

	PAYMENTS MADE TO JURISDICTIONS FOR ELECTRIC						ALLOCATION		
	Washington	Idaho	Montana	Oregon	Colstrip	Total	Washington	Idaho	Total
REVISSED (09.2015 PF/CC) Restated Property Tax Adj 2.02							64.71%	35.29%	(2015 Allocations)
<u>Restated</u>									
P/T:									
408150	3,106,947	1,246,463	7,355,994	2,707,182	2,890	14,419,476	9,330,843	5,088,633	14,419,476
408180	2,924,947	1,377,970	1,128,428	10,645		5,441,990	3,521,512	1,920,478	5,441,990
P/T Total	6,031,894	2,624,434	8,484,422	2,717,827	2,890	19,861,467	12,852,355	7,009,111	19,861,466
Dist:									
408170	6,967,877	3,093,283	-	-	-	10,061,160	6,967,877	3,093,283	10,061,160
Actual Per Results	12,999,771	5,717,717	8,484,422	2,717,827	2,890	29,922,627	19,820,232	10,102,394	29,922,626

	REVISSED (09.2015 PF/CC) Pro Forma Property Tax Adj 3.06						Allocations revised 1/1/2016	
	Washington	Idaho	Montana	Oregon	Colstrip	Total		
Pro Forma 2016	13,759,280	6,102,447	8,940,464	2,717,821	2,890	31,522,902	65.63%	34.37%
P/T:								
408150	3,288,470	1,330,335	7,751,383	2,707,176	2,890	15,080,253	9,897,170	5,183,083
408180	3,095,836	1,470,690	1,189,081	10,645		5,766,253	3,784,392	1,981,861
P/T	6,384,306	2,801,025	8,940,464	2,717,821	2,890	20,846,506	13,681,562	7,164,944
Dist:								
408170	7,374,974	3,301,422				10,676,396	7,374,974	3,301,422
	13,759,280	6,102,447	8,940,464	2,717,821	2,890	31,522,902	21,056,536	10,466,366

Adjustment									
P/T:									
408150	181,523	83,871	395,388	(6)	(0.15)	660,776	566,327	94,450	660,777
408180	170,889	92,720	60,654	(0)	-	324,263	262,880	61,383	324,263
P/T	352,412	176,591	456,042	(6)	(0)	985,039	829,207	155,833	985,040
Dist:									
408170	407,097	208,139	-	-	-	615,236	407,097	208,139	615,236
	759,509	384,730	456,042	(6)	(0)	1,600,275	1,236,304	363,972	1,600,276

	PAYMENTS MADE TO JURISDICTIONS FOR NATURAL GAS						ALLOCATION			
	Washington	Idaho	Montana	Oregon	Colstrip	Total	Washington	Idaho	Oregon	Total
REVISED (09.2015 PF/CC) Restated Property Tax Adj 2.02										
Restated										
U/G Storage (1):										
408190	316,755					316,755	201,773	54,482	60,500	316,755
Dist:										
408170	2,461,960	1,396,809		2,727,873		6,586,642	2,461,960	1,396,809	2,727,873	6,586,642
Actual Per Results	2,778,715	1,396,809	-	2,727,873	-	6,903,397	2,663,733	1,451,291	2,788,373	6,903,397
							U/G Storage Allocation		<----(2015 Allocations 2015)	
							Washington	Idaho	Oregon	
							63.70%	17.20%	19.10%	

	REVISED (09.2015 PF/CC) Pro Forma Property Tax Adj 3.04						Allocations revised 1/1/2016 <----(Allocations for 2016 forward)			
	Washington	Idaho	Montana	Oregon	Colstrip	Total	Washington	Idaho	Oregon	Total
Pro Forma 2016	3,019,433	1,515,366	-	2,651,000	-	7,185,799	63.84%	26.51%	9.65%	
U/G Storage:										
408190	344,195.25					344,195	219,739	91,242	33,215	344,196
Dist:										
408170	2,675,238	1,515,366	-	2,651,000		6,841,604	2,675,238	1,515,366	2,651,000	6,841,604
	3,019,433	1,515,366	-	2,651,000	-	7,185,799	2,894,977	1,606,608	2,684,215	7,185,800

