

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

**EXHIBIT BGM-3**  
**ELECTRIC TRADITIONAL REVENUE REQUIREMENT CALCULATIONS**

Electric Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Company Filing (Rev. Req. at ICNU ROR)			ICNU Proposed			
			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)	
<i>Restating Adjustments:</i>									
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	Weather Normalization	825	-	(1,332)	825	-	(1,332)	
15	2.11	Eliminate Adder Schedules	-	-	-	-	-	-	
16	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	(969)	-	1,565	(969)	-	1,565	
17	2.13	Eliminate WA Power Cost Defer	4,386	-	(7,081)	4,386	-	(7,081)	
18	2.14	Nez Perce Settlement Adjustment	3	-	(4)	3	-	(4)	
19	2.15	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	2.18	Authorized Power Supply	(7,696)	-	12,425	(7,696)	-	12,425	
23		<b>Restated Results</b>	<b>108,163</b>	<b>1,442,726</b>	<b>(9,715)</b>	<b>107,078</b>	<b>1,442,726</b>	<b>(7,964)</b>	
<i>Pro Forma Adjustments</i>									
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 Threshold 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		<b>Pro Forma Results (Traditional Rev. Req.)</b>	<b>89,888</b>	<b>1,472,291</b>	<b>23,168</b>	<b>102,039</b>	<b>1,442,945</b>	<b>197</b>	
					Filed Deficiency:	<b>37,501</b>	Calculated:		<b>197</b>
					ROR Impact:	<b>(14,333)</b>	Check		<b>0</b>

Electric Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Impact of ICNU Adjustments				ICNU Position
			Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	
1	1.00	Per Book Results (Y/E Dec. 2016)					
<i>Restating Adjustments:</i>							
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	-	-	-	-	Neutral
23		<b>Restated Results</b>	-	<b>(1,085)</b>	-	<b>1,751</b>	
<i>Pro Forma Adjustments</i>							
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 Threshold 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		<b>Pro Forma Results (Traditional Rev. Req.)</b>	<b>20,362</b>	<b>12,151</b>	<b>(29,346)</b>	<b>(22,971)</b>	

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

<b>Line No.</b>	<b>Description</b>	<b>Pro Forma Study Base Rate Change 5/1/2018 (000's of Dollars)</b>
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	<b>\$197</b>
8	Total General Business Revenues	\$492,134
9	Percentage Revenue Increase	<b>0.04%</b>
10	Total <u>Billed</u> General Business Revenues	\$511,823
11	Percentage Revenue Increase	<b>0.04%</b>

**TRADITIONAL PRO FORMA COST OF CAPITAL  
WASHINGTON ELECTRIC**

**Capital Structure**

<b>Component</b>	<b>Capital Structure</b>	<b>Cost</b>	<b>Weighted Cost</b>
Total Debt	51.6%	5.19%	2.68%
Common	48.4%	9.10%	4.40%
Total	<u>100.00%</u>		<u>7.08%</u>

