

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

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

Electric Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Company Filing (Rev. Req. at ICNU ROR)			ICNU 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)	\$110,557	1,444,926	(13,329)	\$110,557	1,444,926	(13,329)
<i>Restating Adjustments:</i>								
2	1.01	Deferred FIT Rate Base	8	806	79	8	806	79
3	1.02	Deferred Debits and Credits	(8)	-	13	(8)	-	13
4	1.03	Working Capital	(30)	(3,006)	(295)	(30)	(3,006)	(295)
5	2.01	Eliminate B & O Taxes	(96)	-	154	(96)	-	154
6	2.02	Restate Property Tax	163	-	(262)	163	-	(262)
7	2.03	Uncollect. Expense	(859)	-	1,386	(859)	-	1,386
8	2.04	Regulatory Expense	(5)	-	7	(5)	-	7
9	2.05	Injuries and Damages	(98)	-	158	(98)	-	158
10	2.06	FIT/DFIT/ ITC Expense	(69)	-	111	(69)	-	111
11	2.07	Office Space Charges to Non-Utility	20	-	(33)	20	-	(33)
12	2.08	Restate Excise Taxes	40	-	(65)	40	-	(65)
13	2.09	Net Gains / Losses	61	-	(99)	61	-	(99)
14	2.10	Weather Normalization	825	-	(1,332)	825	-	(1,332)
15	2.11	Eliminate Adder Schedules	-	-	-	-	-	-
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	(969)	-	1,565	(969)	-	1,565
17	2.13	Eliminate WA Power Cost Defer	4,386	-	(7,081)	4,386	-	(7,081)
18	2.14	Nez Perce Settlement Adjustment	3	-	(4)	3	-	(4)
19	2.15	Restating Incentives	407	-	(657)	407	-	(657)
20	2.16	Normalize CS2/Colstrip Major Maint	763	-	(1,232)	763	-	(1,232)
21	2.17	Restate Debt Interest	759	-	(1,225)	(326)	-	526
22	2.18	Authorized Power Supply	(7,696)	-	12,425	(7,696)	-	12,425
23		Restated Results	108,163	1,442,726	(9,715)	107,078	1,442,726	(7,964)
<i>Pro Forma Adjustments</i>								
24	3.01	Pro Forma Trans/Power Sup Non-ERM Rev/Exp	(66)	-	106	(66)	-	106
25	3.02	Pro Forma Labor Non-Exec	(1,862)	-	3,005	(1,167)	-	1,884
26	3.03	Pro Forma Labor Exec	21	-	(35)	21	-	(35)
27	3.04	Pro Forma Employee Benefits	234	-	(378)	234	-	(378)
28	3.05	Pro Forma Incentive Expenses	(77)	-	125	(77)	-	125
29	3.06	Pro Forma Property Tax	(1,598)	-	2,579	(1,598)	-	2,579
30	3.07	Pro Forma IS/IT Expense	(451)	-	728	(451)	-	728
31	3.08	Pro Forma Revenue Normalization	(3,286)	-	5,305	(3,286)	-	5,305
32	3.09	Pro Forma Def. Debits, Credits & Regulatory Amorts	1,013	(5,346)	(2,246)	1,013	(5,346)	(2,246)
33	3.10	Pro Forma 2017 Threshold Capital Adds	(1,743)	34,911	6,804	269	5,565	202
34	3.11	Pro Forma O&M Offsets	642	-	(1,036)	642	-	(1,036)
35	3.12	Pro Forma Director Fees Exp	(244)	-	394	-	-	-
36	3.13	PF Normalize CS2/Colstrip Major Maint	(226)	-	364	(226)	-	364
37	3.14	Pro Forma Underground Equip Inspection	(346)	-	558	(346)	-	558
38	4.00	Pro Forma Power Supply & Transm Revs	(10,288)	-	16,609	-	-	-
39		Pro Forma Results (Traditional Rev. Req.)	89,888	1,472,291	23,168	102,041	1,442,945	193
<i>Tax Cuts And Jobs Act Adjustments</i>								
40	TCJA-1	Restate Tax Expense in Results	-	-	-	19,771	-	(26,263)
41	TCJA-2	Excess Deferred Taxes	-	-	-	4,914	2,445	(6,297)
42	TCJA-3	TCJA Deferral (Jan - Apr 2018)	-	-	-	-	-	-
43	TCJA-4	Updated Conversion Factor	-	-	-	-	-	(35)
44		TCJA Pro Forma Results	89,888	1,472,291	23,168	126,726	1,445,391	(32,401)

Electric Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Impact of ICNU Adjustments				ICNU 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	Uncollect. Expense	-	-	-	-	Neutral
8	2.04	Regulatory Expense	-	-	-	-	Neutral
9	2.05	Injuries and Damages	-	-	-	-	Neutral
10	2.06	FIT/DFIT/ ITC Expense	-	-	-	-	Neutral
11	2.07	Office Space Charges to Non-Utility	-	-	-	-	Neutral
12	2.08	Restate Excise Taxes	-	-	-	-	Neutral
13	2.09	Net Gains / Losses	-	-	-	-	Neutral
14	2.10	Weather Normalization	-	-	-	-	Neutral
15	2.11	Eliminate Adder Schedules	-	-	-	-	Neutral
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	-	-	-	-	Neutral
17	2.13	Eliminate WA Power Cost Defer	-	-	-	-	Neutral
18	2.14	Nez Perce Settlement Adjustment	-	-	-	-	Neutral
19	2.15	Restating Incentives	-	-	-	-	Neutral
20	2.16	Normalize CS2/Colstrip Major Maint	-	-	-	-	Neutral
21	2.17	Restate Debt Interest	-	(1,085)	-	1,751	Update (Cost of Debt)
22	2.18	Authorized Power Supply	-	-	-	-	Neutral
23		Restated Results	-	(1,085)	-	1,751	
<i>Pro Forma Adjustments</i>							
24	3.01	Pro Forma Trans/Power Sup Non-ERM Rev/Exp	-	-	-	-	Neutral
25	3.02	Pro Forma Labor Non-Exec	1,068	694	-	(1,121)	Oppose
26	3.03	Pro Forma Labor Exec	-	-	-	-	Neutral
27	3.04	Pro Forma Employee Benefits	-	-	-	-	Neutral
28	3.05	Pro Forma Incentive Expenses	-	-	-	-	Neutral
29	3.06	Pro Forma Property Tax	-	-	-	-	Neutral
30	3.07	Pro Forma IS/IT Expense	-	-	-	-	Neutral
31	3.08	Pro Forma Revenue Normalization	-	-	-	-	Neutral
32	3.09	Pro Forma Def. Debits, Credits & Regulatory Amorts	-	-	-	-	Neutral
33	3.10	Pro Forma 2017 Threshold Capital Adds	3,095	2,012	(29,346)	(6,602)	Oppose
34	3.11	Pro Forma O&M Offsets	-	-	-	-	Neutral
35	3.12	Pro Forma Director Fees Exp	375	244	-	(394)	Oppose
36	3.13	PF Normalize CS2/Colstrip Major Maint	-	-	-	-	Neutral
37	3.14	Pro Forma Underground Equip Inspection	-	-	-	-	Neutral
38	4.00	Pro Forma Power Supply & Transm Revs	15,827	10,288	-	(16,609)	Oppose
39		Pro Forma Results (Traditional Rev. Req.)	20,365	12,153	(29,346)	(22,974)	
<i>Tax Cuts And Jobs Act Adjustments</i>							
40	TCJA-1	Restate Tax Expense in Results	-	19,771	-	(26,263)	New
41	TCJA-2	Excess Deferred Taxes	-	4,914	2,445	(6,296.882)	New
42	TCJA-3	TCJA Deferral (Jan - Apr 2018)	-	-	-	-	New
43	TCJA-4	Updated Conversion Factor	-	-	-	(35)	New
44		TCJA Pro Forma Results	20,365	36,838	(26,900)	(62,547)	

