

**AVISTA CORP.**  
**RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/14/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Elizabeth Andrews
REQUESTER:	UTC-Staff – McGuire	RESPONDER:	Liz Andrews
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Staff - 130	TELEPHONE:	(509) 495-8601
		EMAIL:	liz.andrews@avistacorp.com

**REQUEST:**

Has Avista analyzed the impact of including its December 2014 normalized commission basis results within its 2016 attrition studies, or recreated its attrition studies using the 2014 commission basis results? If so, please provide these studies and all supporting work papers.

**RESPONSE:**

See the following attachments for the impact of including Avista's December 2014 normalized commission basis results within its 2016 attrition studies:

- Staff\_DR\_130 – Attachment A - Electric and Natural Gas Attrition Summaries. This file provides a listing of the changes to each attrition study compared to the Company's attrition studies as filed.
- Staff\_DR\_130 – Attachment B – 12.2014 Electric Attrition Study
- Staff\_DR\_130 – Attachment C – 12.2014 Natural Gas Attrition Study
- Staff\_DR\_130 – Attachment D – 12.2014 Electric and Natural Gas Commission Basis report workpapers
- Staff\_DR\_130 – Attachment E – Electric and Natural Gas Attrition Study workpapers

**AVISTA UTILITIES**  
**2016 NATURAL GAS ATTRITION STUDY**  
**Calculation of General Revenue Requirement**  
**Washington - Natural Gas System**  
**Twelve Months Ended December 31, 2014**  
**(000's of Dollars)**

Line No.	Description	(a) Attrition Balances	(b) Revenue Growth Factor	(c) Attrition Adjusted Balances	(d) After Attrition Adjustments	(e) 2016 Revenue Requirement
1	Attrition Rate Base	\$281,801	0.997628	\$282,471	\$0	\$282,471
2	Proposed Rate of Return			7.29%		7.29%
3	Net Operating Income Requirement			\$20,592	\$0	\$20,592
4	Attrition Net Operating Income	\$ 14,992	0.99763	\$15,028	(\$460)	\$14,568
5	Net Operating Income Deficiency			\$5,564	\$460	\$6,024
6	Conversion Factor			0.62032	0.62032	0.62032
7	Attrition Revenue Requirement			\$8,971	\$742	\$9,713
8	Total General Business Revenues					\$ 170,914
9	Percentage Revenue Increase					<u>5.68%</u>

Notes: (i) The Adjustment included after the attrition calculated revenue requirement of \$8.97 million shown above was deemed necessary in order to account for atmospheric testing expenses (or \$707,000). This adjustment represents amounts not included in the December 31, 2014 normalized Commission Basis Results used as the starting point of the Company's updated Attrition Analysis.

**AVISTA UTILITIES**  
**Multiparty Settlement - Cost of Capital**  
**Washington - Natural Gas System**

<b>Proposed Cap Structure</b>			
<u>Component</u>	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Total Debt	51.50%	5.20%	2.68%
Common	48.50%	9.50%	4.61%
Total	<u>100.00%</u>		<u>7.29%</u>

**Revenue Conversion Factor  
 Washington -Natural Gas System  
 Twelve Months Ended December 31, 2014**

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	<b>Revenues</b>	<i>1.000000</i>
	<b>Expense:</b>	
2	Uncollectibles	0.005354
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038314
5	Total Expense	<u>0.045668</u>
6	Net Operating Income Before FIT	<i>0.954332</i>
7	Federal Income Tax @ 35%	<u>0.334016</u>
8	<b>REVENUE CONVERSION FACTOR</b>	<u><u>0.62032</u></u>

**AVISTA'S 2016 NATURAL GAS ATTRITION REVENUE REQUIREMENT**

CBR Line No.	DESCRIPTION	Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost		Other Cost & Revenue Adjustments				
		12/2014 Commission Basis Report Restated Totals [A]	Regulatory Amorts Adjs [B]	Pro Forma Revenue Normalization Adjustment [C]	Exclude Normalized Gas Costs and Revenue [D]	December 2014 Escalation Base [E]	Escalation Factor [F]	Escalation Amount * [F]=[G] [G]	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12/2014 Pro-Formed Gas Cost/Revenue [I]	(plus) Revenue Growth [J]	2016 Revenue and Cost [H]+[I]+[J]=[K]
1	Total General Business	\$ 154,546	\$ -	\$ 12,185	\$ (92,072)	\$ 74,659	-0.24%	\$ -	\$ 74,659	\$ 92,072	\$ (399)	\$ 166,332
2	Total Transportation	\$ 3,960	\$ -	\$ 223	\$ -	\$ 4,183	-0.14%	\$ -	\$ 4,183	\$ -	\$ (6)	\$ 4,177
3	Other Revenues	\$ 332	\$ -	\$ -	\$ 332	\$ 332	0.00%	\$ -	\$ 332	\$ -	\$ -	\$ 332
4	Total Gas Revenues	\$ 158,838	\$ -	\$ 12,408	\$ (92,072)	\$ 79,174		\$ -	\$ 79,174	\$ 92,072	\$ (405)	\$ 170,841
<b>EXPENSES</b>												
<b>Production Expenses</b>												
5	City Gate Purchases	\$ 84,187	\$ -	\$ 3,680	\$ (87,867)	\$ -		\$ 48	\$ -	\$ 87,867	\$ (429)	\$ 87,438
6	Purchased Gas Expense	\$ 779	\$ -	\$ 3	\$ -	\$ 782	6.09%	\$ -	\$ 830	\$ -	\$ -	\$ 830
7	Net Nat. Gas Storage Trans	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Production	\$ 84,966	\$ -	\$ 3,683	\$ (87,867)	\$ 782		\$ 48	\$ 830	\$ 87,867	\$ (429)	\$ 88,268
<b>Underground Storage</b>												
9	Operating Expenses	\$ 893	\$ -	\$ -	\$ -	\$ 893	6.09%	\$ 54	\$ 947	\$ -	\$ -	\$ 947
10	Depreciation/Amortization	\$ 402	\$ -	\$ -	\$ -	\$ 402	27.92%	\$ 112	\$ 514	\$ -	\$ -	\$ 514
11	Taxes	\$ 184	\$ -	\$ -	\$ -	\$ 184	13.54%	\$ 25	\$ 209	\$ -	\$ -	\$ 209
12	Total Underground Storage	\$ 1,479	\$ -	\$ -	\$ -	\$ 1,479		\$ 192	\$ 1,671	\$ -	\$ -	\$ 1,671
<b>Distribution</b>												
13	Operating Expenses	\$ 10,704	\$ -	\$ -	\$ -	\$ 10,704	6.09%	\$ 652	\$ 11,356	\$ -	\$ -	\$ 11,356
14	Depreciation/Amortization	\$ 8,513	\$ -	\$ -	\$ -	\$ 8,513	27.92%	\$ 2,377	\$ 10,890	\$ -	\$ -	\$ 10,890
15	Taxes	\$ 8,719	\$ -	\$ 475	\$ (3,528)	\$ 5,666	13.54%	\$ 767	\$ 6,434	\$ 3,528	\$ (15)	\$ 9,947
16	Total Distribution	\$ 27,936	\$ -	\$ 475	\$ (3,528)	\$ 24,883		\$ 3,796	\$ 28,680	\$ 3,528	\$ (15)	\$ 32,193
17	Customer Accounting	\$ 6,108	\$ -	\$ 66	\$ (493)	\$ 5,681	6.09%	\$ 346	\$ 6,027	\$ 493	\$ (2)	\$ 6,518
18	Customer Service & Information	\$ 865	\$ -	\$ -	\$ -	\$ 865	6.09%	\$ 53	\$ 918	\$ -	\$ -	\$ 918
19	Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	6.09%	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Administrative &amp; General</b>												
20	Operating Expenses	\$ 12,777	\$ -	\$ 25	\$ (184)	\$ 12,618	6.09%	\$ 768	\$ 13,386	\$ 184	\$ (1)	\$ 13,569
21	Depreciation/Amortization	\$ 4,389	\$ -	\$ -	\$ -	\$ 4,389	27.92%	\$ 1,226	\$ 5,615	\$ -	\$ -	\$ 5,615
22	Regulatory Amortizations	\$ (91)	\$ 1,143	\$ 91	\$ -	\$ 1,143	0.00%	\$ -	\$ 1,143	\$ -	\$ -	\$ 1,143
23	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	13.54%	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Admin. & General	\$ 17,075	\$ 1,143	\$ 116	\$ (184)	\$ 18,130		\$ 1,994	\$ 20,144	\$ 184	\$ (1)	\$ 20,327
25	Total Gas Expense	\$ 138,429	\$ 1,143	\$ 4,341	\$ (92,072)	\$ 51,841		\$ 6,428	\$ 58,269	\$ 92,072	\$ (447)	\$ 149,894
26	OPERATING INCOME BEFORE FIT	\$ 20,409	\$ (1,143)	\$ 8,067	\$ -	\$ 27,333		\$ (6,428)	\$ 20,905	\$ -	\$ 42	\$ 20,947

