

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UG-14 _____

EXHIBIT NO. ____ (EMA-5)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES

WASHINGTON NATURAL GAS - PRO FORMA STUDY

CROSS CHECK

TWELVE MONTHS ENDED JUNE 30, 2013

(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$137,453	\$8,779	\$146,232	\$12,135	\$158,367
2	Total Transportation	3,855	(1,602)	2,253		2,253
3	Other Revenues	70,583	(68,633)	1,950		1,950
4	Total Gas Revenues	211,891	(61,456)	150,435	12,135	162,570
EXPENSES						
Production Expenses						
5	City Gate Purchases	131,793	(52,634)	79,159		79,159
6	Purchased Gas Expense	865	10	875		875
7	Net Nat Gas Storage Trans	4,232	(4,232)	-		-
8	Total Production	136,890	(56,856)	80,034	-	80,034
Underground Storage						
9	Operating Expenses	821	0	821		821
10	Depreciation	409	(17)	392		392
11	Taxes	20	9	29		29
12	Total Underground Storage	1,250	(8)	1,242	-	1,242
Distribution						
13	Operating Expenses	10,656	(365)	10,291		10,291
14	Depreciation	7,376	1,433	8,809		8,809
15	Taxes	12,532	(3,591)	8,941	465	9,406
16	Total Distribution	30,564	(2,523)	28,041	465	28,506
17	Customer Accounting	6,059	(150)	5,909	54	5,963
18	Customer Service & Information	6,078	(5,051)	1,027		1,027
19	Sales Expenses	5	0	5		5
Administrative & General						
20	Operating Expenses	12,711	328	13,039	24	13,063
21	Depreciation/Amortization	3,473	3,003	6,476		6,476
22	Regulatory Amortizations	29	(29)	-		-
23	Taxes	-	-	-		-
24	Total Admin. & General	16,213	3,302	19,515	24	19,539
25	Total Gas Expense	197,059	(61,285)	135,774	543	136,317
26	OPERATING INCOME BEFORE FIT	14,832	(171)	14,661	11,592	26,253
FEDERAL INCOME TAX						
27	Current Accrual	(943)	195	(748)	4,057	3,309
28	Debt Interest	-	(323)	(323)	-	(323)
29	Deferred FIT	4,612	(44)	4,568		4,568
30	Amort ITC	(25)	-	(25)		(25)
31	NET OPERATING INCOME	11,188	0	11,188	7,535	18,723
RATE BASE- PLANT IN SERVICE						
32	Underground Storage	24,503	822	25,325		25,325
33	Distribution Plant	301,840	42,600	344,440		344,440
34	General Plant	47,010	31,799	78,809		78,809
35	Total Plant in Service	373,353	75,221	448,574	-	448,574
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(8,882)	(940)	(9,822)		(9,822)
37	Distribution Plant	(105,608)	(20,052)	(125,660)		(125,660)
38	General Plant	(13,057)	(12,567)	(25,624)		(25,624)
39	Total Accum. Depreciation/Amort.	(127,547)	(33,559)	(161,106)	-	(161,106)
40	NET PLANT	245,806	41,662	287,468	-	287,468
41	DEFERRED FIT	(47,230)	(7,507)	(54,737)		(54,737)
42	Net Plant After DFIT	198,576	34,155	232,731	-	232,731
43	GAS INVENTORY	11,341	-	11,341		11,341
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	(461)	(9,867)	(10,328)		(10,328)
46	WORKING CAPITAL	-	9,100	9,100		9,100
47	TOTAL RATE BASE	209,456	43,255	242,844	0	242,844
48	RATE OF RETURN Excluding VSIP Costs	5.34%		4.61%		7.71%
49	RATE OF RETURN Including VSIP Costs	5.03%				

AVISTA UTILITIES
CALCULATION OF GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED JUNE 30, 2013
PRO FORMA CROSS CHECK STUDY

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$ 242,844
2	Proposed Rate of Return	<u>7.71%</u>
3	Net Operating Income Requirement	\$18,723
4	Pro Forma Net Operating Income	<u>\$ 11,188</u>
5	Net Operating Income Deficiency	\$7,535
6	Conversion Factor	0.62088
7	Revenue Requirement	\$12,135
8	Total General Business Revenues*	\$ 150,029
9	Percentage Revenue Increase	<u><u>8.09%</u></u>

* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

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

Proposed:			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.0%	5.42%	2.76%
			WA Wtd Debt
			2.76%
Common Equity	49.0%	10.10%	4.95%
Total	<u>100.00%</u>		<u>7.71%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED JUNE 30, 2013**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.004449
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038349
5	Franchise Fees (City of Millwood Expired in 2004)	0.000000
6	Total Expense	<u>0.044797</u>
7	Net Operating Income Before FIT	0.955203
8	Federal Income Tax @ 35%	0.334321
9	REVENUE CONVERSION FACTOR	0.62088

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED JUNE 30, 2013
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate 2013 Property Tax	Uncollectible Expense
	Adjustment Number Workpaper Reference	1.00	1.01	1.02	1.03	2.01	2.02	2.03
		G-ROO	G-DFIT	G-DDC	G-WC	G-EBO	G-RPT	G-UE
REVENUES								
1	Total General Business	\$ 137,453	\$ -	\$ -	\$ -	(5,003)	\$ -	\$ -
2	Total Transportation	3,855	-	-	-	(103)	-	-
3	Other Revenues	70,583	-	-	-	-	-	-
4	Total Gas Revenues	211,891	-	-	-	(5,106)	-	-
EXPENSES								
Production Expenses								
5	City Gate Purchases	131,793	-	-	-	-	-	-
6	Purchased Gas Expense	865	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	4,232	-	-	-	-	-	-
8	Total Production	136,890	-	-	-	-	-	-
Underground Storage								
9	Operating Expenses	821	-	-	-	-	-	-
10	Depreciation/Amortization	409	-	-	-	-	-	-
11	Taxes	20	-	-	-	-	5	-
12	Total Underground Storage	1,250	-	-	-	-	5	-
Distribution								
13	Operating Expenses	10,656	-	-	-	-	-	-
14	Depreciation/Amortization	7,376	-	-	-	-	-	-
15	Taxes	12,532	-	-	-	(5,102)	616	-
16	Total Distribution	30,564	-	-	-	(5,102)	616	-
17	Customer Accounting	6,059	-	1	-	-	-	(268)
18	Customer Service & Information	6,078	-	-	-	-	-	-
19	Sales Expenses	5	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	12,711	-	-	-	-	-	-
21	Depreciation/Amortization	3,473	-	-	-	-	-	-
22	Regulatory Amortizations	29	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	16,213	-	-	-	-	-	-
25	Total Gas Expense	197,059	-	1	-	(5,102)	621	(268)
26	OPERATING INCOME BEFORE FIT	14,832	-	(1)	-	(4)	(621)	268
FEDERAL INCOME TAX								
27	Current Accrual	(943)	-	(0)	-	(1)	(217)	94
28	Debt Interest	-	9	-	(88)	-	-	-
29	Deferred FIT	4,612	-	-	-	-	-	-
30	Amort ITC	(25)	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 11,188	\$ (9)	\$ (1)	\$ 88	\$ (3)	\$ (404)	\$ 174
RATE BASE								
PLANT IN SERVICE								
32	Underground Storage	\$ 24,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	301,840	-	-	-	-	-	-
34	General Plant	47,010	-	-	-	-	-	-
35	Total Plant in Service	373,353	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
36	Underground Storage	(8,882)	-	-	-	-	-	-
37	Distribution Plant	(105,608)	-	-	-	-	-	-
38	General Plant	(13,057)	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(127,547)	-	-	-	-	-	-
40	NET PLANT	245,806	-	-	-	-	-	-
41	DEFERRED TAXES	(47,230)	(883)	-	-	-	-	-
42	Net Plant After DFTT	198,576	(883)	-	-	-	-	-
43	GAS INVENTORY	11,341	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	(461)	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	9,100	-	-	-
47	TOTAL RATE BASE	\$ 209,456	\$ (883)	\$ -	\$ 9,100	\$ -	\$ -	\$ -
48	RATE OF RETURN (Excluding VSIP Costs)	5.34%						
49	RATE OF RETURN (Including VSIP Costs)	5.03%						
50	REVENUE REQUIREMENT	7,990	-96	1	988	4	650	-281
	Pro Forma Rate of Return	7.71%						
	Revenue Conversion Factor	0.62088						