Adjustment										
U/G Storage:										
408190	27,440	-	-	-	-	27,440	17,966	36,760	(27,285)	27,441
Dist:										
408170	213,278	118,557	-	(76,873)	-	254,962	213,278	118,557	(76,873)	254,962
	240,718	118,557	-	(76,873)	-	282,402	231,244	155,317	(104,158)	282,403

Bench Request 10.2 - Attachment A

Pro Forma Property Tax Adjustment 3.06 (electric)
and 3.04 (natural gas)

Book Value as of Accrual year	CY 2013 2014	CY 2014 2015	CY 2015 2016	CY 2016 2017
Electric		(Restated)	(PF 2016)	(CC 2017)
Washington				
Beginning Balance		898,630	1,070,855	1,133,420
Changes	133,121	172,225	62,565	83,821
Tax Basis	898,630	1,070,855	1,133,420	1,217,240
Tax Rate	0.012560	0.012140	0.012140	0.012140
Total Actual Taxes Paid	\$ 11,287	\$ 13,000	\$ 13,759	\$ 14,777
Idaho				
Beginning Balance	468,663	469,395	504,910	538,884
Changes	732	35,515	33,974	45,448
Tax Basis	469,395	504,910	538,884	584,332
Tax Rate	0.011591	0.011324	0.011324	0.011324
Total Actual Taxes Paid	\$ 5,441	\$ 5,718	\$ 6,102	\$ 6,617
Montana				
Beginning Balance	24,674	24,737	22,376	23,579
Changes	63	(2,361)	1,203	1,466
Tax Basis	24,737	22,376	23,579	25,045
Tax Rate	0.341868	0.379175	0.379175	0.379175
Total Actual Taxes Paid	\$ 8,457	\$ 8,484	\$ 8,940	\$ 9,496
Oregon				
Beginning Balance	1,002	1,190	1,131	1,131
Changes	188	(59)	-	-
Tax Basis	1,190	1,131	1,131	1,131
Tax Rate	0.009565	0.009256	0.009256	0.009256
Total Actual Taxes Paid	\$ 11	\$ 10	\$ 10	\$ 10
Beginning Balance	127,298	151,210	151,669	151,669
Changes	23,912	459	-	-
Coyote	\$ 151,210	\$ 151,669	\$ 151,669	\$ 151,669
Tax Rate	0.016704	0.017850	0.009256	0.009256
Coyote	\$ 2,526	\$ 2,707	\$ 2,707	\$ 2,770
	1,545,162	1,750,941	1,848,682	Tax Basis 1,979,418

Bench Request 10.2 - Attachment A

Pro Forma Property Tax Adjustment 3.06 (electric)
and 3.04 (natural gas)

Book Value as of Accrual year	CY 2013	CY 2014	CY 2015	CY 2016
	2014	2015	2016	2017
Gas		(Restated)	(PF 2016)	(CC 2017)
Washington				
Beginning Balance	189,501	223,370	216,346	235,087
Changes	33,869	(7,025)	18,742	16,979
Tax Basis	223,370	216,346	235,087	252,066
Tax Rate	0.013168	0.012844	0.012844	0.012844
Total Taxes Paid	\$ 2,941	\$ 2,779	\$ 3,019	\$ 3,238
Idaho				
Beginning Balance	85,832	92,701	96,667	104,872
Changes	6,870	3,966	8,205	7,433
Tax Basis	92,701	96,667	104,872	112,305
Tax Rate	0.014420	0.014450	0.014450	0.014450
Total Taxes Paid	\$ 1,337	\$ 1,397	\$ 1,515	\$ 1,623
Oregon				
Beginning Balance	168,937	184,700	209,500	209,500
Changes	15,763	24,800	-	-
Tax Basis	184,700	209,500	209,500	209,500
Tax Rate	0.012880	0.012654	0.012654	0.012654
Total Taxes Paid	\$ 2,379	\$ 2,651	\$ 2,651	\$ 2,651
	\$ 29,920	\$ 31,520	\$ 33,671	
	\$ 6,827	\$ 7,186	\$ 7,511	
	\$ 36,746	\$ 38,706	\$ 41,182	

Bench Request 10.2 - Attachment A

2015 as of 03/29/2016 Form A Property Tax Adjustment 3.06 (electric) and 3.04 (natural gas)