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

Line No.	Description	<u>Per Traditional Pro Forma Study Base Rate Change 5/1/2018 (000's of Dollars)</u>
1	Pro Forma Rate Base	\$ 1,445,390
2	Proposed Rate of Return	<u>7.08%</u>
3	Net Operating Income Requirement	\$102,334
4	Pro Forma Net Operating Income	<u>126,724</u>
5	Net Operating Income Deficiency	(\$24,390)
6	Conversion Factor	0.752825
7	Revenue Requirement	(\$32,398)
8	Total General Business Revenues	\$492,134
9	Percentage Revenue Increase	<u><u>-6.58%</u></u>
10	Total <u>Billed</u> General Business Revenues	\$511,823
11	Percentage Revenue Increase	<u><u>-6.33%</u></u>

TRADITIONAL PRO FORMA COST OF CAPITAL WASHINGTON ELECTRIC			
Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Total Debt	51.6%	5.19%	2.68%
Common	48.4%	9.10%	4.40%
Total	<u>100.00%</u>		<u>7.08%</u>

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

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>	<u>TCJA Factor</u>
1	Revenues	1.000000	1.000000
	Expense:		
2	Uncollectibles	0.006578	0.006578
3	Commission Fees	0.002000	0.002000
4	Washington Excise Tax	0.038479	0.038479
6	Total Expense	<u>0.047057</u>	<u>0.047057</u>
7	Net Operating Income Before FIT	0.952943	0.952943
8	Federal Income Tax @ 35%; 21%	<u>0.333530</u>	<u>0.200118</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.619413</u></u>	<u><u>0.752825</u></u>

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

Ln No.	DESCRIPTION	<u>ACTUAL</u>								
		<u>RESULTS</u>	<u>RESTATEMENT ADJUSTMENTS</u>							
		Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense	
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03	2.04	
	Worksheet Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-EBO	E-RPT	E-UE	E-RE	
REVENUES										
1	Total General Business	\$516,333	\$0	\$0	\$0	(\$17,807)	\$0	\$0	\$0	
2	Interdepartmental Sales	946	-	-	-	-	-	-	-	
3	Sales for Resale	78,098	-	-	-	-	-	-	-	
4	Total Sales of Electricity	595,377	-	-	-	(17,807)	-	-	-	
5	Other Revenue	81,735	-	-	-	(14)	-	-	-	
6	Total Electric Revenue	677,112	-	-	-	(17,821)	-	-	-	
EXPENSES										
Production and Transmission										
7	Operating Expenses	184,672	-	4	-	-	-	-	-	
8	Purchased Power	96,772	-	-	-	-	-	-	-	
9	Depreciation/Amortization	26,677	-	-	-	-	-	-	0	
10	Regulatory Amortization	4,310	-	-	-	-	-	-	-	
11	Taxes	14,904	-	-	-	-	86	-	-	
12	Total Production & Transmission	327,335	-	4	-	-	86	-	-	
Distribution										
13	Operating Expenses	21,420	-	-	-	-	-	-	-	
14	Depreciation/Amortization	27,913	-	-	-	-	-	-	-	
15	Regulatory Amortization	0	-	-	-	-	-	-	-	
16	Taxes	45,258	-	-	-	(17,674)	(336)	-	-	
17	Total Distribution	94,591	-	-	-	(17,674)	(336)	-	-	
18	Customer Accounting	11,733	-	8	-	-	-	1,321	-	
19	Customer Service & Information	18,081	-	-	-	-	-	-	-	
20	Sales Expenses	0	-	-	-	-	-	-	-	
Administrative & General										
21	Operating Expenses	50,568	-	-	-	-	-	-	7	
22	Depreciation/Amortization	23,877	-	-	-	-	-	-	-	
23	Taxes	0	-	-	-	-	-	-	-	
24	Total Admin. & General	74,445	-	-	-	-	-	-	7	
25	Total Electric Expenses	526,185	-	12	-	(17,674)	(250)	1,321	7	
26	OPERATING INCOME BEFORE FIT	150,927	-	(12)	-	(147)	250	(1,321)	(7)	
FEDERAL INCOME TAX										
27	Current Accrual	(25,741)	-	(4)	-	(51)	88	(462)	(2)	
28	Debt Interest	0	(8)	-	28	-	-	-	-	
29	Deferred Income Taxes	66,436	-	-	-	-	-	-	-	
30	Amortized ITC - Noxon	(325)	-	-	-	-	-	-	-	
31	EDFIT Amortization									
32	NET OPERATING INCOME	\$110,557	\$8	(\$8)	(\$28)	(\$96)	\$163	(\$859)	(\$5)	
RATE BASE										
PLANT IN SERVICE										
33	Intangible	\$156,057	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
34	Production	832,833	-	-	-	-	-	-	-	
35	Transmission	430,613	-	-	-	-	-	-	-	
36	Distribution	970,455	-	-	-	-	-	-	-	
37	General	233,266	-	-	-	-	-	-	-	
38	Total Plant in Service	2,623,224	-	-	-	-	-	-	-	
ACCUMULATED DEPRECIATION/AMORT										
39	Intangible	(30,914)	-	-	-	-	-	-	-	
40	Production	(351,625)	-	-	-	-	-	-	-	
41	Transmission	(135,624)	-	-	-	-	-	-	-	
42	Distribution	(295,383)	-	-	-	-	-	-	-	
43	General	(80,093)	-	-	-	-	-	-	-	
44	Total Accumulated Depreciation	(893,639)	-	-	-	-	-	-	-	
45	NET PLANT	1,729,585	-	-	-	-	-	-	-	
46	DEFERRED TAXES	(354,707)	806	-	-	-	-	-	-	
47	EDFIT									
48	Net Plant After DFIT	1,374,878	806	-	-	-	-	-	-	
49	DEFERRED DEBITS AND CREDITS & OTHER	4,568	-	-	-	-	-	-	-	
50	WORKING CAPITAL	65,480	-	-	(3,006)	-	-	-	-	
51	TOTAL RATE BASE	1,444,926	\$806	\$0	(\$3,006)	\$0	\$0	\$0	\$0	
52	RATE OF RETURN	7.65%								
53	REVENUE REQUIREMENT	(13,329)	80	13	(298)	154	(262)	1,386	7	

