

**AVISTA CORPORATION  
AFFILIATED INTEREST FILING**

**ATTACHMENT B**

**March 2015**



**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

***VIA ELECTRONIC MAIL***

April 15, 2014

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

RE: Avista's 2013 Affiliated Interest and Subsidiary Transactions Report

Dear Mr. King:

Pursuant to WAC 480-100-264 and WAC 480-90-264, the Company submits an original and two copies of the attached 2013 Subsidiary Transaction Report. This report contains summaries of all transactions or agreements between Avista and its subsidiaries over the preceding year ending December 31, 2013.

Included within this report are the financial statements of certain Company subsidiaries. The filed statements are prepared for internal use only and are unaudited. Due to the consolidation process it may not be possible to reconcile line items to our publically issued financial statements. Therefore, we are asking that these financial statements be treated confidentially pursuant to WAC 480-07-160. These documents are stamped "CONFIDENTIAL per WAC 480-07-160."

Please direct any questions on this matter to Liz Andrews at (509) 495-8601.

Sincerely,

/s/ Liz Andrews

Liz Andrews  
Manager, Revenue Requirements  
Avista Utilities  
[liz.andrews@avistacorp](mailto:liz.andrews@avistacorp)

enclosure

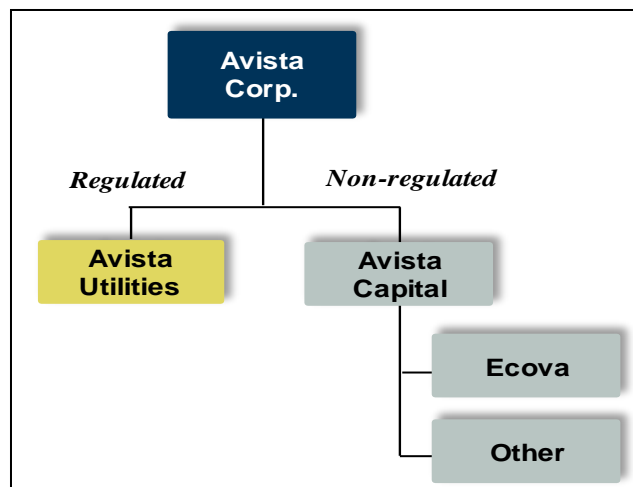
**AFFILIATED INTEREST AND SUBSIDIARY  
TRANSACTIONS REPORT  
OF  
AVISTA CORPORATION  
d/b/a AVISTA UTILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Pursuant to WAC 480-100-264 and WAC 480-90-264, “Affiliated Interest and Subsidiary Transactions Report”, the following report summarizes all transactions, except transactions provided at tariffed rates, that occurred between Avista Corporation (hereinafter Avista or Company) and its subsidiaries and affiliates. The Company operates in its service territories as Avista Utilities.

Avista Utilities is a combination utility that provides service to approximately 363,000 electric customers and 227,000 natural gas customers in a 26,000-square-mile area in eastern Washington and northern Idaho. Avista Utilities also serves approximately 96,000 natural gas customers in Oregon. The largest community served in the area is Spokane, Washington, which is the location of the corporate headquarters.

## **I. ORGANIZATION INFORMATION**

### **1. Organizational Chart**



Included in **Attachment 1** is additional detail of Avista Capital subsidiaries.

### **2. Directors and/or Officers**

See **Attachment 2** for Officer and Director Listings for Avista Corporation and all wholly owned subsidiaries.

### 3. Narrative Descriptions of Subsidiaries

**Avista Capital, Inc.**, is a wholly owned subsidiary of Avista Corp. and is the parent corporation of Avista Corporation's non-regulated subsidiary investments and operations.<sup>1</sup> As of December 31, 2013, Avista Capital had the following non-utility subsidiary investments:

- **Ecova, Inc.** (78% ownership) Provides consolidated billing and resource accounting service and related services. Effective January 23, 2012, Prenova, Inc., merged with Ecova, Inc. Prenova is an energy management firm, which focuses on expense management and energy procurement solutions.
- **Avista Energy, Inc. and Avista Energy Canada, Ltd.** (100% ownership–Inactive), were energy marketing and resource management companies. On June 30, 2007, Avista completed the sale of the operations of Avista Energy to Coral Energy Holding, L.P., and certain of its subsidiaries, a subsidiary of Shell (Coral).
- **Avista Development, Inc.** (100% ownership-no employees, passive income) was established to manage real estate investments including:
  - \* **Steam Plant Square, LLC** (85% ownership) Manages and operates the Steam Plant Square in Spokane, Washington.
    - **Steam Plant Brew Pub, LLC** (100% ownership) Manages and operates the Steam Plant Grill in Spokane, Washington.
  - \* **Court Yard Office Center, LP** (100% ownership) Owns and operates commercial office space rentals.
- **Pentzer Corporation** is a wholly owned private investment company that serves as parent of the non-utility businesses listed below (100% ownership-no employees, passive income):
  - \* **Advanced Manufacturing and Development, Inc., dba METALfx**, (89.2% ownership), located in Willits, California, is a manufacturer and turnkey assembler of electronic enclosures, parts, and systems primarily for the computer and instrumentation industries. This company is held by **Bay Area Manufacturing, Inc.** (100% ownership)
  - \* **Pentzer Venture Holdings II, Inc.** (100% ownership) Holding company for an inactive sewage treatment plant near Spokane Industrial Park.
  - **Avista Northwest Resources, LLC** (100% ownership) was formed for the purpose of holding unregulated investments in the energy industry.