BOOK VALUE @ DEC YEAR ASSESSED YEAR TAX ACCRUED YEAR TAX PAYABLE (oregon & california)	in thousands		in thousands		in thousands		in thousands		in thousands	
	2012	2013	2013	2014	2014	2015	2015	2016	2016	2017
	2013	2014	2013-2014	2014-2015	2015-2016	2016-2017	2017	2016-2017	2017-2018	2017
	2013 ACTUALS	2014 ACTUALS		2014 ACTUALS		2015 ACTUALS		2016 Expected		2017 Expected
WASHINGTON - ELECTRIC										
HIST COST INDICATOR	1,800,000	2,000,000		2,000,000		2,275,000		2,275,000		2,408,129
ESTIMATED SYSTEM VALUE										
ADD : NET ADDITIONS TO PLANT								338,100		310,837
LESS: Intangibles Other								-104,054		-31,087
ADD : Smart Grid CIAC										
LESS : Vehicles								-5,023		-5,660
LESS : DEPR EST								-95,895		-96,000
TAXABLE PERCENTAGE	95.9272%	96.50380%		96.50380%		97.7901%		97.7901%		97.7901%
STATE ALLOCATION %	47.6190%	49.86650%		49.86650%		51.8811%		51.8811%		51.8811%
ALLOCATED VALUE	822,232	962,461		962,461		1,154,211		1,221,753		1,312,107
add:adjustments						101				
GROSS ASSESSED VALUE	822,232	962,461		962,461		1,154,312		1,221,753		1,312,107
equalization factor	0.9310	0.934		0.934		0.928		0.928		0.928
ASSESSED VALUE	765,509	898,630		898,630		1,070,855		1,133,420		1,217,240
OTHER	0	0		0		0		0		0
TAX RATE	-2.0%	1.2%		0.01256		-3.3%	0.01214	0.00%	0.01214	0.01214
TAX	9,502	11,287		11,287		13,000		13,759		14,777

	2013 Actual	2014 Actual		2014 Actual		2015 Actual		2016 Expected		2017 Expected
IDAHO - ELECTRIC										
HIST COST INDICATOR	1,871,167	1,892,078		1,892,078		2,018,725		2,018,725		2,151,854
ESTIMATED SYSTEM VALUE										
ADD : NET ADDITIONS TO PLANT								338,100		310,837
LESS: Intangibles Other								-104,054		-31,087
ADD : Smart Grid CIAC								0		0
LESS : Vehicles								-5,023		-5,660
LESS : DEPR EST								-95,895		-96,000
LESS : OTHER										
TAXABLE PERCENTAGE	100.0000%	100.0000%		100.0000%		100.0000%		100.0000%		100.0000%
STATE ALLOCATION %	25.5461%	25.3170%		25.3170%		25.5197%		25.5197%		25.5197%
ALLOCATED VALUE	478,010	479,017		479,017		515,172		549,146		594,594
add:adjustments	-9,347	-9,622		-9,622		-10,262		-10,262		-10,262
GROSS ASSESSED VALUE	468,663	469,395		469,395		504,910		538,884		584,332
RATIO	1.00	1.00		1.00		1.00		1.00		1.00
ASSESSED VALUE	468,663	469,395		469,395		504,910		538,884		584,332
TAX RATE	4.1%	1.4%		0.01159		-2.3%	0.01132	0.00%	0.01132	0.01132
TAX	5,359	5,441		5,441		5,718		6,102		6,617

	2013 Actual	2014 Actual		2014 Actual		2015 Actual		2016 Expected		2017 Expected
	(combine E & G)	(combine E & G)		(combine E & G)		(combine E & G)		(combine E & G)		(combine E & G)
MONTANA - ELECTRIC										
HIST COST INDICATOR - after IPP reduction	2,700,000	2,973,000		2,973,000		3,318,000		3,318,000		3,494,443
ADD : NET ADDITIONS TO PLANT - E & G	2,430,000	2,676,000		2,676,000		2,987,000		298,932		340,330
ADD : Smart Grid CIAC										
LESS : DEPR EST								-122,489		-123,000
LESS : INTANGIBLE EST								-349,444		-371,177
TAXABLE PERCENTAGE	2,430,000	2,676,000		2,676,000		2,987,000		3,144,999		3,340,596
STATE ALLOCATION %	100.0000%	100.0000%		100.0000%		100.0000%		100.0000%		100.0000%
ALLOCATED VALUE	15.2635%	14.1817%		14.1817%		11.5508%		11.5508%		11.5508%
add: adjustments	370,904	379,502		379,502		345,023		363,274		385,867
EQUALIZATION FACTOR	-280	-288		-288		-277		0		0
GROSS MARKET VALUE	1.00	1.00		1.00		1.00		1.00		1.00
RATIO	370,624	379,214		379,214		344,747		363,274		385,867
taxable VALUE	0.0666	0.0652		0.0652		0.0649		0.0649		0.0649
adjustments	24,674	24,737		24,737		22,376		23,579		25,045
taxable value	0	0		0		0		0		0
TAX RATE	5.0%	3.3%		0.34187		10.9%	0.379175	0.00%	0.37918	0.37918
TAX	8,163	8,457		8,457		8,484		8,940		9,496