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

Ln No.	DESCRIPTION	Injuries and Damages 2.05 E-ID	FIT/DFIT/ ITC Expense 2.06 E-FIT	Office Space Charges to Non-Utility 2.07 E-OSC	Restate Excise Taxes 2.08 E-RET	Net Gains / Losses 2.09 E-NGL	Weather Normalization 2.10 E-WN	Eliminate Adder Schedules 2.11 E-EAS	Misc. Restating Non-Util / Non-Recurring Expenses 2.12 E-MR
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$7,392	(\$18,203)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	7,392	(18,203)	-
5	Other Revenue	-	-	-	-	-	(5,775)	684	(2,566)
6	Total Electric Revenue	-	-	-	-	-	1,617	(17,519)	(2,566)
EXPENSES									
Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	(383)	(5)
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	395	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	12	(5)
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(94)	-	-	-
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	(62)	-	284	(700)	-
17	Total Distribution	-	-	-	(62)	(94)	284	(700)	(2)
18	Customer Accounting	-	-	-	-	-	49	(120)	-
19	Customer Service & Information	-	-	-	-	-	-	(16,675)	-
20	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	151	-	(31)	-	-	15	(36)	(1,068)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	151	-	(31)	-	-	15	(36)	(1,068)
25	Total Electric Expenses	151	-	(31)	(62)	(94)	348	(17,519)	(1,075)
26	OPERATING INCOME BEFORE FIT	(151)	-	31	62	94	1,269	-	(1,491)
FEDERAL INCOME TAX									
27	Current Accrual	(53)	110	11	22	33	444	-	(522)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	(40)	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	(1)	-	-	-	-	-	-
31	EDFIT Amortization	-	-	-	-	-	-	-	-
32	NET OPERATING INCOME	(\$98)	(\$69)	\$20	\$40	\$61	\$825	\$0	(\$969)
RATE BASE									
PLANT IN SERVICE									
33	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Production	-	-	-	-	-	-	-	-
35	Transmission	-	-	-	-	-	-	-	-
36	Distribution	-	-	-	-	-	-	-	-
37	General	-	-	-	-	-	-	-	-
38	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
39	Intangible	-	-	-	-	-	-	-	-
40	Production	-	-	-	-	-	-	-	-
41	Transmission	-	-	-	-	-	-	-	-
42	Distribution	-	-	-	-	-	-	-	-
43	General	-	-	-	-	-	-	-	-
44	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
45	NET PLANT	-	-	-	-	-	-	-	-
DEFERRED TAXES									
47	EDFIT	-	-	-	-	-	-	-	-
48	Net Plant After DFIT	-	-	-	-	-	-	-	-
49	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
50	WORKING CAPITAL	-	-	-	-	-	-	-	-
51	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52	RATE OF RETURN	-	-	-	-	-	-	-	-
53	REVENUE REQUIREMENT	158	111	(33)	(65)	(99)	(1,332)	-	1,565

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

(Authorized P.S.
@ Authorized
P/T ratio)

Ln No.	DESCRIPTION	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Restating Incentives	Normalize CS2/Colstrip Major Maint	Restate Debt Interest	Authorized Power Supply	Restated TOTAL
	Adjustment Number Workpaper Reference	2.13 E-EWPC	2.14 E-NPS	2.15 E-RI	2.16 E-PMM	2.17 E-RDI	2.18 E-APS	R-Ttl
REVENUES								
1	Total General Business	\$4,698	\$0	\$0	\$0	\$0	\$0	\$492,413
2	Interdepartmental Sales	-	-	-	-	-	-	946
3	Sales for Resale	-	-	-	-	-	(20,773)	57,325
4	Total Sales of Electricity	4,698	-	-	-	-	(20,773)	550,684
5	Other Revenue	-	-	-	-	-	(56,948)	17,116
6	Total Electric Revenue	4,698	-	-	-	-	(77,721)	567,800
EXPENSES								
Production and Transmission								
7	Operating Expenses	(2,270)	(4)	-	(1,174)	-	(46,240)	134,600
8	Purchased Power	-	-	-	-	-	(19,641)	77,131
9	Depreciation/Amortization	-	-	-	-	-	-	26,677
10	Regulatory Amortization	-	-	-	-	-	-	4,705
11	Taxes	-	-	-	-	-	-	14,990
12	Total Production & Transmission	(2,270)	(4)	-	(1,174)	-	(65,881)	258,103
Distribution								
13	Operating Expenses	-	-	-	-	-	-	21,418
14	Depreciation/Amortization	-	-	-	-	-	-	27,819
15	Regulatory Amortization	-	-	-	-	-	-	-
16	Taxes	181	-	-	-	-	-	26,951
17	Total Distribution	181	-	-	-	-	-	76,188
18	Customer Accounting	30	-	-	-	-	-	13,021
19	Customer Service & Information	-	-	-	-	-	-	1,406
20	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
21	Operating Expenses	9	-	(626)	-	-	-	48,989
22	Depreciation/Amortization	-	-	-	-	-	-	23,877
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	9	-	(626)	-	-	-	72,866
25	Total Electric Expenses	(2,050)	(4)	(626)	(1,174)	-	(65,881)	421,584
26	OPERATING INCOME BEFORE FIT	6,748	4	626	1,174	-	(11,840)	146,216
FEDERAL INCOME TAX								
27	Current Accrual	1,567	1	219	411	202	(4,144)	(27,873)
28	Debt Interest	-	-	-	-	-	-	21
29	Deferred Income Taxes	795	-	-	-	-	-	67,191
30	Amortized ITC - Noxon	-	-	-	-	-	-	(326)
31	EDFIT Amortization	-	-	-	-	-	-	-
32	NET OPERATING INCOME	\$4,386	\$3	407	763	(202)	(\$7,696)	107,203
RATE BASE								
PLANT IN SERVICE								
33	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$156,057
34	Production	-	-	-	-	-	-	832,833
35	Transmission	-	-	-	-	-	-	430,613
36	Distribution	-	-	-	-	-	-	970,455
37	General	-	-	-	-	-	-	233,266
38	Total Plant in Service	-	-	-	-	-	-	2,623,224
ACCUMULATED DEPRECIATION/AMORT								
39	Intangible	-	-	-	-	-	-	(30,914)
40	Production	-	-	-	-	-	-	(351,625)
41	Transmission	-	-	-	-	-	-	(135,624)
42	Distribution	-	-	-	-	-	-	(295,383)
43	General	-	-	-	-	-	-	(80,093)
44	Total Accumulated Depreciation	-	-	-	-	-	-	(893,639)
45	NET PLANT	-	-	-	-	-	-	1,729,585
46	DEFERRED TAXES	-	-	-	-	-	-	(353,901)
47	EDFIT	-	-	-	-	-	-	-
48	Net Plant After DFIT	-	-	-	-	-	-	1,375,684
49	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	4,568
50	WORKING CAPITAL	-	-	-	-	-	-	62,474
51	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,442,726
52	RATE OF RETURN	-	-	-	-	-	-	(1)
53	REVENUE REQUIREMENT	(7,081)	(4)	(657)	(1,232)	326	12,425	(8,166)

