BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION)))
Complainant, v.)) DOCKETS UE-170485 and) UG-170486 (Consolidated)
AVISTA CORPORATION d/b/a AVISTA UTILITIES)))
Respondent.)))

EXHIBIT BGM-3 ELECTRIC TRADITIONAL REVENUE REQUIREMENT CALCULATIONS

Electric R	evenue I	Requirement Summary (\$000)			CANTA DOD	YCHWY D		
			Company Filin	g (Rev. Req. at I		ICNU Proposed	d	Dan Dan
Line	Adj. No.	Description	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)
1	1.00	Per Book Results (Y/E Dec. 2016)	\$110,557	1,444,926	(13,329)	\$110,557	1,444,926	(13,329)
Restatin	g Adjustn	nents:						
2	1.01	Deferred FIT Rate Base	8	806	79	8	806	79
3	1.02	Deferred Debits and Credits	(8)	-	13	(8)	-	13
4	1.03	Working Capital	(30)	(3,006)	(295)	(30)	(3,006)	(295)
5	2.01	Eliminate B & O Taxes	(96)	-	154	(96)	-	154
6	2.02	Restate Property Tax	163	-	(262)	163	-	(262)
7	2.03	Uncollect. Expense	(859)	-	1,386	(859)	-	1,386
8	2.04	Regulatory Expense	(5)	-	7	(5)	-	7
9	2.05	Injuries and Damages	(98)	-	158	(98)	-	158
10	2.06	FIT/DFIT/ ITC Expense	(69)	-	111	(69)	-	111
11	2.07	Office Space Charges to Non-Utility	20	-	(33)	20	-	(33)
12	2.08	Restate Excise Taxes	40	-	(65)	40	-	(65)
13	2.09	Net Gains / Losses	61	-	(99)	61	-	(99)
14	2.10 2.11	Weather Normalization	825	-	(1,332)	825	-	(1,332)
15	2.11	Eliminate Adder Schedules	(969)	-	1,565	(969)	-	1 565
16 17	2.12	Misc. Restating Non-Util / Non- Recurring Expenses Eliminate WA Power Cost Defer	4,386	-	(7,081)	4,386	-	1,565 (7,081)
18	2.13	Nez Perce Settlement Adjustment	4,380	-	(4)	4,380	-	(4)
19	2.14	Restating Incentives	407	-	(657)	407	-	(657)
20	2.16	Normalize CS2/Colstrip Major Maint	763	_	(1,232)	763	-	(1,232)
21	2.17	Restate Debt Interest	759		(1,225)	(326)		526
22	2.17	Authorized Power Supply	(7,696)		12,425	(7,696)		12,425
23		Restated Results	108,163	1,442,726	(9,715)	107,078	1,442,726	(7,964)
Pro For	na Adjus	tments						
24	3.01	Pro Forma Trans/Power Sup Non-ERM Rev/Exp	(66)	-	106	(66)	-	106
25	3.02	Pro Forma Labor Non-Exec	(1,862)	-	3,005	(1,167)	-	1,884
26	3.03	Pro Forma Labor Exec	21	-	(35)	21	-	(35)
27	3.04	Pro Forma Employee Benefits	234	-	(378)	234	-	(378)
28	3.05	Pro Forma Incentive Expenses	(77)	-	125	(77)	-	125
29	3.06	Pro Forma Property Tax	(1,598)	-	2,579	(1,598)	-	2,579
30	3.07	Pro Forma IS/IT Expense	(451)	-	728	(451)	-	728
31	3.08	Pro Forma Revenue Normalization	(3,286)	-	5,305	(3,286)	-	5,305
32	3.09	Pro Forma Def. Debits, Credits & Regulatory Amorts	1,013	(5,346)	(2,246)	1,013	(5,346)	(2,246)
33	3.10	Pro Forma 2017 Threshhold Capital Adds	(1,743)	34,911	6,804	267	5,565	205
34	3.11	Pro Forma O&M Offsets	642	-	(1,036)	642	-	(1,036)
35	3.12	Pro Forma Director Fees Exp	(244)	-	394	-	-	-
36	3.13	PF Normalize CS2/Colstrip Major Maint	(226)	-	364	(226)	-	364
37	3.14	Pro Forma Underground Equip Inspection	(346)	-	558	(346)	-	558
	4.00	Pro Forma Power Supply & Transm Revs	(10,288)		16,609			
38		Pro Forma Results (Traditional Rev. Req.)	89,888	1,472,291	23,168	102,039	1,442,945	197
			File	ed Deficiency:	37,501		Calculated:	197
				ROR Impact:	(14,333)		Check	0