Bench Request 10.2 - Attachment A

OREGON - ELECTRIC	Pro Forma Property Tax Adjustment 3.06 (electric) and 3.04 (natural gas)					
	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Expected	17/18 Expected	17/18 Expected
HIST COST INDICATOR	(Imnaha transmission line)	(Imnaha transmission line)	(Imnaha transmission line)	(Imnaha transmission line)	(Imnaha transmission line)	(Imnaha transmission line)
ESTIMATED SYSTEM VALUE	1,002	1,190	1,131	1,131	1,131	1,131
ADD : LOLO-OXBOW TRANSMISSION LINE - LOCATION 640 (ptrn in	0	0	0	0	0	0
LESS : DEPR EST	0	0	0	0	0	0
TAXABLE PERCENTAGE	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%
STATE ALLOCATION %	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%
ALLOCATED VALUE	1,002	1,190	1,131	1,131	1,131	1,131
add: adjustments						
EQUALIZATION FACTOR	1.00	1.00	1.00	1.00	1.00	1.00
GROSS MARKET VALUE	1,002	1,190	1,131	1,131	1,131	1,131
RATIO	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
taxable VALUE	1,002	1,190	1,131	1,131	1,131	1,131
ADD: POLL CONTROL EQUIP	0	0	0	0	0	0
taxable value	1,002	1,190	1,131	1,131	1,131	1,131
TAX RATE	-0.2% 0.00930	2.9% 0.00957	-3.2% 0.00926	0.00% 0.00926	0.00926	0.00926
TAX	9	11	10.5	10	10	10

OREGON - ELECTRIC	Pro Forma Property Tax Adjustment 3.06 (electric) and 3.04 (natural gas)					
	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Expected	17/18 Expected	17/18 Expected
HIST COST INDICATOR	Coyote Springs II & misc	Coyote Springs II & misc	Coyote Springs II & misc	Coyote Springs II & misc	Coyote Springs II & misc	Coyote Springs II & misc
ADD : NET ADDITIONS TO PLANT	127,298	151,210	151,669	151,669	151,669	151,669
LESS : DEPR				0	3,500	0
ADD : 100% CS II GENERATING PLANT March 1, 2003 ?	0		0	0	0	0
STATE ALLOCATION %	na	na	na	na	na	na
Other Misc property taxes	0	0	0	0	0	0
In Lieu of Ad Valorem Taxes for 5 year starting in 2003 - Flat Rate						
Estimated levy rate	-1.2% 0.01720	-2.9% 0.01670	6.9% 0.01785	0.00% 0.01785	0.01785	0.01785
% ownership of plant	100%	100%	100%	100%	100%	100%
Tax due from Avista Corp	2,189	2,526	2,707.4	2,707	2,770	2,770

Bench Request 10.2 - Attachment A

Pro Forma Property Tax Adjustment 3.06 (electric) and 3.04 (natural gas)

WASHINGTON - GAS	
HIST COST INDICATOR	
ESTIMATED SYSTEM VALUE	435,000
ADD : NET ADDITIONS TO PLANT	
LESS : DEPR EST	
TAXABLE PERCENTAGE	96.6855%
STATE ALLOCATION %	47.4523%
ALLOCATED VALUE	199,576
add: adjustments	
GROSS ASSESSED VALUE	199,576
RATIO	94.9519%
ASSESSED VALUE	189,501
TAX RATE	0.01290
TAX	2,444

