

Exhibit No. ___ (KHB-4)
Dockets UE-120436, et al.
Witness: Kathryn H. Breda

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-120436/UG-120437
(consolidated)**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-110876/UG-110877
(consolidated)**

EXHIBIT TO TESTIMONY OF

Kathryn H. Breda

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Adjustment 2.16, Electric - Colstrip and Coyote Springs 2 Maintenance

September 19, 2012

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Colstrip / CS2 Maintenance
	Adjustment Number	2.16
	REVENUES	
1	Total General Business	\$0
2	Interdepartmental Sales	-
3	Sales for Resale	-
4	Total Sales of Electricity	-
5	Other Revenue	-
6	Total Electric Revenue	-
	EXPENSES	
	Production and Transmission	
7	Operating Expenses	-
8	Purchased Power	-
9	Depreciation/Amortization	-
10	Regulatory Amortization	1,091
11	Taxes	-
12	Total Production & Transmission	1,091
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	-
17	Customer Accounting	-
18	Customer Service & Information	-
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	-
21	Depreciation/Amortization	-
22	Taxes	-
23	Total Admin. & General	-
24	Total Electric Expenses	1,091
25	OPERATING INCOME BEFORE FIT	(1,091)
	FEDERAL INCOME TAX	
26	Current Accrual	(382)
27	Debt Interest	-
28	Deferred Income Taxes	-
29	Amortized ITC - Noxon	-
30	NET OPERATING INCOME	(709)
	RATE BASE	
	PLANT IN SERVICE	
31	Intangible	\$0
32	Production	-
33	Transmission	-
34	Distribution	-
35	General	-
36	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
37	Intangible	-
38	Production	-
39	Transmission	-
40	Distribution	-
41	General	-
42	Total Accumulated Depreciation	-
43	NET PLANT	-
44	DEFERRED TAXES	-
45	Net Plant After DFIT	-
46	DEFERRED DEBITS AND CREDITS	-
47	WORKING CAPITAL	-
48	TOTAL RATE BASE	\$0

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)
Avista Response to Public Counsel Data Request 93

AVISTA UTILITIES
COLSTRIP & COYOTE SPRINGS 2 MAINTENANCE AMORTIZATION ADJ
TWELVE MONTHS ENDED DECEMBER 31, 2011

Four Year Amortization of 2011 Deferred Maintenance Expense

	System	WA Share	64.87% P/T Ratio in effective rates at the time of the Deferral UE-100467 (associated with the 2009 TY base)
2011 Actual	8,327,200	5,401,855	
2011 Base (2009 TY)	9,123,024	5,918,106	
2011 Deferred Maintenance	(795,824)	(516,251)	Dr to Expense, Cr to Deferred Asset
divide by 4			
Annual Amortization 2012 - 2015		(129,063)	Dr to Deferred Asset, Cr to Expense

Four Year Amortization of 2012 Deferred Maintenance Expense through September 2012

	System	WA Share	65.16% P/T Ratio in effective rates at the time of the Deferral UE-110876 (associated with the 2010 TY base)
2012 Estimated Actual	13,908,246	9,062,613	Actual through June - estimated July through August to be trued up to actual
2012 Base (2010 TY)	6,418,587	4,182,351	
2012 Deferred Maintenance	7,489,660	4,880,262	Dr to Deferred Asset, Cr to Expense
divide by 4			
Annual Amortization 2013 - 2016		1,220,066	Dr to Expense, Cr to Deferred Asset

Rate Year Summary

	System	WA Share	Current P/T Ratio 65.24% 2011 P/T Ratio included in UE-12 ___ Test Year Results of Operations
2011 Actual Annual Expense	8,327,200	5,432,665	
2011 Annual Deferred Expense	791,311	516,251	Implied System value (WA Deferral divided by Current P/T Ratio)
	9,118,511	5,948,916	Colstrip and CS2 Maintenance Expense per Books including deferral and (Proposed UE-12 ___ Deferral Base), per Settlement Stipulation in Docket No. UE-110876)
2013 Amortization 2011 Deferral		(129,063)	
2013 Amortization 2012 Deferral		1,220,066	
Less: Amortization in 2011 Results		-	
Amortization Expense Adjustment		1,091,003	2013 amortization expense

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)
Avista Response to Public Counsel Data Request 93

AVISTA UTILITIES
COLSTRIP & COYOTE SPRINGS 2 MAINTENANCE DEFERRALS
TWELVE MONTHS ENDED DECEMBER 31, 2011

	2011 System Actual	UE-100467 System Base	Difference	WA Share 64.87% P/T Ratio UE-100467
Jan-11	624,784.95	644,582.71	(19,797.76)	(12,842.81)
Feb-11	405,543.74	554,771.09	(149,227.35)	(96,803.78)
Mar-11	307,966.82	515,395.20	(207,428.38)	(134,558.79)
Apr-11	1,055,091.18	662,238.16	392,853.02	254,843.76
May-11	1,741,641.00	1,301,084.99	440,556.01	285,788.68
Jun-11	979,117.36	1,193,381.04	(214,263.68)	(138,992.85)
Jul-11	602,910.15	924,810.37	(321,900.22)	(208,816.67)
Aug-11	458,936.41	742,695.24	(283,758.83)	(184,074.35)
Sep-11	361,135.31	677,137.47	(316,002.16)	(204,990.60)
Oct-11	590,433.46	658,778.58	(68,345.12)	(44,335.48)
Nov-11	514,338.64	577,904.94	(63,566.30)	(41,235.46)
Dec-11	685,300.53	670,244.35	15,056.18	9,766.94
Total 2011	8,327,199.55	9,123,024.15	(795,824.60)	(516,251.41) 2011 Deferral Balance

	Estimated 2012 System Actual	UE-110876 System Base	Difference	WA Share 65.16% P/T Ratio UE-110876
Jan-12 Actual	778,173.62	296,985.26	481,188.36	313,542.34
Feb-12 Actual	297,482.49	272,471.60	25,010.89	16,297.09
Mar-12 Actual	977,747.17	518,434.55	459,312.62	299,288.11
Apr-12 Actual	618,740.57	309,243.14	309,497.43	201,668.53
May-12 Actual	732,097.34	440,144.02	291,953.32	190,236.78
Jun-12 Actual	5,014,255.70	704,157.36	4,310,098.34	2,808,460.08
Jul-12 Revised Budget	1,482,072.47	1,906,630.32	(424,557.84)	(276,641.89)
Aug-12 Revised Budget	1,282,630.94	373,642.83	908,988.11	592,296.65
Sep-12 Revised Budget	682,527.05	565,997.94	116,529.11	75,930.37
Oct-12 Revised Budget	681,009.93	298,268.84	382,741.08	249,394.09
Nov-12 Revised Budget	679,004.67	263,169.07	415,835.60	270,958.48
Dec-12 Revised Budget	682,504.26	469,441.67	213,062.59	138,831.58
Total 2012	13,908,246.20	6,418,586.59	7,489,659.61	4,880,262.21 Estimated 2012 Deferral Balance

3,829,492.93 Actual through June

Source: Avista Response to Public Counsel Data Request 93