

AVISTA UTILITIES
WASHINGTON NATURAL GAS
INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED CAPITAL STRUCTURE
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	May 1, 2018				
		WITH PRESENT RATES			WITH 05.2018 PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	05.2018 Adjusted Total (1)	Proposed Revenues & Related Exp	2018 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	\$146,098	\$ (61,799)	\$84,299	\$772	\$85,071
2	Total Transportation	4,595	(62)	4,533		4,533
3	Other Revenues	69,723	(69,479)	244		244
4	Total Gas Revenues	220,416	(131,340)	89,076	772	89,848
EXPENSES						
Production Expenses						
5	City Gate Purchases	112,605	(112,605)	-		-
6	Purchased Gas Expense	988	31	1,019		1,019
7	Net Nat Gas Storage Trans	2,932	(2,932)	-		-
8	Total Production	116,525	(115,506)	1,019	-	1,019
Underground Storage						
9	Operating Expenses	974	-	974		974
10	Depreciation	492	32	524		524
11	Taxes	210	39	249		249
12	Total Underground Storage	1,676	71	1,747	-	1,747
Distribution						
13	Operating Expenses	12,049	644	12,693		12,693
14	Depreciation	9,866	687	10,553		10,553
15	Taxes	12,807	(6,700)	6,107	30	6,137
16	Total Distribution	34,722	(5,369)	29,353	30	29,383
17	Customer Accounting	7,352	(573)	6,779	5	6,784
18	Customer Service & Information	7,595	(6,618)	977		977
19	Sales Expenses	-	-	-		-
Administrative & General						
20	Operating Expenses	13,763	(144)	13,619	2	13,621
21	Depreciation/Amortization	6,260	1,303	7,563		7,563
22	Regulatory Amortizations	-	584	584		584
23	Taxes	-	-	-		-
24	Total Admin. & General	20,023	1,743	21,766	2	21,768
25	Total Gas Expense	187,893	(126,252)	61,641	37	61,678
26	OPERATING INCOME BEFORE FIT	32,523	(5,088)	27,435	735	28,170
FEDERAL INCOME TAX						
27	Current Accrual	(841)	(787)	(1,628)	257	(1,371)
28	Debt Interest	-	(181)	(181)	-	(181)
29	Deferred FIT	9,923	(4,791)	5,132		5,132
30	Amort ITC	(17)	-	(17)		(17)
31	NET OPERATING INCOME	23,458	670	24,128	478	24,606
RATE BASE: PLANT IN SERVICE						
32	Underground Storage	26,868	1,021	27,889		27,889
33	Distribution Plant	390,508	28,948	419,456		419,456
34	General Plant	82,624	13,583	96,207		96,207
35	Total Plant in Service	500,000	43,552	543,552	-	543,552
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(10,317)	(163)	(10,480)		(10,480)
37	Distribution Plant	(129,098)	(3,834)	(132,932)		(132,932)
38	General Plant	(23,473)	(1,887)	(25,360)		(25,360)
39	Total Accum. Depreciation/Amort.	(162,888)	(5,884)	(168,772)	-	(168,772)
40	NET PLANT	337,112	37,668	374,780	-	374,780
41	DEFERRED FIT	(73,856)	(6,495)	(80,351)		(80,351)
42	Net Plant After DFIT	263,256	31,173	294,429	-	294,429
43	GAS INVENTORY	9,116	-	9,116		9,116
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	(249)	1,474	1,225		1,225
46	WORKING CAPITAL	15,664	(2,007)	13,657		13,657
47	TOTAL RATE BASE	287,787	29,166	318,427	0	318,427
48	RATE OF RETURN	8.15%		7.58%		7.73%

**AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2016**

Line No.	Description	May 1, 2018		
		(000's of Dollars)		
1	Pro Forma Rate Base	\$	318,427	
2	Proposed Rate of Return		7.76%	
3	Net Operating Income Requirement		\$24,710	
4	Pro Forma Net Operating Income	\$	24,128	
5	Net Operating Income Deficiency		\$582	
6	Conversion Factor		0.753293	
7	Revenue Requirement - 2016		\$772	REVISED TO REFLECT TCJA
8	Total Base Distribution Revenues*	\$	88,831	
9	Percentage Base Distribution Revenue Increase		0.87%	
10	Total Present Billed Revenue	\$	152,089	
11	Percentage Billed Revenue Increase		0.51%	
* Line 8 "Total General Business Revenues" includes special contract transportation revenues.				
K-Factor Rate Adjustment for Rate Years 2 & 3 (5/1/2019 & 5/1/2020)				
12			4.14%	per Exh. EMA-14, pg 1.
13	Delivery Related Revenues 5/1/2018 (\$79,883 + \$772 = \$80,655)	\$	80,655	
14	Rate Year 2: 5/1/2019 - 4/30/2020	\$	3,339	Incremental Revenue 3.73% Incremental % (Base) 2.18% Incremental % (Billed)
15	Delivery Related Revenues 5/1/2019 (\$90,762 + \$4,220 = \$94,982)	\$	83,994	
16	Rate Year 3: 5/1/2020 - 4/30/2021	\$	3,477	Incremental Revenue 3.74% Incremental % (Base) 2.23% Incremental % (Billed)
* Current Delivery Related Revenues per Exh. EMA-14, pg 2. 5/1/2018 Proposed Revenue Increase from line 7		\$	79,883	per Revised Exh. EMA-13, pg 2.
			\$772	
		\$	80,655	

**AVISTA UTILITIES
PROPOSED COST OF CAPITAL
WASHINGTON NATURAL GAS**

Proposed Capital Structure*			
Component	Capital Structure	Cost	Weighted Cost
Total Debt	50.0%	5.62%	2.81%
Common Equity	50.0%	9.90%	4.95%
Total	100.00%		7.76%

* Based on rate year estimated capital structure and cost of debt.

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

Line No.	Description	Factor	FILED
1	Revenues	1.000000	
	Expense:		
2	Uncollectibles	0.006183	0.004827
3	Commission Fees	0.002000	
4	Washington Excise Tax	0.038282	0.038334
6	Total Expense	0.046465	
7	Net Operating Income Before FIT	0.953535	
8	Federal Income Tax @ 35%	0.333737	
9	REVENUE CONVERSION FACTOR	0.619798	

(1) Revised to reflect Uncollectible correction as provided in Avista's response to Staff_DR_034 -Attachment A (page 9 of 9). The effective Uncollectible rate is also a component within the calculation of the Washington Excise Tax Rate.

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

Line No.	Description	Factor	FILED
1	Revenues	1.000000	
	Expense:		
2	Uncollectibles	0.006183	0.004827
3	Commission Fees	0.002000	
4	Washington Excise Tax	0.038282	0.038334
6	Total Expense	0.046465	
7	Net Operating Income Before FIT	0.953535	
8	Federal Income Tax @ 21%	0.200242	REVISED
9	REVENUE CONVERSION FACTOR	0.753293	REVISED

(1) Revised to reflect Uncollectible correction as provided in Avista's response to Staff_DR_034 -Attachment A (page 9 of 9). The effective Uncollectible rate is also a component within the calculation of the Washington Excise Tax Rate.

AVISTA UTILITIES

WASHINGTON NATURAL GAS
 INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED CAPITAL STRUCTURE
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