2013 Actuals		2014 Actuals		2015 Actuals		2016 Expected	2017 Expected
		515,000		500,000		500,000	543,315
				0		69,908	66,240
				0		-26,594	-27,000
		96.2224%		96.5517%		96.5517%	96.5517%
		47.3769%		47.7573%		47.7573%	47.7573%
		234,774		230,553		250,525	268,619
		234,774		230,553		250,525	268,619
		95.1426%		93.8378%		93.8378%	93.8378%
		223,370		216,346		235,087	252,066
0.2%	2.1%	0.01317	-2.5%	0.01284	0.00%	0.01284	0.01284
		2,941		2,779		3,019	3,238

IDAHO - GAS	
HIST COST INDICATOR	
ESTIMATED SYSTEM VALUE	451,330
ADD : NET ADDITIONS TO PLANT	
LESS : DEPR EST	
TAXABLE PERCENTAGE	100.0000%
STATE ALLOCATION %	19.0175%
ALLOCATED VALUE	85,832
add: adjustments	
GROSS ASSESSED VALUE	85,832
RATIO	1.00
ASSESSED VALUE	85,832
TAX RATE	0.01462
TAX	1,255

2013 Actual		2014 Actual		2015 Actual		2016 Expected	2017 Expected
		489,356		510,289		510,289	553,604
						69,908	66,240
						-26,594	-27,000
		100.0000%		100.0000%		100.0000%	100.0000%
		18.9435%		18.9435%		18.9435%	18.9435%
		92,701		96,667		104,872	112,305
		92,701		96,667		104,872	112,305
		1.00		1.00		1.00	1.00
		92,701		96,667		104,872	112,305
1.8%	-1.4%	0.01442	0.2%	0.01445	0.00%	0.01445	0.01445
		1,337		1,397		1,515	1,623

OREGON - GAS	
HIST COST OREGON	
ESTIMATED STATE VALUE	168,937
ADD : NET ADDITIONS TO PLANT	
LESS : DEPR EST	
TAXABLE PERCENTAGE	100.0000%
STATE ALLOCATION %	100.0000%
STATE VALUE	168,937
Adjustments:	
	100.00%
GROSS ASSESSED VALUE	168,937
RATIO	1.000
ASSESSED VALUE	168,937
TAX RATE	0.01265
TAX	2,137

13/14 Actual		14/15 Actual		15/16 Actual		16/17 Expected	17/18 Expected
		184,700		209,500		209,500	209,500
						0	0
						0	0
		100.0000%		100.0000%		100.0000%	100.0000%
		100.0000%		100.0000%		100.0000%	100.0000%
		184,700		209,500		209,500	209,500
		184,700		209,500		209,500	209,500
		1.000		1.000		1.000	1.000
		184,700		209,500		209,500	209,500
0.1%	1.8%	0.01288	-1.8%	0.01265	0.00%	0.01265	0.01265
		2,379		2,651		2,651	2,651

Bench Request 10.2 - Attachment A

Pro Forma Property Tax Adjustment 3.06 (electric) and 3.04 (natural gas)

PROPERTY TAX ESTIMATES FOR <u>2016-2020 5YR FORECAST</u>		2014		2015			
To Rosemary Coulson on April 11, 2016		at 10/13/2015		at 3/29/2016			
SUMMARY:		Actual	Actual	Actual			
		2013	2014	2015		2016	2017
ELECTRIC:							
WASHINGTON	9,502	11,287	13,000		13,759	14,777	
EST ADJ TO WASH							
IDAHO	5,359	5,441	5,718		6,102	6,617	
MONTANA	8,163	8,457	8,484		8,940	9,496	
OREGON - Transm line only	9	11	10.5		10	10	
OREGON - Coyote Springs II	2,189	2,526	2,707		2,707	2,770	
SUBTOTAL	25,223	27,722	29,920		31,520	33,671	
GAS:							
WASHINGTON	2,444	2,941	2,779		3,019	3,238	
IDAHO	1,255	1,337	1,397		1,515	1,623	
OREGON	2,137	2,379	2,651		2,651	2,651	
OTHER	0	0	0		0	0	
SUBTOTAL	5,837	6,657	6,827		7,186	7,511	
TOTAL EST TAX	31,059	34,379	36,746		38,706	41,182	
	3,210	3,320	2,368		Uses 2% levy increases 1,959	Uses 2% levy increases 2,476	