

**Avista Corp.**  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170



November 1, 2016

Mr. Steven King  
Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

Re: Docket Nos. UE-160228 and UG-160229  
Power Supply Update

Dear Mr. King:

On February 19, 2016, Avista Corporation (“Avista” or “Company”) filed with the Commission its request for electric and natural gas rate relief for an 18-month period, from January 1, 2017 through June of 2018. Within the Company’s filing, it proposed to update its power supply costs sixty (60) days prior to new rates going into effect on January 1, 2017, as well as for January 1, 2018. As in prior cases, this proposed update in power supply costs, just before new base retail rates go into effect, would reflect the most recent information available for power supply costs. The updated power supply cost data would not only be reflected in the base rate adjustment, but would also reset the base for the ERM calculations for the future rate period.<sup>1</sup>

Therefore, as it relates to the Company’s proposed update in power supply costs for the 18-month period, January 1, 2017 through June 30, 2018, Avista respectfully submits an original and seven (7) copies of this letter, as well as Attachments A through G. Attachment A is revised Exhibit No. WGJ-5 reflecting the revised proposed ERM power supply expense and revenue, transmission expense and revenue, retail sales and retail revenue credit for the 2017 and 2018 (January – June) rate periods. Attachment B is revised Exhibit No. PDE-4, pages 1 and 2. Attachment C shows the November power supply update versus that proposed by the Company on rebuttal and the calculation of the revenue requirement change, for both the 2017 and 2018 (January – June) rate periods. Attachment D provides a detailed listing of power supply and transmission revenue adjustments included in the power supply update and the overall change in net expense. Attachments E and F contain revised Exhibit Nos. EMA-7 and EMA-9, respectively, providing the Company’s updated electric and natural gas Attrition models showing the impact of the November power supply update. Lastly, Attachment G provides a hardcopy of supporting documentation, as well as related models and files provided in electronic format only

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<sup>1</sup> See Morris Exh. No. SLM-1T, p.5:16-p.6:2.

for the 2017 and 2018 power supply updates. Please note that certain electronic workpapers of Mr. Cox, Mr. Johnson and Mr. Kalich have CONFIDENTIAL information. These documents should be treated as CONFIDENTIAL per WAC 480-07-160.

As noted at page 9, of Mr. Johnson's direct testimony, Exhibit No. WGJ-1T, lines 15-20, the purpose of this power supply update, as in past proceedings, would be to: 1) update the three-month average of natural gas and electricity market prices; 2) include new short-term contracts for natural gas and electric; and 3) update or correct power and transmission service contracts for the 18-month rate period. In addition, in response to testimony by certain parties to this proceeding, on rebuttal Avista agreed to update certain power supply related expenses and transmission revenues within this power supply update.<sup>2</sup>

As noted within Attachment C, page 1, the 2017 rate period updated power supply results in a net reduction to expense of approximately \$591,000 (\$611,000 impact on revenue requirement).<sup>3</sup> Page 2 of Attachment C, shows that the 2018 (January – June) rate period updated power supply results in an incremental reduction to net power supply expense of approximately \$1.46 million (\$1.5 million impact on revenue requirement).

The decrease of \$591,000 for calendar 2017 and the incremental decrease of \$1.46 million for 2018 (January - June) in net expense, results from incorporating the latest three month average of forward natural gas prices through October 19, 2016, adding new forward natural gas and power transactions, and accounting for known changes in power and transmission contracts for the 2017 and 2018 (Jan-June) rate periods. In addition, based on a proposal by ICNU,<sup>4</sup> this update reflects a modeling change within the Company's power supply model (AURORA), allowing the Company's Noxon Rapids hydro plant to spill water for two units in the event prices fell below negative \$1.00 per MWh. This model change reflects Noxon Rapids ability to spill water per its FERC license and lower customer rates by either allowing the Company to purchase negative power, or not sell in a negative price environment.

Incorporating the current higher natural gas prices in the AURORA model results in higher electricity prices, and changes the dispatch of the Company's thermal generation plants. Other effects of adding new contracts and increasing natural gas and electric prices include a change in the mark-to-market value of actual forward transactions, and a change in the expense and revenue of index-priced contracts. Power and transmission contract changes incorporated in the update include three Mid C power purchase expenses, an update to BPA transmission rates, an update to Coyote Springs 2 and Lancaster natural gas transportation expense, and updates to Stimson, Lancaster and WNP-3 power purchase expenses. A detailed listing of changes incorporated in this November update, as well as, supporting documentation and related models are provided as Attachments D and G, respectively.

The updated level of net power supply costs would be used to determine the new base set of power supply revenues and expenses for ERM calculations beginning January 1, 2017 as shown

<sup>2</sup> See Johnson, Exh. No. WGJ-6T, p.1:20-p.3:22; Kalich, Exh. No. CGK-37, p.6:20-p.7:3; Smith, Exh. No. JSS-4T, p.16:9-p.17:2.

<sup>3</sup> This results from an increase in transmission revenues of \$915,000 (WA share), offset by an increase in net power supply expense of \$324,000 (WA share). See Attachment C, page 1.

<sup>4</sup> Exh. No. CGK-37, p.6:20-p.7:3

on Attachment A, page 1 for the 2017 rate period; and beginning January 1, 2018, as shown on Attachment A, page 2 for the 2018 six-month rate period January 1 – June 30, 2018.

To determine the adjustments to Washington revenues on January 1, 2017 and January 1, 2018 related to this power supply update, the net power supply costs resulting from this power supply update were compared with the net power supply costs filed by the Company on rebuttal as shown on Attachment C, pages 1 and 2. Page 1 of Attachment C shows the overall change in revenue requirement related to the power supply update is a reduction of \$611,000. Accordingly, Avista's updated electric revenue requirement, as filed on rebuttal, of \$40.1 million in 2017 would be reduced to approximately \$39.5 million, still above Avista's filed-for electric revenue increase request of \$38.6 million in 2017. Avista is not proposing to change its original revenue increase request of \$38.6 million for 2017. Provided as Attachment E is the Company's updated 2017 electric Attrition Model (revised Exhibit No. EMA-7) including the impact of this power supply update.

For the six-month period January – June 2018, as shown on Attachment C, page 2, the overall change in revenue requirement related to the power supply update is an incremental reduction of \$1.5 million. Accordingly, Avista is revising its filed-for electric revenue increase request of \$10.3 million for the first six months of 2018 downward to \$9.0 million (more precisely \$8,986,000) in order to reflect this updated information.<sup>5</sup> Provided as Attachment F is the Company's updated 2018 electric Attrition Model (revised Exhibit No. EMA-9) including the impact of this power supply update.

As shown in Attachment B (revised Exhibit No. PDE-4, pages 1-2), the proposed percentage overall base rate change for electric service related to the revised incremental increase effective January 1, 2018 of \$9.0 million is 3.4%. Table No. 1 below shows the proposed percentage base rate change for electric by Schedule, net of the ERM Credit Offset as proposed by the Company, results in 0.0% bill impact to customers for the January 1 through June 30, 2018 rate effective period.

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<sup>5</sup> Avista's previously updated revenue requirement need for the first six months of 2018 was \$10.5 million (see, Exhibit No. EMA-9). Avista's requested revenue increase was \$10.3 million. Recognizing the reduction of \$1.5 million of revenue requirement as a result of the power supply update (\$10.5 million - \$1.5 million) produces a revised revenue requirement of approximately \$9.0 million.

**Table No. 1 - Proposed % Electric Change by Schedule**

<b><u>Rate Schedule</u></b>	<b><u>Increase in Base Rates</u></b>	<b><u>ERM Credit Offset</u></b>	<b><u>Total Change in Billing Rates</u></b>
Residential Schedule 1	3.7%	-3.7%	0.0%
General Service Schedules 11/12	3.1%	-3.1%	0.0%
Large General Service Schedules 21/22	3.3%	-3.3%	0.0%
Extra Large General Service Schedule 25	3.0%	-3.0%	0.0%
Pumping Service Schedules 31/32	3.7%	-3.7%	0.0%
Street & Area Lights Schedules 41-48	<u>4.4%</u>	<u>-4.4%</u>	<u>0.0%</u>
<b>Overall</b>	<b><u>3.4%</u></b>	<b><u>-3.4%</u></b>	<b><u>0.0%</u></b>

A service list is attached, with the parties on the service list receiving a complete copy of this filing by overnight mail.

Please direct any questions related to this filing to Liz Andrews at (509) 495-8601.

Sincerely,



David Meyer  
VP and Chief Counsel for Regulatory and Governmental Affairs  
Enclosures

## CERTIFICATE OF SERVICE

**I HEREBY CERTIFY** that I have served the Power Supply Update and Motion to Supplement Record in Avista's Electric and Gas General Rate Case Filing (UE-160228 and UG-160229), by mailing a copy thereof, postage prepaid to the following:

<p>Steven King Executive Director &amp; Secretary Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 sking@utc.wa.gov</p>	<p>Lisa Gafken Office Of The Attorney General Public Counsel Section 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188 Lisa.Gafken@atg.wa.gov</p>
<p>Mark Vasconi Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 mvasconi@utc.wa.gov</p>	<p>Ronald L. Roseman Attorney At Law 2011 14<sup>th</sup> Avenue East Seattle, WA 98112 ronaldroseman@comcast.net</p>
<p>Chad Stokes Tommy Brooks Cable Huston Benedict Haagensen &amp; Lloyd LLP 1001 SW Fifth Avenue, Ste 2000 Portland, OR 97204-1136 cstokes@cablehuston.com tbrooks@cablehuston.com</p>	<p>Jennifer Cameron-Rulkowski Washington Utilities and Trans. Comm. 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128 jcameron@utc.wa.gov</p>
<p>Shawn Collins The Energy Project 1111 Cornwall Ave Bellingham, WA 98225 Shawn_Collins@oppco.org</p>	<p>Jesse E. Cowell Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204 jec@dvclaw.com</p>
<p>Edward A. Finklea Executive Director Northwest Industrial Gas Users 545 Grandview Drive Ashland, OR 97520 efinklea@nwigu.org</p>	<p>Tom Schooley Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 tschooley@utc.wa.gov</p>

I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 1<sup>st</sup> day of November.



Paul Kimball  
Sr. Regulatory Analyst

## Attachment A

Revised Exhibit No. \_\_ (WGJ-5)

**Avista Corp**  
**Pro forma January 2017 - December 2017**  
**ERM Authorized Expense and Retail Sales**  
**October 2014 - September 2015 Historic Normalized Loads**

Including November Power Supply Update
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**ERM Authorized Power Supply Expense - System Numbers (1)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Account 555 - Purchased Power	\$113,156,573	\$12,971,578	\$11,552,058	\$10,500,544	\$9,093,439	\$7,181,126	\$7,086,381	\$7,454,507	\$8,578,547	\$7,140,296	\$7,627,423	\$11,751,535	\$12,219,139
Account 501 - Thermal Fuel	\$29,206,168	\$2,680,729	\$2,472,594	\$2,536,920	\$2,259,132	\$1,964,430	\$1,605,168	\$2,438,816	\$2,629,656	\$2,637,927	\$2,673,235	\$2,614,296	\$2,693,265
Account 547 - Natural Gas Fuel	\$73,065,662	\$9,154,292	\$7,591,628	\$6,564,581	\$3,940,073	\$2,303,869	\$1,800,576	\$4,880,493	\$6,737,039	\$6,905,904	\$6,937,099	\$7,385,853	\$8,864,255
Account 447 - Sale for Resale	\$56,677,269	\$6,505,447	\$5,296,192	\$4,867,348	\$5,603,853	\$5,379,400	\$3,956,709	\$4,415,923	\$3,014,390	\$4,110,284	\$3,422,584	\$4,422,708	\$5,682,432
<b>Power Supply Expense</b>	\$158,751,134	\$18,301,152	\$16,320,087	\$14,734,697	\$9,688,791	\$6,070,025	\$6,535,416	\$10,357,893	\$14,930,852	\$12,573,843	\$13,815,174	\$17,328,976	\$18,094,227
<b>Transmission Expense</b>	\$17,595,141	\$1,500,352	\$1,481,495	\$1,469,252	\$1,475,442	\$1,459,813	\$1,431,603	\$1,480,643	\$1,475,243	\$1,456,445	\$1,433,275	\$1,439,963	\$1,491,615
<b>Transmission Revenue</b>	\$17,821,634	\$1,318,401	\$1,403,130	\$1,437,661	\$1,375,955	\$1,504,856	\$1,666,882	\$1,727,978	\$1,576,033	\$1,512,734	\$1,453,443	\$1,465,594	\$1,378,967
<b>Broker Fees</b>	\$407,000	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917
<b>Total</b>	\$158,931,640	\$18,517,020	\$16,432,369	\$14,800,204	\$9,822,195	\$6,058,898	\$6,334,054	\$10,144,474	\$14,863,979	\$12,551,471	\$13,828,922	\$17,337,262	\$18,240,792
<b>WA Share of System Costs</b>	\$104,306,836	\$12,152,720	\$10,784,563	\$9,713,374	\$6,446,307	\$3,976,455	\$4,157,040	\$6,657,819	\$9,755,229	\$8,237,531	\$9,075,921	\$11,378,445	\$11,971,432

**ERM Authorized Washington Retail Sales (2)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Total Retail Sales, MWh (2)</b>	5,687,563	539,782	480,360	488,541	438,786	426,015	431,766	489,662	477,852	422,174	452,820	489,500	550,306
<b>Retail Revenue Credit Rate</b>	\$18.34 /MWh												

(1) Multiply system numbers by 65.63% to determine Washington share.

(2) Twelve months ended September 2015 normalized monthly WA Retail Sales.

## Attachment A

Revised Exhibit No. \_\_ (WGJ-5)

**Avista Corp**  
**Pro forma July 2017 - June 2018**  
**ERM Authorized Expense and Retail Sales**  
**October 2014 - September 2015 Historic Normalized Loads**

Including November Power Supply Update
-------------------------------------------

**ERM Authorized Power Supply Expense - System Numbers (1)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Account 555 - Purchased Power	\$111,498,955	\$12,193,727	\$11,120,737	\$10,017,175	\$9,252,265	\$7,188,344	\$6,955,259	\$7,454,507	\$8,578,547	\$7,140,296	\$7,627,423	\$11,751,535	\$12,219,139
Account 501 - Thermal Fuel	\$29,154,091	\$2,660,587	\$2,440,655	\$2,558,846	\$2,269,807	\$1,943,968	\$1,593,033	\$2,438,816	\$2,629,656	\$2,637,927	\$2,673,235	\$2,614,296	\$2,693,265
Account 547 - Natural Gas Fuel	\$74,376,873	\$9,103,203	\$7,201,014	\$7,480,799	\$4,569,881	\$2,406,887	\$1,904,447	\$4,880,493	\$6,737,039	\$6,905,904	\$6,937,099	\$7,385,853	\$8,864,255
Account 447 - Sale for Resale	\$54,188,897	\$5,255,288	\$4,091,909	\$4,829,070	\$6,269,054	\$5,052,028	\$3,623,227	\$4,415,923	\$3,014,390	\$4,110,284	\$3,422,584	\$4,422,708	\$5,682,432
<b>Power Supply Expense</b>	\$160,841,022	\$18,702,229	\$16,670,497	\$15,227,749	\$9,822,899	\$6,487,172	\$6,829,512	\$10,357,893	\$14,930,852	\$12,573,843	\$13,815,174	\$17,328,976	\$18,094,227
<b>Transmission Expense</b>	\$17,595,442	\$1,500,386	\$1,481,528	\$1,469,285	\$1,475,475	\$1,459,846	\$1,431,636	\$1,480,660	\$1,475,260	\$1,456,462	\$1,433,291	\$1,439,980	\$1,491,632
<b>Transmission Revenue</b>	\$16,015,349	\$1,304,329	\$1,105,921	\$1,123,977	\$1,154,782	\$1,377,232	\$1,552,357	\$1,659,835	\$1,502,892	\$1,306,364	\$1,460,291	\$1,241,936	\$1,225,427
<b>Broker Fees</b>	\$407,000	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917	\$33,917
<b>Total</b>	\$162,828,115	\$18,932,202	\$17,080,020	\$15,606,973	\$10,177,508	\$6,603,702	\$6,742,707	\$10,212,634	\$14,937,136	\$12,757,857	\$13,822,090	\$17,560,937	\$18,394,348
<b>WA Share of System Costs</b>	\$106,864,092	\$12,425,204	\$11,209,617	\$10,242,857	\$6,679,499	\$4,334,010	\$4,425,239	\$6,702,552	\$9,803,242	\$8,372,982	\$9,071,438	\$11,525,243	\$12,072,211

**ERM Authorized Washington Retail Sales (2)**

	<u>Total</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Total Retail Sales, MWh (2)</b>	5,687,563	539,782	480,360	488,541	438,786	426,015	431,766	489,662	477,852	422,174	452,820	489,500	550,306
<b>Retail Revenue Adjustment Rate</b>	\$18.79 /MWh												

(1) Multiply system numbers by 65.63% to determine Washington share.

(2) Twelve months ended September 2015 normalized monthly WA Retail Sales.

Attachment B

**AVISTA UTILITIES  
WASHINGTON ELECTRIC  
PROPOSED INCREASE BY SERVICE SCHEDULE  
12 MONTHS ENDED SEPTEMBER 30, 2015  
(000s of Dollars)**

**2017 Rate Change**

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates(1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates (2)	Total General Increase	Total ERM Decrease	Percent Increase on Billed Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	Residential	1	\$211,070	\$17,730	\$228,800	8.4%	\$223,805	\$17,730	\$0	7.9%
2	General Service	11/12	\$70,976	\$4,947	\$75,923	7.0%	\$72,879	\$4,947	\$0	6.8%
3	Large General Service	21/22	\$129,105	\$9,708	\$138,813	7.5%	\$131,881	\$9,708	\$0	7.4%
4	Extra Large General Service	25	\$64,450	\$4,387	\$68,837	6.8%	\$66,425	\$4,387	\$0	6.6%
5	Pumping Service	30/31/32	\$12,510	\$1,083	\$13,593	8.7%	\$12,761	\$1,083	\$0	8.5%
6	Street & Area Lights	41-48	<u>\$6,953</u>	<u>\$713</u>	<u>\$7,666</u>	10.3%	<u>\$7,247</u>	<u>\$713</u>	<u>\$0</u>	9.8%
7	Total		\$495,064	\$38,568	\$533,632	7.8%	\$514,998	\$38,568	\$0	7.5%

**2018 Rate Change**

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates(1)	Base Tariff Percent Increase	Total Billed Revenue at Present Rates (2)	Total General Increase	Total ERM Decrease	Percent Increase on Billed Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	Residential	1	\$228,800	\$8,370	\$237,170	3.7%	\$241,535	\$8,370	(\$8,370)	0.0%
2	General Service	11/12	\$75,923	\$2,334	\$78,257	3.1%	\$77,826	\$2,334	(\$2,334)	0.0%
3	Large General Service	21/22	\$138,813	\$4,592	\$143,405	3.3%	\$141,589	\$4,592	(\$4,592)	0.0%
4	Extra Large General Service	25	\$68,837	\$2,074	\$70,911	3.0%	\$70,812	\$2,074	(\$2,074)	0.0%
5	Pumping Service	30/31/32	\$13,593	\$508	\$14,101	3.7%	\$13,844	\$508	(\$508)	0.0%
6	Street & Area Lights	41-48	<u>\$7,666</u>	<u>\$341</u>	<u>\$8,007</u>	4.4%	<u>\$7,960</u>	<u>\$341</u>	<u>(\$341)</u>	0.0%
7	Total		\$533,632	\$18,219	\$551,851	3.4%	\$553,566	\$18,219	(\$18,218)	0.0%

(1) Excludes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 75 (Decoupling), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), and Schedule 98 (REC Revenue).