Electric Revenue Requirement Summary (\$000)

Encett te 10	e venue 1	equirement summary (4000)	Impact of ICN	U Adjustments			
			Pre-Tax			Rev. Req.	
	Adj.		Net Oper.	Net Oper.		Def. /	
Line	No.	Description	Income	Income	Rate Base	(Suf.)	ICNU Position
1	1.00	Per Book Results (Y/E Dec. 2016)					
Restating	g Adjustm	nents:					
2	1.01	Deferred FIT Rate Base	-	-	-	-	Neutral
3	1.02	Deferred Debits and Credits	-	-	-	-	Neutral
4	1.03	Working Capital	-	-	-	-	Neutral
5	2.01	Eliminate B & O Taxes	-	-	-	-	Neutral
6	2.02	Restate Property Tax	-	-	-	-	Neutral
7	2.03	Uncollect. Expense	-	-	-	-	Neutral
8	2.04	Regulatory Expense	-	-	-	-	Neutral
9	2.05	Injuries and Damages	-	-	-	_	Neutral
10	2.06	FIT/DFIT/ ITC Expense	-	-	-	-	Neutral
11	2.07	Office Space Charges to Non-Utility	-	-	-	-	Neutral
12	2.08	Restate Excise Taxes	-	-	-	-	Neutral
13	2.09	Net Gains / Losses	-	-	-	_	Neutral
14	2.10	Weather Normalization	_	_	_	_	Neutral
15	2.11	Eliminate Adder Schedules	_	-	-	_	Neutral
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	_	_	_	_	Neutral
17	2.13	Eliminate WA Power Cost Defer	_	_	_	_	Neutral
18	2.14	Nez Perce Settlement Adjustment	_	_	_	_	Neutral
19	2.15	Restating Incentives	_	_	-	_	Neutral
20	2.16	Normalize CS2/Colstrip Major Maint	_	_	-	_	Neutral
21	2.17	Restate Debt Interest	_	(1,085)	_	1,751	Update (Cost of Debt)
22	2.18	Authorized Power Supply	_	(1,005)	-		Neutral
			-				
23		Restated Results	-	(1,085)	-	1,751	
Pro Forn	•						
24	3.01	Pro Forma Trans/Power Sup Non-ERM Rev/Exp	-	-	-	-	Neutral
25	3.02	Pro Forma Labor Non-Exec	1,068	694	-	(1,121)	Oppose
26	3.03	Pro Forma Labor Exec	-	-	-	-	Neutral
27	3.04	Pro Forma Employee Benefits	-	-	-	-	Neutral
28	3.05	Pro Forma Incentive Expenses	-	-	-	-	Neutral
29	3.06	Pro Forma Property Tax	-	-	-	-	Neutral
30	3.07	Pro Forma IS/IT Expense	-	-	-	-	Neutral
31	3.08	Pro Forma Revenue Normalization	-	-	-	-	Neutral
32	3.09	Pro Forma Def. Debits, Credits & Regulatory Amorts	-	-	-	-	Neutral
33	3.10	Pro Forma 2017 Threshhold Capital Adds	3,092	2,010	(29,346)	(6,599)	Oppose
34	3.11	Pro Forma O&M Offsets	-	-	-	-	Neutral
35	3.12	Pro Forma Director Fees Exp	375	244	-	(394)	Oppose
36	3.13	PF Normalize CS2/Colstrip Major Maint	-	-	-	-	Neutral
37	3.14	Pro Forma Underground Equip Inspection	-	-	-	-	Neutral
	4.00	Pro Forma Power Supply & Transm Revs	15,827	10,288		(16,609)	Oppose
38		Pro Forma Results (Traditional Rev. Req.)	20,362	12,151	(29,346)	(22,971)	

CALCULATION OF TRADITIONAL PRO FORMA STUDY REVENUE REQUIREMENT WASHINGTON ELECTRIC TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Forma Study Rate Change 5/1/2018 (000's of Dollars)
1	Pro Forma Rate Base	\$ 1,442,945
2	Proposed Rate of Return	 7.08%
3	Net Operating Income Requirement	\$102,161
4	Pro Forma Net Operating Income	102,039
5	Net Operating Income Deficiency	\$122
6	Conversion Factor	0.619413
7	Revenue Requirement	\$197
8	Total General Business Revenues	\$492,134
9	Percentage Revenue Increase	0.04%
10	Total Billed General Business Revenues	\$511,823
11	Percentage Revenue Increase	0.04%

