

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/18/2015
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 Revised	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 Revised – 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 Revised – 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
- Staff\_DR\_130 Revised - Attachment F – Revised 12.2014 WA Electric CBR

**REVISED 06/18/2015**

Revisions include corrections to Electric Attrition Study to reflect input errors as described in Staff\_DR\_130 Revised-Attachment A. Impact of corrections reduces electric revenue requirement approximately \$0.9 million.

**Electric Attrition Study Based on 12.2014 CBR Results**

<b>2015 Attrition (000s)</b>
\$ 33,229
\$ (23,192)
\$ 10,037

As Revised using 12.2014 CBR: (See Below)

REVISED 06/18/2015

**Electric Attrition Study**

As Filed:

Net Reduction

**Attachment: Staff DR 130-Attachment B (Electric Attrition Study-using 12.2014 CBR)**

**Changes compared to Electric Attrition Study as filed:**

- (1) Updated to include 12.2014 Commission Basis Results per 12.2014 CBR filed with WA Commission on April 28, 2015. (See Column [A], pages 4-5 of Staff\_DR\_130-Attachment B. See also Staff\_DR\_130-Attachment D for electronic and .pdf Commission Basis worksheets.)
- (2) Excluded 12.2014 Normalized Power Supply - (See Column [B], pages 4-5 of Staff\_DR\_130-Attachment B. See also Staff\_DR\_130-Attachment E for related worksheets.)
- (3) Consistent with the Company's direct filing (See Column [C], pages 4-5 of Staff\_DR\_130-Attachment B.), restates Deferred Debits and Credit balances at 12.2014 (AMA) to 2016 (AMA) balances, as well as reduces Regulatory Amortization expense for amounts expired in 2016. This adjustment also includes the 2016 regulatory amortization of Lake Spokane as approved in Docket UE-140188, and the requested Meter Retirement Regulatory asset balance and 10-year amortization expense. No escalation of Deferred Debits and Credits balances or regulatory amortization expense occurs, appropriate to adjust to expected balance during 2016 rate period. See also Staff\_DR\_130-Attachment E for related worksheets.)
- (4) Updated Incremental Revenue Normalization Adjustment - (See Column [D], pages 4-5 of Staff\_DR\_130-Attachment B. See also Staff\_DR\_130-Attachment E for related worksheets.) This adjustment adjusts the Commission Basis normalized revenue to the 2014 base rate revenue produced by the billing determinants utilized in the Company's filing. Revenue growth is adjusted to 2016 using the billing determinant index, not trend analysis, therefore utilizing the fully analyzed twelve months ended September 2014 pro forma revenues here allows the rate design and pro forma power supply basis to remain as filed. In addition, by doing this column [J] Revenue Growth is essentially the same as the initial filing.
- (5) Includes Multiparty Settlement Agreement adjustments as filed on May 1, 2015. Revisions include:
  - A) Agreed-upon Capital Structure: 48.5% Equity, 9.5% ROE, 5.2% Cost of Debt; ROR 7.29%. This change resulted in an approximate electric revenue requirement reduction of \$3.8 million. See page 2 of Staff\_DR\_130-Attachment B.

<p>B) Changes to Power Supply include: i) Correction for AURORA<sub>XMP</sub> Coding Error (-\$6.9 million WA expense); ii) Chelan PUD Contract update (-\$3.6 million WA expense) - (see also Staff_DR_059); iii) Removal of hydro station services expense (-\$28,000 WA expense); iv) Other agreed-to base power supply reduction (-\$1.5 million WA expense); and v) Removal of Colstrip and CS2 Thermal O&amp;M from base power supply expenses (-\$3.6 million WA expense - per the Multiparty Settlement Agreement, the revenue requirement related to these costs will be addressed during the remainder of the case. See item (7) below.) The <u>overall reduction</u> to net Power Supply related expenses is approximately <b>\$16.4 million</b> revenue requirement.</p>
<p>(6) Updated 12.2014 Pro Formed Net Energy Cost Column [I] with changes noted in (5B) above. Other differences to net power supply expense relate to updating the Company's Production/Transmission (P/T) Ratio factor at 12.2014, see note (e) below. (See column [I] pages 4-5 of Staff_DR_130-Attachment B. See also Staff_DR_130-Attachment E for related workpapers.)</p>
<p>(7) Added Column [AA] "After Attrition Adjustment CS2/Colstrip Incremental O&amp;M Exp" to address the incremental CS2/Colstrip operating and maintenance (O&amp;M) expense planned in 2016 for major maintenance projects at these plants. As noted in item (5B) above, the Parties in the Multiparty Settlement Agreement removed the CS2/Colstrip O&amp;M maintenance from the power supply base (as proposed by the Company), stating "the revenue requirement related to these costs will be addressed during the remainder of the case." The company has included this adjustment, in the amount of \$2.883 million, which represents the incremental amount above the CS2/Colstrip O&amp;M maintenance included in column [G] Non-Energy Cost Escalation Amount. This <b>increases</b> the overall revenue requirement by <b>\$3.02 million</b>. (Note, with the removal of the CS2/Colstrip O&amp;M from base power supply expense in (5B), and addition of the incremental amount in column [AA], there is no net increase in these costs from the Company's direct filed case.)</p>
<p>(8) Notes: Additional updates or comments</p>
<p>(a) No adjustment revising CBR 12.2014 AMA Plant balances to End of Period (EOP) Plant Balance is included in this updated analysis. This varies from the direct filed Attrition Studies (which included an 12.2014 Ending Balance Plant Adjustment column [C]). In the direct filed case, the Company revised its 09.2014 AMA plant balances to 12.2014 EOP, and then escalated these balances 1.5-years, reflecting an AMA 2016 balance. The Company has removed this adjustment and escalates its 12.2014 AMA restated attrition results by two-years, reflecting an AMA 2016 balance. Adjusted operating expenses and other revenue are also only adjusted by a two-year escalation factor to reflect 2016 amounts.</p>
<p>(b) Added 12.2014 CB results column to trended CBR results, see pages 6-8 of Staff_DR_130-Attachment B.</p>
<p>(c) Revised cost and revenue trend calculations to include 12.2014 results, see page 9 of Staff_DR_130-Attachment B.</p>
<p>(d) Updated escalation factors to include 2014 time period (i.e. 2007-2014), consistent with filed case. See page 9 of Staff_DR_130-Attachment B. The net decrease in revenue requirement noted above (offset by the updates and changes noted above) is partially due to the change in escalation factors utilizing 2007-2014, rather than 2007-2013 for escalation factors "Adjusted Taxes Other than income" and "Adjusted Other Revenue," see page 9 of Staff_DR_130-Attachment B.</p>

<p>(e) Updated Depreciation Expense and Net Plant After DFIT amounts shown on page 10 of Staff_DR_130-Attachment B to reflect actual balances at 12.2014 AMA and revised 2016 AMA balances. The 12.2014 and 2016 AMA depreciation and Net Plant after DFIT balances were reduced from that shown in the Company's direct filed case, reflecting actuals for calendar year 2014. The reduction to Net Plant after DFIT was mainly due to a \$50 million (system) reduction recorded to reflect a "Repairs Adjustment" allowed for tax purposes, and other true-up adjustments. These changes reduced the Company's revenue requirement by approximately \$4.1 million. See CBR workpapers provide with Staff_DR_130-Attachment D</p>
<p>(f) Annually the Company updates its allocation factors. Use of 12.2014 CBR, results in use of updated allocation factors, including State (WA/ID) and Production/Transmission (P/T) Ratios for the entire calendar year 2014. The reduction in revenue requirement noted above is partially due to the change in the P/T Ratio. See CBR workpapers provided with Staff_DR_130-Attachment D.</p>
<p>(g) Use of 12.2014 CBR, results in use of updated conversion factor, mainly due to updating uncollectible percentage. See page 3 of Staff_DR_130-Attachment B.</p>
<p>(9) REVISED 06/18/2015</p>
<p>(a) During the process of responding to Staff_DR_160, the Company determined an input error related to Deferred Income taxes within the Company's Commission Basis Report Adjustment "Eliminate WA Power Cost Defer." A correction for this is included on page 5, line 28, Column [A] "12.2014 Commission Basis Report Restated Totals," as well as page 6, line 28, 2014 column, of Staff_DR_130 Revised-Attachment B. The impact of this correction reduces the Company's revenue requirement by approximately \$0.9 million.</p>
<p>(b) During the process of responding to Staff_DR_158, the Company determined an input error related to 2009 Purchased Power expense within the 2009 Commission Basis Report column. A correction for the actual amount can be seen on page 6, line 8, and page 8, line 2, column 2009 of Staff_DR_130-Revised-Attachment B. As the Company includes Pro Forma Power Supply within its Electric Attrition Study, this correction of a historical amount has no impact on the requested revenue requirement.</p>
<p>(c) During the process of responding to Staff_DR_160, the Company determined an input error related to 2014 Production/Transmission O&amp;M expense within the 2014 Commission Basis column shown on pages 6 and 8 of Staff_DR_130-Attachment B. A correction for the actual amount can be seen on page 6, line 7, and page 8, line 1, column 2014 of Staff_DR_130-Revised-Attachment B. As the Company includes an "Adopted Operating Expense" compound growth rate of 3% for O&amp;M costs within its Electric Attrition Study, this correction of 2014 data has no impact on the requested revenue requirement.</p>

**Natural Gas Attrition Study Based on 12.2014 CBR Results**

	2015 Attrition (000s)
\$	12,021
\$	(2,308)
\$	9,713

**Natural Gas Attrition Study**

As Filed:

Net Reduction

As Revised using 12.2014 CBR: (See Below)

**Attachment: Staff\_DR\_130-Attachment C (Natural Gas Attrition Study-using 12.2014 CBR)**

**Changes compared to Natural Gas Attrition Study as filed:**

- (1) Updated to include 12.2014 Commission Basis Results per 12.2014 CBR filed with WA Commission on April 28, 2015. (See Column [A], pages 4-5 of Staff\_DR\_130-Attachment C. See also Staff\_DR\_130-Attachment D for electronic and .pdf Commission Basis workpapers.)
- (2) Consistent with the Company's direct filing (See Column [B], pages 4-5 of Staff\_DR\_130-Attachment C), reduces Regulatory Amortization expense for amounts expired in 2016. No escalation of regulatory amortization expense occurs, appropriate to remove these expenses to reflect appropriate 2016 rate period expense. See also Staff\_DR\_130-Attachment E for related workpapers.)
- (3) Included 12.2014 Incremental Revenue Normalization Adjustment - (See Column [C], pages 4-5 of Staff\_DR\_130-Attachment C. See also Staff\_DR\_130-Attachment E for related workpapers) This adjustment adjusts the Commission Basis normalized revenue and gas costs to the 2014 base rate revenue and pro forma gas costs produced by the billing determinants utilized in the Company's filing. Revenue growth is adjusted to 2016 using the billing determinant index, not trend analysis, therefore utilizing the fully analyzed twelve months ended September 2014 pro forma revenues and gas costs allows the rate design basis to remain as filed. In addition, by doing this, column [J] Revenue Growth is essentially the same as the initial filing.
- (4) Includes Multiparty Settlement Agreement capital structure as filed on May 1, 2015: 48.5% Equity, 9.5% ROE, 5.2% Cost of Debt; ROR 7.29%. This change resulted in an approximate revenue requirement reduction of \$.8 million. See page 2 of Staff\_DR\_130-Attachment C.
- (5) Differences included in columns [D] Exclude Normalized Gas Costs and Revenue and [I] Pro Formed Gas Cost/Revenue relate to updated conversion factor, see note (6g) below. See pages 4-5 of Staff\_DR\_130-Attachment C.