(2) Includes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 75 (Decoupling), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), and Schedule 98 (REC Revenue).



**2018 Rate Change**

6 Month 2018 Revenue Requirement Annualized

6 Month Revenue Requirement	<b>\$ 8,986,000</b>
January - June Load Percentage	49.3%
Annualized Revenue Requirement	<b><u>\$ 18,218,861</u></b>

		<b>2017 Increase</b>	<b>Pro-rata Annualized 2018 Increase</b>	<b>Pro-rata 6-Month 2018 Increase</b>	
Residential	1	\$17,729,885	\$8,375,237	\$4,130,877	
General Service	11/12	\$4,947,349	\$2,337,027	\$1,152,681	
Large General Service	21/22	\$9,708,480	\$4,586,088	\$2,261,974	
Extra Large General Service	25	\$4,386,920	\$2,072,292	\$1,022,106	
Pumping Service	30/31/32	\$1,082,660	\$511,427	\$252,249	
Street & Area Lights	41-48	<u>\$712,965</u>	<u>\$336,790</u>	<u>\$166,113</u>	
Total		\$38,568,260	\$18,218,861	\$8,986,000	3.41%

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Normalized Test Year Usage						
Residential Schedule 001	166,065,571	210,421,503	291,508,624	281,168,159	221,788,435	217,667,192
General Svc Schedule 011/012	47,405,298	52,292,858	55,735,032	52,574,482	52,616,425	51,474,601
Large Gen Svc Schedule 021/022	128,792,110	130,011,685	108,655,359	108,738,484	113,561,686	119,917,987
Extra Large Gen Schedule 25	95,705,491	91,551,612	92,033,172	92,986,001	83,914,023	94,012,005
Pumping Schedule 31/32	12,761,861	3,215,505	296,807	2,342,762	5,704,923	3,399,596
Street and Area Lights	2,089,721	2,007,023	2,077,238	1,971,881	2,774,739	2,069,472
Total Normalized Test Year Usage	452,820,052	489,500,186	550,306,232	539,781,769	480,360,231	488,540,853

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Annual Total
Normalized Test Year Usage							
Residential Schedule 001	176,228,277	158,139,621	138,314,771	192,073,938	169,300,816	153,320,708	2,375,997,614
General Svc Schedule 011/012	47,250,373	44,267,951	46,553,146	49,753,780	51,713,714	44,845,435	596,483,095
Large Gen Svc Schedule 021/022	116,840,876	113,569,108	126,598,232	119,290,811	129,850,834	110,100,953	1,425,928,125
Extra Large Gen Schedule 25	90,139,952	91,265,878	93,935,483	96,887,899	97,679,740	88,560,285	1,108,671,541
Pumping Schedule 31/32	6,285,958	16,633,932	24,256,325	29,604,246	27,154,063	23,228,931	154,884,909
Street and Area Lights	2,040,296	2,138,120	2,107,630	2,051,103	2,152,611	2,117,507	25,597,340
Total Normalized Test Year Usage	438,785,732	426,014,610	431,765,588	489,661,777	477,851,777	422,173,819	5,687,562,625

Attachment C

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads November 2016 Update		
	2017 PF	(1)
	Power Supply System	Total Washington Amounts
P/T Allocation Percentages		65.63%
447 Sales for Resale	\$56,678	\$37,198
453 Sales of Water and Water Power	466	306
454 Misc Rents	0	0
456 Transmission Wheeling Revenue System	17,822	11,697
456 Transmission Wheeling Revenue Direct WA	0	0
456 Transmission Wheeling Revenue Direct ID	0	0
456 Other Electric Revenue	0	0
456 Other Electric Revenue-Direct WA	0	0
Total Revenue	74,966	49,200
501 Thermal Fuel Expense	29,206	19,168
546 Other Power Gen Supvsn & Eng	0	0
547 Other Fuel Expense	73,066	47,953
536 Water for Power	1,029	675
555 Purchased Power	113,157	74,265
549 Misc Other Gen Expense	0	0
550 Rents	0	0
556 System Control & Dispatch	0	0
557 Other Expenses	407	267
XXX Other Expenses-Direct WA	0	0
565 Trans. of Elec. by Others	17,596	11,548
Total Expense	234,461	153,876
Net Income Before Income Taxes	-159,495	-104,676
Federal Income Tax 35%		-36,637
<b>Net Income</b>		<b>-\$68,040</b>

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads Per Avista Rebuttal			Nov Update NET CHANGE 2017 PF	Nov Update WA Share NET CHANGE 2017 PF
	2017 PF	Total	Power Supply System	Total Washington Amounts
	Power Supply System	Washington Amounts		
P/T Allocation Percentages		65.63%		65.63%
447 Sales for Resale	\$57,504	\$37,740	-\$826	-\$542
453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	16,428	10,782	\$1,394	915 (2)
456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	74,398	48,827	568	373
501 Thermal Fuel Expense	29,225	19,180	-\$19	-12
546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	76,583	50,261	-\$3,517	-2,309
536 Water for Power	1,029	675		0
555 Purchased Power	109,783	72,051	\$3,374	2,214
549 Misc Other Gen Expense	0	0		0
550 Rents	0	0		0
556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267		0
XXX Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	17,766	11,660	-\$170	-112
Total Expense	234,793	154,095	-332	-218
Net Income Before Income Taxes	-160,395	-105,267	900	\$591 (3)
Federal Income Tax 35%		-36,844		\$207
<b>Net Income</b>		<b>-\$68,425</b>		<b>\$384</b>

Net Decrease in Revenue Requirement (Nov 2016 Update)

Revenue Requirement Change Grossed Down (Nov 2016 Update)

Including November Power Supply Update

\$ (620)  
\$ (611)

(1) Washington Power Supply adjustment included in updated electric 2017 Attrition Study - See updated Exh. No. EMA-7, column [K] pages 4 and 5 (updated model provided with Attachment D)

(2) Increase in Transmission Wheeling Revenue totals \$915,000 (Washington share).

(3) Increase in Net Power Supply Expense totals \$324,000, excluding Transmission Revenue of \$915,000, see Note (1). (\$591,000 - \$915,000 = \$324,000)

Attachment C

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads			Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads			Nov Update NET CHANGE 2018 PF	Nov Update NET CHANGE 2018 PF
November 2016 PF Update			Per Avista Rebuttal				
	2018 PF (12ME 6/2018)	Total Washington Amounts		2018 PF (12ME 6/2018)	Total Washington Amounts		
	Power Supply System			Power Supply System		Power Supply System	Total Washington Amounts
P/T Allocation Percentages		65.63%	P/T Allocation Percentages		65.63%		65.63%
447 Sales for Resale	\$54,189	\$35,564	447 Sales for Resale	\$57,362	\$37,647	-\$3,173	-\$2,082
453 Sales of Water and Water Power	466	306	453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0	454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	17,522	11,500	456 Transmission Wheeling Revenue System	16,128	10,585	\$1,394	\$915
456 Transmission Wheeling Revenue Direct WA	0	0	456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0	456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0	456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0	456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	72,177	47,370	Total Revenue	73,956	48,537	-1,779	-1,168
501 Thermal Fuel Expense	29,154	19,134	501 Thermal Fuel Expense	29,255	19,200	-\$101	-66
546 Other Power Gen Supvsn & Eng	0	0	546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	74,377	48,814	547 Other Fuel Expense	78,650	51,618	-\$4,273	-2,804
536 Water for Power	1,029	675	536 Water for Power	1,029	675		0
555 Purchased Power	111,499	73,177	555 Purchased Power	111,447	73,143	\$52	34
549 Misc Other Gen Expense	0	0	549 Misc Other Gen Expense	0	0		0
550 Rents	0	0	550 Rents	0	0		0
556 System Control & Dispatch	0	0	556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267	557 Other Expenses	407	267		0
XXX Other Expenses-Direct WA	0	0	XXX Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	17,595	11,548	565 Trans. of Elec. by Others	18,169	11,924	-\$574	-377
Total Expense	234,061	153,614	Total Expense	238,957	156,827	-4,896	-3,213
Net Income Before Income Taxes	-161,884	-106,244	Net Income Before Income Taxes	-165,001	-108,290	3,117	2,046
Federal Income Tax 35%		-37,186	Federal Income Tax 35%		-37,902		716
Net Income		-\$69,060	Net Income		-\$70,390		\$1,330
Net Revenue Requirement Impact			Net Revenue Requirement Impact				
			Including November Power Supply Update		CF 0.61931		\$2,147
					Change per 2017 Update		\$620
					Incremental Decrease for 2018		1,527
<b>Net Revenue Requirement Reduction Jan. - Jun. 2018 (Incremental) - Grossed Down</b>							<b>\$ 1,498</b>

Total Reduction over 18-month rate period. \$ 2,109

Attachment D

Washington 2016 General Rate Case Net Power Supply Expense  
November 1 Power Supply Update

2017 and Jul 17 - Jun 18 Pro Formas, Test Year Loads, System Net Expense

(\$000's)

	Filed	Nov 1 Update	Change in	Filed	Nov 1 Update	Change in	Change in
	2017	2017	2017	Jul 17 - Jun 18	Jul 17 - Jun 18	Jul 17 - Jun 18	Nov 1 Update Jul 17 - Jun 18 vs 2017
	Expense	Expense	Expense	Expense	Expense	Expense	Expense
<b>Contracts Identified in Rebuttal Testimony</b>							
Lancaster Capacity Payment	\$23,586	\$23,270	-\$316	\$23,765	\$23,416	-\$349	-\$170
Lancaster Energy Payment	\$3,427	\$3,166	-\$261	\$3,507	\$3,257	-\$250	-\$170
WNP-3 Power Purchase	\$17,858	\$17,760	-\$98	\$18,151	\$17,968	-\$183	\$110
BPA PTP Transmission	\$12,354	\$12,218	-\$136	\$12,659	\$12,218	-\$441	-\$136
BPA Townsend-Garrison Transmission	\$1,527	\$1,508	-\$19	\$1,564	\$1,508	-\$56	-\$19
BPA Borderline Transmission	\$1,418	\$1,403	-\$15	\$1,455	\$1,403	-\$52	-\$15
WNP-3 Transmission	\$943	\$943	\$0	\$967	\$943	-\$24	\$0
<b>Contracts Identified in Staff Data Request 146</b>							
Coyote Springs 2 Gas Transportation	\$7,136	\$6,395	-\$741	\$7,136	\$6,395	-\$741	-\$741
Lancaster Gas Transportation	\$5,795	\$5,429	-\$366	\$5,795	\$5,429	-\$366	-\$366
Stimson PURPA Power Purchase	\$2,043	\$1,734	-\$309	\$2,043	\$1,768	-\$275	-\$275
<b>Other Contract Changes</b>							
Priest Rapids Power Purchase	\$8,135	\$7,994	-\$141	\$8,390	\$8,219	-\$171	\$84
Wells Power Purchase	\$1,858	\$1,888	\$30	\$1,867	\$1,898	\$31	\$40
Douglas Settlement Power Purchase	\$1,235	\$1,331	\$96	\$1,235	\$1,331	\$96	\$96
<b>Change in Gas Prices, Short-Term Contracts, Modeling Changes</b>							
Gas Prices (Stanfield)	\$2.72	\$2.93		\$2.80	\$2.88		
Mid C Flat Power Price	\$24.43	\$25.21		\$25.35	\$25.33		
Modeling Changes	Allow spill at Noxon when prices are negative						
<b>Total Change in Power Supply Expense (System)</b>			<b>\$493</b>			<b>-\$1,723</b>	<b>-\$2,216</b>

	2017			2018			Incremental 2018 Change
	Filed Revenue	Nov 1 Update Revenue	Total Change in Revenue	Filed Revenue	Nov 1 Update Revenue	Total Change in Revenue	
<b>Changes to Other Electric Transmission Revenue</b>							
Borderline Wheeling Low Voltage	\$1,079	\$1,815	\$736	\$1,079	\$1,815	\$736	
Borderline Wheeling Ancillary Revenues	\$1,710	\$2,368	\$658	\$1,710	\$2,368	\$658	
<b>Total Change (increase) in Transmission Revenues (System)</b>			<b>\$1,394</b>			<b>\$1,394</b>	<b>\$0</b>
<b>Net change (decrease) in overall net power supply expense (System)</b>			<b>-\$901</b>			<b>-\$3,117</b>	<b>-\$2,216</b>
<b>Net change (decrease) in overall net power supply expense - Washington share (65.63%)</b>			<b>-\$591</b>			<b>-\$2,046</b>	<b>-\$1,455</b>
Revenue Requirement reduction for rate period - Washington Electric			-\$621			-\$2,147	-\$1,526
Revenue Requirement reduction for 2017 rate period - Washington Electric, grossed down per 2017 Electric Attrition model			-\$611		Less 2017	-\$621	
Revenue Requirement reduction (Incremental) for 2018 (6-month) rate period - Washington Electric, grossed down per 2017 Electric Attrition model						-\$1,526	
<b>Total Change (-\$611 + -\$1498)</b>							<b>(2,109)</b>

**AVISTA**  
**2017 UPDATED WASHINGTON ELECTRIC ATTRITION STUDY**  
**Calculation of General Revenue Requirement**  
**Twelve Months Ended December 31, 2015**  
**Includes November 1, 2016 Power Supply Update**  
**(000's of Dollars)**

Line No.	Description	(a) Attrition Balances	(b) Revenue Growth Factor	(c) Attrition Study Results
1	2017 Rate Base	\$1,489,909	1.015632	\$1,466,978
2	Proposed Rate of Return			7.68%
3	Net Operating Income Requirement			\$112,664
4	2017 Net Operating Income (at 2016 rates)	<u>\$89,586</u>	1.015632	<u>\$88,207</u>
5	2017 Rate of Return (at 2016 rates)			6.01%
6	2017 Net Operating Income Deficiency (Surplus)			\$24,457
7	Gross-up Conversion Factor			0.61931
8	2017 Attrition Revenue Deficiency		(1)	<b>\$39,491</b>
9	2017 Total General Business Revenues (at 2016 rates)			\$495,064
10	Attrition-based 2017 revenue requirement			<b>\$534,555</b>
11	Percent Revenue Requirement Change (vs. 2016)			<b>7.98%</b>

(1) The Company is not requesting a higher increase than its original filing of \$38.6 million.  
Includes November 1, 2016 Power Supply Update

**Proposed Cost of Capital**

**Washington - Electric System**

**Twelve Months Ended December 31, 2015**

<b>Proposed Cap Structure*</b>			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.50%	5.59%	2.88%
Common	48.50%	9.90%	4.80%
Total	<u>100.00%</u>		<u>7.68%</u>

\*Based on 2017 estimated capital structure and cost of debt.

UPDATED 08/1/2016

**Revenue Conversion Factor**

**Washington - Electric System**

**Twelve Months Ended December 31, 2015**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	<b>Revenues</b>	<i>1.000000</i>
	<b>Expense:</b>	
2	Uncollectibles	0.006739
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038473
5	Total Expense	<u>0.047212</u>
6	Net Operating Income Before FIT	<i>0.952788</i>
7	Federal Income Tax @ 35%	<u>0.333476</u>
8	<b>REVENUE CONVERSION FACTOR</b>	<u><u>0.619312</u></u>

