

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/14/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	E. Andrews / J. Smith
REQUESTER:	UTC-Staff – McGuire	RESPONDER:	Liz Andrews
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Staff - 131	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 pro forma cross check studies, or recreated its pro forma cross check studies using the 2014 commission basis results? If so, please provide these studies and all supporting work papers.

RESPONSE:

The company has not recreated its Pro Forma Cross Check studies using 12.2014 Commission Basis Report (CBR) results. However, the Company has revised or updated its Pro Forma Electric and Natural Gas Studies to include known corrections or updates, to reflect the Multiparty Settlement agreement filed on May 1, 2015, and to reflect actual December 2014 depreciation and net plant impacts per actual 12.2014 results, as well as the impact of revising the Company's Production/Transmission (P/T) ratio at 12.2014 on power supply costs and generation/transmission depreciation expenses and net plant. See Staff_DR_131 – Attachment A - Electric and Natural Gas Pro Forma Summaries for descriptions of all changes. With these updates or changes, the Company believes the revised Electric and Natural Gas Pro Forma Cross Check Studies reflect similar results and a "cross check" to the updated Electric and Natural Gas Attrition studies provided with Avista's response to Staff_DR_130, which utilized the 12.2014 CBR results.

See the following attachments for the updated Electric and Natural Gas 2016 Pro Forma studies:

- Staff_DR_131 – Attachment A - Electric and Natural Gas Pro Forma Summaries. This file provides a listing of the changes to each pro forma study compared to the Company's pro forma studies as filed.
- Staff_DR_131 – Attachment B – Revised Electric Pro Forma Study
- Staff_DR_131 – Attachment C – Revised Natural Pro Forma Study
- Staff_DR_131 – Attachment D – Electric and Natural Gas Pro Forma study workpapers

**ELECTRIC REVISED
PRO FORMA
WORKPAPERS**

Staff_DR_131-Attachment D

Avista Corporation
WA Power Supply Adjustment
2016 Pro Forma - 09/30/2014 Historical Loads

	REMOVE 12ME 09/2014				P/T Ratio		ADD 12ME 12/2014				P/T Ratio		WA - Removes CS2/Colstrip / Revises P/T ratio Net Total Washington Adjustment
	HTP 09/2014 Power Supply	Less Directly Assigned	System Net Power Supply	\$147,041 468 0 95,510 163 243,182	Revised Total Washington HTP	65.19%	PF 2016 Power Supply	Less Directly Assigned	System Net Power Supply Adjustment	\$83,074 466 0 0 0 83,540	Revised Total Washington PF-2016	64.71%	
P/T Allocation Percentages													
447 Sales for Resale	\$147,041		\$147,041	\$95,856		\$83,074		\$83,074	\$83,074	\$53,757		-\$42,099	
453 Sales of Water and Water Power	468		468	305		466		466	466	302		-\$4	
454 Misc Rents	0		0	0		0		0	0	0		\$0	
456 Other Electric Revenue	95,510		95,510	62,263		0		0	0	0		-\$62,263	
456 Other Electric Revenue - Direct WA	163	-163	0	163		0	0	0	0	0		-\$163	
Total Revenue	243,182	-163	243,019	158,587		83,540	0	83,540	83,540	54,058		-104,529	
501 Thermal Fuel Expense	25,801		\$25,801	16,820		29,696		\$29,696	29,696	19,216		\$2,397	
546 Other Power Gen Supvsn & Eng	0		\$0	0		0		\$0	0	0		\$0	
547 Other Fuel Expense	99,214		\$99,214	64,678		92,175		\$92,175	92,175	59,646		-\$5,031	
536 Water for Power	997		\$997	650		1,001		\$1,001	1,001	648		-\$2	
555 Purchased Power	196,948		\$196,948	128,390		116,846		\$116,846	116,846	75,611		-\$52,780	
549 Misc Other Gen Expense	0		\$0	0		0		\$0	0	0		\$0	
550 Rents	0		\$0	0		0		\$0	0	0		\$0	
556 System Control & Dispatch	0		\$0	0		0		\$0	0	0		\$0	
557 Other Expenses	86,729		\$86,729	56,539		690		\$690	690	446		-\$56,092	
557 Other Expenses - Direct WA	2,297	-2,297	\$0	2,297		0	0	\$0	0	0		-\$2,297	
565 Trans. of Elec. by Others	19,491		\$19,491	12,706		16,809		\$16,809	16,809	10,877		-\$1,829	
xxx Remove Agreed of \$1,528 expense						0	-1,528	-\$1,528	0	-1,528		-\$1,528	
CS2 and Colstrip O&M	0		\$0	0		0		\$0	0	0		\$0	
Total Expense	431,477	-2,297	429,180	282,079		257,217	-1,528	255,689	257,217	164,917		-117,162	
Net Income Before Income Taxes	-188,295	2,134	-186,161	-123,492		-173,677	1,528	-172,149	-173,677	-110,859		12,634	
Idaho State Income Tax													
Net Income before FIT				-123,492						-110,859		12,634	
Federal Income Tax				-43,222						-38,801		4,422	
Net Income				-\$80,270						-\$72,058		\$8,212	
CS2 and Colstrip O&M	18,890		\$18,890	12,314		24,340		\$24,340	24,340	15,750		3,436	
Removed per Settlement Agreement													