<p><b>(6)</b> Notes: Additional updates or comments</p>	<p><b>(a)</b> No adjustment revising CBR 12.2014 AMA Plant balances to End of Period (EOP) Plant Balance is included in this updated analysis. This varies from the direct filed Attrition Studies (which included an 12.2014 Ending Balance Plant Adjustment column [C]). In the direct filed case, the Company revised its 09.2014 AMA plant balances to 12.2014 EOP, and then escalated these balances 1.5-years, reflecting an AMA 2016 balance. The Company has removed this adjustment and escalates its 12.2014 AMA restated attrition results by two-years, reflecting an AMA 2016 balance. Adjusted operating expenses and other revenue are also only adjusted by a two-year escalation factor to reflect 2016 amounts.</p>
<p><b>(b)</b> Added 12.2014 CB results column to trended CBR results, see pages 6-8 of Staff_DR_130-Attachment C.</p>	<p><b>(c)</b> Revised cost and revenue trend calculations to include 12.2014 results, see page 9 of Staff_DR_130-Attachment C.</p>
<p><b>(d)</b> Updated escalation factors to include 2014 time period (i.e. 2007-2014), consistent with filed case. See page 9 of Staff_DR_130-Attachment C. The net decrease in revenue requirement noted above (offset by the updates and changes noted above) is partially due to the change in escalation factors utilizing 2007-2014, rather than 2007-2013 for escalation factor "Adjusted Taxes Other than income" see page 9 of Staff_DR_130-Attachment C.</p>	<p><b>(e)</b> Updated Depreciation Expense and Net Plant After DFIT amounts shown on page 10 of Staff_DR_130-Attachment C to reflect actual balances at 12.2014 AMA and revised 2016 AMA balances. The 12.2014 and 2016 AMA depreciation and Net Plant after DFIT balances were reduced from that shown in the Company's direct filed case, reflecting actuals for calendar year 2014. The reduction to Net Plant after DFIT was mainly due to a \$50 million (system) reduction recorded to reflect a "Repairs Adjustment" allowed for tax purposes, and other true-up adjustments. These changes reduced the Company's revenue requirement by approximately \$0.5 million. See CBR workpapers provided with Staff_DR_130-Attachment D</p>
<p><b>(f)</b> Annually the Company updates its allocation factors. Use of 12.2014 CBR, results in use of updated allocation factors, including State (WA/ID) Ratios for the entire calendar year 2014. The reduction in revenue requirement noted above is partially due to the change in these ratios. See CBR workpapers provided with Staff_DR_130-Attachment D.</p>	<p><b>(g)</b> Use of 12.2014 CBR, results in use of updated conversion factor, mainly due to updating uncollectible percentage. See page 3 of Staff_DR_130-Attachment C.</p>

**AVISTA UTILITIES**  
**2016 ELECTRIC ATTRITION STUDY**  
**Calculation of General Revenue Requirement**  
**Washington - Electric 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 & 2016 Revenue Requirement
1	Attrition Rate Base	\$1,437,958	1.013115	\$1,419,343
2	Proposed Rate of Return			7.29%
3	Net Operating Income Requirement			\$103,470
4	Attrition Net Operating Income	\$98,521	1.013115	\$97,245
5	Net Operating Income Deficiency			\$6,225
6	Conversion Factor			0.62018
7	Attrition Revenue Requirement			<b>\$10,037</b> REVISED 6/18/2015
8	Total General Business Revenues			\$499,982
9	Percentage Revenue Increase			<u>2.007%</u>

**AVISTA UTILITIES**  
**Multiparty Settlement - Cost of Capital**  
**Washington - Electric System**  
**Twelve Months Ended December 31, 2014**

<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>



**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Washington - Electric System**  
**Twelve Months Ended December 31, 2014**

<b>Line No.</b>	<b>Description</b>	<b>Factor</b>
1	<b>Revenues</b>	<i>1.000000</i>
	<b>Expense:</b>	
2	Uncollectibles	0.005353
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038527
5	Total Expense	<u><i>0.045880</i></u>
6	Net Operating Income Before FIT	<i>0.954120</i>
7	Federal Income Tax @ 35%	<u><i>0.333942</i></u>
8	<b>REVENUE CONVERSION FACTOR</b>	<u><u><i>0.620180</i></u></u>

**AVISTA'S 2016 ELECTRIC ATTRITION REVENUE REQUIREMENT**

CBR Line Number	DESCRIPTION	Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost				Other Cost & Revenue Adjs.			2016 Revenue and Cost [H]+[I]+[J]+[AA]-[K]
		12.2014 Commission Basis Restated Totals [A]	(less) 12.2014 Normalized Net Power Supply [B]	Deferred Debit/Credit & Reg. Amorts Adjs* [C]	Pro Forma Revenue Normalization Adjustment [D]	December 2014 Escalation Base [E]	Escalation Factor [F]	Non-Energy Cost Escalation Amount [E]+[F]+[G]	Trended 2016 Non-Energy Cost [E]+[G]+[H]	(plus) 12.2014 Pro-Formed Net Energy Cost [I]	Revenue Growth [J]	After Attrition Adj - CS2/Colstrip Incremental O&M Exp [AA]	
Twelve Months Ended December 31, 2013													
<b>REVENUES</b>													
1	Total General Business	\$ 488,372	\$ -	\$ -	\$ 10,688	\$ 499,060	1.31%	\$ -	\$ 499,060	\$ -	\$ 6,545	\$ -	\$ 505,605
2	Interdepartmental Sales	\$ 922	\$ -	\$ -	\$ -	\$ 922	1.31%	\$ -	\$ 922	\$ -	\$ 12	\$ -	\$ 934
3	Sales for Resale	\$ 60,998	\$ (60,998)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 53,757	\$ (2,595)	\$ -	\$ 51,162
4	Subtotal: Sales of Electricity	\$ 550,292	\$ (60,998)	\$ -	\$ 10,688	\$ 499,982		\$ -	\$ 499,982	\$ 53,757	\$ 3,962	\$ -	\$ 557,701
5	Other Revenue	\$ 17,163	\$ (13,684)	\$ -	\$ -	\$ 3,479	3.60%	\$ -	\$ 3,479	\$ 10,529	\$ 125	\$ -	\$ 14,133
6	Total Electric Revenue	\$ 567,455	\$ (74,682)	\$ -	\$ 10,688	\$ 503,461		\$ -	\$ 503,461	\$ 64,286	\$ 4,088	\$ -	\$ 571,835
<b>EXPENSES</b>													
<b>Production and Transmission</b>													
7	Operating Expenses	\$ 120,307	\$ (69,476)	\$ -	\$ -	\$ 50,831	6.09%	\$ 3,096	\$ 53,927	\$ 89,306	\$ -	\$ 2,883	\$ 146,116
8	Purchased Power	\$ 116,643	\$ (116,641)	\$ -	\$ -	\$ 2		\$ -	\$ 2	\$ 75,611	\$ 1,907	\$ -	\$ 77,520
9	Depreciation/Amortization	\$ 23,715	\$ -	\$ -	\$ -	\$ 23,715	22.20%	\$ 5,265	\$ 28,980	\$ -	\$ -	\$ -	\$ 28,980
10	Regulatory Amortization	\$ 8,101	\$ -	\$ (1,382)	\$ -	\$ 6,719	0.00%	\$ -	\$ 6,719	\$ -	\$ -	\$ -	\$ 6,719
11	Taxes	\$ 12,828	\$ -	\$ -	\$ -	\$ 12,828	13.81%	\$ 1,771	\$ 14,599	\$ -	\$ -	\$ -	\$ 14,599
12	Subtotal: Production and Transmission	\$ 281,594	\$ (186,117)	\$ (1,382)	\$ -	\$ 94,095		\$ 10,132	\$ 104,227	\$ 164,917	\$ 1,907	\$ 2,883	\$ 273,934
<b>Distribution</b>													
13	Operating Expenses	\$ 21,299	\$ -	\$ -	\$ -	\$ 21,299	6.09%	\$ 1,297	\$ 22,596	\$ -	\$ -	\$ -	\$ 22,596
14	Depreciation/Amortization	\$ 23,794	\$ -	\$ -	\$ -	\$ 23,794	22.20%	\$ 5,283	\$ 29,077	\$ -	\$ -	\$ -	\$ 29,077
15	Taxes	\$ 25,575	\$ -	\$ -	\$ 412	\$ 25,987	13.81%	\$ 3,588	\$ 29,575	\$ -	\$ 252	\$ -	\$ 29,827
16	Subtotal: Distribution	\$ 70,668	\$ -	\$ -	\$ 412	\$ 71,080		\$ 10,167	\$ 81,247	\$ -	\$ 252	\$ -	\$ 81,500
<b>Customer Accounting</b>													
17	Customer Accounting	\$ 11,166	\$ -	\$ -	\$ 57	\$ 11,223	6.09%	\$ 683	\$ 11,906	\$ -	\$ 35	\$ -	\$ 11,942
18	Customer Service & Information	\$ 1,383	\$ -	\$ -	\$ -	\$ 1,383	6.09%	\$ 84	\$ 1,467	\$ -	\$ -	\$ -	\$ 1,467
19	Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	6.09%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Administrative &amp; General</b>													
20	Operating Expenses	\$ 46,210	\$ -	\$ -	\$ 21	\$ 46,231	6.09%	\$ 2,815	\$ 49,046	\$ -	\$ 13	\$ -	\$ 49,060
21	Depreciation/Amortization	\$ 16,947	\$ -	\$ -	\$ -	\$ 16,947	22.20%	\$ 3,762	\$ 20,709	\$ -	\$ -	\$ -	\$ 20,709
22	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	13.81%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Subtotal: Administrative and General	\$ 63,157	\$ -	\$ -	\$ 21	\$ 63,178		\$ 6,578	\$ 69,756	\$ -	\$ 13	\$ -	\$ 69,769
24	Total Electric Expenses	\$ 427,968	\$ (186,117)	\$ (1,382)	\$ 490	\$ 240,959		\$ 27,645	\$ 268,604	\$ 164,917	\$ 2,207	\$ 2,883	\$ 438,611
25	OPERATING INCOME BEFORE FIT	\$ 139,487	\$ 111,435	\$ 1,382	\$ 10,198	\$ 262,502		\$ (27,645)	\$ 234,857	\$ (100,631)	\$ 1,881	\$ (2,883)	\$ 133,224

