

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 \_\_\_\_\_

EXHIBIT NO. \_\_\_\_ (EMA-4)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES  
 WASHINGTON ELECTRIC RESULTS - 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
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$478,123	\$1,954	\$480,077	\$18,201	\$498,278
2	Interdepartmental Sales	849	-	849		849
3	Sales for Resale	112,347	(68,558)	43,789		43,789
4	Total Sales of Electricity	591,319	(66,604)	524,715	18,201	542,916
5	Other Revenue	105,071	(90,853)	14,218		14,218
6	Total Electric Revenue	696,390	(157,457)	538,933	18,201	557,134
EXPENSES						
Production and Transmission						
7	Operating Expenses	223,372	(87,477)	135,895		135,895
8	Purchased Power	148,901	(73,055)	75,846		75,846
9	Depreciation/Amortization	24,438	608	25,046		25,046
10	Regulatory Amortization	(2,564)	9,210	6,646		6,646
11	Taxes	12,077	2,165	14,242		14,242
12	Total Production & Transmission	406,224	(148,549)	257,675	-	257,675
Distribution						
13	Operating Expenses	21,135	(252)	20,883		20,883
14	Depreciation/Amortization	21,563	3,300	24,863		24,863
15	Taxes	39,617	(15,259)	24,358	702	25,060
16	Total Distribution	82,315	(12,211)	70,104	702	70,806
17	Customer Accounting	9,782	887	10,669	81	10,750
18	Customer Service & Information	14,811	(8,094)	6,717		6,717
19	Sales Expenses	8	0	8		8
Administrative & General						
20	Operating Expenses	46,083	(932)	45,151	36	45,187
21	Depreciation/Amortization	13,535	10,460	23,995		23,995
22	Taxes	-	-	-		-
23	Total Admin. & General	59,618	9,528	69,146	36	69,182
24	Total Electric Expenses	572,758	(158,440)	414,318	819	415,137
25	OPERATING INCOME BEFORE FIT	123,632	983	124,615	17,382	141,997
FEDERAL INCOME TAX						
26	Current Accrual	23,069	(1,551)	21,518	6,085	27,603
27	Debt Interest	-	(1,657)	(1,657)		(1,657)
28	Deferred Income Taxes	8,597	2,345	10,942		10,942
29	Amortized Investment Tax Credit	(142)	(25)	(167)		(167)
30	NET OPERATING INCOME	\$92,108	\$1,870	\$93,978	\$11,297	\$105,275
RATE BASE						
PLANT IN SERVICE						
31	Intangible	\$87,324	\$66,317	\$153,641		\$153,641
32	Production	725,940	79,492	805,432		805,432
33	Transmission	350,373	45,066	395,439		395,439
34	Distribution	768,726	111,763	880,489		880,489
35	General	165,337	45,054	210,391		210,391
36	Total Plant in Service	2,097,700	347,692	2,445,392	-	2,445,392
ACCUMULATED DEPRECIATION						
37	Intangible	(16,103)	(21,692)	(37,795)		(37,795)
38	Production	(307,317)	(39,591)	(\$346,908)		(346,908)
39	Transmission	(119,314)	(16,079)	(135,393)		(135,393)
40	Distribution	(228,494)	(55,306)	(283,800)		(283,800)
41	General	(54,355)	(28,239)	(82,594)		(82,594)
42	Total Accumulated Depreciation	(725,583)	(160,907)	(886,490)	-	(886,490)
43	NET PLANT BEFORE DFIT	1,372,117	186,785	1,558,902	-	1,558,902
44	DEFERRED TAXES	(212,935)	(26,114)	(239,049)		(239,049)
45	NET PLANT AFTER DFIT	1,159,182	160,671	1,319,853	-	1,319,853
46	DEFERRED DEBITS AND CREDITS	16,009	(4,386)	11,623		11,623
47	WORKING CAPITAL	18,753	15,215	33,968		33,968
48	TOTAL RATE BASE	\$1,193,944	\$171,500	\$1,365,444	\$0	\$1,365,444
49	RATE OF RETURN Excluding VSIP Costs	7.71%		6.88%		7.71%
50	RATE OF RETURN Including VSIP Costs	7.52%				

