

**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 (Revised)**  
**(000's of Dollars)**

Line No.	Description	(a)		(b)		(c)	
		Attrition Balances	Revenue Growth Factor	Attrition Study Results	Revenue Growth Factor	Attrition Study Results	Revenue Growth Factor
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)	\$89,409	1.015632	\$88,033			
5	2017 Rate of Return (at 2016 rates)					6.00%	
6	2017 Net Operating Income Deficiency (Surplus)			\$24,631			
7	Gross-up Conversion Factor			0.61931			
8	2017 Attrition Revenue Deficiency		(1)	\$39,772			
9	2017 Total General Business Revenues (at 2016 rates)			\$495,064			
10	Attrition-based 2017 revenue requirement			\$534,836			
11	Percent Revenue Requirement Change (vs. 2016)			8.03%			

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

**Rebuttal Revenue Requirement** \$40,101  
**Revised Including November Power Supply Update** \$39,772  
**Overall Net Reduction due to November Power Supply Update (2)** **(\$329)** (See Att A - pg 16)

(2) Includes impact of forecasted loads on power supply cost update on columns [K] "Pro Formed Energy Cost" and [L] "Revenue Growth", see pages 4 and 5.

**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 Supply Cost	(less) 12,2015 Normalized Net Power Supply Cost	Dr/Cr, Reg Amorts & Misc Adjs	REMOVED [C]	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	Trended 2017 Non-Energy Cost	(plus) 2017 Pre-Formed Net Energy Cost	After Attrition Adj. Spokane River Projects <sup>4</sup>	After Attrition Adj. AMI Capital Project 2017	2017 Revenue and Cost					
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]						
1	REVENUES	\$ 497,229	\$ (89,988)	\$ 468	\$ -	\$ 50,965	8.13%	\$ 4,144	\$ 55,109	\$ 7,724	\$ -	\$ -	\$ -	\$ 501,860	\$ 501,860						
2	Total General Business	\$ 497,229	\$ (89,988)	\$ 468	\$ -	\$ 50,965	8.13%	\$ 4,144	\$ 55,109	\$ 7,724	\$ -	\$ -	\$ -	\$ 501,860	\$ 501,860						
3	Interdepartmental Sales	\$ 928	\$ -	\$ -	\$ -	\$ 928	1.56%	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ 943	\$ 943						
4	Sales for Resale	\$ 49,505	\$ (49,505)	\$ -	\$ -	\$ -	1.56%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
5	Subtotal: Sales of Electricity	\$ 547,662	\$ (49,505)	\$ -	\$ -	\$ 495,064		\$ 2,334	\$ 27,281	\$ 37,110	\$ 5,092	\$ -	\$ -	\$ 537,266	\$ 537,266						
6	Other Revenue	\$ 16,920	\$ (10,779)	\$ -	\$ -	\$ 2,450	0.00%	\$ -	\$ -	\$ 12,003	\$ (1)	\$ -	\$ -	\$ 14,452	\$ 14,452						
7	Total Electric Revenue	\$ 564,582	\$ (60,284)	\$ -	\$ -	\$ 497,514		\$ 1,512	\$ 15,645	\$ 49,113	\$ 5,091	\$ -	\$ -	\$ 551,718	\$ 551,718						
	EXPENSES																				
	Production and Transmission																				
7	Operating Expenses	\$ 140,485	\$ (89,988)	\$ 468	\$ -	\$ 50,965	8.13%	\$ 4,144	\$ 55,109	\$ 79,689	\$ (1)	\$ -	\$ -	\$ 134,797	\$ 134,797						
8	Purchased Power	\$ 85,107	\$ (85,107)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 74,222	\$ 871	\$ -	\$ -	\$ 75,093	\$ 75,093						
9	Depreciation/Amortization	\$ 24,947	\$ -	\$ -	\$ -	\$ 24,947	9.36%	\$ 2,334	\$ 27,281	\$ -	\$ -	\$ 1,255	\$ -	\$ 28,536	\$ 28,536						
10	Regulatory Amortization	\$ 5,974	\$ -	\$ -	\$ -	\$ 3,600	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ 3,600						
11	Taxes	\$ 14,133	\$ -	\$ -	\$ -	\$ 14,133	10.70%	\$ 1,512	\$ 15,645	\$ -	\$ -	\$ -	\$ -	\$ 15,645	\$ 15,645						
12	Subtotal: Production and Transmission	\$ 270,646	\$ (175,095)	\$ (1,906)	\$ -	\$ 93,645		\$ 7,991	\$ 101,636	\$ 153,911	\$ 870	\$ 1,255	\$ -	\$ 257,672	\$ 257,672						
	Distribution																				
13	Operating Expenses	\$ 24,056	\$ -	\$ -	\$ (2,303)	\$ 21,753	8.13%	\$ 1,769	\$ 23,522	\$ -	\$ -	\$ -	\$ 176	\$ 23,522	\$ 23,522						
14	Depreciation/Amortization	\$ 25,379	\$ -	\$ -	\$ -	\$ 25,379	9.36%	\$ 2,375	\$ 27,754	\$ -	\$ -	\$ -	\$ -	\$ 27,930	\$ 27,930						
15	Regulatory Amortizations	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
16	Taxes	\$ 27,448	\$ -	\$ -	\$ (119)	\$ 27,329	10.70%	\$ 2,924	\$ 30,253	\$ -	\$ -	\$ 297	\$ -	\$ 30,551	\$ 30,551						
17	Subtotal: Distribution	\$ 76,883	\$ -	\$ -	\$ (2,303)	\$ 74,461		\$ 7,068	\$ 81,529	\$ -	\$ -	\$ 297	\$ -	\$ 82,002	\$ 82,002						
18	Customer Accounting	\$ 12,363	\$ -	\$ -	\$ (21)	\$ 12,342	8.13%	\$ 1,004	\$ 13,346	\$ -	\$ -	\$ 52	\$ -	\$ 13,398	\$ 13,398						
19	Customer Service & Information	\$ 1,454	\$ -	\$ -	\$ -	\$ 1,454	8.13%	\$ 118	\$ 1,572	\$ -	\$ -	\$ -	\$ -	\$ 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	\$ 53,336						
22	Depreciation/Amortization	\$ 21,503	\$ -	\$ -	\$ -	\$ 21,503	9.36%	\$ 2,012	\$ 23,515	\$ -	\$ -	\$ -	\$ -	\$ 26,051	\$ 26,051						
23	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	10.70%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
24	Subtotal: A&G	\$ 71,445	\$ (625)	\$ -	\$ (6)	\$ 70,814		\$ 6,022	\$ 76,836	\$ -	\$ -	\$ 15	\$ -	\$ 79,387	\$ 79,387						
25	Total Electric Expenses	\$ 432,791	\$ (175,095)	\$ (2,531)	\$ (2,303)	\$ 252,716		\$ 22,203	\$ 274,919	\$ 153,911	\$ 1,235	\$ 1,255	\$ -	\$ 434,031	\$ 434,031						
26	OPERATING INCOME BEFORE FIT	\$ 131,791	\$ 114,811	\$ 2,531	\$ -	\$ 244,798		\$ (22,203)	\$ 222,595	\$ (104,798)	\$ 3,856	\$ (1,255)	\$ (2,712)	\$ 117,686	\$ 117,686						

<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.

2017 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT

3000s	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	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
	(4) OVERALL NET IMPACT to revenue requirement of November																
	Federal Income Tax																
26	Current Accrual	\$ 4,968	\$ 40,184	\$ 1,930	\$ -	\$ 806	\$ (2,323)	\$ 45,565	\$ (7,771)	\$ 37,794	\$ (36,679)	\$ 1,350	\$ (439)	\$ (849)	\$ (949)	\$ 1,076	
27	Debt Interest	\$ 1	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ 124	\$ (1,631)	\$ (1,508)	\$ -	\$ -	\$ (543)	\$ (89)	\$ (2,140)		
28	Deferred Income Taxes	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ 29,492	\$ -	\$ -	\$ 29,492	\$ -	\$ -	\$ (22)	\$ -	\$ 29,492		
29	Amortized ITC - Noxon	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ (129)	\$ -	\$ -	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ (151)		
30		\$ 97,459	\$ 74,627	\$ 478	\$ -	\$ 1,497	\$ (4,315)	\$ 169,746	\$ (12,801)	\$ 156,946	\$ (68,119)	\$ 2,506	\$ (250)	\$ (1,674)	\$ 89,409		
31	NET OPERATING INCOME																
	RATE BASE																
	Plant in Service																
32	Intangible	\$ 144,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,970	\$ 11,423	\$ 156,393	\$ -	\$ -	\$ 4,891	\$ 161,284			
33	Production	\$ 779,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,441	\$ 61,417	\$ 840,858	\$ -	\$ -	\$ 67,095	\$ 907,953			
34	Transmission	\$ 401,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 401,700	\$ 31,653	\$ 433,353	\$ -	\$ -	\$ -	\$ 433,353			
35	Distribution	\$ 895,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,055	\$ 70,527	\$ 965,582	\$ -	\$ -	\$ 2,638	\$ 968,220			
36	General	\$ 212,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,726	\$ 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	\$ 2,706,403			
	Accumulated Depreciation and Amortization																
38	Intangible	\$ (24,943)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,943)	\$ (1,965)	\$ (26,908)	\$ -	\$ -	\$ (544)	\$ (27,452)			
39	Production	\$ (342,899)	\$ -	\$ 2,293	\$ -	\$ -	\$ -	\$ (340,606)	\$ (26,839)	\$ (367,445)	\$ -	\$ -	\$ (722)	\$ (368,167)			
40	Transmission	\$ (129,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,936)	\$ (10,239)	\$ (140,175)	\$ -	\$ -	\$ -	\$ (140,175)			
41	Distribution	\$ (273,578)	\$ -	\$ 2,276	\$ -	\$ -	\$ -	\$ (271,302)	\$ (21,378)	\$ (292,680)	\$ -	\$ -	\$ (88)	\$ (292,768)			
42	General	\$ (73,050)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,050)	\$ (5,756)	\$ (78,806)	\$ -	\$ -	\$ (723)	\$ (79,529)			
43	Subtotal: Accumulated Depreciation and Amortization	\$ (844,406)	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ (839,837)	\$ (66,176)	\$ (906,013)	\$ -	\$ -	\$ (722)	\$ (908,090)			
44	Net Plant	\$ 1,589,486	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,594,055	\$ 125,606	\$ 1,719,661	\$ -	\$ -	\$ 66,373	\$ 1,798,312			
45	Deferred Taxes	\$ (317,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (317,860)	\$ (25,046)	\$ (342,906)	\$ -	\$ -	\$ (12,459)	\$ (358,851)			
46	Net Plant After Deferred taxes	\$ 1,271,626	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,476,195	\$ 100,560	\$ 1,376,755	\$ -	\$ -	\$ 53,914	\$ 1,439,461			
47	Deferred Debits and Credits	7,458	\$ (5,220)	\$ -	\$ -	\$ -	\$ -	\$ 2,238	\$ -	\$ 2,238	\$ -	\$ -	\$ 2,238				
48	Working Capital	59,772	\$ (11,512)	\$ -	\$ -	\$ -	\$ -	\$ 48,210	\$ -	\$ 48,210	\$ -	\$ -	\$ 48,210				
49	TOTAL RATE BASE	\$ 1,338,806	\$ -	\$ (12,163)	\$ -	\$ -	\$ -	\$ 1,326,643	\$ 100,560	\$ 1,427,203	\$ -	\$ -	\$ 53,914	\$ 1,489,909			
50	<sup>1</sup> Workpapers for 12.2015 Commission Basis Reports provided with Staff_DR_030.																
	Includes Plant Held for Future Use.																
	RATE OF RETURN																
	7.28%																
	ATTRITION ADJUSTED REVENUE REQUIREMENT																
50	Proposed Rate of Return																7.68%
51	Return on Plant in Service at Proposed Rate																\$ 114,425
52	Operating Income Deficiency																\$ 25,016
53	Revenue Conversion Factor																0.61931
54	Revenue Requirement																\$ 40,393
55	Revenue Growth Factor																1.015632
56	Attrition Adjusted Revenue Requirement																\$ 39,772

