	98,222	0	65,027	65,027
99	997098	Provision for Rate Refund	2,548,243	0	2,548,243	2,767,455	0	2,767,455
12	997101	Repairs 481 (a)	0	(7,256,838)	(7,256,838)	0	(4,884,287)	(4,884,287)
12	997102	Amort Idaho Earnings Test (254229)	(60,144)	0	(60,144)	0	0	0
99	997103	Def Project Compass	168,136	0	168,136	0	0	0
99	997105	WA Nat Gas Line Extension	(1,444,028)	0	(1,444,028)	(1,444,028)	0	(1,444,028)
		<b>TOTAL SCHEDULE M ADJUSTMENT:</b>	<b>19,301,142</b>	<b>(57,604,253)</b>	<b>(39,639,147)</b>	<b>11,550,666</b>	<b>(38,647,436)</b>	<b>(27,096,770)</b>

ALLOCATION RATIOS:

G-ALL	1	Contract System Demand	100.000%	70.530%
G-ALL	2	Number of Customers - AMA	100.000%	66.204%
G-ALL	4	Jurisdictional 4-Factor Ratio	100.000%	70.287%
G-ALL	6	Actual Therms Purchased	100.000%	68.268%
G-ALL	11	Book Depreciation	100.000%	67.686%
G-ALL	12	Net Gas Plant (before DFIT) - AMA	100.000%	67.306%
G-ALL	99	Not Allocated	0.000%	0.000%

RESULTS OF OPERATIONS	Report ID:
<b>DEFERRED INCOME TAX EXPENSE--GAS</b>	<b>G-DTE-12A</b>
For Twelve Months Ended December 31, 2016	
Average of Monthly Averages Basis	

AVISTA UTILITIES

Ref/Basis	Account	Description	System	Washington	Idaho
14	410100	Deferred Federal Income Tax Expense - Allocated	15,570,227	10,446,221	5,124,006
99	410100	Deferred Federal Income Tax Exp	(822,486)	(417,971)	(404,515)
		<b>SUBTOTAL</b>	<b>14,747,741</b>	<b>10,028,250</b>	<b>4,719,491</b>
14	411100	Deferred Federal Income Tax Expense - Allocated	(37,089)	(24,883)	(12,206)
99	411100	Deferred Federal Income Tax Exp	(161,272)	(80,487)	(80,785)
		<b>SUBTOTAL</b>	<b>(198,361)</b>	<b>(105,370)</b>	<b>(92,991)</b>
		<b>Total Deferred Federal Income Tax Expense</b>	<b>14,549,380</b>	<b>9,922,880</b>	<b>4,626,500</b>

ALLOCATION RATIOS:

G-ALL	14	Net Allocated Schedule M's - AMA	100.000%	67.091%	32.909%
G-ALL	99	Not Allocated	0.000%	0.000%	0.000%

Avista Corporation, Natural Gas Services  
Calculation of Excess Deferred Federal Income Tax ("EDFIT") Reserve and Amortization  
Using the Alternative Method (\$000)

ADIT Book/Tax Difference	Per Books ADIT @ 35% Rate	Com. Basis Adjusted ADIT @ 35% Rate	Reverse Old Gross Up Rate	Cum. Book/Tax Difference Amount	Apply New Gross- Up Rate	TCJA ADIT @ 21% Rate	Reserve for EDFIT	Amort. Rate	EDFIT Amort.
ADFIT - Gas Plant In Service	(63,730)								
Intangible		(296)	35%	(846)	21%	(178)	(118)	20.00% (a)	(24)
UG Storage		(3,884)	35%	(11,096)	21%	(2,330)	(1,553)	1.59% (b)	(25)
Distribution		(57,302)	35%	(163,719)	21%	(34,381)	(22,921)	2.52%	(578)
General (Direct)		(2,573)	35%	(7,353)	21%	(1,544)	(1,029)	5.00%	(51)
ADFIT - Common Plant (282900 from C-DTX)	(9,325)	(9,231)	35%	(26,374)	21%	(5,539)	(3,692)	8.43%	(311)
ADFIT - Common Plant (283750 from C-DTX)	(217)	(94)	35%	(270)	21%	(57)	(38)	8.43% /	(3)
ADFIT - Gas portion of Bond Redemptions	(584)	(584)	35%	(1,668)	21%	(350)	(234)	20.00% (c)	(47)
AFUDC - CWIP Intangibles	-	(217)	35%	(620)	21%	(130)	(87)	1.59% (d)	(1)
<b>Total ADIT (Restated)</b>	<b>(73,856)</b>	<b>(74,181)</b>		<b>(211,946)</b>		<b>(44,509)</b>	<b>(29,672)</b>		<b>(1,040)</b>
Check	-	0							
		T/A: Tab 4, E-ROO							
		T/A: Tab 4, R-Ttl							
Adj. 3.10 Pro-Forma Plant		(2,602)	35%	(7,434)	21%	(1,561)	(1,041)	2.52% (e)	(26.23)
<b>Total (Pro forma)</b>		<b>(76,783)</b>		<b>(219,381)</b>		<b>(46,070)</b>	<b>(30,713)</b>		<b>(1,066.222)</b>
Check		0							
		T/A: Tab 4, PF-Ttl							

- (a) Assume 5-year life as used by the Company for software in its post-test period pro forma capital adjustment
- (c) Composite depreciation rate from depreciation study.
- (d) Bond life unknown, estimated to reverse over five years
- (e) Composite rate for intangibles from depreciation study
- (e) Composite rate for distribution from depreciation study