AVISTA'S 2016 ELECTRIC ATTRITION REVENUE REQUIREMENT

CBL Line Number	Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost				Other Cost & Revenue Adjust.				2016 Revenue and Cost [H]+[I]+[J]-[K]	
	12.2014 Commission Basis Report Restated Totals [A]	(less) 12.2014 Normalized Net Power Supply [B]	Deferred Debit/Credit & Reg. Amorts Adis* [C]	Pro Forma Revenue Normalization Adjustment [D]	December 2014 Escalation Base [E]	Escalation Factor [F]	Non-Energy Cost Escalation Amount [E]*[F]=[G]	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Net Energy Cost [I]	Revenue Growth [J]	Adj - CS2/Colstrip Incremental O&M Exp [AA]	After Attrition		
26	Federal Income Tax													
27	Current Accrual	\$ (7,683)	\$ 39,002	\$ 484	\$ 3,569	\$ 35,372	\$ (9,676)	\$ 25,696	\$ (1,009)	\$ 658	\$ (1,009)	\$ (9,875)		
28	Debt Interest	\$ (136)	\$ -	\$ (132)	\$ -	\$ (268)	\$ (1,111)	\$ (1,379)				\$ (1,379)		
29	Deferred Income Taxes	\$ 46,085	\$ -	\$ -	\$ -	\$ 46,085	\$ -	\$ 46,085				\$ 46,085		
30	Amortized ITC - Noxon	\$ (128)	\$ -	\$ -	\$ -	\$ (128)	\$ -	\$ (128)				\$ (128)		
31	NET OPERATING INCOME	\$ 101,349	\$ 72,433	\$ 1,030	\$ 6,629	\$ 181,441	\$ (16,859)	\$ 164,583	\$ (1,874)	\$ 1,222	\$ (1,874)	\$ 98,521		
RATE BASE													(A) DFTT Correction	
32	Plant in Service	\$ 102,620	\$ -	\$ -	\$ -	\$ 102,620	\$ 12,763	\$ 115,383				\$ 115,383		
33	Intangible	\$ 746,101	\$ -	\$ -	\$ -	\$ 746,101	\$ 92,795	\$ 838,896				\$ 838,896		
34	Production	\$ 371,971	\$ -	\$ -	\$ -	\$ 371,971	\$ 46,263	\$ 418,234				\$ 418,234		
35	Transmission	\$ 842,795	\$ -	\$ -	\$ -	\$ 842,795	\$ 104,821	\$ 947,616				\$ 947,616		
36	Distribution	\$ 196,867	\$ -	\$ -	\$ -	\$ 196,867	\$ 24,485	\$ 221,352				\$ 221,352		
37	General	\$ 2,260,354	\$ -	\$ -	\$ -	\$ 2,260,354	\$ 281,126	\$ 2,541,480				\$ 2,541,480		
38	Subtotal: Plant in Service	\$ (20,242)	\$ -	\$ -	\$ -	\$ (20,242)	\$ (2,518)	\$ (22,760)				\$ (22,760)		
39	Accumulated Depreciation and Amortization	\$ (325,531)	\$ -	\$ -	\$ -	\$ (325,531)	\$ (40,487)	\$ (366,018)				\$ (366,018)		
40	Intangible	\$ (123,869)	\$ -	\$ -	\$ -	\$ (123,869)	\$ (15,406)	\$ (139,275)				\$ (139,275)		
41	Production	\$ (252,722)	\$ -	\$ -	\$ -	\$ (252,722)	\$ (31,432)	\$ (284,154)				\$ (284,154)		
42	Distribution	\$ (65,720)	\$ -	\$ -	\$ -	\$ (65,720)	\$ (8,174)	\$ (73,894)				\$ (73,894)		
43	General	\$ (788,084)	\$ -	\$ -	\$ -	\$ (788,084)	\$ (98,016)	\$ (886,100)				\$ (886,100)		
44	Subtotal: Accumulated Depreciation and Amortization	\$ 1,472,270	\$ -	\$ -	\$ -	\$ 1,472,270	\$ 183,110	\$ 1,655,380				\$ 1,655,380		
45	Net Plant	\$ (257,766)	\$ -	\$ -	\$ -	\$ (257,766)	\$ (32,059)	\$ (289,825)				\$ (289,825)		
46	Deferred Taxes	\$ 1,214,504	\$ -	\$ -	\$ -	\$ 1,214,504	\$ 151,051	\$ 1,365,555				\$ 1,365,555		
47	Net Plant After Deferred taxes	10,846	\$ 13,750	\$ -	\$ -	\$ 24,596	\$ -	\$ 24,596				\$ 24,596		
48	Deferred Debits and Credits	47,807	\$ -	\$ -	\$ -	\$ 47,807	\$ -	\$ 47,807				\$ 47,807		
49	Working Capital	\$ 1,273,157	\$ -	\$ 13,750	\$ -	\$ 1,286,907	\$ 151,051	\$ 1,437,958				\$ 1,437,958		
50	TOTAL RATE BASE												6.85%	
RATE OF RETURN														
50	ATTRITION ADJUSTED REVENUE REQUIREMENT												7.29%	
51	Proposed Rate of Return												7.29%	
52	Return on Plant in Service at Proposed Rate	\$ 92,813	\$ -	\$ -	\$ -	\$ 92,813	\$ -	\$ 92,813				\$ 92,813		
53	Operating Income Deficiency	\$ (8,536)	\$ -	\$ -	\$ -	\$ (8,536)	\$ -	\$ (8,536)				\$ (8,536)		
54	Revenue Conversion Factor	0.62018	\$ -	\$ -	\$ -	0.62018	\$ -	0.62018				0.62018		
55	Revenue Requirement	\$ (13,764)	\$ -	\$ -	\$ -	\$ (13,764)	\$ -	\$ (13,764)				\$ (13,764)		
56	Revenue Growth Factor												1.013115	
56	Attrition Adjusted Revenue Requirement												10,037	

\*Note: Combined Regulatory Deferred Debits and Credits and Regulatory Amortization adjustments in Column [C] as these amounts adjust 09.2014 Commission Basis to the 2016 rate year. These amounts are not escalated as shown in column [F]. See Andrews Workpapers for details.

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2001-2013**

**Commission Basis Results of Operations**

AVISTA UTILITIES  
Twelve Months Ended December 31, 2013

Line No.	(000'S OF DOLLARS)	ADDED													
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>															
1	Total General Business	\$258,201	\$273,318	\$283,356	\$285,399	\$289,216	\$321,929	\$326,335	\$365,425	\$402,618	\$415,740	\$451,837	\$459,266	\$468,006	\$488,372
2	Interdepartmental Sales	528	791	752	752	713	733	739	820	872	790	820	816	884	922
3	Sales for Resale	91,388	29,918	35,252	40,460	44,718	35,380	34,954	46,848	31,491	133,479	52,604	54,549	75,349	60,998
4	Total Sales of Electricity	350,117	304,027	319,360	326,611	334,647	358,042	362,028	413,093	434,981	550,009	505,261	514,631	544,239	550,292
5	Other Revenue	14,305	34,274	57,244	8,587	10,259	10,178	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163
6	Total Electric Revenue	364,422	338,301	376,604	335,198	344,906	368,220	372,198	424,020	444,376	561,795	518,927	527,720	557,647	567,555
<b>EXPENSES</b>															
<b>Production and Transmission</b>															
7	Operating Expenses	47,157	101,475	132,098	101,545	105,374	104,260	102,890	117,123	87,599	147,107	145,634	131,795	143,904	120,307
8	Purchased Power	132,159	50,769	46,591	51,042	55,046	79,146	65,640	72,508	100,437	142,197	91,142	101,283	109,034	116,643
9	Depreciation/Amortization	15,202	20,157	20,523	22,312	22,629	24,577	23,076	23,969	25,008	23,158	23,680	23,284	23,715	23,715
10	Regulatory Amortization	(6,050)	(6,349)	(5,608)	567	(8,817)	1,168	(3,082)	(1,076)	(1,703)	(2,879)	403	(7,744)	8,629	8,101
11	Taxes	5,139	7,164	6,722	7,283	9,900	9,115	8,319	8,146	9,014	9,955	10,846	11,456	12,913	12,828
12	Total Production & Transmission	193,607	173,216	200,326	182,749	184,132	218,266	198,644	219,777	219,316	321,388	273,183	262,470	297,764	281,394
<b>Distribution</b>															
13	Operating Expenses	10,560	9,631	10,171	12,016	14,263	15,485	14,563	17,329	17,267	18,354	19,081	21,152	20,878	21,299
14	Depreciation/Amortization	9,178	9,427	9,752	10,067	10,399	10,776	11,333	15,611	16,809	17,985	19,240	20,749	22,303	23,794
15	Taxes	15,462	16,996	17,286	17,401	14,988	16,307	16,156	17,416	18,207	19,990	22,393	22,595	23,288	25,575
16	Total Distribution	35,200	36,054	37,209	39,484	39,650	42,568	42,052	50,356	52,283	56,329	60,714	64,496	66,469	70,668
17	Customer Accounting	6,196	7,113	7,129	7,352	7,156	7,097	7,514	7,919	9,646	9,261	10,275	10,336	11,334	11,166
18	Customer Service & Information	5,381	6,261	6,620	266	7,127	1,159	7,472	12,847	19,736	20,832	21,292	18,487	1,516	1,383
19	Sales Expenses	734	628	734	686	430	657	682	571	660	176	4	5	5	0
<b>Administrative &amp; General</b>															
20	Operating Expenses	25,102	30,304	30,153	31,927	33,143	33,148	35,844	35,982	38,461	44,662	44,779	49,333	43,310	46,210
21	Depreciation/Amortization	4,414	6,606	6,659	6,072	6,537	6,459	6,739	7,187	7,688	9,277	10,906	12,517	14,721	16,947
22	Taxes	2	1	2	3	(4)	0	(9)	(3)	(3)	2	0	(4)	0	
23	Total Admin. & General	29,518	36,911	36,814	38,002	39,676	39,607	42,574	43,166	46,146	53,941	55,685	61,846	58,031	63,157
24	Total Electric Expenses	270,636	260,183	288,832	268,539	278,171	309,354	298,938	334,636	347,787	461,927	421,153	417,640	435,119	427,968
25	OPERATING INCOME BEFORE FIT	93,786	78,118	87,772	66,659	66,735	58,866	73,260	89,384	96,589	99,868	97,774	110,080	122,528	139,487
<b>FEDERAL INCOME TAX</b>															
26	Current Accrual	7,803	12,532	18,199	10,603	6,760	3,584	5,070	(6,217)	(1,846)	9,263	6,569	11,499	19,267	(7,683)
27	Debt Interest	0	0	0	0	0	0	0	0	0	0	207	70	1	(136)
28	Deferred Income Taxes	16,107	3,470	1,284	608	3,867	3,975	6,497	26,634	23,983	13,823	16,402	15,684	10,613	46,085
29	Amortized ITC - Noxon	0	0	0	0	0	0	0	0	(58)	(83)	(99)	(130)	(128)	
30	Levelized Settlement Exchange Power	5,369	0	0	0	0	0	0	0	0	0	0	0	0	
31	NET OPERATING INCOME	\$64,507	\$62,116	\$68,289	\$55,448	\$56,108	\$51,307	\$61,693	\$68,967	\$74,510	\$76,865	\$74,695	\$82,954	\$92,777	\$101,349

