

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-15_____

EXHIBIT NO. ____ (JSS-2)

JENNIFER S. SMITH

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$510,473	(\$11,414)	\$499,059	\$33,229	\$532,288
2	Interdepartmental Sales	923	-	923		923
3	Sales for Resale	95,856	(49,835)	46,021		46,021
4	Total Sales of Electricity	607,252	(61,249)	546,003	33,229	579,232
5	Other Revenue	76,386	(62,093)	14,293		14,293
6	Total Electric Revenue	683,638	(123,342)	560,296	33,229	593,525
EXPENSES						
Production and Transmission						
7	Operating Expenses	201,319	(48,649)	152,670		152,670
8	Purchased Power	128,389	(49,864)	78,525		78,525
9	Depreciation/Amortization	23,738	2,856	26,594		26,594
10	Regulatory Amortization	283	6,441	6,724		6,724
11	Taxes	13,798	1,952	15,750		15,750
12	Total Production & Transmission	367,527	(87,264)	280,263	-	280,263
Distribution						
13	Operating Expenses	20,337	1,126	21,463		21,463
14	Depreciation/Amortization	23,480	2,618	26,098		26,098
15	Taxes	43,233	(15,908)	27,325	1,280	28,605
16	Total Distribution	87,050	(12,164)	74,886	1,280	76,166
17	Customer Accounting	10,571	1,727	12,298	187	12,485
18	Customer Service & Information	19,917	(18,429)	1,488		1,488
19	Sales Expenses	-	0	0		0
Administrative & General						
20	Operating Expenses	43,575	4,505	48,080	66	48,146
21	Depreciation/Amortization	16,215	11,910	28,125		28,125
22	Taxes	-	-	-		-
23	Total Admin. & General	59,790	16,415	76,205	66	76,271
24	Total Electric Expenses	544,855	(99,715)	445,140	1,533	446,673
25	OPERATING INCOME BEFORE FIT	138,783	(23,627)	115,156	31,696	146,852
FEDERAL INCOME TAX						
26	Current Accrual	28,537	(8,219)	20,318	11,095	31,413
27	Debt Interest	-	(1,933)	(1,933)		(1,933)
28	Deferred Income Taxes	7,383	910	8,293		8,293
29	Amortized Investment Tax Credit	(120)	(37)	(157)		(157)
30	NET OPERATING INCOME	\$102,983	(\$14,349)	\$88,634	\$20,601	\$109,235
RATE BASE						
PLANT IN SERVICE						
31	Intangible	\$100,295	\$70,515	\$170,810		\$170,810
32	Production	747,839	102,639	850,478		850,478
33	Transmission	370,703	48,221	418,924		418,924
34	Distribution	830,629	76,502	907,131		907,131
35	General	192,845	42,352	235,197		235,197
36	Total Plant in Service	2,242,311	340,229	2,582,540	-	2,582,540
ACCUMULATED DEPRECIATION						
37	Intangible	(19,415)	(19,113)	(38,528)		(38,528)
38	Production	(324,667)	(34,664)	(\$359,331)		(359,331)
39	Transmission	(124,279)	(3,833)	(128,112)		(128,112)
40	Distribution	(248,229)	(39,822)	(288,051)		(288,051)
41	General	(63,732)	(17,358)	(81,090)		(81,090)
42	Total Accumulated Depreciation	(780,322)	(114,790)	(895,112)	-	(895,112)
43	NET PLANT BEFORE DFIT	1,461,989	225,439	1,687,428	-	1,687,428
44	DEFERRED TAXES	(238,376)	(49,688)	(288,064)		(288,064)
45	NET PLANT AFTER DFIT	1,223,613	175,751	1,399,364	-	1,399,364
46	DEFERRED DEBITS AND CREDITS	11,848	7,342	19,190		19,190
47	WORKING CAPITAL	25,039	20,703	45,742		45,742
48	TOTAL RATE BASE	\$1,260,500	\$203,796	\$1,464,296	\$0	\$1,464,296
49	RATE OF RETURN	8.17%		6.05%		7.46%