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

**Commission Basis Results of Operations**

**AVISTA UTILITIES**

(000'S OF DOLLARS)		2007	2008	2009	2010	2011	2012	2013	2014	UPDATED 12.2015
<b>REVENUES</b>										
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
<b>EXPENSES</b>										
<b>Production and Transmission</b>										
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
<b>Distribution</b>										
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	1,434
19	Sales Expenses	682	571	660	176	4	5	5	0	0
<b>Administrative &amp; General</b>										
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	0	435,640	428,214	432,791
25	OPERATING INCOME BEFORE FIT	73,260	89,384	96,580	99,829	97,708	527,720	122,007	139,241	131,791
<b>FEDERAL INCOME TAX</b>										
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	equit 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	\$500,594	\$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**

**Commission Basis Results of Operations**

**AVISTA UTILITIES**

(000'S OF DOLLARS)	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
<b>PLANT IN SERVICE</b>									
32 Intangible	\$20,632	\$23,371	\$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
<b>ACCUMULATED DEPRECIATION/AMORT</b>									
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

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**

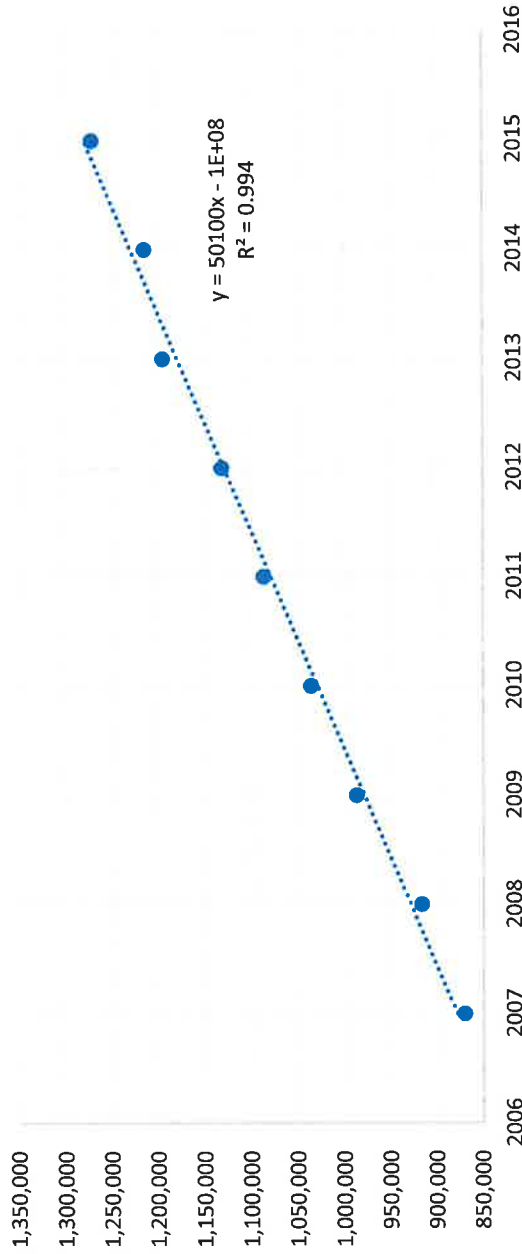
Line No.	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Exclude Power Supply and Adder Schedule Expenses (DSM Tariff Rider and Residential Exchange Credit) from O&M									
1	Production/Transmission	102,890	117,123	87,599	147,107	145,634	143,904	120,307	140,485
2	Purchased Power	65,640	72,508	100,437	142,197	91,142	109,034	116,643	85,107
3	Distribution	14,563	17,329	18,354	19,081	21,152	20,878	21,299	24,056
4	Customer Accounting	7,514	7,919	9,646	9,261	10,275	10,336	11,166	12,363
5	Customer Service and Information	7,472	12,847	19,736	20,832	21,292	18,487	1,383	1,454
6	Sales	682	571	660	176	4	5	0	0
7	Administrative and General	35,844	35,982	38,461	44,662	44,779	49,333	46,210	49,942
8	Total Operating & Maintenance Expenses	234,605	264,279	273,806	382,589	332,207	329,981	317,008	313,407
9	Deduct Power Supply Expenses	(135,719)	(152,984)	(146,538)	(249,369)	(188,583)	(201,471)	(186,117)	(175,095)
10	Deduct DSM Tariff Rider Expenses	(6,711)	(12,172)	(19,005)	(19,612)	(20,235)	0	0	0
11	Deduct Res X Credit Expenses	37	24	27	41	31	55	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>128,510</b>	<b>130,891</b>	<b>138,312</b>
		3.81%	7.52%	9.22%	4.95%	8.60%	-4.52%	1.85%	5.67%
Depreciation/Amortization									
13	Production/Transmission	24,877	23,076	23,969	25,008	25,158	23,284	23,715	24,947
14	Distribution	11,333	15,611	16,809	17,985	19,240	22,303	23,794	25,379
15	Administrative and General	6,739	7,187	7,688	9,277	10,906	12,517	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>60,308</b>	<b>64,456</b>	<b>71,829</b>
		2.72%	6.81%	5.65%	7.85%	5.80%	2.31%	6.88%	11.44%
Exclude Adder Schedule amortizations (Residential Exchange Credit) from Regulatory Amortizations									
17	Regulatory Amortizations	(3,082)	(1,076)	(1,703)	(2,879)	403	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
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>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	8,319	8,146	9,014	9,955	10,846	12,913	12,828	14,133
21	Distribution (1)	16,156	17,416	18,216	20,029	22,459	23,809	25,821	27,448
22	Administrative and General	(9)	(3)	(3)	2	0	(4)	0	0
23	Total Taxes Other Than Income Tax	24,466	25,559	27,227	29,986	33,305	36,722	38,649	41,581
24	Deduct DSM Tariff Rider Excise Tax	(269)	(488)	(762)	(787)	(812)	(683)	0	0
25	Deduct Res X Credit Excise Tax	225	144	162	252	186	336	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>36,772</b>	<b>38,649</b>	<b>41,581</b>
		-3.93%	3.25%	5.60%	10.61%	10.96%	8.63%	5.25%	7.59%
27	<b>Net Plant After Deferred Income Tax</b>	<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>1,214,504</b>	<b>1,271,626</b>
		1.77%	5.33%	7.63%	4.95%	4.93%	5.61%	1.63%	4.70%
28	<b>Total Rate Base</b>	<b>891,855</b>	<b>936,840</b>	<b>1,005,019</b>	<b>1,072,028</b>	<b>1,137,863</b>	<b>1,226,052</b>	<b>1,273,157</b>	<b>1,338,806</b>
		1.98%	5.04%	7.28%	6.67%	6.14%	5.79%	3.84%	5.16%
Exclude Power Supply and Transmission Wheeling from Other Operating Revenue									
29	Other Operating Revenue	10,170	10,927	9,395	11,786	13,666	13,408	17,163	16,920
30	Deduct Decoupling Deferred Revenue and Provision for Rate Refund	(221)	(1,839)	(448)	(640)	(1,752)	(282)	(3,062)	(3,691)
31	Deduct Power Supply Other Revenue	(6,876)	(6,213)	(6,133)	(8,333)	(9,102)	(8,285)	(9,662)	(10,512)
32	Deduct Transmission Other Revenue	3,073	2,875	2,813	2,813	3,315	3,464	3,479	2,450
33	<b>Adjusted Other Revenue</b>	<b>3,966</b>	<b>-6,444</b>	<b>-2,134</b>	<b>-0,024</b>	<b>-0,034</b>	<b>17,866</b>	<b>0,424</b>	<b>-29,566</b>
		3.96%	-6.44%	-2.13%	-0.02%	-0.03%	17.86%	0.42%	-29.56%



<u>Avista Proposed Based on Commission Order No. 05 Docket. No. UE-150204</u>									
	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-year, to 2017) **7.88%** (Escalation Factor)

Net Plant after DFIT (Electric)



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

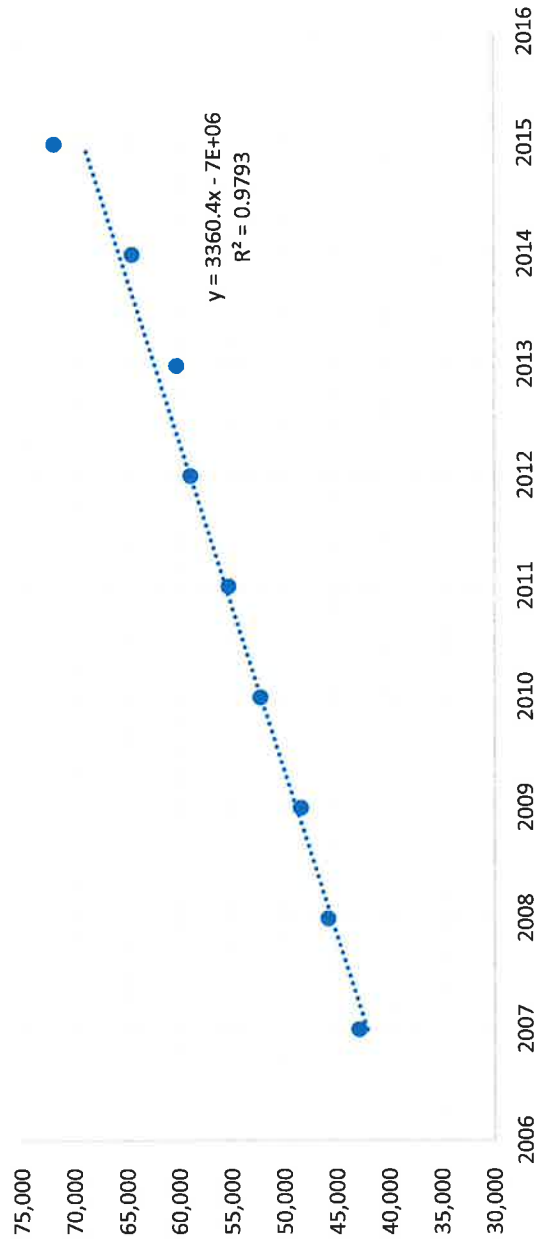
	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Depreciation/ Amortization	42,949	45,874	48,466	52,270	55,304	58,946	60,308	64,456	71,829
									<b>UPDATED</b>