TRADITIONAL PRO FORMA COST OF CAPITAL WASHINGTON ELECTRIC

Capital Structure	•
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Component	Capital Structure	Cost	Weighted Cost
Total Debt	51.6%	5.19%	2.68%
Common	48.4%	9.10%	4.40%
Total	100.00%	- -	7.08%

REVENUE CONVERSION FACTOR WASHINGTON ELECTRIC TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.006578
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038479
6	Total Expense	0.047057
7	Net Operating Income Before FIT	0.952943
8	Federal Income Tax @ 35%	0.333530
9	REVENUE CONVERSION FACTOR	0.619413

7

RESTATEMENT ADJUSTMENTS ACTUAL WASHINGTON ELECTRIC RESULTS - PRO FORMA RESULTS TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016 (000'S OF DOLLARS) Deferred Working Eliminate Restate Uncollect. Regulatory Deferred Line Results of FIT Debits and Capital B & O Property Expense Expense DESCRIPTION No. Operations Rate Base Credits Taxes Tax Adjustment Number 1.00 1.01 1.02 1.03 2.01 2.02 2.03 2.04 Workpaper Reference E-ROO E-DFIT E-DDC E-WC E-EBO E-RPT E-UE E-RE REVENUES Total General Business \$516,333 \$0 \$0 \$0 (\$17,807) \$0 \$0 \$0 Interdepartmental Sales 946 Sales for Resale 78,098 4 Total Sales of Electricity 595,377 (17,807) Other Revenue 81 735 (14) Total Electric Revenue 6 677 112 (17,821) EXPENSES Production and Transmission Operating Expenses 184,672 Purchased Power 96,772 Q Depreciation/Amortization 26,677 0 10 Regulatory Amortization 4.310 14.904 11 Taxes 86 Total Production & Transmission 327,335 12 86 Distribution 13 Operating Expenses 21,420 14 Depreciation/Amortization 27,913 15 Regulatory Amortization 0 45,258 16 Taxes (17.674)(336)Total Distribution 17 94.591 (17.674)(336) 11,733 1,321 Customer Accounting 19 Customer Service & Information 18,081 20 Sales Expenses 0 Administrative & General 21 Operating Expenses 50,568 22 23,877 Depreciation/Amortization 23 Taxes 24 Total Admin. & General 74,445 12 (17,674) 1,321 25 Total Electric Expenses 526,185 (250)OPERATING INCOME BEFORE FIT 150,927 (12) (147) 250 (1,321) (7) FEDERAL INCOME TAX (25,741)27 Current Accrual (4) (51)88 (462)(2) 28 Debt Interest (8) 28 0 29 Deferred Income Taxes 66,436 30 Amortized ITC - Noxon (325) 31 NET OPERATING INCOME \$110,557 \$8 (\$8) (\$28) (\$96) \$163 (\$859) (\$5) RATE BASE PLANT IN SERVICE Intangible \$156,057 \$0 \$0 \$0 33 Production 832,833 34 Transmission 430,613 35 Distribution 970,455 36 General 233,266 37 Total Plant in Service 2,623,224 ACCUMULATED DEPRECIATION/AMORT 38 Intangible (30,914) 39 Production (351,625)40 Transmission (135,624) 41 (295.383) Distribution General 42 (80,093)43 Total Accumulated Depreciation (893,639) NET PLANT 1,729,585 45 DEFERRED TAXES (354,707) 806 46 Net Plant After DFIT 1,374,878 806 DEFERRED DEBITS AND CREDITS & OTHER 47 4.568 65,480 (3.006)48 WORKING CAPITAL 1,444,926 (\$3,006) TOTAL RATE BASE \$806 \$0 \$0 \$0 \$0 \$0 49

7.65%

80

13

(298)

154

(262)

1.386

(13,329)

50

RATE OF RETURN

REVENUE REQUIREMENT

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016 (000'S OF DOLLARS)