AVISTA UTILITIES
CALCULATION OF GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
PRO FORMA CROSS CHECK STUDY

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	1,464,296
2	Proposed Rate of Return	<u>7.46%</u>
3	Net Operating Income Requirement	\$109,236
4	Pro Forma Net Operating Income	<u>\$88,634</u>
5	Net Operating Income Deficiency	\$20,602
6	Conversion Factor	0.62000
7	Revenue Requirement - 2016	\$33,229
8	Total General Business Revenues	\$499,982
9	Percentage Revenue Increase	<u><u>6.65%</u></u>

AVISTA UTILITIES PROPOSED COST OF CAPITAL WASHINGTON ELECTRIC			
Proposed Cap Structure			
Component	Capital Structure	Cost	Weighted Cost
Total Debt	52.0%	5.20%	2.71%
Common	48.0%	9.90%	4.75%
Total	<u>100.00%</u>		<u>7.46%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED SEPTEMBER 30, 2014**

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	0.005631
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038516
6	Total Expense	<u><u>0.046147</u></u>
7	Net Operating Income Before FIT	<i>0.953853</i>
8	Federal Income Tax @ 35%	<u><u>0.333849</u></u>
9	REVENUE CONVERSION FACTOR	<u><u>0.62000</u></u>

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

(To Attrition Study)

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-EBO	E-RPT	E-UE
REVENUES								
1	Total General Business	\$510,473	\$0	\$0	\$0	(\$17,768)	\$0	\$0
2	Interdepartmental Sales	923	-	-	-	-	-	-
3	Sales for Resale	95,856	-	-	-	-	-	-
4	Total Sales of Electricity	607,252	-	-	-	(17,768)	-	-
5	Other Revenue	76,386	-	-	-	(13)	-	-
6	Total Electric Revenue	683,638	-	-	-	(17,781)	-	-
EXPENSES								
Production and Transmission								
7	Operating Expenses	201,319	-	306	-	-	-	-
8	Purchased Power	128,389	-	-	-	-	-	-
9	Depreciation/Amortization	23,738	-	-	-	-	-	-
10	Regulatory Amortization	283	-	(1,360)	-	-	-	-
11	Taxes	13,798	-	-	-	-	(9)	-
12	Total Production & Transmission	367,527	-	(1,054)	-	-	(9)	-
Distribution								
13	Operating Expenses	20,337	-	-	-	-	-	-
14	Depreciation/Amortization	23,480	-	-	-	-	-	-
15	Taxes	43,233	-	-	-	(17,693)	384	-
16	Total Distribution	87,050	-	-	-	(17,693)	384	-
17	Customer Accounting	10,571	-	2	-	-	-	1,117
18	Customer Service & Information	19,917	-	-	-	-	-	-
19	Sales Expenses	0	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	43,575	-	-	-	-	-	-
21	Depreciation/Amortization	16,215	-	-	-	-	-	-
22	Taxes	0	-	-	-	-	-	-
23	Total Admin. & General	59,790	-	-	-	-	-	-
24	Total Electric Expenses	544,855	-	(1,052)	-	(17,693)	375	1,117
25	OPERATING INCOME BEFORE FIT	138,783	-	1,052	-	(88)	(375)	(1,117)
FEDERAL INCOME TAX								
26	Current Accrual	28,537	-	368	-	(31)	(131)	(391)
27	Debt Interest	0	57	70	(196)	-	-	-
28	Deferred Income Taxes	7,383	-	-	-	-	-	-
29	Amortized ITC - Noxon	(120)	-	-	-	-	-	-
30	NET OPERATING INCOME	\$102,983	(\$57)	\$614	\$196	(\$57)	(\$244)	(\$726)
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$100,295	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	747,839	-	-	-	-	-	-
33	Transmission	370,703	-	-	-	-	-	-
34	Distribution	830,629	-	-	-	-	-	-
35	General	192,845	-	-	-	-	-	-
36	Total Plant in Service	2,242,311	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	(19,415)	-	-	-	-	-	-
38	Production	(324,667)	-	-	-	-	-	-
39	Transmission	(124,279)	-	-	-	-	-	-
40	Distribution	(248,229)	-	-	-	-	-	-
41	General	(63,732)	-	-	-	-	-	-
42	Total Accumulated Depreciation	(780,322)	-	-	-	-	-	-
43	NET PLANT	1,461,989	-	-	-	-	-	-
44	DEFERRED TAXES	(238,376)	(6,009)	-	-	-	-	-
45	Net Plant After DFIT	1,223,613	(6,009)	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS & OTHER	11,848	-	(7,399)	-	-	-	-
47	WORKING CAPITAL	25,039	-	-	20,703	-	-	-
48	TOTAL RATE BASE	1,260,500	(\$6,009)	(\$7,399)	\$20,703	\$0	\$0	\$0
49	RATE OF RETURN	8.17%	0	-	-	-	-	-
50	REVENUE REQUIREMENT	(14,435)	(631)	(1,880)	2,174	92	393	1,171