Annual Increase (slope below) 3,360.4

Rate (Annual) 4.68%

Rate (2-year, to 2017) **9.36%** (Escalation Factor)

Depreciation/ Amortization (Electric)



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

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

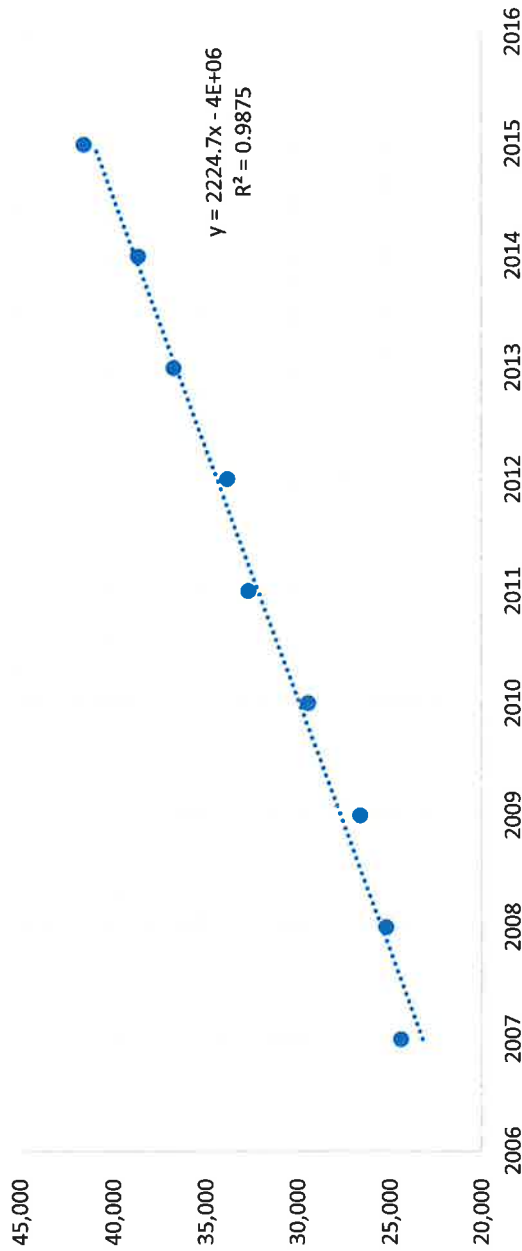
**UPDATED (1)**

Annual Increase (slope below) 2,224.7

Rate (Annual) 5.35%

Rate (2-year, to 2017) **10.70%** (Escalation Factor)

**Adjusted Taxes (Electric)**

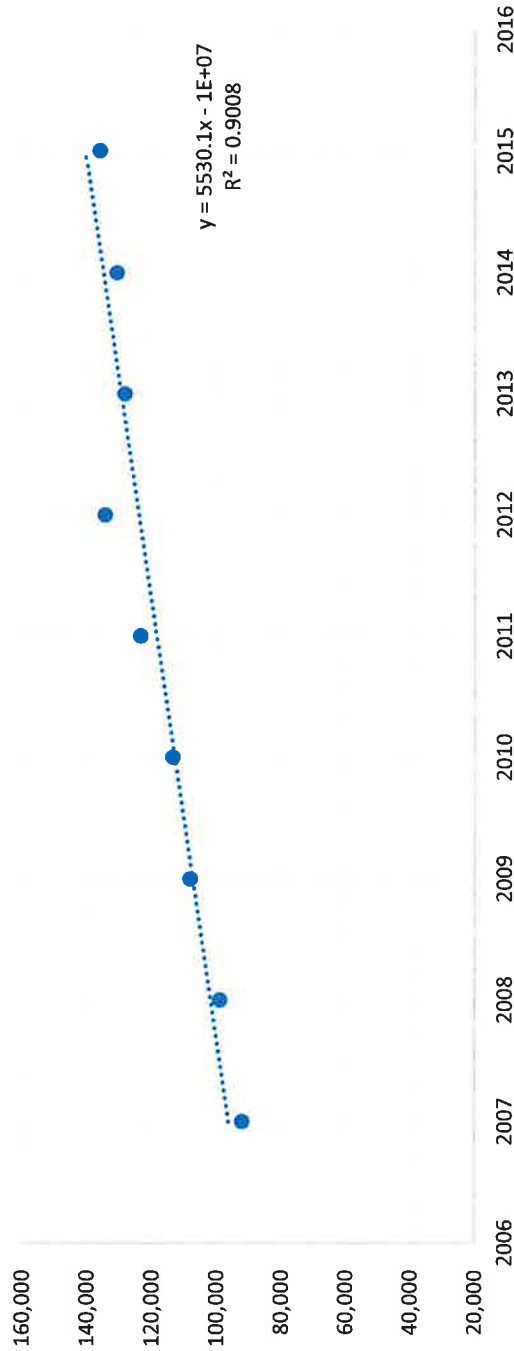


(1) Corrected excise tax error in 2009-2015.

<u>Avista Proposed O&amp;M Expense Growth Trend</u>		2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Adjusted Operating Expenses		92,212	99,146	108,289	113,650	123,419	134,594	128,510	130,891	136,009
Annual Increase (slope below)			5,530.1							
Rate (Annual)			4.07%							
Rate (2-year, to 2017)			<b>8.13%</b>							
										UPDATED (1)

**8.13%** (Escalation Factor)

Adjusted Operating Expenses 2007-2015



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

**ELECTRIC BILLING DETERMINANT INDEX  
09.2015 TO 2017 WEIGHTED REVENUE GROWTH**

Line	Revenue Model	Forecast	Billing Determinant	Revenue	Weight	Weight x Growth			
Ended De Rate	12 ME 09.2015	2017	Growth	12 ME 09.2015	[E] = [D] / SUM([D])	[F] = [C] x [E]			
Schedule	[A]	[B]	[C] = ([B] - [A]) / [A]	[D]					
1	RESIDENTIAL	Basic Charge	SCHEDULE 1	2,481,909	2,528,810	1.89%	21,096,227	4.26%	0.08%
2	GENERAL SVC.	Basic Charge	SCH. 11,12	369,248	377,749	2.30%	6,646,464	1.34%	0.03%
3	LG. GEN. SVC.	Fixed Demand/Cust	SCH. 21,22	24,164	24,310	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	29,595	1.46%	525,060	0.11%	0.00%
6	ST & AREA LTG	Basic Charge	SCH. 41-48						
7	RESIDENTIAL	Volumes	SCHEDULE 1	2,375,997,614	2,465,339,689	3.76%	189,973,890	38.37%	1.44%
8	GENERAL SVC.	Volumes	SCH. 11,12	596,483,095	594,879,353	-0.27%	61,874,875	12.50%	-0.03%
9	LG. GEN. SVC.	Volumes	SCH. 21,22	1,425,928,125	1,434,040,121	0.57%	99,936,477	20.19%	0.11%
10	EX LG GEN SVC	Volumes	SCHEDULE 25	1,108,671,541	1,145,620,988	3.33%	52,632,200	10.63%	0.35%
11	PUMPING	Volumes	SCH. 30, 31, 32	154,884,909	133,667,852	-13.70%	11,985,355	2.42%	-0.33%
12	ST & AREA LTG	Volumes	SCH. 41-48	25,597,340	24,453,677	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%	1.56%
Total Customers				2,904,743	2,960,718	1.93%			
Total Volumes				5,687,562,625	5,798,001,681	1.94%			
Total Demand				4,539,117	4,441,172	-2.16%			

(4) OVERALL NET IMPACT to revenue requirement of November Power Supply Update.

**Bench Request 10.4 - Attachment B**

**(See Revised Exhibit No. EMA-7)**

Avista Corporation

Avista Corporation  
WA Power Supply Pro Forma Net Cost

WA Power Supply Pro Forma Net Cost

Rate Case Power Supply Adjustment Pro Forma - 09, 2015 Historical Loads

Rate Case Power Supply Adjustment Pro Forma - 09, 2015 Historical Loads

**November 2016 PF Update**

**Per Avista Rebuttal**

**Including November Power Supply Update**

November 2016 PF Update		Column [K]	
Power Supply System	Total Washington Amounts	Total Washington Amounts	65.63%

2017 PF		2017 PF	
Power Supply System	Total Washington Amounts	Power Supply System	Total Washington Amounts

P/T Allocation Percentages	65.63%	(4)	
447 Sales for Resale	\$37,110		
453 Sales of Water and Water Power	306		
454 Misc Rents	0		
456 Transmission Wheeling Revenue System	11,697		
456 Transmission Wheeling Revenue Direct WA	0		
456 Transmission Wheeling Revenue Direct ID	0		
456 Other Electric Revenue	0		
456 Other Electric Revenue-Direct WA	0		
Total Revenue	49,113		

P/T Allocation Percentages	65.63%		
447 Sales for Resale	\$37,740		
453 Sales of Water and Water Power	306		
454 Misc Rents	0		
456 Transmission Wheeling Revenue System	10,782		
456 Transmission Wheeling Revenue Direct WA	0		
456 Transmission Wheeling Revenue Direct ID	0		
456 Other Electric Revenue	0		
456 Other Electric Revenue-Direct WA	0		
Total Revenue	48,827		

501 Thermal Fuel Expense	29,205		
546 Other Power Gen Supvsn & Eng	0		
547 Other Fuel Expense	73,184		
536 Water for Power	1,029		
555 Purchased Power	113,092		
549 Misc Other Gen Expense	0		
550 Rents	0		
556 System Control & Dispatch	0		
557 Other Expenses	407		
XXX Other Expenses-Direct WA	0		
565 Trans. of Elec. by Others	17,596		
Total Expense	234,513		

501 Thermal Fuel Expense	29,225		
546 Other Power Gen Supvsn & Eng	0		
547 Other Fuel Expense	76,583		
536 Water for Power	1,029		
555 Purchased Power	109,783		
549 Misc Other Gen Expense	0		
550 Rents	0		
556 System Control & Dispatch	0		
557 Other Expenses	407		
XXX Other Expenses-Direct WA	0		
565 Trans. of Elec. by Others	17,766		
Total Expense	234,793		

Net Income Before Income Taxes	-159,680	35%	
Federal Income Tax	-36,679		
Net Income	-\$68,119		

Net Income Before Income Taxes	-160,395	35%	
Federal Income Tax	-36,844		
Net Income	-\$68,425		

**Net Revenue Requirement Impact (Grossed Down)**

**[USING HISTORICAL LOADS]**

Net Revenue Requirement Impact	715	(3)	
Net Revenue Requirement Impact (Grossed Down)	-184		
	-\$305		

(1) Washington Power Supply adjustment included in updated electric 2017 Attraction Study - See updated Exh. No. EMA-7, column [K] pages 4 and 5 (updated model provided with Attachment B - pages 1-16)

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

(3) Increase in Net Power Supply Expense totals \$445,000, excluding Transmission Revenue of \$915,000 - \$915,000 = \$445,000.