Line No.	OF DOLLARS) DESCRIPTION	Injuries and Damages	FIT/DFIT/ ITC Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains / Losses	Weather Normalization	Eliminate Adder Schedules	Misc. Restating Non-Util / Non- Recurring Expenses
	Adjustment Number Workpaper Reference	2.05 E-ID	2.06 E-FIT	2.07 E-OSC	2.08 E-RET	2.09 E-NGL	2.10 E-WN	2.11 E-EAS	2.12 E-MR
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$7,392	(\$18,203)	\$0
2	Interdepartmental Sales Sales for Resale	=	-	-	-	-	=	-	-
4	Total Sales of Electricity	_	-	-			7,392	(18,203)	_
5	Other Revenue		-	-	-	-	(5,775)	684	(2,566)
6	Total Electric Revenue	=	-	=	-	-	1,617	(17,519)	(2,566)
	EXPENSES Production and Transmission								
7	Operating Expenses	_	_	_	_	_	_	(383)	(5)
8	Purchased Power	=	-	=	_	_	=	(303)	-
9	Depreciation/Amortization	-	=	-	=	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	395	-
11 12	Taxes Total Production & Transmission	-	-	-	-	<u> </u>	<u> </u>	12	(5)
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14 15	Depreciation/Amortization Regulatory Amortization	=	-	=	-	(94)	=	=	=
16	Taxes	=	-	=	(62)	-	284	(700)	-
17	Total Distribution	-	-	-	(62)	(94)	284	(700)	(2)
18	Customer Accounting	-	-	-	-	-	49	(120)	-
19 20	Customer Service & Information Sales Expenses	-	-	-	-	-	-	(16,675)	=
20				_	_	_	_	_	_
21	Administrative & General Operating Expenses	151	-	(31)	-	_	15	(36)	(1,068)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes		-	-	-	-		-	- 4.040
24 25	Total Admin. & General Total Electric Expenses	151	-	(31)	(62)	(94)	15 348	(36)	(1,068) (1,075)
26	OPERATING INCOME BEFORE FIT	(151)		31	62	94	1,269	(17,512)	(1,491)
	FEDERAL INCOME TAX	()					,		(,,,
27	Current Accrual	(53)	110	11	22	33	444	_	(522)
28	Debt Interest	-	-	-	-	-	-	-	· -
29 30	Deferred Income Taxes Amortized ITC - Noxon	=	(40) (1)	-	=	=	=	=	-
31	NET OPERATING INCOME	(\$98)	(\$69)	\$20	\$40	\$61	\$825	\$0	(\$969)
	RATE BASE								
	PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 34	Production Transmission	-	-	=	-	-	-	-	-
35	Distribution	-	-	-	_	_	-	-	-
36	General		-	-	-	-	-	-	
37	Total Plant in Service	-	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
38 39	Intangible Production	=	-	-	-	-	=	-	-
40	Transmission	_	-	_	-	-	_	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General		-	-	-	-	-	=	-
43 44	Total Accumulated Depreciation NET PLANT	-	-	-	-	-	-	-	<u> </u>
45	DEFERRED TAXES								
46	Net Plant After DFIT		-	-	-	-	-	-	<u>-</u>
47 48	DEFERRED DEBITS AND CREDITS & OTHER WORKING CAPITAL	=	-	-	-	-	-	=	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN	- 50	20	\$0	\$0	20	20	ΦU	\$0
	REVENUE REQUIREMENT	158	111	(33)	(65)	(99)	(1,332)	-	1,565

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016 (000'S OF DOLLARS) (Authorized P.S. @ Authorized P/T ratio)