Avista Corp.
Power Supply Pro forma - Washington Jurisdiction
System Numbers - Oct 2013 - Sep 2014 Actual and 2016 Pro Forma
Oct 13 - Sep 14 Test Year Load
Update 4-3-15 Financial Transactions, Actual Chelan

Line No.	Oct 13 - Sep 14 Actuals	Adjustment	2016 Pro Forma
<u>555 PURCHASED POWER</u>			
1	\$0	\$16,056	\$16,056
2	97,599	-97,599	0
3	0	961	961
4	12,197	216	12,413
5	1,615	231	1,846
6	4,740	-4,740	0
7	6,834	1,017	7,851
8	970	-11	959
9	22,186	831	23,017
10	2,756	266	3,022
11	16,139	1,436	17,575
12	4	3	7
13	1,473	-72	1,401
14	1,696	432	2,128
15	2,227	536	2,763
16	6,370	80	6,450
17	-114	114	0
18	675	-675	0
19	18,060	2,337	20,397
20	1,521	-1,521	0
21	196,948	-80,102	116,846
	196,946		
<u>557 OTHER EXPENSES</u>			
22	690	0	690
23	722	-722	0
24	1,575	-1,575	0
25	-61	61	0
26	86,100	-86,100	0
27	89,026	-88,336	690
<u>501 THERMAL FUEL EXPENSE</u>			
28	6,307	-140	6,167
29	19	0	19
30	19,151	4,036	23,187
31	324	0	324
32	25,801	3,895	29,696
<u>547 OTHER FUEL EXPENSE</u>			
33	45,359	-2,674	42,685
34	6,583	553	7,136
35	39,279	1,908	41,187
36	5,675	120	5,795
37	0	2,151	2,151
38	0	-8,936	-8,936
39	57	0	57
40	15	-15	0
41	943	-6	937
42	104	-85	19
43	897	-19	878
44	302	-36	266
45	99,214	-7,039	92,175

Avista Corp.
Power Supply Pro forma - Washington Jurisdiction
System Numbers - Oct 2013 - Sep 2014 Actual and 2016 Pro Forma
Oct 13 - Sep 14 Test Year Load
Update 4-3-15 Financial Transactions, Actual Chelan

Line No.	Oct 13 - Sep 14 Actuals	Adjustment	2016 Pro Forma
<u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u>			
46	912	0	912
47	61	0	61
48	14,585	-2,752	11,833
49	1,501	7	1,508
50	1,361	0	1,361
51	45	0	45
52	140	0	140
53	243	63	306
54	643	0	643
55	19,491	-2,682	16,809
	19,492		
<u>536 WATER FOR POWER</u>			
56	997	4	1,001
<u>CS2 and Colstrip O&M</u>			
57			
58			
59	0	0	0
60	431,477	-174,260	257,217
<u>447 SALES FOR RESALE</u>			
61	0	43,752	43,752
62	121,622	-121,622	0
63	0	6,239	6,239
64	1,749	17,529	19,278
65	1,724	65	1,789
66	79	77	156
67	427	143	570
68	20,765	-9,476	11,289
69	675	-675	0
70	147,041	-63,967	83,074
<u>456 OTHER ELECTRIC REVENUE</u>			
71	3,882	-3,882	0
72	163	-163	0
73	91,628	-91,628	0
74	95,673	-95,673	0
<u>453 SALES OF WATER AND WATER POWER</u>			
75	468	-2	466
76	243,182	-159,642	83,540
77	188,295	-14,618	173,677
		-7.76%	