2017 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT

Line Number	DESCRIPTION	Determine Base Cost and Revenue to Escalate						Escalate Non-Energy Cost			Other Cost & Revenue Adjs.					
		12ME 12.2015 AMA Commission Basis Report Totals <sup>1</sup>	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dr/Cr; Reg. Amorts & Misc Adjs	Net Retired Meter Deferral & Amort Adjustment	Remove November 2015 Storm Expenses <sup>2</sup>	Pro Forma Revenue Normalization Adjustment	12ME 12.2015 AMA Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount (G)*[H]=[I]	Trended 2017 Non-Energy Cost (G)+[I]=[J]	(plus) 2017 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj. Spokane River Projects <sup>4</sup>	After Attrition Adj AMI Capital Project 2017	2017 Revenue and Cost [J]+[K]+[L]+ [M]+ [N] = [O]
		[A]	[B]	[C] REVISED	[D] REMOVED	[E] ADDED	[F] REVISED	[G]	[H]	[I]	[J]	[K] REVISED	[L] REVISED	[M] REVISED	[N] REVISED	[O]
<b>REVENUES</b>																
1	Total General Business	\$ 497,229					\$ (3,093)	\$ 494,136	1.56%		\$ 494,136	\$ 7,724				\$ 501,860
2	Interdepartmental Sales	\$ 928					\$ -	\$ 928	1.56%		\$ 928	\$ 15				\$ 943
3	Sales for Resale	\$ 49,505	\$ (49,505)				\$ -	\$ -			\$ -	\$ 37,198	\$ (2,524)			\$ 34,674
4	Subtotal: Sales of Electricity	\$ 547,662	\$ (49,505)				\$ (3,093)	\$ 495,064			\$ 495,064	\$ 37,198	\$ 5,215	\$ -		\$ 537,477
5	Other Revenue	\$ 16,920	\$ (10,779)				\$ (3,691)	\$ 2,450	0.00%		\$ 2,450	\$ 12,002	\$ -			\$ 14,452
6	Total Electric Revenue	\$ 564,582	\$ (60,284)	\$ -	\$ -	\$ -	\$ (6,784)	\$ 497,514			\$ 497,514	\$ 49,200	\$ 5,215	\$ -		\$ 551,929
<b>EXPENSES</b>																
Production and Transmission																
<b>Includes Nov. 2016 Update</b>																
7	Operating Expenses	\$ 140,485	\$ (89,988)	\$ 468			\$ -	\$ 50,965	8.13%	\$ 4,144	\$ 55,109	\$ 79,612	\$ -			\$ 134,721
8	Purchased Power	\$ 85,107	\$ (85,107)				\$ -	\$ -		\$ -	\$ -	\$ 74,265	\$ 843			\$ 75,108
9	Depreciation/Amortization	\$ 24,947			\$ -	\$ -	\$ -	\$ 24,947	9.36%	\$ 2,334	\$ 27,281	\$ -		\$ 1,255		\$ 28,536
10	Regulatory Amortization	\$ 5,974		\$ (2,374)	\$ -		\$ -	\$ 3,600	0.00%	\$ -	\$ 3,600	\$ -				\$ 3,600
11	Taxes	\$ 14,133					\$ -	\$ 14,133	10.70%	\$ 1,512	\$ 15,645	\$ -				\$ 15,645
12	Subtotal: Production and Transmission	\$ 270,646	\$ (175,095)	\$ (1,906)	\$ -	\$ -	\$ -	\$ 93,645		\$ 7,991	\$ 101,636	\$ 153,877	\$ 843	\$ 1,255	\$ -	\$ 257,611
Distribution																
13	Operating Expenses	\$ 24,056				\$ (2,303)	\$ -	\$ 21,753	8.13%	\$ 1,769	\$ 23,522	\$ -				\$ 23,522
14	Depreciation/Amortization	\$ 25,379			\$ -	\$ -	\$ -	\$ 25,379	9.36%	\$ 2,375	\$ 27,754	\$ -		\$ 176		\$ 27,930
15	Regulatory Amortizations	\$ -			\$ -		\$ -	\$ -	0.00%	\$ -	\$ -	\$ -				\$ -
16	Taxes	\$ 27,448					\$ (119)	\$ 27,329	10.70%	\$ 2,924	\$ 30,253	\$ 297				\$ 30,551
17	Subtotal: Distribution	\$ 76,883	\$ -	\$ -	\$ -	\$ (2,303)	\$ (119)	\$ 74,461		\$ 7,068	\$ 81,529	\$ -	\$ 297	\$ -	\$ 176	\$ 82,002
18	Customer Accounting	\$ 12,363					\$ (21)	\$ 12,342	8.13%	\$ 1,004	\$ 13,346	\$ 52				\$ 13,398
19	Customer Service & Information	\$ 1,454					\$ -	\$ 1,454	8.13%	\$ 118	\$ 1,572	\$ -				\$ 1,572
20	Sales Expenses	\$ -					\$ -	\$ -	8.13%	\$ -	\$ -	\$ -				\$ -
Administrative & General																
21	Operating Expenses	\$ 49,942		\$ (625)			\$ (6)	\$ 49,311	8.13%	\$ 4,010	\$ 53,321	\$ 15				\$ 53,336
22	Depreciation/Amortization	\$ 21,503				\$ -	\$ -	\$ 21,503	9.36%	\$ 2,012	\$ 23,515	\$ -		\$ 2,536		\$ 26,051
23	Taxes	\$ -					\$ -	\$ -	10.70%	\$ -	\$ -	\$ -				\$ -
24	Subtotal: A&G	\$ 71,445	\$ -	\$ (625)	\$ -	\$ -	\$ (6)	\$ 70,814		\$ 6,022	\$ 76,836	\$ -	\$ 15	\$ -	\$ 2,536	\$ 79,387
25	Total Electric Expenses	\$ 432,791	\$ (175,095)	\$ (2,531)	\$ -	\$ (2,303)	\$ (146)	\$ 252,716		\$ 22,203	\$ 274,919	\$ 153,877	\$ 1,208	\$ 1,255	\$ 2,712	\$ 433,970
26	OPERATING INCOME BEFORE FIT	\$ 131,791	\$ 114,811	\$ 2,531	\$ -	\$ 2,303	\$ (6,638)	\$ 244,798		\$ (22,203)	\$ 222,595	\$ (104,677)	\$ 4,007	\$ (1,255)	\$ (2,712)	\$ 117,958

<sup>1</sup>Workpapers for 12.2015 Commission Basis Reports provided with Staff\_DR\_030.

<sup>2</sup>November 2015 Storm expenses were removed for trending purposes and from Escalation Base.



2017 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT

CBR Line Number	S000s	Determine Base Cost and Revenue to Escalate						Escalate Non-Energy Cost			Other Cost & Revenue							
	12.2014 Commission Basis Report Restated Totals <sup>1</sup>	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dr./Cr. Reg. Amorts & Misc Adj	Net Retired Meter Deferral & Amort Adjustment	Remove November 2015 Storm Expenses <sup>2</sup>	Pro Forma Revenue Normalization Adjustment	12ME 12.2015 AMA Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount [G]*[H]=[I]	Trended 2017 Non-Energy Cost [G]+[I]=[J]	(plus) 2017 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj. Spokane River Projects <sup>4</sup>	After Attrition Adj AMI Capital Project 2017	2017 Revenue and Cost [J]+[K]+[L]+[M]+[N] = [O]			
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]			
	<b>Federal Income Tax</b>																	
26	Current Accrual	\$ 4,968	\$ 40,184	\$ 1,930	\$ -	\$ 806	\$ (2,323)	\$ 45,565	\$ (7,771)	\$ 37,794	\$ (36,637)	\$ 1,402	\$ (439)	\$ (949)	\$ 1,171			
27	Debt Interest	\$ 1	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ 124	\$ (1,631)	\$ (1,508)			\$ (543)	\$ (89)	\$ (2,140)			
28	Deferred Income Taxes	\$ 29,492		\$ -	\$ -	\$ -	\$ -	\$ 29,492	\$ -	\$ 29,492					\$ 29,492			
29	Amortized ITC - Noxon	\$ (129)		\$ -	\$ -	\$ -	\$ -	\$ (129)	\$ -	\$ (129)			\$ (22)	\$ -	\$ (151)			
31	<b>NET OPERATING INCOME</b>	<b>\$ 97,459</b>	<b>\$ 74,627</b>	<b>\$ 478</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ (4,315)</b>	<b>\$ 169,746</b>	<b>\$ (12,801)</b>	<b>\$ 156,946</b>	<b>\$ (68,040)</b>	<b>\$ 2,605</b>	<b>\$ (250)</b>	<b>\$ (1,674)</b>	<b>\$ 89,586</b>			
	<b>RATE BASE</b>																	
	<b>Plant in Service</b>																	
	<b>Includes Nov. 2016 Update</b>																	
32	Intangible	\$ 144,970		\$ -	\$ -	\$ -	\$ -	\$ 144,970	7.88%	\$ 11,423	\$ 156,393			\$ 4,891	\$ 161,284			
33	Production	\$ 779,441		\$ -	\$ -	\$ -	\$ -	\$ 779,441	7.88%	\$ 61,417	\$ 840,858	\$ 67,095			\$ 907,953			
34	Transmission	\$ 401,700		\$ -	\$ -	\$ -	\$ -	\$ 401,700	7.88%	\$ 31,653	\$ 433,353				\$ 433,353			
35	Distribution	\$ 895,055		\$ -	\$ -	\$ -	\$ -	\$ 895,055	7.88%	\$ 70,527	\$ 965,582		\$ 2,638		\$ 968,220			
36	General	\$ 212,726		\$ -	\$ -	\$ -	\$ -	\$ 212,726	7.88%	\$ 16,762	\$ 229,488		\$ 6,104		\$ 235,592			
37	Subtotal: Plant in Service	\$ 2,433,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,433,892		\$ 191,783	\$ 2,625,675	\$ 67,095	\$ 13,633	\$ 2,706,403				
	<b>Accumulated Depreciation and Amortization</b>																	
38	Intangible	\$ (24,943)		\$ -	\$ -	\$ -	\$ -	\$ (24,943)	7.88%	\$ (1,965)	\$ (26,908)		\$ (544)		\$ (27,452)			
39	Production	\$ (342,899)		\$ 2,293	\$ -	\$ -	\$ -	\$ (340,606)	7.88%	\$ (26,839)	\$ (367,445)	\$ (722)			\$ (368,167)			
40	Transmission	\$ (129,936)		\$ -	\$ -	\$ -	\$ -	\$ (129,936)	7.88%	\$ (10,239)	\$ (140,175)				\$ (140,175)			
41	Distribution	\$ (273,578)		\$ 2,276	\$ -	\$ -	\$ -	\$ (271,302)	7.88%	\$ (21,378)	\$ (292,680)		\$ (88)		\$ (292,768)			
42	General	\$ (73,050)		\$ -	\$ -	\$ -	\$ -	\$ (73,050)	7.88%	\$ (5,756)	\$ (78,806)		\$ (723)		\$ (79,529)			
43	Subtotal: Accumulated Depreciation and Amortization	\$ (844,406)	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ (839,837)		\$ (66,176)	\$ (906,013)	\$ (722)	\$ (1,355)	\$ (908,090)				
44	<b>Net Plant</b>	<b>\$ 1,589,486</b>	<b>\$ -</b>	<b>\$ 4,569</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,594,055</b>		<b>\$ 125,606</b>	<b>\$ 1,719,661</b>	<b>\$ 66,373</b>	<b>\$ 12,278</b>	<b>\$ 1,798,312</b>				
45	Deferred Taxes	(317,860)		\$ -	\$ -	\$ -	\$ -	\$ (317,860)	7.88%	\$ (25,046)	\$ (342,906)	\$ (12,459)	\$ (3,486)	\$ (358,851)				
46	Net Plant After Deferred taxes	\$ 1,271,626	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,276,195	\$ 0	\$ 100,560	\$ 1,376,755	\$ 53,914	\$ 8,792	\$ 1,439,461				
47	Deferred Debits and Credits	7,458		\$ (5,220)	\$ -	\$ -	\$ -	\$ 2,238	0.00%	\$ -	\$ 2,238			\$ 2,238				
48	Working Capital	59,722		\$ (11,512)	\$ -	\$ -	\$ -	\$ 48,210	0.00%	\$ -	\$ 48,210			\$ 48,210				
49	<b>TOTAL RATE BASE</b>	<b>\$ 1,338,806</b>	<b>\$ -</b>	<b>\$ (12,163)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,326,643</b>		<b>\$ 100,560</b>	<b>\$ 1,427,203</b>	<b>\$ 53,914</b>	<b>\$ 8,792</b>	<b>\$ 1,489,909</b>				
	<sup>1</sup> Workpapers for 12.2015 Commission Basis Reports provided with Staff_DR_030. <sup>2</sup> Includes Plant Held for Future Use.																	
50	<b>RATE OF RETURN</b>														<b>7.28%</b>	<b>7.090</b>	<b>3.794</b>	<b>6.01%</b>
	<b>ATTRITION ADJUSTED REVENUE REQUIREMENT</b>																	
50	Proposed Rate of Return																	<b>7.68%</b>
51	Return on Plant in Service at Proposed Rate																	\$ 114,425
52	Operating Income Deficiency																	\$ 24,839
53	Revenue Conversion Factor																	0.61931
54	Revenue Requirement																	\$ 40,108
55	Revenue Growth Factor																	1.015632
56	<b>Attrition Adjusted Revenue Requirement</b>																	<b>\$ 39,491</b>

Gross Down

\$ 1,466,978

1,509,689

PF adj

\$ (42,711)

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES**

**Commission Basis Results of Operations**

(000'S OF DOLLARS)		UPDATED								
Line		2007	2008	2009	2010	2011	2012	2013	2014	12.2015
No. REVENUES										
1	Total General Business	\$326,335	\$365,425	\$402,618	\$415,740	\$451,837	\$459,266	\$468,006	\$488,372	\$497,229
2	Interdepartmental Sales	739	820	872	790	820	816	884	922	928
3	Sales for Resale	34,954	46,848	31,491	133,479	52,604	54,549	75,349	60,998	49,505
4	Total Sales of Electricity	362,028	413,093	434,981	550,009	505,261	514,631	544,239	550,292	547,662
5	Other Revenue	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920
6	Total Electric Revenue	372,198	424,020	444,376	561,795	518,927	527,720	557,647	567,455	564,582
EXPENSES										
Production and Transmission										
7	Operating Expenses	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
8	Purchased Power	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
9	Depreciation/Amortization	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
10	Regulatory Amortization	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974
11	Taxes	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
12	Total Production & Transmission	198,644	219,777	219,316	321,388	273,183	262,470	297,764	281,594	270,646
Distribution										
13	Operating Expenses	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
14	Depreciation/Amortization	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Taxes (1)	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
16	Total Distribution	42,052	50,356	52,292	56,368	60,780	64,600	66,990	70,914	76,883
17	Customer Accounting	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
18	Customer Service & Information	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
19	Sales Expenses	682	571	660	176	4	5	5	0	0
Administrative & General										
20	Operating Expenses	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
21	Depreciation/Amortization	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
22	Taxes	(9)	(3)	(3)	2	0	(4)	0	0	0
23	Total Admin. & General	42,574	43,166	46,146	53,941	55,685	61,846	58,031	63,157	71,445
24	Total Electric Expenses	298,938	334,636	347,796	461,966	421,219	417,744	435,640	428,214	432,791
25	OPERATING INCOME BEFORE FIT	73,260	89,384	96,580	99,829	97,708	109,976	122,007	139,241	131,791
FEDERAL INCOME TAX										
26	Current Accrual	5,070	(6,217)	(1,846)	9,263	6,569	11,499	19,267	(7,683)	4,968
27	Debt Interest	0	0	0	0	207	70	1	(136)	1
28	Deferred Income Taxes	6,497	26,634	23,983	13,823	16,402	15,684	10,613	46,085	29,492
29	Amortized ITC - Noxon	0	0	(58)	(83)	(99)	(128)	(130)	(128)	(469)
30	Levelized Settlement Exchange Power	0	0	0	0	0	0	0	(109)	0
31	NET OPERATING INCOME	\$61,693	\$68,967	\$74,501	\$76,826	\$74,629	\$82,850	\$92,256	\$101,212	\$97,799

Note: The Regulatory Amortization Category has been restated in prior years to reflect consistency with the current reporting format.

(1) Corrected excise tax error in 2009-2015.

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES**

**Commission Basis Results of Operations**

(000'S OF DOLLARS)

Line No		2007	2008	2009	2010	2011	2012	2013	2014	12.2015
	RATE BASE									
	PLANT IN SERVICE									
32	Intangible	\$20,632	\$23,321	\$57,116	\$81,955	\$84,081	\$85,247	\$91,466	\$102,620	\$144,970
33	Production	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101	779,441
34	Transmission	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971	401,700
35	Distribution	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795	895,055
36	General	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867	212,726
37	Total Plant in Service	1,536,175	1,622,175	1,736,780	1,850,288	1,955,287	2,043,913	2,165,496	2,260,354	2,433,892
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	na	na	na	na	3,744	4,369	17,667	20,242	24,943
39	Production	na	na	na	na	286,300	300,170	314,599	325,531	342,899
40	Transmission	na	na	na	na	111,144	116,316	122,308	123,869	129,936
41	Distribution	na	na	na	na	209,101	221,408	236,201	252,722	273,578
42	General	na	na	na	na	56,694	61,871	58,357	65,720	73,050
43	Total Accumulated Depreciation	526,307	557,426	585,821	629,399	666,983	704,134	749,132	788,084	844,406
44	NET PLANT	1,009,868	1,064,749	1,150,959	1,220,889	1,288,304	1,339,779	1,416,364	1,472,270	1,589,486
45	DEFERRED TAXES	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(221,354)	(257,766)	(317,860)
46	Net Plant After Deferred Income Taxes	870,835	917,247	987,243	1,036,064	1,087,141	1,131,570	1,195,010	1,214,504	1,271,626
47	DEFERRED DEBITS AND CREDITS	21,020	19,593	17,776	17,776	18,845	16,438	14,761	10,846	7,458
48	WORKING CAPITAL	0	0	0	18,188	31,877	10,967	16,281	47,807	59,722
49	TOTAL RATE BASE	\$891,855	\$936,840	\$1,005,019	\$1,072,028	\$1,137,863	\$1,158,975	\$1,226,052	\$1,273,157	\$1,338,806
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note: The Deferred Debits and Credits Category has been restated in prior years to reflect consistency with the current reporting format.

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS**

(000'S OF DOLLARS)