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT/DFIT/ITC/PTC Expense	Office Space Charges to Subsidiaries	Restate Excise Taxes	Net Gains / Losses	Weather Normalization	Eliminate Adder Schedules
	Adjustment Number Workpaper Reference	2.04 E-RE	2.05 E-ID	2.06 E-FIT	2.07 E-OSC	2.08 E-RET	2.09 E-NGL	2.10 E-WN	2.11 E-EAS
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,056)	(\$10,713)
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	-	(7,056)	(10,713)
5	Other Revenue	-	-	-	-	-	-	-	-
6	Total Electric Revenue	-	-	-	-	-	-	(7,056)	(10,713)
EXPENSES									
Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	-	249
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	0	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-	8,012
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	-	8,261
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(81)	-	-
15	Taxes	-	-	-	-	(63)	-	(272)	(413)
16	Total Distribution	-	-	-	-	(63)	(81)	(272)	(413)
17	Customer Accounting	-	-	-	-	-	-	(40)	(60)
18	Customer Service & Information	-	-	-	-	-	-	-	(18,480)
19	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
20	Operating Expenses	(74)	241	-	(16)	-	-	(14)	(21)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Taxes	-	-	-	-	-	-	-	-
23	Total Admin. & General	(74)	241	-	(16)	-	-	(14)	(21)
24	Total Electric Expenses	(74)	241	-	(16)	(63)	(81)	(326)	(10,713)
25	OPERATING INCOME BEFORE FIT	74	(241)	-	16	63	81	(6,730)	-
FEDERAL INCOME TAX									
26	Current Accrual	26	(84)	231	6	22	28	(2,356)	-
27	Debt Interest	-	-	-	-	-	-	-	-
28	Deferred Income Taxes	-	-	(8)	-	-	-	-	-
29	Amortized ITC - Noxon	-	-	(10)	-	-	-	-	-
30	NET OPERATING INCOME	\$48	(\$157)	(\$213)	\$10	\$41	\$53	(\$4,375)	\$0
RATE BASE									
PLANT IN SERVICE									
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	-	-	-	-	-	-	-	-
33	Transmission	-	-	-	-	-	-	-	-
34	Distribution	-	-	-	-	-	-	-	-
35	General	-	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
37	Intangible	-	-	-	-	-	-	-	-
38	Production	-	-	-	-	-	-	-	-
39	Transmission	-	-	-	-	-	-	-	-
40	Distribution	-	-	-	-	-	-	-	-
41	General	-	-	-	-	-	-	-	-
42	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
43	NET PLANT	-	-	-	-	-	-	-	-
44	DEFERRED TAXES	-	-	-	-	-	-	-	-
45	Net Plant After DFIT	-	-	-	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	RATE OF RETURN								
50	REVENUE REQUIREMENT	(78)	253	344	(17)	(66)	(85)	7,056	-

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

(To Attrition Study)