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

PRO FORMA ADJUSTMENTS

Ln No.	DESCRIPTION	NON ERM	Contested	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
		Pro Forma Trans/Power Sup Non-ERM Rev/Exp	Pro Forma Labor Non-Exec	Labor Exec	Employee Benefits	Incentive Expenses	Property Tax	IS/IT Expense	Pro Forma Revenue Normalization
		3.01	3.02	3.03	3.04	3.05	3.06	3.07	3.08
		E-PTR	E-PLN	E-PLE	E-PEB	E-PI	E-PPT	E-CI	E-PREV
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$0		\$0	\$0	\$0	\$0	\$0	(\$1,225)
2	Interdepartmental Sales	-		-	-	-	-	-	-
3	Sales for Resale	-		-	-	-	-	-	-
4	Total Sales of Electricity	-		-	-	-	-	-	(1,225)
5	Other Revenue	71		-	-	-	-	-	(3,887)
6	Total Electric Revenue	71		-	-	-	-	-	(5,112)
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	172	538	-	(125)	-	-	-	-
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	1,578	-	-
12	Total Production & Transmission	172	538	-	(125)	-	1,578	-	-
	Distribution								
13	Operating Expenses	-	327	-	(77)	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	-	-	880	-	(47)
17	Total Distribution	-	327	-	(77)	-	880	-	(47)
18	Customer Accounting	-	171	-	(41)	-	-	-	(8)
19	Customer Service & Information	-	14	-	(3)	-	-	-	-
20	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
21	Operating Expenses	-	483	(33)	(114)	119	-	694	(2)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	483	(33)	(114)	119	-	694	(2)
25	Total Electric Expenses	172	1,534	(33)	(360)	119	2,458	694	(57)
26	OPERATING INCOME BEFORE FIT	(101)	(1,534)	33	360	(119)	(2,458)	(694)	(5,055)
	FEDERAL INCOME TAX								
27	Current Accrual	(35)	(537)	12	126	(42)	(860)	(243)	(1,769)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
31	EDFIT Amortization	-	-	-	-	-	-	-	-
32	NET OPERATING INCOME	(\$66)	(\$997)	\$21	\$234	(\$77)	(\$1,598)	(\$451)	(3,286)
	RATE BASE								
	PLANT IN SERVICE								
33	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Production	-	-	-	-	-	-	-	-
35	Transmission	-	-	-	-	-	-	-	-
36	Distribution	-	-	-	-	-	-	-	-
37	General	-	-	-	-	-	-	-	-
38	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
39	Intangible	-	-	-	-	-	-	-	-
40	Production	-	-	-	-	-	-	-	-
41	Transmission	-	-	-	-	-	-	-	-
42	Distribution	-	-	-	-	-	-	-	-
43	General	-	-	-	-	-	-	-	-
44	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
45	NET PLANT	-	-	-	-	-	-	-	-
46	DEFERRED TAXES	-	-	-	-	-	-	-	-
47	EDFIT	-	-	-	-	-	-	-	-
48	Net Plant After DFIT	-	-	-	-	-	-	-	-
49	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
50	WORKING CAPITAL	-	-	-	-	-	-	-	-
51	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52	RATE OF RETURN								
53	REVENUE REQUIREMENT	106	1,610	(35)	(378)	125	2,579	728	5,305

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

Ln No.	DESCRIPTION	Contested		Contested			Pro Forma Underground Equip Inspection	Non-Energy Pro Forma Sub-Total
		Pro Forma Def. Debits, Credits & Regulatory Amorts	Pro Forma 2017 Threshold Capital Adds	Pro Forma O&M Offsets	Pro Forma Director Fees Exp	PF Normalize CS2/Colstrip Major Maint		
		3.09 E-PRA	3.10 E-PCAP16	3.11 E-POFF	3.12 E-PDF	3.13 E-PNM	3.14 E-PUEI	PF-SubTot
	Adjustment Number							
	Workpaper Reference							
	REVENUES							
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$491,188
2	Interdepartmental Sales	-	-	-	-	-	-	946
3	Sales for Resale	-	-	-	-	-	-	57,325
4	Total Sales of Electricity	-	-	-	-	-	-	549,459
5	Other Revenue	-	-	-	-	-	-	13,300
6	Total Electric Revenue	-	-	-	-	-	-	562,759
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	(248)	-	-	-	347	-	135,284
8	Purchased Power	-	-	-	-	-	-	77,131
9	Depreciation/Amortization	-	129	-	-	-	-	26,806
10	Regulatory Amortization	(1,393)	-	-	-	-	-	3,312
11	Taxes	-	-	-	-	-	-	16,568
12	Total Production & Transmission	(1,641)	129	-	-	347	-	259,101
	Distribution							
13	Operating Expenses	-	-	-	-	-	532	22,200
14	Depreciation/Amortization	-	-	(875)	-	-	-	26,944
15	Regulatory Amortization	-	-	-	-	-	-	-
16	Taxes	-	-	-	-	-	-	27,784
17	Total Distribution	-	-	(875)	-	-	532	76,928
18	Customer Accounting	-	-	-	-	-	-	13,143
19	Customer Service & Information	-	-	-	-	-	-	1,417
20	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
21	Operating Expenses	-	-	(112)	-	-	-	50,024
22	Depreciation/Amortization	-	-	-	-	-	-	23,877
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	-	-	(112)	-	-	-	73,901
25	Total Electric Expenses	(1,641)	129	(987)	-	347	532	424,491
26	OPERATING INCOME BEFORE FIT	1,641	(129)	987	-	(347)	(532)	138,268
	FEDERAL INCOME TAX							
27	Current Accrual	574	(45)	345	-	(121)	(186)	(30,655)
28	Debt Interest	50	(52)	-	-	-	-	19
29	Deferred Income Taxes	-	-	-	-	-	-	67,191
30	Amortized ITC - Noxon	-	-	-	-	-	-	(326)
31	EDFIT Amortization	-	-	-	-	-	-	-
32	NET OPERATING INCOME	\$1,017	(\$32)	642	-	(226)	(346)	102,039
	RATE BASE							
	PLANT IN SERVICE							
33	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$156,057
34	Production	-	6,889	-	-	-	-	839,722
35	Transmission	-	-	-	-	-	-	430,613
36	Distribution	-	-	-	-	-	-	970,455
37	General	-	-	-	-	-	-	233,266
38	Total Plant in Service	-	6,889	-	-	-	-	2,630,113
	ACCUMULATED DEPRECIATION/AMORT							
39	Intangible	-	-	-	-	-	-	(30,914)
40	Production	-	(95)	-	-	-	-	(\$351,720)
41	Transmission	-	-	-	-	-	-	(135,624)
42	Distribution	-	-	-	-	-	-	(295,383)
43	General	-	-	-	-	-	-	(80,093)
44	Total Accumulated Depreciation	-	(95)	-	-	-	-	(893,734)
45	NET PLANT	-	6,794	-	-	-	-	1,736,379
46	DEFERRED TAXES	-	(1,229)	-	-	-	-	(355,130)
47	EDFIT	-	-	-	-	-	-	-
48	Net Plant After DFIT	-	5,565	-	-	-	-	1,381,249
49	DEFERRED DEBITS AND CREDITS & OTHER	(5,346)	-	-	-	-	-	(778)
50	WORKING CAPITAL	-	-	-	-	-	-	62,474
51	TOTAL RATE BASE	(5,346)	\$5,565	\$0	\$0	\$0	\$0	1,442,945
52	RATE OF RETURN							
53	REVENUE REQUIREMENT	(2,252)	687	(1,036)	-	364	558	197
								Pro Forma Non-Energy