ADJ 3.10 - 2016 Pro Forma Major Maintenance - Hydro, Thermal, Steam*

	CORRECTION	
	2016	2016
Total Maintenance (Hydro, Thermal, Steam)*		
2016 Non-major (Non-Labor) Maintenance Expenses (annual reoccurring):	\$3,925,201 (1)	\$2,572,580 (2)
2016 Major Maintenance Planned:	\$4,129,125	\$4,129,125
Total:	\$8,054,326	\$6,701,705
12ME 9/30/2014 Total Maintenance (includes Non-Major and 2014 Major Expenses* , Non-Labor)	\$4,349,450	\$4,349,450 (3)
Pro Forma Incremental Maintenance Increase:	\$3,704,876	\$2,352,255

Washington Share of Incremental Maintenance: (P/T Ratio= 65.19%)-as filed	\$2,415,209	(4)
Washington Share of Incremental Maintenance: (P/T Ratio= 65.19%)-CORRECTED	\$1,533,435	(5)
Correction, or reduction to Pro Forma Hydro, Thermal Steam Maintenance	(\$881,774)	(6)

*excludes CS2 and Colstrip

See P.S. W/P

- (1) In the Company's original filing, the 2016 Non Major maintenance amount included operations expense in error.
- (2) Revised non-major maintenance amount based on actual 2014 non-major maintenance expense. See Staff_DR_041-Attachment A and Staff_DR_041-Attachment G. The 2014 non-major maintenance is believed to be representative of the 2016 rate year level expense.
- (3) See Staff_DR_043-Attachment A
- (4) Pro Forma Hydro, Thermal, Steam Maintenance Adjustment included in filing.
- (5) Corrected Pro Forma Hydro, Thermal, Steam Maintenance Adjustment
- (6) Reduction to pro forma maintenance expense.

Revised Pension/Medical
AVISTA UTILITIES
 12 Months Ending 09/30/14

Adjustment No. _____
 Worksheet Ref. Pension & Medical Revised

(1) 2016 projected expense less 12ME 09/30/2014 actual expense
 2016 projection (medical), 2016 projection (pension)
 12 month ended September 2014 actual
 Difference
 Allocation to utility
 Net increase to utility

	REVISED			As Filed			Difference		
	Pension	Medical	TOTAL	Pension	Medical	TOTAL	Pension	Medical	TOTAL
2016	\$ 31,394,000	\$ 31,718,000	\$ 63,112,000	\$ 28,705,200	\$ 31,216,000	\$ 59,921,200	\$ 2,688,800	\$ 502,000	\$ 3,190,800
	\$ (22,719,466)	\$ (28,474,845)	\$ (51,194,311)	\$ (22,719,466)	\$ (28,474,845)	\$ (51,194,311)	\$ -	\$ -	\$ -
	\$ 8,674,534	\$ 3,243,155	\$ 11,917,689	\$ 5,985,734	\$ 2,741,155	\$ 8,726,889	\$ 2,688,800	\$ 502,000	\$ 3,190,800
	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%
	\$ 4,944,484	\$ 1,848,598	\$ 6,793,082	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756

12 month period end 09/30/2014
 Washington Electric Labor
 Total OPER Labor
 % of total

	\$ 37,300,870.00		\$ 37,300,870.00	\$ 37,300,870.00		\$ 37,300,870.00	\$ 37,300,870.00		\$ 37,300,870.00
	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61
		47.951%							

Idaho Electric Labor
 Total OPER Labor
 % of total

	\$ 18,117,499.00		\$ 18,117,499.00	\$ 18,117,499.00		\$ 18,117,499.00	\$ 18,117,499.00		\$ 18,117,499.00
	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61
		23.291%							

Washington Gas Labor
 Total OPER Labor
 % of total

	\$ 11,221,033.00		\$ 11,221,033.00	\$ 11,221,033.00		\$ 11,221,033.00	\$ 11,221,033.00		\$ 11,221,033.00
	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61
		14.425%							