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<sup>1</sup> The only exceptions relate to Avista Receivables, Inc., a special purpose subsidiary formed in connection with the sale of accounts receivable, and Spokane Energy, LLC, which was formed for the purpose of implementing a long-term capacity contract between Avista Utilities and Portland General Electric Company. At present, these entities are directly owned by Avista Corporation. See page 3 for a further description of Spokane Energy, LLC.

- **Salix, Inc.** (100% ownership) was formed October 8, 2013, for the purpose of exploring business opportunities.

**Spokane Energy, LLC** (Spokane Energy) is a special purpose limited liability company and has 100% of its membership owned by Avista Corp. Spokane Energy was formed on December 30, 1998 to assume ownership of a fixed rate electric capacity contract between Avista and Portland General Electric Company (PGE). Under this contract, Peaker, LLC (Peaker) purchases capacity from Avista Utilities and sells capacity to Spokane Energy. Spokane Energy sells the related capacity to PGE. Peaker acts as an intermediary to fulfill certain regulatory requirements between Spokane Energy and Avista Corp. The transaction is structured such that Spokane Energy bears full recourse risk for a loan (balance of \$17.8 million as of December 31, 2013) that matures January 30, 2015. Avista has no recourse related to this loan. Peaker makes monthly payments of approximately \$150,000 to Avista for its capacity purchase.

The following entities were written off during 2013:

- **Demand Energy Networks** (1.54% ownership by Avista Development, Inc.), written off as of September 2013
- **ReliOn, Inc.** (6.5% ownership by Avista Capital, Inc.), written off as of December 2013

#### 4. Narrative Descriptions of Affiliates

As of December 31, 2013, Avista Capital had the following affiliates:

- **Plum Energy** (20% ownership by Avista Capital, Inc.)
- **Pivotal Investment Partners I, L.P.** (30.60% ownership by Avista Northwest Resources, LLC)
- **EnerTech II** (2.9% ownership by Avista Development, Inc.)
- **Woodside IV** (4.20% ownership by Avista Development, Inc.)
- **Inland TechStart Fund, LLC** (14.9% ownership by Avista Development, Inc.)
- **Kick Start II** (9.6% ownership by Avista Development, Inc.)
- **Matrix Genetics** (16.9% ownership by Avista Development, Inc.)

## II. TRANSACTIONS BETWEEN AVISTA AND SUBSIDIARIES AND AFFILIATES

### 1. Transactions with subsidiaries and affiliates totaling less than \$100,000 for the reporting period ended December 31, 2013:

<u>Subsidiary Name</u>	<u>Account No. &amp; Description</u>	<u>Amount</u>
(2) Spokane Energy, LLC	456 Other Electric Revenue	\$ 51,585
(3) Steam Plant Square, LLC	107 CWIP	\$ 24,031
(4) Avista Capital, Inc.	146 Accts Rec.	\$ 67,865
(4) Avista Development, Inc.	146 Accts Rec.	\$ 597
(4) Avista Energy, Inc.	146 Accts Rec.	\$ 15,759
(4) Ecova	146 Accts Rec.	\$ 18,934

See descriptions below, Section II.2. (b), (2) – (4), pages 5 through 6.

### 2. Transactions with subsidiaries and affiliates totaling or exceeding \$100,000 for the reporting period ended December 31, 2013:

<u>Subsidiary Name</u>	<u>Account No. &amp; Description</u>	<u>Amount</u>
(1) Avista Capital II (Trust)	427 Interest Exp.	\$ 601,957
(3) Steam Plant Square, LLC	931 Rents	\$ 125,273

See descriptions below, Section II.2. (b), (1) and (3), pages 4 through 5.

#### (a) Financial Statements:

A Balance Sheet and Income Statement for the subsidiaries listed above whose transactions exceeded \$100,000 is included as **Attachment 3**. See descriptions below in section II.2 (b). Please note that Attachment 3 is CONFIDENTIAL PER WAC 480-07-160.

