

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



January 16, 2015

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report,
December 2014

2015 JAN 20 AM 9:35
COMMUNICATIONS
UNITED STATES
DEPARTMENT OF JUSTICE

Dear Mr. King:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2014.

The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers (Attachment A). In December, actual net power costs were less than authorized costs by \$461,233. Year-to-date actual net power costs were less than authorized costs by \$9,526,640. A deferral entry of \$345,924 was made in the rebate direction. The ERM deferral at December, 2014 is \$4,144,979 in the rebate direction.

In Order 09, Docket UE-120436, the Company was authorized to return a portion of the accumulated ERM deferral balance to customers effective January 1, 2013. Total rebate revenue amounted to \$866,645 for the month of December 2014. After adjusting for revenue-sensitive expenses, \$827,733 of amortization of the deferral balance was recorded.

Actual net power costs for December 2014 were lower than the authorized level due partially to higher hydro generation and lower power purchase prices. Hydro generation was 61 aMW above the authorized level. Colstrip generation was 19 aMW below the authorized level. Kettle Falls generation was 1 aMW above the authorized level. Natural gas-fired generation was 162 aMW below the authorized level.

The average power purchase price was \$25.98/MWh compared to an authorized price of \$31.43/MWh. The average natural gas price was \$3.87/dth compared to an authorized price of \$3.71/dth. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 32 aMW below the authorized level.

The report also includes the monthly renewable energy credits (REC) accounting journal together with backup workpapers (Attachment B). In December 2014, actual net REC revenues were greater than authorized net revenues by \$50,948. The Company records 100% of the net REC revenues in a separate deferral account per Order 09, Docket UE-120436.

Interest is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's actual cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The January and July reports contain the supporting workpapers for the semi-annual updates of the weighted cost of debt used in the interest calculations. Page 26 of the report for July 2014 shows the calculation of the cost of debt at June 30, 2014, which is used for the July through December 2014 period.

There were no forward long-term power contracts executed in December 2014.

If you have any questions, please contact Bill Johnson at (509) 495-4046 or Annette Brandon at (509) 495-4324.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

Kelly Norwood
Vice President, State and Federal Regulation

JP

Enclosure

C: Mary Kimball, S. Bradley Van Cleve

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT

MONTH OF DECEMBER 2014

2015 JAN 20 AM 9:35
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 186280 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | 0.00 | 1,256,447.00 | 1,256,447.00 |
| ED | WA | 201401 | 1,256,447.00 | -1,247,407.00 | 9,040.00 |
| ED | WA | 201402 | 9,040.00 | -9,040.00 | 0.00 |
| ED | WA | 201403 | 0.00 | 0.00 | 0.00 |
| ED | WA | 201404 | 0.00 | 0.00 | 0.00 |
| ED | WA | 201405 | 0.00 | -1,748,236.00 | -1,748,236.00 |
| ED | WA | 201406 | -1,748,236.00 | -914,303.00 | -2,662,539.00 |
| ED | WA | 201407 | -2,662,539.00 | -1,955,345.00 | -4,617,884.00 |
| ED | WA | 201408 | -4,617,884.00 | -42,368.00 | -4,660,252.00 |
| ED | WA | 201409 | -4,660,252.00 | 812,584.00 | -3,847,668.00 |
| ED | WA | 201410 | -3,847,668.00 | -91,107.00 | -3,938,775.00 |
| ED | WA | 201411 | -3,938,775.00 | 72,210.00 | -3,866,565.00 |
| ED | WA | 201412 | -3,866,565.00 | -357,446.00 | -4,224,011.00 |

ERM Deferral Balance (Current Year - 2014)

Account 186280.ED.WA

| | Amount | Journal ID |
|--------------------------|-----------------------|--------------|
| Balance 11/30/2014 | \$ (3,866,565) | |
| Deferral - Current Month | \$ (345,924) | 481 - WA ERM |
| Interest - Current Month | \$ (11,522) | 481 - WA ERM |
| Balance 12/31/2014 | <u>\$ (4,224,011)</u> | |
| Year to date deferrals | \$ (4,144,979) | |
| Year to date interest | \$ (79,032) | |
| Balance in account | <u>\$ (4,224,011)</u> | |

| | Total | Absorbed | Deferred |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| First \$4,000,000 at 100% | \$ (4,000,000) | \$ (4,000,000) | \$ - |
| \$4,000,000 to \$10,000,000 at 25% | \$ (5,526,639) | \$ (1,381,660) | \$ (4,144,979) |
| Over \$10,000,000 at 10% | \$ - | \$ - | \$ - |
| Total | <u>\$ (9,526,639)</u> | <u>\$ (5,381,660)</u> | <u>\$ (4,144,979)</u> |