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

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

WASHINGTON ELECTRIC RESULTS - PRO FORMA TRADITIONAL PRO FORMA STUDY TWELVE MONTHS ENDED DECEMBER 31, 2016 (000'S OF DOLLARS)		<u>ACTUAL</u> <u>RESULTS</u>	<u>RESTATEMENT ADJUSTMENTS</u>						
<u>Line</u> <u>No.</u>	<u>DESCRIPTION</u>	<u>Results of</u> <u>Operations</u>	<u>Deferred</u> <u>FIT</u> <u>Rate Base</u>	<u>Deferred</u> <u>Debits and</u> <u>Credits</u>	<u>Working</u> <u>Capital</u>	<u>Eliminate</u> <u>B &amp; O</u> <u>Taxes</u>	<u>Restate</u> <u>Property</u> <u>Tax</u>	<u>Uncollect.</u> <u>Expense</u>	<u>Regulatory</u> <u>Expense</u>
	<u>Adjustment Number</u> <u>Workpaper Reference</u>	<u>1.00</u> <u>E-ROO</u>	<u>1.01</u> <u>E-DFIT</u>	<u>1.02</u> <u>E-DDC</u>	<u>1.03</u> <u>E-WC</u>	<u>2.01</u> <u>E-EBO</u>	<u>2.02</u> <u>E-RPT</u>	<u>2.03</u> <u>E-UE</u>	<u>2.04</u> <u>E-RE</u>
REVENUES									
1	Total General Business	\$516,333	\$0	\$0	\$0	(\$17,807)	\$0	\$0	\$0
2	Interdepartmental Sales	946	-	-	-	-	-	-	-
3	Sales for Resale	78,098	-	-	-	-	-	-	-
4	Total Sales of Electricity	595,377	-	-	-	(17,807)	-	-	-
5	Other Revenue	81,735	-	-	-	(14)	-	-	-
6	Total Electric Revenue	677,112	-	-	-	(17,821)	-	-	-
EXPENSES									
Production and Transmission									
7	Operating Expenses	184,672	-	4	-	-	-	-	-
8	Purchased Power	96,772	-	-	-	-	-	-	-
9	Depreciation/Amortization	26,677	-	-	-	-	-	-	0
10	Regulatory Amortization	4,310	-	-	-	-	-	-	-
11	Taxes	14,904	-	-	-	-	86	-	-
12	Total Production & Transmission	327,335	-	4	-	-	86	-	-
Distribution									
13	Operating Expenses	21,420	-	-	-	-	-	-	-
14	Depreciation/Amortization	27,913	-	-	-	-	-	-	-
15	Regulatory Amortization	0	-	-	-	-	-	-	-
16	Taxes	45,258	-	-	-	(17,674)	(336)	-	-
17	Total Distribution	94,591	-	-	-	(17,674)	(336)	-	-
18	Customer Accounting	11,733	-	8	-	-	-	1,321	-
19	Customer Service & Information	18,081	-	-	-	-	-	-	-
20	Sales Expenses	0	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	50,568	-	-	-	-	-	-	7
22	Depreciation/Amortization	23,877	-	-	-	-	-	-	-
23	Taxes	0	-	-	-	-	-	-	-
24	Total Admin. & General	74,445	-	-	-	-	-	-	7
25	Total Electric Expenses	526,185	-	12	-	(17,674)	(250)	1,321	7
26	OPERATING INCOME BEFORE FIT	150,927	-	(12)	-	(147)	250	(1,321)	(7)
FEDERAL INCOME TAX									
27	Current Accrual	(25,741)	-	(4)	-	(51)	88	(462)	(2)
28	Debt Interest	0	(8)	-	28	-	-	-	-
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									
32	Intangible	\$156,057	\$0	\$0	\$0	\$0	\$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	Distribution	(295,383)	-	-	-	-	-	-	-
42	General	(80,093)	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	(893,639)	-	-	-	-	-	-	-
44	NET PLANT	1,729,585	-	-	-	-	-	-	-
45	DEFERRED TAXES	(354,707)	806	-	-	-	-	-	-
	Net Plant After DFIT	1,374,878	806	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	4,568	-	-	-	-	-	-	-
48	WORKING CAPITAL	65,480	-	-	(3,006)	-	-	-	-
49	TOTAL RATE BASE	1,444,926	\$806	\$0	(\$3,006)	\$0	\$0	\$0	\$0
50	RATE OF RETURN	7.65%							
51	REVENUE REQUIREMENT	(13,329)	80	13	(298)	154	(262)	1,386	7