#### (b) Description of Services or Transactions:

##### (1) Avista Capital II (Trust) Expenses

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with principle amount of \$51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II issued \$50.0 million of Preferred Trust Securities. The interest charges for the trust carried on Avista's books for

2013 totaled \$601,957 and were recorded in FERC Account No. 427 (interest expense). There are no other costs associated with this trust.

### **(2) Spokane Energy, LLC Transactions**

Avista acts as the servicer of Spokane Energy's commodity contracts. Annual service fees paid by Spokane Energy to Avista were approximately \$51,585 in 2013.

Spokane Energy is required to maintain in trust \$1.6 million. All funds in excess of this amount are transferred to Avista for cash management purposes. During 2013, the amount transferred was \$0. At December 31, 2013 Avista has a liability of \$5,045 payable to Spokane Energy for these funds.

### **(3) Steam Plant Square, LLC Lease**

Avista Utilities leases office space (two spaces under separate Multi-Tenant Lease Agreements) from Steam Plant Square, LLC. For the first space, Avista Corporation assumed a lease in May 2003 from Avista Capital, Inc. that was renewed May 1, 2010. The basic terms of this lease (i.e. square footage, monthly rents, etc.) remained the same. A copy of the lease agreement was provided to the Commission in Docket No. UE-110067. The second space was leased in August 2010. A copy of the lease agreement was provided to the Commission in Docket No. UE-101859.

Lease payments in 2013 totaled \$149,304 (\$24,031 recorded in FERC Account No. 107 (CWIP) and \$125,273 recorded in FERC Account No. 931 (Rents)).

### **(4) Non-Service Transactions Related to Ecova, Avista Capital, Avista Development, and Avista Energy**

*Avista Corporation Corporate Services:*

On a regular basis, general office employees of Avista Corporation spend time on corporate service support, such as accounting, federal income tax filing, planning, supplies, postage, legal, graphic services, etc. for subsidiaries. Their time is charged to suspense accounts (Deferred Debit Account No. 186), are loaded for benefits, and then established as a receivable (FERC Account No. 146) when billed to the subsidiary. If other resources are



expended during the course of this work, such as travel or consulting services, these costs are also charged to suspense accounts and billed to the subsidiary.

All corporate services provided, and costs incurred, are direct billed to subsidiaries at cost. No additional margin or profit is included and no assets are allocated. Suspense and capture of Avista Corporation employee costs, which are then billed back to the subsidiary at cost, serve to reduce the utility expenses.

**(c) Description of pricing basis or costing method for allocating costs, and amounts and accounts charged during the year:**

Please see the individual descriptions in Section II.2, pages 4 through 6. Services are provided at cost. Any charges allocated to Washington are allocated based on the Company's four-factor allocation methodology. (Please refer to **Attachment 4** for the allocation factors.)

**(d) Inter-Company Loans:**

• **Avista Corp / Avista Capital Note Payable / Receivable**

During 2013, Avista Corp. recorded short-term note receivables to Avista Capital, Inc. The year-end note receivable amount at December 31, 2013 was \$5,720,834. The maximum note receivable amount outstanding during the year, due from Avista Capital, was \$5,720,834 at December 31, 2013. Total interest expense in 2013 was \$0.

According to the Cash Management Guidelines and Procedures filed with the Commission in April of 2011, investment/borrowing rates between Avista Corporation and Avista Capital that were in effect during 2013 were:

- a. Upon receiving appropriate approvals, excess Avista Capital cash may be invested with (loaned to) Avista Corp. at a rate equal to Avista Corp.'s avoided short-term borrowing cost currently estimated at the one-month LIBOR plus 130 basis points (this is the short-term borrowing rate related to Avista Corp.'s credit facility). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.

At times Avista Corp may have no outstanding borrowings under the credit facility. If there are no outstanding borrowings under the credit facility, excess cash should be utilized to pay down borrowings on other short-term borrowing instruments (if any) and the borrowing rate should be adjusted to the avoided short-term borrowing rate applicable to the borrowings that were re-paid.

At times, Avista Corp may have no outstanding cash borrowings on the credit facility or other short-term borrowing facilities. If there are no cash borrowings under any facility, excess cash should be invested at the subsidiary until the funds can be utilized.

- b. Avista Capital may borrow from Avista Corp., subject to board-approved limits, at a rate equal to at least the Prime rate plus 30 basis points. This rate will be reset at such time as the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the credit facility pricing grid. If an Alternate Base Rate (as defined in the credit facility) is in effect, the borrowing rate would be adjusted accordingly.