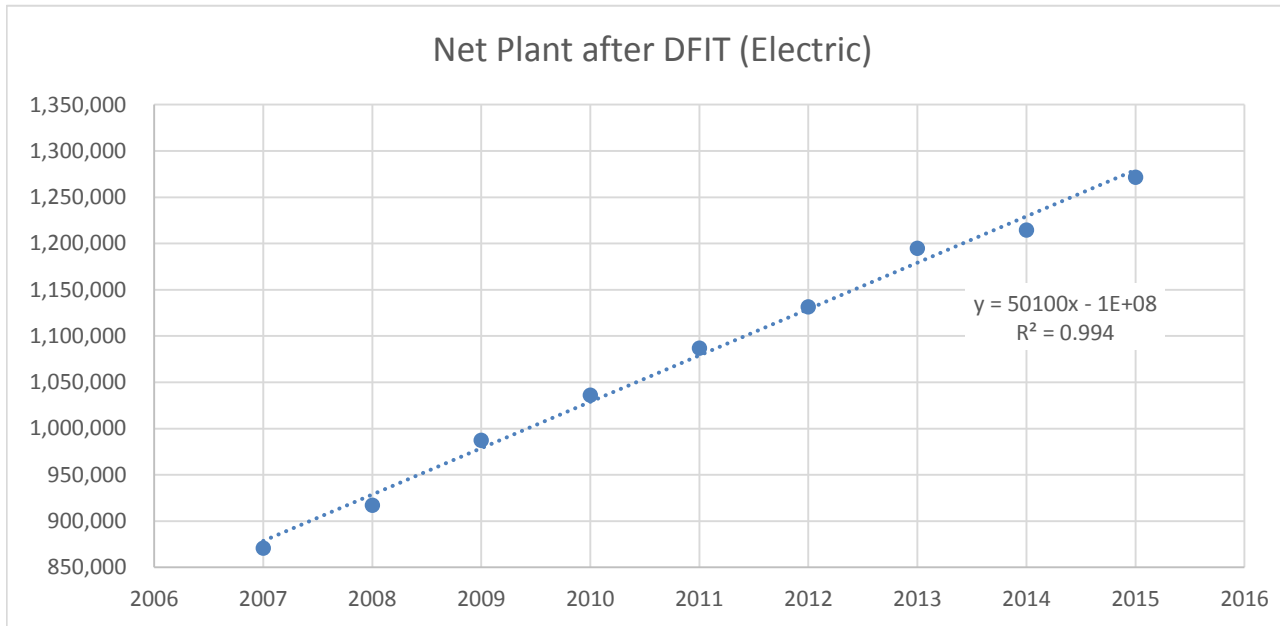
**Electric Data for Escalators**

Line No.			2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Exclude Power Supply and Adder Schedule Expenses (DSM Tariff Rider and Residential Exchange Credit) from O&M											
1	Production/Transmission	CBR Ln 7	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
2	Purchased Power	CBR Ln 8	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
3	Distribution	CBR Ln 13	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
4	Customer Accounting	CBR Ln 17	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
5	Customer Service and Information	CBR Ln 18	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
6	Sales	CBR Ln 19	682	571	660	176	4	5	5	0	0
7	Administrative and General	CBR Ln 20	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
8	<b>Total Operating &amp; Maintenance Expenses</b>		<b>234,605</b>	<b>264,279</b>	<b>273,806</b>	<b>382,589</b>	<b>332,207</b>	<b>332,391</b>	<b>329,981</b>	<b>317,008</b>	<b>313,407</b>
9	Deduct Power Supply Expenses		(135,719)	(152,984)	(146,538)	(249,369)	(188,583)	(180,834)	(201,471)	(186,117)	(175,095)
10	Deduct DSM Tariff Rider Expenses		(6,711)	(12,172)	(19,005)	(19,612)	(20,235)	(17,018)	0	0	0
11	Deduct Res X Credit Expenses		37	24	27	41	31	55	0	0	0
12	<b>Adjusted Operating Expenses</b>		<b>92,212</b>	<b>99,146</b>	<b>108,289</b>	<b>113,650</b>	<b>123,419</b>	<b>134,594</b>	<b>128,510</b>	<b>130,891</b>	<b>138,312</b>
			3.81%	7.52%	9.22%	4.95%	8.60%	9.06%	-4.52%	1.85%	5.67%
Depreciation/Amortization											
13	Production/Transmission	CBR Ln 9	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
14	Distribution	CBR Ln 14	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Administrative and General	CBR Ln 21	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
16	<b>Total Depreciation/Amortization</b>		<b>42,949</b>	<b>45,874</b>	<b>48,466</b>	<b>52,270</b>	<b>55,304</b>	<b>58,946</b>	<b>60,308</b>	<b>64,456</b>	<b>71,829</b>
			2.72%	6.81%	5.65%	7.85%	5.80%	6.59%	2.31%	6.88%	11.44%
Exclude Adder Schedule amortizations (Residential Exchange Credit) from Regulatory Amortizations											
17	Regulatory Amortizations	CBR Ln 10	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974
18	Deduct Res X Credit amortization		5,582	3,576	4,005	6,244	4,610	8,327	0	0	0
19	<b>Adjusted Regulatory Amortizations</b>		<b>2,500</b>	<b>2,500</b>	<b>2,302</b>	<b>3,365</b>	<b>5,013</b>	<b>583</b>	<b>8,629</b>	<b>8,101</b>	<b>5,974</b>
Exclude Adder Schedule excise taxes (DSM Tariff Rider and Residential Exchange Credit) from Taxes Other Than Income Tax											
20	Production/Transmission	CBR Ln 11	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
21	Distribution (1)	CBR Ln 15	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
22	Administrative and General	CBR Ln 22	(9)	(3)	(3)	2	0	(4)	0	0	0
23	<b>Total Taxes Other Than Income Tax</b>		<b>24,466</b>	<b>25,559</b>	<b>27,227</b>	<b>29,986</b>	<b>33,305</b>	<b>34,151</b>	<b>36,722</b>	<b>38,649</b>	<b>41,581</b>
24	Deduct DSM Tariff Rider Excise Tax		(269)	(488)	(762)	(787)	(812)	(683)	0	0	0
25	Deduct Res X Credit Excise Tax		225	144	162	252	186	336	0	0	0
26	<b>Adjusted Taxes Other Than Income Tax</b>		<b>24,422</b>	<b>25,215</b>	<b>26,626</b>	<b>29,451</b>	<b>32,680</b>	<b>33,805</b>	<b>36,722</b>	<b>38,649</b>	<b>41,581</b>
	(1) Corrected excise tax error in 2009-2015.		-3.93%	3.25%	5.60%	10.61%	10.96%	3.44%	8.63%	5.25%	7.59%
27	<b>Net Plant After Deferred Income Tax</b>	CBR Ln 46	<b>870,835</b>	<b>917,247</b>	<b>987,243</b>	<b>1,036,064</b>	<b>1,087,141</b>	<b>1,131,570</b>	<b>1,195,010</b>	<b>1,214,504</b>	<b>1,271,626</b>
			1.77%	5.33%	7.63%	4.95%	4.93%	4.09%	5.61%	1.63%	4.70%
28	<b>Total Rate Base</b>	CBR Ln 49	<b>891,855</b>	<b>936,840</b>	<b>1,005,019</b>	<b>1,072,028</b>	<b>1,137,863</b>	<b>1,158,975</b>	<b>1,226,052</b>	<b>1,273,157</b>	<b>1,338,806</b>
			1.98%	5.04%	7.28%	6.67%	6.14%	1.86%	5.79%	3.84%	5.16%
Exclude Power Supply and Transmission Wheeling from Other Operating Revenue											
29	Other Operating Revenue	CBR Ln 5	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920
30	Deduct Decoupling Deferred Revenue and Provision for Rate Refund										(3,691)
31	Deduct Power Supply Other Revenue		(221)	(1,839)	(448)	(640)	(1,752)	(1,489)	(282)	(3,062)	(267)
32	Deduct Transmission Other Revenue		(6,876)	(6,213)	(6,133)	(8,333)	(9,102)	(8,285)	(9,662)	(10,622)	(10,512)
33	<b>Adjusted Other Revenue</b>		<b>3,073</b>	<b>2,875</b>	<b>2,814</b>	<b>2,813</b>	<b>2,812</b>	<b>3,315</b>	<b>3,464</b>	<b>3,479</b>	<b>2,450</b>
			3.96%	-6.44%	-2.13%	-0.02%	-0.03%	17.86%	4.50%	0.42%	-29.56%

**Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204**

	2007	2008	2009	2010	2011	2012	2013	2014	12.2015 2015
Net Plant after DFIT	870,835	917,247	987,243	1,036,064	1,087,141	1,131,570	1,195,010	1,214,504	1,271,626
								Per CBR	<b>UPDATED</b>

Annual Increase (slope below) 50,100  
 Rate (Annual) 3.94%  
 Rate (2-year, to 2017) **7.88%** (Escalation Factor)

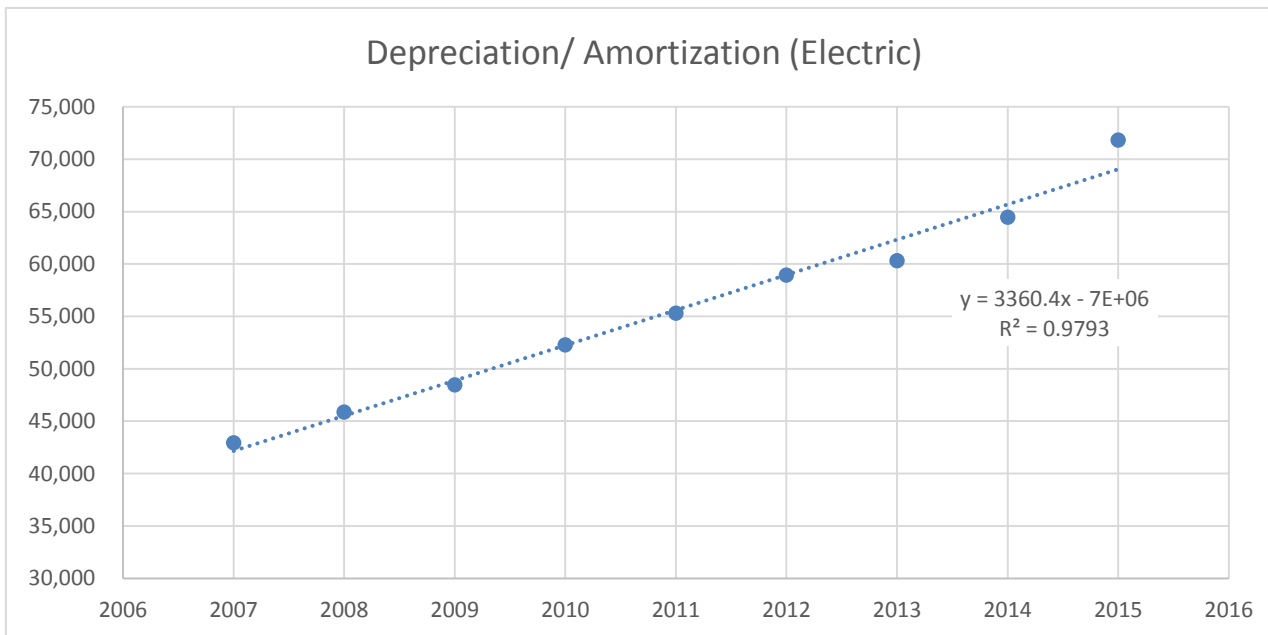


**Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204**

	2007	2008	2009	2010	2011	2012	2013	2014	12.2015 2015
Depreciation/ Amortization	42,949	45,874	48,466	52,270	55,304	58,946	60,308	64,456	71,829

**UPDATED**

Annual Increase (slope below) 3,360.4  
 Rate (Annual) 4.68%  
 Rate (2-year, to 2017) **9.36%** (Escalation Factor)



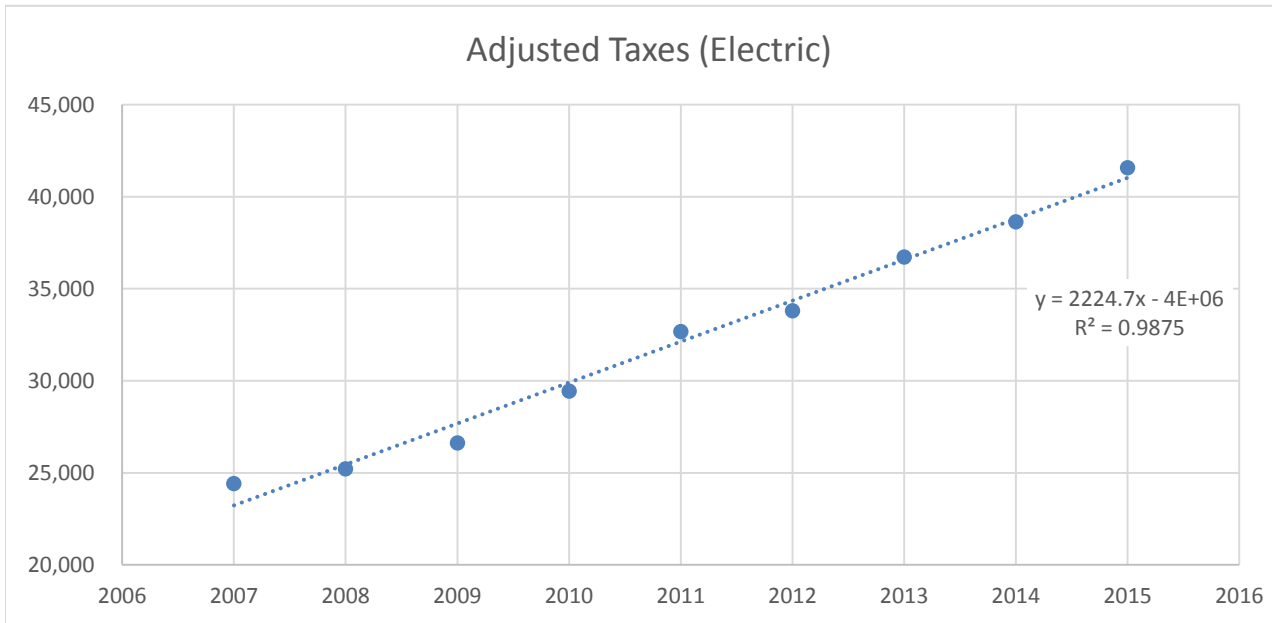
**Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204**

**12.2015**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Adjusted Taxes	24,422	25,215	26,626	29,451	32,680	33,805	36,722	38,649	41,581

**UPDATED (1)**

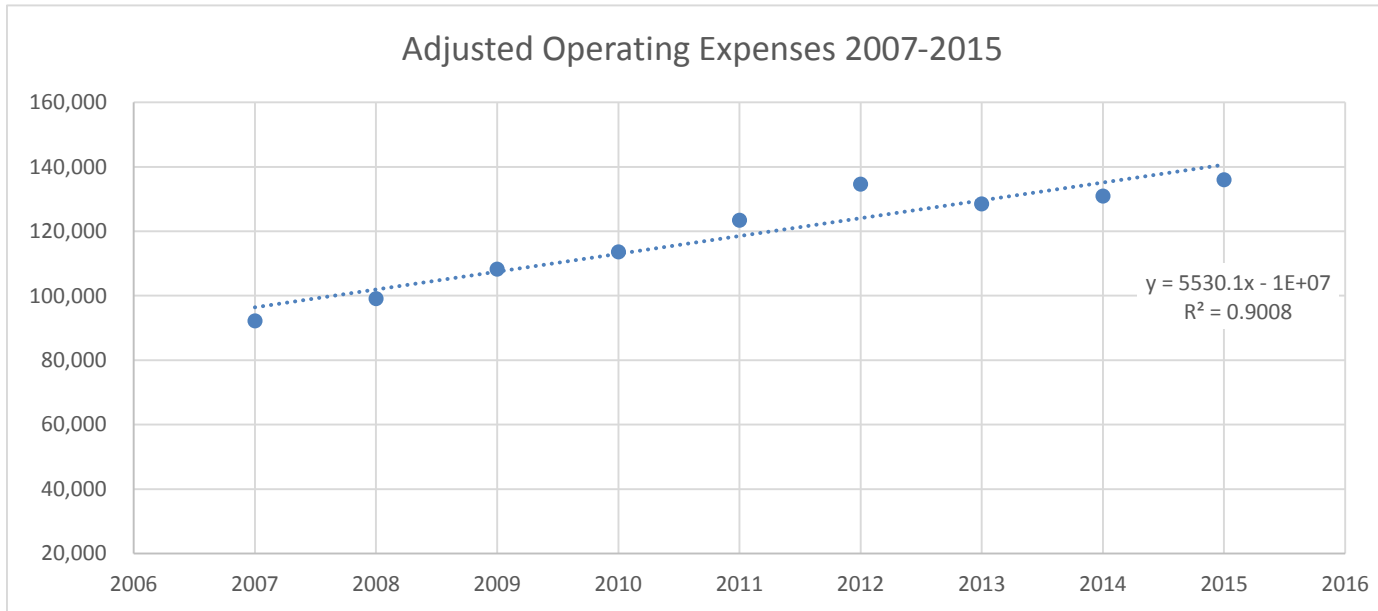
Annual Increase (slope below) 2,224.7  
 Rate (Annual) 5.35%  
 Rate (2-year, to 2017) **10.70%** (Escalation Factor)



(1) Corrected excise tax error in 2009-2015.

<b>Avista Proposed O&amp;M Expense Growth Trend</b>									<b>12.2015</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Adjusted Operating Expenses	92,212	99,146	108,289	113,650	123,419	134,594	128,510	130,891	136,009
									<b>UPDATED</b>
Annual Increase (slope below)	5,530.1								
Rate (Annual)	4.07%								
Rate (2-year, to 2017)	<b>8.13%</b> (Escalation Factor)								

(1)



(1) November 2015 Storm expenses were removed for trending purposes and from Escalation Base.





**AVISTA**  
**2018 UPDATED WASHINGTON ELECTRIC ATTRITION STUDY**  
**Calculation of General Revenue Requirement**  
**Twelve Months Ended December 31, 2015**  
**(000's of Dollars)**

Line No.	Description	(a) Attrition Balances	(b) Revenue Growth Factor	(c) Attrition Study Results	(d) 2017 Attrition Results	(e) 6 Months - 06.2018 Revenue
1	2018 Rate Base	\$1,515,049	1.018986	\$1,486,821		
2	Rate of Return			7.68%		
3	Net Operating Income Requirement			\$114,188		
4	2018 Net Operating Income (at 2016 rates)	<u>\$85,762</u>	1.018986	<u>\$84,164</u>		
5	2018 Rate of Return (at 2016 rates)			5.66%		
6	2018 Net Operating Income Deficiency (Surplus)			\$30,024		
7	Gross-up Conversion Factor			0.61931		
8	2018 Attrition Revenue Deficiency			<b>\$48,477</b>	<b>\$39,491</b>	<b>\$8,986</b>
9	2018 Total General Business Revenues (at 2016 rates)			\$495,064	\$495,064	\$534,555
10	Attrition-based 2018 revenue requirement			<b>\$543,541</b>		\$543,541
11	Percent Revenue Requirement Change			<b>9.79%</b>	<b>7.98%</b>	<b>3.40%</b>

(1)

(1) The Company is not requesting a higher increase than its original filing of \$38.6 million for 2017. January to June 2018 (6 months) request is being revised downward to \$9 million and 3.4%.

Includes November 1, 2016 Power Supply Update

**Proposed Cost of Capital**

**Washington - Electric System**

**Twelve Months Ended December 31, 2015**

<b>Proposed Cap Structure*</b>			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.50%	5.59%	2.88%
Common	48.50%	9.90%	4.80%
Total	<u>100.00%</u>		<u>7.68%</u>

\*Based on 2017 estimated capital structure and cost of debt.