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED JUNE 30, 2013
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT / DFIT Expense	Office Space Charges to Subs	Restate Excise Taxes	Net Gains/Losses	2013 Revenue Normalization & Gas Cost Adjust
	Adjustment Number Workpaper Reference	2.04 G-RE	2.05 G-ID	2.06 G-FIT	2.07 G-OSC	2.08 G-RET	2.09 G-NGL	2.10 G-RNGC
REVENUES								
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12,444
2	Total Transportation	-	-	-	-	-	-	(1,519)
3	Other Revenues	-	-	-	-	-	-	(68,633)
4	Total Gas Revenues	-	-	-	-	-	-	(57,708)
EXPENSES								
Production Expenses								
5	City Gate Purchases	-	-	-	-	-	-	(52,634)
6	Purchased Gas Expense	-	-	-	-	-	-	2
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	(4,232)
8	Total Production	-	-	-	-	-	-	(56,864)
Underground Storage								
9	Operating Expenses	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-	-
Distribution								
13	Operating Expenses	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(1)	-
15	Taxes	-	-	-	-	-	-	478
16	Total Distribution	-	-	-	-	-	(1)	478
17	Customer Accounting	-	-	-	-	-	-	56
18	Customer Service & Information	-	-	-	-	-	-	(5,058)
19	Sales Expenses	-	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	(24)	(62)	-	(7)	-	-	25
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-	(29)
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	(24)	(62)	-	(7)	-	-	(4)
25	Total Gas Expense	(24)	(62)	-	(7)	-	(1)	(61,392)
26	OPERATING INCOME BEFORE FIT	24	62	-	7	-	1	3,684
FEDERAL INCOME TAX								
27	Current Accrual	8	22	44	2	-	0	1,289
28	Debt Interest	-	-	-	-	-	-	-
29	Deferred FIT	-	-	(44)	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 16	\$ 40	\$ -	\$ 5	\$ -	\$ 1	2,395
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 (Excluding VSIP Costs)	-	-	-	-	-	-	-
49	RATE OF RETURN (Including VSIP Costs)	-	-	-	-	-	-	-
50	REVENUE REQUIREMENT	-25	-65	0	-7	0	-1	-3,857
	Pro Forma Rate of Return							
	Revenue Conversion Factor							

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED JUNE 30, 2013
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Restate Atmospheric Testing	Misc Restating Adjustments	Restating Incentive Adjustment	Restate Debt Interest	Restate June 30 2013 Capital EOP	Restated TOTAL
	Adjustment Number Workpaper Reference	2.11 G-RAT	2.12 G-MR	2.13 G-RI	2.14 G-DI	2.15 G-CAP	R-Ttl
	REVENUES						
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	144,894
2	Total Transportation	-	-	-	-	-	2,233
3	Other Revenues	-	-	-	-	-	1,950
4	Total Gas Revenues	-	-	-	-	-	149,077
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	-	-	-	-	-	79,159
6	Purchased Gas Expense	-	-	-	-	-	867
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	80,026
	Underground Storage						
9	Operating Expenses	-	-	-	-	-	821
10	Depreciation/Amortization	-	-	-	-	(29)	380
11	Taxes	-	-	-	-	-	25
12	Total Underground Storage	-	-	-	-	(29)	1,226
	Distribution						
13	Operating Expenses	(453)	(1)	-	-	-	10,202
14	Depreciation/Amortization	-	-	-	-	536	7,911
15	Taxes	-	-	-	-	-	8,524
16	Total Distribution	(453)	(1)	-	-	536	26,637
17	Customer Accounting	-	-	-	-	-	5,848
18	Customer Service & Information	-	1	-	-	-	1,021
19	Sales Expenses	-	-	-	-	-	5
	Administrative & General						
20	Operating Expenses	-	(26)	(860)	-	180	11,937
21	Depreciation/Amortization	-	-	-	-	353	3,826
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	-	(26)	(860)	-	533	15,763
25	Total Gas Expense	(453)	(26)	(860)	-	1,040	130,526
26	OPERATING INCOME BEFORE FIT	453	26	860	-	(1,040)	18,551
	FEDERAL INCOME TAX						
27	Current Accrual	159	9	301	211	(364)	614
28	Debt Interest	-	-	-	-	(48)	(127)
29	Deferred FIT	-	-	-	-	-	4,568
30	Amort ITC	-	-	-	-	-	(25)
31	NET OPERATING INCOME	\$ 294	\$ 17	\$ 559	\$ (211)	\$ (628)	\$ 13,522
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	97	24,600
33	Distribution Plant	-	-	-	-	7,007	308,847
34	General Plant	-	-	-	-	4,721	51,731
35	Total Plant in Service	-	-	-	-	11,825	385,178
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	-	-	-	-	(168)	(9,050)
37	Distribution Plant	-	-	-	-	(3,555)	(109,163)
38	General Plant	-	-	-	-	(2,030)	(15,087)
39	Total Accumulated Depreciation/Amortization	-	-	-	-	(5,753)	(133,300)
40	NET PLANT	-	-	-	-	6,072	251,878
41	DEFERRED TAXES	-	-	-	-	(1,117)	(49,230)
42	Net Plant After DFIT	-	-	-	-	4,955	202,648
43	GAS INVENTORY	-	-	-	-	-	11,341
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	(461)
46	WORKING CAPITAL	-	-	-	-	-	9,100
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	4,955	222,628
48	RATE OF RETURN (Excluding VSIP Costs)						(1)
49	RATE OF RETURN (Including VSIP Costs)						
50	REVENUE REQUIREMENT	-474	-27	-900	340	1,627	5,868