AVISTA'S 2016 NATURAL GAS ATTRITION REVENUE REQUIREMENT

CBR Line No.	DESCRIPTION	Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost		Other Cost & Revenue Adjustments				
		12.2014 Commission Basis Report Restated Totals [A]	Pro Forma Revenue Normalization Adjustment [B]	Exclude Normalized Gas Costs and Revenue [D]	December 2014 Escalation Base [E]	Escalation Factor * [F]=[G]	Escalation Amount [F]	Trended Non-Energy Cost [H]=[G]=[H]	(plus) 12.2014 Pro-Formed Gas Cost/Revenue [I]	(plus) Revenue Growth [J]	2016 Revenue and Cost [H]+[I]+[J]=[K]	
27	FEDERAL INCOME TAX											
28	Current Accrual	\$ (6,945)	\$ (400)	\$ 2,824	\$ -	\$ (4,521)		\$ (6,771)		\$ 15		\$ (6,757)
29	Deferred FIT	\$ (137)	\$ -	\$ -	\$ -	\$ (137)		\$ (373)				\$ (373)
30	Amort ITC	\$ 13,105	\$ -	\$ -	\$ 13,105	\$ -		\$ 13,105				\$ 13,105
		\$ (20)	\$ -	\$ -	\$ (20)	\$ -		\$ (20)				\$ (20)
31	NET OPERATING INCOME	\$ 14,406	\$ (743)	\$ 5,244	\$ -	\$ 18,907		\$ (3,942)	\$ 14,965	\$ -	\$ 27	\$ 14,992
	RATE BASE											
	PLANT IN SERVICE											
32	Underground Storage	\$ 25,235	\$ -	\$ -	\$ 25,235	\$ -		\$ 3,524	\$ 28,759			\$ 28,759
33	Distribution Plant	\$ 337,894	\$ -	\$ -	\$ 337,894	\$ -		\$ 47,182	\$ 385,076			\$ 385,076
34	General Plant	\$ 59,169	\$ -	\$ -	\$ 59,169	\$ -		\$ 8,262	\$ 67,431			\$ 67,431
35	Total Plant in Service	\$ 422,298	\$ -	\$ -	\$ 422,298	\$ -		\$ 58,968	\$ 481,266			\$ 481,266
	ACCUMULATED DEPRECIATION/AMORT											
36	Underground Storage	\$ (9,521)	\$ -	\$ -	\$ (9,521)	\$ -		\$ (1,329)	\$ (10,850)			\$ (10,850)
37	Distribution Plant	\$ (114,795)	\$ -	\$ -	\$ (114,795)	\$ -		\$ (16,030)	\$ (130,825)			\$ (130,825)
38	General Plant	\$ (17,429)	\$ -	\$ -	\$ (17,429)	\$ -		\$ (2,434)	\$ (19,863)			\$ (19,863)
39	Total Accumulated Depreciation/Amortization	\$ (141,745)	\$ -	\$ -	\$ (141,745)	\$ -		\$ (19,793)	\$ (161,538)			\$ (161,538)
40	NET PLANT	\$ 280,553	\$ -	\$ -	\$ 280,553	\$ -		\$ 39,175	\$ 319,728			\$ 319,728
41	DEFERRED TAXES	\$ (54,652)	\$ -	\$ -	\$ (54,652)	\$ -		\$ (7,651)	\$ (62,283)			\$ (62,283)
42	Net Plant After DFIT	\$ 225,901	\$ -	\$ -	\$ 225,901	\$ -		\$ 31,544	\$ 257,445			\$ 257,445
43	GAS INVENTORY	\$ 14,762	\$ -	\$ -	\$ 14,762	\$ -			\$ 14,762			\$ 14,762
44	GAIN ON SALE OF BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -			\$ -
45	OTHER	\$ (479)	\$ -	\$ -	\$ (479)	\$ -			\$ (479)			\$ (479)
46	WORKING CAPITAL	\$ 10,073	\$ -	\$ -	\$ 10,073	\$ -			\$ 10,073			\$ 10,073
47	TOTAL RATE BASE	\$ 250,257	\$ -	\$ -	\$ 250,257	\$ -		\$ 31,544	\$ 281,801			\$ 281,801
48	RATE OF RETURN											5.32%
	ATTRITION ADJUSTED REVENUE REQUIREMENT											
49	Proposed Rate of Return											7.29%
50	Net Operating Income Requirement	\$ 18,244	\$ -	\$ -	\$ 18,244	\$ -			\$ 18,244			\$ 18,244
51	Net Operating Income per Above	\$ 14,406	\$ -	\$ -	\$ 14,406	\$ -			\$ 14,406			\$ 14,406
52	Net Operating Income Deficiency	\$ 3,838	\$ -	\$ -	\$ 3,838	\$ -			\$ 3,838			\$ 3,838
53	Conversion Factor	\$ 0.62032	\$ -	\$ -	\$ 0.62032	\$ -			\$ 0.62032			\$ 0.62032
54	Revenue Requirement	\$ 6,187	\$ -	\$ -	\$ 6,187	\$ -			\$ 6,187			\$ 6,187
55	Revenue Growth Factor											0.99763
56	Attrition Adjusted Revenue Requirement											\$ 8,949
												\$ 0.99763
												\$ 8,971

\*Note: Adjustment in Column [B] includes the Regulatory Amortization associated with the deferral of the Natural Gas portion of the Project Compass Customer Information System (CIS) project as this amount is not included in the 09.2014 Commission Basis. This amount is not escalated as shown in column [F]. Also adjusted Net Plant and depreciation to EOP 12.31.2014 in Column [B] to reflect appropriate level necessary prior to 1.5-year escalation. See Andrews Workpapers for details.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2013

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
(000'S OF DOLLARS)