Line No.	DESCRIPTION	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Restating Incentives	Normalize CS2/Colstrip Major Maint	Restate Debt Interest	Authorized Power Supply	Restated TOTAL
1101	Adjustment Number Workpaper Reference	2.13 E-EWPC	2.14 E-NPS	2.15 E-RI	2.16 E-PMM	2.17 E-RDI	2.18 E-APS	R-Ttl
	REVENUES							
1	Total General Business	\$4,698	\$0	\$0	\$0	\$0	\$0	\$492,413
2	Interdepartmental Sales Sales for Resale	`	=	=	=	=	(20,773)	946 57,325
4	Total Sales of Electricity	4,698	<u> </u>	<u>-</u>	-	<u>-</u>	(20,773)	550,684
5	Other Revenue		-	=	-	-	(56,948)	17,116
6	Total Electric Revenue	4,698	=	=	=	-	(77,721)	567,800
	EXPENSES							
7	Production and Transmission	(2,270)	(4)		(1,174)		(46,240)	134,600
8	Operating Expenses Purchased Power	(2,270)	(4) -	-	(1,1/4)	-	(19,641)	77,131
9	Depreciation/Amortization	-	-	-	-	-	-	26,677
10	Regulatory Amortization	-	-	-	-	-		4,705
11 12	Taxes Total Production & Transmission	(2,270)	(4)	-	(1,174)	-	(65,881)	14,990 258,103
	Distribution							
13	Operating Expenses	-	-		-	=	-	21,418
14	Depreciation/Amortization	-	-	-	-	-	-	27,819
15	Regulatory Amortization	-	-	-	-	-	-	-
16	Taxes	181	-	-	-	-	-	26,951
17	Total Distribution	181	-	-	-	-	-	76,188
18	Customer Accounting	30	-	-	=	-	=	13,021
19	Customer Service & Information	-	-	=	=	-	=	1,406
20	Sales Expenses	Ξ	Ξ	=	=	=	=	-
	Administrative & General							
21	Operating Expenses	9	-	(626)	=	-	=	48,989
22 23	Depreciation/Amortization Taxes	=	-	=	=	=	=	23,877
24	Total Admin. & General	9		(626)	<u> </u>	<u> </u>		72,866
25	Total Electric Expenses	(2,050)	(4)	(626)	(1,174)	=	(65,881)	421,584
26	OPERATING INCOME BEFORE FIT	6,748	4	626	1,174	-	(11,840)	146,216
	FEDERAL INCOME TAX							
27	Current Accrual	1,567	1	219	411	202	(4,144)	(27,873)
28 29	Debt Interest Deferred Income Taxes	795	-	-	-		-	21 67,191
30	Amortized ITC - Noxon		<u> </u>		<u> </u>		<u> </u>	(326)
31	NET OPERATING INCOME	\$4,386	\$3	407	763	(202)	(\$7,696)	107,203
	RATE BASE							
	PLANT IN SERVICE							
32 33	Intangible Production	\$0	\$0	\$0	\$0	\$0	\$0	\$156,057 832,833
34	Transmission	-	=	-	=	-	=	430,613
35	Distribution	-	-	=	=	-	=	970,455
36	General		-	=	=	-	=	233,266
37	Total Plant in Service	=	=	-	-	-	-	2,623,224
20	ACCUMULATED DEPRECIATION/AMORT						-	(20.014)
38 39	Intangible Production	-	-	-	-	_	-	(30,914) (351,625)
40	Transmission	-	-	-	=	-	=	(135,624)
41	Distribution	-	-	-	-	-	-	(295,383)
42	General		-	-	-	-	-	(80,093)
43 44	Total Accumulated Depreciation NET PLANT	-	-	-	-	-	-	(893,639) 1,729,585
45 46	DEFERRED TAXES Net Plant After DFIT		-	-	= -	-	-	(353,901) 1,375,684
46 47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	4,568
48	WORKING CAPITAL		-	-	-	-	-	62,474
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$1,442,726
50	RATE OF RETURN							(1)
51	REVENUE REQUIREMENT	(7,081)	(4)	(657)	(1,232)	326	12,425	(8,166)