Idaho Gas Labor
 Total OPER Labor
 % of total

	\$ 4,772,058.00		\$ 4,772,058.00	\$ 4,772,058.00		\$ 4,772,058.00	\$ 4,772,058.00		\$ 4,772,058.00
	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61
		6.135%							

Oregon Gas Labor
 Total OPER Labor
 % of total

	\$ 6,377,679.61		\$ 6,377,679.61	\$ 6,377,679.61		\$ 6,377,679.61	\$ 6,377,679.61		\$ 6,377,679.61
	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61	\$ 77,789,139.61		\$ 77,789,139.61
		8.199%							

Source **
 Towers Watson Estimated 2014-2019
 Pension Expense
 Admin
 Plus 401K
 Total

2016	\$ 4,944,534	\$ 1,848,616	\$ 6,793,150	\$ 4,944,534	\$ 1,848,616	\$ 6,793,150	\$ 4,944,534	\$ 1,848,616	\$ 6,793,150
	\$ 303,344	\$ 113,411	\$ 416,755	\$ 209,318	\$ 95,857	\$ 305,175	\$ 94,026	\$ 17,555	\$ 111,581
	\$ 405,398	\$ 151,567	\$ 556,965	\$ 279,739	\$ 128,106	\$ 407,845	\$ 125,659	\$ 23,461	\$ 149,120
	\$ 23,920,000	\$ 2,200,000	\$ 26,120,000	\$ 21,011,200	\$ 2,200,000	\$ 23,211,200	\$ 2,688,800	\$ -	\$ 2,688,800
	\$ 7,474,000	\$ 7,474,000	\$ 14,948,000	\$ 7,474,000	\$ 7,474,000	\$ 14,948,000	\$ 2,688,800	\$ -	\$ 2,688,800
	\$ 31,394,000	\$ 31,718,000	\$ 63,112,000	\$ 21,820,000	\$ 31,216,000	\$ 53,036,000	\$ 2,688,800	\$ 502,000	\$ 3,190,800

Medical:
 2015 estimate
 EBA Medical Health Insurance
 Group Health Medical Insurance
 FAS 106
 Admin

2016	\$ 21,820,000	\$ 507,000	\$ 22,327,000	\$ 21,820,000	\$ 507,000	\$ 22,327,000	\$ 21,820,000	\$ 507,000	\$ 22,327,000
	\$ 9,308,000	\$ 91,000	\$ 9,400,000	\$ 9,308,000	\$ 91,000	\$ 9,400,000	\$ 9,308,000	\$ 91,000	\$ 9,400,000
	\$ 31,718,000	\$ 598,000	\$ 32,316,000	\$ 31,138,000	\$ 598,000	\$ 31,736,000	\$ 502,000	\$ 502,000	\$ 1,038,000

Medical from Mercer
 Adjustment for IBNR
 Admin Fees
 Total

2016	\$ 23,600,000	\$ (2,000,000)	\$ 21,600,000	\$ 23,600,000	\$ (2,000,000)	\$ 21,600,000	\$ 23,600,000	\$ (2,000,000)	\$ 21,600,000
	\$ 220,000	\$ 220,000	\$ 440,000	\$ 220,000	\$ 220,000	\$ 440,000	\$ 220,000	\$ 220,000	\$ 440,000
	\$ 21,820,000	\$ -	\$ 21,820,000	\$ 21,820,000	\$ -	\$ 21,820,000	\$ 21,820,000	\$ -	\$ 21,820,000