RESTATEMENT ADJUSTMENTS

Line No.	DESCRIPTION	ACTUAL RESULTS		Accept in Part / Contest in Part		Updated / Accepted by Staff	Updated / Accepted by Staff	Regulatory Expense	Injuries & Damages	FIT / DFIT Expense	Office Space Charges to Subs	
		Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	2.02					2.03
		1.00	1.01	1.02	1.03	2.01	2.02	2.04	2.05	2.06	2.07	
		G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-RPT	G-UE	G-RE	G-ID	G-FIT	G-OSC
	Adjustment Number											
	Workpaper Reference											
	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)	259	-	-	-	-	-
16	Total Distribution	34,722	-	-	-	(5,183)	259	-	-	-	-	-
17	Customer Accounting	7,352	-	2	-	-	-	(386)	-	-	-	-
18	Customer Service & Information	7,595	-	-	-	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-	-	-	-
	Administrative & General											
20	Operating Expenses	13,763	-	-	-	-	-	-	(3)	76	-	(9)
21	Depreciation/Amortization	6,260	-	-	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	20,023	-	-	-	-	-	-	(3)	76	-	(9)
25	Total Gas Expense	187,893	-	2	-	(5,183)	259	(386)	(3)	76	-	(9)
26	OPERATING INCOME BEFORE FIT	32,523	-	(2)	-	(32)	(259)	386	3	(76)	-	9
	FEDERAL INCOME TAX											
27	Current Accrual	(841)	-	(1)	-	(11)	(91)	135	1	(27)	-	3
28	Debt Interest	-	3	-	20	-	-	-	-	-	-	-
29	Deferred FIT	9,923	-	-	-	-	-	-	-	-	-	-
30	Amort ITC	(17)	-	-	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 23,458	\$ (3)	\$ (1)	\$ (20)	\$ (21)	\$ (168)	\$ 251	\$ 2	\$ (49)	\$ -	\$ 6
	RATE BASE											
	PLANT IN SERVICE											
32	Underground Storage	\$ 26,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	390,508	-	-	-	-	-	-	-	-	-	-
34	General Plant	82,624	-	-	-	-	-	-	-	-	-	-
35	Total Plant in Service	500,000	-	-	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT											
36	Underground Storage	(10,317)	-	-	-	-	-	-	-	-	-	-
37	Distribution Plant	(129,098)	-	-	-	-	-	-	-	-	-	-
38	General Plant	(23,473)	-	-	-	-	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(162,888)	-	-	-	-	-	-	-	-	-	-
40	NET PLANT	337,112	-	-	-	-	-	-	-	-	-	-
41	DEFERRED TAXES	(73,856)	(325)	-	-	-	-	-	-	-	-	-
42	Net Plant After DFIT	263,256	(325)	-	-	-	-	-	-	-	-	-
43	GAS INVENTORY	9,116	-	-	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-	-	-
45	OTHER	(249)	-	-	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	15,664	-	-	(2,007)	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ 287,787	\$ (325)	\$ -	\$ (2,007)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	8.15%										
50	REVENUE REQUIREMENT	-1,816	-36	2	-219	34	272	-405	-3	80	0	-9

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	CF*		CF*			Project Compass Deferral	Accept Staff's Adjustment	Flow Thru impact of cost of debt / capital structure	Accept Staff Rate Base / Contest Depr Exp	Restated TOTAL	
		Restate Excise Taxes	Net Gains & Losses	Weather Normalization / Gas Cost Adjust	Eliminate Adder Schedules	Misc. Restating Non-Util / Non-Recurring Expenses		Restating Incentives	Restate Debt Interest	Restate 2016 AMA Rate Base to EOP		
		2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15	2.16 NEW		
		G-RET	G-NGL	G-WNGC	G-EAS	G-MR	G-CD	G-RI	G-DI	G-EOPCAP16	R-Ttl	
Adjustment Number												
Workpaper Reference												
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	-	-	-	-	-	-	-	-	20	512	
11	Taxes	-	-	-	-	-	-	-	-	-	210	
12	Total Underground Storage	-	-	-	-	-	-	-	-	20	1,696	
Distribution												
13	Operating Expenses	-	-	-	-	1	-	-	-	-	12,050	
14	Depreciation/Amortization	-	(13)	-	-	-	-	-	-	426	10,279	
15	Taxes	2	-	429	(47)	-	-	-	-	-	8,267	
16	Total Distribution	2	(13)	429	(47)	1	-	-	-	426	30,596	
17	Customer Accounting	-	-	69	(8)	-	-	-	-	-	7,029	
18	Customer Service & Information	-	-	-	(6,632)	-	-	-	-	-	963	
19	Sales Expenses	-	-	-	-	-	-	-	-	-	-	
Administrative & General												
20	Operating Expenses	-	-	22	(2)	(316)	-	(167)	-	-	13,364	
21	Depreciation/Amortization	-	-	-	-	-	-	-	-	285	6,545	
22	Regulatory Amortizations	-	-	-	-	-	1,079	-	-	-	1,079	
23	Taxes	-	-	-	-	-	-	-	-	-	-	
24	Total Admin. & General	-	-	22	(2)	(316)	1,079	(167)	-	285	20,988	
25	Total Gas Expense	2	(13)	5,800	(64,040)	(315)	1,079	(167)	-	731	125,726	
26	OPERATING INCOME BEFORE FIT	(2)	13	(18)	(476)	315	(1,079)	167	-	(731)	30,741	
FEDERAL INCOME TAX												
27	Current Accrual	(1)	5	(6)	(167)	110	(378)	58	(91)	(256)	(1,556)	
28	Debt Interest	-	-	-	-	-	-	-	-	(139)	(116)	
29	Deferred FIT	-	-	-	-	-	-	-	-	-	9,923	
30	Amort ITC	-	-	-	-	-	-	-	-	-	(17)	
31	NET OPERATING INCOME	\$ (1)	\$ 8	\$ (12)	\$ (309)	\$ 205	\$ (701)	\$ 109	\$ 91	\$ (336)	\$ 22,507	
RATE BASE												
PLANT IN SERVICE												
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	275	\$ 27,143	
33	Distribution Plant	-	-	-	-	-	-	-	-	18,072	408,580	
34	General Plant	-	-	-	-	-	-	-	-	4,238	86,862	
35	Total Plant in Service	-	-	-	-	-	-	-	-	22,585	522,585	
ACCUMULATED DEPRECIATION/AMORT												
36	Underground Storage	-	-	-	-	-	-	-	-	(155)	(10,472)	
37	Distribution Plant	-	-	-	-	-	-	-	-	(3,730)	(132,828)	
38	General Plant	-	-	-	-	-	-	-	-	(1,393)	(24,866)	
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-	(5,278)	(168,166)	
40	NET PLANT	-	-	-	-	-	-	-	-	17,307	354,419	
41	DEFERRED TAXES	-	-	-	(3,147)	-	-	-	-	-	(77,328)	
42	Net Plant After DFTT	-	-	-	-	-	-	-	-	14,160	277,091	
43	GAS INVENTORY	-	-	-	-	-	-	-	-	-	9,116	
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-	-	
45	OTHER	-	-	-	-	-	-	-	-	-	(249)	
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-	13,657	
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,160	\$ 299,615	
48	RATE OF RETURN											(1)
50	REVENUE REQUIREMENT	2	-14	19	499	-330	1,132	-175	-147	2,315	1,199	