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

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	1,365,444
2	Proposed Rate of Return	<u>7.71%</u>
3	Net Operating Income Requirement	\$105,276
4	Pro Forma Net Operating Income	<u>\$93,978</u>
5	Net Operating Income Deficiency	\$11,298
6	Conversion Factor	0.62074
7	Revenue Requirement	<b>\$18,201</b>
8	Total General Business Revenues	\$480,926
9	Percentage Revenue Increase	<u><u>3.78%</u></u>

**AVISTA UTILITIES  
PROPOSED COST OF CAPITAL  
WASHINGTON ELECTRIC**

<b>Proposed Cap Structure</b>			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.0%	5.42%	2.76% <b>WA wtd debt</b>
Common	49.0%	10.10%	4.95%
Total	<u>100.00%</u>		<u>7.71%</u>

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

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	<b>Revenues</b>	1.000000
	<b>Expense:</b>	
2	Uncollectibles	0.004449
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038562
5	Franchise Fees	0.000000
6	Total Expense	<u>0.045011</u>
7	Net Operating Income Before FIT	0.954989
8	Federal Income Tax @ 35%	<u>0.334246</u>
9	<b>REVENUE CONVERSION FACTOR</b>	<u><u>0.62074</u></u>

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

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Restate 2013 Property Tax	Uncollect. Expense
	Adjustment Number Workpaper Reference	1.00 E-ROO	1.01 E-DFIT	1.02 E-DDC	1.03 E-WC	2.01 E-EBO	2.02 E-RPT	2.03 E-UE
<b>REVENUES</b>								
1	Total General Business	\$478,123	\$0	\$0	\$0	(\$16,744)	\$0	\$0
2	Interdepartmental Sales	849	-	-	-	-	-	-
3	Sales for Resale	112,347	-	-	-	-	-	-
4	Total Sales of Electricity	591,319	-	-	-	(16,744)	-	-
5	Other Revenue	105,071	-	-	-	(13)	-	-
6	Total Electric Revenue	696,390	-	-	-	(16,757)	-	-
<b>EXPENSES</b>								
<b>Production and Transmission</b>								
7	Operating Expenses	223,372	-	241	-	-	-	-
8	Purchased Power	148,901	-	-	-	-	-	-
9	Depreciation/Amortization	24,438	-	(114)	-	-	-	-
10	Regulatory Amortization	(2,564)	-	-	-	-	-	-
11	Taxes	12,077	-	-	-	-	732	-
12	Total Production & Transmission	406,224	-	127	-	-	732	-
<b>Distribution</b>								
13	Operating Expenses	21,135	-	-	-	-	-	-
14	Depreciation/Amortization	21,563	-	-	-	-	-	-
15	Taxes	39,617	-	-	-	(16,688)	276	-
16	Total Distribution	82,315	-	-	-	(16,688)	276	-
17	Customer Accounting	9,782	-	2	-	-	-	711
18	Customer Service & Information	14,811	-	-	-	-	-	-
19	Sales Expenses	8	-	-	-	-	-	-
<b>Administrative &amp; General</b>								
20	Operating Expenses	46,083	-	-	-	-	-	-
21	Depreciation/Amortization	13,535	-	-	-	-	-	-
22	Taxes	0	-	-	-	-	-	-
23	Total Admin. & General	59,618	-	-	-	-	-	-
24	Total Electric Expenses	572,758	-	129	-	(16,688)	1,008	711
25	OPERATING INCOME BEFORE FIT	123,632	-	(129)	-	(69)	(1,008)	(711)
<b>FEDERAL INCOME TAX</b>								
26	Current Accrual	23,069	-	(45)	-	(24)	(353)	(249)
27	Debt Interest	0	18	85	(147)	-	-	-
28	Deferred Income Taxes	8,597	-	-	-	-	-	-
29	Amortized ITC - Noxon	(142)	-	-	-	-	-	-
30	NET OPERATING INCOME	\$92,108	(\$18)	(169)	\$147	(\$45)	(\$655)	(\$462)
<b>RATE BASE</b>								
<b>PLANT IN SERVICE</b>								
31	Intangible	\$87,324	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	725,940	-	-	-	-	-	-
33	Transmission	350,373	-	-	-	-	-	-
34	Distribution	768,726	-	-	-	-	-	-
35	General	165,337	-	-	-	-	-	-
36	Total Plant in Service	2,097,700	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>								
37	Intangible	(16,103)	-	-	-	-	-	-
38	Production	(307,317)	-	-	-	-	-	-
39	Transmission	(119,314)	-	-	-	-	-	-
40	Distribution	(228,494)	-	-	-	-	-	-
41	General	(54,355)	-	-	-	-	-	-
42	Total Accumulated Depreciation	(725,583)	-	-	-	-	-	-
43	NET PLANT	1,372,117	-	-	-	-	-	-
44	DEFERRED TAXES	(212,935)	(1,890)	-	-	-	-	-
45	Net Plant After DFIT	1,159,182	(1,890)	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS	16,009	-	(8,768)	-	-	-	-
47	WORKING CAPITAL	18,753	-	-	15,215	-	-	-
48	TOTAL RATE BASE	1,193,944	(\$1,890)	(\$8,768)	\$15,215	\$0	\$0	\$0
49	RATE OF RETURN Excluding VSIP Costs	7.71%	0	-	-	-	-	-
50	RATE OF RETURN Including VSIP Costs	7.52%	-	-	-	-	-	-
51	REVENUE REQUIREMENT	(88)	(205)	(818)	1,653	72	1,056	745