Revenue Requirement impact (reduction) -\$485,000: \$467,000 (increase in power supply expense) + -\$960,000 (increase in Transmission Revenues), resulting in overall net reduction in revenue requirement of -\$485,000.

(4) OVERALL NET IMPACT to revenue requirement of November Power Supply Update.

(See Revised Exhibit No. EMA-7)

Bench Request 10.4 - Attachment B

**ATTRITION ADJUSTMENT RELATED TO RETAIL REVENUE GROWTH AND ASSOCIATED POWER SUPPLY COST**  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	November 2016 Update		Both updated with Nov update			Retail Revenue Growth
		Revenue Growth and Power Supply Cost (Note 1)	Column [L] (1)	Power Supply Cost Test Year Load	Power Supply Cost Rate Year Load	Incremental Power Supply Cost	
<b>REVENUES</b>							
1	Total General Business		7,724				7,724
2	Interdepartmental Sales		15				15
3	Sales for Resale		-2,647	37,110	34,463	-2,647	
4	Total Sales of Electricity		5,092	37,110	34,463	-2,647	7,739
5	Other Revenue		-1	12,003	12,002	-1	0
6	Total Electric Revenue		5,091	49,113	46,465	-2,648	7,739
<b>EXPENSES</b>							
<b>Production and Transmission</b>							
7	Operating Expenses		-1	79,689	79,688	-1	
8	Purchased Power		871	74,222	75,093	871	
9	Depreciation/Amortization						
10	Regulatory Amortization						
11	Taxes						
12	Total Production & Transmission		870	153,911	154,781	870	0
<b>Distribution</b>							
13	Operating Expenses						
14	Depreciation/Amortization						
15	Taxes	0.038473	297	0	0	0	297
16	Total Distribution		297	0	0	0	297
<b>Customer Accounting</b>							
17	Customer Accounting	0.006739	52				52
18	Customer Service & Information						
19	Sales Expenses						
<b>Administrative &amp; General</b>							
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		1,235	153,911	154,781	870	365
25	OPERATING INCOME BEFORE FIT		3,856	-104,798	-108,316	-3,518	7,374
<b>FEDERAL INCOME TAX</b>							
26	Current Accrual		1,350				
27	Debt Interest						
28	equirem Deferred Income Taxes						
29	Amortized ITC - Noxon						
30	NET OPERATING INCOME		2,506	-66,119	-70,405	-2,287	4,793

Note 1: 09.2015 Washington electric revenue conversion factor amounts.

incremental load expense (column [K])

Bench Request 10.4 - Attachment B

(See Revised Exhibit No. EMA-7)

Avista Corporation  
WA Power Supply Pro Forma Net Cost  
Rate Case Power Supply Adjustment Pro Forma - 2017 Forecast Loads

**November 2016 Update**

	2017 PF Power Supply System	Total Washington Amounts 65.63%
P/T Allocation Percentages		
447 Sales for Resale	\$52,511	\$34,463
453 Sales of Water and Water Power	466	306
454 Misc Rents	0	0
456 Transmission Wheeling Revenue System	17,822	11,897
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
<b>Total Revenue</b>	<b>70,799</b>	<b>46,465</b>

	2017 PF Power Supply System	Total Washington Amounts 65.63%
P/T Allocation Percentages		
447 Sales for Resale	\$53,658	\$35,216
453 Sales of Water and Water Power	466	306
454 Misc Rents	0	0
456 Transmission Wheeling Revenue System	16,428	10,782
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
<b>Total Revenue</b>	<b>70,552</b>	<b>46,303</b>

**Per Avista Rebuttal**

	2017 PF Power Supply System	Total Washington Amounts 65.63%
Nov Update 2017 PF Power Supply System	-\$1,147	-\$1,147
Nov Update 2017 PF Washington Amounts 65.63%	\$1,394	\$915
<b>NET CHANGE</b>	<b>247</b>	<b>162</b>

Avista Corporation  
WA Power Supply Pro Forma Net Cost  
Rate Case Power Supply Adjustment Pro Forma - 2017 Forecast Loads

**November 2016 Update**

	2017 PF Power Supply System	Total Washington Amounts 65.63%
501 Thermal Fuel Expense	29,205	19,167
546 Other Power Gen Supvsn & Eng	0	0
547 Other Fuel Expense	73,184	48,031
536 Water for Power	1,029	675
555 Purchased Power	114,418	75,093
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
<b>Total Expense</b>	<b>235,839</b>	<b>154,781</b>
Net Income Before Income Taxes	-165,040	-108,316
Federal Income Tax	35%	-37,911
Net Income		-\$70,405

	2017 PF Power Supply System	Total Washington Amounts 65.63%
501 Thermal Fuel Expense	29,225	19,180
546 Other Power Gen Supvsn & Eng	0	0
547 Other Fuel Expense	76,583	50,261
536 Water for Power	1,029	675
555 Purchased Power	111,068	72,894
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	17,766	11,660
<b>Total Expense</b>	<b>236,078</b>	<b>154,938</b>
Net Income Before Income Taxes	-165,526	-108,635
Federal Income Tax	35%	-38,022
Net Income		-\$70,613

**Per Avista Rebuttal**

	2017 PF Power Supply System	Total Washington Amounts 65.63%
Nov Update 2017 PF Power Supply System	-\$3,399	-\$3,399
Nov Update 2017 PF Washington Amounts 65.63%	\$3,350	2,199
<b>NET CHANGE</b>	<b>-239</b>	<b>-112</b>

**Net Revenue Requirement Impact (Grossed Down)**

	2017 PF Power Supply System	Total Washington Amounts 65.63%
Net Revenue Requirement Impact (Grossed Down)	\$207	(\$335)
<b>NET CHANGE</b>	<b>0.61931</b>	<b>(\$329)</b>

**[USING FORECASTED LOADS]**

- (1) Washington Power Supply adjustment using forecasted loads. The difference in power supply expense using test period loads versus forecasted loads, is included in Revenue Growth adjustment shown in column [L] - See updated Exh. No. EMA-7, column [L] pages 4 and 5. (see updated model provided as Attachment A - pages 1-16)
- (2) Increase in Transmission Wheeling Revenue totals \$915,000 (Washington share).
- (3) P/T Ratio updated from 64.71% to 65.63% per Avista Rebuttal, inclusion of updated P/T ratio consistent with WUTC Staff.
- (4) **OVERALL NET IMPACT to revenue requirement of November Power Supply Update.**



**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)		(c)	(d)	(e)
		Attrition Balances	Revenue Growth Factor			
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)	\$85,635	1.018986	\$84,040		
5	2018 Rate of Return (at 2016 rates)			5.65%		
6	2018 Net Operating Income Deficiency (Surplus)			\$30,148		
7	Gross-up Conversion Factor			0.61931		
8	2018 Attrition Revenue Deficiency			\$48,678	2017	2018
9	2018 Total General Business Revenues (at 2016 rates)			\$495,064	\$39,772	\$8,906
10	Attrition-based 2018 revenue requirement			\$543,742		\$534,836
11	Percent Revenue Requirement Change			9.83%	8.03%	3.40%
						(1)
					Total (18 months)	2017
					\$50,586	\$10,485
					\$48,678	\$8,906
					(\$1,908)	(\$1,579)

(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%.

**Rebuttal Revenue Requirement**

**Revised Including November Power Supply Update**  
**Overall Net Reduction due to November Power Supply Update (2)**

(2) Includes impact of power supply cost update on columns [K] "Pro Formed Energy Cost" and [L] "Revenue Growth", see pages 4 and 5.

**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.							
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	
		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	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]	
				REVISED	REMOVED	ADDED	REVISED					REVISED	REVISED	REVISED	REVISED		
1	REVENUES																
1	Total General Business	\$ 497,229	\$ (89,988)	\$ 468	\$ -	\$ (2,303)	\$ (3,093)	\$ 494,136	1.90%	\$ 9,382	\$ 494,136	\$ 9,382	\$ 18	\$ -	\$ -	\$ 503,518	
2	Interdepartmental Sales	\$ 928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 928	1.90%	\$ -	\$ 928	\$ -	\$ -	\$ -	\$ -	\$ 946	
3	Sales for Resale	\$ 49,505	\$ (49,505)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,451	
4	Subtotal: Sales of Electricity	\$ 547,662	\$ (49,505)	\$ -	\$ -	\$ -	\$ (3,093)	\$ 495,064		\$ 9,382	\$ 495,064	\$ 9,382	\$ 18	\$ -	\$ -	\$ 536,914	
5	Other Revenue	\$ 16,920	\$ (10,779)	\$ -	\$ -	\$ -	\$ (3,691)	\$ 2,450	0.00%	\$ -	\$ 2,450	\$ 11,806	\$ (1)	\$ -	\$ -	\$ 14,255	
6	Total Electric Revenue	\$ 564,582	\$ (60,284)	\$ -	\$ -	\$ -	\$ (6,784)	\$ 497,514		\$ 9,382	\$ 497,514	\$ 20,192	\$ 17	\$ -	\$ -	\$ 551,169	
	EXPENSES																
	Production and Transmission																
7	Operating Expenses	\$ 140,485	\$ (89,988)	\$ 468	\$ -	\$ -	\$ -	\$ 50,965	10.16%	\$ 5,181	\$ 56,146	\$ 80,563	\$ 1	\$ -	\$ -	\$ 136,710	
8	Purchased Power	\$ 85,107	\$ (85,107)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 73,126	\$ 1,109	\$ -	\$ -	\$ 74,235	
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	\$ 153,689	\$ 1,110	\$ 1,255	\$ -	\$ 259,688	
	Distribution																
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Administrative & General																
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24	Subtotal: A&G	\$ 71,445	\$ -	\$ (625)	\$ -	\$ -	\$ (6)	\$ 70,814	13.38%	\$ 7,527	\$ 78,341	\$ -	\$ 19	\$ -	\$ -	\$ 80,896	
25	Total Electric Expenses	\$ 432,791	\$ (175,095)	\$ (2,531)	\$ -	\$ (2,303)	\$ (146)	\$ 252,716		\$ 27,753	\$ 280,469	\$ 153,689	\$ 1,553	\$ 1,255	\$ 2,712	\$ 439,678	
26	OPERATING INCOME BEFORE FIT	\$ 131,791	\$ 114,811	\$ 2,531	\$ -	\$ 2,303	\$ (6,638)	\$ 244,798		\$ (27,753)	\$ 217,045	\$ (106,399)	\$ 4,812	\$ (1,255)	\$ (2,712)	\$ 111,491	
27	<sup>1</sup> Workpapers for 12,2015 Commission Basis Reports provided with Staff_DR_030.																
28	<sup>2</sup> November 2015 Storm expenses were removed for trending purposes and from Escalation Base.																

<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.