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

TCJA ADJUSTMENTS

Ln No.	DESCRIPTION	Contested	New				Pro Forma Including TCJA Total	
		Pro Forma Power Supply & Transm Revs	Pro Forma Including PS Total	Restate Test Period Tax Expense	Apply Excess Deferred Taxes	TCJA Deferral Amort.		Update Gross-Up Factor
		4.00 E-PPS	PF-Ttl	TCJA-1	TCJA-2	TCJA-3	TCJA-4	Ttl TCJA
	Adjustment Number							
	Workpaper Reference							
	REVENUES							
1	Total General Business	\$0	\$491,188	\$0	\$0	\$0	\$0	\$491,188
2	Interdepartmental Sales	-	946	-	-	-	-	946
3	Sales for Resale	-	57,325	-	-	-	-	57,325
4	Total Sales of Electricity	-	549,459	-	-	-	-	549,459
5	Other Revenue	-	13,300	-	-	-	-	13,300
6	Total Electric Revenue	-	562,759	-	-	-	-	562,759
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	-	135,284	-	-	-	-	135,284
8	Purchased Power	-	77,131	-	-	-	-	77,131
9	Depreciation/Amortization	-	26,806	-	-	-	-	26,806
10	Regulatory Amortization	-	3,312	-	-	-	-	3,312
11	Taxes	-	16,568	-	-	-	-	16,568
12	Total Production & Transmission	-	259,101	-	-	-	-	259,101
	Distribution							
13	Operating Expenses	-	22,200	-	-	-	-	22,200
14	Depreciation/Amortization	-	26,944	-	-	-	-	26,944
15	Regulatory Amortization	-	-	-	-	-	-	-
16	Taxes	-	27,784	-	-	-	-	27,784
17	Total Distribution	-	76,928	-	-	-	-	76,928
18	Customer Accounting	-	13,143	-	-	-	-	13,143
19	Customer Service & Information	-	1,417	-	-	-	-	1,417
20	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
21	Operating Expenses	-	50,024	-	-	-	-	50,024
22	Depreciation/Amortization	-	23,877	-	-	-	-	23,877
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	-	73,901	-	-	-	-	73,901
25	Total Electric Expenses	-	424,491	-	-	-	-	424,491
26	OPERATING INCOME BEFORE FIT	-	138,268	-	-	-	-	138,268
	FEDERAL INCOME TAX							
27	Current Accrual	-	(30,655)	7,105	-	-	-	(23,549)
28	Debt Interest	-	19	-	(23)	-	-	(4)
29	Deferred Income Taxes	-	67,191	(26,876)	-	-	-	40,315
30	Amortized ITC - Noxon	-	(326)	-	-	-	-	(326)
31	EDFIT Amortization	-	-	-	(4,891)	-	-	(4,891)
32	NET OPERATING INCOME	\$0	102,039	19,771	4,914	-	-	126,724
	RATE BASE							
	PLANT IN SERVICE							
33	Intangible	\$0	\$156,057	\$0	\$0	\$0	\$0	\$156,057
34	Production	-	839,722	-	-	-	-	839,722
35	Transmission	-	430,613	-	-	-	-	430,613
36	Distribution	-	970,455	-	-	-	-	970,455
37	General	-	233,266	-	-	-	-	233,266
38	Total Plant in Service	-	2,630,113	-	-	-	-	2,630,113
	ACCUMULATED DEPRECIATION/AMORT							
39	Intangible	-	(30,914)	-	-	-	-	(30,914)
40	Production	-	(\$351,720)	-	-	-	-	(\$351,720)
41	Transmission	-	(135,624)	-	-	-	-	(135,624)
42	Distribution	-	(295,383)	-	-	-	-	(295,383)
43	General	-	(80,093)	-	-	-	-	(80,093)
44	Total Accumulated Depreciation	-	(893,734)	-	-	-	-	(893,734)
45	NET PLANT	-	1,736,379	-	-	-	-	1,736,379
46	DEFERRED TAXES	-	(355,130)	-	142,051	-	-	(213,079)
47	EDFIT	-	-	-	(139,606)	-	-	(139,606)
48	Net Plant After DFIT	-	1,381,249	-	2,445	-	-	1,383,694
49	DEFERRED DEBITS AND CREDITS & OTHER	-	(778)	-	-	-	-	(778)
50	WORKING CAPITAL	-	62,474	-	-	-	-	62,474
51	TOTAL RATE BASE	\$0	1,442,945	\$0	\$2,445	\$0	\$0	1,445,390
52	RATE OF RETURN	-						
53	REVENUE REQUIREMENT	-	197	(26,263)	(6,297)	-	(35)	(32,398)
		ERM Power Supply Adj	Ttl Pro Forma w/ PS					Ttl TCJA