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

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2001-2013**

**Commission Basis Results of Operations**

AVISTA UTILITIES  
 Twelve Months Ended December 31, 2013

Line	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	ADDED 2014
<b>(000'S OF DOLLARS)</b>														
No														
<b>PLANT IN SERVICE</b>														
32	\$16,340	\$20,910	\$21,299	\$21,374	\$22,459	\$23,458	\$20,632	\$23,321	\$57,116	\$81,955	\$84,081	\$85,247	\$91,466	\$102,620
33	460,292	545,002	556,067	598,268	615,624	649,965	645,576	657,099	677,646	692,689	706,894	717,448	738,315	746,101
34	191,517	186,550	196,937	213,539	224,696	244,435	259,532	289,302	301,090	312,505	328,012	342,382	359,941	371,971
35	416,914	429,987	443,649	459,739	480,886	502,838	529,067	561,248	602,201	642,143	696,082	743,732	796,640	842,795
36	59,846	59,771	60,444	63,155	65,299	80,110	81,368	91,205	98,727	120,996	140,218	155,104	179,134	196,867
37	1,144,909	1,242,220	1,278,396	1,356,075	1,408,964	1,500,806	1,536,175	1,622,175	1,736,780	1,850,288	1,955,287	2,043,913	2,165,496	2,260,354
<b>ACCUMULATED DEPRECIATION/AMORT</b>														
38	na	na	na	na	na	na	na	na	na	na	3,744	4,369	17,667	20,242
39	na	na	na	na	na	na	na	na	na	na	286,300	300,170	314,599	325,531
40	na	na	na	na	na	na	na	na	na	na	111,144	116,316	122,308	123,869
41	na	na	na	na	na	na	na	na	na	na	209,101	221,408	236,201	252,722
42	na	na	na	na	na	na	na	na	na	na	56,694	61,871	58,357	65,720
43	373,090	391,351	422,390	447,359	474,906	506,599	526,307	557,426	585,821	629,399	666,983	704,134	749,132	788,084
44	771,819	850,869	856,006	908,716	934,058	994,207	1,009,868	1,064,749	1,150,959	1,220,889	1,288,304	1,339,779	1,416,364	1,472,270
45	(109,541)	(111,367)	(135,404)	(150,960)	(134,967)	(138,495)	(139,033)	(147,502)	(163,716)	(184,825)	(201,163)	(208,209)	(221,354)	(257,766)
46	662,278	739,502	720,602	757,756	799,091	855,712	870,835	917,247	987,243	1,036,064	1,087,141	1,131,570	1,195,010	1,214,504
47	(64,763)	22,356	21,841	20,255	20,751	18,799	21,020	19,593	17,776	17,776	18,845	16,438	14,761	10,846
48	0	0	0	0	0	0	0	0	0	18,188	31,877	10,967	16,281	47,807
49	\$597,515	\$761,858	\$742,443	\$778,011	\$819,842	\$874,511	\$891,855	\$936,840	\$1,005,019	\$1,072,028	\$1,137,863	\$1,158,975	\$1,226,052	\$1,273,157
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

ELECTRIC COST AND REVENUE TREND CALCULATIONS 2001-2013

AVISTA UTILITIES WASHINGTON ELECTRIC RESULTS (000'S OF DOLLARS)

Electric Data for Escalators

ADDED

Table with columns for years 2001-2014 and rows for various categories like Production/Transmission, Distribution, Customer Accounting, etc. Includes sub-totals for Total Depreciation/Amortization, Regulatory Amortizations, and Net Plant After Deferred Income Tax.

Table with columns for years 2001-2014 and rows for categories like Exclude Adder Schedule amortizations, Exclude Adder Schedule excise taxes, and Total Rate Base.

Table with columns for years 2001-2014 and rows for categories like Exclude Power Supply and Transmission Wheeling from Other Operating Revenue, Deduct Power Supply Other Revenue, Deduct Transmission Other Revenue, and Adjusted Other Revenue.

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2001-2013**

AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS  
ANNUAL AND COMPOUND GROWTH RATES

Line	Electric 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	14.77%	-3.52%	12.25%	0.97%	7.24%	3.81%	7.52%	9.42%	4.95%	8.60%	9.06%	-4.52%	1.85% (No Impact)	
2	25.69%	2.06%	4.11%	2.90%	5.68%	2.72%	6.81%	5.65%	7.85%	5.80%	6.59%	2.31%	6.88%	
3	18.40%	-0.83%	2.78%	1.25%	1.70%	-3.93%	3.25%	5.56%	10.50%	10.88%	3.33%	7.42%	6.08%	
4	11.66%	-2.56%	5.16%	5.45%	7.09%	1.77%	5.33%	7.63%	4.93%	4.93%	4.09%	5.61%	1.63%	
5	27.50%	-2.55%	4.79%	5.38%	6.67%	1.98%	5.04%	7.28%	6.67%	6.14%	1.86%	5.79%	3.84%	
6	-13.69%	35.91%	9.58%	23.89%	-14.14%	3.96%	-6.44%	-2.13%	-0.02%	-0.03%	17.86%	4.50%	0.41%	
<b>Compound Growth Rates to 2013</b>														
7	5.41%	4.66%	5.44%	4.78%	5.22%	4.97%	5.18%	4.74%	3.86%	3.59%	1.98%	-1.39%	1.85% (No Impact)	
7A	6.39%	4.83%	5.19%	5.30%	5.57%	5.56%	3.00%	5.83%	5.87%	5.38%	5.24%	4.57%	6.88%	
8	4.96%	3.92%	4.36%	4.52%	4.89%	5.29%	10.54% (See page 10)	7.26%	7.61%	6.90%	5.60%	6.75%	6.08%	
8A	4.78%	4.22%	4.86%	4.83%	4.76%	4.47%	6.04% (See page 10)	4.79%	4.23%	4.05%	3.76%	3.60%	1.63%	
9	5.99%	4.37%	5.02%	5.05%	5.01%	4.81%	5.22%	5.25%	4.84%	4.39%	3.82%	4.81%	3.84%	
10	3.73%	5.33%	2.91%	2.27%	0.11%	2.05%	1.79%	3.23%	4.33%	5.45%	7.34%	2.44%	0.41%	
<b>Escalation Factor</b>														
13	11.11%	9.54%	11.18%	9.79%	10.70%	10.18%	10.33%	9.70%	7.88%	7.32%	4.00%	-2.75%	3.74% (No Impact)	
13A	13.20%	10.10%	10.65%	10.88%	11.46%	11.43%	6.09%	12.00%	12.08%	11.05%	10.75%	9.35%	14.23%	
14	10.16%	7.99%	8.91%	9.24%	10.01%	10.86%	22.20% (See page 10)	15.05%	15.79%	14.27%	11.51%	13.95%	12.54%	
15	9.78%	8.62%	9.96%	9.89%	9.75%	9.15%	13.81%	9.81%	8.64%	8.27%	7.67%	7.33%	3.29% (Due to DFTT adjustment in 2014)	
16	12.34%	8.94%	10.30%	10.35%	10.28%	9.84%	12.44% (See page 10)	10.77%	9.92%	8.98%	7.78%	9.85%	7.83%	
16A	7.59%	10.94%	5.91%	4.59%	0.23%	4.15%	3.80%	6.55%	8.85%	11.19%	15.22%	4.93%	0.82%	
17														
17A														
18														
18A														

**ELECTRIC COST AND REVENUE TREND CALCULATIONS 2001-2013**  
**Electric Growth Rate Analysis and Escalation Factor Calculation**

**AVISTA UTILITIES**  
**WASHINGTON ELECTRIC RESULTS**  
**ANNUAL AND COMPOUND GROWTH RATES**

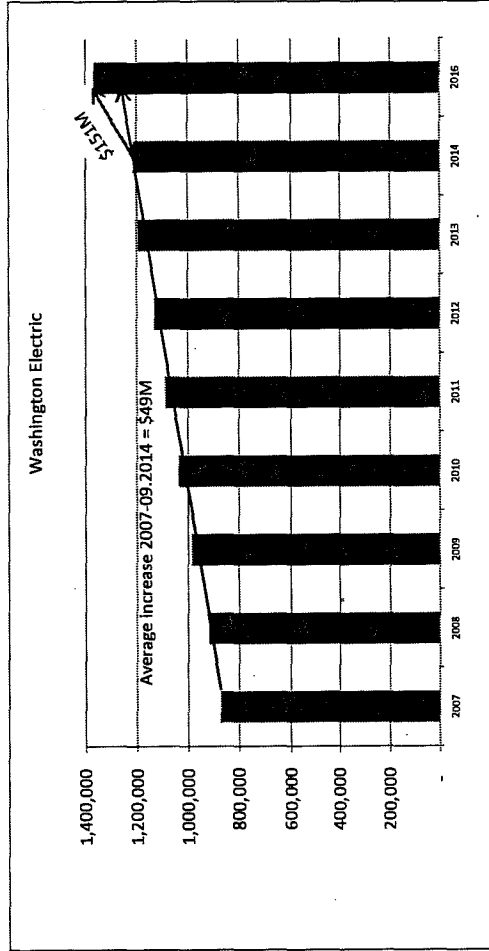
**Washington Electric-AMA ROO 2007 to AMA 2016**  
**Net Plant before DFIT**

Depreciation Expense*	UPDATED	
	12/31/2014	12/31/2016
	23,715	25,712
	23,794	25,940
	16,947	27,114
	64,456	78,766
Adopted Compound Growth Rate	10.54%	
Adopted Escalation Factor	22.20%	

	2007	Net Change
	870,835	46,412
	917,247	69,996
	987,243	48,821
	1,036,064	51,077
	1,087,141	44,429
	1,131,570	63,440
	1,195,010	19,494
	1,214,504	49,096
	1,365,555	151,051

Net Plant After DFIT*	12/31/2014	12/31/2016
	1,214,504	1,365,555
Adopted Compound Growth Rate	6.04%	
Adopted Escalation Factor	12.44%	