UPDATED 08/1/2016

**Revenue Conversion Factor**  
**Washington - Electric System**  
**Twelve Months Ended December 31, 2015**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	<b>Revenues</b>	<i>1.000000</i>
	<b>Expense:</b>	
2	Uncollectibles	0.006739
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038473
5	Total Expense	<u>0.047212</u>
6	Net Operating Income Before FIT	<i>0.952788</i>
7	Federal Income Tax @ 35%	<u>0.333476</u>
8	<b>REVENUE CONVERSION FACTOR</b>	<u><u>0.619312</u></u>

2018 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT

Line Number	DESCRIPTION	Determine Base Cost and Revenue to Escalate					Escalate Non-Energy Cost			Other Cost & Revenue Adjs.						
		12ME 12.2015 AMA Commission Basis Report Totals <sup>1</sup>	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dr/Cr; Reg. Amorts & Misc Adjs	Net Retired Meter Deferral & Amort Adjustment	Remove November 2015 Storm Expenses <sup>2</sup>	Pro Forma Revenue Normalization Adjustment	12ME 12.2015 AMA Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount [G]*[H]=[I]	Trended 12ME 06.2018 AMA Non-Energy Cost [G]+[I]=[J]	(plus) 12ME 06.2018 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj. Spokane River Projects (2017) <sup>4</sup>	After Attrition Adj AMI Capital Project (2017)	12ME 06.2018 AMA Revenue and Cost [J]+[K]+[L]+[M]+[N] = [O]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
				REVISED	REMOVED	ADDED	REVISED					REVISED	REVISED	REVISED	REVISED	
<b>REVENUES</b>																
1	Total General Business	\$ 497,229					\$ (3,093)	\$ 494,136	1.90%		\$ 494,136		\$ 9,382			\$ 503,518
2	Interdepartmental Sales	\$ 928					\$ -	\$ 928	1.90%		\$ 928		\$ 18			\$ 946
3	Sales for Resale	\$ 49,505	\$ (49,505)				\$ -	\$ -				\$ 35,564	\$ (3,099)			\$ 32,465
4	Subtotal: Sales of Electricity	\$ 547,662	\$ (49,505)				\$ (3,093)	\$ 495,064			\$ 495,064	\$ 35,564	\$ 6,300	\$ -		\$ 536,928
5	Other Revenue	\$ 16,920	\$ (10,779)				\$ (3,691)	\$ 2,450	0.00%		\$ 2,450	\$ 11,806	\$ -			\$ 14,256
6	Total Electric Revenue	\$ 564,582	\$ (60,284)	\$ -	\$ -	\$ -	\$ (6,784)	\$ 497,514			\$ 497,514	\$ 47,370	\$ 6,300	\$ -		\$ 551,184
<b>EXPENSES</b>																
<b>Production and Transmission</b>																
<b>Includes Nov. 2016 Update</b>																
7	Operating Expenses	\$ 140,485	\$ (89,988)	\$ 468			\$ -	\$ 50,965	10.16%	\$ 5,181	\$ 56,146	\$ 80,437	\$ 2			\$ 136,585
8	Purchased Power	\$ 85,107	\$ (85,107)				\$ -	\$ -		\$ -	\$ -	\$ 73,177	\$ 1,003			\$ 74,180
9	Depreciation/Amortization	\$ 24,947			\$ -	\$ -	\$ -	\$ 24,947	11.70%	\$ 2,918	\$ 27,865	\$ -	\$ 1,255			\$ 29,120
10	Regulatory Amortization	\$ 5,974		\$ (2,374)	\$ -		\$ -	\$ 3,600	0.00%	\$ -	\$ 3,600	\$ -				\$ 3,600
11	Taxes	\$ 14,133					\$ -	\$ 14,133	13.38%	\$ 1,890	\$ 16,023					\$ 16,023
12	Subtotal: Production and Transmission	\$ 270,646	\$ (175,095)	\$ (1,906)	\$ -	\$ -	\$ -	\$ 93,645		\$ 9,989	\$ 103,634	\$ 153,614	\$ 1,005	\$ 1,255	\$ -	\$ 259,508
<b>Distribution</b>																
13	Operating Expenses	\$ 24,056				\$ (2,303)	\$ -	\$ 21,753	10.16%	\$ 2,211	\$ 23,964					\$ 23,964
14	Depreciation/Amortization	\$ 25,379			\$ -	\$ -	\$ -	\$ 25,379	11.70%	\$ 2,968	\$ 28,347				\$ 176	\$ 28,523
15	Regulatory Amortizations	\$ -			\$ -		\$ -	\$ -	0.00%	\$ -	\$ -					\$ -
16	Taxes	\$ 27,448		\$ -			\$ (119)	\$ 27,329	13.38%	\$ 3,655	\$ 30,984		\$ 361			\$ 31,345
17	Subtotal: Distribution	\$ 76,883	\$ -	\$ -	\$ -	\$ (2,303)	\$ (119)	\$ 74,461		\$ 8,835	\$ 83,296	\$ -	\$ 361	\$ -	\$ 176	\$ 83,833
18	Customer Accounting	\$ 12,363					\$ (21)	\$ 12,342	10.16%	\$ 1,255	\$ 13,597		\$ 63			\$ 13,660
19	Customer Service & Information	\$ 1,454					\$ -	\$ 1,454	10.16%	\$ 148	\$ 1,602					\$ 1,602
20	Sales Expenses	\$ -					\$ -	\$ -	10.16%	\$ -	\$ -					\$ -
<b>Administrative &amp; General</b>																
21	Operating Expenses	\$ 49,942		\$ (625)			\$ (6)	\$ 49,311	10.16%	\$ 5,012	\$ 54,323		\$ 19			\$ 54,342
22	Depreciation/Amortization	\$ 21,503				\$ -	\$ -	\$ 21,503	11.70%	\$ 2,515	\$ 24,018				\$ 2,536	\$ 26,554
23	Taxes	\$ -					\$ -	\$ -	13.38%	\$ -	\$ -					\$ -
24	Subtotal: A&G	\$ 71,445	\$ -	\$ (625)	\$ -	\$ -	\$ (6)	\$ 70,814		\$ 7,527	\$ 78,341	\$ -	\$ 19	\$ -	\$ 2,536	\$ 80,896
25	Total Electric Expenses	\$ 432,791	\$ (175,095)	\$ (2,531)	\$ -	\$ (2,303)	\$ (146)	\$ 252,716		\$ 27,753	\$ 280,469	\$ 153,614	\$ 1,448	\$ 1,255	\$ 2,712	\$ 439,498
26	OPERATING INCOME BEFORE FIT	\$ 131,791	\$ 114,811	\$ 2,531	\$ -	\$ 2,303	\$ (6,638)	\$ 244,798		\$ (27,753)	\$ 217,045	\$ (106,244)	\$ 4,852	\$ (1,255)	\$ (2,712)	\$ 111,686

<sup>1</sup>Workpapers for 12.2015 Commission Basis Reports provided with Staff\_DR\_030.

<sup>2</sup>November 2015 Storm expenses were removed for trending purposes and from Escalation Base.

2018 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT

CBR Line Number	\$000s		Determine Base Cost and Revenue to Escalate					Escalate Non-Energy Cost			Other Cost & Revenue A					
	12.2014 Commission Basis Report Restated Totals <sup>1</sup>	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dr/Cr; Reg. Amorts & Misc Adj	Net Retired Meter Deferral & Amort Adjustment	Remove November 2015 Storm Expenses <sup>2</sup>	Pro Forma Revenue Normalization Adjustment	12ME 12.2015 AMA Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount [G]*[H]=[I]	Trended 12ME 06.2018 AMA Non-Energy Cost [G]+[I]=[J]	(plus) 12ME 06.2018 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj. Spokane River Projects (2017) <sup>4</sup>	After Attrition Adj AMI Capital Project (2017)	12ME 06.2018 AMA Revenue and Cost [J]+[K]+[L]+[M]+[N] = [O]	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	
<b>Federal Income Tax</b>																
26	Current Accrual	\$ 4,968	\$ 40,184	\$ 1,930	\$ -	\$ 806	\$ (2,323)	\$ 45,565	\$ (9,714)	\$ 35,851	\$ (37,185)	\$ 1,698	\$ (439)	\$ (949)	\$ (1,024)	
27	Debt Interest	\$ 1	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ 124	\$ (1,885)	\$ (1,761)		\$ (543)	\$ (89)	\$ (2,393)		
28	Deferred Income Taxes	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,492	\$ -	\$ 29,492				\$ 29,492		
29	Amortized ITC - Noxon	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129)	\$ -	\$ (129)		\$ (22)	\$ -	\$ (151)		
30																
31	<b>NET OPERATING INCOME</b>	<b>\$ 97,459</b>	<b>\$ 74,627</b>	<b>\$ 478</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ (4,315)</b>	<b>\$ 169,746</b>	<b>\$ (16,155)</b>	<b>\$ 153,591</b>	<b>\$ (69,059)</b>	<b>\$ 3,154</b>	<b>\$ (250)</b>	<b>\$ (1,674)</b>	<b>\$ 85,762</b>	
<b>RATE BASE</b>																
<b>Plant in Service</b>																
<b>Includes Nov. 2016 Update</b>																
32	Intangible	\$ 144,970	\$ -	\$ -	\$ -	\$ -	\$ 144,970	9.85%	\$ 14,279	\$ 159,249			\$ 4,891	\$ 164,140		
33	Production	\$ 779,441	\$ -	\$ -	\$ -	\$ -	\$ 779,441	9.85%	\$ 76,772	\$ 856,213		\$ 67,095	\$ 923,308			
34	Transmission	\$ 401,700	\$ -	\$ -	\$ -	\$ -	\$ 401,700	9.85%	\$ 39,566	\$ 441,266			\$ 441,266			
35	Distribution	\$ 895,055	\$ -	\$ -	\$ -	\$ -	\$ 895,055	9.85%	\$ 88,159	\$ 983,214			\$ 2,638	\$ 985,852		
36	General	\$ 212,726	\$ -	\$ -	\$ -	\$ -	\$ 212,726	9.85%	\$ 20,953	\$ 233,679			\$ 6,104	\$ 239,783		
37	Subtotal: Plant in Service	\$ 2,433,892	\$ -	\$ -	\$ -	\$ -	\$ 2,433,892		\$ 239,728	\$ 2,673,620		\$ 67,095	\$ 13,633	\$ 2,754,348		
<b>Accumulated Depreciation and Amortization</b>																
38	Intangible	\$ (24,943)	\$ -	\$ -	\$ -	\$ -	\$ (24,943)	9.85%	\$ (2,457)	\$ (27,400)			\$ (544)	\$ (27,944)		
39	Production	\$ (342,899)	\$ 2,293	\$ -	\$ -	\$ -	\$ (340,606)	9.85%	\$ (33,548)	\$ (374,154)		\$ (722)	\$ (374,876)			
40	Transmission	\$ (129,936)	\$ -	\$ -	\$ -	\$ -	\$ (129,936)	9.85%	\$ (12,798)	\$ (142,734)			\$ (142,734)			
41	Distribution	\$ (273,578)	\$ 2,276	\$ -	\$ -	\$ -	\$ (271,302)	9.85%	\$ (26,722)	\$ (298,024)			\$ (88)	\$ (298,112)		
42	General	\$ (73,050)	\$ -	\$ -	\$ -	\$ -	\$ (73,050)	9.85%	\$ (7,195)	\$ (80,245)			\$ (723)	\$ (80,968)		
43	Subtotal: Accumulated Depreciation and Amortization	\$ (844,406)	\$ -	\$ 4,569	\$ -	\$ -	\$ (839,837)		\$ (82,721)	\$ (922,558)		\$ (722)	\$ (1,355)	\$ (924,635)		
44	<b>Net Plant</b>	<b>\$ 1,589,486</b>	<b>\$ -</b>	<b>\$ 4,569</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,594,055</b>		<b>\$ 157,008</b>	<b>\$ 1,751,063</b>		<b>\$ 66,373</b>	<b>\$ 12,278</b>	<b>\$ 1,829,714</b>		
45	Deferred Taxes	(317,860)	\$ -	\$ -	\$ -	\$ -	\$ (317,860)	9.85%	\$ (31,308)	\$ (349,168)		\$ (12,459)	\$ (3,486)	\$ (365,113)		
46	Net Plant After Deferred taxes	\$ 1,271,626	\$ -	\$ 4,569	\$ -	\$ -	\$ 1,276,195	\$ 0	\$ 125,700	\$ 1,401,895		\$ 53,914	\$ 8,792	\$ 1,464,601		
47	Deferred Debits and Credits	7,458	\$ (5,220)	\$ -	\$ -	\$ -	\$ 2,238	0.00%	\$ -	\$ 2,238			\$ 2,238			
48	Working Capital	59,722	\$ (11,512)	\$ -	\$ -	\$ -	\$ 48,210	0.00%	\$ -	\$ 48,210			\$ 48,210			
49	<b>TOTAL RATE BASE</b>	<b>\$ 1,338,806</b>	<b>\$ -</b>	<b>\$ (12,163)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,326,643</b>		<b>\$ 125,700</b>	<b>\$ 1,452,343</b>		<b>\$ 53,914</b>	<b>\$ 8,792</b>	<b>\$ 1,515,049</b>		
<sup>1</sup> Workpapers for 12.2015 Commission Basis Reports provided with Staff_DR_030 - Attachment G. <sup>2</sup> Includes Plant Held for Future Use.																
50	<b>RATE OF RETURN</b>	7.28%										7,090	3,794	5.66%	1,479,712	
<b>ATTRITION ADJUSTED REVENUE REQUIREMENT</b>																
50	Proposed Rate of Return														7.68%	Pro Forma
51	Return on Plant in Service at Proposed Rate														\$ 116,356	
52	Operating Income Deficiency														\$ 30,594	
53	Revenue Conversion Factor														0.61931	
54	Revenue Requirement														\$ 49,399	
55	Revenue Growth Factor														1.018986	
56	<b>Attrition Adjusted Revenue Requirement</b>														<b>\$ 48,477</b>	

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES**

**Commission Basis Results of Operations**

(000'S OF DOLLARS)		UPDATED								
Line		2007	2008	2009	2010	2011	2012	2013	2014	12.2015
No. REVENUES										
1	Total General Business	\$326,335	\$365,425	\$402,618	\$415,740	\$451,837	\$459,266	\$468,006	\$488,372	\$497,229
2	Interdepartmental Sales	739	820	872	790	820	816	884	922	928
3	Sales for Resale	34,954	46,848	31,491	133,479	52,604	54,549	75,349	60,998	49,505
4	Total Sales of Electricity	362,028	413,093	434,981	550,009	505,261	514,631	544,239	550,292	547,662
5	Other Revenue	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920
6	Total Electric Revenue	372,198	424,020	444,376	561,795	518,927	527,720	557,647	567,455	564,582
EXPENSES										
Production and Transmission										
7	Operating Expenses	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
8	Purchased Power	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
9	Depreciation/Amortization	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
10	Regulatory Amortization	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974
11	Taxes	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
12	Total Production & Transmission	198,644	219,777	219,316	321,388	273,183	262,470	297,764	281,594	270,646
Distribution										
13	Operating Expenses	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
14	Depreciation/Amortization	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Taxes (1)	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
16	Total Distribution	42,052	50,356	52,292	56,368	60,780	64,600	66,990	70,914	76,883
17	Customer Accounting	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
18	Customer Service & Information	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
19	Sales Expenses	682	571	660	176	4	5	5	0	0
Administrative & General										
20	Operating Expenses	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
21	Depreciation/Amortization	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
22	Taxes	(9)	(3)	(3)	2	0	(4)	0	0	0
23	Total Admin. & General	42,574	43,166	46,146	53,941	55,685	61,846	58,031	63,157	71,445
24	Total Electric Expenses	298,938	334,636	347,796	461,966	421,219	417,744	435,640	428,214	432,791
25	OPERATING INCOME BEFORE FIT	73,260	89,384	96,580	99,829	97,708	109,976	122,007	139,241	131,791
FEDERAL INCOME TAX										
26	Current Accrual	5,070	(6,217)	(1,846)	9,263	6,569	11,499	19,267	(7,683)	4,968
27	Debt Interest	0	0	0	0	207	70	1	(136)	1
28	Deferred Income Taxes	6,497	26,634	23,983	13,823	16,402	15,684	10,613	46,085	29,492
29	Amortized ITC - Noxon	0	0	(58)	(83)	(99)	(128)	(130)	(128)	(469)
30	Levelized Settlement Exchange Power	0	0	0	0	0	0	0	(109)	0
31	NET OPERATING INCOME	\$61,693	\$68,967	\$74,501	\$76,826	\$74,629	\$82,850	\$92,256	\$101,212	\$97,799

Note: The Regulatory Amortization Category has been restated in prior years to reflect consistency with the current reporting format.

(1) Corrected excise tax error 2009-2015.

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES**

**Commission Basis Results of Operations**

(000'S OF DOLLARS)

Line No	RATE BASE	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
	PLANT IN SERVICE									
32	Intangible	\$20,632	\$23,321	\$57,116	\$81,955	\$84,081	\$85,247	\$91,466	\$102,620	\$144,970
33	Production	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101	779,441
34	Transmission	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971	401,700
35	Distribution	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795	895,055
36	General	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867	212,726
37	Total Plant in Service	1,536,175	1,622,175	1,736,780	1,850,288	1,955,287	2,043,913	2,165,496	2,260,354	2,433,892
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	na	na	na	na	3,744	4,369	17,667	20,242	24,943
39	Production	na	na	na	na	286,300	300,170	314,599	325,531	342,899
40	Transmission	na	na	na	na	111,144	116,316	122,308	123,869	129,936
41	Distribution	na	na	na	na	209,101	221,408	236,201	252,722	273,578
42	General	na	na	na	na	56,694	61,871	58,357	65,720	73,050
43	Total Accumulated Depreciation	526,307	557,426	585,821	629,399	666,983	704,134	749,132	788,084	844,406
44	NET PLANT	1,009,868	1,064,749	1,150,959	1,220,889	1,288,304	1,339,779	1,416,364	1,472,270	1,589,486
45	DEFERRED TAXES	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(221,354)	(257,766)	(317,860)
46	Net Plant After Deferred Income Taxes	870,835	917,247	987,243	1,036,064	1,087,141	1,131,570	1,195,010	1,214,504	1,271,626
47	DEFERRED DEBITS AND CREDITS	21,020	19,593	17,776	17,776	18,845	16,438	14,761	10,846	7,458
48	WORKING CAPITAL	0	0	0	18,188	31,877	10,967	16,281	47,807	59,722
49	TOTAL RATE BASE	\$891,855	\$936,840	\$1,005,019	\$1,072,028	\$1,137,863	\$1,158,975	\$1,226,052	\$1,273,157	\$1,338,806
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note: The Deferred Debits and Credits Category has been restated in prior years to reflect consistency with the current reporting format.