Commission Basis Results of Operations

Line No.	DESCRIPTION	ADDED													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
		Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total	Restated Total
<b>REVENUES</b>															
1	Total General Business	\$ 144,574	\$ 148,580	\$ 137,031	\$ 159,265	\$ 178,724	\$ 197,821	\$ 209,186	\$ 203,727	\$ 182,706	\$ 142,370	\$ 152,457	\$ 142,048	\$ 144,257	\$ 154,546
2	Total Transportation	4,274	3,878	3,392	2,842	3,440	3,111	3,263	3,369	3,275	3,155	3,448	3,627	3,915	3,960
3	Other Revenues	2,541	2,340	2,183	2,168	30,131	2,372	68,416	153,093	84,085	115,257	98,841	68,107	403	332
4	Total Gas Revenues	151,389	154,798	142,606	164,275	212,295	203,504	280,865	360,189	270,066	260,782	254,746	213,782	148,575	158,838
<b>EXPENSES</b>															
<b>Production Expenses</b>															
5	City Gate Purchases	106,139	109,325	96,222	114,371	167,251	149,802	222,364	310,276	194,267	197,494	188,167	139,073	76,801	84,187
6	Purchased Gas Expense	988	1,177	1,186	369	651	653	792	(9,103)	803	800	14	130	891	779
7	Net Nat Gas Storage Trans	134	128	-	-	(8,407)	-	283	2	10,720	(3,322)	(4,366)	4,352	-	
8	Total Production	107,261	110,630	97,408	114,740	159,495	150,455	223,439	301,175	205,790	194,972	183,815	143,555	77,692	84,966
<b>Underground Storage</b>															
9	Operating Expenses	322	357	342	381	450	492	451	436	403	380	585	712	820	893
10	Depreciation/Amortization	314	297	309	310	310	312	310	276	393	348	395	438	380	402
11	Taxes	108	120	118	120	115	122	95	113	121	116	19	17	158	184
12	Total Underground Storage	744	774	769	810	875	926	856	825	917	844	999	1,167	1,358	1,479
<b>Distribution</b>															
13	Operating Expenses	4,655	5,482	5,762	5,958	6,084	6,359	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704
14	Depreciation/Amortization	4,390	4,496	4,707	4,902	5,088	5,369	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513
15	Taxes	7,315	8,070	7,205	8,213	8,573	9,457	9,844	8,941	8,746	7,223	8,051	7,825	8,116	8,719
16	Total Distribution	16,360	18,048	17,674	19,073	19,745	21,185	21,916	20,737	22,510	21,286	23,554	24,314	26,861	27,936
17	Customer Accounting	3,367	4,108	4,121	4,337	4,249	4,225	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108
18	Customer Service & Information	1,513	2,252	2,747	480	3,523	1,061	4,658	5,169	7,609	9,505	9,777	6,955	983	865
19	Sales Expenses	445	375	492	427	320	496	442	442	497	105	3	3	3	-
<b>Administrative &amp; General</b>															
20	Operating Expenses	7,578	9,399	9,827	8,911	9,196	8,393	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777
21	Depreciation/Amortization	1,020	1,275	1,363	1,180	1,343	1,282	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389
22	Regulatory Amortizations	167	185	159	169	-	-	(815)	(242)	440	216	(186)	171	91	(91)
23	Taxes	21	23	24	24	23	24	20	17	19	24	-	(1)	-	-
24	Total Admin. & General	8,786	10,882	11,373	10,284	10,562	9,699	9,604	11,284	12,228	14,035	14,133	16,865	15,821	17,075
25	Total Gas Expense	138,476	147,069	134,584	150,151	198,769	188,047	265,476	344,324	255,137	245,981	238,021	198,655	128,988	138,429
26	OPERATING INCOME BEFORE FIT	12,913	7,729	8,022	14,124	13,526	15,257	15,389	15,865	14,929	14,801	16,725	15,127	19,587	20,409
<b>FEDERAL INCOME TAX</b>															
27	Current Accrual	(256)	6,949	651	655	(3,110)	6,693	5,010	506	2,468	(5,811)	(907)	(1,185)	4,253	(6,945)
28	Debt Interest											63	3	(56)	(137)
29	Deferred FIT	3,078	(6,302)	325	2,340	5,522	(3,072)	(1,442)	3,320	1,238	9,594	5,691	5,033	1,403	13,105
30	Amort ITC	(30)	(31)	(31)	(31)	(30)	(30)	(31)	(31)	(30)	(29)	(27)	(25)	(24)	(20)
31	NET OPERATING INCOME	\$ 10,121	\$ 7,113	\$ 7,077	\$ 11,160	\$ 11,144	\$ 11,666	\$ 11,852	\$ 12,070	\$ 11,253	\$ 11,047	\$ 11,906	\$ 11,301	\$ 14,011	\$ 14,406

Note: The Regulatory Amortizations Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2013

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
(000S OF DOLLARS)

Commission Basis Results of Operations

ADDED

Line No.	DESCRIPTION	2001 Restated Total	2002 Restated Total	2003 Restated Total	2004 Restated Total	2005 Restated Total	2006 Restated Total	2007 Restated Total	2008 Restated Total	2009 Restated Total	2010 Restated Total	2011 Restated Total	2012 Restated Total	2013 Restated Total	2014 Restated Total
<b>RATE BASE</b>															
<b>PLANT IN SERVICE</b>															
32	Underground Storage	\$ 13,533	\$ 13,439	\$ 13,712	\$ 13,632	\$ 13,708	\$ 13,854	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008	\$ 24,365	\$ 24,711	\$ 25,235
33	Distribution Plant	178,943	185,314	191,970	200,079	208,396	219,287	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894
34	General Plant	15,060	15,368	16,112	16,499	17,878	20,791	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169
35	Total Plant in Service	207,536	214,121	221,794	230,210	239,982	253,932	264,883	280,294	305,521	322,917	342,258	365,326	390,403	422,298
<b>ACCUMULATED DEPRECIATION/AMORT</b>															
36	Underground Storage	6,220	6,115	6,495	6,659	6,924	7,249	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521
37	Distribution Plant	51,645	55,845	60,239	64,817	69,428	74,019	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795
38	General Plant	5,695	6,442	7,446	6,984	7,208	7,230	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429
39	Total Accumulated Depreciation/Amortization	63,560	68,402	74,180	78,460	83,560	88,498	92,560	97,295	100,710	108,254	116,701	123,541	132,474	141,745
40	NET PLANT	143,976	145,719	147,614	151,750	156,422	165,434	172,323	182,999	204,811	214,663	225,557	241,785	257,929	280,553
41	DEFERRED TAXES	(14,476)	(15,979)	(22,570)	(26,800)	(23,805)	(24,645)	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)
42	Net Plant After DFIIT	129,500	129,740	125,044	124,950	132,617	140,789	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901
43	GAS INVENTORY	3,190	4,191	4,568	4,807	6,936	7,628	5,607	15,327	8,440	10,226	13,753	13,107	11,702	14,762
44	GAIN ON SALE OF BUILDING	(470)	(424)	(378)	(243)	(286)	(153)	(197)	(152)	(109)	(44)	(14)	-	-	-
45	OTHER	3,304	2,855	2,393	1,204	1,529	1,098	789	452	(1,359)	(1,163)	(1,012)	(816)	(332)	(479)
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-	-	-	-	5,695	10,073
47	TOTAL RATE BASE	\$ 135,524	\$ 136,362	\$ 131,627	\$ 130,718	\$ 140,796	\$ 149,362	\$ 151,699	\$ 169,681	\$ 180,778	\$ 186,920	\$ 196,280	\$ 207,578	\$ 224,824	\$ 250,257

Note: The Other (Deferred Debits and Credits) Category has been restated in prior years to reflect consistency with the current reporting format.



NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2013

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
(000'S OF DOLLARS)

