

Exh. JH-2
Dockets UE-190334, UG-190335,
and UE-190222
Witness: Joanna Huang

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-190334, UG-190335,
and UE-190222 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Pro Forma Analysis

October 3, 2019

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

		April 1, 2020				
		WITH PRESENT RATES			WITH 04.2020 PROPOSED RATES	
Line No.	DESCRIPTION	Actual Per Results Report	Total Adjustments	04.2020 Adjusted Total (1)	Proposed Revenues & Related Exp	04.2020 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	\$540,037	(\$39,119)	\$500,918	\$17,618	\$518,536
2	Interdepartmental Sales	1,101	-	1,101		1,101
3	Sales for Resale	60,012	(24,436)	35,576		35,576
4	Total Sales of Electricity	601,150	(63,555)	537,595	17,618	555,213
5	Other Revenue	60,951	(47,952)	12,999		12,999
6	Total Electric Revenue	662,101	(111,507)	550,594	17,618	568,212
EXPENSES						
Production and Transmission						
7	Operating Expenses	175,404	(42,517)	132,887		132,887
8	Purchased Power	89,111	(15,869)	73,242		73,242
9	Depreciation/Amortization	28,724	4,379	33,103		33,103
10	Regulatory Deferrals/Amortization	1,647	980	2,627		2,627
11	Taxes	16,973	886	17,859		17,859
12	Total Production & Transmission	311,859	(52,141)	259,718	-	259,718
Distribution						
13	Operating Expenses	23,755	454	24,209		24,209
14	Depreciation/Amortization	32,128	(3,919)	28,209		28,209
15	Taxes	48,243	(19,682)	28,561	680	29,241
16	Total Distribution	104,126	(23,147)	80,979	680	81,659
17	Customer Accounting	11,331	791	12,122	67	12,189
18	Customer Service & Information	27,244	(25,683)	1,561		1,561
19	Sales Expenses	59	-	59		59
Administrative & General						
20	Operating Expenses	52,643	(904)	51,739	35	51,774
21	Depreciation/Amortization	29,471	2,102	31,573		31,573
22	Regulatory Deferrals/Amortization	(5,927)	5,230	(697)		(697)
23	Taxes	-	-	-		-
24	Total Admin. & General	76,187	6,428	82,615	35	82,650
25	Total Electric Expenses	530,806	(93,752)	437,054	782	437,836
26	OPERATING INCOME BEFORE FIT	131,295	(17,755)	113,540	16,836	130,376
FEDERAL INCOME TAX						
27	Current Accrual	15,092	(4,985)	10,107	3,535	13,642
28	Debt Interest	-	(147)	(147)		(147)
29	Deferred Income Taxes	(1,075)	2,089	1,014		1,014
30	Amortized Investment Tax Credit	(317)	-	(317)		(317)
31	NET OPERATING INCOME	\$117,595	(\$14,712)	\$102,883	13,301	\$116,184
RATE BASE						
PLANT IN SERVICE						
32	Intangible	\$189,271	\$10,205	\$199,476		\$199,476
33	Production	905,266	(1,883)	903,383		903,383
34	Transmission	477,024	18,112	495,136		495,136
35	Distribution	1,109,132	20,351	1,129,483		1,129,483
36	General	260,548	10,748	271,296		271,296
37	Total Plant in Service	2,941,241	57,533	2,998,774	-	2,998,774
ACCUMULATED DEPRECIATION						
38	Intangible	(43,469)	(4,740)	(48,209)		(48,209)
39	Production	(365,167)	(7,117)	(372,284)		(372,284)
40	Transmission	(140,271)	(2,604)	(142,875)		(142,875)
41	Distribution	(336,685)	(11,256)	(347,941)		(347,941)
42	General	(93,140)	(4,212)	(97,352)		(97,352)
43	Total Accumulated Depreciation	(978,732)	(29,929)	(1,008,661)	-	(1,008,661)
44	NET PLANT BEFORE DFIT	1,962,509	27,604	1,990,113	-	1,990,113
45	DEFERRED TAXES	(410,938)	846	(410,092)		(410,092)
46	NET PLANT AFTER DFIT	1,551,571	28,450	1,580,021	-	1,580,021
47	DEFERRED DEBITS AND CREDITS	(2,132)	(590)	(2,722)		(2,722)
48	WORKING CAPITAL	46,614	(1,432)	45,182		45,182
50	TOTAL RATE BASE	\$1,596,053	\$26,428	\$1,622,481	\$0	\$1,622,481
51	RATE OF RETURN	7.37%		6.34%		7.16%

**AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2018**

Line No.	Description	Requested Base Rate Change 4/1/2020 (000's of Dollars)
1	Pro Forma Rate Base	\$ 1,622,481
2	Proposed Rate of Return	<u>7.16%</u>
3	Net Operating Income Requirement	\$116,184
4	Pro Forma Net Operating Income	<u>102,883</u>
5	Net Operating Income Deficiency	\$13,300
6	Conversion Factor	0.754948
7	Revenue Requirement	\$17,618
8	Total General Business Revenues	\$502,019
9	Percentage Revenue Increase	<u>3.51%</u>
10	Total <u>Billed</u> General Business Revenues	\$519,238
11	Percentage Revenue Increase	<u>3.39%</u>

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

Proposed Capital Structure

Component	Capital Structure	Cost	Weighted Cost
S-T Debt	2.65%	4.36%	0.116%
L-T Debt	48.85%	5.19%	2.535%
Common	48.50%	9.30%	4.510%
Total	<u>100.00%</u>		<u>7.16%</u>

AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2018

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.003782</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038587</i>
6	Total Expense	<u><i>0.044369</i></u>
7	Net Operating Income Before FIT	<i>0.955631</i>
8	Federal Income Tax @ 21%	<u><i>0.200683</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.754948</i></u></u>

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Actual Results RESTATEMENT ADJUSTMENTS								
		Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollect. Expense	Regulatory Expense
		1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
		E-ROO	E-DFIT	E-DDC	E-WC	E-AMI	E-EBO	E-RPT	E-UE	E-RE
	Adjustment Number									
	Workpaper Reference									
	REVENUES									
1	Total General Business	\$540,037	\$0	\$0	\$0	\$0	(\$18,620)	\$0	\$0	\$0
2	Interdepartmental Sales	1,101	-	-	-	-	-	-	-	-
3	Sales for Resale	60,012	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	601,150	-	-	-	-	(18,620)	-	-	-
5	Other Revenue	60,951	-	-	-	-	(13)	-	-	-
6	Total Electric Revenue	662,101	-	-	-	-	(18,633)	-	-	-
	EXPENSES									
	Production and Transmission									
7	Operating Expenses	175,404	-	-	-	-	-	-	-	-
8	Purchased Power	89,111	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	28,724	-	-	-	-	-	-	-	0
10	Regulatory Amortization	1,647	-	-	-	-	-	-	-	-
11	Taxes	16,973	-	-	-	-	-	(178)	-	-
12	Total Production & Transmission	311,859	-	-	-	-	-	(178)	-	-
	Distribution									
13	Operating Expenses	23,755	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	32,128	-	-	-	-	-	-	-	-
15	Taxes	48,243	-	-	-	-	(18,544)	(362)	-	-
16	Total Distribution	104,126	-	-	-	-	(18,544)	(362)	-	-
17	Customer Accounting	11,331	-	35	-	-	-	-	705	-
18	Customer Service & Information	27,244	-	-	-	-	-	-	-	-
19	Sales Expenses	59	-	-	-	-	-	-	-	-
	Administrative & General									
20	Operating Expenses	52,643	-	-	-	-	-	-	-	(18)
21	Depreciation/Amortization	29,471	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	(5,927)	-	-	-	-	-	-	-	-
23	Taxes	0	-	-	-	-	-	-	-	-
24	Total Admin. & General	76,187	-	-	-	-	-	-	-	(18)
25	Total Electric Expenses	530,806	-	35	-	-	(18,544)	(540)	705	(18)
26	OPERATING INCOME BEFORE FIT	131,295	-	(35)	-	-	(89)	540	(705)	18
	FEDERAL INCOME TAX									
27	Current Accrual	15,092	-	(7)	-	-	(19)	113	(148)	4
28	Debt Interest	0	11	0	8	107	-	-	-	-
29	Deferred Income Taxes	(1,075)	-	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	(317)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$117,595	(\$11)	(\$28)	(\$8)	(\$107)	(\$70)	\$427	(\$557)	\$14
	RATE BASE									
	PLANT IN SERVICE									
32	Intangible	\$189,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	905,266	-	-	-	-	-	-	-	-
34	Transmission	477,024	-	-	-	-	-	-	-	-
35	Distribution	1,109,132	-	-	-	(22,464)	-	-	-	-
36	General	260,548	-	-	-	-	-	-	-	-
37	Total Plant in Service	2,941,241	-	-	-	(22,464)	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	(43,469)	-	-	-	-	-	-	-	-
39	Production	(365,167)	-	-	-	-	-	-	-	-
40	Transmission	(140,271)	-	-	-	-	-	-	-	-
41	Distribution	(336,685)	-	-	-	1,415	-	-	-	-
42	General	(93,140)	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(978,732)	-	-	-	1,415	-	-	-	-
44	NET PLANT	1,962,509	-	-	-	(21,049)	-	-	-	-
45	DEFERRED TAXES	(410,938)	(1,946)	-	-	1,883	-	-	-	-
46	Net Plant After DFIT	1,551,571	(1,946)	-	-	(19,166)	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	(2,132)	-	(7)	-	-	-	-	-	-
48	WORKING CAPITAL	46,614	-	-	(1,432)	-	-	-	-	-
49	TOTAL RATE BASE	1,596,053	(\$1,946)	(\$7)	(\$1,432)	(\$19,166)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	7.37%								
51	REVENUE REQUIREMENT	(4,376)	(170)	36	(125)	(1,677)	93	(565)	738	(19)