Line No.	DESCRIPTION	Misc. Restating Expenses 2.12 E-MR	Eliminate WA Power Cost Defer 2.13 E-EWPC	Nez Perce Settlement Adjustment 2.14 E-NPS	Restate Debt Interest 2.15 E-RDI	Restate Incentive Expenses 2.16 E-RI	Regulatory Amortization Restating Adj. 2.17 E-CCM	Restated TOTAL R-Ttl
Adjustment Number Workpaper Reference		2.12 E-MR	2.13 E-EWPC	2.14 E-NPS	2.15 E-RDI	2.16 E-RI	2.17 E-CCM	R-Ttl
REVENUES								
1	Total General Business	\$0	\$7,762	\$0	\$0	\$0	\$0	\$482,698
2	Interdepartmental Sales	-	-	-	-	-	-	923
3	Sales for Resale	-	-	-	-	-	-	95,856
4	Total Sales of Electricity	-	7,762	-	-	-	-	579,477
5	Other Revenue	-	-	-	-	-	-	76,373
6	Total Electric Revenue	-	7,762	-	-	-	-	655,850
EXPENSES								
Production and Transmission								
7	Operating Expenses	(4)	4,853	14	-	-	-	206,737
8	Purchased Power	-	-	-	-	-	-	128,389
9	Depreciation/Amortization	-	-	-	-	-	-	23,738
10	Regulatory Amortization	-	(61)	-	-	-	(2,468)	4,406
11	Taxes	-	-	-	-	-	-	13,789
12	Total Production & Transmission	(4)	4,792	14	-	-	(2,468)	377,059
Distribution								
13	Operating Expenses	(4)	-	-	-	-	-	20,333
14	Depreciation/Amortization	-	-	-	-	-	-	23,399
15	Taxes	-	299	-	-	-	-	25,475
16	Total Distribution	(4)	299	-	-	-	-	69,207
17	Customer Accounting	-	34	-	-	-	-	11,624
18	Customer Service & Information	(3)	-	-	-	-	-	1,434
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	13	16	-	-	(1,121)	-	42,599
21	Depreciation/Amortization	-	-	-	-	-	-	16,215
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	13	16	-	-	(1,121)	-	58,814
24	Total Electric Expenses	2	5,141	14	-	(1,121)	(2,468)	518,138
25	OPERATING INCOME BEFORE FIT	(2)	2,621	(14)	-	1,121	2,468	137,712
FEDERAL INCOME TAX								
26	Current Accrual	(1)	-	(5)	737	392	864	28,213
27	Debt Interest	-	-	-	-	-	-	(69)
28	Deferred Income Taxes	-	918	-	-	-	-	8,293
29	Amortized ITC - Noxon	-	-	-	-	-	-	(130)
30	NET OPERATING INCOME	(\$1)	\$1,703	(\$9)	(737)	\$729	\$1,604	101,405
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$100,295
32	Production	-	-	-	-	-	-	747,839
33	Transmission	-	-	-	-	-	-	370,703
34	Distribution	-	-	-	-	-	-	830,629
35	General	-	-	-	-	-	-	192,845
36	Total Plant in Service	-	-	-	-	-	-	2,242,311
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	-	-	-	-	-	-	(19,415)
38	Production	-	-	-	-	-	-	(324,667)
39	Transmission	-	-	-	-	-	-	(124,279)
40	Distribution	-	-	-	-	-	-	(248,229)
41	General	-	-	-	-	-	-	(63,732)
42	Total Accumulated Depreciation	-	-	-	-	-	-	(780,322)
43	NET PLANT	-	-	-	-	-	-	1,461,989
44	DEFERRED TAXES	-	-	-	-	-	-	(244,385)
45	Net Plant After DFIT	-	-	-	-	-	-	1,217,604
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	4,449
47	WORKING CAPITAL	-	-	-	-	-	-	45,742
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,267,795
49	RATE OF RETURN							(1)
50	REVENUE REQUIREMENT	2	(2,747)	15	1,189	(1,175)	(2,587)	(11,013)

(1) The Restated TOTAL column does not represent 9/30/2014 Test Period results of operation on a normalized basis. There are differences between certain restating adjustments included in the normalized commission basis reports (CBRs) versus those included here. Examples include removal of CBR Power Supply Adjustment, and inclusion of pro forma debt interest, restated deferred debits and credits and restated regulatory amortizations. Normalized CB results of operations at 09/30/2014 was 7.39% as shown on Exhibit