PRO FORMA ADJUSTMENTS

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY

TWELVE MONTHS ENDED DECEMBER 31, 2016

Line		NON ERM Pro Forma Trans/Power Sup Non-ERM Rev/Exp	Contested Pro Forma Labor Non-Exec	Pro Forma Labor	Pro Forma Employee Benefits	Pro Forma Incentive Expenses	Pro Forma Property	Pro Forma IS/IT Expense	Pro Forma Revenue
No.	Adjustment Number	Non-ERM Rev/Exp 3.01	Non-Exec 3.02	3.03	3.04	Expenses 3.05	3.06	Expense 3.07	Normalization 3.08
	Workpaper Reference	E-PTR	E-PLN	E-PLE	E-PEB	E-PI	E-PPT	E-CI	E-PREV
	REVENUES								
1	Total General Business	\$0		\$0	\$0	\$0	\$0	\$0	(\$1,225)
2	Interdepartmental Sales	-		-	=	-	-	-	-
3	Sales for Resale			-	-	-	-	-	-
4	Total Sales of Electricity	- 71	-	-	-	-	-	-	(1,225)
5 6	Other Revenue Total Electric Revenue	71 71	-		-	-	-	-	(3,887)
	EXPENSES								
	Production and Transmission								
7	Operating Expenses	172	538	-	(125)	-	-	-	-
8	Purchased Power	=	=	=		=	=	Ξ	=
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization					=	1.570	Ξ	=
11 12	Taxes Total Production & Transmission	172	538		(125)		1,578 1,578	<u> </u>	-
12		172	556	_	(123)	_	1,576	_	_
13	Distribution Operating Expenses	-	327		(77)		-	-	_
14	Depreciation/Amortization	-	-	-	-	-	-	-	-
15	Regulatory Amortization	=	=	=	=	=	=	=	=
16	Taxes		-	-	-	-	880	-	(47)
17	Total Distribution	=	327	-	(77)	-	880	-	(47)
18	Customer Accounting	-	171		(41)	-	-	-	(8)
19	Customer Service & Information	=	14		(3)	=	=	=	=
20	Sales Expenses	-				Ξ	=	=	=
	Administrative & General		100	(00)				-0.4	
21	Operating Expenses	=	483	(33)	(114)	119	=	694	(2)
22 23	Depreciation/Amortization Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General		483	(33)	(114)	119	-	694	(2)
25	Total Electric Expenses	172	1,534	(33)	(360)	119	2,458	694	(57)
26	OPERATING INCOME BEFORE FIT	(101)	(1,534)	33	360	(119)	(2,458)	(694)	(5,055)
	FEDERAL INCOME TAX								
27	Current Accrual	(35)	(537)	12	126	(42)	(860)	(243)	(1,769)
28	Debt Interest	-	-	-	-	-	-	-	-
29 30	Deferred Income Taxes Amortized ITC - Noxon	=	=	=	-	=	=	=	-
		•							
31	NET OPERATING INCOME	(\$66)	(\$997)	\$21	\$234	(\$77)	(\$1,598)	(\$451)	(3,286)
	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 40	Production Transmission	=	=	=	Ξ	-	-	-	-
40	Distribution	-	-	-	-	-	-	-	-
42	General	-		-	-	_	_	-	-
43	Total Accumulated Depreciation		-	-	_	-	_	-	-
44	NET PLANT	-	=	=	-	=	=	-	-
45	DEFERRED TAXES	_	-	-	-	-	-	-	-
46	Net Plant After DFIT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER WORKING CAPITAL	-	-	-	-	-	= -	-	-
48			_		_		_	_	
	TOTAL RATE BASE RATE OF RETURN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016