- **Avista Corp / Ecova Note Payable / Receivable**

On January 3, 2012, Avista Corp entered into a note agreement with Ecova. The note agreement is structured so that Avista Corporation would pay the same rate as would have been incurred under the credit facility (i.e. Avista Corporation's avoided short-term borrowing rate). Avista Corporation may borrow up to \$50 million in principal under the note agreement. Additionally, Avista Corporation will be required to retain liquidity under its credit facility to repay the outstanding principal balance in whole at any time. The Commission approved this transaction in Docket No. UG-111770 on November 10, 2011. The maximum note payable amount outstanding during the year, owed to Ecova, was \$50,064,439 at December 1, 2013. Total interest expense in 2013 was \$324,790. The note payable amount as of February 28, 2014 was \$49,062,656. During 2013 Avista repaid the note payable amount at each quarter end.

These revolving short-term cash borrowings between the parties help to reduce external cash requirements.

**(e) Description of Parent Guaranteed Debt:**

Avista Corporation does not guarantee debt of its subsidiaries. See Section III. Miscellaneous Agreements, page 8.

**(f) Description of Activities of Subsidiaries:**

See Section I.3 at pages 2 through 3.

**(g) List of all common officers and directors:**

See Section I.2 at page 1.

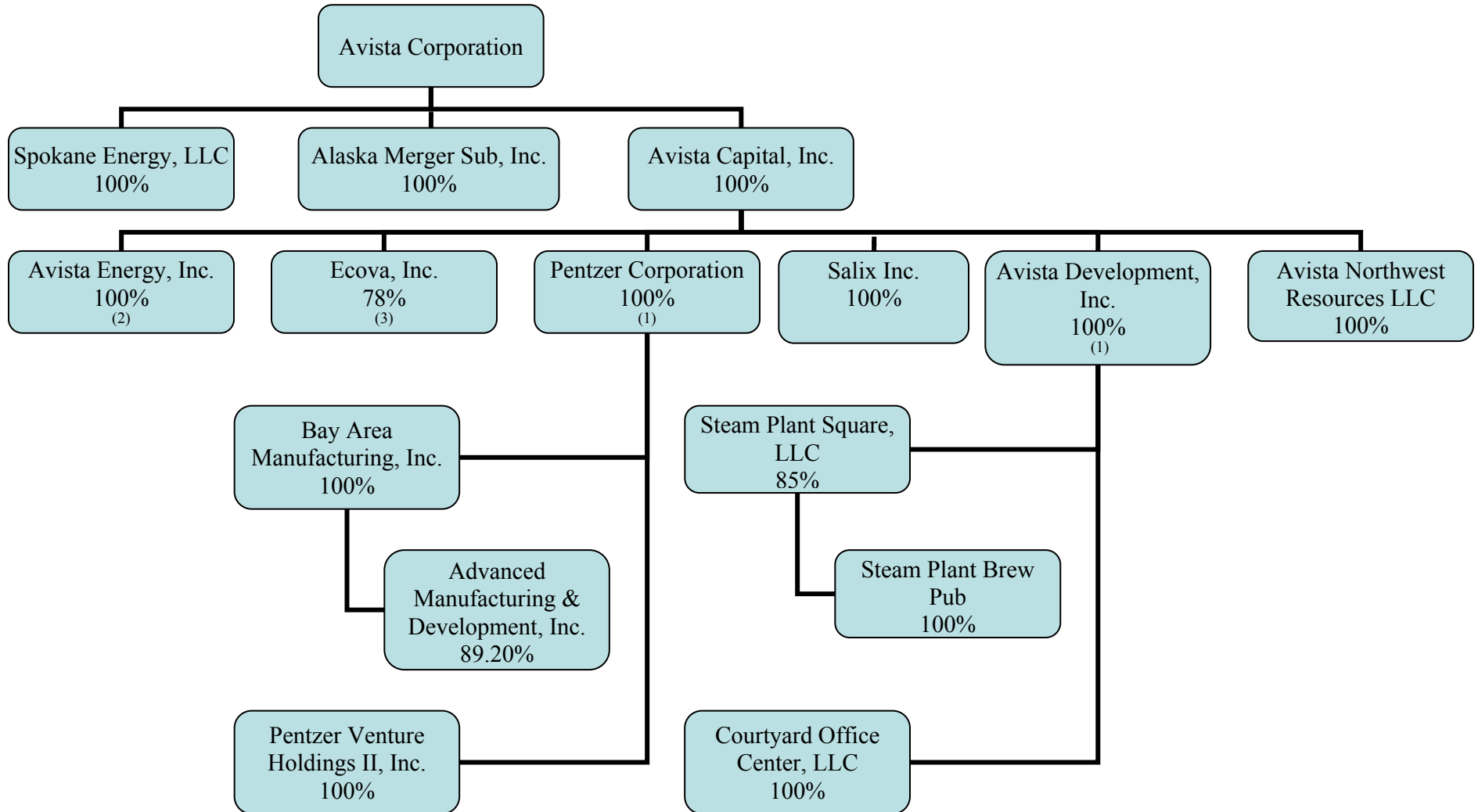
### **III. MISCELLANEOUS AGREEMENTS AND TRANSACTIONS**

During 2013 there were no Miscellaneous Agreements or Transactions to report.