0.00%

RESULTS OF OPERATIONS		Report ID: E-FIT-12A		Aggregate Impact of Tax Rate Change on Other Restating and Pro Forma Adjustments		
ELECTRIC FEDERAL INCOME TAXES				TCJA	Restating	Restating
For Twelve Months Ended December 31, 2016				Restated @ 21%	Adjustment	TCJA
Average of Monthly Averages Basis				Washington		Restated @ 21%
Ref/Basis	Description	FIT Expense Per Books System	FIT Expense Per Books Washington	Washington		Washington
						Restating Adjustment
Calculation of Taxable Operating Income:						
E-OPS	Operating Revenue	1,004,897,629	677,111,810	677,111,810	0	
E-OPS	Less: Operating & Maintenance Expense	576,763,079	383,246,351	383,246,351	0	
E-OPS	Less: Book Deprec/Amort and Reg Amortizations	122,747,970	82,776,635	82,776,635	0	
E-OTX	Less: Taxes Other than FIT	74,725,030	60,161,435	60,161,435	0	
	Net Operating Income Before FIT	230,661,550	150,927,389	150,927,389	0	
E-INT	Less: Interest Expense	59,274,235	39,301,995	39,301,995	0	
E-OPS	Less: Colstrip 3 AFUDC Reallocation Adj	0	(141,072)	(141,072)	0	
E-SCM	Plus: Schedule M Adjustments	(233,451,329)	(148,532,251)	(148,532,251)	0	
	Taxable Net Operating Income	(62,064,014)	(36,765,785)	(36,765,785)	0	
	Tax Rate	35.00%	35.00%	21.00%	-14.00%	35.00%
	Total Federal Income Tax	(21,722,405)	(12,868,025)	(7,720,815)	5,147,210	(4,894,917)
1	Production Tax Credit	(166,883)	(109,692)	(109,692)	0	0
1	Investment Tax Credit - Noxon *	(19,418,459)	(12,763,753)	(12,763,753)	0	0
	Total Net Federal Income Tax	(41,307,747)	(25,741,470)	(20,594,260)	5,147,210	(4,894,917)
E-DTE	Deferred FIT	103,899,953	66,436,097	(a) 39,861,658	(26,574,439)	755,000
1	411400 Amortized Investment Tax Credit - Noxon	(494,274)	(324,886)	(324,886)	0	0
	Total Net FIT/Deferred FIT	62,097,932	40,369,741	18,942,512	(21,427,229)	(4,139,917)
ALLOCATION RATIOS:						
E-ALL	1	Production/Transmission Ratio	100.000%	65.730%		
E-ALL	99	Not Allocated	0.000%	0.000%		
		* Deferred taxes are in Deferred FIT balance				
		EFFECTIVE TAX RATE	0.3623	0.3617		

(a) Deferred FIT calculated by dividing the \$66.4 million 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.
2) Includes debt interest deduction

RESULTS OF OPERATIONS	Report ID:
ELECTRIC SCHEDULE M ITEMS	E-SCM
For Twelve Months Ended December 31, 2016	
Average of Monthly Averages Basis	

AVISTA UTILITIES

***** SYSTEM *****

***** WASHINGTON *****

Ref/Basis	Description	Direct	Allocated	Total	Direct	Allocated	Total
	997000 Book Depreciation & Amortization	46,718,535	72,688,641	119,407,176	30,020,487	48,587,290	78,607,777
12	997001 Contributions In Aid of Construction	0	4,975,372	4,975,372	0	3,284,641	3,284,641
2	997002 Injuries and Damages	0	19,890	19,890	0	13,061	13,061
12	997003 Salvage	0	0	0	0	0	0
99	997004 Boulder Park Write Off	(112,280)	0	(112,280)	0	0	0
4	997005 FAS106 Current Retiree Medical Accr	0	2,392,390	2,392,390	0	1,633,285	1,633,285
99	997007 Idaho PCA	2,409,218	0	2,409,218	0	0	0
4	997008 Idaho DSM Book Amortization	0	0	0	0	0	0
1	997009 Rathdrum Turbine Lease	0	0	0	0	0	0
4	997015 Airplane Lease Payments	0	621,725	621,725	0	424,452	424,452
12	997016 Redemption Expense Amortization	0	1,273,551	1,273,551	0	840,773	840,773
99	997017 Amort - Invest in Exch Pwr (405.92,.9	2,450,031	0	2,450,031	2,450,031	0	2,450,031
4	997018 DSM Tariff Rider	(13,142,441)	0	(13,142,441)	(7,628,074)	0	(7,628,074)
99	997019 CSS Temporary Service Fees	0	0	0	0	0	0
4	997020 FAS87 Current Pension Accrual	0	1,499,678	1,499,678	0	1,023,830	1,023,830
99	997021 Wartsilla Generators Amortization	0	0	0	0	0	0
99	997024 Kettle Falls Disallowance	(134,592)	0	(134,592)	(134,592)	0	(134,592)
2	997027 Uncollectibles	0	0	0	0	0	0
99	997028 RTO Funding Amortization	0	0	0	0	0	0
4	997029 FAS106 Post Retirement Benefits	0	0	0	0	0	0
99	997031 Decoupling Mechanism	(17,391,414)	0	(17,391,414)	(11,366,615)	0	(11,366,615)
12	997032 Interest Rate Swaps	0	(37,747,008)	(37,747,008)	0	(24,919,820)	(24,919,820)
4	997033 BPA Residential Exchange	239,001	0	239,001	167,169	0	167,169
99	997034 Montana Hydro Settlement	947,097	0	947,097	676,584	0	676,584
1	997041 Rathdrum Turbine Lease, Tax	0	(287,728)	(287,728)	0	(189,124)	(189,124)
99	997043 Washington Deferred Power Costs	2,898,974	0	2,898,974	2,898,974	0	2,898,974
1	997044 Non-Monetary Power Costs	0	21,358	21,358	0	14,039	14,039
1	997045 Section 199 Manufacturing Deduction	0	0	0	0	0	0
99	997046 Nez Perce Settlement	(16,796)	0	(16,796)	(22,008)	0	(22,008)
99	997047 Clark Fork Preventive Maint. Exp (PM	0	0	0	0	0	0
12	997048 AFUDC	0	(3,962,498)	(3,962,498)	0	(2,615,962)	(2,615,962)
11	997049 Tax Depreciation	0	(292,025,312)	(292,025,312)	0	(190,199,006)	(190,199,006)
99	997050 CS2 Levelized Return	0	0	0	0	0	0
99	997051 Wind Generation AFUDC - ID	0	0	0	0	0	0
1	997052 Noxon Spill	0	0	0	0	0	0
4	997053 Renewable Energy Cert Fees	0	21,750	21,750	0	14,849	14,849
99	997054 Spokane River Relicensing	78,736	0	78,736	72,939	0	72,939
99	997058 Colstrip Settlement	(199,983)	0	(199,983)	0	0	0

RESULTS OF OPERATIONS	Report ID:
ELECTRIC SCHEDULE M ITEMS	E-SCM
For Twelve Months Ended December 31, 2016	
Average of Monthly Averages Basis	