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

Line No.	DESCRIPTION	Regulatory Expense 2.04 E-RE	Injuries and Damages 2.05 E-ID	FIT/DFIT/ITC/PTC Expense 2.06 E-FIT	Office Space Charges to Subsidiaries 2.07 E-OSC	Restate Excise Taxes 2.08 E-RET	Net Gains / Losses 2.09 E-NGL	Revenue Normalization 2.10 E-RN	Eliminate WA Power Cost Defer 2.11 E-EWPC
	Adjustment Number Workpaper Reference								
<b>REVENUES</b>									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$2,695	\$1,949
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	-	2,695	1,949
5	Other Revenue	-	-	-	-	-	-	-	-
6	Total Electric Revenue	-	-	-	-	-	-	2,695	1,949
<b>EXPENSES</b>									
Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	217	(4,888)
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	8,370	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	8,587	(4,888)
Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	(75)	-	-
15	Taxes	-	-	-	-	(173)	-	104	75
16	Total Distribution	-	-	-	-	(173)	(75)	104	75
17	Customer Accounting	-	-	-	-	-	-	12	8
18	Customer Service & Information	-	-	-	-	-	-	(13,217)	-
19	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
20	Operating Expenses	(52)	282	-	(23)	-	-	5	4
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Taxes	-	-	-	-	-	-	-	-
23	Total Admin. & General	(52)	282	-	(23)	-	-	5	4
24	Total Electric Expenses	(52)	282	-	(23)	(173)	(75)	(4,509)	(4,801)
25	OPERATING INCOME BEFORE FIT	52	(282)	-	23	173	75	7,204	6,750
FEDERAL INCOME TAX									
26	Current Accrual	18	(99)	(735)	8	61	26	2,521	-
27	Debt Interest	-	-	-	-	-	-	-	-
28	Deferred Income Taxes	-	-	(18)	-	-	-	-	2,363
29	Amortized ITC - Noxon	-	-	2	-	-	-	-	-
30	NET OPERATING INCOME	\$34	(\$183)	\$751	\$15	\$112	\$49	\$4,683	\$4,387
RATE BASE									
PLANT IN SERVICE									
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	-	-	-	-	-	-	-	-
33	Transmission	-	-	-	-	-	-	-	-
34	Distribution	-	-	-	-	-	-	-	-
35	General	-	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT									
37	Intangible	-	-	-	-	-	-	-	-
38	Production	-	-	-	-	-	-	-	-
39	Transmission	-	-	-	-	-	-	-	-
40	Distribution	-	-	-	-	-	-	-	-
41	General	-	-	-	-	-	-	-	-
42	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
43	NET PLANT	-	-	-	-	-	-	-	-
DEFERRED TAXES									
44	Net Plant After DFIT	-	-	-	-	-	-	-	-
45	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-	-
47		-	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	RATE OF RETURN Excluding VSIP Costs								
50	RATE OF RETURN Including VSIP Costs								
51	REVENUE REQUIREMENT	(54)	295	(1,210)	(24)	(181)	(79)	(7,544)	(7,067)

