

AVISTA CORPORATION
Summary of Requested Rate Increase
Electric Service
Based on Rates Currently in Effect*
Washington Jurisdiction
Filed May 26, 2017

- a) **The date and amount of the latest prior general rate increase authorized by the Commission, and revenue realized from that authorized increase in the test period, based on the company's test period units of revenue.**

Date	January 11, 2016
Amount (thousands)	\$ (8,110)
Revenue realized (thousands) (Rates went into effect 11 days into the Test Year)	\$ (7,888) 2016 Test Year

- b) **Total general business revenues at present rates and at requested rates.**

Present Rates (thousands)	\$ 511,823
Requested Rates (thousands)	\$ 573,179

- c) **Requested revenue change in percentage, in total and by major customer class.**

	Base Tariff Revenue	Billed Revenue*
Residential	13.3%	9.4%
General Service (Small Commercial)	10.0%	6.6%
Large General Service (Medium - Large Commercial / Industrial)	12.5%	9.0%
Extra Large General Service (Large - Commercial / Industrial)	12.5%	8.9%
Pumping Service	12.5%	9.0%
Street & Area Lighting	12.5%	9.0%
Other	0.0%	0.0%
Overall	12.5%	8.8%

- d) **Requested revenue change in thousands of dollars, in total and by major customer class.**

Residential	\$ 27,955
General Service (Small Commercial)	\$ 7,357
Large General Service (Medium - Large Commercial / Industrial)	\$ 15,805
Extra Large General Service (Large - Commercial / Industrial)	\$ 8,024
Pumping Service	\$ 1,358
Street & Area Lighting	\$ 857
Other	\$ -
Total	\$ 61,356

- e) **Requested rate change in dollars per month, per average customer, by customer class. ***

	Billing Rates
Residential (938kwhs)	\$ 8.05
General Service (Small Commercial)	\$ 13.65
Large General Service (Medium - Large Commercial / Industrial)	\$ 526.09
Extra Large General Service (Large - Commercial / Industrial)	\$ 24,149.61
Pumping Service	\$ 35.32

Requested rate change in dollars per month, per average residential customer.

	Billing Rates
Monthly impact at average usage of 600 kwhs per mo. (non-electric heat)	\$ 5.55
Monthly impact at average usage of 1000 kwhs per mo. (average)	\$ 8.56
Monthly impact at average usage of 1400 kwhs per mo. (electric heat)	\$ 11.88

AVISTA CORPORATION
Summary of Requested Rate Increase
Electric Service
Based on Rates Currently in Effect*
Washington Jurisdiction
Filed May 26, 2017

f) Most current customer count by major customer class. (1)		
Residential		211,562
General Service	(Small Commercial)	31,455
Large General Service	(Medium - Large Commercial / Industrial)	1,895
Extra Large General Service	(Large - Commercial / Industrial)	22
Pumping Service		2,432
Total		247,366
(1) December 31, 2016 end of Test Year		
g) Current authorized overall rate of return and authorized rate of return on common equity.		
Overall rate of return		7.29%
Rate of return on common equity		9.50%
h) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate rate of return on common equity.		
Overall rate of return		7.76%
Rate of return on common equity		9.90%
The methodologies utilized in the derivation of the rate of return on common equity were discounted cash flow analysis, risk premium model analysis and capital asset pricing model analysis.		
i) Requested capital structure.		
Total Debt (including Short-Term)		50.00%
Preferred Stock		0.00%
Common Equity		50.00%
Total		100.00%
j) Requested total net operating income.		
Net operating income (thousands)		\$ 123,552
k) Requested total rate base and method of calculation, or equivalent.		
Rate base (thousands)		\$ 1,592,165
Method of calculation is average of monthly average basis.		
l) Requested revenue effect of attrition allowance, if any requested.		
Attrition allowance**		\$ -

* The increase in Billed Revenue was calculated by using current billed revenue, and adding the Power Cost Rate Adjustment (PCRA) revenue of approximately \$15 million. The PCRA, filed concurrently with the general rate case, will go into effect on September 1, 2017 (if approved by the Commission) and expire when new base rates are determined in this case.

** The Company filed as a part of this general rate case a Three-Year Rate Plan. The non-power supply increases for Year 2 (\$13,983) and Year 3 (\$14,432) are based on a "K-Factor Adjustment". K-Factor Adjustments are similar to attrition adjustments.