AVISTA UTILITIES

***** SYSTEM *****

***** WASHINGTON *****

Ref/Basis	Description	Direct	Allocated	Total	Direct	Allocated	Total
99	997059 Spokane River Relicensing PME	73,312	0	73,312	46,316	0	46,316
1	997061 CDA Fund Settlement	0	0	0	0	0	0
4	997062 Gain on Sale of Office Bldg	0	0	0	0	0	0
1	997063 CDA Lake Settlement	183,093	884,086	1,067,179	152,118	581,110	733,228
99	997064 Chicago Climate Exchange	0	0	0	0	0	0
99	997065 Amortization - Unbilled Revenue Add.	789,058	0	789,058	786,607	0	786,607
1	997067 CDA IPA Fund	0	0	0	0	0	0
1	997068 Noxon	0	0	0	0	0	0
1	997069 Lancaster Deferral	0	0	0	0	0	0
1	997072 CDA Fund Settlement-Prepayment	0	0	0	0	0	0
99	997073 DSIT Amortization - ID	0	0	0	0	0	0
11	997080 Book Transportation Depreciation	0	8,605,036	8,605,036	0	5,604,546	5,604,546
4	997081 Deferred Compensation	0	(236,499)	(236,499)	0	(161,458)	(161,458)
4	997082 Meal Disallowances	0	477,163	477,163	0	325,759	325,759
4	997083 Paid Time Off	0	239,879	239,879	0	163,765	163,765
2	997084 Customer Uncollectibles	0	351,025	351,025	0	230,497	230,497
99	997088 Deferred O&M Colstrip & CS2	2,151,630	0	2,151,630	1,102,752	0	1,102,752
99	997089 CNC Transmission	0	0	0	0	0	0
99	997091 LIDAR O&M Reg Def DFIT	0	0	0	0	0	0
99	997092 Smart Grid	0	0	0	0	0	0
99	997093 EWEB Renewable Energy Credits	0	0	0	0	0	0
99	997094 Palouse Wind & Thornton	0	0	0	0	0	0
99	997095 WA REC Deferral	(609,868)	0	(609,868)	(609,868)	0	(609,868)
1	997096 CDA Settlement Costs	0	32,721	32,721	0	21,508	21,508
99	997097 BPA Parallel Capacity	0	0	0	0	0	0
99	997098 Provision for Rate Refund	(1,163,062)	0	(1,163,062)	(178,023)	0	(178,023)
1	997099 Kettle Falls Diesel Leak	0	139,960	139,960	0	91,996	91,996
99	997100 WA REC Amort	32,055	0	32,055	32,055	0	32,055
1	997101 Repairs 481 (a)	0	(18,347,070)	(18,347,070)	0	(12,059,529)	(12,059,529)
1	997102 Amort Idaho Earnings Test (254229)	(2,365,951)	0	(2,365,951)	0	0	0
99	997103 Def Project Compass	668,590	0	668,590	0	0	0
99	997104 Spokane River TDG	407,618	0	407,618	290,395	0	290,395
1	997106 Investment Tax Credit	0	0	0	0	0	0
	TOTAL SCHEDULE M ADJUSTMEN	23,834,353	(258,361,890)	(233,451,329)	18,757,247	(167,289,498)	(148,532,251)

RESULTS OF OPERATIONS	Report ID:
ELECTRIC SCHEDULE M ITEMS	E-SCM
For Twelve Months Ended December 31, 2016	
Average of Monthly Averages Basis	

AVISTA UTILITIES

***** SYSTEM *****

***** WASHINGTON *****

Ref/Basis	Description	Direct	Allocated	Total	Direct	Allocated	Total
ALLOCATION RATIOS:							
E-ALL	1		100.000%			65.730%	
E-ALL	2		100.000%			65.664%	
E-ALL	4		100.000%			68.270%	
E-ALL	11		100.000%			65.131%	
E-ALL	12		100.000%			66.018%	
E-ALL	99		0.000%			0.000%	

RESULTS OF OPERATIONS Report ID:
ELECTRIC DEFERRED INCOME TAX EXPENSE
For Twelve Months Ended December 31, 2016
Average of Monthly Averages Basis

AVISTA UTILITIES

***** SYSTEM ***** WASHINGTON ***** IDAHO *****

Ref/Bas	Acct No	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
14	410100	Deferred Federal Income Tax Expe	0	96,021,094	96,021,094	0	62,173,658	62,173,658	0	33,847,436	33,847,436
99	410100	Deferred Federal Income Tax Expe	5,406,102	0	5,406,102	5,406,102	0	5,406,102	0	0	0
99	410100	Deferred Federal Income Tax Expe	3,833,877	0	3,833,877	0	0	0	3,833,877	0	3,833,877
	410100	Total	9,239,979	96,021,094	105,261,073	5,406,102	62,173,658	67,579,760	3,833,877	33,847,436	37,681,313
14	411100	Deferred Federal Income Tax Expe	0	(213,391)	(213,391)	0	(138,171)	(138,171)	0	(75,220)	(75,220)
99	411100	Deferred Federal Income Tax Expe	(1,005,492)	0	(1,005,492)	(1,005,492)	0	(1,005,492)	0	0	0
99	411100	Deferred Federal Income Tax Expe	(142,237)	0	(142,237)	0	0	0	(142,237)	0	(142,237)
	411100	Total	(1,147,729)	(213,391)	(1,361,120)	(1,005,492)	(138,171)	(1,143,663)	(142,237)	(75,220)	(217,457)
Total Deferred Federal Income Tax Expense			8,092,250	95,807,703	103,899,953	4,400,610	62,035,487	66,436,097	3,691,640	33,772,216	37,463,856

E-ALL	14	Net Allocated Schedule M's - AMA	100.000%		64.750%	35.250%
E-ALL	99	Not Allocated	0.000%		0.000%	0.000%

Avista Corporation, Electric 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 (a) Per ROO	Com. Basis Adjusted ADIT @ 35% Rate (b) See Tab 6b	Reverse Old Gross Up Rate (c)	Cum. Book/Tax Difference Amount (d) = (b) / (c)	Apply New Gross- Up Rate (e)	TCJA ADIT @ 21% Rate (f) = (d) * (e)	Reserve for EDFIT (g) = (b) - (f)	Amort. Rate* (h) See notes	EDFIT Amort. (i) = (g) * (h)
ADFIT - Colstrip PCB (283200)	(67)	(67)	35%	(192)	21%	(40)	(27)	6% (a)	(2)
1 ADFIT - Electric Plant In Service (282900)	(312,064)				21%	-	-		
2 Intangible		(5,471)	35%	(15,633)	21%	(3,283)	(2,189)	20.00% (b)	(438)
3 Production		(109,845)	35%	(313,842)	21%	(65,907)	(43,938)	2.24% (c)	(986)
4 Transmission		(56,795)	35%	(162,270)	21%	(34,077)	(22,718)	1.83%	(416)
5 Distribution		(130,743)	35%	(373,552)	21%	(78,446)	(52,297)	2.92%	(1,527)
6 General Utility (Direct)		(8,404)	35%	(24,013)	21%	(5,043)	(3,362)	3.81%	(128)
7 ADFIT - Common Plant (282900 from C-DTX)	(32,392)	(32,043)	35%	(91,551)	21%	(19,226)	(12,817)	8.43%	(1,080)
8 ADFIT - Common Plant (283750 from C-DTX)	(753)	(350)	35%	(999)	21%	(210)	(140)	8.43% /	(12)
9 ADFIT - CDA Lake Settlement - Allocated (283382)	(7,636)	(7,636)	35%	(21,816)	21%	(4,581)	(3,054)	2.35% (d)	(72)
10 ADFIT - CDA Settlement Costs (283333)	254	254	35%	726	21%	153	102	2.35% /	2
11 ADFIT - Electric portion of Bond Redemptions (28385)	(2,047)	(2,047)	35%	(5,848)	21%	(1,228)	(819)	20.00% (e)	(164)
12 AFUDC - CWIP Intangibles		(753)	35%	(2,152)	21%	(452)	(301)	20.00% (f)	(60)
13 Total ADIT (Restated)	(354,705)	(353,899)		(1,011,141)		(212,340)	(141,560)		(4,881)
Check	2	2							
	T/A: Tab 3, E-ROO	T/A: Tab 3,R-Ttl							
14 Pro-Forma Plant (Little Falls)		(1,229)	35%	(3,511)	21%	(737)	(492)	1.87% (g)	(9.19)
15 Total (Pro Forma)		(355,128)		(1,014,653)		(213,077)	(142,051.361)		(4,890.642)
Check		2							
		T/A: Tab 3, PF-Ttl							