**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2007-2015**

**AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS**

(000'S OF DOLLARS)

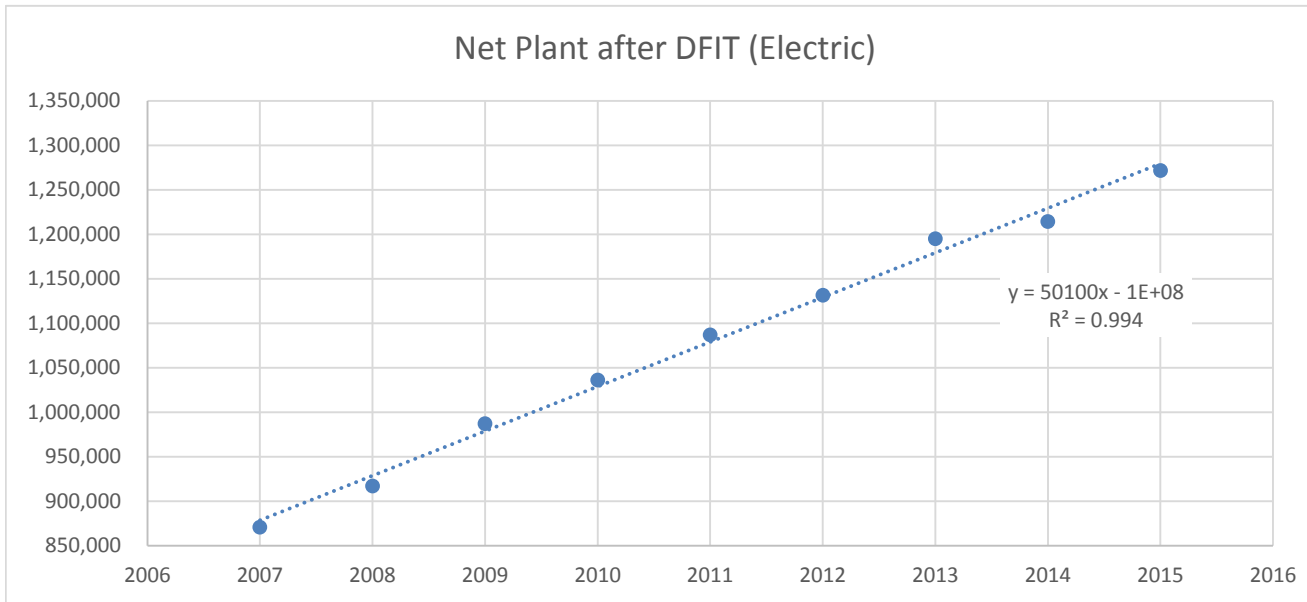
**Electric Data for Escalators**

Line No.			2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Exclude Power Supply and Adder Schedule Expenses (DSM Tariff Rider and Residential Exchange Credit) from O&M											
1	Production/Transmission	CBR Ln 7	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
2	Purchased Power	CBR Ln 8	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
3	Distribution	CBR Ln 13	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
4	Customer Accounting	CBR Ln 17	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
5	Customer Service and Information	CBR Ln 18	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
6	Sales	CBR Ln 19	682	571	660	176	4	5	5	0	0
7	Administrative and General	CBR Ln 20	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
8	<b>Total Operating &amp; Maintenance Expenses</b>		<b>234,605</b>	<b>264,279</b>	<b>273,806</b>	<b>382,589</b>	<b>332,207</b>	<b>332,391</b>	<b>329,981</b>	<b>317,008</b>	<b>313,407</b>
9	Deduct Power Supply Expenses		(135,719)	(152,984)	(146,538)	(249,369)	(188,583)	(180,834)	(201,471)	(186,117)	(175,095)
10	Deduct DSM Tariff Rider Expenses		(6,711)	(12,172)	(19,005)	(19,612)	(20,235)	(17,018)	0	0	0
11	Deduct Res X Credit Expenses		37	24	27	41	31	55	0	0	0
12	<b>Adjusted Operating Expenses</b>		<b>92,212</b>	<b>99,146</b>	<b>108,289</b>	<b>113,650</b>	<b>123,419</b>	<b>134,594</b>	<b>128,510</b>	<b>130,891</b>	<b>138,312</b>
			3.81%	7.52%	9.22%	4.95%	8.60%	9.06%	-4.52%	1.85%	5.67%
Depreciation/Amortization											
13	Production/Transmission	CBR Ln 9	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
14	Distribution	CBR Ln 14	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Administrative and General	CBR Ln 21	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
16	<b>Total Depreciation/Amortization</b>		<b>42,949</b>	<b>45,874</b>	<b>48,466</b>	<b>52,270</b>	<b>55,304</b>	<b>58,946</b>	<b>60,308</b>	<b>64,456</b>	<b>71,829</b>
			2.72%	6.81%	5.65%	7.85%	5.80%	6.59%	2.31%	6.88%	11.44%
Exclude Adder Schedule amortizations (Residential Exchange Credit) from Regulatory Amortizations											
17	Regulatory Amortizations	CBR Ln 10	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101	5,974
18	Deduct Res X Credit amortization		5,582	3,576	4,005	6,244	4,610	8,327	0	0	0
19	<b>Adjusted Regulatory Amortizations</b>		<b>2,500</b>	<b>2,500</b>	<b>2,302</b>	<b>3,365</b>	<b>5,013</b>	<b>583</b>	<b>8,629</b>	<b>8,101</b>	<b>5,974</b>
Exclude Adder Schedule excise taxes (DSM Tariff Rider and Residential Exchange Credit) from Taxes Other Than Income Tax											
20	Production/Transmission	CBR Ln 11	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
21	Distribution (1)	CBR Ln 15	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
22	Administrative and General	CBR Ln 22	(9)	(3)	(3)	2	0	(4)	0	0	0
23	<b>Total Taxes Other Than Income Tax</b>		<b>24,466</b>	<b>25,559</b>	<b>27,227</b>	<b>29,986</b>	<b>33,305</b>	<b>34,151</b>	<b>36,722</b>	<b>38,649</b>	<b>41,581</b>
24	Deduct DSM Tariff Rider Excise Tax		(269)	(488)	(762)	(787)	(812)	(683)	0	0	0
25	Deduct Res X Credit Excise Tax		225	144	162	252	186	336	0	0	0
26	<b>Adjusted Taxes Other Than Income Tax</b>		<b>24,422</b>	<b>25,215</b>	<b>26,626</b>	<b>29,451</b>	<b>32,680</b>	<b>33,805</b>	<b>36,722</b>	<b>38,649</b>	<b>41,581</b>
	(1) Corrected excise tax error 2009-2015.		-3.93%	3.25%	5.60%	10.61%	10.96%	3.44%	8.63%	5.25%	7.59%
27	<b>Net Plant After Deferred Income Tax</b>	CBR Ln 46	<b>870,835</b>	<b>917,247</b>	<b>987,243</b>	<b>1,036,064</b>	<b>1,087,141</b>	<b>1,131,570</b>	<b>1,195,010</b>	<b>1,214,504</b>	<b>1,271,626</b>
			1.77%	5.33%	7.63%	4.95%	4.93%	4.09%	5.61%	1.63%	4.70%
28	<b>Total Rate Base</b>	CBR Ln 49	<b>891,855</b>	<b>936,840</b>	<b>1,005,019</b>	<b>1,072,028</b>	<b>1,137,863</b>	<b>1,158,975</b>	<b>1,226,052</b>	<b>1,273,157</b>	<b>1,338,806</b>
			1.98%	5.04%	7.28%	6.67%	6.14%	1.86%	5.79%	3.84%	5.16%
Exclude Power Supply and Transmission Wheeling from Other Operating Revenue											
29	Other Operating Revenue	CBR Ln 5	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163	16,920
30	Deduct Decoupling Deferred Revenue and Provision for Rate Refund										(3,691)
31	Deduct Power Supply Other Revenue		(221)	(1,839)	(448)	(640)	(1,752)	(1,489)	(282)	(3,062)	(267)
32	Deduct Transmission Other Revenue		(6,876)	(6,213)	(6,133)	(8,333)	(9,102)	(8,285)	(9,662)	(10,622)	(10,512)
33	<b>Adjusted Other Revenue</b>		<b>3,073</b>	<b>2,875</b>	<b>2,814</b>	<b>2,813</b>	<b>2,812</b>	<b>3,315</b>	<b>3,464</b>	<b>3,479</b>	<b>2,450</b>
			3.96%	-6.44%	-2.13%	-0.02%	-0.03%	17.86%	4.50%	0.42%	-29.56%

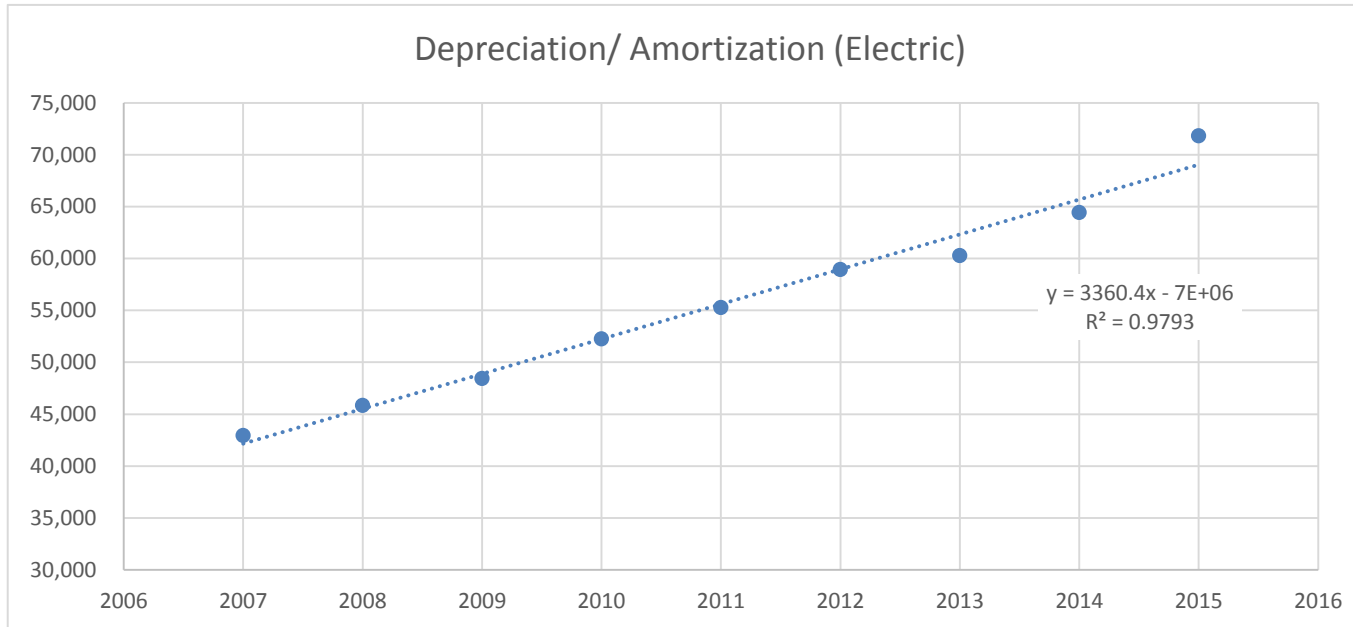
**Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204**

	2007	2008	2009	2010	2011	2012	2013	2014	12.2015 2015
Net Plant after DFIT	870,835	917,247	987,243	1,036,064	1,087,141	1,131,570	1,195,010	1,214,504	1,271,626
								Per CBR	UPDATED

Annual Increase (slope below) 50,100  
 Rate (Annual) 3.94%  
 Rate (2.5-year, to 2018 6ME 6/2018) **9.85%** (Escalation Factor)



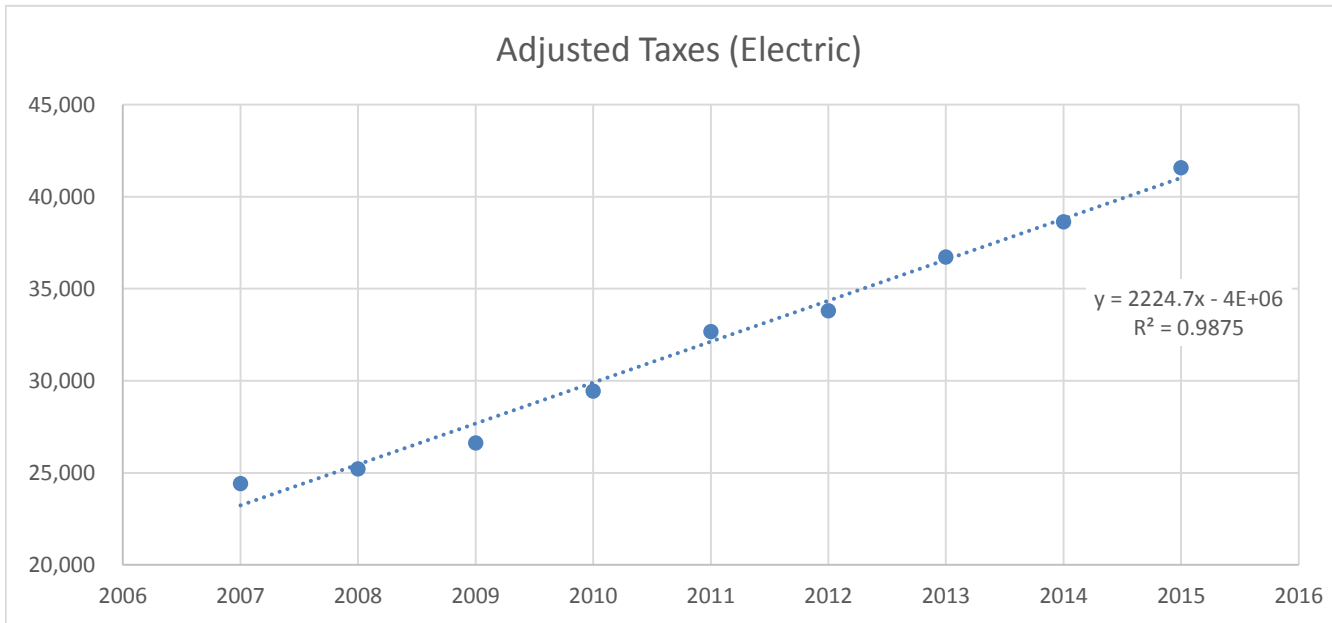
<b>Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204</b>									<b>12.2015</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Depreciation/ Amortization	42,949	45,874	48,466	52,270	55,304	58,946	60,308	64,456	71,829
									UPDATED
Annual Increase (slope below)	3,360.4								
Rate (Annual)	4.68%								
Rate (2.5-year, to 2018 6ME 6/2018)	<b>11.70%</b> (Escalation Factor)								



**Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204**

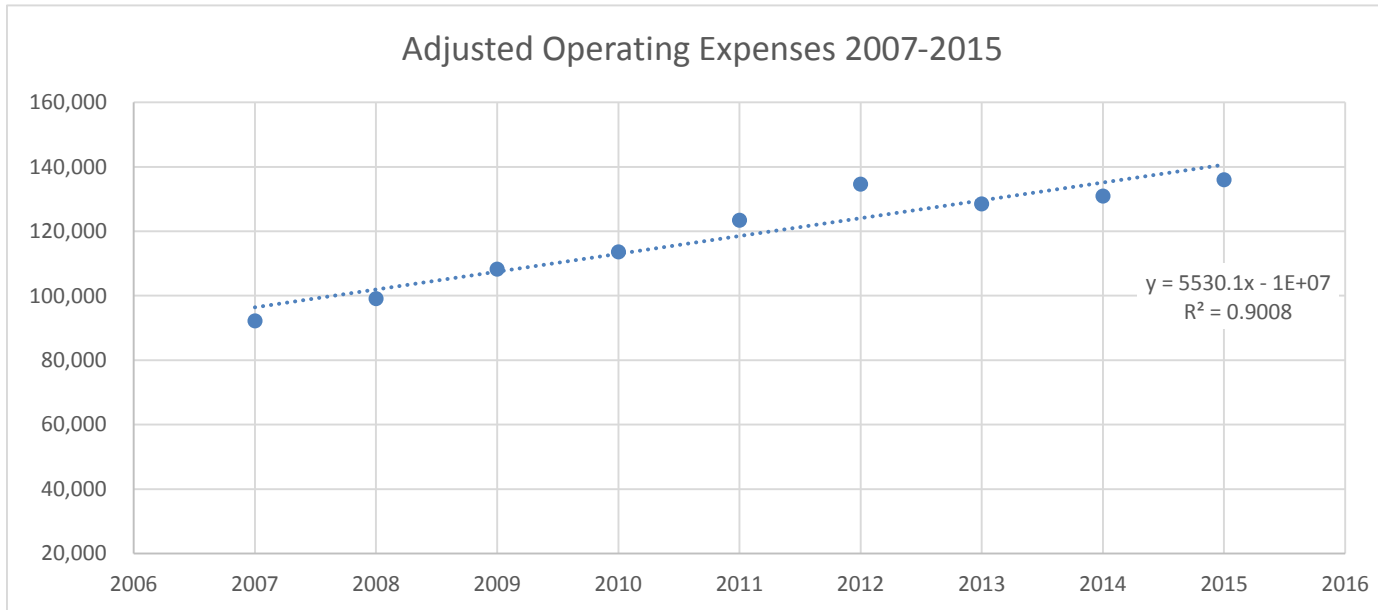
	2007	2008	2009	2010	2011	2012	2013	2014	12.2015 2015
Adjusted Taxes	24,422	25,215	26,626	29,451	32,680	33,805	36,722	38,649	41,581
									UPDATED (1)

Annual Increase (slope below) 2,224.7  
 Rate (Annual) 5.35%  
 Rate (2.5-year, to 2018 6ME 6/2018) **13.38%** (Escalation Factor)



(1) Corrected excise tax error in 2009-2015.

<b>Avista Proposed O&amp;M Expense Growth Trend</b>									<b>12.2015</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Adjusted Operating Expenses	92,212	99,146	108,289	113,650	123,419	134,594	128,510	130,891	136,009
									UPDATED (1)
Annual Increase (slope below)	5,530.1								
Rate (Annual)	4.07%								
Rate (2.5-year, to 2018 6ME 6/2018)	<b>10.16%</b> (Escalation Factor)								



(1) November 2015 Storm expenses were removed for trending purposes and from Escalation Base.