Line No.	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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Line No.	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	322	357	342	381	450	492	451	436	403	380	585	712	820	893
2	4,655	5,482	5,762	5,958	6,084	6,359	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704
3	3,367	4,108	4,121	4,337	4,249	4,225	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108
4	1,513	2,252	2,747	4,800	3,253	1,061	4,658	5,169	7,609	9,505	9,777	6,955	983	865
5	445	375	492	427	320	496	516	442	497	105	3	3	3	0
6	7,578	9,399	9,827	8,911	9,196	8,393	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777
7	17,880	21,973	23,291	20,494	23,822	21,026	25,480	26,568	31,565	34,303	36,544	36,396	30,758	31,347
8	232	261	285	369	651	635	792	783	802	800	981	928	891	779
9	-823	-849	-749	-882	-1,006	-1,154	-1,202	-1,136	-609	-647	-577	-577	-592	-648
10	-956	-1,710	-2,044	0	-2,864	0	-3,865	-4,415	-6,829	-8,481	-9,022	-5,987	0	0
11	0	0	0	0	0	0	0	-3	-5	-4	-4	-1	0	0
12	16,333	19,675	20,783	19,981	20,603	20,525	21,205	21,797	24,600	26,009	27,852	30,759	31,057	31,478
	-50.09%	20.46%	5.63%	-3.86%	3.11%	-0.38%	3.31%	2.79%	12.86%	5.73%	7.09%	10.44%	0.97%	1.36%
Annual Percentage Change														
Depreciation/Amortization														
13	314	297	309	309	310	312	310	276	393	348	395	438	380	402
14	4,390	4,496	4,707	4,902	5,088	5,369	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513
15	1,020	1,275	1,363	1,180	1,343	1,282	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389
16	5,724	6,068	6,379	6,391	6,741	6,963	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304
	3.60%	6.01%	5.13%	0.19%	5.48%	3.29%	6.46%	4.57%	9.08%	7.94%	7.13%	9.35%	13.85%	9.29%
Annual Percentage Change														
Exclude Adder Schedule amortizations (Decoupling Surcharge/Rebate) from Regulatory Amortizations														
17	167	185	159	169	0	0	-815	-242	440	216	-186	171	91	-91
18	0	0	0	0	0	0	-85	-432	-710	-494	-494	-184	0	0
19	167	185	159	169	0	0	-900	-674	-270	-278	-680	-13	91	-91
Annual Percentage Change														
Exclude Gas Cost and Adder Schedule excise taxes (DSM Tariff Rider, Decoupling Surcharge/Rebate) from Taxes Other Than Income Tax														
20	108	120	118	120	115	122	95	113	121	116	19	17	158	184
21	7,315	8,070	7,205	8,213	8,573	9,457	9,844	8,941	8,746	7,223	8,051	7,825	8,116	8,719
22	21	23	24	24	23	24	20	17	19	24	24	-1	0	0
23	7,444	8,213	7,347	8,357	8,711	9,603	9,959	9,071	8,886	7,363	8,070	7,841	8,274	8,905
24	-4,287	-4,425	-3,899	-4,592	-5,240	-6,014	-6,261	-5,917	-4,858	-3,171	-3,374	-3,003	-3,083	-3,380
25	-38	-68	-81	0	-114	0	-154	-176	-272	-338	-359	-239	0	0
26	0	0	0	0	0	0	-3	-17	-28	-20	-20	-7	0	0
27	3,119	3,720	3,367	3,765	3,357	3,589	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523
	13.50%	19.27%	-9.49%	11.82%	-10.84%	6.91%	-1.34%	-16.38%	25.90%	2.84%	12.59%	6.38%	13.04%	6.40%
28	129,500	129,740	125,044	124,950	132,617	140,789	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901
	3.70%	0.19%	-3.62%	-0.08%	6.14%	6.16%	3.35%	5.88%	12.82%	2.36%	3.18%	6.39%	6.39%	8.73%
Annual Percentage Change														
29	135,524	136,362	131,627	130,718	140,796	149,362	151,699	169,681	180,778	186,920	196,280	207,578	224,824	250,257
	3.52%	0.62%	-3.47%	-0.69%	7.71%	6.08%	1.56%	11.85%	6.54%	3.40%	5.01%	5.76%	8.31%	11.31%
Annual Percentage Change														
Exclude Gas Cost Deferral related and JP Storage non-recurring revenues from Other Operating Revenue														
30	2,541	2,340	2,183	2,168	30,131	2,372	68,416	153,093	84,085	115,257	98,841	68,107	403	332
31	-244	-144	0	0	28,334	0	-66,686	-153,018	-83,992	-115,193	-98,794	-67,822	0	0
32	-2,289	-2,187	-2,174	-2,156	-1,723	-2,361	-1,717	0	0	0	0	0	0	0
33	8	9	9	12	74	11	13	75	93	64	47	285	403	332
	60.00%	12.50%	0.00%	33.33%	516.67%	-85.14%	18.18%	476.92%	24.00%	-31.18%	-26.56%	506.38%	41.40%	-17.62%
Annual Percentage Change														

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2013

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
ANNUAL AND COMPOUND GROWTH RATES

Line No.	Natural Gas Growth Rate Analysis and Escalation Factor Calculation											UPDATED	
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
1	20.46%	5.63%	-3.86%	3.11%	-0.38%	3.31%	2.79%	12.86%	5.73%	7.09%	10.44%	0.97%	1.36%
2	6.01%	5.13%	0.19%	5.48%	3.29%	6.46%	4.57%	9.08%	7.94%	7.13%	9.35%	13.85%	9.29%
3	19.27%	-9.49%	11.82%	-10.84%	6.91%	-1.34%	-16.38%	25.90%	2.84%	12.59%	6.38%	13.04%	6.40%
4	0.19%	-3.62%	-0.08%	6.14%	6.16%	3.35%	5.88%	12.82%	2.36%	3.18%	6.39%	6.39%	8.73%
5	0.82%	-3.47%	-0.69%	7.71%	6.08%	1.56%	11.85%	6.54%	3.40%	5.01%	5.76%	8.31%	11.31%

Not used due to de minimus values that resulted in extraordinary variability

Compound Growth Rates to 2012													
	2001-2014	2002-2014	2003-2014	2004-2014	2005-2014	2006-2014	2007-2014	2008-2014	2009-2014	2010-2014	2011-2014	2012-2014	2013-2014
7	5.18%	3.99%	3.85%	4.65%	4.82%	5.49%	5.81%	6.32%	5.05%	4.89%	4.16%	1.16%	1.36%
7A	3.00%						3.00%						
9	6.70%	6.76%	6.91%	7.61%	7.85%	8.43%	8.71%	9.42%	9.49%	9.88%	10.81%	11.55%	9.29%
9A	13.10%						13.10%						
10	4.49%	3.35%	4.60%	3.91%	5.69%	5.54%	6.56%	10.95%	8.18%	9.55%	8.56%	9.67%	6.40%
11	4.37%	4.73%	5.52%	6.10%	6.10%	6.09%	6.49%	6.59%	5.38%	6.15%	7.16%	7.55%	8.73%
11A	6.75%						6.75%						
12	4.83%	5.19%	6.02%	6.71%	6.60%	6.66%	7.41%	6.69%	6.72%	7.57%	8.44%	9.80%	11.31%

Not used due to de minimus values that resulted in extraordinary variability

Escalation Factor													
	2001-2014	2002-2014	2003-2014	2004-2014	2005-2014	2006-2014	2007-2014	2008-2014	2009-2014	2010-2014	2011-2014	2012-2014	2013-2014
14	10.62%	8.15%	7.84%	9.52%	9.88%	11.28%	11.95%	13.03%	10.36%	10.01%	8.50%	2.34%	2.73%
14A	6.09%						6.09%						
16	13.85%	13.98%	14.30%	15.79%	16.31%	17.57%	18.19%	19.73%	19.87%	20.73%	22.79%	24.43%	19.45%
16A	27.92%						27.92%						
17	9.19%	6.81%	9.42%	7.96%	11.70%	11.38%	13.54%	23.10%	17.03%	20.02%	17.86%	20.27%	13.20%
18	8.94%	9.68%	11.35%	12.57%	12.57%	12.55%	13.39%	13.61%	11.06%	12.69%	14.84%	15.68%	18.23%
18A	13.96%						13.96%						
19	9.90%	10.65%	12.39%	13.87%	13.63%	13.77%	15.38%	13.83%	13.89%	15.71%	17.58%	20.56%	23.90%

Not used due to de minimus values that resulted in extraordinary variability

**NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2001-2013**

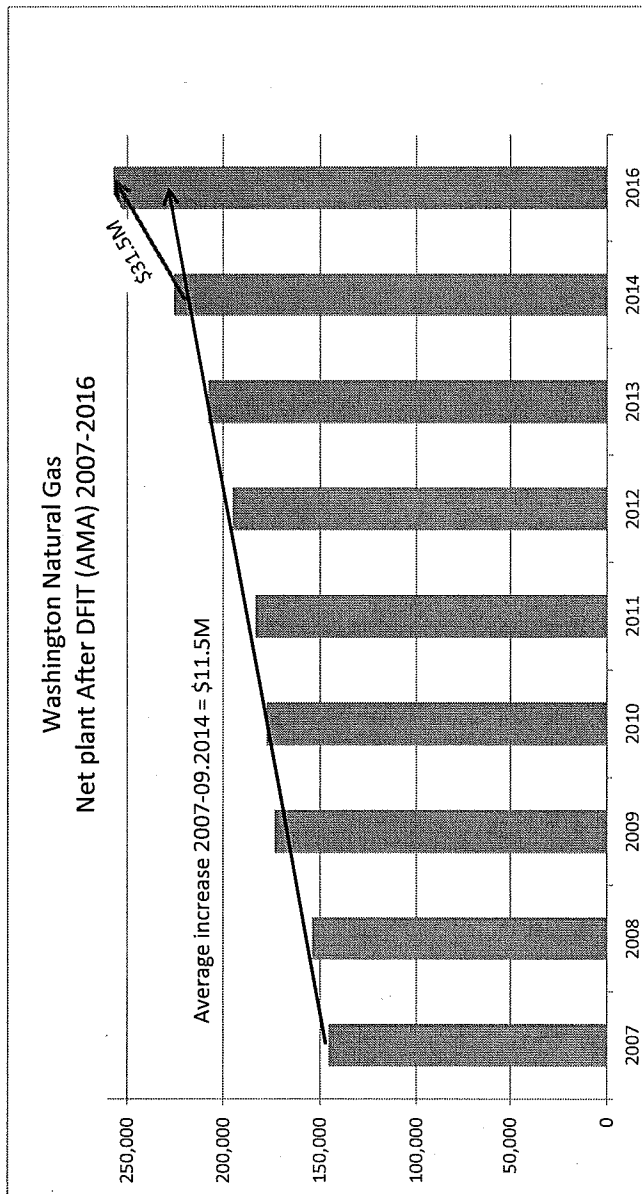
**Natural Gas Growth Rate Analysis and Escalation Factor Calculation**