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 186290 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | -9,252,504.14 | -28,137.00 | -9,280,641.14 |
| ED | WA | 201401 | -9,280,641.14 | 1,235,876.00 | -8,044,765.14 |
| ED | WA | 201402 | -8,044,765.14 | 9,319,254.14 | 1,274,489.00 |
| ED | WA | 201403 | 1,274,489.00 | 3,827.00 | 1,278,316.00 |
| ED | WA | 201404 | 1,278,316.00 | -14,785.71 | 1,263,530.29 |
| ED | WA | 201405 | 1,263,530.29 | 3,692.00 | 1,267,222.29 |
| ED | WA | 201406 | 1,267,222.29 | 3,692.00 | 1,270,914.29 |
| ED | WA | 201407 | 1,270,914.29 | -1,270,914.00 | 0.29 |
| ED | WA | 201408 | 0.29 | -0.29 | 0.00 |
| ED | WA | 201409 | 0.00 | 0.00 | 0.00 |
| ED | WA | 201410 | 0.00 | 0.00 | 0.00 |
| ED | WA | 201411 | 0.00 | 0.00 | 0.00 |
| ED | WA | 201412 | 0.00 | 0.00 | 0.00 |

ERM Deferral Balance (Prior year - 2013)

Account 186290.ED.WA

Balance 11/30/2014

Interest - Current Month

Balance 12/31/2014

| | <u>Amount</u> | <u>Journal ID</u> |
|----|---------------|-------------------|
| \$ | - | |
| \$ | - | 481 - WA ERM |
| \$ | - | |

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 182350 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | -10,262,209.00 | 382,815.00 | -9,879,394.00 |
| ED | WA | 201401 | -9,879,394.00 | 546,382.00 | -9,333,012.00 |
| ED | WA | 201402 | -9,333,012.00 | -8,518,899.14 | -17,851,911.14 |
| ED | WA | 201403 | -17,851,911.14 | 737,656.00 | -17,114,255.14 |
| ED | WA | 201404 | -17,114,255.14 | 599,294.22 | -16,514,960.92 |
| ED | WA | 201405 | -16,514,960.92 | 610,932.00 | -15,904,028.92 |
| ED | WA | 201406 | -15,904,028.92 | 580,003.00 | -15,324,025.92 |
| ED | WA | 201407 | -15,324,025.92 | 1,888,322.00 | -13,435,703.92 |
| ED | WA | 201408 | -13,435,703.92 | 711,638.21 | -12,724,065.71 |
| ED | WA | 201409 | -12,724,065.71 | 722,250.00 | -12,001,815.71 |
| ED | WA | 201410 | -12,001,815.71 | 612,676.00 | -11,389,139.71 |
| ED | WA | 201411 | -11,389,139.71 | 628,745.00 | -10,760,394.71 |
| ED | WA | 201412 | -10,760,394.71 | 798,304.00 | -9,962,090.71 |

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 11/30/2014
 Surcharge Amortization
 Interest
 Balance 12/31/2014

| Amount | Journal ID |
|-----------------------|--------------|
| \$ (10,760,395) | |
| \$ 827,733 | 481 - WA ERM |
| \$ (29,429) | 481 - WA ERM |
| <u>\$ (9,962,091)</u> | |

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 283280 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | 6,830,150.48 | -563,893.75 | 6,266,256.73 |
| ED | WA | 201401 | 6,266,256.73 | -187,197.85 | 6,079,058.88 |
| ED | WA | 201402 | 6,079,058.88 | -276,960.25 | 5,802,098.63 |
| ED | WA | 201403 | 5,802,098.63 | -259,519.05 | 5,542,579.58 |
| ED | WA | 201404 | 5,542,579.58 | -204,577.98 | 5,338,001.60 |
| ED | WA | 201405 | 5,338,001.60 | 396,764.20 | 5,734,765.80 |
| ED | WA | 201406 | 5,734,765.80 | 115,712.80 | 5,850,478.60 |
| ED | WA | 201407 | 5,850,478.60 | 468,277.95 | 6,318,756.55 |
| ED | WA | 201408 | 6,318,756.55 | -234,244.47 | 6,084,512.08 |
| ED | WA | 201409 | 6,084,512.08 | -537,191.90 | 5,547,320.18 |
| ED | WA | 201410 | 5,547,320.18 | -182,549.15 | 5,364,771.03 |
| ED | WA | 201411 | 5,364,771.03 | -245,334.25 | 5,119,436.78 |
| ED | WA | 201412 | 5,119,436.78 | -154,300.30 | 4,965,136.48 |