AVISTA UTILITIES

WASHINGTON NATURAL GAS
 INCLUDING 2017 THRESHOLD CAPITAL & ADJUSTED
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

PRO FORMA ADJUSTMENTS

Line No.	DESCRIPTION	PRO FORMA				Staff Removed Accept	Updated / Accepted by Staff	CF*	
		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
		G-PAT	G-PLN	G-PLE	G-PEB	G-PI	G-PPT	G-PIS	G-PREV
	Adjustment Number								
	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	-	31	-	(6)	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-	-
8	Total Production	-	31	-	(6)	-	-	-	(63,460)
	Underground Storage								
9	Operating Expenses	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	39	-	-
12	Total Underground Storage	-	-	-	-	-	39	-	-
	Distribution								
13	Operating Expenses	348	371	-	(76)	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	-	390	-	(2,550)
16	Total Distribution	348	371	-	(76)	-	390	-	(2,550)
17	Customer Accounting	-	203	-	(41)	-	-	-	(412)
18	Customer Service & Information	-	18	-	(4)	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	-	251	(10)	(49)	-	-	201	(133)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	251	(10)	(49)	-	-	201	(133)
25	Total Gas Expense	348	874	(10)	(176)	-	429	201	(66,555)
26	OPERATING INCOME BEFORE FIT	(348)	(874)	10	176	-	(429)	(201)	(836)
	FEDERAL INCOME TAX								
27	Current Accrual	(122)	(306)	4	62	-	(150)	(70)	(293)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (226)	\$ (568)	\$ 7	\$ 114	\$ -	\$ (279)	\$ (131)	\$ (543)
	RATE BASE								
	PLANT IN SERVICE								
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	-	-	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-	-	-
42	Net Plant After DFTT	-	-	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN								
50	REVENUE REQUIREMENT	365	917	-10	-185	0	450	211	877