**AVISTA UTILITIES  
 WASHINGTON NATURAL GAS RESULTS  
 ANNUAL AND COMPOUND GROWTH RATES**

UPDATED	
<b>Depreciation Expense*</b>	
12/31/2014	12/31/2016
402	440
8,513	9603
4,389	6976
13,304	17,019
	13.10%
	27.92%
<b>Adopted Compound Growth Rate</b>	
<b>Adopted Escalation Factor</b>	
<b>Net Plant After DFIT*</b>	
12/31/2014	12/31/2016
225,901	257,445
	6.75%
	13.96%
<b>Adopted Compound Growth Rate</b>	
<b>Adopted Escalation Factor</b>	

Washington Natural Gas - AMA ROO 2007 to AMA 2016		
Net Plant before DFIT		
2007	145,500	Net Change
2008	154,054	8,554
2009	173,806	19,752
2010	177,901	4,095
2011	183,553	5,652
2012	195,287	11,734
2013	207,759	12,472
2007-2014 Avg		
2014	225,901	18,142
2016	257,445	31,544

\*Excludes growth plant between 12/31/2014 and 12/31/2016.



**BILLING DETERMINANT INDEX  
09.2014 TO 2016 WEIGHTED REVENUE GROWTH**

Line No.	Description A	Schedule B	Billing Determinant C	Revenue Model Sept 2014 D	Forecast 2016 E	Billing Determinant Growth F=(E-D)/D	Revenue Sept 2014 G	Weight H=G/SUM G	Weighted Growth I=FxH	Net of Gas Costs
1	General Svc	101	Basic/Min	1,787,943	1,828,182	2.25%	\$16,091,487	9.65%	0.22%	\$362,147
2	Lrg Gen Svc	111/112	Basic/Min	30,697	31,374	2.20%	\$2,671,867	1.60%	0.04%	\$58,902
3	Ex Lrg Gen Svc	121/122	Basic/Min	336	339	0.83%	\$72,321	0.04%	0.00%	\$598
4	Interruptible Svc	131/132	Basic/Min	24	24	0.00%	\$0	0.00%	0.00%	\$0
5	General Svc	101	Volumes	120,721,607	119,462,331	-1.04%	\$107,498,749	64.47%	-0.67%	-\$1,121,346
6	Lrg Gen Svc	111/112	Volumes	47,537,282	47,624,382	0.18%	\$35,598,366	21.35%	0.04%	\$65,225
7	Ex Lrg Gen Svc	121/122	Volumes	5,735,037	5,939,604	3.57%	\$4,064,021	2.44%	0.09%	\$144,962
8	Interruptible Svc	131/132	Volumes	1,115,704	1,252,783	12.29%	\$733,819	0.44%	0.05%	\$90,159
9	Total			175,109,630	174,279,099		\$166,730,631	100.00%	-0.24%	-\$399,351
10	Transportation Svc	146	Basic/Min	456	516	13.12%	\$255,207	6.10%	0.80%	\$33,473
11	Special Contract	148	Basic/Min	60	66	9.50%	\$325,584	7.78%	0.74%	\$30,941
12	Transportation Svc	146	Volumes	30,580,202	30,484,401	-0.31%	\$2,321,589	55.50%	-0.17%	-\$7,273
13	Special Contract	148	Volumes	49,497,099	47,057,044	-4.93%	\$1,280,992	30.62%	-1.51%	-\$63,149
14	Total			80,077,301	77,541,445		\$4,183,371	100.00%	-0.14%	-\$6,008
15	General Svc	101	Total Revenue				\$123,590,236			
16	Lrg Gen Svc	111/112	Total Revenue				\$38,270,233			
17	Ex Lrg Gen Svc	121/122	Total Revenue				\$4,136,342			
18	Interruptible Svc	131/132	Total Revenue				\$733,819			
19	Transportation Svc	146	Total Revenue				\$2,576,796			
20	Special Contract	148	Total Revenue				\$1,606,576			
21	Total						\$170,914,002			

Line No.	Description	Schedule	Billing Determinant	Revenue Model	Forecast	Billing Determinant Growth	Revenue Sept 2014	Weight	Weighted Growth	Net of Gas Costs
22	General Svc	101	Volumes	120,721,607	119,462,331	-1,259,276	\$0.50327			-\$633,756
23	Lrg Gen Svc	111/112	Volumes	47,537,282	47,624,382	87,100	\$0.50104			\$43,641
24	Ex Lrg Gen Svc	121/122	Volumes	5,735,037	5,939,604	204,567	\$0.48280			\$98,765
25	Interruptible Svc	131/132	Volumes	1,115,704	1,252,783	137,079	\$0.45493			\$62,361
26	Total			175,109,630	174,279,099	-830,531				
27	Transp	146	Volumes	30,580,202	30,484,401	-95,801	\$0.00054			-\$52
28	Spec Cont Trans	148	Volumes	49,497,099	47,057,044	-2,440,055	\$0.00000			
29	Total			80,077,301	77,541,445	-2,535,856				-\$429,041
				255,186,931	251,820,544	-3,366,387				

**Change in Purchased Gas Cost**

Line No.	Description	Schedule	Billing Determinant	Revenue Model	Forecast	Billing Determinant Growth	Revenue Sept 2014	Weight	Weighted Growth	Net of Gas Costs
22	General Svc	101	Volumes	120,721,607	119,462,331	-1,259,276	\$0.50327			-\$633,756
23	Lrg Gen Svc	111/112	Volumes	47,537,282	47,624,382	87,100	\$0.50104			\$43,641
24	Ex Lrg Gen Svc	121/122	Volumes	5,735,037	5,939,604	204,567	\$0.48280			\$98,765
25	Interruptible Svc	131/132	Volumes	1,115,704	1,252,783	137,079	\$0.45493			\$62,361
26	Total			175,109,630	174,279,099	-830,531				
27	Transp	146	Volumes	30,580,202	30,484,401	-95,801	\$0.00054			-\$52
28	Spec Cont Trans	148	Volumes	49,497,099	47,057,044	-2,440,055	\$0.00000			
29	Total			80,077,301	77,541,445	-2,535,856				-\$429,041
				255,186,931	251,820,544	-3,366,387				

"AVISTA UTILITIES  
WASHINGTON GAS  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014"