Prep by: _____ 1st Review: _____
 Date: 5/12/2015 Mgr. Review: _____
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Avista Utilities Plant Additions Electric Adjustment	EOP	AMA	ROO	2014 AMA	2014	Difference EOP>AMA	New Revenue	Adjustment
Adjustment Number- Exhibit No. (EMA-4) Worksheet Reference - Exhibit No. (EMA - 4)								
Depreciation/Amortization Expense	2014	2014						
Intangible	7,394	7,394	-					
Production	16,426	16,426	-					
Transmission	6,725	6,725	-					
Distribution	23,860	23,860	-					
General	10,290	10,290	-					
Total Depreciation Expense	64,695	64,695	-					
Transportation Expense	1,287	1,267	20					20
Net Operating Income Before FIT	(65,982)	(65,982)	(20)					(20)
FIT Benefit of Depreciation/Amortization	23,094	23,087	7					7
Net Operating Income	(42,888)	(42,875)	(13)					(13)
Plant Cost								
Intangible	106,535	102,620	3,915					3,915
Production	757,122	746,101	11,021					11,021
Transmission	390,213	371,971	18,242					18,242
Distribution	867,175	842,795	24,380		(6,524)			17,856
General	200,196	196,867	3,329					3,329
Total Plant Cost	2,321,241	2,260,354	60,887		(6,524)			54,363
Accumulated Depreciation								
Intangible	(20,367)	(20,498)	131					131
Production	(330,026)	(325,531)	(4,495)					(4,495)
Transmission	(124,984)	(123,869)	(1,115)					(1,115)
Distribution	(262,889)	(252,722)	(10,167)		186			(9,981)
General	(65,940)	(65,464)	(476)					(476)
Total Accumulated Depreciation	(804,206)	(788,084)	(16,122)		186			(15,936)
Accumulated DFIT								
Intangible	(4,683)	(6,312)	1,649					1,649
Production	(105,797)	(86,513)	(19,284)					(19,284)
Transmission	(46,595)	(37,374)	(9,221)					(9,221)
Distribution	(107,404)	(86,146)	(21,258)		56			(21,202)
General	(33,061)	(41,421)	8,360					8,360
Total Accumulated DFIT	(297,520)	(257,766)	(39,754)		56			(39,698)
Net Rate Base	1,219,515	1,214,504	5,011		(6,282)			(1,271)

\$1,213,233

Note: DFIT is calculated using a 10/2 (Actuals/Forecast) with additions at December 31, 2014. Therefore, for the period September 30, 2014 - December 31, 2014, for DFIT, additions have been taken into account and are included as a part of the September 30, 2013 DFIT Balance in each of the adjustment years 12.31.13-2015.

Avista Utilities Plant Additions Electric Adjustment	2016 ADJUSTMENT					2016		2016 Plant Additions	2016 E-CAP16 Adjustment	AMA
	2014	2015 Plant	2016 Plant	2016	2016	2016	2016			
Plant										
Adjustment Number- Exhibit No. (EMA-4) Worksheet Reference - Exhibit No. (EMA - 4)										
12.31.14 Depreciation	New Revenue Plant									
Depreciation/Amortization Expense										
Intangible										
Production			(478)		820		1,016	1,359	15,466	
Transmission			(20)				233	213	18,186	
Distribution			(47)				149	102	7,526	
General			(54)		569	(776)	589	299	25,940	
Total Depreciation Expense			(77)		465		292	680	11,647	
			(675)		1,845	(776)	2,259	2,652	78,766	
Transportation Expense										
Net Operating Income Before FIT										
FIT Benefit of Depreciation/Amortization										
Net Operating Income										
Plant Cost										
Intangible										
Production			(2,148)		3,684		4,567	6,106	167,862	
Transmission			(957)				11,383	9,688	838,013	
Distribution			(2,556)				8,165	5,610	416,145	
General			(1,834)		8,399	(28,574)	19,495	(514)	903,767	
Total Plant Cost			(2,031)		6,986		5,167	10,121	233,353	
2.3 CDA Legal Costs			(9,523)		19,069	(28,574)	48,776	31,010	2,559,140	
Accumulated Depreciation										
Intangible										
Production			(3,697)		(410)		(508)	(5,986)	(33,210)	
Transmission			(8,213)				(116)	(8,078)	(352,755)	
Distribution			(3,363)		(280)	6,298	(74)	(1,121)	(126,951)	
General			(11,930)		(233)		(285)	(4,851)	(287,233)	
Total Accumulated Depreciation			(23,193)		(922)		(1,129)	(12,036)	(728,149)	
Accumulated DFIT										
Intangible										
Production			119		(132)		(343)	(3,520)	(12,945)	
Transmission			(350)				(225)	(1,263)	(109,086)	
Distribution			(227)		5		(228)	(763)	(48,282)	
General			(525)		(214)		(182)	(950)	(110,002)	
Total Accumulated DFIT			(352)		(341)		(226)	(815)	(34,866)	
Net Rate Base			(34,081)		17,806	(20,276)	48,446	(1,029)	1,365,555	

Note: DFIT is calculated using a 10/2 (Actuals/Forecast) December 31, 2014, for DFIT, additions have been to of the adjustment years 12.31.13-2015.