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
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 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Updated Threshold - based on Functional Group- actual thru October		Staff Removed Accept		Pro Forma LEAP Deferral Gas Line Ext.	Pro Forma Sub-Total	Staff Removed Accept		EOP Pro Forma Total
		Pro Forma Regulatory Amortization	Pro Forma 2017 Threshold Capital Adds	Pro Forma O&M Offsets	Pro Forma Director Fees Expense			Pro Forma EOP 2017 Capital Net Plant Adj	Pro Forma EOP 2017 Capital Net Plant Adj	
	Adjustment Number	3.09	3.10	3.11	3.12	3.13		3.14		
	Workpaper Reference	G-PRA	G-PCAP16	G-POFF	G-PDF	G-PLEAP	PF-ST11	G-EOPCAP17		
	REVENUES									
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,299	\$ -	\$ -	\$ 84,299
2	Total Transportation	-	-	-	-	-	4,533	-	-	4,533
3	Other Revenues	-	-	-	-	-	244	-	-	244
4	Total Gas Revenues	-	-	-	-	-	89,076	-	-	89,076
	EXPENSES									
	Production Expenses									
5	City Gate Purchases	-	-	-	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	1,019	-	-	1,019
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	1,019	-	-	1,019
	Underground Storage									
9	Operating Expenses	-	-	-	-	-	974	-	-	974
10	Depreciation/Amortization	-	12	-	-	-	524	-	-	524
11	Taxes	-	-	-	-	-	249	-	-	249
12	Total Underground Storage	-	12	-	-	-	1,747	-	-	1,747
	Distribution									
13	Operating Expenses	-	-	-	-	-	12,693	-	-	12,693
14	Depreciation/Amortization	-	274	-	-	-	10,553	-	-	10,553
15	Taxes	-	-	-	-	-	6,107	-	-	6,107
16	Total Distribution	-	274	-	-	-	29,353	-	-	29,353
17	Customer Accounting	-	-	-	-	-	6,779	-	-	6,779
18	Customer Service & Information	-	-	-	-	-	977	-	-	977
19	Sales Expenses	-	-	-	-	-	-	-	-	-
	Administrative & General									
20	Operating Expenses	-	-	(5)	-	-	13,619	-	-	13,619
21	Depreciation/Amortization	-	1,018	-	-	-	7,563	-	-	7,563
22	Regulatory Amortizations	(1,079)	-	-	-	584	584	-	-	584
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	(1,079)	1,018	(5)	-	584	21,766	-	-	21,766
25	Total Gas Expense	(1,079)	1,304	(5)	-	584	61,641	-	-	61,641
26	OPERATING INCOME BEFORE FIT	1,079	(1,304)	5	-	(584)	27,435	-	-	27,435
	FEDERAL INCOME TAX									
27	Current Accrual	378	(456)	2	-	(204)	(2,713)	-	-	(2,713)
28	Debt Interest	-	(162)	-	-	(15)	(293)	-	-	(293)
29	Deferred FIT	-	-	-	-	-	9,923	-	-	9,923
30	Amort ITC	-	-	-	-	-	(17)	-	-	(17)
31	NET OPERATING INCOME	\$ 701	\$ (685)	\$ 3	\$ -	\$ (365)	\$ 20,535	\$ -	\$ -	\$ 20,535
	RATE BASE									
	PLANT IN SERVICE									
32	Underground Storage	\$ -	\$ 746	\$ -	\$ -	\$ -	\$ 27,889	\$ -	\$ -	\$ 27,889
33	Distribution Plant	-	10,876	-	-	-	419,456	-	-	419,456
34	General Plant	-	9,345	-	-	-	96,207	-	-	96,207
35	Total Plant in Service	-	20,967	-	-	-	543,552	-	-	543,552
	ACCUMULATED DEPRECIATION/AMORT									
36	Underground Storage	-	(8)	-	-	-	(10,480)	-	-	(10,480)
37	Distribution Plant	-	(104)	-	-	-	(132,932)	-	-	(132,932)
38	General Plant	-	(494)	-	-	-	(25,360)	-	-	(25,360)
39	Total Accumulated Depreciation/Amortization	-	(606)	-	-	-	(168,772)	-	-	(168,772)
40	NET PLANT	-	20,361	-	-	-	374,780	-	-	374,780
41	DEFERRED TAXES	-	(3,873)	-	-	-	(81,201)	-	-	(81,201)
42	Net Plant After DFTT	-	16,488	-	-	-	293,579	-	-	293,579
43	GAS INVENTORY	-	-	-	-	-	9,116	-	-	9,116
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	1,474	1,225	-	-	1,225
46	WORKING CAPITAL	-	-	-	-	-	13,657	-	-	13,657
47	TOTAL RATE BASE	\$ -	\$ 16,488	\$ -	\$ -	\$ 1,474	\$ 317,577	\$ -	\$ -	\$ 317,577
48	RATE OF RETURN									
50	REVENUE REQUIREMENT	-1,132	3,170	-5	0	774	6,630	0	0	6,630