WORK PAPER REFERENCE	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCH. 111&112	EX LRG GEN SVC SCH. 121&122	INTERRUPTIBLE SCH. 131&132	TRANSPORT SCHEDULE 146	TRANSPORT SCHEDULE 148	TRANSPORT SCH 148 - WSU/ BF GOODRICH ANN. MINIMUM
<b>PRESENT BILL DETERMINANTS</b>							
<b>THERMS</b>							
PDE-G-8 BLOCK 1	73,705,663	5,462,682	166,500	236,967	7,902,777	21,174,700	10,420,461
PDE-G-8 BLOCK 2	49,375,178	14,596,426	166,500	312,302	7,418,409	6,811,343	
PDE-G-8 BLOCK 3		28,197,173	2,699,784	362,324	11,869,734	1,912,058	
PDE-G-8 BLOCK 4			1,805,732	204,111	2,879,938	6,085,002	
PDE-G-8 BLOCK 5			993,694		509,344	3,093,535	
<b>SUBTOTAL</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>LOAD ADJUSTMENT</b>							
<b>SUBTOTAL</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>ADJUSTMENT TO ACTUAL</b>							
<b>TOTAL BEFORE ADJUSTMENT WEATHER &amp; UNBILLED REV. ADJ.</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
	(3,175,407)	(719,000)	(97,173)				
<b>TOTAL PROFORMA THERMS</b>	<b>120,721,607</b>	<b>47,537,282</b>	<b>5,735,037</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>TOTAL BILLS</b>	<b>1,787,943</b>		<b>336</b>	<b>24</b>	<b>456</b>	<b>48</b>	<b>12</b>
<b>TOTAL MINIMUM BILLS</b>		<b>30,697</b>					
<b>PROPOSED BILL DETERMINANTS</b>							
<b>THERMS</b>							
BLOCK 1	73,705,663	5,462,682	166,500	236,967	7,902,777	21,174,700	10,420,461
BLOCK 2	49,375,178	14,596,426	166,500	312,302	7,418,409	6,811,343	
BLOCK 3		28,197,173	2,699,784	362,324	11,869,734	1,912,058	
BLOCK 4			1,805,732	204,111	2,879,938	6,085,002	
BLOCK 5			993,694		509,344	3,093,535	
<b>SUBTOTAL</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>NET SHIFTING ADJUSTMENT</b>							
<b>SUBTOTAL</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>ADJUSTMENT TO ACTUAL</b>							
<b>TOTAL BEFORE ADJUSTMENT WEATHER &amp; UNBILLED REV. ADJ.</b>	<b>123,080,841</b>	<b>48,256,282</b>	<b>5,832,210</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
	(3,175,407)	(719,000)	(97,173)				
<b>TOTAL PROFORMA THERMS</b>	<b>120,721,607</b>	<b>47,537,282</b>	<b>5,735,037</b>	<b>1,115,704</b>	<b>30,580,202</b>	<b>39,076,638</b>	<b>10,420,461</b>
<b>TOTAL BILLS</b>	<b>1,787,943</b>		<b>336</b>	<b>24</b>	<b>456</b>	<b>48</b>	<b>12</b>
<b>TOTAL MINIMUM BILLS</b>		<b>30,697</b>					

"AVISTA UTILITIES  
WASHINGTON GAS  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014"

WORK PAPER REFERENCE	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT SCHEDULE 148	TRANSPORT SCH 148 - WSU/ BF GOODRICH ANN. MINIMUM (2)
PDE-G-13/14 BASIC CHARGE	\$9.00	\$87.04	\$215.24		\$500.00	\$200.00	\$26,332.00
PDE-G-13/14 MONTHLY/ANNUAL MINIMUM							
PDE-G-13/14 BLOCK 1 PER THERM	84.808¢	52.455¢	50.545¢	70.181¢	8.771¢	2.800¢	1.000¢
PDE-G-13/14 BLOCK 2 PER THERM	95.421¢	82.834¢	82.771¢	65.425¢	7.809¢	4.500¢	
PDE-G-13/14 BLOCK 3 PER THERM		75.153¢	74.889¢	64.258¢	7.046¢	3.168¢	
PDE-G-13/14 BLOCK 4 PER THERM			69.940¢	63.871¢	6.520¢	2.500¢	
PDE-G-13/14 BLOCK 5 PER THERM			62.817¢	4.912¢	2.091¢		
ADJUST TO ACTUAL PER THERM	89.066¢	74.907¢	70.830¢	65.772¢			
PROPOSED RATES BASIC CHARGE	\$9.00	\$87.04	\$215.24		\$500.00	\$200.00	\$26,332.00
MONTHLY MINIMUM							
BLOCK 1 PER THERM	84.808¢	52.455¢	50.545¢	70.181¢	8.771¢	2.800¢	1.000¢
BLOCK 2 PER THERM	95.421¢	82.834¢	82.771¢	65.425¢	7.809¢	4.500¢	
BLOCK 3 PER THERM		75.153¢	74.889¢	64.258¢	7.046¢	3.168¢	
BLOCK 4 PER THERM			69.940¢	63.871¢	6.520¢	2.500¢	
BLOCK 5 PER THERM			62.817¢	4.912¢	2.091¢		
ADJUST TO ACTUAL PER THERM	89.066¢	74.907¢	70.830¢	65.772¢			

(1) Block 1 - Kaiser-Trentwood - workpaper PDE-G-19  
Block 2 - Lamb-Weston - workpaper PDE-G-21  
Block 3 - Mutual Materials - workpaper PDE-G-25  
Block 4 - Washington Potato - workpaper PDE-G-23  
Block 5 - Avista Electric generating facilities billed at 2.091 cents/therm (Sch. 148 floor)

(2) Monthly minimum / rate per therm - workpaper PDE-G-27

Note: Rates include Sch. 150 (Purch. Gas Cost Adj.)

"AVISTA UTILITIES  
WASHINGTON GAS  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014"

WORK PAPER REFERENCE	PRESENT REVENUE										TRANSPORT SCH 148 - WSU/ BF GOODRICH ANN. MINIMUM	
	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT SCHEDULE 148	TRANSPORT SCHEDULE 148	TRANSPORT SCHEDULE 146	TRANSPORT SCHEDULE 148		
	\$16,645,071	\$16,091,487									\$9,600	\$315,984
BASE TARIFF REVENUE	2,771,395		2,671,867	72,321							27,207	
MONTHLY/ANNUAL MINIMUM	67,014,461	62,508,299	2,865,450	84,157	186,306						592,892	104,205
BLOCK 1	60,433,043	47,114,288	12,090,804	137,814	204,324						306,510	
BLOCK 2	24,342,601		21,191,022	2,021,841	232,822						60,574	
BLOCK 3	1,733,194			1,262,929	130,368						152,125	
BLOCK 4	713,914			624,209							64,686	
BLOCK 5												
ANNUAL MINIMUM												
SUBTOTAL	\$173,653,678	\$125,714,074	\$38,819,142	\$4,203,271	\$733,819	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$420,189
NET SHIFTING ADJUSTMENT												
SUBTOTAL	\$173,653,678	\$125,714,074	\$38,819,142	\$4,203,271	\$733,819	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$420,189
ADJUST TO ACTUAL	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BASE TARIFF REVENUE	\$173,653,678	\$125,714,074	\$38,819,142	\$4,203,271	\$733,819	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$420,189
ADJUSTMENT REVENUE												
UNBILLED REVENUE ADJUSTMENT												
UNBILLED LOAD THERMS	(413,938)	(282,348)	(70,921)	(60,669)								
UNBILLED LOAD RATE	89,066¢	74,907¢	70,890¢									
UNBILLED LOAD REVENUE	(\$347,571)	(\$251,475)	(\$53,125)	(\$42,972)								
WEATHER-SENSITIVE THERMS	0	0	0									
WEATHER-SENSITIVE RATE	84,808¢	76,501¢										
WEATHER-SENSITIVE REVENUE	\$0	\$0	\$0									
TOTAL UNBILLED THERM ADJ	(413,938)	(282,348)	(70,921)	(60,669)								
TOTAL UNBILLED REVENUE ADJ	(\$347,571)	(\$251,475)	(\$53,125)	(\$42,972)								
WEATHER NORMALIZATION ADJ												
WEATHER-SENSITIVE THERMS	(2,761,469)	(2,076,886)	(648,079)	(36,504)								
WEATHER-SENSITIVE RATE	90,152¢	76,501¢		65,629¢								
WEATHER-SENSITIVE REVENUE	(\$2,392,105)	(\$1,872,363)	(\$495,785)	(\$23,957)								
OTHER ADJUSTMENTS												
TOTAL ADJUSTMENT REVENUE	(\$2,739,676)	(\$2,123,838)	(\$548,909)	(\$66,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL BASE TARIFF REVENUE	173,653,678	125,714,074	38,819,142	4,203,271	733,819	2,576,796	1,186,387	2,576,796	1,186,387	2,576,796	1,186,387	420,189
TOTAL PRESENT REVENUE	\$170,914,002	\$123,590,236	\$38,270,233	\$4,136,342	\$733,819	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$2,576,796	\$1,186,387	\$420,189





"AVISTA UTILITIES  
WASHINGTON GAS  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014"

WORK PAPER REFERENCE	RATES	TOTAL THERMS	TOTAL REVENUE	BASE LOAD THERMS(1)	BASE LOAD REVENUE	WTHR-SENS. THERMS	WTHR-SENS. REVENUE
<u>PRESENT BASELOAD AND WEATHER-SENSITIVE RATE</u>							
SCHEDULE 101							
0-70 THERMS	84.806¢	73,705,663	\$62,508,299	25,031,202	\$21,228,462	48,674,461	\$41,279,837
OVER 70 THERMS	95.421¢	49,375,178	\$47,114,288	0	\$0	49,375,178	\$47,114,288
TOTAL		123,080,841	\$109,622,587	25,031,202	\$21,228,462	98,049,639	\$88,394,125
AVERAGE RATE			89.066¢		84.808¢		90.152¢

