

**Exhibit No. JH-8
Dockets UE-160228/UG-160229
Witness: Joanna Huang**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-160228 and
UG-160229 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

JOANNA HUANG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Pro Forma Property Tax (Adjustments 3.06 Electric, 3.04 Gas)

August 17, 2016

Line No.	DESCRIPTION	Pro Forma
		Property Tax
	Adjustment Number	3.06
	Workpaper Reference	E-PPT
	REVENUES	
1	Total General Business	\$0
2	Interdepartmental Sales	-
3	Sales for Resale	-
4	Total Sales of Electricity	-
5	Other Revenue	-
6	Total Electric Revenue	-
	EXPENSES	
	Production and Transmission	
7	Operating Expenses	-
8	Purchased Power	-
9	Depreciation/Amortization	-
10	Regulatory Amortization	-
11	Taxes	637
12	Total Production & Transmission	637
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Regulatory Amortization	-
16	Taxes	407
17	Total Distribution	407
18	Customer Accounting	-
19	Customer Service & Information	-
20	Sales Expenses	-
	Administrative & General	
21	Operating Expenses	-
22	Depreciation/Amortization	-
23	Taxes	-
24	Total Admin. & General	-
25	Total Electric Expenses	1,044
26	OPERATING INCOME BEFORE FIT	(1,044)
	FEDERAL INCOME TAX	
27	Current Accrual	(365)
28	Debt Interest	-
29	Deferred Income Taxes	-
30	Amortized ITC - Noxon	-
31	NET OPERATING INCOME	(\$679)
	RATE BASE	
	PLANT IN SERVICE	
32	Intangible	\$0
33	Production	-
34	Transmission	-
35	Distribution	-
36	General	-
37	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
38	Intangible	-
39	Production	-
40	Transmission	-
41	Distribution	-
42	General	-
43	Total Accumulated Depreciation	-
44	NET PLANT	-
45	DEFERRED TAXES	-
46	Net Plant After DFIT	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-
48	WORKING CAPITAL	-
49	TOTAL RATE BASE	\$0

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Property Tax
	Adjstment Number	3.04
	Workpaper Reference	G-PPT
	REVENUES	
1	Total General Business	\$ -
2	Total Transportation	-
3	Other Revenues	-
4	Total Gas Revenues	-
	EXPENSES	
	Production Expenses	
5	City Gate Purchases	-
6	Purchased Gas Expense	-
7	Net Nat Gas Storage Trans	-
8	Total Production	-
	Underground Storage	
9	Operating Expenses	-
10	Depreciation/Amortization	-
11	Taxes	17
12	Total Underground Storage	17
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	213
16	Total Distribution	213
17	Customer Accounting	-
18	Customer Service & Information	-
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	-
21	Depreciation/Amortization	-
22	Regulatory Amortizations	-
23	Taxes	-
24	Total Admin. & General	-
25	Total Gas Expense	230
26	OPERATING INCOME BEFORE FIT	(230)
	FEDERAL INCOME TAX	
27	Current Accrual	(81)
28	Debt Interest	-
29	Deferred FIT	-
30	Amort ITC	-
31	NET OPERATING INCOME	\$ (150)
	RATE BASE	
	PLANT IN SERVICE	
32	Underground Storage	\$ -
33	Distribution Plant	-
34	General Plant	-
35	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
36	Underground Storage	-
37	Distribution Plant	-
38	General Plant	-
39	Total Accumulated Depreciation/Amortization	-
40	NET PLANT	-
41	DEFREED TAXES	-
42	Net Plant After DFIT	-
43	GAS INVENTORY	-
44	GAIN ON SALE OF BUILDING	-
45	OTHER	-
46	WORKING CAPITAL	-
47	TOTAL RATE BASE	\$ -

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/08/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Jennifer Smith
REQUESTER:	UTC Staff - Huang	RESPONDER:	Ryan Finesilver
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Staff – 096 Supplemental	TELEPHONE:	(509) 495-4873
		EMAIL:	ryan.finesilver@avistacorp.com

REQUEST:

Please update the pro forma property tax adjustment using actual tax rate for Column X, in worksheet “2015 2016 - #3 on Jan 7 2016”, under Excel file “PF 2016 – HPA-1”, in Ms. Jennifer Smith’s workpaper.

RESPONSE:

Please see Staff_DR_096 Attachment A and B. The impact of restating the Pro Forma Property Tax adjustment, from that previously included in the Company’s direct filing, reduces property tax expense for 2016 by approximately \$38,000 electric and \$128,000 Natural Gas. See Avista’s response to Staff_DR_095 for the revised Restating Property Tax Adjustment (2.02).

Supplemental – 07/09/2016

The Restated Expenses in the Natural Gas Pro Forma Property Tax Adjustment (G-RPT) contained incorrect values. The correct values have been included in Staff_DR_096 Attachment A Supplemental. Note no changes are being made to the Electric adjustment (E-RPT).