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



\*Per 12.2014 Commission Basis Report data, See page 5, line 46



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

Line	Revenue Model	Forecast	Billing Determinant	Revenue	Weight	Weight x Growth
Ended De Rate	12 ME 09 2014	2016	Growth	12 ME 09 2014	[E] = [D] / SUM([D])	[F] = [C] x [E]
	[A]	[B]	[C] = ([B] - [A]) / [A]	[D]		
1	RESIDENTIAL					
	Basic Charge	2,512,732	2.06%	20,927,570	4.19%	0.09%
2	GENERAL SVC.					
	Basic Charge	364,552	4.05%	6,561,936	1.31%	0.05%
3	LG. GEN. SVC.					
	Fixed Demand/Cust	24,225	0.48%	12,055,000	2.41%	0.01%
4	EX LG GEN SVC					
	Fixed Demand/Cust	252	-0.12%	5,292,000	1.06%	0.00%
5	PUMPING					
	Basic Charge	34,478	18.01%	525,888	0.11%	0.02%
6	ST & AREA LTG					
	Basic Charge					
7	RESIDENTIAL					
	Volumes	2,378,478,031	2.92%	193,913,530	38.78%	1.13%
8	GENERAL SVC.					
	Volumes	588,401,236	0.51%	62,328,507	12.47%	0.06%
9	LG. GEN. SVC.					
	Volumes	1,419,228,271	0.84%	101,678,503	20.34%	0.17%
10	EX LG GEN SVC					
	Volumes	1,105,372,136	0.87%	53,481,706	10.70%	0.09%
11	PUMPING					
	Volumes	137,227,044	-4.01%	10,944,583	2.19%	-0.09%
12	ST & AREA LTG					
	Volumes	25,127,765	-0.95%	7,019,746	1.40%	-0.01%
13	RESIDENTIAL					
	Demand					
14	GENERAL SVC.					
	Demand	402,284	-9.36%	2,413,704	0.48%	-0.05%
15	LG. GEN. SVC.					
	Demand	2,748,136	-1.84%	16,418,326	3.28%	-0.06%
16	EX LG GEN SVC					
	Demand	1,276,783	-8.51%	6,420,658	1.28%	-0.11%
17	PUMPING					
	Demand					
18	ST & AREA LTG					
	Demand					
19	Total			499,981,655	100.00%	1.31%
<b>Total Customers</b>						
		2,880,197	2.46%	2,951,000		
<b>Total Volumes</b>						
		5,653,834,483	1.56%	5,742,036,314		
<b>Total Demand</b>						
		4,427,203	-4.45%	4,230,267		

**AVISTA UTILITIES  
WASHINGTON ELECTRIC  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED BASE TARIFF RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014**

WORK PAPER REFERENCE	PRESENT BILL DETERMINANTS		RESIDENTIAL GENERAL SVC.		LG. GEN. SVC.		EX LG GEN SVC		PUMPING		ST & AREA LTG	
	KILOWATT HOURS (KWHs)	SCH. 11,12	SCH. 21,22	SCH. 30,31,32	SCH. 25	SCH. 30,31,32	SCH. 30,31,32	SCH. 41-48				
PDE-E-10	BLOCK 1	1,562,090,324	411,760,125	1,262,061,453	128,000,000	51,176,201						
PDE-E-10	BLOCK 2	532,041,223	184,890,135	166,633,500	558,890,760	85,950,103						
PDE-E-10	BLOCK 3	349,561,635			420,481,376							
PDE-E-22	BLOCK 4											
	STREET & AREA LIGHTS											25,127,765
	<b>SUBTOTAL</b>	<b>5,736,664,600</b>	<b>2,443,693,182</b>	<b>596,650,260</b>	<b>1,428,694,953</b>	<b>1,105,372,136</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>25,127,765</b>
PDE-E-10	SUBTOTAL	5,736,664,600	2,443,693,182	596,650,260	1,428,694,953	1,105,372,136	137,126,304	137,126,304	137,126,304	137,126,304	137,126,304	25,127,765
	ADJUSTMENT TO ACTUAL	0	0	0	0	0	0	0	0	0	0	0
PDE-E-3	TOTAL BEFORE ADJUSTMENT	5,736,664,600	2,443,693,182	596,650,260	1,428,694,953	1,105,372,136	137,126,304	137,126,304	137,126,304	137,126,304	137,126,304	25,127,765
	WEATHER & UNBILLED ADJ. KWHs	(82,830,117)	(85,215,151)	(8,249,024)	(9,466,682)	0	100,740	100,740	100,740	100,740	100,740	0
	<b>TOTAL PROFORMA KWHs</b>	<b>5,653,834,483</b>	<b>2,378,478,031</b>	<b>588,401,236</b>	<b>1,419,228,271</b>	<b>1,105,372,136</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>25,127,765</b>
PDE-E-10	TOTAL BILLS		2,462,067	364,552	24,110	252	29,216					
PDE-E-10	MINIMUM BILLS											
PDE-E-10	EXCESS DEMAND		402,284	2,748,136	1,276,783							
	<b>PROPOSED BILL DETERMINANTS</b>											
	<b>KILOWATT HOURS (KWHs)</b>											
	BLOCK 1	1,562,090,324	411,760,125	1,262,061,453	128,000,000	51,176,201						
	BLOCK 2	532,041,223	184,890,135	166,633,500	558,890,760	85,950,103						
	BLOCK 3	349,561,635			420,481,376							
	BLOCK 4											
	STREET & AREA LIGHTS											25,127,765
	<b>SUBTOTAL</b>	<b>5,736,664,600</b>	<b>2,443,693,182</b>	<b>596,650,260</b>	<b>1,428,694,953</b>	<b>1,105,372,136</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>137,126,304</b>	<b>25,127,765</b>
	SUBTOTAL	5,736,664,600	2,443,693,182	596,650,260	1,428,694,953	1,105,372,136	137,126,304	137,126,304	137,126,304	137,126,304	137,126,304	25,127,765
	ADJUSTMENT TO ACTUAL	0	0	0	0	0	0	0	0	0	0	0
	TOTAL BEFORE ADJUSTMENT	5,736,664,600	2,443,693,182	596,650,260	1,428,694,953	1,105,372,136	137,126,304	137,126,304	137,126,304	137,126,304	137,126,304	25,127,765
	WEATHER & UNBILLED ADJ. KWHs	(82,830,117)	(85,215,151)	(8,249,024)	(9,466,682)	0	100,740	100,740	100,740	100,740	100,740	0
	<b>TOTAL PROFORMA KWHs</b>	<b>5,653,834,483</b>	<b>2,378,478,031</b>	<b>588,401,236</b>	<b>1,419,228,271</b>	<b>1,105,372,136</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>137,227,044</b>	<b>25,127,765</b>
	TOTAL BILLS		2,462,067	364,552	24,110	252	29,216					
	MINIMUM BILLS											
	EXCESS DEMAND		402,284	2,748,136	1,276,783							

**AVISTA UTILITIES  
WASHINGTON ELECTRIC**

**PRO FORMA REVENUE UNDER PRESENT AND PROPOSED BASE TARIFF RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014**

WORK PAPER REFERENCE	PRESENT RATES		RESIDENTIAL GENERAL SVC.		EX LG GEN SVC		PUMPING		ST & AREA LTG	
			SCH. 11,12	SCH. 21,22	SCHEDULE 25	SCH. 30,31,32	SCH. 30,31,32	SCH. 41-48		
PDE-E-23	BASIC CHARGE	\$8.50	\$18.00							\$18.00
	MONTHLY MINIMUM									
PDE-E-23	BLOCK 1 PER KWH	7.525¢	11.507¢	7.240¢	5.616¢	9.712¢				9.712¢
PDE-E-23	BLOCK 2 PER KWH	8.755¢	8.455¢	6.475¢	5.053¢	6.936¢				6.936¢
PDE-E-23	BLOCK 3 PER KWH	10.264¢			4.320¢					
PDE-E-23	BLOCK 4 PER KWH									
	ADJUST TO ACTUAL PER KWH	8.185¢	10.561¢	7.151¢		7.972¢				
PDE-E-23	DEMAND BLOCK 1			\$500.00	\$21,000.00					
PDE-E-23	DEMAND BLOCK 2		\$6.00	\$6.00	\$6.00					
	TOTAL	\$8.50	\$18.00	\$6.00	\$6.00	\$21,000.00	\$6.00	\$6.00	\$6.00	\$18.00
	<b>PROPOSED RATES</b>									
	BASIC CHARGE	\$8.50	\$18.00							\$18.00
	MONTHLY MINIMUM									
	BLOCK 1 PER KWH	7.525¢	11.507¢	7.240¢	5.616¢	9.712¢				9.712¢
	BLOCK 2 PER KWH	8.755¢	8.455¢	6.475¢	5.053¢	6.936¢				6.936¢
	BLOCK 3 PER KWH	10.264¢			4.320¢					
	BLOCK 4 PER KWH									
	ADJUST TO ACTUAL PER KWH	8.185¢	10.561¢	7.151¢		7.972¢				
	DEMAND BLOCK 1			\$500.00	\$21,000.00					
	DEMAND BLOCK 2		\$6.00	\$6.00	\$6.00					

Note: Rates do not include BPA Residential Exchange Program Schedule 59, Energy Efficiency Rider Adjustment Schedule 91, or Power Cost Surcharge Schedule 93.