(1) Base load per bill for Schedule 101 is shown on workpaper PDE-G-18 multiplied by total billings from PDE-G-1, or 14 X 1,787,943 = 25,031,202

WORK PAPER REFERENCE	RATES	TOTAL THERMS	TOTAL REVENUE	BASE LOAD THERMS(1)	BASE LOAD REVENUE	WTHR-SENS. THERMS	WTHR-SENS. REVENUE
<u>PRESENT BASELOAD AND WEATHER-SENSITIVE RATE</u>							
SCHEDULE 111							
0-200 THERMS	52.455¢	5,462,682	\$2,865,450	5,462,682	\$2,865,450	0	\$0
201-1,000 THERMS	82.834¢	14,596,426	\$12,090,804	8,596,544	\$7,120,861	5,999,883	\$4,969,943
OVER 1,000 THERMS	75.153¢	28,197,173	\$21,191,022	0	\$0	28,197,173	\$21,191,022
TOTAL		48,256,282	\$36,147,276	14,059,226	\$9,986,311	34,197,056	\$26,160,964
AVERAGE RATE			74.907¢		71.030¢		76.501¢

(1) Base load per bill for Schedule 111 is shown on workpaper PDE-G-18 multiplied by total billings from PDE-G-1, or 458 X 30,697 = 14,059,226

WORK PAPER REFERENCE	RATES	TOTAL THERMS	TOTAL REVENUE	BASE LOAD THERMS(1)	BASE LOAD REVENUE	WTHR-SENS. THERMS	WTHR-SENS. REVENUE
<u>PRESENT BASELOAD AND WEATHER-SENSITIVE RATE</u>							
SCHEDULE 121							
0-500 THERMS	50.545¢	166,500	\$84,157	166,500	\$84,157	0	\$0
501-1,000 THERMS	82.771¢	166,500	\$137,814	166,500	\$137,814	0	\$0
1001-10,000 THERMS	74.889¢	2,699,784	\$2,021,841	2,699,784	\$2,021,841	0	\$0
10,001-25,000 THERMS	69.940¢	1,805,732	\$1,262,929	1,157,472	\$809,536	648,260	\$453,393
OVER 25,000 THERMS	62.817¢	993,694	\$624,209	0	\$0	993,694	\$624,209
TOTAL		5,832,210	\$4,130,950	4,190,256	\$2,243,812	1,641,954	\$1,077,602
AVERAGE RATE			70.830¢		53.548¢		65.629¢

(1) Base load per bill for Schedule 121 is shown on workpaper PDE-G-18 multiplied by total billings from PDE-G-1, or 12,471 X 336 = 4,190,256

\$0.00	68	\$0.00	1,549	\$0.00	46,488	\$0.00	67,062
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Bill Determ Tab

Total by Rate Sched:	2016 Load	
WA101	119,462,331	CC219
WA111	47,624,382	CC220
WA121	5,939,604	CC221
WA132	1,252,783	CC222
WA146	30,484,401	CC223
WA148	47,057,044	CC224
ID101	55,305,994	CC225
ID111	23,547,561	CC226
ID132	235,774	CC227
ID146	2,974,782	CC228
ID147	1,938,513	CC229
ID159	39,459,747	CC230
OR410	49,018,942	CC231
OR420	26,621,408	CC232
OR424	4,588,281	CC233
OR440	3,975,023	CC234
OR444	258,498	CC235
OR447	8,658,756	CC236
OR456	38,460,264	CC237
Total by State:		
WA	251,820,544	CC240
ID	123,462,372	CC241
OR	131,581,173	CC242
Grand Total	506,864,088	CC244

Total by Rate Sched:	2016 avg Customers	2016 bills	
WA101	152,348	1,828,182	CC66
WA111	2,614	31,374	CC67
WA121	28	339	CC68
WA132	2	24	CC69
WA146	43	516	CC70
WA148	5	66	CC71
ID101	77,780	933,358	CC72
ID111	1,406	16,871	CC73
ID132	1	12	CC74
ID146	6	72	CC75
ID147	1	15	CC76
ID159	1	12	CC77
OR410	87,065	1,044,776	CC78
OR420	11,416	136,995	CC79
OR424	83	994	CC80
OR440	35	416	CC81
OR444	3	41	CC82
OR447	3	36	CC83
OR456	35	420	CC84
Total by State:			
WA	155,042	1,860,500	CC87
ID	79,195	950,340	CC88
OR	98,640	1,183,678	CC89
Grand Total	332,877	3,994,519	CC91

AVISTA UTILITIES  
 WASHINGTON NATURAL GAS RESULTS  
 COMMISSION BASIS REPORTS INPUT  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	2000		2001		2002		2003		2004*		2005		2006*		2007		
		Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove Decoup. Amort.	Remove Gas Cost	
<b>REVENUES</b>																		
1	Total General Business	0	-60,123	-994	-111,895	-1,778	-115,499	-2,125	-101,771	0	-119,845	-2,978	-136,756	0	-156,970	-4,019	-88	-163,424
2	Total Transportation																	
3	Other Revenues																	
4	Total Gas Revenues	0	-60,365	-994	-112,139	-1,778	-115,643	-2,125	-101,771	0	-119,845	-2,978	-165,090	0	-156,970	-4,019	-88	-230,110
<b>EXPENSES</b>																		
<b>Production Expenses</b>																		
5	City Gate Purchases	-59,659		-106,139		-109,325		-96,222		-114,371		-167,251		-149,802				-222,364
6	Purchased Gas Expense	2,078		-756		-916		-901		0		0		0				0
7	Net Nat Gas Storage Trans			-38		-134		-128		0		8,407		0				-283
8	Total Production	0	-57,619	0	-107,029	0	-110,369	0	-97,123	0	-114,371	0	-158,844	0	-149,802	0	0	-222,647
<b>Underground Storage</b>																		
9	Operating Expenses																	
10	Depreciation/Amortization																	
11	Taxes																	
12	Total Underground Storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Distribution</b>																		
13	Operating Expenses																	
14	Depreciation/Amortization																	
15	Taxes	0	-2,304	-38	-4,287	-68	-4,425	-81	-3,899	0	-4,592	-114	-5,240	0	-6,014	-154	-3	-6,261
16	Total Distribution	0	-2,304	-38	-4,287	-68	-4,425	-81	-3,899	0	-4,592	-114	-5,240	0	-6,014	-154	-3	-6,261
<b>Customer Accounting</b>																		
17	Customer Accounting	0	-322	-5	-599	-10	-618	-11	-545	0	-642	-16	-732	0	-840	-22	0	-875
18	Customer Service & Information	0		-949		-1,696		-2,029		0		-2,842		0		-3,835		
19	Sales Expenses																	
<b>Administrative &amp; General</b>																		
20	Operating Expenses	0	-120	-2	-224	-4	-231	-4	-204	0	-240	-6	-274	0	-314	-8	0	-327
21	Depreciation/Amortization																	
22	Regulatory Amortizations																	
23	Taxes																	
24	Total Admin. & General	0	-120	-2	-224	-4	-231	-4	-204	0	-240	-6	-274	0	-314	-8	0	-327
25	Total Gas Expense	0	-60,365	-994	-112,139	-1,778	-115,643	-2,125	-101,771	0	-119,845	-2,978	-165,090	0	-156,970	-4,019	-88	-230,110
26	OPERATING INCOME BEFORE FIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FEDERAL INCOME TAX</b>																		
27	Current Accrual																	
28	Debt Interest																	
29	Deferred FIT																	
30	Amort ITC																	
31	NET OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note 1: Washington gas 12ME December 2013 conversion factor amounts.  
 \* In the 2004 and 2006 CBR's the DSM was removed in the revenue normalization adjustment.  
 \*\* 2013 Commission Basis Report included Eliminate Adder Schedule adjustment that removed the DSM Tariff Rider and the Decoupling Rebate revenues and expenses, also consolidated all PGA related gas costs into "City Gate Purchases"

Sales For Resale Revenue	242	244	144	-	28,334	36,725	66,686
Non PGA Gas Expense	163	232	261	285	369	653	792
check	163	232	261	285	369	653	792