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Power Supply	Pro Forma Transmission Rev/Exp	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance Expense	Pro Forma Property Tax
	Adjustment Number	3.00	3.01	3.02	3.03	3.04	3.05	3.06
	Workpaper Reference	E-PPS	E-PTR	E-PLN	E-PLE	E-PEB	E-PI	E-PPT
REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-
3	Sales for Resale	(49,835)	-	-	-	-	-	-
4	Total Sales of Electricity	(49,835)	-	-	-	-	-	-
5	Other Revenue	(62,427)	347	-	-	-	-	-
6	Total Electric Revenue	(112,262)	347	-	-	-	-	-
EXPENSES								
Production and Transmission								
7	Operating Expenses	(58,628)	456	899	(26)	835	-	-
8	Purchased Power	(49,864)	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	1,961
12	Total Production & Transmission	(108,492)	456	899	(26)	835	-	1,961
Distribution								
13	Operating Expenses	-	-	607	-	564	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	-	-	1,220
16	Total Distribution	-	-	607	-	564	-	1,220
17	Customer Accounting	-	-	302	-	280	-	-
18	Customer Service & Information	-	-	28	-	26	-	-
19	Sales Expenses	-	-	0	-	-	-	-
Administrative & General								
20	Operating Expenses	-	-	2,014	246	680	259	-
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	-	-	2,014	246	680	259	-
24	Total Electric Expenses	(108,492)	456	3,850	220	2,385	259	3,181
25	OPERATING INCOME BEFORE FIT	(3,770)	(109)	(3,850)	(220)	(2,385)	(259)	(3,181)
FEDERAL INCOME TAX								
26	Current Accrual	(1,320)	(38)	(1,348)	(77)	(835)	(91)	(1,113)
27	Debt Interest	-	-	-	-	-	-	-
28	Deferred Income Taxes	-	-	-	-	-	-	-
29	Amortized ITC - Noxon	-	-	-	-	-	-	-
30	NET OPERATING INCOME	(\$2,451)	(\$71)	(\$2,503)	(\$143)	(\$1,550)	(\$168)	(\$2,068)
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	-	-	-	-	-	-	-
33	Transmission	-	-	-	-	-	-	-
34	Distribution	-	-	-	-	-	-	-
35	General	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	-	-	-	-	-	-	-
38	Production	-	-	-	-	-	-	-
39	Transmission	-	-	-	-	-	-	-
40	Distribution	-	-	-	-	-	-	-
41	General	-	-	-	-	-	-	-
42	Total Accumulated Depreciation	-	-	-	-	-	-	-
43	NET PLANT	-	-	-	-	-	-	-
44	DEFERRED TAXES	-	-	-	-	-	-	-
45	Net Plant After DFIT	-	-	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	RATE OF RETURN							
50	REVENUE REQUIREMENT	3,952	114	4,037	231	2,500	272	3,335

AVISTA UTILITIES
 WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED SEPTEMBER 30, 2014
 (000'S OF DOLLARS)

(Excludes CS2
 & Colstrip-See PF
 Power Supply)

