

**Avista Corp.**

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VIA ELECTRONIC MAIL

April 28, 2017

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
PO Box 47250
Olympia, WA 98504-7250

RE: Avista Utilities 2016 Natural Gas Commission Basis Report Pursuant to
WAC 480-090-257

Dear Mr. King:

Enclosed for filing is an electronic copy of Avista Utilities 2016 Natural Gas Commission Basis Report. The original and two copies are being provided via overnight mail. The Company's report is being filed pursuant to WAC 480-090-257 and is based on the period of twelve months ended December 31, 2016. This report is being supplied for informational purposes only.

If you have any questions, please contact me at (509) 495-8601.

Sincerely,

A handwritten signature in black ink, appearing to read "Liz M. Andrews", is written over the typed name.

Liz M. Andrews
Senior Manager, Revenue Requirements

Enclosure

SUMMARY
CBR 12/2016 Natural Gas

AVISTA UTILITIES
Washington Gas
(000's OF DOLLARS)
TWELVE MONTHS ENDED DECEMBER 31, 2016

Column	WP Ref	Description	Washington Gas		
			NOI	Rate Base	ROR
Restating adjustments					
1.00	G-ROO	Per Results Report	\$23,458	\$287,786	
1.01	G-DFIT	Deferred FIT Rate Base	(3)	(325)	
1.02	G-DDC	Deferred Debits & Credits	(1)	0	
1.03	G-WC	Working Capital	(8)	(864)	
2.01	G-EBO	Eliminate B & O Taxes	(21)	0	
2.02	G-PT	Restate Property Tax	(244)	0	
2.03	G-UE	Uncollectible Expense	384	0	
2.04	G-RE	Regulatory Expense	2	0	
2.05	G-ID	Injuries and Damages	(49)	0	
2.06	G-FIT	FIT / DFIT Expense	0	0	
2.07	G-OSC	Office Space Charges to Non-Utility	6	0	
2.08	G-RET	Restate Excise Taxes	(1)	0	
2.09	G-NGL	Net Gains/Losses	8	0	
2.10	G-WN	Weather Normalization	(3)	0	
2.11	G-EAS	Eliminate Adder Schedules	(310)	0	
2.12	G-MR	Misc Restating	205	0	
2.13	G-CA	Project Compass Amortization	(701)	0	
2.14	G-RI	Restating Incentives	117	0	
2.15	G-DI	Restate Debt Interest	(11)	0	
CB Restated Total			\$22,827	\$286,597	7.96%

CF Conversion Factor

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits & Credits	Working Capital	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense	
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03	
	Worksheet Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-PT	G-UE	
	REVENUES								
1	Total General Business	\$ 146,098	\$ -	\$ -	\$ -	(5,097)	\$ -	\$ -	
2	Total Transportation	4,595	-	-	-	(118)	-	-	
3	Other Revenues	69,723	-	-	-	-	-	-	
4	Total Gas Revenues	220,416	-	-	-	(5,215)	-	-	
	EXPENSES								
	Production Expenses								
5	City Gate Purchases	112,605	-	-	-	-	-	-	
6	Purchased Gas Expense	988	-	-	-	-	-	-	
7	Net Nat Gas Storage Trans	2,932	-	-	-	-	-	-	
8	Total Production	116,525	-	-	-	-	-	-	
	Underground Storage								
9	Operating Expenses	974	-	-	-	-	-	-	
10	Depreciation/Amortization	492	-	-	-	-	-	-	
11	Taxes	210	-	-	-	-	-	-	
12	Total Underground Storage	1,676	-	-	-	-	-	-	
	Distribution								
13	Operating Expenses	12,049	-	-	-	-	-	-	
14	Depreciation/Amortization	9,866	-	-	-	-	-	-	
15	Taxes	12,807	-	-	-	(5,183)	375	-	
16	Total Distribution	34,722	-	-	-	(5,183)	375	-	
17	Customer Accounting	7,351	-	2	-	-	-	(590)	
18	Customer Service & Information	7,596	-	-	-	-	-	-	
19	Sales Expenses	-	-	-	-	-	-	-	
	Administrative & General								
20	Operating Expenses	13,763	-	-	-	-	-	-	
21	Depreciation/Amortization	6,260	-	-	-	-	-	-	
22	Regulatory Amortizations	-	-	-	-	-	-	-	
23	Taxes	-	-	-	-	-	-	-	
24	Total Admin. & General	20,023	-	-	-	-	-	-	
25	Total Gas Expense	187,893	-	2	-	(5,183)	375	(590)	
26	OPERATING INCOME BEFORE FIT	32,523	-	(2)	-	(32)	(375)	590	
	FEDERAL INCOME TAX								
27	Current Accrual	(841)	-	(1)	-	(11)	(131)	207	
28	Debt Interest	-	3	-	8	-	-	-	
29	Deferred FIT	9,923	-	-	-	-	-	-	
30	Amort ITC	(17)	-	-	-	-	-	-	
31	NET OPERATING INCOME	\$ 23,458	\$ (3)	\$ (1)	\$ (8)	\$ (21)	\$ (244)	\$ 384	
	RATE BASE								
	PLANT IN SERVICE								
32	Underground Storage	\$ 26,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
33	Distribution Plant	390,508	-	-	-	-	-	-	
34	General Plant	82,624	-	-	-	-	-	-	
35	Total Plant in Service	500,000	-	-	-	-	-	-	
	ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	(10,318)	-	-	-	-	-	-	
37	Distribution Plant	(129,098)	-	-	-	-	-	-	
38	General Plant	(23,473)	-	-	-	-	-	-	
39	Total Accumulated Depreciation/Amortization	(162,889)	-	-	-	-	-	-	
40	NET PLANT	337,111	-	-	-	-	-	-	
41	DEFERRED TAXES	(73,856)	(325)	-	-	-	-	-	
42	Net Plant After DFIT	263,255	(325)	-	-	-	-	-	
43	GAS INVENTORY	9,116	-	-	-	-	-	-	
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	
45	OTHER	(249)	-	-	-	-	-	-	
46	WORKING CAPITAL	15,664	-	-	(864)	-	-	-	
47	TOTAL RATE BASE	\$ 287,786	\$ (325)	\$ -	\$ (864)	\$ -	\$ -	\$ -	
48	RATE OF RETURN	8.15%							