Staff\_DR\_130-Attachment C - 12.2014.2016 Natural Gas Attrition.xlsx / Riders and Gas Cost Revenue

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
COMMISSION BASIS REPORTS INPUT  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2008		2009		2010		2011		2012		2013 **	
		Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost	Remove DSM	Remove Gas Cost
<b>REVENUES</b>													
1	Total General Business	0.954332											
2	Total Transportation												
3	Other Revenues												
4	Total Gas Revenues	-4,591	-153,018	-7,101	-83,992	-8,819	-115,193	-9,381	-518	-6,226	-191	-67,822	-80,476
<b>EXPENSES</b>													
Production Expenses													
5	City Gate Purchases		-310,276		-194,267		-197,494		-188,167		-139,073		-76,801
6	Purchased Gas Expense		9,886		-1		0		967		798		0
7	Net Nat Gas Storage Trans		-2		-10,720		3,322		4,366		-4,352		0
8	Total Production	0	-300,392	0	-204,988	0	-194,172	0	0	0	0	0	-76,801
Underground Storage													
9	Operating Expenses												
10	Depreciation/Amortization												
11	Taxes												
12	Total Underground Storage	0	0	0	0	0	0	0	0	0	0	0	0
Distribution													
13	Operating Expenses												
14	Depreciation/Amortization												
15	Taxes	-176	-5,917	-272	-4,858	-338	-3,171	-359	-20	-239	-7	-3,003	-3,083
16	Total Distribution	-176	-5,917	-272	-4,858	-338	-3,171	-359	-20	-239	-7	-3,003	-3,083
Customer Accounting													
17	Customer Service & Information	-25	-827	-38	-679	-47	-443	-50	-3	-33	-1	-420	-431
18	Sales Expenses	-4,381		-6,777		-8,416		-8,953		-5,942			
Administrative & General													
20	Operating Expenses	-9	-1	-14	-1	-18	-1	-19	-1	-12	0	-157	-161
21	Depreciation/Amortization		-432		-710		-494		-494		-183		
22	Regulatory Amortizations												
23	Taxes												
24	Total Admin. & General	-9	-433	-14	-711	-18	-495	-19	-495	-12	-183	-157	-161
25	Total Gas Expense	-4,591	-307,445	-7,101	-210,779	-8,819	-197,952	-9,381	-518	-6,226	-191	-146,207	-80,476
26	OPERATING INCOME BEFORE FIT	0	0	0	0	0	0	0	0	0	0	0	0
FEDERAL INCOME TAX													
27	Current Accrual												
28	Debt Interest												
29	Deferred FIT												
30	Amort ITC												
31	NET OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0	0

Note 1: Washington gas 12ME December 2013 conversion  
\* In the 2004 and 2006 CBR's the DSM was removed in th  
\*\* 2013 Commission Basis Report included Eliminate Ac

Sales For Resale Revenue 153,018 83,992 115,193 98,794 67,822  
Non PGA Gas Expense 783 802 800 981 928 891  
check 783 802 800 981 928 891

AVISTA UTILITIES  
WASHINGTON NATURAL GAS RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 2000 - 2014  
(000'S OF DOLLARS)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration and General as filed															
21 Depreciation/Amortization	1,027	1,187	1,460	1,522	1,349	1,343	1,282	683	1,561	2,439	2,628	2,734	3,276	3,868	4,389
22 Regulatory Amortizations												(186)	171	91	(91)
Depreciation Expense - General Plant	565	632	811	907	769	773	903	1,014	1,151	1,220	1,478	1,642	1,954	2,393	2,586
Amortization Expense - Intangible Plant	361	272	357	354	242	423	379	483	651	778	933	1,080	1,318	1,471	1,799
Amortization Expense - Leasehold Improvements	101	116	107	102	169	147	1	1	1	1	2	2	4	4	4
Total Plant Related Depreciation/Amortization	1,027	1,020	1,275	1,363	1,180	1,343	1,282	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389
Hamilton Street Bridge Amortization		167	185	159	169	-	-	-	(242)	440	216	(186)	171	91	(91)
WA GRG JP O&M Deferral								(900)	(674)	(270)	(278)	(231)	(13)	91	(91)
WA Decoupling Deferral								85	432	710	494	484	184	0	0
WA Decoupling Amortization															
Revenue															
Total Regulatory Amortizations		167	185	159	169	-	-	(815)	(242)	440	216	(186)	171	91	(91)
Check Total	1,027	1,187	1,460	1,522	1,349	1,343	1,282	683	1,561	2,439	2,628	2,548	3,447	3,959	4,298
Regulatory Deferrals & Amorts Excluding Revenue		167	185	159	169	-	-	(900)	(674)	(270)	(278)	(680)	(13)	91	(91)
RATE BASE															
PLANT IN SERVICE															
32 Underground Storage	\$ 13,695	\$ 13,533	\$ 13,439	\$ 13,712	\$ 13,632	\$ 13,708	\$ 13,854	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008	\$ 24,365	\$ 24,711	\$ 25,325
33 Distribution Plant	172,997	182,083	188,021	194,231	201,198	209,825	220,332	230,137	241,177	254,579	268,306	281,279	296,152	313,469	337,894
34 General Plant	14,347	15,060	15,368	16,112	16,499	17,878	20,791	21,708	24,256	27,247	33,401	38,971	44,809	52,223	59,169
35 Total Plant in Service	201,039	210,676	216,828	224,055	231,329	241,411	254,977	265,603	280,693	304,124	321,754	342,258	365,326	390,403	422,298
ACCUMULATED DEPRECIATION/AMORT															
36 Underground Storage	6,192	6,220	6,115	6,495	6,659	6,924	7,249	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521
37 Distribution Plant	47,423	51,645	55,845	60,239	64,817	69,428	74,019	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795
38 General Plant	5,661	5,695	6,442	7,446	8,984	7,208	7,136	8,309	8,309	8,832	10,722	10,926	12,186	14,724	17,429
39 Total Accumulated Depreciation/Amortization	59,276	63,560	68,402	74,180	78,460	83,560	88,398	92,560	97,295	100,710	108,254	116,701	123,541	132,574	141,745
40 NET PLANT	141,763	147,116	148,426	149,875	152,869	157,851	166,679	173,043	183,398	203,414	213,500	225,557	241,785	257,929	280,553
41 DEFERRED TAXES	(13,156)	(14,512)	(15,831)	(22,488)	(26,715)	(25,705)	(24,592)	(26,754)	(28,892)	(30,967)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)
42 Net Plant After DFIT	128,627	132,804	132,595	127,437	126,154	134,146	141,887	146,289	154,506	172,447	176,738	183,553	195,287	207,759	225,901
43 GAS INVENTORY	2,810	3,190	4,191	4,568	4,807	6,936	7,628	5,607	15,327	8,440	10,226	13,753	13,107	11,702	14,762
44 GAIN ON SALE OF BUILDING	(517)	(470)	(424)	(378)	(243)	(286)	(153)	(197)	(152)	(109)	(44)	(14)	(816)	(332)	(479)
45 OTHER															
46 WORKING CAPITAL															
TOTAL RATE BASE	\$ 130,920	\$ 135,524	\$ 136,362	\$ 131,627	\$ 130,718	\$ 140,796	\$ 149,362	\$ 151,699	\$ 169,681	\$ 180,778	\$ 186,920	\$ 196,280	\$ 207,578	\$ 224,824	\$ 250,257
Deferred Debits and Credits															
ADFIT on Gain on Sale of Office Bldg	181	164	148	132	85	100	53	69	53	38	-	-	-	-	-
DSM Investment	3,576	3,142	2,709	2,275	1,120	1,457	1,120	784	448	-	(31)	(22)	(18)	(12)	(12)
Customer Advances	(15)	(2)	(2)	(14)	(1)	(28)	(75)	(64)	(49)	(1,359)	(1,132)	(990)	(798)	(320)	(467)
Customer Deposits															
Total	3,742	3,304	2,855	2,393	1,204	1,529	1,098	789	452	(1,359)	(1,163)	(1,012)	(816)	(332)	(479)
Distribution Plant	3,561	3,140	2,707	2,261	1,119	1,429	1,045	720	399	(1,387)	(1,163)	-	-	-	-
ADFIT	181	164	148	132	85	100	53	69	53	38	-	-	-	-	-
Other															