Pro Forma Rate of Return
Revenue Conversion Factor

(1) The Restated TOTAL column does not represent 6/30/2013 Test Period results of operation on a normalized basis, due to variances between certain restating adjustments included in the normalized commission basis reports (CBRs) versus those included here. Examples include inclusion of annualized 2013 revenues, pro forma debt interest and 6/30/2013 end-of-period capital.

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED JUNE 30, 2013
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Labor Non-Exec 3.00 G-PLN	Pro Forma Labor Exec 3.01 G-PLE	Pro Forma Employee Benefits 3.02 G-PEB	Pro Forma Insurance 3.03 G-PI	Pro Forma Property Tax 3.04 G-PPT	Pro Forma Information Tech/Serv Exp 3.05 G-ISIT
	Adjustment Number Workpaper Reference						
	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	16	1	(9)	-	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	16	1	(9)	-	-	-
	Underground Storage						
9	Operating Expenses	0	-	(0)	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-
11	Taxes	-	-	-	-	4	-
12	Total Underground Storage	0	-	(0)	-	4	-
	Distribution						
13	Operating Expenses	215	(23)	(103)	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-
15	Taxes	-	-	-	-	365	-
16	Total Distribution	215	(23)	(103)	-	365	-
17	Customer Accounting	110	-	(55)	-	-	-
18	Customer Service & Information	12	-	(6)	-	-	-
19	Sales Expenses	0	-	(0)	-	-	-
	Administrative & General						
20	Operating Expenses	114	15	(67)	149	-	286
21	Depreciation/Amortization	-	-	-	-	-	-
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	114	15	(67)	149	-	286
25	Total Gas Expense	468	(7)	(239)	149	369	286
26	OPERATING INCOME BEFORE FIT	(468)	7	239	(149)	(369)	(286)
	FEDERAL INCOME TAX						
27	Current Accrual	(164)	3	84	(52)	(129)	(100)
28	Debt Interest	-	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ (304)	\$ 5	\$ 156	\$ (97)	\$ (240)	\$ (186)
	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 (Excluding VSIP Costs)						
49	RATE OF RETURN (Including VSIP Costs)						
50	REVENUE REQUIREMENT	489	-8	-251	156	386	299
	Pro Forma Rate of Return						
	Revenue Conversion Factor						