(10) Washi

2018 UPDATED ELECTRIC ATTRITION REVENUE REQUIREMENT															
Determine Base Cost and Revenue to Escalate										Other Cost & Revenue A					
Escalate Non-Energy Cost															
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
	12.2014 Commission Basis Report Restated Totals'	(less) 12.2015 Normalized Net Power Supply Cost	Deferred Dr/Cr, Reg. Amorts & Misc. Adj.	Net Retired Meter & 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)+[J]=[I]	(plus) 12ME 06 2018 Pro-Formed Net Energy Cost	12ME 06 2018 AMA Revenue and Cost	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]
26	\$ 4,968	\$ 40,184	\$ 1,930	\$ -	\$ 806	\$ (2,323)	\$ 45,565		\$ (9,714)	\$ 35,851	\$ (37,240)	\$ 1,684	\$ (439)	\$ (949)	\$ (1,093)
27	\$ 1	\$ -	\$ 123	\$ -	\$ -	\$ -	\$ 124	9.85%	\$ (1,885)	\$ (1,761)	\$ -	\$ -	\$ (89)	\$ (89)	\$ (2,393)
28	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,492	9.85%	\$ -	\$ 29,492	\$ -	\$ -	\$ -	\$ -	\$ 29,492
29	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129)	9.85%	\$ -	\$ (129)	\$ -	\$ -	\$ (22)	\$ -	\$ (151)
30	\$ 97,459	\$ 74,627	\$ 478	\$ -	\$ 1,497	\$ (4,315)	\$ 169,746	9.85%	\$ (16,155)	\$ 153,591	\$ (69,159)	\$ 3,128	\$ (250)	\$ (1,674)	\$ 85,635
31	<b>NET OPERATING INCOME</b>														
	\$ 2,433,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,433,892	9.85%	\$ 239,728	\$ 2,673,620	\$ -	\$ -	\$ 67,095	\$ 13,633	\$ 2,754,348
	<b>Includes Nov. 2016 Update</b>														
32	\$ 144,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,970	9.85%	\$ 14,279	\$ 159,249	\$ -	\$ -	\$ 4,891	\$ -	\$ 164,140
33	\$ 779,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,441	9.85%	\$ 76,772	\$ 856,213	\$ -	\$ -	\$ 67,095	\$ -	\$ 923,308
34	\$ 401,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 401,700	9.85%	\$ 39,566	\$ 441,266	\$ -	\$ -	\$ -	\$ -	\$ 441,266
35	\$ 895,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,055	9.85%	\$ 88,159	\$ 983,214	\$ -	\$ -	\$ 2,638	\$ -	\$ 985,852
36	\$ 212,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,726	9.85%	\$ 20,953	\$ 233,679	\$ -	\$ -	\$ 6,104	\$ -	\$ 239,783
37	\$ 2,433,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,433,892	9.85%	\$ 239,728	\$ 2,673,620	\$ -	\$ -	\$ 67,095	\$ 13,633	\$ 2,754,348
38	\$ (24,943)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,943)	9.85%	\$ (2,457)	\$ (27,400)	\$ -	\$ -	\$ (544)	\$ -	\$ (27,944)
39	\$ (342,899)	\$ -	\$ 2,293	\$ -	\$ -	\$ -	\$ (340,606)	9.85%	\$ (33,548)	\$ (374,154)	\$ -	\$ -	\$ (722)	\$ -	\$ (374,876)
40	\$ (129,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,936)	9.85%	\$ (12,798)	\$ (142,734)	\$ -	\$ -	\$ -	\$ -	\$ (142,734)
41	\$ (273,578)	\$ -	\$ 2,276	\$ -	\$ -	\$ -	\$ (271,302)	9.85%	\$ (26,722)	\$ (298,024)	\$ -	\$ -	\$ (88)	\$ -	\$ (298,112)
42	\$ (73,050)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,050)	9.85%	\$ (7,195)	\$ (80,245)	\$ -	\$ -	\$ (723)	\$ -	\$ (80,968)
43	\$ (844,406)	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ (839,837)	9.85%	\$ (82,721)	\$ (922,558)	\$ -	\$ -	\$ (722)	\$ (1,355)	\$ (924,635)
44	\$ 1,589,486	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,594,055	9.85%	\$ 157,008	\$ 1,751,063	\$ -	\$ -	\$ 66,373	\$ 12,278	\$ 1,829,714
45	\$ (317,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (317,860)	9.85%	\$ (31,308)	\$ (349,168)	\$ -	\$ -	\$ (12,459)	\$ (3,486)	\$ (365,113)
46	\$ 1,271,626	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 1,276,195	9.85%	\$ 125,700	\$ 1,401,895	\$ -	\$ -	\$ 53,914	\$ 8,792	\$ 1,464,601
47	\$ 7,458	\$ -	\$ (5,220)	\$ -	\$ 2,238	\$ -	\$ 2,238	0.00%	\$ -	\$ 2,238	\$ -	\$ -	\$ -	\$ -	\$ 2,238
48	\$ 59,722	\$ -	\$ (11,512)	\$ -	\$ -	\$ -	\$ 48,210	0.00%	\$ -	\$ 48,210	\$ -	\$ -	\$ -	\$ -	\$ 48,210
49	\$ 1,338,806	\$ -	\$ (12,163)	\$ -	\$ -	\$ -	\$ 1,326,643	9.85%	\$ 125,700	\$ 1,452,343	\$ -	\$ -	\$ 53,914	\$ 8,792	\$ 1,515,049
50	\$ 7,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,286	9.85%	\$ 722	\$ 8,008	\$ -	\$ -	\$ 7,090	\$ 3,794	\$ 11,802
51	\$ 1,479,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,479,712	9.85%	\$ 147,971	\$ 1,627,683	\$ -	\$ -	\$ 163,065	\$ 33,789	\$ 1,724,547
52	\$ 7,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,109	9.85%	\$ 709	\$ 7,818	\$ -	\$ -	\$ 779	\$ 3,794	\$ 11,802
53	\$ 7,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,109	9.85%	\$ 709	\$ 7,818	\$ -	\$ -	\$ 779	\$ 3,794	\$ 11,802
54	\$ 7,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,109	9.85%	\$ 709	\$ 7,818	\$ -	\$ -	\$ 779	\$ 3,794	\$ 11,802
55	\$ 7,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,109	9.85%	\$ 709	\$ 7,818	\$ -	\$ -	\$ 779	\$ 3,794	\$ 11,802
56	\$ 7,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,109	9.85%	\$ 709	\$ 7,818	\$ -	\$ -	\$ 779	\$ 3,794	\$ 11,802

Gross Down \$ 1,486,821

\$ 1,479,712

\$ 7,109

Pro Forma

7.68%

\$ 116,356

\$ 30,720

\$ 0,61931

\$ 49,604

\$ 1,018,986

\$ 48,678

<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.

<sup>3</sup>Includes Plant Held for Future Use.

<sup>4</sup>Includes Plant Held for Future Use.

**ATTRITION ADJUSTED REVENUE REQUIREMENT**

Proposed Rate of Return	7.68%	\$	116,356
Return on Plant in Service at Proposed Rate		\$	30,720
Operating Income Deficiency		\$	0,61931
Revenue Conversion Factor		\$	49,604
Revenue Requirement		\$	1,018,986
Revenue Growth Factor		\$	48,678
<b>Attrition Adjusted Revenue Requirement</b>		<b>\$</b>	<b>48,678</b>

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

**Commission Basis Results of Operations**

**AVISTA UTILITIES**

(000'S OF DOLLARS)		2007	2008	2009	2010	2011	2012	2013	2014	UPDATED 12.2015
<b>REVENUES</b>										
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
<b>EXPENSES</b>										
<b>Production and Transmission</b>										
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
<b>Distribution</b>										
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
<b>Administrative &amp; General</b>										
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
see updated EXH. 10.4, 2014-15, column (L) pages 4 and 5 (updated under previous with amendment)										
<b>FEDERAL INCOME TAX</b>										
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**

**Commission Basis Results of Operations**

**AVISTA UTILITIES**

(000'S OF DOLLARS)	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Line No									
PLANT IN SERVICE									
32	Intangible	\$20,632	\$23,321	\$57,116	\$81,955	\$84,081	\$85,247	\$102,620	\$144,970
33	Production	645,576	657,099	677,646	692,689	706,894	717,448	746,101	779,441
34	Transmission	259,532	289,302	301,090	312,505	328,012	342,382	371,971	401,700
35	Distribution	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795
36	General	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867
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	2,433,892
ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	na	na	na	na	3,744	4,369	17,667	20,242
39	Production	na	na	na	na	286,300	300,170	314,599	325,531
40	Transmission	na	na	na	na	111,144	116,316	122,308	123,869
41	Distribution	na	na	na	na	209,101	221,408	236,201	252,722
42	General	na	na	na	na	56,694	61,871	58,357	65,720
43	Total Accumulated Depreciation	526,307	557,426	585,821	629,399	666,983	704,134	749,132	788,084
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
45	DEFERRED TAXES	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(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	1,271,626
47	DEFERRED DEBITS AND CREDITS	21,020	19,593	17,776	17,776	18,845	16,438	14,761	10,846
48	WORKING CAPITAL	0	0	0	18,188	31,877	10,967	16,281	47,807
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
		\$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**