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

Line No.	DESCRIPTION	Nez Perce	Misc.	Restate	Colstrip / CS2	Restate	Restate	Restated
		Settlement Adjustment	Restating Expenses	Incentive Expenses	Maintenance Amort	Debt Interest	June 30 2013 Capital EOP	TOTAL
	Adjustment Number Workpaper Reference	2.12 E-NPS	2.13 E-MR	2.14 E-RI	2.15 E-MA	2.16 E-RDI	2.17 E-RCAP	R-Ttl
<b>REVENUES</b>								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$466,023
2	Interdepartmental Sales	-	-	-	-	-	-	849
3	Sales for Resale	-	-	-	-	-	-	112,347
4	Total Sales of Electricity	-	-	-	-	-	-	579,219
5	Other Revenue	-	-	-	-	-	-	105,058
6	Total Electric Revenue	-	-	-	-	-	-	684,277
<b>EXPENSES</b>								
Production and Transmission								
7	Operating Expenses	12	(5)	-	-	-	-	218,949
8	Purchased Power	-	-	-	-	-	-	148,901
9	Depreciation/Amortization	-	-	-	-	-	(1,214)	23,110
10	Regulatory Amortization	-	-	-	550	-	-	6,356
11	Taxes	-	-	-	-	-	-	12,809
12	Total Production & Transmission	12	(5)	-	550	-	(1,214)	410,125
Distribution								
13	Operating Expenses	-	(8)	-	-	-	-	21,127
14	Depreciation/Amortization	-	-	-	-	-	868	22,356
15	Taxes	-	-	-	-	-	-	23,211
16	Total Distribution	-	(8)	-	-	-	868	66,694
17	Customer Accounting	-	-	-	-	-	-	10,515
18	Customer Service & Information	-	2	-	-	-	-	1,596
19	Sales Expenses	-	-	-	-	-	-	8
Administrative & General								
20	Operating Expenses	-	(30)	(3,044)	-	-	476	43,701
21	Depreciation/Amortization	-	-	-	-	-	1,032	14,567
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	-	(30)	(3,044)	-	-	1,508	58,268
24	Total Electric Expenses	12	(41)	(3,044)	550	-	1,162	547,206
25	OPERATING INCOME BEFORE FIT	(12)	41	3,044	(550)	-	(1,162)	137,071
FEDERAL INCOME TAX								
26	Current Accrual	(4)	14	1,065	(193)	1,203	(407)	25,878
27	Debt Interest	-	-	-	-	-	(340)	(384)
28	Deferred Income Taxes	-	-	-	-	-	-	10,942
29	Amortized ITC - Noxon	-	-	-	-	-	-	(140)
30	NET OPERATING INCOME	(\$8)	\$27	\$1,979	(358)	(1,203)	(\$415)	100,775
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$2,264	\$89,588
32	Production	-	-	-	-	-	15,392	741,332
33	Transmission	-	-	-	-	-	7,144	357,517
34	Distribution	-	-	-	-	-	25,933	794,659
35	General	-	-	-	-	-	13,274	178,611
36	Total Plant in Service	-	-	-	-	-	64,007	2,161,707
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	-	-	-	-	-	(1,848)	(17,951)
38	Production	-	-	-	-	-	(6,007)	(313,324)
39	Transmission	-	-	-	-	-	(2,426)	(121,740)
40	Distribution	-	-	-	-	-	(8,638)	(237,132)
41	General	-	-	-	-	-	(4,767)	(59,122)
42	Total Accumulated Depreciation	-	-	-	-	-	(23,686)	(749,269)
43	NET PLANT	-	-	-	-	-	40,321	1,412,438
44	DEFERRED TAXES	-	-	-	-	-	-	(219,946)
45	Net Plant After DFTT	-	-	-	-	-	35,200	1,192,492
46	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	7,241
47	WORKING CAPITAL	-	-	-	-	-	-	33,968
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$35,200	\$1,233,701
49	RATE OF RETURN Excluding VSIP Costs							(1)
50	RATE OF RETURN Including VSIP Costs							
51	REVENUE REQUIREMENT	13	(43)	(3,187)	576	1,938	5,041	(9,113)

(1) The Restated TOTAL column does not represent 6/30/2013 Test Period results of operation on a normalized basis. Differences between certain restating adjustments included in the normalized commission basis reports (CBRs) versus those included here include removal of CBR Power Supply Adjustment, and inclusion of 2013 annualized revenues, pro forma debt interest and 6/30/2013 end-of-period capital. Normalized CB results of operations at 06/30/2013 was 7.58% as shown on Exhibit No. \_\_\_\_ (EMA-2) page 4.