AVISTA UTILITIES
WASHINGTON NATURAL GAS - PRO FORMA STUDY
CROSS CHECK
TWELVE MONTHS ENDED JUNE 30, 2013
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Sub-Total	Planned Capital Add Dec 2013 EOP	Planned Capital Add 2014 EOP	Planned Capital Add 2015 AMA	Pro Forma Cross Check Total
	Adjustment Number Workpaper Reference	PF-ST0	4.00 G-CAP13	4.01 G-CAP14	4.02 G-CAP15	PFCC-T0
	REVENUES					
1	Total General Business	\$ 144,894	\$ -	\$ -	\$ -	\$ 144,894
2	Total Transportation	2,233	-	-	-	2,233
3	Other Revenues	1,950	-	-	-	1,950
4	Total Gas Revenues	149,077	-	-	-	149,077
	EXPENSES					
	Production Expenses					
5	City Gate Purchases	79,159	-	-	-	79,159
6	Purchased Gas Expense	875	-	-	-	875
7	Net Nat Gas Storage Trans	-	-	-	-	-
8	Total Production	80,034	-	-	-	80,034
	Underground Storage					
9	Operating Expenses	821	-	-	-	821
10	Depreciation/Amortization	380	4	4	4	392
11	Taxes	29	-	-	-	29
12	Total Underground Storage	1,230	4	4	4	1,242
	Distribution					
13	Operating Expenses	10,291	-	-	-	10,291
14	Depreciation/Amortization	7,911	278	402	218	8,809
15	Taxes	8,889	-	-	-	8,889
16	Total Distribution	27,091	278	402	218	27,989
17	Customer Accounting	5,903	-	-	-	5,903
18	Customer Service & Information	1,027	-	-	-	1,027
19	Sales Expenses	5	-	-	-	5
	Administrative & General					
20	Operating Expenses	12,434	-	-	-	12,434
21	Depreciation/Amortization	3,826	889	1,272	489	6,476
22	Regulatory Amortizations	-	-	-	-	-
23	Taxes	-	-	-	-	-
24	Total Admin. & General	16,260	889	1,272	489	18,910
25	Total Gas Expense	131,551	1,171	1,678	711	135,111
26	OPERATING INCOME BEFORE FIT	17,526	(1,171)	(1,678)	(711)	13,966
	FEDERAL INCOME TAX					
27	Current Accrual	255	(410)	(587)	(249)	(991)
28	Debt Interest	(127)	(109)	(149)	(32)	(418)
29	Deferred FIT	4,568	-	-	-	4,568
30	Amort ITC	(25)	-	-	-	(25)
31	NET OPERATING INCOME	\$ 12,855	\$ (652)	\$ (942)	\$ (430)	\$ 10,832
	RATE BASE					
	PLANT IN SERVICE					
32	Underground Storage	\$ 24,600	\$ 225	\$ 250	\$ 250	\$ 25,325
33	Distribution Plant	308,847	11,022	15,937	8,634	344,440
34	General Plant	51,731	7,677	15,787	3,614	78,809
35	Total Plant in Service	385,178	18,924	31,974	12,498	448,574
	ACCUMULATED DEPRECIATION/AMORT					
36	Underground Storage	(9,050)	(191)	(385)	(196)	(9,822)
37	Distribution Plant	(109,163)	(3,959)	(8,213)	(4,325)	(125,660)
38	General Plant	(15,087)	(2,105)	(5,195)	(3,237)	(25,624)
39	Total Accumulated Depreciation/Amortization	(133,300)	(6,255)	(13,793)	(7,758)	(161,106)
40	NET PLANT	251,878	12,669	18,181	4,740	287,468
41	DEFERRED TAXES	(49,230)	(1,374)	(2,745)	(1,388)	(54,737)
42	Net Plant After DFIT	202,648	11,295	15,436	3,352	232,731
43	GAS INVENTORY	11,341	-	-	-	11,341
44	GAIN ON SALE OF BUILDING	-	-	-	-	-
45	OTHER	(461)	-	-	-	(461)
46	WORKING CAPITAL	9,100	-	-	-	9,100
47	TOTAL RATE BASE	\$ 222,628	\$ 11,295	\$ 15,436	\$ 3,352	\$ 252,711
48	RATE OF RETURN (Excluding VSIP Costs)					
49	RATE OF RETURN (Including VSIP Costs)					
50	REVENUE REQUIREMENT	6,941	2,453	3,433	1,108	13,935
	Pro Forma Rate of Return					
	Revenue Conversion Factor					