# **ATTACHMENT 1**

# Avista Corporation and Affiliates

December 2013



■ Denotes Affiliates

(1) No Employees, passive income

(2) These Company assets were sold in June 2007

(3) Effective 10/31/2013, ownership changed from 79.11% to 78%

## **ATTACHMENT 2**



Corporate Secretary Department  
Current as of January 1, 2014

Annual Meeting Held in May of Each Year

**Directors:**

Erik J. Anderson	Rebecca (Becky) A. Klein
Kristianne Blake	Scott L. Morris
Donald C. Burke	Marc F. Racicot
Rick R. Holley	Heidi B. Stanley
John F. Kelly	R. John Taylor

**Officers:**

Scott L. Morris	Chairman of the Board, President & Chief Executive Officer
Mark T. Thies	Senior Vice President, Chief Financial Officer & Treasurer
Marian M. Durkin	Senior Vice President, General Counsel & Chief Compliance Officer
Karen S. Feltes	Senior Vice President, Human Resources & Corporate Secretary
Dennis P. Vermillion	Senior Vice President & Environmental Compliance Officer and President, Avista Utilities
Jason R. Thackston	Sr. Vice President, Energy Resources
Christy M. Burmeister-Smith	Vice President, Controller & Principal Accounting Officer
James M. Kensok	Vice President, Chief Information Officer & Chief Security Officer
Don F. Kopczynski	Vice President, Energy Delivery and Customer Service
David J. Meyer	Vice President & Chief Counsel for Regulatory & Governmental Affairs
Kelly O. Norwood	Vice President, State & Federal Regulations
Roger D. Woodworth	Vice President & Chief Strategy Officer
Don M. Falkner	Assistant Treasurer
Ryan L. Krasselt	Assistant Treasurer
Susan Y. Fleming	Assistant Corporate Secretary

**Corporate Governance/**

**Nominating Committee**

Kristianne Blake  
Marc F. Racicot  
R. John Taylor  
John F. Kelly – Chair

**Executive Committee**

Kristianne Blake  
John F. Kelly  
R. John Taylor  
Scott L. Morris – Chair

**Audit Committee**

Donald C. Burke (financial expert)  
Heidi B. Stanley  
Kristianne Blake – Chair

**Compensation & Organization  
Committee**

John F. Kelly  
Rebecca A. Klein  
R. John Taylor – Chair

**Finance Committee**

Donald C. Burke  
Rick R. Holley  
Heidi B. Stanley  
Erik J. Anderson – Chair

**Energy, Environmental, &  
Operations Committee**

Erik J. Anderson  
Rick R. Holley  
Marc F. Racicot  
Rebecca A. Klein – Chair

All Committees are comprised of independent Board members as defined under the rules of the NYSE, with the exception of the Executive Committee (not required to be independent). The Company was formed as The Washington Water Power Company in 1889 and changed its name to Avista Corp. on January 1, 1999.

**ADVANCED MANUFACTURING & DEVELOPMENT, INC.**

**Doing business as METAL<sub>fx</sub>**

(A Subsidiary of Bay Area Manufacturing, Inc.)

(A California Corporation)

200 North Lenore Ave.

Willits, CA 95490

(707) 459-9451

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

**Officers:**

Scott L. Morris

Gordon B. Short

Christy M. Burmeister-Smith

Karen S. Feltes

Susan Y. Fleming

Jill Porterfield

Chairman of the Board

President & Chief Executive Officer

Vice President & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Corporate Secretary



**ALASKA MERGER SUB, INC.**

(A Subsidiary of Avista Corp.)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Scott L. Morris

Dennis P. Vermillion

Mark T. Thies

Marian M. Durkin

Karen S. Feltes

Susan Y. Fleming

Chairman & Chief Executive Officer

President

Treasurer

Vice President

Secretary

Assistant Secretary

Current as of May 17, 2013

**AVISTA CAPITAL, INC.**

(A Subsidiary of Avista Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

**Officers:**

Scott L. Morris

Mark T. Thies

Karen S. Feltes

Christy Burmeister-Smith

Susan Y. Fleming

Don M. Falkner

Chairman of the Board, President & CEO

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Vice President

Assistant Corporate Secretary

Assistant Treasurer

The Company was formed as Avista Corp. before changing its name to Avista Capital on August 17, 1998.

**AVISTA DEVELOPMENT, INC.**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

**Officers:**

Scott L. Morris

Chairman of the Board, President and CEO

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President

Dennis P. Vermillion

Senior Vice President & Environmental Compliance Officer

Karen S. Feltes

Senior Vice President & Corporate Secretary

Roger D. Woodworth

Vice President

Susan Y. Fleming

Assistant Corporate Secretary

Don M. Falkner

Assistant Treasurer

The Company was formed as WP Finance Co. before changing its name to Avista Development. Pentzer Development, Inc. and Washington Irrigation & Development Company merged with and into Avista Development in October 1998.