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

Line No.	DESCRIPTION	Pro Forma Power Supply	Pro Forma Transmission Rev/Exp	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance Expense	Pro Forma Property Tax	Pro Forma Information Tech/Serv Exp
	Adjustment Number Workpaper Reference	3.00 E-PPS	3.01 E-PTR	3.02 E-PLN	3.03 E-PLE	3.04 E-PEB	3.05 E-PI	3.06 E-PPT	3.07 E-ISIT
<b>REVENUES</b>									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	(68,558)	-	-	-	-	-	-	-
4	Total Sales of Electricity	(68,558)	-	-	-	-	-	-	-
5	Other Revenue	(84,800)	(6,040)	-	-	-	-	-	-
6	Total Electric Revenue	(153,358)	(6,040)	-	-	-	-	-	-
<b>EXPENSES</b>									
<b>Production and Transmission</b>									
7	Operating Expenses	(82,585)	(607)	541	(27)	(267)	-	-	-
8	Purchased Power	(73,055)	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	1,433	-
12	Total Production & Transmission	(155,640)	(607)	541	(27)	(267)	-	1,433	-
<b>Distribution</b>									
13	Operating Expenses	-	-	376	-	(180)	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	-	-	605	-
16	Total Distribution	-	-	376	-	(180)	-	605	-
17	Customer Accounting	-	-	181	-	(90)	-	-	-
18	Customer Service & Information	-	-	19	-	(10)	-	-	-
19	Sales Expenses	-	-	0	-	-	-	-	-
<b>Administrative &amp; General</b>									
20	Operating Expenses	-	-	569	52	(320)	556	-	1,065
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Taxes	-	-	-	-	-	-	-	-
23	Total Admin. & General	-	-	569	52	(320)	556	-	1,065
24	Total Electric Expenses	(155,640)	(607)	1,686	25	(866)	556	2,038	1,065
25	OPERATING INCOME BEFORE FIT	2,282	(5,433)	(1,686)	(25)	866	(556)	(2,038)	(1,065)
<b>FEDERAL INCOME TAX</b>									
26	Current Accrual	799	(1,902)	(590)	(9)	303	(195)	(713)	(373)
27	Debt Interest	-	-	-	-	-	-	-	-
28	Deferred Income Taxes	-	-	-	-	-	-	-	-
29	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
30	NET OPERATING INCOME	\$1,483	(\$3,531)	(\$1,096)	(\$16)	\$563	(\$361)	(\$1,325)	(\$692)
<b>RATE BASE</b>									
<b>PLANT IN SERVICE</b>									
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	-	-	-	-	-	-	-	-
33	Transmission	-	-	-	-	-	-	-	-
34	Distribution	-	-	-	-	-	-	-	-
35	General	-	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION/AMORT</b>									
37	Intangible	-	-	-	-	-	-	-	-
38	Production	-	-	-	-	-	-	-	-
39	Transmission	-	-	-	-	-	-	-	-
40	Distribution	-	-	-	-	-	-	-	-
41	General	-	-	-	-	-	-	-	-
42	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
43	NET PLANT	-	-	-	-	-	-	-	-
44	DEFERRED TAXES	-	-	-	-	-	-	-	-
45	Net Plant After DFTT	-	-	-	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	RATE OF RETURN Excluding VSIP Costs	-	-	-	-	-	-	-	-
50	RATE OF RETURN Including VSIP Costs	-	-	-	-	-	-	-	-
51	REVENUE REQUIREMENT	(2,390)	5,689	1,765	26	(906)	582	2,134	1,115

AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS - 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	DSM	Pro Forma Cross Check Total
	Adjustment Number Workpaper Reference	PF-Ttl	4.00 E-CAP13	4.01 E-CAP14	4.02 E-CAP15	4.03 E-DSMA	PFCC-TH
	REVENUES						
1	Total General Business	\$466,023	\$0	\$0	\$0	\$0	\$466,023
2	Interdepartmental Sales	849	-	-	-	-	849
3	Sales for Resale	43,789	-	-	-	-	43,789
4	Total Sales of Electricity	510,661	-	-	-	-	510,661
5	Other Revenue	14,218	-	-	-	-	14,218
6	Total Electric Revenue	524,879	-	-	-	-	524,879
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	136,005	-	-	-	-	136,005
8	Purchased Power	75,846	-	-	-	-	75,846
9	Depreciation/Amortization	23,110	389	1,025	522	-	25,046
10	Regulatory Amortization	6,356	-	-	-	-	6,356
11	Taxes	14,242	-	-	-	-	14,242
12	Total Production & Transmission	255,559	389	1,025	522	-	257,495
	Distribution						
13	Operating Expenses	21,324	-	-	-	-	21,324
14	Depreciation/Amortization	22,356	673	1,222	612	-	24,863
15	Taxes	23,816	-	-	-	-	23,816
16	Total Distribution	67,496	673	1,222	612	-	70,003
17	Customer Accounting	10,606	-	-	-	-	10,606
18	Customer Service & Information	1,605	-	-	-	5,112	6,717
19	Sales Expenses	8	-	-	-	-	8
	Administrative & General						
20	Operating Expenses	45,623	-	-	-	-	45,623
21	Depreciation/Amortization	14,567	3,163	4,526	1,739	-	23,995
22	Taxes	-	-	-	-	-	-
23	Total Admin. & General	60,190	3,163	4,526	1,739	-	69,618
24	Total Electric Expenses	395,463	4,225	6,773	2,873	5,112	414,446
25	OPERATING INCOME BEFORE FIT	129,416	(4,225)	(6,773)	(2,873)	(5,112)	110,433
	FEDERAL INCOME TAX						
26	Current Accrual	23,199	(1,479)	(2,371)	(1,006)	(1,789)	16,555
27	Debt Interest	(384)	(324)	(721)	(188)	-	(1,617)
28	Deferred Income Taxes	10,942	-	-	-	-	10,942
29	Amortized ITC - Noxon	(140)	-	(27)	-	-	(167)
30	NET OPERATING INCOME	\$95,799	(\$2,422)	(\$3,655)	(\$1,680)	(\$3,323)	\$84,720
	RATE BASE						
	PLANT IN SERVICE						
31	Intangible	\$89,588	\$16,010	\$40,820	\$7,223	\$0	\$153,641
32	Production	741,332	9,304	34,122	20,674	-	805,432
33	Transmission	357,517	11,581	19,550	6,791	-	395,439
34	Distribution	794,659	23,051	41,835	20,944	-	880,489
35	General	178,611	11,158	15,048	5,574	-	210,391
36	Total Plant in Service	2,161,707	71,104	151,375	61,206	-	2,445,392
	ACCUMULATED DEPRECIATION/AMORT						
37	Intangible	(17,951)	(3,414)	(9,675)	(6,755)	-	(37,795)
38	Production	(\$313,324)	(8,159)	(16,677)	(8,748)	-	(\$346,908)
39	Transmission	(121,740)	(3,284)	(6,782)	(3,587)	-	(135,393)
40	Distribution	(237,132)	(11,165)	(23,204)	(12,299)	-	(283,800)
41	General	(59,122)	(5,530)	(11,722)	(6,220)	-	(82,594)
42	Total Accumulated Depreciation	(749,269)	(31,552)	(68,060)	(37,609)	-	(886,490)
43	NET PLANT	1,412,438	39,552	83,315	23,597	-	1,558,902
44	DEFERRED TAXES	(219,946)	(5,964)	(8,728)	(4,157)	-	(238,795)
45	Net Plant After DFIT	1,192,492	33,588	74,587	19,440	-	1,320,107
46	DEFERRED DEBITS AND CREDITS	7,241	-	-	-	-	7,241
47	WORKING CAPITAL	33,968	-	-	-	-	33,968
48	TOTAL RATE BASE	1,233,701	\$33,588	\$74,587	\$19,440	\$0	1,361,316
49	RATE OF RETURN Excluding VSIP Costs						
50	RATE OF RETURN Including VSIP Costs						
51	REVENUE REQUIREMENT	(1,097)	8,073	15,152	5,120	5,353	32,602