Line No.	DESCRIPTION	(To Attrition Study)					Pro Forma Sub-Total
		Pro Forma Information Tech/Serv Exp	Pro Forma Lake Spokane Deferral	Pro Forma Revenue Normalization	Pro Forma Major Maint-Hydro Thermal, Other	Planned Capital Add Dec 2014 EOP	
	Adjustment Number Workpaper Reference	3.07 E-ISIT	3.08 E-LSID	3.09 E-PREV	3.10 E-PMM	3.11 E-CAP14	PF-Ttl
	REVENUES						
1	Total General Business	\$0	\$0	\$16,361	\$0	\$0	\$499,059
2	Interdepartmental Sales	-	-	-	-	-	923
3	Sales for Resale	-	-	-	-	-	46,021
4	Total Sales of Electricity	-	-	16,361	-	-	546,003
5	Other Revenue	-	-	-	-	-	14,293
6	Total Electric Revenue	-	-	16,361	-	-	560,296
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	-	-	-	2,415	-	152,688
8	Purchased Power	-	-	-	-	-	78,525
9	Depreciation/Amortization	-	-	-	-	791	24,529
10	Regulatory Amortization	-	291	-	-	-	4,697
11	Taxes	-	-	-	-	-	15,750
12	Total Production & Transmission	-	291	-	2,415	791	276,189
	Distribution						
13	Operating Expenses	-	-	-	-	-	21,504
14	Depreciation/Amortization	-	-	-	-	1,126	24,525
15	Taxes	-	-	630	-	-	27,325
16	Total Distribution	-	-	630	-	1,126	73,354
17	Customer Accounting	-	-	92	-	-	12,298
18	Customer Service & Information	-	-	-	-	-	1,488
19	Sales Expenses	-	-	-	-	-	0
	Administrative & General						
20	Operating Expenses	1,679	-	33	-	-	47,510
21	Depreciation/Amortization	-	-	-	-	2,888	19,103
22	Taxes	-	-	-	-	-	-
23	Total Admin. & General	1,679	-	33	-	2,888	66,613
24	Total Electric Expenses	1,679	291	755	2,415	4,805	429,942
25	OPERATING INCOME BEFORE FIT	(1,679)	(291)	15,606	(2,415)	(4,805)	130,354
	FEDERAL INCOME TAX						
26	Current Accrual	(588)	(102)	5,462	(845)	(1,682)	25,637
27	Debt Interest	-	-	-	-	(333)	(402)
28	Deferred Income Taxes	-	-	-	-	-	8,293
29	Amortized ITC - Noxon	-	-	-	-	-	(130)
30	NET OPERATING INCOME	(\$1,091)	(\$189)	10,144	(1,570)	(\$2,790)	96,955
	RATE BASE						
	PLANT IN SERVICE						
31	Intangible	\$0	\$0	\$0	\$0	\$9,188	\$109,483
32	Production	-	-	-	-	21,114	768,953
33	Transmission	-	-	-	-	22,089	392,792
34	Distribution	-	-	-	-	33,385	864,014
35	General	-	-	-	-	9,189	202,034
36	Total Plant in Service	-	-	-	-	94,965	2,337,276
	ACCUMULATED DEPRECIATION/AMORT						
37	Intangible	-	-	-	-	(3,411)	(22,826)
38	Production	-	-	-	-	(11,229)	(\$335,896)
39	Transmission	-	-	-	-	(1,260)	(125,539)
40	Distribution	-	-	-	-	(14,098)	(262,327)
41	General	-	-	-	-	(3,968)	(67,700)
42	Total Accumulated Depreciation	-	-	-	-	(33,966)	(814,288)
43	NET PLANT	-	-	-	-	60,999	1,522,988
44	DEFERRED TAXES	-	-	-	-	(25,901)	(270,286)
45	Net Plant After DFIT	-	-	-	-	35,098	1,252,702
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	4,449
47	WORKING CAPITAL	-	-	-	-	-	45,742
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	35,098	1,302,893
49	RATE OF RETURN						
50	REVENUE REQUIREMENT	1,760	305	(16,361)	2,532	8,724	388

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED SEPTEMBER 30, 2014
(000'S OF DOLLARS)

(4.00 was purposely excluded)

(To Attrition Study)