WASHINGTON ELECTRIC RESULTS - PRO FORMA  
TRADITIONAL PRO FORMA STUDY  
TWELVE MONTHS ENDED DECEMBER 31, 2016  
(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 Worksheet Reference								
	REVENUES								
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$7,392	(\$18,203)	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	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	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	395	-
11	Taxes	-	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	-	-	-	-	12	(5)
	Distribution								
13	Operating Expenses	-	-	-	-	-	-	-	(2)
14	Depreciation/Amortization	-	-	-	-	(94)	-	-	-
15	Regulatory Amortization	-	-	-	-	-	-	-	-
16	Taxes	-	-	-	(62)	-	284	(700)	-
17	Total Distribution	-	-	-	(62)	(94)	284	(700)	(2)
18	Customer Accounting	-	-	-	-	-	49	(120)	-
19	Customer Service & Information	-	-	-	-	-	-	(16,675)	-
20	Sales Expenses	-	-	-	-	-	-	-	-
	Administrative & General								
21	Operating Expenses	151	-	(31)	-	-	15	(36)	(1,068)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-
24	Total Admin. & General	151	-	(31)	-	-	15	(36)	(1,068)
25	Total Electric Expenses	151	-	(31)	(62)	(94)	348	(17,519)	(1,075)
26	OPERATING INCOME BEFORE FIT	(151)	-	31	62	94	1,269	-	(1,491)
	FEDERAL INCOME TAX								
27	Current Accrual	(53)	110	11	22	33	444	-	(522)
28	Debt Interest	-	-	-	-	-	-	-	-
29	Deferred Income Taxes	-	(40)	-	-	-	-	-	-
30	Amortized ITC - Noxon	-	(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	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	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	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 2.13 E-EWPC	Nez Perce Settlement Adjustment 2.14 E-NPS	Restating Incentives 2.15 E-RI	Normalize CS2/Colstrip Major Maint 2.16 E-PMM	Restate Debt Interest 2.17 E-RDI	Authorized Power Supply 2.18 E-APS	Restated TOTAL R-Ttl
REVENUES								
1	Total General Business	\$4,698	\$0	\$0	\$0	\$0	\$0	\$492,413
2	Interdepartmental Sales	-	-	-	-	-	-	946
3	Sales for Resale	-	-	-	-	-	(20,773)	57,325
4	Total Sales of Electricity	4,698	-	-	-	-	(20,773)	550,684
5	Other Revenue	-	-	-	-	-	(56,948)	17,116
6	Total Electric Revenue	4,698	-	-	-	-	(77,721)	567,800
EXPENSES								
Production and Transmission								
7	Operating Expenses	(2,270)	(4)	-	(1,174)	-	(46,240)	134,600
8	Purchased Power	-	-	-	-	-	(19,641)	77,131
9	Depreciation/Amortization	-	-	-	-	-	-	26,677
10	Regulatory Amortization	-	-	-	-	-	-	4,705
11	Taxes	-	-	-	-	-	-	14,990
12	Total Production & Transmission	(2,270)	(4)	-	(1,174)	-	(65,881)	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	-	-	-	-	-	-	-
Administrative & General								
21	Operating Expenses	9	-	(626)	-	-	-	48,989
22	Depreciation/Amortization	-	-	-	-	-	-	23,877
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	9	-	(626)	-	-	-	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	Debt Interest	-	-	-	-	-	-	21
29	Deferred Income Taxes	795	-	-	-	-	-	67,191
30	Amortized ITC - Noxon	-	-	-	-	-	-	(326)
31	NET OPERATING INCOME	\$4,386	\$3	407	763	(202)	(\$7,696)	107,203
RATE BASE								
PLANT IN SERVICE								
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$156,057
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	Distribution	-	-	-	-	-	-	(295,383)
42	General	-	-	-	-	-	-	(80,093)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(893,639)
44	NET PLANT	-	-	-	-	-	-	1,729,585
45	DEFERRED TAXES	-	-	-	-	-	-	(353,901)
46	Net Plant After DFIT	-	-	-	-	-	-	1,375,684
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  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	NON ERM	Contested	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
		Pro Forma Trans/Power Sup Non-ERM Rev/Exp	Pro Forma Labor Non-Exec	Labor Exec	Employee Benefits	Incentive Expenses	Property Tax	IS/IT Expense	Revenue Normalization
		3.01	3.02	3.03	3.04	3.05	3.06	3.07	3.08
		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	-		-	-	-	-	-	(1,225)
5	Other Revenue	71		-	-	-	-	-	(3,887)
6	Total Electric Revenue	71		-	-	-	-	-	(5,112)
EXPENSES									
Production and Transmission									
7	Operating Expenses	172	538	-	(125)	-	-	-	-
8	Purchased Power	-	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	1,578	-	-
12	Total Production & Transmission	172	538	-	(125)	-	1,578	-	-
Distribution									
13	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	-	-	-	-	-	-	-	-
Administrative & General									
21	Operating Expenses	-	483	(33)	(114)	119	-	694	(2)
22	Depreciation/Amortization	-	-	-	-	-	-	-	-
23	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	Deferred Income Taxes	-	-	-	-	-	-	-	-
30	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	Production	-	-	-	-	-	-	-	-
40	Transmission	-	-	-	-	-	-	-	-
41	Distribution	-	-	-	-	-	-	-	-
42	General	-	-	-	-	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-	-	-	-	-
44	NET PLANT	-	-	-	-	-	-	-	-
45	DEFERRED TAXES	-	-	-	-	-	-	-	-
46	Net Plant After DFTT	-	-	-	-	-	-	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-	-	-	-	-	-	-
48	WORKING CAPITAL	-	-	-	-	-	-	-	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN								
51	REVENUE REQUIREMENT	106	1,610	(35)	(378)	125	2,579	728	5,305



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

		Contested	
Line No.	DESCRIPTION	Pro Forma Power Supply & Transm Revs	Pro Forma Including PS Total
	Adjustment Number	4.00	PF-Ttl
	Workpaper Reference	E-PPS	
	REVENUES		
1	Total General Business	\$0	\$491,188
2	Interdepartmental Sales	-	946
3	Sales for Resale	-	57,325
4	Total Sales of Electricity	-	549,459
5	Other Revenue	-	13,300
6	Total Electric Revenue	-	562,759
	EXPENSES		
	Production and Transmission		
7	Operating Expenses	-	135,284
8	Purchased Power	-	77,131
9	Depreciation/Amortization	-	26,806
10	Regulatory Amortization	-	3,312
11	Taxes	-	16,568
12	Total Production & Transmission	-	259,101
	Distribution		
13	Operating Expenses	-	22,200
14	Depreciation/Amortization	-	26,944
15	Regulatory Amortization	-	-
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
	FEDERAL INCOME TAX		
27	Current Accrual	-	(30,655)
28	Debt Interest	-	19
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	Distribution	-	970,455
36	General	-	233,266
37	Total Plant in Service	-	2,630,113
	ACCUMULATED DEPRECIATION/AMORT		
38	Intangible	-	(30,914)
39	Production	-	(\$351,720)
40	Transmission	-	(135,624)
41	Distribution	-	(295,383)
42	General	-	(80,093)
43	Total Accumulated Depreciation	-	(893,734)
44	NET PLANT	-	1,736,379
45	DEFERRED TAXES	-	(355,130)
46	Net Plant After DFTT	-	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	-	
51	REVENUE REQUIREMENT	-	197
		ERM Power Supply Adj	Ttl Pro Forma w/ PS
		0.00%	0.04%