Avista Utilities
 Reconciliation of Pro Forma to Attrition Adjustment
 State of Washington Electric
 (000's of Dollars)

Line No.	Description	Attrition Balances	Revenue Growth Factor	Attrition Adjusted Balances	Pro Forma - Attrition Adjusted (Prior to Attrition Other Column)	Differences - Other Column	Adjusted for Taxes and Conversion Factor	Rate Base / Debt Interest Adj	Expense Amount	Net Adjustment	Adjusted Net Pro Forma Balances
1	Attrition Total - Electric per Exhibit No. (EMA-2), page 5								156	1,174	
2	Line						0.65				
3							0.62				
4	31 Net Operating Income	\$ 97,965	1.013115	\$ 96,697	\$ 97,618	\$ (920)		\$ (156)	\$ (764)	\$ (920)	\$ 96,698
5											
6	49 Total Rate base	\$ 1,437,958	1.013115	\$ 1,419,343	\$ 1,436,022	\$ (16,679)		\$ (16,679)	\$ -	\$ (16,679)	\$ 1,419,343
7											
8	54 Revenue Requirement	\$ 11,065	1.013115	\$ 10,922	\$ 11,400	\$ (478)				\$ (478)	

**NATURAL GAS REVISED
PRO FORMA
WORKPAPERS**

Staff_DR_131-Attachment D

AVISTA UTILITIES
12 Months Ending 09/30/14

Adjustment No. _____
Worksheet Ref. Pension & Medical Revised

(1) 2016 projected expense less 12ME 09/30/2014 actual expense
2016 projection (medical), 2016 projection (pension)
12 month ended September 2014 actual
Difference
Allocation to utility
Net increase to utility

12 month period end 09/30/2014

	2016	2015	% of total
Washington Electric Labor	\$ 37,300,870.00	\$ 31,718,000	47.951%
Total OPER Labor	\$ 77,789,139.61	\$ 28,474,845	23.291%
% of total			14.425%
Idaho Electric Labor	\$ 18,117,495.00	\$ 11,511,620	6.135%
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	8.199%
% of total			100.00%
Washington Gas Labor	\$ 11,221,033.00	\$ 7,789,139.61	
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	
% of total			
Idaho Gas Labor	\$ 4,772,058.00	\$ 7,789,139.61	
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	
% of total			
Oregon Gas Labor	\$ 6,377,679.61	\$ 7,789,139.61	
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	
% of total			

	REVISED			As Filed			Difference		
	Pension	Medical	TOTAL	Pension	Medical	TOTAL	Pension	Medical	TOTAL
**	\$ 31,394,000	\$ 31,718,000	\$ 63,112,000	\$ 28,705,200	\$ 31,216,000	\$ 59,921,200	\$ 2,688,800	\$ 502,000	\$ 3,190,800
2016	(\$22,719,466)	(\$28,474,845)	(\$51,194,311)	(\$22,719,466)	(\$28,474,845)	(\$51,194,311)	\$ -	\$ -	\$ -
Difference	\$8,674,534	\$3,243,155	\$11,917,689	\$5,985,734	\$2,741,155	\$8,726,889	\$2,688,800	\$502,000	\$3,190,800
Allocation to utility	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%	57.00%
Net increase to utility	\$4,944,484	\$1,848,598	\$6,793,082	\$3,411,868	\$1,562,458	\$4,974,326	\$1,532,616	\$286,140	\$1,818,756
12 month period end 09/30/2014									
Washington Electric Labor	\$ 37,300,870.00	\$ 31,718,000	\$ 63,112,000	\$ 28,705,200	\$ 31,216,000	\$ 59,921,200	\$ 2,688,800	\$ 502,000	\$ 3,190,800
Total OPER Labor	\$ 77,789,139.61	\$ 28,474,845	(\$51,194,311)	(\$22,719,466)	(\$28,474,845)	(\$51,194,311)	\$ -	\$ -	\$ -
% of total									
Idaho Electric Labor	\$ 18,117,495.00	\$ 11,511,620	\$ 4,772,058.00	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	\$ 8,199%	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
% of total									
Washington Gas Labor	\$ 11,221,033.00	\$ 7,789,139.61	\$ 4,772,058.00	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	\$ 8,199%	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
% of total									
Idaho Gas Labor	\$ 4,772,058.00	\$ 7,789,139.61	\$ 4,772,058.00	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	\$ 8,199%	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
% of total									
Oregon Gas Labor	\$ 6,377,679.61	\$ 7,789,139.61	\$ 4,772,058.00	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
Total OPER Labor	\$ 77,789,139.61	\$ 4,772,058.00	\$ 8,199%	\$ 3,411,868	\$ 1,562,458	\$ 4,974,326	\$ 1,532,616	\$ 286,140	\$ 1,818,756
% of total									