AVISTA UTILITIES  
Gas Accumulated Deferred Taxes  
Average - Twelve Months Ended December 31, 2016

		Alloc Basis	Gas System	Washington	Idaho
ACCELERATED TAX DEPRECIATION					
Gas North	Intangible	4	(421,028)	(295,928)	(125,100)
	UG Storage	1	(5,506,458)	(3,883,705)	(1,622,753)
	Distribution	12	(85,136,082)	(57,301,691)	(27,834,391)
	General (Direct)	13	(3,623,302)	(2,573,486)	(1,049,816)
General/Intangible	CD AA	4	(13,133,167)	(9,230,909)	(3,902,258)
General/Intangible	CD AN	12	(140,391)	(94,492)	(45,900)
Total Plant DFIT			(107,960,429)	(73,380,212)	(34,580,217)
AFUDC - CWIP Intangibles		4	(308,777)	(217,030)	(91,747)
FMB & MTN Redeemed		12	(867,598)	(583,946)	(283,653)
Total Other Deferred FIT			(1,176,375)	(800,976)	(375,400)
Total Deferred FIT		J	(109,136,804)	(74,181,188)	(34,955,617)
Amount at 12/31/2016 AMA			(109,136,798)	(73,856,318)	(35,280,480)
Adjustment			(6)	(324,870)	324,863
Allocation Notes:					
System Contract Demand		1	100.000%	70.530%	29.470%
Jurisdictional four-factor		4	100.000%	70.287%	29.713%
Net gas plant - AMA		12	100.000%	67.306%	32.694%
Net gas general plant - AMA		13	100.000%	71.026%	28.974%

Source of Allocation Factors: Results of Operations Report G-PLT-12A  
(1) Source: Results of Operations (G-PLT-12A)

Avista Corporation, Electric Services  
Calculation of the Deferral Related to Excess Taxes Collected in Rates over the Period January 1, 2018 through April 30, 2018  
(\$000)

Line

**1 Restating Adjustment Calculation Using Gross-up Method:**

2 Rate Base	UE-150204 (Cons.), Order 05, Table A2	240,814
3 Equity %	UE-150204 (Cons) May 1, 2015 Stipulation	48.50%
4 Equity Portion of Rate Base	Line 2 * Line 3	116,795
5 Return On Equity	UE-150204 (Cons) May 1, 2015 Stipulation	9.50%
6 Pretax Return On Equity (35% Rate)	Line 5 * (1 - 35%)	14.62%
7 Pretax Equity Returns Required (35% Rate)	Line 4 * Line 5	17,070.01
8 Pretax Return on Equity (21% Rate)	Line 7 * (1 - 21%)	12.03%
9 Pretax Equity Return (21% Rate)	Line * Line 7	14,044.94
<b>10 Annual Equity Return Differential (35% to 21% Rate)</b>	Line 9 * Line	<b>(3,025)</b>

**11 Monthly Deferral Calculation**

		<u>1/1/2018</u>	<u>2/1/2018</u>	<u>3/1/2018</u>	<u>4/1/2018</u>
12 Monthly Return Diff. at Restated 21 % Tax Rate	Line 10 / 12	252	252	252	252
13 Monthly EDFIT Amortization	Tab 6a	(89)	(89)	(89)	(89)
14 Monthly EDFIT Amortization (Pretax)	Line 13 / (1-21%)	(112)	(112)	(112)	(112)
15 Total Deferred Amounts	Line 13 + Line 14	163	163	163	163
16 Carrying Charge (Per Mo. at Pre-tax ROR)		3.14%	3.14%	3.14%	3.14%
17 Balance					
18 Beginning Balance		-	163	326	490
19 Deferral	Line 15	163	163	163	163
20 Interest	Line 16 * (Line 17 + Line 18 / 2 )	3	8	13	18
21 Ending Balance	∑ Lines 18:20	163	326	490	653

Avista Corporation, Electric Services

Amortization of the Deferral for Excess Taxes Collected in Rates Over the Period January 1, 2018 through April 30, 2018

(\$000)

Month	Beg Balance	Amortization	Interest Rate	Interest	Ending Balance
5/1/2018	653	(42)	3.14%	23	634
6/1/2018	634	(42)	3.14%	23	615
7/1/2018	615	(42)	3.14%	22	595
8/1/2018	595	(42)	3.14%	21	575
9/1/2018	575	(42)	3.14%	21	554
10/1/2018	554	(42)	3.14%	20	532
11/1/2018	532	(42)	3.14%	19	510
12/1/2018	510	(42)	3.14%	19	486
1/1/2019	486	(42)	3.14%	18	463
2/1/2019	463	(42)	3.14%	17	438
3/1/2019	438	(42)	3.14%	16	413
4/1/2019	413	(42)	3.14%	16	386
5/1/2019	386	(42)	3.14%	15	359
6/1/2019	359	(42)	3.14%	14	332
7/1/2019	332	(42)	3.14%	13	303
8/1/2019	303	(42)	3.14%	12	273
9/1/2019	273	(42)	3.14%	11	243
10/1/2019	243	(42)	3.14%	10	211
11/1/2019	211	(42)	3.14%	9	179
12/1/2019	179	(42)	3.14%	8	145
1/1/2020	145	(42)	3.14%	7	110
2/1/2020	110	(42)	3.14%	6	75
3/1/2020	75	(42)	3.14%	5	38
4/1/2020	38	(42)	3.14%	4	0 <-Goal Seek to Zero
<b>Annual Amortization:</b>		<b>(501)</b>			