- (a) Amortize over remaining life span estimate for Colstrip Units 3 and 4 of 2034 and 2035 respectively (approximately 17.5 years)
- (b) 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) Amortize over Post Falls remaining life through 2060 (approximately 42.5 years)
- (e) Bond life unknown, estimated to reverse over five years
- (f) Composite rate for intangibles from depreciation study
- (g) Composite rate for hydro from depreciation study

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

		Alloc Basis	Electric System	Washington	Idaho
ACCELERATED TAX DEPRECIATION					
Electric	Intangible	1	(8,324,201)	(5,471,497)	(2,852,704)
	Production	1	(167,114,787)	(109,844,549)	(57,270,238)
	Transmission	1	(86,405,995)	(56,794,661)	(29,611,334)
	Distribution	10	(198,236,675)	(130,743,034)	(67,493,641)
	General Utility (Direct)	13	(12,614,123)	(8,404,412)	(4,209,711)
General/Intangible	CD AA	4	(46,935,380)	(32,042,784)	(14,892,596)
General/Intangible	CD AN	4	(512,045)	(349,573)	(162,472)
	Subtotal		(520,143,206)	(343,650,510)	(176,492,696)
CDA Lake CDR Fund		1	0	0	0
CDA Lake IPA Fund		1	0	0	0
CDA Lake Settlement		1	(11,616,517)	(7,635,537)	(3,980,980)
CDA Lake Settlement-Costs		1	386,765	254,221	132,544
	Subtotal		(11,229,752)	(7,381,316)	(3,848,436)
Total Plant DFIT			(531,372,957)	(351,031,826)	(180,341,131)
Colstrip PCB - Elec		1	(102,294)	(67,238)	(35,056)
AFUDC - CWIP Intangibles		4	(1,103,509)	(753,365)	(350,143)
FMB & MTN Redeemed		12	(3,100,627)	(2,046,972)	(1,053,655)
	Total Other Deferred FIT		(4,306,430)	(2,867,576)	(1,438,855)
Total Deferred FIT			(535,679,388)	(353,899,402)	(181,779,986)
				K	
Amount at 12/31/2016 AMA			(535,679,394)	(354,705,553)	(180,973,841)
Adjustment			6	806,151	(806,145)
Allocation Notes:					
Production/Transmission		1	100.000%	65.730%	34.270%
Jurisdictional four-factor		4	100.000%	68.270%	31.730%
Net electric distribution plant - AMA		10	100.000%	65.953%	34.047%
Net electric plant - AMA		12	100.000%	66.018%	33.982%
Net electric general plant - AMA		13	100.000%	66.627%	33.373%
Direct		D			

Source of Allocation Factors: Results of Operations Report E-ALL-12A
Source of Allocation Factors: Results of Operations Report E-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	<u>Restating Adjustment Calculation Using :</u>				
2	Rate Base	UE-150204, Order 05, Table A2	1,315,891		
3	Equity %	UE-150204 May 1, 2015 Stipulation	48.50%		
4	Equity Portion of Rate Base	Line 2 * Line 3	638,207		
5	Return On Equity	UE-150204 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	93,276.43		
8	Pretax Return on Equity (21% Rate)	Line 7 * (1 - 21%)	12.03%		
9	Pretax Equity Return (21% Rate)	Line * Line 7	76,746.43		
10	Annual Equity Return Differential (35% to 21% Rate)	Line 9 * Line	(16,530.000)		
11	<u>Monthly Deferral Calculation</u>		<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	1,377	1,377	1,377
13	Monthly EDFIT Amortization	Tab 6a	408	408	408
14	Monthly EDFIT Amortization (Pretax)	Line 13 / (1-21%)	516	516	516
15	Total Deferred Amounts	Line 13 + Line 14	1,785	1,785	1,785
16	Carrying Charge (Per Mo. at Pre-tax ROR)		3.14%	3.14%	3.14%
17	Balance				
18	Beginning Balance		-	1,785	3,570
19	Deferral	Line 15	1,785	1,785	1,785
20	Interest	Line 16 * (Line 17 + Line 18 / 2)	28	84	140
21	Ending Balance	∑ Lines 18:20	1,785	3,570	5,355
					7,140

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	7,140	(457)	3.14%	253	6,937
6/1/2018	6,937	(457)	3.14%	247	6,726
7/1/2018	6,726	(457)	3.14%	240	6,510
8/1/2018	6,510	(457)	3.14%	233	6,286
9/1/2018	6,286	(457)	3.14%	226	6,056
10/1/2018	6,056	(457)	3.14%	219	5,818
11/1/2018	5,818	(457)	3.14%	212	5,573
12/1/2018	5,573	(457)	3.14%	204	5,320
1/1/2019	5,320	(457)	3.14%	196	5,059
2/1/2019	5,059	(457)	3.14%	188	4,790
3/1/2019	4,790	(457)	3.14%	179	4,512
4/1/2019	4,512	(457)	3.14%	171	4,226
5/1/2019	4,226	(457)	3.14%	162	3,930
6/1/2019	3,930	(457)	3.14%	152	3,626
7/1/2019	3,626	(457)	3.14%	143	3,312
8/1/2019	3,312	(457)	3.14%	133	2,988
9/1/2019	2,988	(457)	3.14%	123	2,653
10/1/2019	2,653	(457)	3.14%	112	2,309
11/1/2019	2,309	(457)	3.14%	101	1,953
12/1/2019	1,953	(457)	3.14%	90	1,586
1/1/2020	1,586	(457)	3.14%	79	1,208
2/1/2020	1,208	(457)	3.14%	67	818
3/1/2020	818	(457)	3.14%	54	415
4/1/2020	415	(457)	3.14%	42	0 <-Goal Seek to Zero
Annual Amortization:		(5,483)			