Source	2016	2015	Task
Towers Watson Estimated 2014-2019			
Pension	23,700,000	21,820,000	926220
Admin	220,000	507,000	926220
Plus 401K	23,920,000	22,327,000	926230
Total	7,474,000	28,705,200	926230
Medical:			
2015 estimate	21,820,000	21,820,000	926220
EBA Medical Health Insurance	\$ 507,000	\$ 507,000	926220
Group Health Medical Insurance	\$ 2,300,000	\$ 8,798,000	926240
FAS 105	\$ 91,000	\$ 91,000	926240
Admin	\$ 31,718,000	\$ 31,216,000	926240
Medical from Mercer	\$ 23,600,000	\$ 23,600,000	
Adjustment for IBNR	\$ (2,000,000)	\$ (2,000,000)	
Admin Fees	\$ 220,000	\$ 220,000	
Total	\$ 21,820,000	\$ 21,820,000	

Prep by: _____ 1st Review: _____
Date: 5/13/2015 Mgr. Review: _____
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Avista Utilities	2013-2014 ADJUSTMENT				2014
Plant Additions	EOP	AMA	ROO	2014 AMA	2014
Gas Adjustment					
Adjustment Number - Exhibit No. (EMA-5)					
Worksheet Reference - Exhibit No. (EMA - 5)					
	2014	2014	Difference EOP>AMA	New Revenue	Adjustment
Depreciation/Amortization Expense					
Intangible	1,893	1,893	-	-	-
U/G Storage	402	402	-	-	-
Distribution	8,519	8,519	-	-	-
General	2,496	2,496	-	-	-
Total Expenses	13,310	13,310	-	-	-
Transportation Expense	547	547	8	-	8
Net Operating Income Before FIT	(13,865)	(13,857)	(8)	-	(8)
FIT Benefit of Depreciation/Amortization	4,853	4,850	3	-	3
Net Operating Income	(9,012)	(9,007)	(5)	-	(5)
Plant Cost					
Intangible	12,089	11,780	289	-	289
U/G Storage	25,540	25,235	305	-	305
Distribution	349,746	337,894	11,852	(4,028)	7,824
General	47,704	47,389	315	-	315
Total Plant Cost	435,059	422,298	12,761	(4,028)	8,733
1.3 G-EOP E-PLT		1.3 G-AMA E-PLT		NR.1 + NR.2	
Accumulated Depreciation					
Intangible	(4,531)	(4,742)	211	-	211
U/G Storage	(9,546)	(9,351)	(195)	-	(195)
Distribution	(117,792)	(114,794)	(2,998)	100	(2,898)
General	(12,871)	(12,857)	(14)	-	(14)
Total Accumulated Depreciation	(144,740)	(141,744)	(2,996)	100	(2,896)
1.3 G-EOP E-PLT		1.3 G-AMA E-PLT		NR.1 + NR.2	
Accumulated DFIT					
Intangible	(1,864)	(2,364)	500	-	500
U/G Storage	(3,658)	(2,770)	(888)	-	(888)
Distribution	(49,770)	(37,684)	(12,086)	34	(12,053)
General	(9,675)	(11,835)	2,160	-	2,160
Total Accumulated DFIT	(64,967)	(54,653)	(10,314)	34	(10,281)
1.5 & 1.6 ADPIT		1.5 & 1.6 ADPIT		NR.1 + NR.2	
Net Rate Base	225,352	225,901	(549)	(3,895)	(4,444)

✓ \$221,457

Note: DFIT is calculated using a 10/2 (Actuals/Forecast) with additions at December 31, 2013. Therefore, for the period June 30, 2013-December 31, 2013, for DFIT, additions have been taken into account and are included as a part of the June 30, 2013 DFIT Balance in each of the adjustment years 12.31.13-2015.