**AVISTA UTILITIES  
WASHINGTON ELECTRIC  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED BASE TARIFF RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014**

WORK PAPER REFERENCE	PRESENT REVENUE					ST & AREA LTG				
	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	EX LG GEN SVC SCHEDULE 25	PUMPING SCH. 30, 31, 32	SCH. 41-48			
	\$28,015,394	\$20,927,570	\$6,561,936			\$525,888				
PDE-E-24	268,348,176	117,847,297	47,381,238	91,373,249	7,076,160	4,970,233				
PDE-E-31/8	107,204,438	46,560,209	15,632,461	10,789,519	28,240,750	5,961,499				
	54,043,802	35,879,006			18,164,795					
	17,347,000			12,055,000	5,292,000					
	26,563,218		2,413,704	16,488,816	7,660,698					
	139,528		7,412	127,297		4,820				
	(1,310,531)			(70,490)	(1,240,041)					
	7,019,746						7,019,746			
	\$507,370,771	\$220,934,082	\$71,996,750	\$130,763,391	\$65,194,363	\$11,462,440	\$7,019,746			
	0	0	0	0	0	0	0			
	\$507,370,771	\$220,934,082	\$71,996,750	\$130,763,391	\$65,194,363	\$11,462,440	\$7,019,746			
	0	0	0	0	0	0	0			
	\$507,370,771	\$220,934,082	\$71,996,750	\$130,763,391	\$65,194,363	\$11,462,440	\$7,019,746			
	(2,786,906)	(3,326,043)	230,343	208,054		100,740				
	(\$224,988)	8,185	10,561	7,151		7,972				
		(\$272,223)	\$24,327	\$14,877		\$8,031				
	0	0	0	0	0					
	\$0	9,405	8,455	6,475	\$0					
	(2,786,906)	(3,326,043)	230,343	208,054		100,740				
	(\$224,988)	8,185	10,561	7,151		7,972				
		(\$272,223)	\$24,327	\$14,877		\$8,031				
	(80,043,211)	(61,889,108)	(8,479,367)	(9,674,736)						
	(\$7,164,129)	9,405	8,455	6,475						
		(\$5,820,759)	(\$716,930)	(\$626,439)						
	(\$7,389,116)	(\$6,092,982)	(\$692,603)	(\$611,562)		\$8,031				
	507,370,771	220,934,082	71,996,750	130,763,391	65,194,363	11,462,440	7,019,746			
	\$499,981,655	\$214,841,099	\$71,304,147	\$130,151,829	\$65,194,363	\$11,470,471	\$7,019,746			
							Adjusted Taxes Other than Income			

**AVISTA UTILITIES  
WASHINGTON ELECTRIC  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED BASE TARIFF RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014**

WORK PAPER REFERENCE	TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	EX LG GEN SVC SCHEDULE 25	PUMPING SCH. 30,31,32	ST & AREA LTG SCH. 41-48
<b>PROPOSED REVENUE</b>							
<b>BASE TARIFF REVENUE</b>							
Adjusted Operating Expenses	\$28,015,394	\$20,927,570	\$6,561,936			\$525,888	
MONTHLY MINIMUM	0	0					
Adopted Operating Expense	268,348,176	117,547,297	47,381,238	91,373,249	7,076,160	4,970,233	
BLOCK 2	107,204,438	46,580,209	15,632,461	10,789,519	28,240,750	5,961,499	
BLOCK 3	54,043,802	35,879,006			18,164,795		
BLOCK 4	0	0					
Adopted Depreciation/Amortization	17,347,000		2,413,704	12,055,000	5,292,000		
DEMAND BLOCK 2	26,563,218		7,412	16,488,816	7,660,698		
Adjusted Taxes Other than Income	139,528			127,297		4,820	
PRIMARY VOLTAGE DISCOUNT	(1,310,531)			(70,490)	(1,240,041)		
ANNUAL MINIMUM ADJUSTMENT	0						
STREET & AREA LIGHT REVENUE	7,019,746						7,019,746
Adopted Net Plant After Deferred Income Taxes	\$507,370,771	\$220,934,082	\$71,996,750	\$130,763,391	\$65,194,363	\$11,462,440	\$7,019,746
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ADJUST TO ACTUAL</b>							
SUBTOTAL	\$507,370,771	\$220,934,082	\$71,996,750	\$130,763,391	\$65,194,363	\$11,462,440	\$7,019,746
ADJUST TO ACTUAL	0	0	0	0	0	0	0
<b>SUBTOTAL BASE TARIFF REVENUE</b>	<b>\$507,370,771</b>	<b>\$220,934,082</b>	<b>\$71,996,750</b>	<b>\$130,763,391</b>	<b>\$65,194,363</b>	<b>\$11,462,440</b>	<b>\$7,019,746</b>
<b>ADJUSTMENT REVENUE</b>							
Adopted Operating Expense							
UNBILLED LOAD KWHS	(2,786,906)	(3,326,043)	230,343	208,054	100,740		
Adjusted Depreciation/Amortization	8,185¢	10,561¢	7,151¢	7,972¢			
UNBILLED LOAD REVENUE	(\$224,988)	(\$272,223)	\$24,327	\$14,877	\$8,031		
Adopted Depreciation/Amortization	0	0	0	0			
WEATHER-SENSITIVE KWHS	0	0	0	0			
Adjusted Taxes Other than Income	9,405¢	9,405¢	8,455¢	6,475¢			
WEATHER-SENSITIVE REVENUE	\$0	\$0	\$0	\$0			
<b>TOTAL UNBILLED KWH ADJUST</b>	<b>(2,786,906)</b>	<b>(3,326,043)</b>	<b>230,343</b>	<b>208,054</b>	<b>100,740</b>		
Adopted Net Plant After Deferred Inc	(\$224,988)	(\$272,223)	\$24,327	\$14,877	\$8,031		
<b>WEATHER NORMALIZATION ADJ</b>	<b>(80,043,211)</b>	<b>(61,889,108)</b>	<b>(8,479,367)</b>	<b>(9,674,736)</b>			
WEATHER-SENSITIVE RATE	9,405¢	9,405¢	8,455¢	6,475¢			
WEATHER-SENSITIVE REVENUE	(\$7,164,129)	(\$5,820,759)	(\$716,930)	(\$626,439)			
<b>TOTAL ADJUSTMENT REVENUE</b>	<b>(\$7,389,116)</b>	<b>(\$6,092,982)</b>	<b>(\$692,603)</b>	<b>(\$611,562)</b>	<b>\$8,031</b>		
<b>TOTAL BASE TARIFF REVENUE</b>	<b>507,370,771</b>	<b>220,934,082</b>	<b>71,996,750</b>	<b>130,763,391</b>	<b>65,194,363</b>	<b>11,462,440</b>	<b>7,019,746</b>
<b>TOTAL PROPOSED REVENUE</b>	<b>\$499,981,655</b>	<b>\$214,841,099</b>	<b>\$71,304,147</b>	<b>\$130,151,829</b>	<b>\$65,194,363</b>	<b>\$11,470,471</b>	<b>\$7,019,746</b>
<b>TOTAL PRESENT REVENUE</b>	<b>\$499,981,655</b>	<b>\$214,841,099</b>	<b>\$71,304,147</b>	<b>\$130,151,829</b>	<b>\$65,194,363</b>	<b>\$11,470,471</b>	<b>\$7,019,746</b>
<b>TOTAL REVENUE INCREASE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PERCENT REVENUE INCREASE</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

PDE-E-11

**AVISTA UTILITIES  
WASHINGTON ELECTRIC  
PRO FORMA REVENUE UNDER PRESENT AND PROPOSED BASE TARIFF RATES  
12 MONTHS ENDED SEPTEMBER 30, 2014**

WORK PAPER REFERENCE	RATES	TOTAL KWHS	TOTAL REVENUE	BASELOAD KWHS	BASELOAD REVENUE	WTHR-SENS. KWHS	WTHR-SENS. REVENUE
<b>PRESENT BASELOAD AND WEATHER-SENSITIVE RATES</b>							
<b>SCHEDULE 1</b>							
0-600 KWHS	7.525¢	1,562,090,324	\$117,547,297	1,562,090,324	\$117,547,297	0	\$0
601-1300 KWHS	8.755¢	532,041,223	\$46,580,209	70,260,097	\$6,151,271	461,781,126	\$40,428,938
OVER 1300 KWHS	10.264¢	349,561,635	\$35,879,006	0	\$0	349,561,635	\$35,879,006
<b>TOTAL</b>		<b>2,443,693,182</b>	<b>\$200,006,512</b>	<b>1,632,350,421</b>	<b>\$123,698,568</b>	<b>811,342,761</b>	<b>\$76,307,944</b>
<b>AVERAGE RATE</b>			<b>8.185¢</b>		<b>7.578¢</b>		<b>9.405¢</b>

<b>PRESENT BASELOAD AND WEATHER-SENSITIVE RATES</b>							
<b>SCHEDULE 11</b>							
0-3650 KWHS	11.507¢	411,760,125	\$47,381,238	411,760,125	\$47,381,238	0	\$0
over 3650 KWHS	8.455¢	184,890,135	\$15,632,461	76,010,451	\$6,426,684	108,879,684	9,205,777
<b>TOTAL</b>		<b>596,650,260</b>	<b>\$63,013,699</b>	<b>487,770,576</b>	<b>\$53,807,921</b>	<b>108,879,684</b>	<b>\$9,205,777</b>
<b>AVERAGE RATE</b>			<b>10.561¢</b>		<b>11.031¢</b>		<b>8.455¢</b>

Note: Total Base Load for Sch. 1 = Base Load per bill times total billings (base load per bill on PDE-E-19) = 663 X 2,452,067 = 1,632,350,421

Total Base Load for Sch. 11 = 1,338 X 364,552 = 487,770,576

WORK PAPER REFERENCE	RATES	TOTAL KWHS	TOTAL REVENUE	BASELOAD KWHS	BASELOAD REVENUE	WTHR-SENS. KWHS	WTHR-SENS. REVENUE
<b>PRESENT BASELOAD AND WEATHER-SENSITIVE RATES</b>							
<b>SCHEDULE 21</b>							
0-250000 KWHS	7.240¢	1,262,061,453	\$91,373,249	1,262,061,453	\$91,373,249	0	\$0
OVER 250000 KWHS	6.475¢	166,633,500	\$10,789,519	35,056,547	\$2,269,911	131,576,953	\$8,519,608
<b>TOTAL</b>		<b>1,428,694,953</b>	<b>102,162,768</b>	<b>1,297,118,000</b>	<b>93,643,161</b>	<b>131,576,953</b>	<b>8,519,608</b>
<b>AVERAGE RATE</b>			<b>7.151¢</b>		<b>7.219¢</b>		<b>6.475¢</b>

Note: Total Base Load for Sch. 21 = Base Load per bill times total billings (base load per bill on PDE-E-19) = 53,800 X 24,110 = 1,297,118,000

Excerpt from: EREV v2 11 02 Nov Update - New WA Authorized and Shortcuts Revised 11.