**ELECTRIC BILLING DETERMINANT INDEX  
09.2015 TO 2018 WEIGHTED REVENUE GROWTH**

Line	Rate	Schedule	Revenue Model 12 ME 09.2015 [A]	Forecast 12ME 2018 [B]	Billing Determinant Growth [C] = ([B] - [A])/[A]	Revenue 12 ME 09.2015 [D]	Weight [E] = [D] / SUM([D])	Weight x Growth [F] = [C] x [E]	
1	RESIDENTIAL	Basic Charge	SCHEDULE 1	2,481,909	2,541,558	2.40%	21,096,227	4.26%	0.10%
2	GENERAL SVC.	Basic Charge	SCH. 11,12	369,248	380,482	3.04%	6,646,464	1.34%	0.04%
3	LG. GEN. SVC.	Fixed Demand/Cust	SCH. 21,22	24,164	24,311	0.61%	12,082,000	2.44%	0.01%
4	EX LG GEN SVC	Fixed Demand/Cust	SCHEDULE 25	252	254	0.67%	5,292,000	1.07%	0.01%
5	PUMPING	Basic Charge	SCH. 30, 31, 32	29,170	29,691	1.79%	525,060	0.11%	0.00%
6	ST & AREA LTG	Basic Charge	SCH. 41-48						
7	RESIDENTIAL	Volumes	SCHEDULE 1	2,375,997,614	2,475,322,185	4.18%	189,973,890	38.37%	1.60%
8	GENERAL SVC.	Volumes	SCH. 11,12	596,483,095	597,923,947	0.24%	61,874,875	12.50%	0.03%
9	LG. GEN. SVC.	Volumes	SCH. 21,22	1,425,928,125	1,432,860,629	0.49%	99,936,477	20.19%	0.10%
10	EX LG GEN SVC	Volumes	SCHEDULE 25	1,108,671,541	1,156,202,202	4.29%	52,632,200	10.63%	0.46%
11	PUMPING	Volumes	SCH. 30, 31, 32	154,884,909	133,241,503	-13.97%	11,985,355	2.42%	-0.34%
12	ST & AREA LTG	Volumes	SCH. 41-48	25,597,340	24,397,324	0.00%	6,952,992	1.40%	0.00%
13	RESIDENTIAL	Demand	SCHEDULE 1						
14	GENERAL SVC.	Demand	SCH. 11,12	407,826	402,284	-1.36%	2,453,871	0.50%	-0.01%
15	LG. GEN. SVC.	Demand	SCH. 21,22	2,838,030	2,748,136	-3.17%	17,086,327	3.45%	-0.11%
16	EX LG GEN SVC	Demand	SCHEDULE 25	1,293,261	1,290,752	-0.19%	6,526,238	1.32%	0.00%
17	PUMPING	Demand	SCH. 30, 31, 32						
18	ST & AREA LTG	Demand	SCH. 41-48						
19	Total						495,063,975	100.00%	1.90%
Total Customers			2,904,743	2,976,296	2.46%				
Total Volumes			5,687,562,625	5,819,947,790	2.33%				
Total Demand			4,539,117	4,441,172	-2.16%				

## Attachment G - Backup (Power Supply Net Expense)

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Test Year Load, Nov 1 Update**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		2017
		Actuals	Adjustment	Pro Forma
<u>555 PURCHASED POWER</u>				
1	Modeled ST Market Purchases	\$0	\$8,035	\$8,035
2	Actual ST Market Purchases	84,387	-81,010	3,377
3	Actual ST Purchases - Financial M-to-M	0	-519	-519
4	Rocky Reach/Rock Island Purchase	13,315	558	13,873
5	Wells - Avista Share	1,703	185	1,888
6	Wells - Colville Tribe's Share	2,482	-2,482	0
7	Priest Rapids Project	7,118	885	8,003
8	Douglas Settlement	1,211	120	1,331
9	Lancaster Capacity Payment	22,737	533	23,270
10	Lancaster Variable O&M Payments	2,745	386	3,131
11	WNP-3	13,302	4,458	17,760
12	Deer Lake-IP&L	7	0	7
13	Small Power	1,290	68	1,358
14	Stimson	1,346	388	1,734
15	Spokane-Upriver	2,330	540	2,870
16	Spokane Waste-to-Energy	5,562	755	6,317
17	Non-Monetary	34	-34	0
18	Ancillary Services	1,654	-1,654	0
19	Palouse Wind	16,541	4,181	20,722
20	Total Account 555	177,764	-64,607	113,157
<u>557 OTHER EXPENSES</u>				
21	Broker Commission Fees	407	0	407
22	WA EIA REC Purchase - 100% WA Allocation	645	-645	0
23	REC Expenses (offset to REC Revenue)	109	-109	0
24	Spokane Energy Capacity Payment Adjustment	-5,310	5,310	0
25	Rathdrum Solar, Buck-a-Block	1	-1	0
26	Natural Gas Fuel Purchases	86,543	-86,543	0
27	Total Account 557	82,395	-81,988	407
<u>501 THERMAL FUEL EXPENSE</u>				
28	Kettle Falls - Wood Fuel	6,231	-677	5,554
29	Kettle Falls - Start-up Gas	14	0	14
30	Colstrip - Coal	22,168	1,242	23,410
31	Colstrip - Oil	229	0	229
32	Total Account 501	28,642	564	29,206
<u>547 OTHER FUEL EXPENSE</u>				
33	Coyote Springs Gas	42,752	-7,262	35,490
34	Coyote Springs 2 Gas Transportation	6,247	148	6,395
35	Lancaster Gas	33,676	-863	32,813
36	Lancaster Gas Transportation	5,409	20	5,429
37	Actual Financial Gas Transactions M-to-M	0	-861	-861
38	Gas Transpot Optimization	0	-9,000	-9,000
39	Gas Transportation for BP, NE and KFCT	53	0	53
40	Rathdrum Gas	1,832	-210	1,622
41	Northeast CT Gas	50	26	76
42	Boulder Park Gas	613	204	817
43	Kettle Falls CT Gas	156	75	231
44	Total Account 547	90,788	-17,722	73,066

## Attachment G - Backup (Power Supply Net Expense)

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Test Year Load, Nov 1 Update**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		2017
		Actuals	Adjustment	Pro Forma
<u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u>				
45	WNP-3	894	49	943
46	Short-term Transmission Purchases	138	0	138
47	BPA PTP for Colstrip, Coyote & Lancaster	12,067	151	12,218
48	BPA Townsend-Garrison Wheeling	1,501	7	1,508
49	Avista on BPA - Borderline	1,373	30	1,403
50	Kootenai for Worley	45	0	45
51	Sagle-Northern Lights	135	5	140
52	Northwestern for Colstrip	558	0	558
53	PGE Firm Wheeling	643	0	643
54	Total Account 565	17,354	242	17,596
<u>536 WATER FOR POWER</u>				
55	Headwater Benefits Payments	997	32	1,029
56	<b>TOTAL EXPENSE</b>	397,940	-163,479	234,461
<u>447 SALES FOR RESALE</u>				
57	Modeled Short-Term Market Sales	0	39,340	39,340
58	Actual ST Market Sales - Physical	105,602	-105,602	0
59	Actual ST Market Sales - Financial M-to-M	0	2,370	2,370
60	Peaker (PGE) Capacity Sale	9,501	-9,501	0
61	Nichols Pumping Sale	1,256	106	1,362
62	Sovereign/Kaiser DES	150	6	156
63	Pend Oreille DES & Spinning	525	45	570
64	SMUD/Energy America	12,149	205	12,354
65	COB Optimization	0	526	526
66	Intracompany Generation	1,654	-1,654	0
67	Total Account 447	130,837	-74,159	56,678
		130,837		
<u>456 OTHER ELECTRIC REVENUE</u>				
68	Non-WA EIA REC Sales	3,245	-3,245	0
69	WA EIA REC Sales	163	-163	0
70	Gas Not Consumed Sales Revenue	95,212	-95,212	0
71	Total Account 456	98,620	-98,620	0
<u>453 SALES OF WATER AND WATER POWER</u>				
72	Upstream Storage Revenue	418	48	466
73	<b>TOTAL REVENUE</b>	229,875	-172,731	57,144
74	<b>TOTAL NET EXPENSE</b>	168,065	9,252	177,317
			5.50%	
				9,300,991



## Attachment G (Power Supply Net Expense - 2018 backup)

## Avista Corp.

## Power Supply Pro forma - Washington Jurisdiction

## System Numbers - Oct 2014 - Sep 2015 Actual and Jul 2017 - Jun 2018 Pro Forma

Test Year Load, Nov 1 Update

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		Jul 17 - Jun 18
		Actuals	Adjustment	Pro Forma
<u>555 PURCHASED POWER</u>				
1	Modeled ST Market Purchases	\$0	\$8,203	\$8,203
2	Actual ST Market Purchases	84,387	-84,387	0
3	Actual ST Purchases - Financial M-to-M	0	-367	-367
4	Rocky Reach/Rock Island Purchase	13,315	923	14,238
5	Wells - Avista Share	1,703	195	1,898
6	Wells - Colville Tribe's Share	2,482	-2,482	0
7	Priest Rapids Project	7,118	1,101	8,219
8	Douglas Settlement	1,211	120	1,331
9	Lancaster Capacity Payment	22,737	679	23,416
10	Lancaster Variable O&M Payments	2,745	512	3,257
11	WNP-3	13,302	4,666	17,968
12	Deer Lake-IP&L	7	0	7
13	Small Power	1,290	68	1,358
14	Stimson	1,346	422	1,768
15	Spokane-Upriver	2,330	626	2,956
16	Spokane Waste-to-Energy	5,562	755	6,317
17	Non-Monetary	34	-34	0
18	Ancillary Services	1,654	-1,654	0
19	Palouse Wind	16,541	4,388	20,929
20	Total Account 555	177,764	-66,265	111,499
<u>557 OTHER EXPENSES</u>				
21	Broker Commission Fees	407	0	407
22	WA EIA REC Purchase - 100% WA Allocation	645	-645	0
23	REC Expenses (offset to REC Revenue)	109	-109	0
24	Spokane Energy Capacity Payment Adjustment	-5,310	5,310	0
25	Rathdrum Solar, Buck-a-Block	1	-1	0
26	Natural Gas Fuel Purchases	86,543	-86,543	0
27	Total Account 557	82,395	-81,988	407
<u>501 THERMAL FUEL EXPENSE</u>				
28	Kettle Falls - Wood Fuel	6,231	-623	5,608
29	Kettle Falls - Start-up Gas	14	0	14
30	Colstrip - Coal	22,168	1,135	23,303
31	Colstrip - Oil	229	0	229
32	Total Account 501	28,642	512	29,154
<u>547 OTHER FUEL EXPENSE</u>				
33	Coyote Springs Gas	42,752	-6,382	36,370
34	Coyote Springs 2 Gas Transportation	6,247	148	6,395
35	Lancaster Gas	33,676	-411	33,265
36	Lancaster Gas Transportation	5,409	20	5,429
37	Actual Financial Gas Transactions M-to-M	0	-943	-943
38	Gas Transpot Optimization	0	-9,000	-9,000
39	Gas Transportation for BP, NE and KFCT	53	0	53
40	Rathdrum Gas	1,832	-192	1,640
41	Northeast CT Gas	50	25	75
42	Boulder Park Gas	613	246	859
43	Kettle Falls CT Gas	156	78	234
44	Total Account 547	90,788	-16,411	74,377

## Attachment G (Power Supply Net Expense - 2018 backup)

## Avista Corp.

## Power Supply Pro forma - Washington Jurisdiction

System Numbers - Oct 2014 - Sep 2015 Actual and Jul 2017 - Jun 2018 Pro Forma

Test Year Load, Nov 1 Update

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		Jul 17 - Jun 18
		Actuals	Adjustment	Pro Forma
<u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u>				
45	WNP-3	894	49	943
46	Short-term Transmission Purchases	138	0	138
47	BPA PTP for Colstrip, Coyote & Lancaster	12,067	151	12,218
48	BPA Townsend-Garrison Wheeling	1,501	7	1,508
49	Avista on BPA - Borderline	1,373	30	1,403
50	Kootenai for Worley	45	0	45
51	Sagle-Northern Lights	135	5	140
52	Northwestern for Colstrip	558	0	558
53	PGE Firm Wheeling	643	0	643
54	Total Account 565	17,354	241	17,595
<u>536 WATER FOR POWER</u>				
55	Headwater Benefits Payments	997	32	1,029
56	<b>TOTAL EXPENSE</b>	397,940	-163,879	234,061
<u>447 SALES FOR RESALE</u>				
57	Modeled Short-Term Market Sales	0	38,717	38,717
58	Actual ST Market Sales - Physical	105,602	-105,602	0
59	Actual ST Market Sales - Financial M-to-M	0	437	437
60	Peaker (PGE) Capacity Sale	9,501	-9,501	0
61	Nichols Pumping Sale	1,256	114	1,370
62	Sovereign/Kaiser DES	150	6	156
63	Pend Oreille DES & Spinning	525	45	570
64	SMUD/Energy America	12,149	262	12,411
65	COB Optimization	0	528	528
66	Intracompany Generation	1,654	-1,654	0
67	Total Account 447	130,837	-76,648	54,189
<u>456 OTHER ELECTRIC REVENUE</u>				
68	Non-WA EIA REC Sales	3,245	-3,245	0
69	WA EIA REC Sales	163	-163	0
70	Gas Not Consumed Sales Revenue	95,212	-95,212	0
71	Total Account 456	98,620	-98,620	0
<u>453 SALES OF WATER AND WATER POWER</u>				
72	Upstream Storage Revenue	418	48	466
73	<b>TOTAL REVENUE</b>	229,875	-175,220	54,655
74	<b>TOTAL NET EXPENSE</b>	168,065	11,341	179,406
		6.75%		
				9,300,991

## Attachment G - Backup (Transmission Revenue) Revised Exhibit No. \_\_ (BAC-2)

**Avista Corporation**  
**- Energy Delivery -**  
**Pro Forma Transmission Revenue/Expenses**  
**(\$000s)**

			November 2016 Update			AVISTA REBUTTAL	Net Change Nov Update
Line No.	Work Paper	A Oct-2014 to Sep-11 Actual	B Adjusted	Nov Update C 2017 Pro Forma Period	2017 Pro Forma Period	2017 Pro Forma Period	2017 Pro Forma Period
<b><u>556 OTHER POWER SUPPLY EXPENSES</u></b>							
1	B	NWPP	62	21	83	83	
<b><u>560-71.4, 935.3-.4 TRANSMISSION O&amp;M EXPENSE</u></b>							
2	C	Colstrip O&M 500kV Lines ( <b>Confidential</b> )	328	-16	312	312	
3	D	ColumbiaGrid Funding ( <b>Confidential</b> )	85	57	142	142	
4	E	ColumbiaGrid Planning (PEFA)	158	15	173	173	
5	F	Order 1000 Functional Agreement	50	-25	25	25	
<b>Total Account 560-71.4, 935.3-.4</b>			<b>621</b>	<b>31</b>	<b>652</b>	<b>652</b>	
<b><u>566 TRANSMISSION EXP-OPRN-MISCELLANEOUS</u></b>							
6	G	NERC CIP	107	-32	75	75	
7	H	Columbia Grid OASIS travel expenses	15	0	15	15	
8	I	PEAK Reliability	484	194	678	678	
9	J	WECC Dues	421	22	443	443	
10	K	WECC Loop Flow	41	0	41	41	
<b>Total Account 566</b>			<b>1,068</b>	<b>184</b>	<b>1,252</b>	<b>1,252</b>	
<b><u>570 MAINTENANCE OF STATION EQUIPMENT</u></b>							
11	L	Addy (BPA substation)	9	0	9	9	
12	M	Hatwai (BPA substation)	23	0	23	23	
<b>Total Account 570</b>			<b>32</b>	<b>0</b>	<b>32</b>	<b>32</b>	
<b>TOTAL EXPENSE</b>			<b>1,783</b>	<b>236</b>	<b>2,019</b>	<b>2,019</b>	<b>0</b>
<b><u>456 OTHER ELECTRIC REVENUE</u></b>							
13	N	Borderline Wheeling Transmission	5,982	271	6,253	6,253	
14	O	Borderline Wheeling Low Voltage	1,079	0	1,815	1,079	736
15	P	Borderline Wheeling Ancillary Revenues	1,628	-6	2,274	1,622	652
16	Q	Seattle/Tacoma Main Canal	360	0	360	360	
17	R	Seattle/Tacoma Summer Falls	74	0	74	74	
18	S	OASIS Nonfirm & Short-term Firm	3,517	-690	2,827	2,827	
19	T	PacifiCorp - Dry Gulch Wheeling	247	-17	230	230	
20	U	Spokane Waste to Energy Plant	28	0	28	28	
21	V	Grand Coulee Project Hydro Authority	8	0	8	8	
22	W	First Wind Transmission	200	-200	0	0	
23	X	Palouse Wind O & M	52	0	52	52	
24	Y	Stimson Lumber	9	0	9	9	
25	Z	BPA Parallel Operating Agreement	3,192	0	3,192	3,192	
26	AA	Morgan Stanley Capital Group	600	0	600	600	
27	AB	Hydro Tech Systems - Meyers Falls	6	0	6	6	
28	AC	Kootenai Electric Cooperative	88	0	94	88	6
			<b>17,070</b>	<b>-642</b>	<b>17,822</b>	<b>16,428</b>	<b>1,394</b>
<b>TOTAL REVENUE</b>			<b>17,070</b>	<b>-642</b>	<b>17,822</b>	<b>16,428</b>	<b>1,394</b>
<b>TOTAL NET REVENUE</b>			<b>-15,287</b>	<b>878</b>	<b>-15,803</b>	<b>-14,409</b>	<b>-1,394</b>
<b>WA Share of Change</b>						65.63%	\$ (915)
<b>Revenue Requirement Impact of Transmission Revenue Update</b>							\$ (960)

Attachment G - Backup (Transmission Revenue) Revised Exhibit No. \_\_ (BAC-2)

Avista Corporation  
- Energy Delivery -  
Pro Forma Transmission Revenue/Expenses  
(\$000s)

		November 2016 Update					AVISTA Rebuttal	Net Change Nov		
		A	B	Nov Update C	D	E	F	G	H	
		Oct-2014 to Sep-11 Actual	Adjusted	2017 Pro Forma Period	Adjusted	2018 Pro Forma Period	Jan-Jun 2018 Pro Forma Period	Jan-Jun 2018 Pro Forma Period	Jan-Jun 2018 Pro Forma Period	
Line No.	Work Paper						Nov Update			
<b>556 OTHER POWER SUPPLY EXPENSES</b>										
1	B	NWPP	62	21	83	0	83	83	83	
<b>560-71.4, 935.3--4 TRANSMISSION O&amp;M EXPENSE</b>										
2	C	Colstrip O&M 500kV Lines (Confidential)	328	-16	312	0	312	312	312	
3	D	ColumbiaGrid Funding (Confidential)	85	57	142	0	142	142	142	
4	E	ColumbiaGrid Planning (PEFA)	158	15	173	0	173	173	173	
5	F	Order 1000 Functional Agreement	50	-25	25	0	25	25	25	
<b>Total Account 560-71.4, 935.3--4</b>		<b>621</b>	<b>31</b>	<b>652</b>	<b>0</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	
<b>566 TRANSMISSION EXP-OPRN-MISCELLANEOUS</b>										
6	G	NERC CIP	107	-32	75	0	75	75	75	
7	H	Columbia Grid OASIS travel expenses	15	0	15	0	15	15	15	
8	I	PEAK Reliability	484	194	678	0	678	678	678	
9	J	WECC Dues	421	22	443	0	443	443	443	
10	K	WECC Loop Flow	41	0	41	0	41	41	41	
<b>Total Account 566</b>		<b>1,068</b>	<b>184</b>	<b>1,252</b>	<b>0</b>	<b>1,252</b>	<b>1,252</b>	<b>1,252</b>	<b>1,252</b>	
<b>570 MAINTENANCE OF STATION EQUIPMENT</b>										
11	L	Addy (BPA substation)	9	0	9	0	9	9	9	
12	M	Hatwai (BPA substation)	23	0	23	0	23	23	23	
<b>Total Account 570</b>		<b>32</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	
<b>TOTAL EXPENSE</b>										
		<b>1,783</b>	<b>236</b>	<b>2,019</b>	<b>0</b>	<b>2,019</b>	<b>2,019</b>	<b>2,019</b>	<b>0</b>	
<b>456 OTHER ELECTRIC REVENUE</b>										
13	N	Borderline Wheeling Transmission	5,982	271	6,253	0	6,253	6,253	6,253	
14	O	Borderline Wheeling Low Voltage	1,079	0	1,815	0	1,815	1,815	1,079	
15	P	Borderline Wheeling Ancillary Revenues	1,628	-6	2,274	0	2,274	2,274	1,622	
16	Q	Seattle/Tacoma Main Canal	360	0	360	0	360	360	360	
17	R	Seattle/Tacoma Summer Falls	74	0	74	0	74	74	74	
18	S	OASIS Nonfirm & Short-term Firm	3,517	-690	2,827	0	2,827	2,827	2,827	
19	T	PacifiCorp - Dry Gulch Wheeling	247	-17	230	0	230	230	230	
20	U	Spokane Waste to Energy Plant	28	0	28	0	28	28	28	
21	V	Grand Coulee Project Hydro Authority	8	0	8	0	8	8	8	
22	W	First Wind Transmission	200	-200	0	0	0	0	0	
23	X	Palouse Wind O & M	52	0	52	0	52	52	52	
24	Y	Stimson Lumber	9	0	9	0	9	9	9	
25	Z	BPA Parallel Operating Agreement	3,192	0	3,192	0	3,192	3,192	3,192	
26	AA	Morgan Stanley Capital Group	600	0	600	-600	0	300	300	
27	AB	Hydro Tech Systems - Meyers Falls	6	0	6	0	6	6	6	
28	AC	Kootenai Electric Cooperative	88	0	94	0	94	88	6	
		<b>17,070</b>	<b>-642</b>	<b>17,822</b>	<b>-600</b>	<b>17,222</b>	<b>17,522</b>	<b>16,128</b>	<b>1,394</b>	
<b>TOTAL REVENUE</b>		<b>17,070</b>	<b>-642</b>	<b>17,822</b>	<b>-600</b>	<b>17,222</b>	<b>17,522</b>	<b>16,128</b>	<b>1,394</b>	
<b>TOTAL NET REVENUE</b>		<b>-15,287</b>	<b>878</b>	<b>-15,803</b>	<b>600</b>	<b>-15,203</b>	<b>-15,503</b>	<b>-14,109</b>	<b>-1,394</b>	
<b>WA Share of Change</b>								<b>65.63%</b>	<b>\$</b>	<b>(915)</b>
<b>Revenue Requirement Impact of Transmission Revenue Update</b>									<b>\$</b>	<b>(960)</b>

(Net reduction in Total Net Revenue for 2018 related to update in 2017 (see page 1). No incremental change in transmission net revenue in 2018.)