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries and Damages 2.05 E-ID	FIT/DFIT/ ITC Expense 2.06 E-FIT	Office Space Charges to Non-Utility 2.07 E-OSC	Restate Excise Taxes 2.08 E-RET	Net Gains & Losses 2.09 E-NGL	Weather Normalization 2.10 E-WN	Eliminate Adder Schedules 2.11 E-EAS	Misc. Restating Non-Util / Non-Recurring Expenses 2.12 E-MR
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$2,745	(\$29,832)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	2,745	(29,832)	-
5	Other Revenue	-	-	-	-	-	(2,110)	9,800	374
6	Total Electric Revenue	-	-	-	-	-	635	(20,032)	374
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	-	-	-	-	-	-	-	(3)
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	1,661	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	1,661	(3)
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(62)	-	-	-
15	Taxes	-	-	-	26	-	106	(1,151)	-
16	Total Distribution	-	-	-	26	(62)	106	(1,151)	(2)
17	Customer Accounting	-	-	-	-	-	10	(113)	-
18	Customer Service & Information	-	-	-	-	-	-	(25,693)	(1)
19	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
20	Operating Expenses	25	-	(57)	-	-	5	(60)	(1,186)
21	Depreciation/Amortization	-	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	3,928	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	25	-	(57)	-	-	5	3,868	(1,186)
25	Total Electric Expenses	25	-	(57)	26	(62)	121	(21,428)	(1,192)
26	OPERATING INCOME BEFORE FIT	(25)	-	57	(26)	62	514	1,396	1,566
	FEDERAL INCOME TAX								
27	Current Accrual	(5)	-	12	(5)	13	108	293	329
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	(36)	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	(\$20)	\$36	\$45	(\$21)	\$49	\$406	\$1,103	\$1,237
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
	DEFERRED TAXES								
45	Net Plant After DFIT	-	-	-	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-	-
48									
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	26	(48)	(60)	27	(65)	(538)	(1,461)	(1,639)