Line No.	DESCRIPTION	Planned Capital Add 2015 EOP	Planned Capital Add 2016 AMA	Meter Retirement	O&M Offsets	Pro Forma Cross Check Total	Reconcile Pro Forma To Attrition	Attrition Adjusted / Pro Forma Total (2)
	Adjustment Number	4.01	4.02	4.03	4.04	PFCC-Ttl	4.05	AA/PF-Ttl
	Workpaper Reference	E-CAP15	E-CAP16	E-MRD	E-OFF		E-REC	
	REVENUES							
1	Total General Business	\$0	\$0	\$0	\$0	\$499,059	\$0	\$499,059
2	Interdepartmental Sales	-	-	-	-	923	-	923
3	Sales for Resale	-	-	-	-	46,021	-	46,021
4	Total Sales of Electricity	-	-	-	-	546,003	-	546,003
5	Other Revenue	-	-	-	-	14,293	-	14,293
6	Total Electric Revenue	-	-	-	-	560,296	-	560,296
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	-	-	-	(18)	152,670	-	152,670
8	Purchased Power	-	-	-	-	78,525	-	78,525
9	Depreciation/Amortization	1,748	317	-	-	26,594	-	26,594
10	Regulatory Amortization	-	-	2,027	-	6,724	-	6,724
11	Taxes	-	-	-	-	15,750	-	15,750
12	Total Production & Transmission	1,748	317	2,027	(18)	280,263	-	280,263
	Distribution							
13	Operating Expenses	-	-	-	(41)	21,463	-	21,463
14	Depreciation/Amortization	1,274	299	-	-	26,098	-	26,098
15	Taxes	-	-	-	-	27,325	-	27,325
16	Total Distribution	1,274	299	-	(41)	74,886	-	74,886
17	Customer Accounting	-	-	-	-	12,298	-	12,298
18	Customer Service & Information	-	-	-	-	1,488	-	1,488
19	Sales Expenses	-	-	-	-	0	-	0
	Administrative & General							
20	Operating Expenses	-	-	-	(137)	47,373	707	48,080
21	Depreciation/Amortization	6,983	2,039	-	-	28,125	-	28,125
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	6,983	2,039	-	(137)	75,498	707	76,205
24	Total Electric Expenses	10,005	2,655	2,027	(196)	444,433	707	445,140
25	OPERATING INCOME BEFORE FIT	(10,005)	(2,655)	(2,027)	196	115,863	(707)	115,156
	FEDERAL INCOME TAX							
26	Current Accrual	(3,502)	(929)	(709)	69	20,565	(247)	20,318
27	Debt Interest	(1,420)	29	(192)	-	(1,986)	52	(1,933)
28	Deferred Income Taxes	-	-	-	-	8,293	-	8,293
29	Amortized ITC - Noxon	(27)	-	-	-	(157)	-	(157)
30	NET OPERATING INCOME	(5,056)	(1,755)	(1,125)	127	89,147	(512)	88,634
	RATE BASE							
	PLANT IN SERVICE							
31	Intangible	\$55,221	\$6,106	\$0	\$0	\$170,810	\$0	\$170,810
32	Production	71,753	9,772	-	-	850,478	-	850,478
33	Transmission	20,494	5,638	-	-	418,924	-	418,924
34	Distribution	43,631	(514)	-	-	907,131	-	907,131
35	General	23,042	10,121	-	-	235,197	-	235,197
36	Total Plant in Service	214,141	31,123	-	-	2,582,540	-	2,582,540
	ACCUMULATED DEPRECIATION/AMORT							
37	Intangible	(8,763)	(6,939)	-	-	(38,528)	-	(38,528)
38	Production	(15,118)	(8,317)	-	-	(359,331)	-	(359,331)
39	Transmission	(1,249)	(1,324)	-	-	(128,112)	-	(128,112)
40	Distribution	(20,492)	(5,232)	-	-	(288,051)	-	(288,051)
41	General	(8,296)	(5,094)	-	-	(81,090)	-	(81,090)
42	Total Accumulated Depreciation	(53,918)	(26,906)	-	-	(895,112)	-	(895,112)
43	NET PLANT	160,223	4,217	-	-	1,687,428	-	1,687,428
44	DEFERRED TAXES	(10,490)	(7,288)	-	-	(288,064)	-	(288,064)
45	Net Plant After DFIT	149,733	(3,071)	-	-	1,399,364	-	1,399,364
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	20,276	-	24,725	(5,535)	19,190
47	WORKING CAPITAL	-	-	-	-	45,742	-	45,742
48	TOTAL RATE BASE	\$149,733	(\$3,071)	\$20,276	\$0	1,469,831	(\$5,535)	1,464,296
49	RATE OF RETURN						\$ 32,841	6.05%
50	REVENUE REQUIREMENT	26,171	2,461	4,255	(205)	33,069	160	33,229

(2) The final Attrition Adjusted Total revenue requirement of \$33.229 million on line 50 developed by the Company's Attrition Study is used for the final adjusted results and revenue requirement on an attrition adjusted basis. However, the values shown in the Attrition Adjusted Total column, lines 1-50, above were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Ms. Knox, because these values more readily lend themselves to Ms. Knox's cost-of-service analysis.