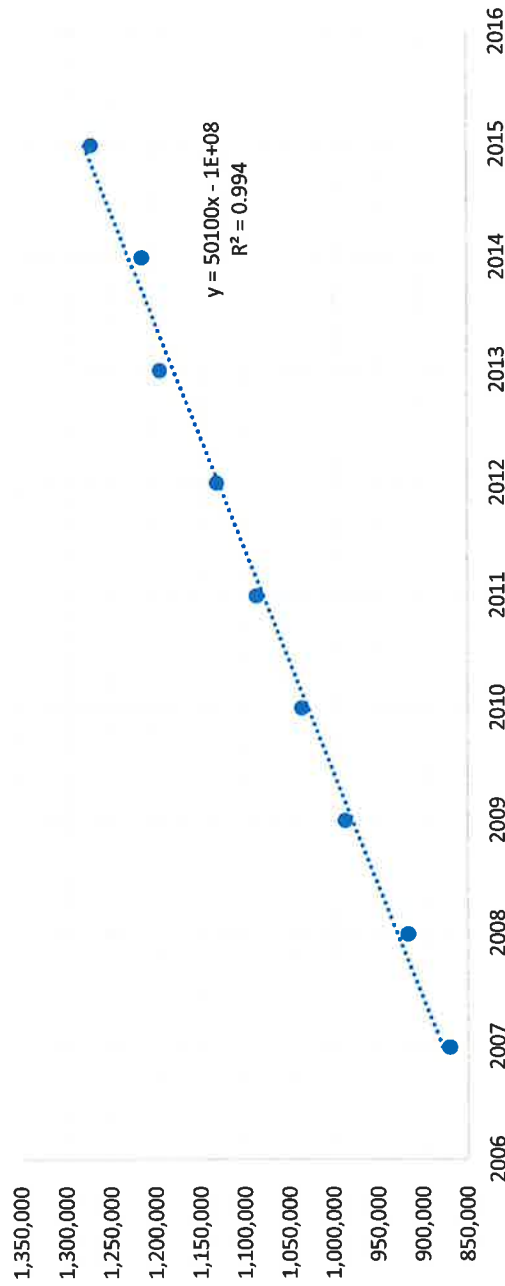
Line No.	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Exclude Power Supply and Adder Schedule Expenses (DSM Tariff Rider and Residential Exchange Credit) from O&M										
1	Production/Transmission	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307	140,485
2	Purchased Power	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643	85,107
3	Distribution	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299	24,056
4	Customer Accounting	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166	12,363
5	Customer Service and Information	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383	1,454
6	Sales	682	571	660	176	4	5	0	0	0
7	Administrative and General	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210	49,942
8	Total Operating & Maintenance Expenses	234,605	264,279	273,806	382,589	332,207	332,391	329,981	317,008	313,407
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)	0	0	0	0
11	Deduct Res X Credit Expenses	37	24	27	41	31	55	0	0	0
12	Adjusted Operating Expenses	<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	24,877	23,076	23,969	25,008	25,158	25,680	23,284	23,715	24,947
14	Distribution	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794	25,379
15	Administrative and General	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947	21,503
16	Total Depreciation/Amortization	<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	(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	Adjusted Regulatory Amortizations	<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	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828	14,133
21	Distribution (1)	16,156	17,416	18,216	20,029	22,459	22,699	23,809	25,821	27,448
22	Administrative and General	(9)	(3)	(3)	2	0	(4)	0	0	0
23	Total Taxes Other Than Income Tax	24,466	25,559	27,227	29,986	33,305	34,151	36,722	38,649	41,581
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	Adjusted Taxes Other Than Income Tax	<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	Net Plant After Deferred Income Tax	<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	Total Rate Base	<b>891,855</b>	<b>936,840</b>	<b>1,005,019</b>	<b>1,072,028</b>	<b>1,137,863</b>	<b>1,226,052</b>	<b>1,273,157</b>	<b>1,338,806</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	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	(221)	(1,839)	(448)	(640)	(1,752)	(1,489)	(282)	(3,062)	(267)
31	Deduct Power Supply Other Revenue	(6,876)	(6,213)	(6,133)	(8,333)	(9,102)	(8,285)	(9,662)	(10,622)	(10,512)
32	Deduct Transmission Other Revenue	3,073	2,875	2,814	2,813	2,812	3,315	3,464	3,479	2,450
33	Adjusted Other Revenue	3,966	-6,448	-2,133	-0,023	-0,033	17,866	4,506	0,423	-29,566



Avista Proposed Based on Commission Order No. 05 Docket No. UE-150204										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	12.2015
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	1,271,626
								Per CBR		UPDATED

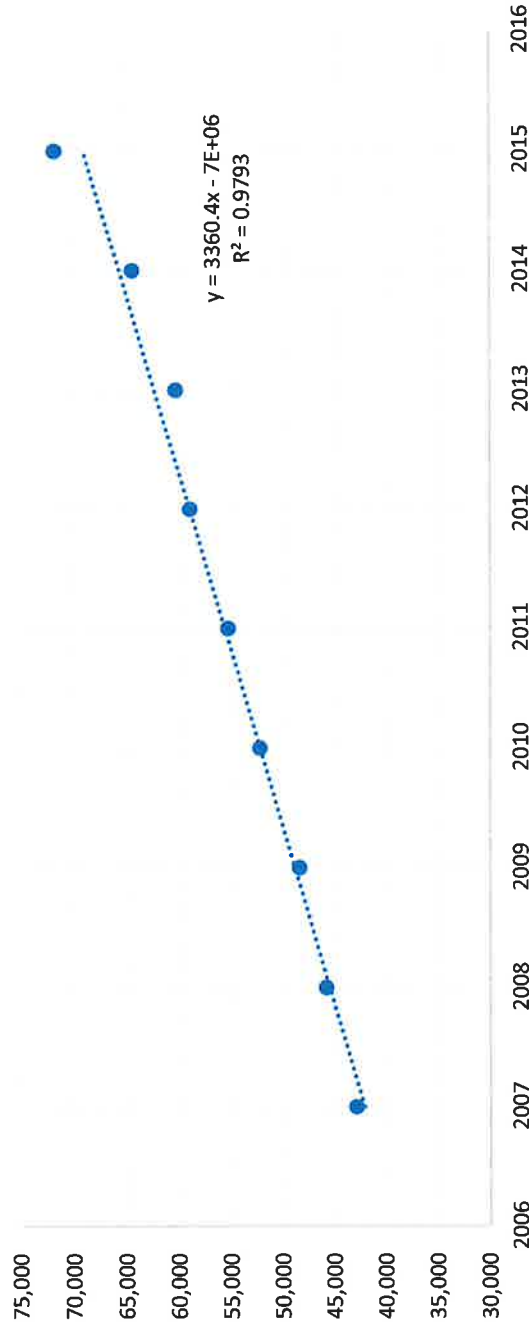
Annual Increase (slope below)  
 Rate (Annual) 50,100  
 3.94%  
 Rate (2.5-year, to 2018 6ME 6/2018) **9.85%** (Escalation Factor)

Net Plant after DFIT (Electric)



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

Depreciation/ Amortization (Electric)

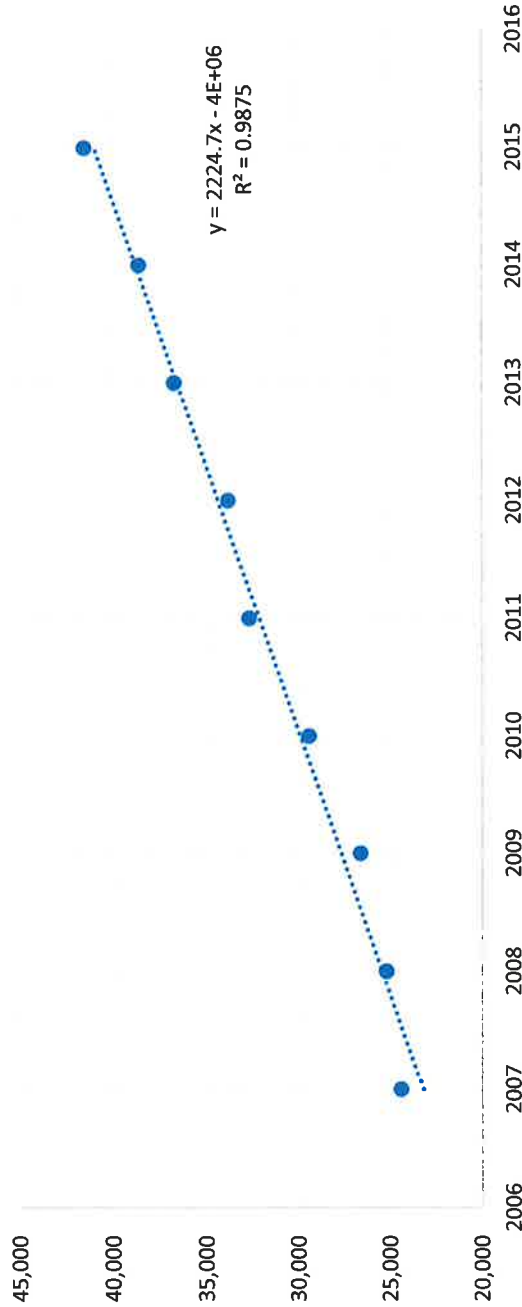


<b>Avista Proposed Based on Commission Order No. 05 Docket, No. UE-150204</b>									
	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Adjusted Taxes	24,422	25,215	26,626	29,451	32,680	33,805	36,722	38,649	41,581

UPDATED (1)

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

Adjusted Taxes (Electric)



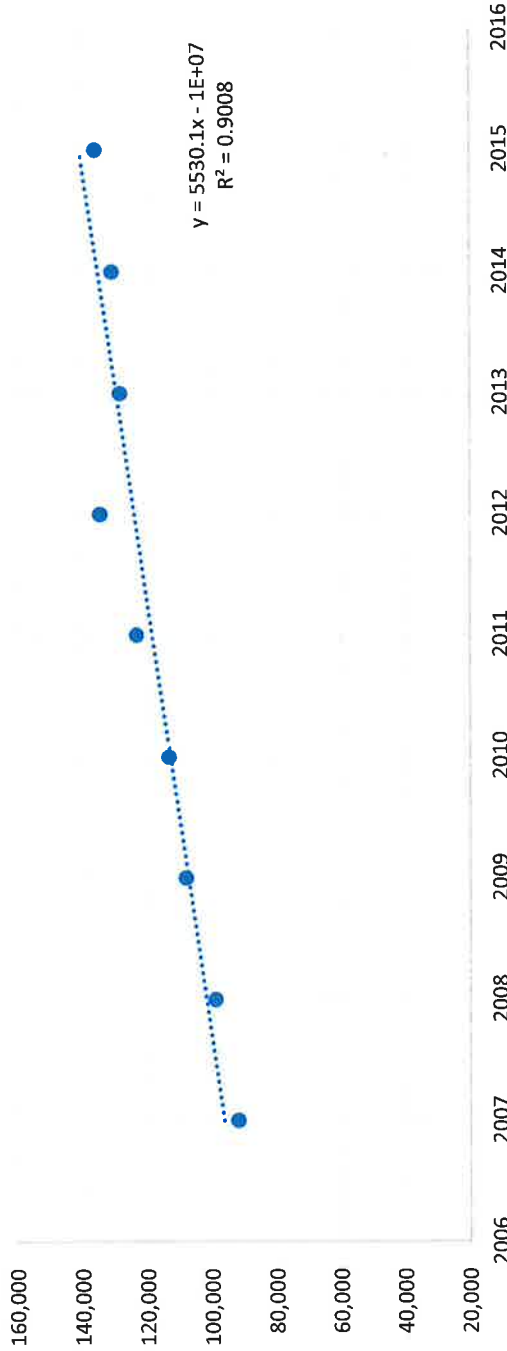
(1) Corrected excise tax error in 2009-2015.