**ELECTRIC**

	Average 2016	Total Bills 2016
<b>Total Customers by Rate Sched:</b>		
WA001	209,394	2,512,732
WA011	22,339	268,071
WA012	9,270	111,243
WA021	1,964	23,570
WA022	55	655
WA025	21	252
WA028	0	0
WA031	1,257	15,083
WA032	1,219	14,626
WA04X	397	4,769
ID001	105,893	1,270,712
ID011	16,007	192,086
ID012	5,278	63,333
ID021	1,134	13,603
ID022	21	257
ID025	9	108
ID025P	1	12
ID031	730	8,754
ID032	685	8,221
ID04X	147	1,764
<b>Total Customers by State:</b>		
WA	245,917	2,951,000
ID	129,904	1,558,851
<b>Grand Total</b>	<b>375,821</b>	<b>4,509,851</b>

Total  
2016

**Billed Demand Usage > minimum (in Kw's)****Total Demand Usage by Rate Sched:**

WA011	kw > 20	356,509
WA012	kw > 20	8,133
WA021	kw > 50	2,643,571
WA022	kw > 50	53,983
WA025	kvar > 3000	1,168,073
ID011	kw > 20	227,092
ID012	kw > 20	8,133
ID021	kw > 50	1,286,037
ID022	kw > 50	15,705
ID025	kvar > 3000	270,261
ID025P	kvar > 3000	649,540

**Total Demand Usage by State:**

WA	4,230,267
ID	2,456,767

**Grand Total** 6,687,034

Excerpt from: EREV v2 11 02 Nov Update - New WA Authorized and Shortcuts Revised 11.25.14.xlsm  
Cal Load tab

<b>Total Calendar Energy Usage by Rate Sched:</b>	<b>2016</b>	
WA001	2,447,895	BV59
WA011	533,191	BV60
WA012	58,198	BV61
WA021	1,394,200	BV62
WA022	36,950	BV63
WA025	1,114,988	BV64
WA028	0	BV65
WA031	123,626	BV66
WA032	8,099	BV67
WA04X	24,890	BV68
ID001	1,202,462	BV69
ID011	338,210	BV70
ID012	25,812	BV71
ID021	675,583	BV72
ID022	10,480	BV73
ID025	331,839	BV74
ID025P	452,815	BV75
ID031	50,391	BV76
ID032	5,213	BV77
ID04X	13,881	BV78
<b>Total Calendar Energy Usage by State:</b>		
WA	5,742,036	BV81
ID	3,106,687	BV82
<b>Grand Total</b>	<b>8,848,723</b>	<b>BV84</b>
	1%	BV85
<u>Reconciliation with Power Supply</u>		
Native Load - WA/ID	9,434,612	BV89
Retail Losses - WA/ID	585,889	BV90
Calendar Load from above	8,848,723	BV92
Diff	0	BV94



Avista Corporation  
WA Power Supply Pro Forma Net Cost  
Commission Basis Power Supply Adjustment - 12.2014 Historical Loads

	UPDATED Power Supply System	Total Washington Amounts 64.71%	
P/T Allocation Percentages			
447 Sales for Resale	\$94,264	\$60,998	
453 Sales of Water and Water Power	475	307	
454 Misc Rents	0	0	
456 Transmission Wheeling Revenue System	16,264	10,524	
456 Transmission Wheeling Revenue Direct WA	98	98	
456 Transmission Wheeling Revenue Direct ID	44	0	
456 Other Electric Revenue	4,006	2,592	
456 Other Electric Revenue-Direct WA	163	163	
Total Revenue	<u>115,314</u>	<u>74,682</u>	
501 Thermal Fuel Expense	27,420	17,743	
546 Other Power Gen Supvsn & Eng	0	0	
547 Other Fuel Expense	55,782	36,097	
536 Water for Power	983	636	
555 Purchased Power	180,254	116,641	
549 Misc Other Gen Expense	0	0	
550 Rents	0	0	
556 System Control & Dispatch	0	0	
557 Other Expenses	581	376	
557 Other Expenses-Direct WA	2,396	2,396	
565 Trans. of Elec. by Others	18,896	12,228	
546-562 CS2 O&M	0	0	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	0	0	Remove from base Power Supply per settlement agreement.
Total Expense	<u>286,312</u>	<u>186,117</u>	
Net Income Before Income Taxes	-170,998	-111,435	
Federal Income Tax	35%	<u>-39,002</u>	
Net Income		-\$72,433	
546-562 CS2 O&M	5,764	3,730	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	12,979	8,399	Remove from base Power Supply per settlement agreement.



**ATTRITION ADJUSTMENT RELATED TO RETAIL REVENUE GROWTH AND ASSOCIATED POWER SUPPLY COST**  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	(Note 1)	Revenue Growth and Power Supply Cost	Power Supply Test Year Load	Power Supply Rate Year Load	Incremental Power Supply Cost	Retail Revenue Growth
<b>REVENUES</b>							
1	Total General Business		6,545				6,545
2	Interdepartmental Sales	12					12
3	Sales for Resale		-2,595			-2,595	
4	Total Sales of Electricity		3,962	53,757	51,162	-2,595	6,557
5	Other Revenue	125		10,529	10,529	0	125
6	Total Electric Revenue	4,088		64,286	61,691	-2,595	6,683
<b>EXPENSES</b>							
<b>Production and Transmission</b>							
7	Operating Expenses	0		89,306	89,306	0	
8	Purchased Power	1,907		75,611	77,518	1,907	
9	Depreciation/Amortization						
10	Regulatory Amortization						
11	Taxes						
12	Total Production & Transmission	1,907		164,917	166,824	1,907	0
<b>Distribution</b>							
13	Operating Expenses						
14	Depreciation/Amortization		252				252
15	Taxes		252				252
16	Total Distribution	0.038527	252	0	0	0	252
<b>Customer Accounting</b>							
17	Customer Accounting	0.005353	35				35
18	Customer Service & Information						
19	Sales Expenses						
<b>Administrative &amp; General</b>							
20	Operating Expenses	0.002000	13				13
21	Depreciation/Amortization						
22	Taxes						
23	Total Admin. & General		13	0	0	0	13
24	Total Electric Expenses	2,207		164,917	166,824	1,907	300
25	OPERATING INCOME BEFORE FIT	1,881		-100,631	-105,133	-4,502	6,383
<b>FEDERAL INCOME TAX</b>							
26	Current Accrual		658				
27	Debt Interest						
28	Deferred Income Taxes						
29	Amortized ITC - Noxon						
30	NET OPERATING INCOME	1,223		-65,410	-68,336	-2,926	4,149

Note 1: 09.2014 Washington electric revenue conversion factor amounts.

Staff\_DR\_130 Revised -Attachment B - 12.2014-2016 Electric Attrition.xlsx / incremental load expense

**After Attrition - CS2-Colstrip 2016 Incremental Expense above trended historical expense.**

Washington's Share:

	2014 HTP	2016 RY	Net
546-562 CS2 O&M	3,730	6,041	2,311 Removed from base Power Supply per settlement agreement.
500-514 Colstrip O&M	8,399	9,710	1,311 Removed from base Power Supply per settlement agreement.
	12,129	15,750	3,622

Escalation 2014-2016 106.09%

Escalated Balance at 2016 12,867 Incremental CS2/Colstrip O&M above trended 2014 expense  
15,750 2,883

Avista Corporation  
WA Power Supply Pro Forma Net Cost  
Rate Case Power Supply Adjustment Pro Forma - 09,2014 Historical Loads

	2016 PF REVISED		Staff DR 59
	Power Supply System	Total Washington Amounts	
P/T Allocation Percentages		64.71%	
447 Sales for Resale	\$83,074	\$53,757	
453 Sales of Water and Water Power	466	302	
454 Misc Rents	0	0	
456 Transmission Wheeling Revenue System	15,650	10,127	No Change
456 Transmission Wheeling Revenue Direct WA	100	100	to PF
456 Transmission Wheeling Revenue Direct ID	51	0	Transmission
456 Other Electric Revenue	0	0	
456 Other Electric Revenue-Direct WA	0	0	
Total Revenue	99,341	64,286	
501 Thermal Fuel Expense	29,696	19,216	
546 Other Power Gen Supvsn & Eng	0	0	
547 Other Fuel Expense	92,175	59,646	
536 Water for Power	1,001	648	
555 Purchased Power	116,846	75,611	
549 Misc Other Gen Expense	0	0	
550 Rents	0	0	
556 System Control & Dispatch	0	0	
557 Other Expenses	690	446	
XXX Other Expenses-Direct WA	0	-1,528	Agreed to Reduction \$1528 per Settlement agreement
565 Trans. of Elec. by Others	16,809	10,877	
546-562 CS2 O&M	0	0	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	0	0	Remove from base Power Supply per settlement agreement.
Total Expense	257,217	164,917	
Net Income Before Income Taxes	-157,876	-100,631	
Federal Income Tax	35%	-35,221	
Net Income		-\$65,410	
546-562 CS2 O&M	9,335	6,041	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	15,005	9,710	Remove from base Power Supply per settlement agreement.

Avista Corporation  
WA Power Supply Pro Forma Net Cost  
Rate Case Power Supply Adjustment Pro Forma - 2016 Forecast Loads

	Updated PF Power Supply System	Total Washington Amounts	Included same change as DR 59 to Original Filing
P/T Allocation Percentages		64.71%	
447 Sales for Resale	\$79,064	\$51,162	
453 Sales of Water and Water Power	466	302	
454 Misc Rents	0	0	
456 Transmission Wheeling Revenue System	15,650	10,127	
456 Transmission Wheeling Revenue Direct WA	100	100	
456 Transmission Wheeling Revenue Direct ID	51	0	
456 Other Electric Revenue	0	0	
456 Other Electric Revenue-Direct WA	0	0	
Total Revenue	95,331	61,691	
501 Thermal Fuel Expense	29,696	19,217	
546 Other Power Gen Supvsn & Eng	0	0	
547 Other Fuel Expense	92,175	59,646	
536 Water for Power	1,001	648	
555 Purchased Power	119,794	77,518	
549 Misc Other Gen Expense	0	0	
550 Rents	0	0	
556 System Control & Dispatch	0	0	
557 Other Expenses	690	446	
xxx Other Expenses-Direct WA	0	-1,528	Agreed to Reduction \$1528 per Settlement agreement
565 Trans. of Elec. by Others	16,809	10,877	
546-562 CS2 O&M	0	0	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	0	0	Remove from base Power Supply per settlement agreement.
Total Expense	260,165	166,825	
Net Income Before Income Taxes	-164,834	-105,134	
Federal Income Tax	35%	-36,797	
Net Income		-\$68,337	
546-562 CS2 O&M	9,335	6,041	Remove from base Power Supply per settlement agreement.
500-514 Colstrip O&M	15,005	9,710	Remove from base Power Supply per settlement agreement.

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
PERIOD ENDING DECEMBER 31, 2006 - 2013
(VALUES IN DOLLARS)

Table with columns for years 2000-2014 and rows for various financial categories including Regulatory Deferrals and Amortizations, Plant in Service, and Deferred Debits and Credits.