AVISTA UTILITIES  
 WASHINGTON ELECTRIC RESULTS - 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)	Lake Spokane Deferral 3-YR Amort	O&M Offsets	Prior to 2014 Revenue Sub-Total	Revenue Normalization 2014	FINAL REV REQ TOTAL
	Adjustment Number Workpaper Reference	4.04 E-Other	AA-Ttd	4.05 E-LSD	4.06 E-OFF	14-Ttd	4.07 E-R14	F-Ttd
<b>REVENUES</b>								
1	Total General Business	\$0	\$466,023	\$0	\$0	\$466,023	\$14,054	\$480,077
2	Interdepartmental Sales	-	849	-	-	849	-	849
3	Sales for Resale	-	43,789	-	-	43,789	-	43,789
4	Total Sales of Electricity	-	510,661	-	-	510,661	14,054	524,715
5	Other Revenue	-	14,218	-	-	14,218	-	14,218
6	Total Electric Revenue	-	524,879	-	-	524,879	14,054	538,933
<b>EXPENSES</b>								
Production and Transmission								
7	Operating Expenses	-	136,005	-	(110)	135,895	-	135,895
8	Purchased Power	-	75,846	-	-	75,846	-	75,846
9	Depreciation/Amortization	-	25,046	-	-	25,046	-	25,046
10	Regulatory Amortization	-	6,356	290	-	6,646	-	6,646
11	Taxes	-	14,242	-	-	14,242	-	14,242
12	Total Production & Transmission	-	257,495	290	(110)	257,675	-	257,675
Distribution								
13	Operating Expenses	-	21,324	-	(441)	20,883	-	20,883
14	Depreciation/Amortization	-	24,863	-	-	24,863	-	24,863
15	Taxes	-	23,816	-	-	23,816	542	24,358
16	Total Distribution	-	70,003	-	(441)	69,562	542	70,104
17	Customer Accounting	-	10,606	-	-	10,606	63	10,669
18	Customer Service & Information	-	6,717	-	-	6,717	-	6,717
19	Sales Expenses	-	8	-	-	8	-	8
Administrative & General								
20	Operating Expenses	(438)	45,185	-	(62)	45,123	28	45,151
21	Depreciation/Amortization	-	23,995	-	-	23,995	-	23,995
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	(438)	69,180	-	(62)	69,118	28	69,146
24	Total Electric Expenses	(438)	414,008	290	(613)	413,685	633	414,318
25	OPERATING INCOME BEFORE FIT	438	110,871	(290)	613	111,194	13,421	124,615
FEDERAL INCOME TAX								
26	Current Accrual	153	16,708	(102)	214	16,821	4,697	21,518
27	Debt Interest	(35)	(1,652)	(5)	-	(1,657)	-	(1,657)
28	Deferred Income Taxes	-	10,942	-	-	10,942	-	10,942
29	Amortized ITC - Noxon	-	(167)	-	-	(167)	-	(167)
30	NET OPERATING INCOME	\$320	\$85,040	(\$184)	398	\$85,254	\$8,724	\$93,978
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$0	\$153,641	\$0	\$0	\$153,641	\$0	\$153,641
32	Production	-	805,432	-	-	805,432	-	805,432
33	Transmission	-	395,439	-	-	395,439	-	395,439
34	Distribution	-	880,489	-	-	880,489	-	880,489
35	General	-	210,391	-	-	210,391	-	210,391
36	Total Plant in Service	-	2,445,392	-	-	2,445,392	-	2,445,392
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	-	(37,795)	-	-	(37,795)	-	(37,795)
38	Production	-	(\$346,908)	-	-	(\$346,908)	-	(\$346,908)
39	Transmission	-	(135,393)	-	-	(135,393)	-	(135,393)
40	Distribution	-	(283,800)	-	-	(283,800)	-	(283,800)
41	General	-	(82,594)	-	-	(82,594)	-	(82,594)
42	Total Accumulated Depreciation	-	(886,490)	-	-	(886,490)	-	(886,490)
43	NET PLANT	-	1,558,902	-	-	1,558,902	-	1,558,902
44	DEFERRED TAXES	-	(238,795)	(254)	-	(239,049)	-	(239,049)
45	Net Plant After DFIT	-	1,320,107	(254)	-	1,319,853	-	1,319,853
46	DEFERRED DEBITS AND CREDITS	3,656	10,897	726	-	11,623	-	11,623
47	WORKING CAPITAL	-	33,968	-	-	33,968	-	33,968
48	TOTAL RATE BASE	\$3,656	1,364,972	\$472	\$0	1,365,444	\$0	1,365,444
49	RATE OF RETURN Excluding VSIP Costs	\$ 33,638	6.23%			6.24%		6.88%
50	RATE OF RETURN Including VSIP Costs							
51	REVENUE REQUIREMENT	(61)	32,541	355	(642)	32,254	(14,054)	18,201

(2) The Attrition Adjusted Total revenue requirement of \$32.541 million on line 51 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 1-48, above were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Ms. Knox, because these values more readily lend themselves to Ms. Knox's cost-of-service analysis.