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

UPDATED

(1)

Adjusted Operating Expenses 2007-2015



(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	SCHEDULE 1	2,481,909	2,541,558	2.40%	21,096,227	4.26%	0.10%
2	GENERAL SVC.	SCH. 11,12	369,248	380,482	3.04%	6,646,464	1.34%	0.04%
3	LG. GEN. SVC.	SCH. 21,22	24,164	24,311	0.61%	12,082,000	2.44%	0.01%
4	EX LG GEN SVC	SCHEDULE 25	252	254	0.67%	5,292,000	1.07%	0.01%
5	PUMPING	SCH. 30, 31, 32	29,170	29,691	1.79%	525,060	0.11%	0.00%
6	ST & AREA LTG	SCH. 41-48						
7	RESIDENTIAL	SCHEDULE 1	2,375,997,614	2,475,322,185	4.18%	189,973,890	38.37%	1.60%
8	GENERAL SVC.	SCH. 11,12	596,483,095	597,923,947	0.24%	61,874,875	12.50%	0.03%
9	LG. GEN. SVC.	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	SCHEDULE 25	1,108,671,941	1,156,202,202	4.29%	52,632,200	10.63%	0.46%
11	PUMPING	SCH. 30, 31, 32	154,884,909	133,241,503	-13.97%	11,985,355	2.42%	-0.34%
12	ST & AREA LTG	SCH. 41-48	25,597,340	24,397,324	0.00%	6,952,992	1.40%	0.00%
13	RESIDENTIAL	SCHEDULE 1						
14	GENERAL SVC.	SCH. 11,12	407,826	402,284	-1.36%	2,453,871	0.50%	-0.01%
15	LG. GEN. SVC.	SCH. 21,22	2,838,030	2,748,136	-3.17%	17,086,327	3.45%	-0.11%
16	EX LG GEN SVC	SCHEDULE 25	1,293,261	1,290,752	-0.19%	6,526,238	1.32%	0.00%
17	PUMPING	SCH. 30, 31, 32						
18	ST & AREA LTG	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%			

(1) Washington Power Supply adjustment included in updated electric 2018 Attrition Study - See updated Exh. No. EMA-9, column [K] pages 4 and 5 (updated model provided with Attachment)

Bench Request 10.4 - Attachment B

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] (1)

	Power Supply System	Total Washington Amounts	(3)
P/T Allocation Percentages		65.63%	

447 Sales for Resale	\$54,067	\$35,484	
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	72,055	47,290	

501 Thermal Fuel Expense	29,156	19,135	
546 Other Power Gen Supvsn & Eng	0	0	
547 Other Fuel Expense	74,567	48,938	
536 Water for Power	1,029	675	
555 Purchased Power	111,421	73,128	
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	234,175	153,689	

Net Income Before Income Taxes	-162,120	-106,399	
Federal Income Tax	35%	-37,240	
Net Income		-\$69,161	

Net Revenue Requirement Impact

Including November Power Supply Update

- (1) Washington Power Supply adjustment included in updated electric 2018 Attrition Study - See updated Esh. No. EMA-9, column [K] pages 4 and 5 (updated model provided with Attachment B pages 17-32).
- (2) Increase in Transmission Wheeling Revenue totals \$915,000 (Washington share) in 2017, no incremental change in 2018.
- (3) P/T Ratio updated from 64.71% to 65.63% per Avista Rebuttal, inclusion of updated P/T ratio consistent with WUTC Staff.

Avista Corporation

WA Power Supply Pro Forma Net Cost

Rate Case Power Supply Adjustment Pro Forma - 09, 2015 Historical Loads

Per Avista Rebuttal

2018 PF (12ME 6/2018)

	Power Supply System	Total Washington Amounts	(3)
P/T Allocation Percentages		65.63%	

447 Sales for Resale	\$57,362	\$37,647	
453 Sales of Water and Water Power	466	306	
454 Misc Rents	0	0	
456 Transmission Wheeling Revenue System	16,128	10,585	
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	73,956	48,537	

501 Thermal Fuel Expense	29,255	19,200	
546 Other Power Gen Supvsn & Eng	0	0	
547 Other Fuel Expense	78,650	51,618	
536 Water for Power	1,029	675	
555 Purchased Power	111,447	73,143	
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	18,169	11,924	
Total Expense	238,957	156,827	

Net Income Before Income Taxes	-165,001	-108,290	
Federal Income Tax	35%	-37,902	
Net Income		-\$70,390	

[USING HISTORICAL LOADS]

CF	0.61931	
Change per 2017 Update		-\$1,984
Incremental Decrease for 2018		-\$ (1,493)

(1) Washington Power Supply adjustment included in updated electric 2018 Attrition Study - See updated Esh. No. EMA-9, column [K] pages 4 and 5 (updated model provided with Attachment B pages 17-32).

(2) Increase in Transmission Wheeling Revenue totals \$915,000 (Washington share) in 2017, no incremental change in 2018.

(3) P/T Ratio updated from 64.71% to 65.63% per Avista Rebuttal, inclusion of updated P/T ratio consistent with WUTC Staff.

**ATTRITION ADJUSTMENT RELATED TO RETAIL REVENUE GROWTH AND ASSOCIATED POWER SUPPLY COST**  
(000'S OF DOLLARS)

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

No Change --> [Column L] Revenue Growth and Power Supply Cost (1)

Line No.	DESCRIPTION	(Note 1)	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
2	Interdepartmental Sales					18
3	Sales for Resale		35,484	32,451	-3,033	
4	Total Sales of Electricity		35,484	32,451	-3,033	9,399
5	Other Revenue		11,806	11,805	-1	0
6	Total Electric Revenue		47,290	44,256	-3,034	9,399
<b>EXPENSES</b>						
<b>Production and Transmission</b>						
7	Operating Expenses	1	80,562	80,563	1	
8	Purchased Power		73,126	74,235	1,109	
9	Depreciation/Amortization					
10	Regulatory Amortization					
11	Taxes					
12	Total Production & Transmission		153,688	154,798	1,110	0
<b>Distribution</b>						
13	Operating Expenses					
14	Depreciation/Amortization					
15	Taxes					
16	Total Distribution	0.038473	0	0	0	361
17	Customer Accounting					
18	Customer Service & Information	0.006739				63
19	Sales Expenses					
<b>Administrative &amp; General</b>						
20	Operating Expenses	0.002000				19
21	Depreciation/Amortization					
22	Taxes					
23	Total Admin. & General		0	0	0	19
24	Total Electric Expenses		153,688	154,798	1,110	443
25	OPERATING INCOME BEFORE FIT		-106,398	-110,542	-4,144	8,956
<b>FEDERAL INCOME TAX</b>						
26	Current Accrual					
27	Debt Interest					
28	Deferred Income Taxes					
29	Amortized ITC - Noxon					
30	NET OPERATING INCOME		-69,159	-71,852	-2,694	5,821

Note 1: 09.2015 Washington electric revenue conversion factor amounts.

[Adjusts for growth in power supply above historical load]  
(1) Revenue Growth adjustment shown in column [L] represents difference in power supply expense using test period loads versus forecasted loads. - See updated Exh. No. EMA-9, column [L] pages 4 and 5.

incremental load expense

Avista Corporation

Avista Corporation

WA Power Supply Pro Forma Net Cost

WA Power Supply Pro Forma Net Cost

Rate Case Power Supply Adjustment Pro Forma - 2018 Forecast Loads

Rate Case Power Supply Adjustment Pro Forma - 2018 Forecast Loads

November 2016 PF Update

Per Avista Rebuttal

	Updated PF	Total Washington Amounts	65.63%
P/T Allocation Percentages			(3)
447 Sales for Resale	(\$49,445)	\$32,451	
453 Sales of Water and Water Power	0	306	
454 Misc Rents	0	0	
456 Transmission Wheeling Revenue	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	67,433	44,256	

	Updated PF	Power Supply System	Total Washington Amounts	65.63%
447 Sales for Resale	\$52,640		\$34,548	
453 Sales of Water and Water Power	466		306	
454 Misc Rents	0		0	
456 Transmission Wheeling Revenue	16,128	System	10,585	
456 Transmission Wheeling Revenue Direct WA	0	Direct WA	0	
456 Transmission Wheeling Revenue Direct ID	0	Direct ID	0	
456 Other Electric Revenue	0		0	
456 Other Electric Revenue-Direct WA	0		0	
Total Revenue	69,234		45,438	

Nov Update

Nov Update

NET CHANGE 2018 PF

NET CHANGE 2018 PF

Power Supply System

Power Supply System

Washington Amounts

Washington Amounts

65.63%

65.63%

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[USING FORECASTED LOADS]

501 Thermal Fuel Expense	29,156	19,135	19,200	-99
546 Other Power Gen Supvsn & Eng	0	0	0	
547 Other Fuel Expense	74,567	48,938	51,619	-\$4,084
536 Water for Power	1,029	675	675	
555 Purchased Power	113,111	74,235	74,146	\$135
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	267	
xxx Other Expenses-Direct WA	0	0	0	
565 Trans. of Elec. by Others	17,595	11,548	11,924	-\$574
Total Expense	235,865	154,798	157,832	-4,622
Net Income Before Income Taxes	-168,432	-110,542	-112,393	2,821
Federal Income Tax	35%	-38,690	-39,338	648
Net Income		-\$71,853	-\$73,056	\$1,203
Net Revenue Requirement Impact			CF	0.61931

Change per 2017 Update

Incremental Decrease for 2018

Grossed Down-Incremental rev. req. change

Change per 2017 Update

Incremental Decrease for 2018

Grossed Down-Incremental rev. req. change

-\$1,943

-\$335

-\$1,608

-\$1,943

-\$335

-\$1,608

-\$1,579

(4)

(5)

(6)

(1) Washington Power Supply adjustment using forecasted loads. The difference in power supply expense using test period loads versus forecasted loads, is included in Revenue Growth adjustment shown in column [L] - See updated Exh. No. EMA-9, column [L] pages 4 and 5.

(2) Increase in Transmission Wheeling Revenue totals \$915,000 (Washington share) in 2017, no incremental change in 2018.

(3) P/T Ratio updated from 64.71% to 65.63% per Avista Rebuttal, inclusion of updated P/T ratio consistent with WUTC Staff.

(4) OVERALL NET IMPACT to revenue requirement of November Power Supply Update over 18 months (-\$1,943 million, prior to gross down).

(5) OVERALL NET IMPACT to revenue requirement of November Power Supply Update for 2017 only (-\$.335 million, prior to gross down).

(6) OVERALL NET IMPACT to revenue requirement of November Power Supply Update for incremental 6 mos. (Jan 2018-Jul 2018) (-\$1,579 million, including gross down).