Shut\_DR\_130 Revised Attachment B - 12/2014-2016 Electric Attention/Reg Amort

Connection to CB Deferred Debits & Credits
Connection to CB Working Capital

AVISTA UTILITIES  
 WASHINGTON ELECTRIC RESULTS  
 TWELVE MONTHS ENDED DECEMBER 31, 2000 - 2012  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013/2014 Removed in CBR (Note 3)	
		Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM	Remove DSM	DSM
<b>REVENUES</b>																													
1	Total General Business	0.954120	-3,609	-5,318	-6,356	-6,425	-7,071	-6,919	-6,889	-6,980	-12,660	-19,768	-20,399	-21,047	-17,701														
2	Interdepartmental Sales																												
3	Sales for Resale																												
4	Total Sales of Electricity	-3,609	-5,318	-6,356	-6,425	-7,071	-6,919	-6,889	-6,980	-12,660	-19,768	-20,399	-21,047	-17,701															
5	Other Revenue																												
6	Total Electric Revenue	-3,609	-5,318	-6,356	-6,425	-7,071	-6,919	-6,889	-6,980	-12,660	-19,768	-20,399	-21,047	-17,701															
<b>EXPENSES</b>																													
Production and Transmission																													
7	Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Purchased Power																												
9	Depreciation/Amortization																												
10	Regulatory Amortization																												
11	Taxes																												
12	Total Production & Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution																													
13	Operating Expenses	0.038527	-139	-205	-245	-248	-272	-267	-266	-269	-488	-762	-812	-683															
14	Depreciation/Amortization																												
15	Taxes																												
16	Total Distribution	-139	-205	-245	-248	-272	-267	-266	-269	-488	-762	-812	-683																
17	Customer Accounting		-19	-28	-34	-38	-30	-30	-30	-30	-55	-86	-91	-77															
18	Customer Service & Information		-3,443	-5,074	-6,064	-6,130	-6,747	-6,608	-6,580	-6,667	-12,092	-18,880	-19,483	-20,102	-16,906														
19	Sales Expenses																												
20	Administrative & General	0.002000	-7	-11	-13	-13	-14	-14	-14	-14	-25	-40	-42	-35															
21	Operating Expenses																												
22	Depreciation/Amortization																												
23	Taxes																												
24	Total Admin. & General	-7	-11	-13	-13	-14	-14	-14	-14	-14	-25	-40	-42	-35															
24	Total Electric Expenses	-3,609	-5,318	-6,356	-6,425	-7,071	-6,919	-6,889	-6,980	-12,660	-19,768	-20,399	-21,047	-17,701															
25	OPERATING INCOME BEFORE FIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FEDERAL INCOME TAX</b>																													
26	Current Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Debt Interest																												
28	Deferred Income Taxes																												
29	Amortized ITC - Noxon																												
30	NET OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note 1: 06.2013 Washington electric revenue conversion factor amounts.  
 Note 2: Adder Schedules were removed from the 2004 and 2006 case files which were provided for Commission Basis reporting those years.  
 Note 3: Eliminate Adder Schedules Adjustment in 2013 Commission Basis filing eliminated both the revenues and expenses associated with Res X and the Tariff Rider & Buck-a-Block



AVISTA UTILITIES  
 WASHINGTON ELECTRIC RESULTS  
 TWELVE MONTHS ENDED DECEMBER 31, 2000 - 2012  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013/2014 Removed in CBR (Note 4)
		Remove ResX (Note 1)	Remove ResX (Note 2)	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	Remove ResX	
<b>REVENUES</b>															
1	Total General Business	17,444	1,484	7,873	6,644	7,504	9,829	10,769	5,844	3,744	4,193	6,538	4,827	8,718	
2	Interdepartmental Sales														
3	Sales for Resale														
4	Total Sales of Electricity	17,444	1,484	7,873	6,644	7,504	9,829	10,769	5,844	3,744	4,193	6,538	4,827	8,718	
5	Other Revenue														
6	Total Electric Revenue	17,444	1,484	7,873	6,644	7,504	9,829	10,769	5,844	3,744	4,193	6,538	4,827	8,718	
<b>EXPENSES</b>															
Production and Transmission															
7	Operating Expenses														
8	Purchased Power														
9	Depreciation/Amortization														
10	Regulatory Amortization	16,644	1,416	7,512	6,339	7,160	9,388	10,285	5,582	3,576	4,005	6,244	4,610	8,327	
11	Taxes														
12	Total Production & Transmission	16,644	1,416	7,512	6,339	7,160	9,388	10,285	5,582	3,576	4,005	6,244	4,610	8,327	
Distribution															
13	Operating Expenses														
14	Depreciation/Amortization	672	57	303	256	289	379	415	225	144	162	252	186	336	
15	Taxes	672	57	303	256	289	379	415	225	144	162	252	186	336	
16	Total Distribution	1,344	114	606	512	578	758	830	450	288	324	504	378	672	
17	Customer Accounting	93	8	42	36	40	43	47	25	16	18	28	21	38	
18	Customer Service & Information														
19	Sales Expenses														
Administrative & General															
20	Operating Expenses	35	3	16	13	15	20	22	12	7	8	13	10	17	
21	Depreciation/Amortization														
22	Taxes														
23	Total Admin. & General	35	3	16	13	15	20	22	12	7	8	13	10	17	
24	Total Electric Expenses	17,444	1,484	7,873	6,644	7,504	9,829	10,769	5,844	3,744	4,193	6,538	4,827	8,718	
25	OPERATING INCOME BEFORE FIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FEDERAL INCOME TAX															
26	Current Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Debt Interest														
28	Deferred Income Taxes														
29	Amortized ITC - Noxon														
30	NET OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0

gzhkw6:  
 No Res X in 2000 but  
 Centralia Gain was  
 refunded

gzhkw6:  
 Net with Buck a  
 block revenue offset

Note 1: 12.2013 Washington electric revenue conversion factor amounts.  
 Note 2: No ResX rate credit in 2000. However, there was a refund of the Centralia Gain that affected both revenue and regulatory amortizations.  
 Note 3: Adder Schedules were removed from the 2004 and 2006 case files which were provided for Commission Basis reporting those years.  
 Note 4: Eliminate Adder Schedules Adjustment in 2013 Commission Basis filing eliminated both the revenues and expenses associated with Res X and the Tariff Rider & Buck-a-Block



Avista Corporation  
WA Power Supply Net Costs

	Total Washington											ADDED
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
P/T Allocation Percentages	65.49%	65.16%	65.37%	65.83%	64.59%	64.42%	64.87%	65.16%	65.24%	65.01%	65.19%	64.71%
447 Sales for Resale	\$35,221	\$40,439	\$44,960	\$55,381	\$34,954	\$46,849	\$30,933	\$132,773	\$52,603	\$54,548	\$75,350	\$60,998
453 Sales of Water and Water Power	297	238	125	153	200	198	247	184	331	304	282	307
454 Misc Rents	16	16	12	14	14	16	19	0	0	0	0	0
456 Other Electric Revenue	46,826	31	42	31	7	2	93	456	1,421	1,123	0	2,592 PS 456
Total Revenue	82,360	40,724	44,869	35,579	35,175	47,065	31,293	133,413	54,355	55,974	75,632	64,060
501 Thermal Fuel Expense	12,014	12,358	12,957	15,914	16,710	18,086	16,203	19,975	21,547	16,459	18,925	17,743
546 Other Power Gen Supvsn & Eng	0	0	0	0	0	0	0	0	0	0	0	0
547 Other Fuel Expense	15,447	45,629	55,227	47,155	43,656	52,704	15,928	74,449	62,924	50,012	60,338	36,097
536 Water for Power	528	490	497	450	420	421	464	556	635	674	671	636
555 Purchased Power	53,591	51,029	55,380	79,145	65,642	72,581	104,870	142,281	91,142	101,282	109,035	116,641
549 Misc Other Gen Expense	87	87	87	115	100	113	104	104	104	104	104	0
550 Rents	3,066	4,385	2,321	0	0	0	0	0	0	0	0	0
556 System Control & Dispatch	173	98	141	0	0	0	0	0	0	0	0	0
557 Other Expenses	63,438	51	74	291	243	297	307	466	821	892	711	376
557 Other Expenses Direct WA	5,938	8,671	6,436	9,054	8,948	8,782	8,661	11,538	11,410	11,411	11,687	12,228
565 Trans. of Elec. by Others												
Total Expense	154,282	122,799	133,120	152,124	135,719	152,984	146,538	249,369	188,583	180,834	201,471	186,117
Net Income Before Income Taxes	-71,922	-82,075	-88,251	-116,545	-100,544	-105,919	-115,245	-115,955	-134,229	-124,860	-125,839	-122,057
Federal Income Tax	-25,173	-28,726	-30,888	-40,791	-35,190	-37,072	-40,336	-40,584	-46,980	-43,701	-44,044	-42,720
Net Income	\$ (46,749)	\$ (53,349)	\$ (57,363)	\$ (75,754)	\$ (65,354)	\$ (68,847)	\$ (74,910)	\$ (75,371)	\$ (87,249)	\$ (81,159)	\$ (81,795)	\$ (79,337)

500-562 CS2 and Colstrip -295,134,949 -520,367,598 -501,146,486 -588,280,014 -647,431,636 -614,123,403 -769,016,302 -844,156,371 -788,469,422 -800,700,023 0 Restate for prior years tracking CS2 and Colstrip O&M

Non-Retail Revenue Analysis

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	ADDED 2014
P/T Allocation Percentages	66.29%	67.48%	64.12%	65.48%	65.16%	65.37%	65.63%	64.59%	64.42%	64.87%	65.16%	65.24%	65.01%	65.19%	64.71%
Power Supply Normalized	\$135,976	\$90,880	\$31,728	\$35,221	\$40,439	\$44,690	\$35,381	\$34,954	\$46,849	\$30,933	\$132,773	\$52,603	\$54,548	\$75,350	\$60,998
447 Sales for Resale	300	281	38	297	238	125	153	200	198	247	184	331	304	282	307
453 Sales of Water and Water Power	44	0	30	16	16	12	14	14	16	19	0	0	0	0	0
454 Misc Rents	10,968	11,862	25,225	46,826	31	42	31	7	2	93	456	1,421	1,186	0	2,755
456 Other Electric Revenue	147,288	103,023	57,021	82,360	40,724	44,869	35,579	35,175	47,065	31,293	133,413	54,355	56,037	75,632	64,060
<b>Total Revenue</b>															
CB Totals															
Sales for Resale	137,117	91,388	29,918	35,252	40,460	44,718	35,380	34,954	46,848	31,491	133,479	52,604	54,549	75,350	60,998
Other Revenue	13,062	14,305	34,274	57,244	8,587	10,259	10,178	10,170	10,927	9,395	11,786	13,666	13,089	13,408	17,163
456 Transmission Wheeling Revenue	7,824	9,892	7,115	7,569	5,523	6,637	7,024	6,876	6,213	6,133	8,333	9,102	8,285	9,662	10,622
456 Other Wholesale Revenue	3,144	1,970	25,225	46,826	31	42	31	7	1,625	182	456	1,421	1,186	-	2,755
<b>Total Power Supply Other Revenue</b>	3,488	2,251	25,293	47,139	285	179	198	221	1,839	448	640	1,752	1,489	282	3,062
Non-PT Other Revenue	1,750	2,162	1,866	2,536	2,779	3,443	2,956	3,073	2,875	2,814	2,813	2,812	3,315	3,464	3,478
check															
Resource Optimization directly assigned to WA, add to Other Wholesale													89		
BPA settlement erroneously removed from gen business, should have been removed from transmission wheeling rev													1,623		
missing normalize transmission wheeling revenues adjustment for CB													(767)	(1,044)	