AVISTA UTILITIES
 WASHINGTON NATURAL GAS - PRO FORMA STUDY
 CROSS CHECK
 TWELVE MONTHS ENDED JUNE 30, 2013
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Reconcile Pro Forma To Attrition	Attrition Adjusted Total (2)	O&M Offsets	Prior to 2014 Revenue Sub-Totals	Revenue Normalization 2014	FINAL REV. REQ. TOTAL
	Adjustment Number Workpaper Reference	4.03 G-Other	AA-T11	4.04 G-OFF	14-T11	4.05 G-R14	F-T11
	REVENUES						
1	Total General Business	\$ -	\$ 144,894	\$ -	\$ 144,894	\$ 1,338	\$ 146,232
2	Total Transportation	-	2,233	-	2,233	20	2,253
3	Other Revenues	-	1,950	-	1,950	-	1,950
4	Total Gas Revenues	-	149,077	-	149,077	1,358	150,435
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	-	79,159	-	79,159	-	79,159
6	Purchased Gas Expense	-	875	-	875	-	875
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	80,034	-	80,034	-	80,034
	Underground Storage						
9	Operating Expenses	-	821	-	821	-	821
10	Depreciation/Amortization	-	392	-	392	-	392
11	Taxes	-	29	-	29	-	29
12	Total Underground Storage	-	1,242	-	1,242	-	1,242
	Distribution						
13	Operating Expenses	-	10,291	-	10,291	-	10,291
14	Depreciation/Amortization	-	8,809	-	8,809	-	8,809
15	Taxes	-	8,889	-	8,889	52	8,941
16	Total Distribution	-	27,989	-	27,989	52	28,041
17	Customer Accounting	-	5,903	-	5,903	6	5,909
18	Customer Service & Information	-	1,027	-	1,027	-	1,027
19	Sales Expenses	-	5	-	5	-	5
	Administrative & General						
20	Operating Expenses	614	13,048	(12)	13,036	3	13,039
21	Depreciation/Amortization	-	6,476	-	6,476	-	6,476
22	Regulatory Amortizations	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	614	19,524	(12)	19,512	3	19,515
25	Total Gas Expense	614	135,725	(12)	135,713	61	135,774
26	OPERATING INCOME BEFORE FIT	(614)	13,352	12	13,364	1,297	14,661
	FEDERAL INCOME TAX						
27	Current Accrual	(215)	(1,206)	4	(1,202)	454	(748)
28	Debt Interest	95	(323)	-	(323)	-	(323)
29	Deferred FIT	-	4,568	-	4,568	-	4,568
30	Amort ITC	-	(25)	-	(25)	-	(25)
31	NET OPERATING INCOME	\$ (494)	\$ 10,338	\$ 8	\$ 10,345	\$ 843	\$ 11,188
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage		\$ 25,325	\$ -	\$ 25,325	\$ -	\$ 25,325
33	Distribution Plant		344,440	-	344,440	-	344,440
34	General Plant		78,809	-	78,809	-	78,809
35	Total Plant in Service	-	448,574	-	448,574	-	448,574
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage		(9,822)	-	(9,822)	-	(9,822)
37	Distribution Plant		(125,660)	-	(125,660)	-	(125,660)
38	General Plant		(25,624)	-	(25,624)	-	(25,624)
39	Total Accumulated Depreciation/Amortization	-	(161,106)	-	(161,106)	-	(161,106)
40	NET PLANT	-	287,468	-	287,468	-	287,468
41	DEFERRED TAXES		(54,737)		(54,737)		(54,737)
42	Net Plant After DFIT	-	232,731	-	232,731	-	232,731
43	GAS INVENTORY	-	11,341	-	11,341	-	11,341
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	(9,867)	(10,328)	-	(10,328)	-	(10,328)
46	WORKING CAPITAL		9,100		9,100		9,100
47	TOTAL RATE BASE	\$ (9,867)	\$ 242,844	\$ -	\$ 242,844	\$ -	\$ 242,844
48	RATE OF RETURN (Excluding VSIP Costs)	\$ 6,566	4.26%		4.26%		4.61%
49	RATE OF RETURN (Including VSIP Costs)						
50	REVENUE REQUIREMENT	-429	13,506	-13	13,493	-1,358	12,135

Pro Forma Rate of Return
 Revenue Conversion Factor

(2) The Attrition Adjusted Total revenue requirement of \$13.506 million on line 50 developed by the Company's Attrition Study is used for the final adjusted results and revenue requirement on an attrition adjusted basis. However, the values shown elsewhere in the Attrition Adjusted Total column, lines 1-46, above were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Mr. Miller, because these values more readily lend themselves to Mr. Miller's cost-of-service analysis.