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
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 (000'S OF DOLLARS)

		Revised Rebuttal			Year 1 Tax Reform Schedule 174 Revenue Requirement			
Line No.	DESCRIPTION	Tax Reform	Tax Reform	Pro Forma	1 year amort	1 year amort	1 year amort	Schedule 174
		FTT/DFTT Expense Adj	Excess Tax PF ARAM Amort	Including Tax Reform	Tax Reform Excess Tax PF Non-Plant Amort	Tax Reform Jan - Apr Deferral FTT/DFTT Exp	Tax Reform Jan - Apr Deferral ARAM Amort	Year 1 Total
	Adjustment Number	5.01	5.02	PF-Ttl	5.03	5.04	5.05	PF-Ttl
	Workpaper Reference	G-TCJA-1	G-TCJA-2		G-TCJA-3	G-TCJA-4	G-TCJA-5	
	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	-	-	1,019	-	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	-	-	1,019	-	-	-	-
	Underground Storage							
9	Operating Expenses	-	-	974	-	-	-	-
10	Depreciation/Amortization	-	-	524	-	-	-	-
11	Taxes	-	-	249	-	-	-	-
12	Total Underground Storage	-	-	1,747	-	-	-	-
	Distribution							
13	Operating Expenses	-	-	12,693	-	-	-	-
14	Depreciation/Amortization	-	-	10,553	-	-	-	-
15	Taxes	-	-	6,107	-	-	-	-
16	Total Distribution	-	-	29,353	-	-	-	-
17	Customer Accounting	-	-	6,779	-	-	-	-
18	Customer Service & Information	-	-	977	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	-	-	13,619	-	-	-	-
21	Depreciation/Amortization	-	-	7,563	-	-	-	-
22	Regulatory Amortizations	-	-	584	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	-	-	21,766	-	-	-	-
25	Total Gas Expense	-	-	61,641	-	-	-	-
26	OPERATING INCOME BEFORE FIT	-	-	27,435	-	-	-	-
	FEDERAL INCOME TAX							
27	Current Accrual	1,085	-	(1,628)	-	(874)	-	(874)
28	Debt Interest	117	(5)	(181)	(6)	-	(1)	(7)
29	Deferred FIT	(3,824)	(967)	5,132	(931)	-	(304)	(1,235)
30	Amort ITC	-	-	(17)	-	-	-	-
31	NET OPERATING INCOME	\$ 2,622	\$ 972	\$ 24,128	\$ 937	\$ 874	\$ 304	\$ 2,116
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ 27,889	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	419,456	-	-	-	-
34	General Plant	-	-	96,207	-	-	-	-
35	Total Plant in Service	-	-	543,552	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	(10,480)	-	-	-	-
37	Distribution Plant	-	-	(132,932)	-	-	-	-
38	General Plant	-	-	(25,360)	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	(168,772)	-	-	-	-
40	NET PLANT	-	-	374,780	-	-	-	-
41	DEFERRED TAXES	-	850	(80,351)	-	-	152	152
42	Net Plant After DFTT	-	850	294,429	-	-	152	152
43	GAS INVENTORY	-	-	9,116	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	-	1,225	1,048	-	-	1,048
46	WORKING CAPITAL	-	-	13,657	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ 850	\$ 318,427	\$ 1,048	\$ -	\$ 152	\$ 1,200
48	RATE OF RETURN							
50	REVENUE REQUIREMENT	-3,480	-1,203	772	-1,136	-1,160	-389	-2,685
	Conversion Factor impact on Base							
	Rate Revenue Requirement	-1,175						
	Total TCJA-1 Tax Rate Change							
	Revenue Requirement	-4,655						