Attachment G (Electric 2017 Attrition Model Backup)

(See Revised Exhibit No. EMA-7)

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - <b>09.2015 Historical Loads</b> <b>November 2016 PF Update</b>			Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - <b>09.2015 Historical Loads</b> <b>Per Avista Rebuttal</b>			<b>Nov Update NET CHANGE 2017 PF Power Supply System</b>	<b>Nov Update NET CHANGE 2017 PF Total Washington Amounts</b>
<b>Including November Power Supply Update</b>	<b>2017 PF</b>	<b>Column [K]</b>	<b>2017 PF</b>				
	Power Supply System	Total Washington Amounts	Power Supply System	Total Washington Amounts			
P/T Allocation Percentages		65.63%	P/T Allocation Percentages		65.63%		65.63%
447 Sales for Resale	\$56,678	\$37,198	447 Sales for Resale	\$57,504	\$37,740	-\$826	-\$542
453 Sales of Water and Water Power	466	306	453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0	454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	17,822	11,697	456 Transmission Wheeling Revenue System	16,428	10,782	\$1,394	\$915
456 Transmission Wheeling Revenue Direct WA	0	0	456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0	456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0	456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0	456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	74,966	49,200	Total Revenue	74,398	48,827	568	373
501 Thermal Fuel Expense	29,206	19,168	501 Thermal Fuel Expense	29,225	19,180	-\$19	-12
546 Other Power Gen Supvsn & Eng	0	0	546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	73,066	47,953	547 Other Fuel Expense	76,583	50,261	-\$3,517	-2,308
536 Water for Power	1,029	675	536 Water for Power	1,029	675		0
555 Purchased Power	113,157	74,265	555 Purchased Power	109,783	72,051	\$3,374	2,214
549 Misc Other Gen Expense	0	0	549 Misc Other Gen Expense	0	0		0
550 Rents	0	0	550 Rents	0	0		0
556 System Control & Dispatch	0	0	556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267	557 Other Expenses	407	267		0
XXX Other Expenses-Direct WA	0	0	XXX Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	17,596	11,548	565 Trans. of Elec. by Others	17,766	11,660	-\$170	-112
Total Expense	234,461	153,877	Total Expense	234,793	154,095	-332	-218
Net Income Before Income Taxes	-159,495	-104,677	Net Income Before Income Taxes	-160,395	-105,267	900	591
Federal Income Tax	35%	-36,637	Federal Income Tax	35%	-36,844		207
Net Income		-\$68,041	Net Income		-\$68,425		\$384
<b>Net Revenue Requirement Impact</b>				CF	0.61931		(\$620)
<b>Net Revenue Requirement Impact (Grossed Down)</b>			<b>[USING HISTRICAL LOADS]</b>				<b>(\$611)</b>

**ATTRITION ADJUSTMENT RELATED TO RETAIL REVENUE GROWTH AND ASSOCIATED POWER SUPPLY COST**

Including November Power Supply Update

(000'S OF DOLLARS)

**Both updated with Nov update - same change in expense and revenue should result in no net change**

November 2016 Update							
Line No.	DESCRIPTION	(Note 1)	Revenue Growth and Power Supply Cost	Power Supply Cost Test Year Load	Power Supply Cost Rate Year Load	Incremental Power Supply Cost	Retail Revenue Growth
			<b>Column [L]</b>				
			(Net - no change)				
	REVENUES						
1	Total General Business		7,724				7,724
2	Interdepartmental Sales		15				15
3	Sales for Resale		-2,524	37,198	34,674	-2,524	
4	Total Sales of Electricity		5,215	37,198	34,674	-2,524	7,739
5	Other Revenue		0	12,002	12,002	0	0
6	Total Electric Revenue		5,215	49,200	46,676	-2,524	7,739
	EXPENSES						
	Production and Transmission						
7	Operating Expenses		0	79,612	79,612	0	
8	Purchased Power		843	74,265	75,108	843	
9	Depreciation/Amortization						
10	Regulatory Amortization						
11	Taxes						
12	Total Production & Transmission		843	153,877	154,720	843	0
	Distribution						
13	Operating Expenses						
14	Depreciation/Amortization						
15	Taxes	0.038473	297				297
16	Total Distribution		297	0	0	0	297
17	Customer Accounting	0.006739	52				52
18	Customer Service & Information						
19	Sales Expenses						
	Administrative & General						
20	Operating Expenses	0.002000	15				15
21	Depreciation/Amortization						
22	Taxes						
23	Total Admin. & General		15	0	0	0	15
24	Total Electric Expenses		1,208	153,877	154,720	843	365
25	OPERATING INCOME BEFORE FIT		4,007	-104,677	-108,044	-3,367	7,374
	FEDERAL INCOME TAX						
26	Current Accrual		1,402	-36,637	-37,815	-1,178	2,581
27	Debt Interest						
28	Deferred Income Taxes						
29	Amortized ITC - Noxon						
30	NET OPERATING INCOME		2,605	-68,040	-70,229	-2,189	4,793

Note 1: 09.2015 Washington electric revenue conversion factor amounts.

incremental load expense-2017 (column [L])

Attachment G (Electric 2017 Attrition Model Backup)

(See Revised Exhibit No. EMA-7)

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - <b>2017 Forecast Loads</b>			Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - <b>2017 Forecast Loads</b>			<b>Nov Update NET CHANGE</b>	<b>Nov Update NET CHANGE</b>
<b>November 2016 Update</b>			<b>Per Avista Rebuttal</b>			<b>2017 PF Power Supply System</b>	<b>2017 PF Total Washington Amounts</b>
<b>Including November Power Supply Update</b>	<b>2017 PF Power Supply System (1)</b>	<b>Total Washington Amounts 65.63%</b>	<b>2017 PF Power Supply System</b>	<b>Total Washington Amounts 65.63%</b>	<b>Power Supply System</b>	<b>Total Washington Amounts</b>	<b>65.63%</b>
P/T Allocation Percentages			P/T Allocation Percentages				
447 Sales for Resale	\$52,832	\$34,674	447 Sales for Resale	\$53,658	\$35,216	-\$826	-\$542
453 Sales of Water and Water Power	466	306	453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0	454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	17,822	11,697	456 Transmission Wheeling Revenue System	16,428	10,782	\$1,394	\$915
456 Transmission Wheeling Revenue Direct WA	0	0	456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0	456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0	456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0	456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	71,120	46,676	Total Revenue	70,552	46,303	568	373
501 Thermal Fuel Expense	29,206	19,168	501 Thermal Fuel Expense	29,225	19,180	-\$19	-12
546 Other Power Gen Supvsn & Eng	0	0	546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	73,066	47,953	547 Other Fuel Expense	76,583	50,261	-\$3,517	-2,308
536 Water for Power	1,029	675	536 Water for Power	1,029	675		0
555 Purchased Power	114,442	75,108	555 Purchased Power	111,068	72,894	\$3,374	2,214
549 Misc Other Gen Expense	0	0	549 Misc Other Gen Expense	0	0		0
550 Rents	0	0	550 Rents	0	0		0
556 System Control & Dispatch	0	0	556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267	557 Other Expenses	407	267		0
xxx Other Expenses-Direct WA	0	0	xxx Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	17,596	11,548	565 Trans. of Elec. by Others	17,766	11,660	-\$170	-112
Total Expense	235,746	154,720	Total Expense	236,078	154,938	-332	-218
Net Income Before Income Taxes	-164,626	-108,044	Net Income Before Income Taxes	-165,526	-108,635	900	591
Federal Income Tax 35%		-37,815	Federal Income Tax 35%		-38,022		207
Net Income		-\$70,229	Net Income		-\$70,613		\$384
<b>Net Revenue Requirement Impact</b>						CF 0.61931	(\$620)
<b>Net Revenue Requirement Impact (Grossed Down)</b>							(\$611)

(1) Added change in each expense and revenue for 2017 update based on historical load to reflect same change using 2017 forecast loads. Reflects no net change in Column [L]

[USING FORECASTED LOADS]

Attachment G (Electric 2018 Attrition Model Backup)

(See Revised Exhibit No. EMA-9)

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads		
November 2016 PF Update		
	2018 PF (12ME 6/2018)	[Column K]
	Power Supply System	Total Washington Amounts
		65.63%
P/T Allocation Percentages		
447 Sales for Resale	\$54,189	\$35,564
453 Sales of Water and Water Power	466	306
454 Misc Rents	0	0
456 Transmission Wheeling Revenue System	17,522	11,500
456 Transmission Wheeling Revenue Direct WA	0	0
456 Transmission Wheeling Revenue Direct ID	0	0
456 Other Electric Revenue	0	0
456 Other Electric Revenue-Direct WA	0	0
Total Revenue	72,177	47,370
501 Thermal Fuel Expense	29,154	19,134
546 Other Power Gen Supvsn & Eng	0	0
547 Other Fuel Expense	74,377	48,814
536 Water for Power	1,029	675
555 Purchased Power	111,499	73,177
549 Misc Other Gen Expense	0	0
550 Rents	0	0
556 System Control & Dispatch	0	0
557 Other Expenses	407	267
XXX Other Expenses-Direct WA	0	0
565 Trans. of Elec. by Others	17,595	11,548
Total Expense	234,061	153,614
Net Income Before Income Taxes	-161,884	-106,244
Federal Income Tax	35%	-37,186
Net Income		-\$69,060
<b>Net Revenue Requirement Impact</b>	<b>Including November Power Supply Update</b>	

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 09.2015 Historical Loads			Nov Update NET CHANGE 2018 PF	Nov Update NET CHANGE 2018 PF
Per Avista Rebuttal				
	2018 PF (12ME 6/2018)		Power Supply System	Total Washington Amounts
	Power Supply System	Total Washington Amounts		65.63%
P/T Allocation Percentages				
447 Sales for Resale	\$57,362	\$37,647	-\$3,173	-\$2,082
453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	16,128	10,585	\$1,394	\$915
456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	73,956	48,537	-1,779	-1,168
501 Thermal Fuel Expense	29,255	19,200	-\$101	-66
546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	78,650	51,618	-\$4,273	-2,804
536 Water for Power	1,029	675		0
555 Purchased Power	111,447	73,143	\$52	34
549 Misc Other Gen Expense	0	0		0
550 Rents	0	0		0
556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267		0
XXX Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	18,169	11,924	-\$574	-377
Total Expense	238,957	156,827	-4,896	-3,213
Net Income Before Income Taxes	-165,001	-108,290	3,117	2,046
Federal Income Tax	35%	-37,902		716
Net Income		-\$70,390		\$1,330
			CF 0.61931	\$2,147
			Change per 2017 Update	\$620
			<b>Incremental Decrease for 2018</b>	<b>1,527</b>

[USING HISTORICAL LOADS]



**ATTRITION ADJUSTMENT RELATED TO RETAIL REVENUE GROWTH AND ASSOCIATED POWER SUPPLY COST**

(000'S OF DOLLARS)

No Change --> [Column L]

Both columns updated with Nov. update - same change in expense and revenue should result in no net change to this adjustment column [L], page 4-5.

Including November Power Supply Update

Line No.	DESCRIPTION	(Note 1)	Revenue Growth and Power Supply Cost	Power Supply Cost Test Year Load	Power Supply Cost Rate Year Load	Incremental Power Supply Cost	Retail Revenue Growth
<b>REVENUES</b>							
1	Total General Business		9,382				9,382
2	Interdepartmental Sales		18				18
3	Sales for Resale		-3,099	35,564	32,465	-3,099	
4	Total Sales of Electricity		6,300	35,564	32,465	-3,099	9,399
5	Other Revenue		0	11,806	11,806	0	0
6	Total Electric Revenue		6,300	47,370	44,271	-3,099	9,399
<b>EXPENSES</b>							
<b>Production and Transmission</b>							
7	Operating Expenses		2	80,436	80,438	2	
8	Purchased Power		1,003	73,177	74,180	1,003	
9	Depreciation/Amortization						
10	Regulatory Amortization						
11	Taxes						
12	Total Production & Transmission		1,005	153,613	154,618	1,005	0
<b>Distribution</b>							
13	Operating Expenses						
14	Depreciation/Amortization						
15	Taxes	0.038473	361				361
16	Total Distribution		361	0	0	0	361
17	Customer Accounting	0.006739	63				63
18	Customer Service & Information						
19	Sales Expenses						
<b>Administrative &amp; General</b>							
20	Operating Expenses	0.002000	19				19
21	Depreciation/Amortization						
22	Taxes						
23	Total Admin. & General		19	0	0	0	19
24	Total Electric Expenses		1,448	153,613	154,618	1,005	443
25	OPERATING INCOME BEFORE FIT		4,852	-106,243	-110,347	-4,104	8,956
<b>FEDERAL INCOME TAX</b>							
26	Current Accrual		1,698	-37,185	-38,621	-1,436	3,135
27	Debt Interest						
28	Deferred Income Taxes						
29	Amortized ITC - Noxon						
30	NET OPERATING INCOME		3,154	-69,058	-71,726	-2,668	5,821

Note 1: 09.2015 Washington electric revenue conversion factor amounts.

[Adjusts for growth in power supply above historical load]

incremental load expense 2018

Attachment G (Electric 2018 Attrition Model Backup)

(See Revised Exhibit No. EMA-9)

Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 2018 Forecast Loads			Avista Corporation WA Power Supply Pro Forma Net Cost Rate Case Power Supply Adjustment Pro Forma - 2018 Forecast Loads			Nov Update NET CHANGE 2018 PF	Nov Update NET CHANGE 2018 PF
November 2016 PF Update			Per Avista Rebuttal				
	Updated PF Power Supply System	Total Washington Amounts 65.63%		Updated PF Power Supply System	Total Washington Amounts 65.63%		
P/T Allocation Percentages			P/T Allocation Percentages				
447 Sales for Resale	\$49,467	\$32,465	447 Sales for Resale	\$52,640	\$34,548	-\$3,173	-\$2,082
453 Sales of Water and Water Power	466	306	453 Sales of Water and Water Power	466	306		0
454 Misc Rents	0	0	454 Misc Rents	0	0		0
456 Transmission Wheeling Revenue System	17,522	11,500	456 Transmission Wheeling Revenue System	16,128	10,585	\$1,394	\$915
456 Transmission Wheeling Revenue Direct WA	0	0	456 Transmission Wheeling Revenue Direct WA	0	0		0
456 Transmission Wheeling Revenue Direct ID	0	0	456 Transmission Wheeling Revenue Direct ID	0	0		0
456 Other Electric Revenue	0	0	456 Other Electric Revenue	0	0		0
456 Other Electric Revenue-Direct WA	0	0	456 Other Electric Revenue-Direct WA	0	0		0
Total Revenue	67,455	44,271	Total Revenue	69,234	45,438	-1,779	-1,168
501 Thermal Fuel Expense	29,154	19,134	501 Thermal Fuel Expense	29,255	19,200	-\$101	-66
546 Other Power Gen Supvsn & Eng	0	0	546 Other Power Gen Supvsn & Eng	0	0		0
547 Other Fuel Expense	74,378	48,814	547 Other Fuel Expense	78,651	51,619	-\$4,273	-2,804
536 Water for Power	1,029	675	536 Water for Power	1,029	675		0
555 Purchased Power	113,028	74,180	555 Purchased Power	112,976	74,146	\$52	34
549 Misc Other Gen Expense	0	0	549 Misc Other Gen Expense	0	0		0
550 Rents	0	0	550 Rents	0	0		0
556 System Control & Dispatch	0	0	556 System Control & Dispatch	0	0		0
557 Other Expenses	407	267	557 Other Expenses	407	267		0
xxx Other Expenses-Direct WA	0	0	xxx Other Expenses-Direct WA	0	0		0
565 Trans. of Elec. by Others	17,595	11,548	565 Trans. of Elec. by Others	18,169	11,924	-\$574	-377
Total Expense	235,591	154,618	Total Expense	240,487	157,832	-4,896	-3,213
Net Income Before Income Taxes	-168,136	-110,348	Net Income Before Income Taxes	-171,253	-112,393	3,117	2,046
Federal Income Tax 35%		-38,622	Federal Income Tax 35%		-39,338		716
Net Income		-\$71,727	Net Income		-\$73,056		\$1,330
Net Revenue Requirement Impact	Including November Power Supply Update				CF 0.61931	\$2,147	\$2,147
					Change per 2017 Update	\$620	\$620
					Incremental Decrease for 2018	\$1,527	\$1,527
					Grossed Down	\$1,498	\$1,498

[USING FORECASTED LOADS]