**AVISTA ENERGY, INC.**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

**Officers:**

Scott L. Morris

Mark T. Thies

Karen S. Feltes

Tracy Van Orden

Susan Y. Fleming

Don M. Falkner

Chairman of the Board, President & CEO

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Controller

Assistant Corporate Secretary

Assistant Treasurer

The Company was formed as WWP Resource Services, Inc., before becoming Avista Energy.

**AVISTA NORTHWEST RESOURCES, LLC**

(An Affiliate of Avista Capital)

1411 E. Mission Ave.

Spokane, WA 99202

**Member:**

Avista Capital

**Officers (Managers):**

Scott L. Morris	President & Chief Executive Officer
Mark T. Thies	Senior Vice President & Chief Financial Officer
Christy Burmeister-Smith	Vice President & Treasurer
Karen S. Feltes	Senior Vice President & Corporate Secretary
Susan Y. Fleming	Assistant Corporate Secretary

Most of our LLC's do not have officers. This particular one was formed with officers as the managers.

Current as of May 17, 2013

**BAY AREA MANUFACTURING, INC.**

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

**Officers:**

Scott L. Morris

Mark T. Thies

Karen S. Feltes

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

Current as of March 31, 2009

**COURTYARD OFFICE CENTER, LLC**

(An Affiliate of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

**Member:**

Avista Development, Inc.

**Manager**

Roger Woodworth

**ECOVA, INC.**

(A Subsidiary of Avista Capital, Inc.)

1313 N. Atlantic St., 5<sup>th</sup> Floor

Spokane, WA 99201

**Directors:**

Erik J. Anderson

Kristianne Blake

Donald C. Burke

Jeff Heggedahl

John F. Kelly

Craig Levinsohn

Jeff Lieberman

Scott L. Morris

**Officers:**

Scott L. Morris

Chairman of the Board

Jeff Heggedahl

President & Chief Executive Officer

Ed Schlect

Executive Vice President

Gene Lynes

Executive Vice President & Chief Financial Officer

Donato Capobianco

Sr. Vice President & General Counsel

Marian M. Durkin

Sr. Vice President

Mark T. Thies

Sr. Vice President

Karen S. Feltes

Sr. Vice President & Corporate Secretary

Julie Kearney

Sr. Vice President – Human Resources

Jana Schmidt

Sr. Vice President & General Manager – Sales & Operations

Seth Nesbitt

Sr. Vice President & General Manager – Marketing & Technology

Robert Zak

Sr. Vice President – Facility Solutions

Ted Schultz

Sr. Vice President – Utility Solutions

John Robison

Chief Investment Officer & Treasurer

Lauren Kirkley

Vice President – Internal Audit

Susan Y. Fleming

Assistant Corporate Secretary

**Compensation and Organization**

**Audit and Finance Committee**

**Committee**

Scott Morris – Chair

Kristianne Blake – Chair

John F. Kelly

Erik Anderson

Jeff Lieberman

Donald C. Burke

Craig Levinsohn

The Company was formed as Altus Energy Solutions, Inc. and then changed its name to WWP Energy Solutions, Inc. before becoming Avista Advantage. The name was changed to Advantage IQ on June 29, 2006. The name was changed to Ecova, Inc. on October 19, 2011. (Subsidiary Ecos IQ, Inc. was merged with and into Ecova on December 31, 2011.)



**PENTZER CORPORATION**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Scott L. Morris

Mark T. Thies

Jason Thackston

**Officers:**

Scott L. Morris

Mark T. Thies

Karen S. Feltes

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

**PENTZER VENTURE HOLDINGS II**

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Scott L. Morris

Mark T. Thies

Jason R. Thackston

**Officers:**

Scott L. Morris

Mark T. Thies

Karen S. Feltes

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

**SALIX, INC.**

(A Subsidiary of Avista Capital)

1411 E. Mission Ave.

Spokane, WA 99202

**Directors:**

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Dennis P. Vermillion

Roger D. Woodworth

**Officers:**

Robert J. Lafferty

President

Mark T. Thies

Treasurer

Karen S. Feltes

Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

**SPOKANE ENERGY, LLC**  
(An Affiliate of Avista Corp.)  
1411 E. Mission Ave.  
Spokane, WA 99202

**Member:**  
Avista Corp.

**Managers:**  
Dennis Vermillion (Avista)  
Malyn Malquist (Bella Vista Resources)

Current as of December 31, 2010

**STEAM PLANT BREW PUB, LLC**  
**Doing Business as Steam Plant Grill**  
(An Affiliate of Steam Plant Square, LLC)  
1411 E. Mission Ave.  
Spokane, WA 99202

**Members:**

Avista Development, Inc.  
Wells & Co.