DESCRIPTION Regulatory Amorts			Pro Forma	Pro Forma	Pro Forma	Pro Forma	PF Normalize	Pro Forma	Non-Energ
Adjustment Number April	Line								Pro Form
Non-process E-PRA	No.								Sub-Tota
Page									PF-SubT
Total Contends 100 50 50 50 50 50 50 5									
Interdepartmental Soles	1		\$0	\$0	\$0	\$0	\$0	\$0	\$491,1
Sala- fix Reacle	2					-		-	9471,1
Total Escicie Revenue	3		-	-	-	_	-	_	57,3
Colorest Revenue	1		=	=	=	=	=	-	549,4
EVENNESS Production and Transmission Coperaing Egenates Cal48	5			-	-	-	-	-	13,3
Production and Transmission Cybering Expresses C248	•	Total Electric Revenue	-	-	-	-	-	-	562,7
Operating Expanses									
Purchased Power									
Dependention/Amoritzation 129			(248)	-	-	-	347	=	135,
Regulatory Amortization (1,93)			=	120	-	-	-	-	77,1
Taxes	0		(1.202)	129	-	-	-	-	26,
Total Production & Transmission	0 1		(1,393)		-	-	-	-	3, 16,
Distribution Operating Expenses	2		(1.641)	129			347		259,
Operating Expenses			(-,)						
Deperation/Amoritzation	3		-	-	-	-	-	532	22,
Regulatory Amortization			-		(875)	-	-	- 1	26.
Total Distribution Customer Accounting Customer Accounting Customer Accounting Customer Service & Information Customer Service Cu			-	-		-	-	-	
Customer Accounting		Taxes		=	=	-	-	=	27
Customer Service & Information		Total Distribution	-	-	(875)	-	-	532	76
Administrative & General Operating Expenses		Customer Accounting	=	=	-	-	=	=	13
Administrative & General Operating Expenses Depreciation Amorization Taxes Total Admin. & General Total Electric Expenses (1,641) 129 (987) - 347 532 42 OPERATING INCOME BEFORE FIT 1,641 (129) 987 - (347) (532) 181 FEDERAL INCOME TAX Current Accrual 574 (415) 345 - (121) (186) (346) Debt Interest 50 (52)		Customer Service & Information	=	=	=	=	=	=	1
Operating Expenses		Sales Expenses	-	=	-	-	-	-	
Perceitation Amortization		Administrative & General							
Takes			-	-	(112)	-	-	-	50
Total Electric Expenses			=		-	-	-	-	23
Total Electric Expenses				-	- (112)	-	-	-	=-
OPERATING INCOME BEFORE FIT									
FEDERAL INCOME TAX Current Accrual 574 (45) 345 . (121) (186) (34) Debt Interest 50 (52)		Total Electric Expenses	(1,641)	129	(987)	-	347	532	424
Current Accural 574 45 345 - (121) (186) 38 18 19 19 19 19 19 19 1	5	OPERATING INCOME BEFORE FIT	1,641	(129)	987	=	(347)	(532)	138
Debit Interest 50 (52)									
Deferred Income Taxes					345	-	(121)	(186)	(30
NET OPERATING INCOME \$1,017 \$322 642 - (226) (346) 100			50		-	-	-	-	
NET OPERATING INCOME \$1,017 \$32) 642 - (226) (346) 100			-	-	-	-	-	-	67
RATE BASE PLANT IN SERVICE Intangible \$0\$ \$0\$ \$0\$ \$0\$ \$0\$ \$0\$ \$155 Production \$)	Amortized ITC - Noxon	-	<u> </u>	-	-	-	-	
PLANT IN SERVICE Intaggible \$0 \$0 \$0 \$0 \$0 \$0 \$15		NET OPERATING INCOME	\$1,017	(\$32)	642	=	(226)	(346)	102
Intangible									
Production			\$0		\$0	\$0	\$0	\$0	\$156
Transmission - - - - 430 Distribution - - - - 970 General - - - - 2,631 Total Plant in Service - 6,889 - - - 2,631 ACCUMULATED DEPRECIATION/AMORT Intangible - - - - - 2,635 Production - (95) - - - (835) Transmission - (95) - - - (133) Distribution - - - - - - (133) Distribution -			-	6,889	-	-	-	-	
General - - - - - - - - -		Transmission	=	· =	=	-	-	=	430
Total Plant in Service	5	Distribution	=		-	-	-	-	970
ACCUMULATED DEPRECIATION/AMORT Intangible Production Pr	,	General		=	=	-	=	=	233
Intangible	7	Total Plant in Service	-	6,889	-	-	-	-	2,630
Production - (95) (835) Transmission - (95) (135) Distribution (95) (135) General (95) (136) Total Accumulated Depreciation - (95) (89) NET PLANT - (95) (89) NET PLANT - (794) (35) NET PLANT - (1,229) (35) NET PLANT - (356) 1,38) DEFERRED TAXES - (1,229) (35) NET PLANT - (5,346) 5,565 1,38) WORKING CAPITAL 6 TOTAL RATE BASE (5,346) \$5,565 \$0 \$0 \$0 \$0 \$0 \$1,44\$ RATE OF RETURN REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558 Pro Fo									
Transmission			=		=	-	=	=	(30
Distribution			-	(95)	=	-	-	-	
Comparison			=	-	-	-	-	=	
Total Accumulated Depreciation - (95) (89) NET PLANT - 6,794 (89) NET PLANT - 6,794 (89) DEFERRED TAXES - (1,229) (35) Net Plant After DFIT - 5,565 1,38) DEFERRED DEBITS AND CREDITS & OTHER (5,346) 6) WORKING CAPITAL 6) TOTAL RATE BASE (5,346) \$5,565 \$0 \$0 \$0 \$0 \$0 \$1,44] RATE OF RETURN REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558 Pro Fo Non-En			-		=	-	-	-	
NET PLANT - 6,794 1,736 DEFERRED TAXES Net Plant After DFIT - 5,565 1,386 DEFERRED DEBITS AND CREDITS & OTHER WORKING CAPITAL TOTAL RATE BASE (5,346) 55,565 S0 S0 S0 S0 1,442 RATE OF RETURN REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558 Pro Fo Non-En				(95)	-	-		-	(893
Net Plant After DFTT			-		-	-		-	1,736
Net Plant After DFTT DEFERRED DEBITS AND CREDITS & OTHER WORKING CAPITAL TOTAL RATE BASE RATE OF RETURN REVENUE REQUIREMENT (2,252) Solution (3,346) Solution (5,346) Solution (5,346) Solution (5,346) Solution (5,346) Solution (5,346) Solution (5,346) Solution (6,346) Solution (1,036) Solution (1,036) Solution (1,036) Pro Fo Non-En		DEFERRED TAXES	-	(1.229)	-	-	-	-	(355
DEFERRED DEBITS AND CREDITS & OTHER (5,346) - - - - - - - - -			-		-	-	-	=	1,381
WORKING CAPITAL 66 TOTAL RATE BASE (5,346) \$5,565 \$0 \$0 \$0 \$0 \$0 \$1,44: RATE OF RETURN REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558 Pro Fo Non-En			(5,346)	-	-	-	-	-	,
RATE OF RETURN REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558	;	WORKING CAPITAL		-	-	=	=	E .	62
REVENUE REQUIREMENT (2,252) 687 (1,036) - 364 558 Pro Fo Non-En		TOTAL RATE BASE	(5,346)	\$5,565	\$0	\$0	\$0	\$0	1,442
Pro Fo Non-En		RATE OF RETURN							
Non-En			(2,252)	687	(1,036)	-	364	558	
									Pro Fo
									Non-En