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Restating Incentives	Restate Debt Interest	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Normalize CS2/Colstrip Major Maint	Authorized Power Supply	Restate 2018 AMA Rate Base to EOP	Restated TOTAL
		2.13	2.14	2.15	2.16	2.17	2.18	2.19	R-Ttl
		E-RI	E-RDI	E-EWPC	E-NPS	E-PMM	E-APS	E-EOP18	
	Adjustment Number								
	Workpaper Reference								
	REVENUES								
1	Total General Business	\$0	\$0	\$2,639	\$0	\$0	\$0	\$0	\$496,969
2	Interdepartmental Sales	-	-	-	-	-	-	-	1,101
3	Sales for Resale	-	-	-	-	-	(24,436)	-	35,576
4	Total Sales of Electricity	-	-	2,639	-	-	(24,436)	-	533,646
5	Other Revenue	-	-	-	-	-	(50,972)	-	18,030
6	Total Electric Revenue	-	-	2,639	-	-	(75,408)	-	551,676
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	-	-	(10,119)	(7)	1,287	(33,808)	-	132,754
8	Purchased Power	-	-	-	-	-	(15,869)	-	73,242
9	Depreciation/Amortization	-	-	-	-	-	-	588	29,312
10	Regulatory Amortization	-	-	-	-	-	-	-	3,308
11	Taxes	-	-	-	-	-	-	-	16,795
12	Total Production & Transmission	-	-	(10,119)	(7)	1,287	(49,677)	588	255,411
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	23,753
14	Depreciation/Amortization	-	-	-	-	-	-	1,374	33,440
15	Taxes	-	-	102	-	-	-	-	28,420
16	Total Distribution	-	-	102	-	-	-	1,374	85,613
17	Customer Accounting	-	-	16	-	-	-	-	11,984
18	Customer Service & Information	-	-	-	-	-	-	-	1,550
19	Sales Expenses	-	-	-	-	-	-	-	59
	Administrative & General								
20	Operating Expenses	(248)	-	5	-	-	-	-	51,109
21	Depreciation/Amortization	-	-	-	-	-	-	1,708	31,179
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	-	(1,999)
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	(248)	-	5	-	-	-	1,708	80,289
25	Total Electric Expenses	(248)	-	(9,996)	(7)	1,287	(49,677)	3,670	434,906
26	OPERATING INCOME BEFORE FIT	248	-	12,635	7	(1,287)	(25,731)	(3,670)	116,770
	FEDERAL INCOME TAX								
27	Current Accrual	52	869	528	1	(270)	(5,404)	(771)	10,785
28	Debt Interest	-	-	-	-	-	-	(345)	(219)
29	Deferred Income Taxes	-	-	2,125	-	-	-	-	1,014
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	(317)
31	NET OPERATING INCOME	196	(869)	\$9,982	\$6	(1,017)	(\$20,327)	(\$2,555)	105,507
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$3,989	\$193,260
33	Production	-	-	-	-	-	-	15,801	921,067
34	Transmission	-	-	-	-	-	-	18,112	495,136
35	Distribution	-	-	-	-	-	-	42,815	1,129,483
36	General	-	-	-	-	-	-	10,748	271,296
37	Total Plant in Service	-	-	-	-	-	-	91,465	3,010,242
	ACCUMULATED DEPRECIATION/AMORT								
38	Intangible	-	-	-	-	-	-	(3,881)	(47,350)
39	Production	-	-	-	-	-	-	(7,117)	(372,284)
40	Transmission	-	-	-	-	-	-	(2,604)	(142,875)
41	Distribution	-	-	-	-	-	-	(12,671)	(347,941)
42	General	-	-	-	-	-	-	(4,201)	(97,341)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(30,474)	(1,007,791)
44	NET PLANT	-	-	-	-	-	-	60,991	2,002,451
	DEFERRED TAXES								
45	Net Plant After DFIT	-	-	-	-	-	-	901	(410,100)
46	Net Plant After DFIT	-	-	-	-	-	-	61,892	1,592,351
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	(2,139)
48	WORKING CAPITAL	-	-	-	-	-	-	-	45,182
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	61,892	\$1,635,394
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	(260)	1,151	(13,222)	(7)	1,347	26,926	9,255	15,367