**Manager**

Roger Woodworth

Current as of December 31, 2010

**STEAM PLANT SQUARE, LLC**  
(An Affiliate of Avista Capital, Inc.)  
1411 E. Mission Ave.  
Spokane, WA 99202

**Members:**

Avista Development, Inc.  
Wells & Co.

**Manager**

Roger Woodworth

**ATTACHMENT 3**

**REDACTED**



Subsidiary Balance Sheets  
December, 2013

<i>AVISTA CAPITAL</i>	<i>PENTZER CORP.</i>	<i>AVISTA DEVELOPMENT</i>	<i>AVISTA ENERGY</i>	<i>NORTHWEST RESOURCES, LLC</i>
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**REDACTED**





**Subsidiary Income Statements - PTD  
201312**

<i>AVISTA CAPITAL</i>	<i>PENTZER CORP.</i>	<i>AVISTA DEVELOPMENT</i>	<i>AVISTA ENERGY</i>	<i>NORTHWEST RESOURCES, LLC</i>
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**REDACTED**



Subsidiary Income Statements - YTD

201312

<i>AVISTA CAPITAL</i>	<i>PENTZER CORP.</i>	<i>AVISTA DEVELOPMENT</i>	<i>AVISTA ENERGY</i>	<i>NORTHWEST RESOURCES, LLC</i>
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**REDACTED**

## **ATTACHMENT 4**

RESULTS OF OPERATIONS		Report ID: E-ALL-12A
ELECTRIC ALLOCATION PERCENTAGES For Twelve Months Ended December 31, 2013 Average of Monthly Averages Basis		

AVISTA UTILITIES

Basis	Ref	Description	System	Washington	Idaho	
1	Input	Production/Transmission Ratio	12-31-2013	100.000%	64.310%	35.690%
2	Input	Number of Customers Percent	12-31-2013	363,312 100.000%	238,379 65.613%	124,933 34.387%
3	E-OPS	Direct Distribution Operating Expense Percent		23,031,763 100.000%	15,087,433 65.507%	7,944,330 34.493%
	Input	Jurisdictional 4-Factor Ratio	12-31-2013			
		Direct O & M Accts 500 - 598		20,271,611	12,708,520	7,563,091
		Direct O & M Accts 901 - 935		23,797,558	17,806,326	5,991,232
		Total		44,069,169	30,514,846	13,554,323
		Percentage		100.000%	69.243%	30.757%
		Direct Labor Accts 500 - 598		12,899,185	8,853,799	4,045,386
		Direct Labor Accts 901 - 935		5,728,641	4,368,986	1,359,655
		Total		18,627,826	13,222,785	5,405,041
		Percentage		100.000%	70.984%	29.016%
		Number of Customers		366,305	240,426	125,879
		Percentage		100.000%	65.635%	34.365%
		Net Direct Plant		905,556,829	587,222,626	318,334,203
		Percentage		100.000%	64.847%	35.153%
		Total Percentages		400.000%	270.709%	129.291%
4		Percent		100.000%	67.677%	32.323%

RESULTS OF OPERATIONS		Report ID:
<b>ELECTRIC ALLOCATION PERCENTAGES</b>		<b>E-ALL-12A</b>
For Twelve Months Ended December 31, 2013		
Average of Monthly Averages Basis		

AVISTA UTILITIES

Basis	Ref	Description	System	Washington	Idaho	
Input		Elec/Gas North/Oregon 4-Factor	Total	Electric	Gas North	Oregon Gas
	01-01-2013	Direct O & M Accts 500 - 894	68,965,506	60,243,237	5,651,108	3,071,161
		Direct O & M Accts 901 - 935	41,147,627	29,854,933	8,129,433	3,163,261
		Direct O & M Accts 901 - 905 Utility 9 Only	4,465,312	3,053,607	1,411,705	0
		Adjustments	0	0	0	0
		<b>Total</b>	<b>114,578,445</b>	<b>93,151,777</b>	<b>15,192,246</b>	<b>6,234,422</b>
		<b>Percentage</b>	<b>100.000%</b>	<b>81.300%</b>	<b>13.259%</b>	<b>5.441%</b>
		Direct Labor Accts 500 - 894	65,772,800	51,029,386	10,468,202	4,275,212
		Direct Labor Accts 901 - 935	5,175,642	3,333,358	497,385	1,344,899
		Direct Labor Accts 901 - 905 Utility 9 Only	10,669,036	7,158,435	3,510,601	0
		<b>Total</b>	<b>81,617,478</b>	<b>61,521,179</b>	<b>14,476,188</b>	<b>5,620,111</b>
		<b>Percentage</b>	<b>100.000%</b>	<b>75.377%</b>	<b>17.737%</b>	<b>6.886%</b>
		Number of Customers at	685,332	362,462	226,219	96,651
		<b>Percentage</b>	<b>100.000%</b>	<b>52.888%</b>	<b>33.009%</b>	<b>14.103%</b>
		Net Direct Plant	2,540,576,273	2,027,886,265	345,513,055	167,176,953
		<b>Percentage</b>	<b>100.000%</b>	<b>79.820%</b>	<b>13.600%</b>	<b>6.580%</b>
		<b>Total Percentages</b>	<b>400.000%</b>	<b>289.385%</b>	<b>77.604%</b>	<b>33.010%</b>
		<b>Average (CD AA)</b>	<b>100.000%</b>	<b>72.346%</b>	<b>19.401%</b>	<b>8.253%</b>