**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 (Revised: No Noxon Spill)**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		2017
		Actuals	Adjustment	Pro Forma
<b>555 PURCHASED POWER</b>				
1	Modeled ST Market Purchases	\$0	\$7,960	\$7,960
2	Actual ST Market Purchases	84,387	-81,010	3,377
3	Actual ST Purchases - Financial M-to-M	0	-512	-512
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	883	8,001
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	390	3,135
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	<b>Total Account 555</b>	<b>177,764</b>	<b>-64,672</b>	<b>113,092</b>
<b>557 OTHER EXPENSES</b>				
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	<b>Total Account 557</b>	<b>82,395</b>	<b>-81,988</b>	<b>407</b>
<b>501 THERMAL FUEL EXPENSE</b>				
28	Kettle Falls - Wood Fuel	6,231	-677	5,554
29	Kettle Falls - Start-up Gas	14	0	14
30	Colstrip - Coal	22,168	1,240	23,408
31	Colstrip - Oil	229	0	229
32	<b>Total Account 501</b>	<b>28,642</b>	<b>563</b>	<b>29,205</b>
<b>547 OTHER FUEL EXPENSE</b>				
33	Coyote Springs Gas	42,752	-7,206	35,546
34	Coyote Springs 2 Gas Transportation	6,247	148	6,395
35	Lancaster Gas	33,676	-802	32,874
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	-207	1,625
41	Northeast CT Gas	50	27	77
42	Boulder Park Gas	613	202	815
43	Kettle Falls CT Gas	156	76	232
44	<b>Total Account 547</b>	<b>90,788</b>	<b>-17,604</b>	<b>73,184</b>

**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 (Revised: No Noxon Spill)**

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	-163,427	234,513
<u>447 SALES FOR RESALE</u>				
57	Modeled Short-Term Market Sales	0	39,197	39,197
58	Actual ST Market Sales - Physical	105,602	-105,602	0
59	Actual ST Market Sales - Financial M-to-M	0	2,386	2,386
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	199	12,348
65	COB Optimization	0	526	526
66	Intracompany Generation	1,654	-1,654	0
67	Total Account 447	130,837	-74,292	56,545
		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	-172,864	57,011
74	<b>TOTAL NET EXPENSE</b>	168,065	9,437	177,502
			5.62%	
				9,300,991

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Forecasted Load, Nov 1 Update, No Noxon Spill**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		2017
		Actuals	Adjustment	Pro Forma
<b>555 PURCHASED POWER</b>				
1	Modeled ST Market Purchases	\$0	\$9,286	\$9,286
2	Actual ST Market Purchases	84,387	-81,010	3,377
3	Actual ST Purchases - Financial M-to-M	0	-512	-512
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	883	8,001
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	390	3,135
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	<b>Total Account 555</b>	<b>177,764</b>	<b>-63,346</b>	<b>114,418</b>
<b>557 OTHER EXPENSES</b>				
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	<b>Total Account 557</b>	<b>82,395</b>	<b>-81,988</b>	<b>407</b>
<b>501 THERMAL FUEL EXPENSE</b>				
28	Kettle Falls - Wood Fuel	6,231	-677	5,554
29	Kettle Falls - Start-up Gas	14	0	14
30	Colstrip - Coal	22,168	1,240	23,408
31	Colstrip - Oil	229	0	229
32	<b>Total Account 501</b>	<b>28,642</b>	<b>563</b>	<b>29,205</b>
<b>547 OTHER FUEL EXPENSE</b>				
33	Coyote Springs Gas	42,752	-7,206	35,546
34	Coyote Springs 2 Gas Transportation	6,247	148	6,395
35	Lancaster Gas	33,676	-802	32,874
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	-207	1,625
41	Northeast CT Gas	50	27	77
42	Boulder Park Gas	613	202	815
43	Kettle Falls CT Gas	156	76	232
44	<b>Total Account 547</b>	<b>90,788</b>	<b>-17,604</b>	<b>73,184</b>

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Forecasted Load, Nov 1 Update, No Noxon Spill**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		2017
		Actuals	Adjustment	Pro Forma
<b>565 TRANSMISSION OF ELECTRICITY BY OTHERS</b>				
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
<b>536 WATER FOR POWER</b>				
55	Headwater Benefits Payments	997	32	1,029
56	<b>TOTAL EXPENSE</b>	<b>397,940</b>	<b>-162,101</b>	<b>235,839</b>
<b>447 SALES FOR RESALE</b>				
57	Modeled Short-Term Market Sales	0	35,163	35,163
58	Actual ST Market Sales - Physical	105,602	-105,602	0
59	Actual ST Market Sales - Financial M-to-M	0	2,386	2,386
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	199	12,348
65	COB Optimization	0	526	526
66	Intracompany Generation	1,654	-1,654	0
67	Total Account 447	130,837	-78,326	52,511
<b>456 OTHER ELECTRIC REVENUE</b>				
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
<b>453 SALES OF WATER AND WATER POWER</b>				
72	Upstream Storage Revenue	418	48	466
73	<b>TOTAL REVENUE</b>	<b>229,875</b>	<b>-176,898</b>	<b>52,977</b>
74	<b>TOTAL NET EXPENSE</b>	<b>168,065</b>	<b>14,797</b>	<b>182,862</b>
			8.80%	177,317
				5,545
				9,310,032

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and Jul 17 - Jun 18 Pro Forma**  
**Test Year Load, Nov 1 Update (Revised -No Noxon Spill)**

Line No.	Oct 14 - Sep 15 Actuals	Adjustment	Jul 17 - Jun 18 Pro Forma
<b><u>555 PURCHASED POWER</u></b>			
1	\$0	\$8,121	\$8,121
2	84,387	-84,387	0
3	0	-365	-365
4	13,315	923	14,238
5	1,703	195	1,898
6	2,482	-2,482	0
7	7,118	1,100	8,218
8	1,211	120	1,331
9	22,737	679	23,416
10	2,745	515	3,260
11	13,302	4,666	17,968
12	7	0	7
13	1,290	68	1,358
14	1,346	422	1,768
15	2,330	626	2,956
16	5,562	755	6,317
17	34	-34	0
18	1,654	-1,654	0
19	16,541	4,388	20,929
20	177,764	-66,343	111,421
<b><u>557 OTHER EXPENSES</u></b>			
21	407	0	407
22	645	-645	0
23	109	-109	0
24	-5,310	5,310	0
25	1	-1	0
26	86,543	-86,543	0
27	82,395	-81,988	407
<b><u>501 THERMAL FUEL EXPENSE</u></b>			
28	6,231	-623	5,608
29	14	0	14
30	22,168	1,136	23,304
31	229	0	229
32	28,642	514	29,156
<b><u>547 OTHER FUEL EXPENSE</u></b>			
33	42,752	-6,347	36,405
34	6,247	148	6,395
35	33,676	-261	33,415
36	5,409	20	5,429
37	0	-943	-943
38	0	-9,000	-9,000
39	53	0	53
40	1,832	-187	1,645
41	50	25	75
42	613	245	858
43	156	79	235
44	90,788	-16,221	74,567

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and Jul 17 - Jun 18 Pro Forma**  
**Test Year Load, Nov 1 Update (Revised -No Noxon Spill)**

Line No.	Oct 14 - Sep 15 Actuals	Adjustment	Jul 17 - Jun 18 Pro Forma
<u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u>			
45	894	49	943
46	138	0	138
47	12,067	151	12,218
48	1,501	7	1,508
49	1,373	30	1,403
50	45	0	45
51	135	5	140
52	558	0	558
53	643	0	643
54	17,354	241	17,595
<u>536 WATER FOR POWER</u>			
55	997	32	1,029
56	<b>TOTAL EXPENSE</b>	<b>-163,765</b>	<b>234,175</b>
<u>447 SALES FOR RESALE</u>			
57	0	38,589	38,589
58	105,602	-105,602	0
59	0	446	446
60	9,501	-9,501	0
61	1,256	113	1,369
62	150	6	156
63	525	45	570
64	12,149	259	12,408
65	0	528	528
66	1,654	-1,654	0
67	130,837	-76,770	54,067
	130,837		
<u>456 OTHER ELECTRIC REVENUE</u>			
68	3,245	-3,245	0
69	163	-163	0
70	95,212	-95,212	0
71	98,620	-98,620	0
<u>453 SALES OF WATER AND WATER POWER</u>			
72	418	48	466
73	<b>TOTAL REVENUE</b>	<b>-175,342</b>	<b>54,533</b>
74	<b>TOTAL NET EXPENSE</b>	<b>11,577</b>	<b>179,642</b>
		6.89%	
			9,300,991

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Forecasted Load, Nov 1 Update (Revised - No Noxon Spill)**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		Jul 17 - Jun 18
		Actuals	Adjustment	Pro Forma
<b>555 PURCHASED POWER</b>				
1	Modeled ST Market Purchases	\$0	\$9,811	\$9,811
2	Actual ST Market Purchases	84,387	-84,387	0
3	Actual ST Purchases - Financial M-to-M	0	-365	-365
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	1,100	8,218
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	515	3,260
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	<b>Total Account 555</b>	<b>177,764</b>	<b>-64,653</b>	<b>113,111</b>
<b>557 OTHER EXPENSES</b>				
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	<b>Total Account 557</b>	<b>82,395</b>	<b>-81,988</b>	<b>407</b>
<b>501 THERMAL FUEL EXPENSE</b>				
28	Kettle Falls - Wood Fuel	6,231	-623	5,608
29	Kettle Falls - Start-up Gas	14	0	14
30	Colstrip - Coal	22,168	1,136	23,304
31	Colstrip - Oil	229	0	229
32	<b>Total Account 501</b>	<b>28,642</b>	<b>514</b>	<b>29,156</b>
<b>547 OTHER FUEL EXPENSE</b>				
33	Coyote Springs Gas	42,752	-6,347	36,405
34	Coyote Springs 2 Gas Transportation	6,247	148	6,395
35	Lancaster Gas	33,676	-261	33,415
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	-187	1,645
41	Northeast CT Gas	50	25	75
42	Boulder Park Gas	613	245	858
43	Kettle Falls CT Gas	156	79	235
44	<b>Total Account 547</b>	<b>90,788</b>	<b>-16,221</b>	<b>74,567</b>

**Avista Corp.**  
**Power Supply Pro forma - Washington Jurisdiction**  
**System Numbers - Oct 2014 - Sep 2015 Actual and 2017 Pro Forma**  
**Forecasted Load, Nov 1 Update (Revised - No Noxon Spill)**

Line No.	Including November Power Supply Update	Oct 14 - Sep 15		Jul 17 - Jun 18
		Actuals	Adjustment	Pro Forma
<b>565 TRANSMISSION OF ELECTRICITY BY OTHERS</b>				
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	<b>Total Account 565</b>	<b>17,354</b>	<b>241</b>	<b>17,595</b>
<b>536 WATER FOR POWER</b>				
55	Headwater Benefits Payments	997	32	1,029
56	<b>TOTAL EXPENSE</b>	<b>397,940</b>	<b>-162,075</b>	<b>235,865</b>
<b>447 SALES FOR RESALE</b>				
57	Modeled Short-Term Market Sales	0	33,967	33,967
58	Actual ST Market Sales - Physical	105,602	-105,602	0
59	Actual ST Market Sales - Financial M-to-M	0	446	446
60	Peaker (PGE) Capacity Sale	9,501	-9,501	0
61	Nichols Pumping Sale	1,256	113	1,369
62	Sovereign/Kaiser DES	150	6	156
63	Pend Oreille DES & Spinning	525	45	570
64	SMUD/Energy America	12,149	259	12,408
65	COB Optimization	0	528	528
66	Intracompany Generation	1,654	-1,654	0
67	<b>Total Account 447</b>	<b>130,837</b>	<b>-81,392</b>	<b>49,445</b>
<b>456 OTHER ELECTRIC REVENUE</b>				
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	<b>Total Account 456</b>	<b>98,620</b>	<b>-98,620</b>	<b>0</b>
<b>453 SALES OF WATER AND WATER POWER</b>				
72	Upstream Storage Revenue	418	48	466
73	<b>TOTAL REVENUE</b>	<b>229,875</b>	<b>-179,964</b>	<b>49,911</b>
74	<b>TOTAL NET EXPENSE</b>	<b>168,065</b>	<b>17,889</b>	<b>185,954</b>
			10.64%	177,317
				8,637
				9,310,032