Avista Utilities Plant Additions Gas Adjustment	2015 ADJUSTMENT				2015 4.01 G-CAP14	Adjustment	EOP
	2014	2014	2015	2015 Plant			
Adjustment Number- Exhibit No. (EMA-5) Worksheet Reference - Exhibit No. (EMA -							
	2014	2014	2015	2015 Plant			
	12.31.14	New Revenue Plant	Retirements	Additions	Adjustment	12.31.15	
Depreciation/Amortization Expense							
Intangible	110		(335)	2,086	1,861	3,754	
U/G Storage	21		-	12	33	435	
Distribution	289		(72)	533	750	9,269	
General	-138		(47)	341	156	2,652	
Total Expenses	282	-	(454)	2,972	2,800	16,110	
Transportation Expense						555	
Net Operating Income Before FIT	(282)	-	454	(2,972)	(2,800)	(16,665)	
FIT Benefit of Depreciation/Amortization	99	-	(159)	1,040	980	5,639	
Net Operating Income	(183)	-	295	(1,932)	(1,820)	(11,027)	
Plant Cost							
Intangible			(1,504)	17,865	16,361	28,430	
U/G Storage			-	769	769	26,309	
Distribution			(2,839)	21,148	18,309	364,027	
General			(1,309)	7,804	6,495	54,199	
Total Plant Cost	-	-	(5,652)	47,587	41,935	472,966	
				G-CAP14			
Accumulated Depreciation							
Intangible	(1,893)		1,504	(1,328)	(1,719)	(6,249)	
U/G Storage	(402)		-	(6)	(408)	(9,954)	
Distribution	(8,519)	160	2,839	(220)	(5,740)	(123,432)	
General	(2,496)		1,309	(113)	(1,300)	(14,171)	
Total Accumulated Depreciation	(13,310)	160	5,652	(1,668)	(9,166)	(153,806)	
				G-CAP14			
Accumulated DFIT							
Intangible	18			(1,435)	(1,417)	(3,281)	
U/G Storage	(83)			(8)	(91)	(3,749)	
Distribution	(1,166)	154		(181)	(1,194)	(60,930)	
General	66			(373)	(307)	(9,982)	
Total Accumulated DFIT	(1,165)	154	-	(1,997)	(3,009)	(67,942)	
Net Rate Base	(14,475)	314	-	43,922	29,760	251,218	
						251,218	

Note: DFIT is calculated using a 10/2 (Actuals/F
December 31, 2013, for DFIT, additions have b
each of the adjustment years 12.31.13-2015.

Avista Utilities
 Reconciliation of Pro Forma to Attrition Adjustment
 State of Washington Natural Gas
 (000's of Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Line No.	Description		Attrition Balances	Revenue Growth Factor	Attrition Adjusted Balances	Pro Forma - Attrition Adjusted (Prior to Attrition Other Column)*	Difference = Other Column	Adjusted for Taxes and Conversion Factor	Rate Base / Debt Interest Adj	Expense Amount	Net Adjustment	Adjusted Net Pro Forma Balances	After Attrition Adj (Atmos. Test)	Net Pro Forma / Attrition
1	Attrition Total - Electric per Exhibit No. (EMA-2), page 5													
2	Line													
3							Expense amount-Debt Interest After Tax	0.65		(21)				
4	91	Net Operating Income	\$ 14,992	0.99763	\$ 15,028	14,851	Conversion Fac	0.62014	\$ 21	\$ 155	\$ 177	\$ 15,028	\$ (460)	\$ 14,568
5	47	Total Rate base	\$ 281,801	0.99763	\$ 282,470	280,189			\$ 2,282	\$ -	\$ 2,282	\$ 282,471		\$ 282,471
6														
7														
8	54	Revenue Requirement	\$ 8,949	0.99763	\$ 8,971	8,990					\$ (18)			

(Attrition Column (D) and Pro Forma Column (G) exclude after attrition adjustment for Atmospheric Testing in order to reconcile the difference. Final column (O) adjusts for this impact shown in column (N).