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

PRO FORMA ADJUSTMENTS

Line No.	DESCRIPTION	Pro Forma Revenue Normalization	Pro Forma Def. Debits, Credits & Regulatory Amorts	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance Expense	Pro Forma IS/IT Expense
		3.01	3.02	3.03	3.04	3.05	3.06	3.07
		E-PREV	E-PRA	E-PLN	E-PLE	E-PEB	E-PINS	E-PIT
	Adjustment Number							
	Workpaper Reference							
	REVENUES							
1	Total General Business	\$3,949	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-
4	Total Sales of Electricity	3,949	-	-	-	-	-	-
5	Other Revenue	(5,031)	-	-	-	-	-	-
6	Total Electric Revenue	(1,082)	-	-	-	-	-	-
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	-	180	713	-	-	-	-
8	Purchased Power	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-
10	Regulatory Amortization	-	(2,394)	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-
12	Total Production & Transmission	-	(2,214)	713	-	-	-	-
	Distribution							
13	Operating Expenses	-	-	456	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-
15	Taxes	152	-	-	-	-	-	-
16	Total Distribution	152	-	456	-	-	-	-
17	Customer Accounting	15	-	123	-	-	-	-
18	Customer Service & Information	-	-	11	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	8	-	627	(5)	-	-	-
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Regulatory Deferrals/Amortization	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	8	-	627	(5)	-	-	-
25	Total Electric Expenses	175	(2,214)	1,930	(5)	-	-	-
26	OPERATING INCOME BEFORE FIT	(1,257)	2,214	(1,930)	5	-	-	-
	FEDERAL INCOME TAX							
27	Current Accrual	(264)	465	(405)	1	-	-	-
28	Debt Interest	-	3	-	-	-	-	-
29	Deferred Income Taxes	-	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	-	-	-	-	-	-
31	NET OPERATING INCOME	(993)	\$1,746	(\$1,525)	\$4	\$0	-	\$0
	RATE BASE							
	PLANT IN SERVICE							
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	-	-	-	-	-	-	-
34	Transmission	-	-	-	-	-	-	-
35	Distribution	-	-	-	-	-	-	-
36	General	-	-	-	-	-	-	-
37	Total Plant in Service	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
38	Intangible	-	-	-	-	-	-	-
39	Production	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	(583)	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	(583)	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN							
51	REVENUE REQUIREMENT	1,315	(2,368)	2,019	(5)	-	-	-