PAYMENTS MADE TO JURISDICTIONS FOR NATURAL GAS

ALLOCATION

	Washington	Idaho	Montana	Oregon	Colstrip	Total	Washington	Idaho	Oregon	Total
Restated Expenses										
408190	316,755					316,755	201,773	54,482	60,500	316,755
Dist:										
408170	2,461,960	1,396,802	-	2,651,000		6,509,762	2,461,960	1,396,802	2,651,000	6,509,762
Actual Per Results										
	2,778,715	1,396,802	-	2,651,000	-	6,826,517	2,663,733	1,451,284	2,711,500	6,826,517

Washington 63.70%
Idaho 17.20%
Oregon 19.10%

ProForma Expenses	3,019,433	1,515,366		2,651,000		7,185,799				
U/G Storage:										
408190	344,195					344,195	219,252	59,202	65,741	344,195
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	2,894,490	1,574,568	2,716,741	7,185,799

Adjustment										
U/G Storage:										
408190	27,440					27,440	17,479	4,720	5,241	27,440
Dist:										
408170	213,278	118,564	-	-	-	331,842	213,278	118,564	-	331,842
	240,718	118,564	-	-	-	359,282	230,757	123,284	5,241	359,282

Prep by: _____ 1st Review: _____

Date: 7/11/2016 Mgr. Review: _____

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/08/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Jennifer Smith
REQUESTER:	UTC Staff - Huang	RESPONDER:	Ryan Finesilver
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Staff - 096	TELEPHONE:	(509) 495-4873
		EMAIL:	ryan.finesilver@avistacorp.com

REQUEST:

Please update the pro forma property tax adjustment using actual tax rate for Column X, in worksheet "2015 2016 - #3 on Jan 7 2016", under Excel file "PF 2016 - HPA-1", in Ms. Jennifer Smith's workpaper.

RESPONSE:

Please see Staff_DR_096 Attachment A and B. The impact of restating the Pro Forma Property Tax adjustment, from that previously included in the Company's direct filing, reduces property tax expense for 2016 by approximately \$38,000 electric and \$128,000 Natural Gas. See Avista's response to Staff_DR_095 for the revised Restating Property Tax Adjustment (2.02).

PAYMENTS MADE TO JURISDICTIONS FOR ELECTRIC							ALLOCATION		
	Washington	Idaho	Montana	Oregon	Colstrip	Total	64.71%	35.29%	
							Washington	Idaho	
									Total
P/T:									
408150	3,106,945	1,246,464	7,356,059	2,707,176	2,890	14,419,534	9,330,880	5,088,653	14,419,533
408180	2,924,946	1,377,970	1,128,438	10,645		5,442,000	3,521,518	1,920,482	5,442,000
P/T Total	6,031,892	2,624,434	8,484,496	2,717,821	2,890	19,861,533	12,852,398	7,009,135	19,861,533
Dist:									
408170	6,967,874	3,093,284				10,061,158	6,967,874	3,093,284	10,061,158
Actual Per Results	12,999,766	5,717,718	8,484,496	2,717,821	2,890	29,922,691	19,820,272	10,102,419	29,922,691

ProForma Expenses	13,759,280	6,102,447	8,940,464	2,717,821	2,890	31,522,902			
P/T:									
408150	3,288,469	1,330,335	7,751,383	2,707,176	2,890	15,080,252	9,758,431	5,321,821	15,080,252
408180	3,095,837	1,470,690	1,189,081	10,645		5,766,254	3,731,343	2,034,911	5,766,254
P/T	6,384,306	2,801,025	8,940,464	2,717,821	2,890	20,846,506	13,489,774	7,356,732	20,846,506
Dist:									
408170	7,374,974	3,301,422				10,676,396	7,374,974	3,301,422	10,676,396
	13,759,280	6,102,447	8,940,464	2,717,821	2,890	31,522,902	20,864,748	10,658,154	31,522,902

Adjustment									
P/T:									
408150	181,524	83,871	395,324	(0)	(0)	660,719	427,551	233,168	660,719
408180	170,891	92,720	60,644	(0)	-	324,254	209,825	114,429	324,254
P/T	352,415	176,591	455,968	(0)	(0)	984,973	637,376	347,597	984,973
Dist:									
408170	407,100	208,138	-	-	-	615,238	407,100	208,138	615,238
	759,514	384,729	455,968	(0)	(0)	1,600,211	1,044,476	555,735	1,600,211

1st Review: _____

Prep by: _____

Date: 6/9/2016

Mgr. Review: _____

Page 1 of 2

PAYMENTS MADE TO JURISDICTIONS FOR NATURAL GAS

	<u>Washington</u>	<u>Idaho</u>	<u>Montana</u>	<u>Oregon</u>	<u>Colstrip</u>	<u>Total</u>	<u>Washington</u>	<u>Idaho</u>	<u>Oregon</u>	<u>Total</u>
408190	336,146					336,146	214,125	57,817	64,204	336,146
Dist:										
408170	2,612,678	1,396,802	-	2,651,000		6,660,481	2,612,678	1,396,802	2,651,000	6,660,481
Actual Per Results	2,948,824	1,396,802	-	2,651,000	-	6,996,627	2,826,803	1,454,619	2,715,204	6,996,627

Washington 63.70%
Idaho 17.20%
Oregon 19.10%

ProForma Expenses	3,019,433	1,515,366		2,651,000		7,185,799				
U/G Storage:										
408190	344,195					344,195	219,252	59,202	65,741	344,195
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	2,894,490	1,574,568	2,716,741	7,185,799

Adjustment										
U/G Storage:										
408190	8,049					8,049	5,127	1,385	1,537	8,049
Dist:										
408170	62,560	118,564				181,123	62,560	118,564		181,123
	70,609	118,564				189,172	67,687	119,949	1,537	189,172

Prep by: _____ 1st Review: _____