0.04%

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016

	OF DOLLARS)	Contested	
(0001	or Boller ito)	Pro Forma	Pro Forma
Line		Power Supply	Including PS
No.	DESCRIPTION	& Transm Revs	Total
	Adjustment Number Workpaper Reference	4.00 E-PPS	PF-Ttl
	Workpuper Reference	L-115	
	REVENUES		
1	Total General Business	\$0	\$491,188
2	Interdepartmental Sales	=	946
3	Sales for Resale		57,325
4 5	Total Sales of Electricity Other Revenue	-	549,459 13,300
6	Total Electric Revenue		562,759
			, , ,
	EXPENSES		
_	Production and Transmission		
7 8	Operating Expenses Purchased Power	-	135,284
9	Purchased Power Depreciation/Amortization	-	77,131 26,806
10	Regulatory Amortization		3,312
11	Taxes	-	16,568
12	Total Production & Transmission	-	259,101
	Distribution		
13	Operating Expenses	=	22,200
14 15	Depreciation/Amortization Regulatory Amortization	-	26,944
16	Taxes	-	27,784
17	Total Distribution		76,928
18	Customer Accounting	-	13,143
19	Customer Service & Information	=	1,417
20	Sales Expenses	=	•
	Administrative & General		
21	Operating Expenses	_	50,024
22	Depreciation/Amortization	-	23,877
23	Taxes		-
24	Total Admin. & General		73,901
25	Total Electric Expenses	=	424,491
	•		
26	OPERATING INCOME BEFORE FIT	-	138,268
27	FEDERAL INCOME TAX		(20.655)
28	Current Accrual Debt Interest	-	(30,655)
29	Deferred Income Taxes	_	67,191
30	Amortized ITC - Noxon	-	(326)
31	NET OPERATING INCOME	\$0	102,039
	RATE BASE		
	PLANT IN SERVICE		
32	Intangible	\$0	\$156,057
33	Production	=	839,722
34	Transmission	-	430,613
35 36	Distribution General	-	970,455 233,266
	Total Plant in Service		2,630,113
٥,	ACCUMULATED DEPRECIATION/AMORT		_,000,110
38	Intangible	=	(30,914)
39	Production	-	(\$351,720)
40	Transmission	-	(135,624)
41	Distribution	-	(295,383)
42	General Total Association		(80,093)
43 44	Total Accumulated Depreciation NET PLANT		(893,734) 1,736,379
	NET TEANT	-	1,730,377
45	DEFERRED TAXES	-	(355,130)
46	Net Plant After DFIT	-	1,381,249
47	DEFERRED DEBITS AND CREDITS & OTHER	=	(778)
48	WORKING CAPITAL		62,474
49	TOTAL RATE BASE	\$0	1,442,945
50	RATE OF RETURN	40	2,772,770
51	REVENUE REQUIREMENT	-	197
		ERM Power	Ttl Pro Forma
		Supply Adj	w/ PS
		0.00%	0.04%