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Property Tax	Pro Forma Depreciation Expense	Pro Forma 2019 Major Capital Adds	Pro Forma O&M Offsets	Pro Forma Fee Free Amortization	Pro Forma Colstrip Amortization	PF Normalize CS2/Colstrip Major Maint	Pro Forma Production Plant	Pro Forma Total
		3.08	3.09	3.10	3.11	3.12	3.13	3.14	3.15	PF-SubTtl
		E-PPT	E-PDEP	E-PCAP	E-POFF	E-PFEE	E-PCOL	E-PMM	E-P	
	Adjustment Number									
	Workpaper Reference									
	REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,918
2	Interdepartmental Sales	-	-	-	-	-	-	-	-	1,101
3	Sales for Resale	-	-	-	-	-	-	-	-	35,576
4	Total Sales of Electricity	-	-	-	-	-	-	-	-	537,595
5	Other Revenue	-	-	-	-	-	-	-	-	12,999
6	Total Electric Revenue	-	-	-	-	-	-	-	-	550,594
	EXPENSES									
	Production and Transmission									
7	Operating Expenses	-	-	-	-	-	-	(449)	(311)	132,887
8	Purchased Power	-	-	-	-	-	-	-	-	73,242
9	Depreciation/Amortization	-	3,940	-	-	-	(149)	-	-	33,103
10	Regulatory Amortization	-	-	-	-	-	1,713	-	-	2,627
11	Taxes	1,064	-	-	-	-	-	-	-	17,859
12	Total Production & Transmission	1,064	3,940	-	-	-	1,564	(449)	(311)	259,718
	Distribution									
13	Operating Expenses	-	-	-	-	-	-	-	-	24,209
14	Depreciation/Amortization	-	(5,231)	-	-	-	-	-	-	28,209
15	Taxes	(11)	-	-	-	-	-	-	-	28,561
16	Total Distribution	(11)	(5,231)	-	-	-	-	-	-	80,979
17	Customer Accounting	-	-	-	-	-	-	-	-	12,122
18	Customer Service & Information	-	-	-	-	-	-	-	-	1,561
19	Sales Expenses	-	-	-	-	-	-	-	-	59
	Administrative & General									
20	Operating Expenses	-	-	-	-	-	-	-	-	51,739
21	Depreciation/Amortization	-	(849)	1,243	-	-	-	-	-	31,573
22	Regulatory Deferrals/Amortization	-	-	-	-	1,302	-	-	-	(697)
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	-	(849)	1,243	-	1,302	-	-	-	82,615
25	Total Electric Expenses	1,053	(2,140)	1,243	-	1,302	1,564	(449)	(311)	437,054
26	OPERATING INCOME BEFORE FIT	(1,053)	2,140	(1,243)	-	(1,302)	(1,564)	449	311	113,540
	FEDERAL INCOME TAX									
27	Current Accrual	(221)	449	(261)	-	(273)	(328)	94	65	10,107
28	Debt Interest	-	-	(30)	-	-	79	-	19	(147)
29	Deferred Income Taxes	-	-	-	-	-	-	-	-	1,014
30	Amortized ITC - Noxon	-	-	-	-	-	-	-	-	(317)
31	NET OPERATING INCOME	(\$832)	\$1,691	(\$952)	-	(1,029)	(1,315)	355	226	102,883
	RATE BASE									
	PLANT IN SERVICE									
32	Intangible	\$0	\$0	\$6,216	\$0	\$0	\$0	\$0	\$0	\$199,476
33	Production	-	-	-	-	-	(14,194)	-	(3,490)	903,383
34	Transmission	-	-	-	-	-	-	-	-	495,136
35	Distribution	-	-	-	-	-	-	-	-	1,129,483
36	General	-	-	-	-	-	-	-	-	271,296
37	Total Plant in Service	-	-	6,216	-	-	(14,194)	-	(3,490)	2,998,774
	ACCUMULATED DEPRECIATION/AMORT									
38	Intangible	-	-	(859)	-	-	-	-	-	(48,209)
39	Production	-	-	-	-	-	-	-	-	(\$372,284)
40	Transmission	-	-	-	-	-	-	-	-	(142,875)
41	Distribution	-	-	-	-	-	-	-	-	(347,941)
42	General	-	-	(11)	-	-	-	-	-	(97,352)
43	Total Accumulated Depreciation	-	-	(870)	-	-	-	-	-	(1,008,661)
44	NET PLANT	-	-	5,346	-	-	(14,194)	-	(3,490)	1,990,113
45	DEFERRED TAXES	-	-	8	-	-	-	-	-	(410,092)
46	Net Plant After DFIT	-	-	5,354	-	-	(14,194)	-	(3,490)	1,580,021
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-	(2,722)
48	WORKING CAPITAL	-	-	-	-	-	-	-	-	45,182
49	TOTAL RATE BASE	\$0	\$0	\$5,354	\$0	\$0	(\$14,194)	\$0	(\$3,490)	1,622,481
50	RATE OF RETURN									
51	REVENUE REQUIREMENT	1,102	(2,239)	1,769	-	1,362	395	(470)	(631)	17,618

ELECTRIC
AVISTA UTILITIES
Comparison of Revenue Requirement Revised Adjustments
Restatement Summary Washington Electric