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RESULTS OF OPERATIONS		Report ID:
<b>ELECTRIC ALLOCATION PERCENTAGES</b>		<b>E-ALL-12A</b>
For Twelve Months Ended December 31, 2013		
Average of Monthly Averages Basis		

AVISTA UTILITIES

Basis	Ref	Description	System	Washington	Idaho	
Input		Gas North/Oregon 4-Factor	Total	Electric	Gas North	Oregon Gas
		Direct O & M Accts 500 - 894	8,210,713	0	5,319,674	2,891,039
		Direct O & M Accts 901 - 935	10,885,298	0	7,836,155	3,049,143
		Direct O & M Accts 901 - 905 Utility 9 Only	1,411,705	0	1,411,705	0
		Total	20,507,716	0	14,567,534	5,940,182
		Percentage	100.000%	0.000%	71.034%	28.966%
		Direct Labor Accts 500 - 894	11,244,329	0	7,983,762	3,260,567
		Direct Labor Accts 901 - 935	1,531,702	0	413,533	1,118,169
		Direct Labor Accts 901 - 905 Utility 9 Only	3,510,601	0	3,510,601	0
		Total	16,286,632	0	11,907,896	4,378,736
		Percentage	100.000%	0.000%	73.115%	26.885%
		Number of Customers at	322,870	0	226,219	96,651
		Percentage	100.000%	0.000%	70.065%	29.935%
		Net Direct Plant	504,945,491	0	338,644,009	166,301,482
		Percentage	100.000%	0.000%	67.065%	32.935%
		Total Percentages	400.000%	0.000%	281.279%	118.721%
8		Average (GD AA)	100.000%	0.000%	70.320%	29.680%

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2013  
Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	System	Washington	Idaho	
		Input	Total	Electric	Gas North	Oregon Gas
		Elec/Gas North 4-Factor				
	01-01-2013	Direct O & M Accts 500 - 894	65,927,810	60,243,237	5,684,573	0
		Direct O & M Accts 901 - 935	37,981,681	29,854,933	8,126,748	0
		Adjustments	0	0	0	0
		Total	103,909,491	90,098,170	13,811,321	0
		Percentage	100.000%	86.708%	13.292%	0.000%
		Direct Labor Accts 500 - 894	61,509,081	51,029,386	10,479,695	0
		Direct Labor Accts 901 - 935	3,968,432	3,333,358	635,074	0
		Total	65,477,513	54,362,744	11,114,769	0
		Percentage	100.000%	83.025%	16.975%	0.000%
		Number of Customers at	588,681	362,462	226,219	0
		Percentage	100.000%	61.572%	38.428%	0.000%
		Net Direct Plant	2,348,249,795	2,009,605,786	338,644,009	0
		Percentage	100.000%	85.579%	14.421%	0.000%
		Total Percentages	400.000%	316.884%	83.116%	0.000%
9		Average (CD AN/ID/WA)	100.000%	79.221%	20.779%	0.000%
10	E-PLT	Net Electric Distribution Plant	865,906,081	560,438,316	305,467,765	
		Percent	100.000%	64.723%	35.277%	
11		Book Depreciation	84,730,491	54,499,864	30,230,627	
		Percent	100.000%	64.321%	35.679%	

RESULTS OF OPERATIONS		Report ID: E-ALL-12A
ELECTRIC ALLOCATION PERCENTAGES For Twelve Months Ended December 31, 2013 Average of Monthly Averages Basis		

AVISTA UTILITIES

Basis	Ref	Description	System	Washington	Idaho
12		Net Electric Plant (before DFIT) Percent	2,172,790,401 100.000%	1,406,670,796 64.740%	766,119,605 35.260%
13	E-PLT	Net Electric General Plant Percent	181,477,016 100.000%	121,013,073 66.682%	60,463,943 33.318%
14		Net Allocated Schedule M's Percent	-84,433,617 100.000%	-53,514,140 63.380%	-30,919,477 36.620%
99	Input	Not Allocated	0.000%	0.000%	0.000%