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT / DFIT Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains/Losses
	Adjstment Number	2.04	2.05	2.06	2.07	2.08	2.09
	Workpaper Reference	G-RE	G-ID	G-FIT	G-OSC	G-RET	G-NGL
	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	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-
	Distribution						
13	Operating Expenses	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-
15	Taxes	-	-	-	-	2	-
16	Total Distribution	-	-	-	-	2	-
17	Customer Accounting	-	-	-	-	-	-
18	Customer Service & Information	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	(3)	76	-	(9)	-	(13)
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	(3)	76	-	(9)	-	(13)
25	Total Gas Expense	(3)	76	-	(9)	2	(13)
26	OPERATING INCOME BEFORE FIT	3	(76)	-	9	(2)	13
	FEDERAL INCOME TAX						
27	Current Accrual	1	(27)	-	3	(1)	5
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 2	\$ (49)	\$ -	\$ 6	\$ (1)	\$ 8
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN						

AVISTA UTILITIES
 WASHINGTON NATURAL GAS RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2016
 ('000'S OF DOLLARS)

Line No.	DESCRIPTION	Weather Normalization	Eliminate Adder Schedules	Misc Restating	Project Compass Amortization	Restating Incentives	Restate Debt Interest	CB Restated 12/31/2016 AMA Total
	Adjustment Number Workpaper Reference	2.10 G-WN	2.11 G-EAS	2.12 G-MR	2.13 G-CA	2.14 G-RI	2.15 G-DI	R-Ttl
REVENUES								
1	Total General Business	\$ 11,209	\$ (1,240)	\$ -	\$ -	\$ -	\$ -	\$ 150,970
2	Total Transportation	-	-	-	-	-	-	4,477
3	Other Revenues	(5,427)	(63,276)	-	-	-	-	1,020
4	Total Gas Revenues	5,782	(64,516)	-	-	-	-	156,467
EXPENSES								
Production Expenses								
5	City Gate Purchases	5,274	(54,419)	-	-	-	-	63,460
6	Purchased Gas Expense	6	-	-	-	-	-	994
7	Net Nat Gas Storage Trans	-	(2,932)	-	-	-	-	-
8	Total Production	5,280	(57,351)	-	-	-	-	64,454
Underground Storage								
9	Operating Expenses	-	-	-	-	-	-	974
10	Depreciation/Amortization	-	-	-	-	-	-	492
11	Taxes	-	-	-	-	-	-	210
12	Total Underground Storage	-	-	-	-	-	-	1,676
Distribution								
13	Operating Expenses	-	-	1	-	-	-	12,050
14	Depreciation/Amortization	-	-	-	-	-	-	9,866
15	Taxes	430	(48)	-	-	-	-	8,383
16	Total Distribution	430	(48)	1	-	-	-	30,299
17	Customer Accounting	54	(6)	-	-	-	-	6,811
18	Customer Service & Information	-	(6,632)	-	-	-	-	964
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	22	(2)	(316)	-	(180)	-	13,338
21	Depreciation/Amortization	-	-	-	-	-	-	6,260
22	Regulatory Amortizations	-	-	-	1,079	-	-	1,079
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	22	(2)	(316)	1,079	(180)	-	20,677
25	Total Gas Expense	5,786	(64,039)	(315)	1,079	(180)	-	124,881
26	OPERATING INCOME BEFORE FIT	(4)	(477)	315	(1,079)	180	-	31,586
FEDERAL INCOME TAX								
27	Current Accrual	(1)	(167)	110	(378)	63	11	(1,158)
28	Debt Interest	-	-	-	-	-	-	11
29	Deferred FIT	-	-	-	-	-	-	9,923
30	Amort ITC	-	-	-	-	-	-	(17)
31	NET OPERATING INCOME	\$ (3)	\$ (310)	\$ 205	\$ (701)	\$ 117	\$ (11)	\$ 22,827
RATE BASE								
PLANT IN SERVICE								
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,868
33	Distribution Plant	-	-	-	-	-	-	390,508
34	General Plant	-	-	-	-	-	-	82,624
35	Total Plant in Service	-	-	-	-	-	-	500,000
ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	-	-	-	-	-	-	(10,318)
37	Distribution Plant	-	-	-	-	-	-	(129,098)
38	General Plant	-	-	-	-	-	-	(23,473)
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	(162,889)
40	NET PLANT	-	-	-	-	-	-	337,111
41	DEFERRED TAXES	-	-	-	-	-	-	(74,181)
42	Net Plant After DFIT	-	-	-	-	-	-	262,930
43	GAS INVENTORY	-	-	-	-	-	-	9,116
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	-	(249)
46	WORKING CAPITAL	-	-	-	-	-	-	14,800
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,597
48	RATE OF RETURN	-	-	-	-	-	-	7.96%