Column	Description	Avista Washington Electric		Avista Revenue Requirement @	STAFF Washington Electric		STAFF Revenue Requirement @	STAFF Revenue Requirement @	Difference
		NOI	Rate Base	7.52%	NOI	Rate Base	7.16%	7.52%	
1.00	Results of Operations	117,595	1,596,053	3216	\$117,595	1,596,053	(4,376)	3,216	0
1.01	Deferred FIT Rate Base	(11)	(1,946)	-180	(11)	(1,946)	(170)	(179)	1
1.02	Deferred Debits and Credits	(28)	(7)	36	(28)	(7)	36	36	0
1.03	Working Capital	0	0	0	(8)	(1,432)	(125)	(132)	(132)
1.04	Remove AMI Rate Base	(103)	(19,166)	-1772	(107)	(19,166)	(1,677)	(1,768)	4
	Actual	117,557	1,594,100	1300	117,549	1,592,668	(6,312)	1,173	(127)
2.01	Eliminate B & O Taxes	(70)	0	93	(70)	0	93	93	0
2.02	Restate Property Tax	427	0	-565	427	0	(565)	(565)	0
2.03	Uncollect. Expense	(557)	0	738	(557)	0	738	738	0
2.04	Regulatory Expense	14	0	-19	14	0	(19)	(19)	0
2.05	Injuries and Damages	(20)	0	26	(20)	0	26	26	0
2.06	FIT/DFIT/ ITC Expense	36	0	-48	36	0	(48)	(48)	0
2.07	Office Space Charges to Non-Utility	45	0	-60	45	0	(60)	(60)	0
2.08	Restate Excise Taxes	(21)	0	27	(21)	0	27	27	0
2.09	Net Gains & Losses	49	0	-65	49	0	(65)	(65)	0
2.10	Weather Normalization	406	0	-538	406	0	(538)	(538)	0
2.11	Eliminate Adder Schedules	1,103	0	-1461	1,103	0	(1,461)	(1,461)	0
2.12	Misc. Restating Non-Util / Non- Recurring Expens	1,237	0	-1639	1,237	0	(1,639)	(1,639)	0
2.13	Restating Incentives	196	0	-260	196	0	(260)	(260)	0
2.14	Restate Debt Interest	(1,140)	0	1510	(869)	0	1,151	1,151	(359)
2.15	Eliminate WA Power Cost Defer	9,982	0	-13222	9,982	0	(13,222)	(13,222)	0
2.16	Nez Perce Settlement Adjustment	6	0	-/	6	0	(/)	(/)	0
2.17	Normalize CS2/Colstrip Major Maint	(1,017)	0	1347	(1,017)	0	1,347	1,347	0
2.18	Authorized Power Supply	(20,327)	0	26926	(20,327)	0	26,926	26,926	0
2.19	Restate 2018 AMA Rate Base to EOP	(2,565)	61,892	9563	(2,555)	61,892	9,255	9,549	(14)
				0			0	0	0
	Restated Total	\$105,340	\$1,655,992	23646	\$105,613	\$1,654,560	\$15,367	\$23,146	(\$500)
Pro Forma Adjustments									
3.01	Pro Forma Revenue Normalization	(993)	0	1315	(993)	0	1,315	1,315	0
3.02	Pro Forma Def. Debits, Credits & Regulatory Amo	1,746	(583)	-2371	1,746	(583)	(2,368)	(2,371)	0
3.03	Pro Forma Labor Non-Exec	(1,924)	0	2549	(1,525)	0	2,019	2,019	(530)
3.04	Pro Forma Labor Exec	(261)	0	345	4	0	(5)	(5)	(350)
3.05	Pro Forma Employee Benefits	(2,083)	0	2759	0	0	0	0	(2,759)
3.06	Pro Forma Insurance Expense	(27)	0	36	0	0	0	0	(36)
3.07	Pro Forma IS/IT Expense	(1,498)	0	1984	0	0	0	0	(1,984)
3.08	Pro Forma Property Tax	(2,811)	0	3723	(832)	0	1,102	1,102	(2,621)
3.09	Pro Forma Depreciation Expense	1,691	0	-2,239	1,691	0	(2,239)	(2,239)	0
3.10	Pro Forma 2019 Major Capital Adds	(3,284)	81,243	12443	(952)	5,354	1,769	1,795	(10,648)
3.11	Pro Forma O&M Offsets	119	0	-158	0	0	0	0	158
3.12	Pro Forma Fee Free Amortization	(1,067)	0	1414	(1,029)	0	1,362	1,362	(52)
3.13	Pro Forma Colstrip Amortization	(1,293)	(9,188)	798	(1,315)	(14,194)	395	327	(471)
3.14	PF Normalize CS2/Colstrip Major Maint	355	0	-470	355	0	(470)	(470)	0
3.15	Pro Forma Production Plant			0	226	(3,490)	(631)	(647)	(647)
	Pro Forma Total	\$94,009	\$1,727,464	45,775	\$102,990	\$1,641,647	\$17,617	\$25,336	(\$20,438)

Avista Proposed	45,775
Difference	(\$20,438)
ROR impact	(7,719)
Staff Position	<u>17,618</u>