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

| | |
|---|-----------------|
| Account 186280.ED.WA balance | \$ (4,224,011) |
| Account 186290.ED.WA balance | \$ - |
| Account 182350.ED.WA balance | \$ (9,962,091) |
| Total | \$ (14,186,102) |
| Federal income tax rate | -35% |
| Deferred FIT related to deferrals | \$4,965,136 |
| Rounding | \$ 1 |
| Balance that should be in account - December 31, 2014 | \$ 4,965,137 |

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 186322 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | -1,309,240.81 | -297,707.00 | -1,606,947.81 |
| ED | WA | 201401 | -1,606,947.81 | 82,083.00 | -1,524,864.81 |
| ED | WA | 201402 | -1,524,864.81 | -79,905.00 | -1,604,769.81 |
| ED | WA | 201403 | -1,604,769.81 | -221,015.00 | -1,825,784.81 |
| ED | WA | 201404 | -1,825,784.81 | -361,430.83 | -2,187,215.64 |
| ED | WA | 201405 | -2,187,215.64 | 84,889.00 | -2,102,326.64 |
| ED | WA | 201406 | -2,102,326.64 | -21,300.25 | -2,123,626.89 |
| ED | WA | 201407 | -2,123,626.89 | -140,262.00 | -2,263,888.89 |
| ED | WA | 201408 | -2,263,888.89 | -180,438.00 | -2,444,326.89 |
| ED | WA | 201409 | -2,444,326.89 | -271,407.00 | -2,715,733.89 |
| ED | WA | 201410 | -2,715,733.89 | -458,544.00 | -3,174,277.89 |
| ED | WA | 201411 | -3,174,277.89 | -42,690.00 | -3,216,967.89 |
| ED | WA | 201412 | -3,216,967.89 | -60,222.00 | -3,277,189.89 |

REC Deferral Balance
Account 186322.ED.WA

| | Amount | Journal ID |
|--------------------|------------------------|-----------------------|
| Balance 11/30/2014 | -\$3,216,967.89 | |
| Deferral | -50,948.00 | 475 - WA REC DEFERRAL |
| Interest | -9,274.00 | 475 - WA REC DEFERRAL |
| Balance 12/31/2014 | <u>-\$3,277,189.89</u> | |

| | |
|---|---------------------|
| Balance 1/1/2014 | -\$1,606,948 |
| Year to date deferrals | -1,710,197 |
| Year to date interest | -79,896 |
| Adjustment for reclassifying 2012 REC Expenses | 36,510 |
| Adjustment for reclassifying 2013 REC Expenses | 36,955 |
| Record ID Share of RECs used in WA for I-937 (6/14) | 46,386 |
| Balance 12/31/2014 | <u>-\$3,277,190</u> |

| | | | |
|---------|----|-----------|--------|
| Statind | DL | Ferc Acct | 283305 |
|---------|----|-----------|--------|

| Service | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|---------|--------------|-------------------|-------------------|------------------|----------------|
| ED | WA | 201312 | 458,234.28 | 104,197.45 | 562,431.73 |
| ED | WA | 201401 | 562,431.73 | -28,729.05 | 533,702.68 |
| ED | WA | 201402 | 533,702.68 | 27,966.75 | 561,669.43 |
| ED | WA | 201403 | 561,669.43 | 75,592.30 | 637,261.73 |
| ED | WA | 201404 | 637,261.73 | 124,479.89 | 761,741.62 |
| ED | WA | 201405 | 761,741.62 | -37,792.30 | 723,949.32 |
| ED | WA | 201406 | 723,949.32 | 19,320.09 | 743,269.41 |
| ED | WA | 201407 | 743,269.41 | 49,091.70 | 792,361.11 |
| ED | WA | 201408 | 792,361.11 | 63,153.30 | 855,514.41 |
| ED | WA | 201409 | 855,514.41 | 94,992.45 | 950,506.86 |
| ED | WA | 201410 | 950,506.86 | 160,490.40 | 1,110,997.26 |
| ED | WA | 201411 | 1,110,997.26 | 14,941.50 | 1,125,938.76 |
| ED | WA | 201412 | 1,125,938.76 | 21,077.70 | 1,147,016.46 |

DFIT Associated with REC Deferrals
Account 283305.ED.WA

| | |
|---|-----------------|
| Account 186322.ED.WA balance | -\$3,277,189.89 |
| Total | -3,277,189.89 |
| Federal income tax rate | -35% |
| Deferred FIT related to deferrals | \$1,147,016 |
| Rounding | 0 |
| Balance that should be in account - December 31, 2014 | \$1,147,016 |

Attachment A

Avista Corporation
Monthly Power Cost Deferral Report
Month of December 2014

ERM Deferral Journal

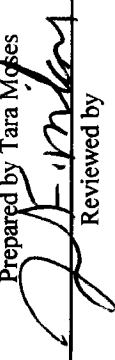
Avista Corporation Journal Entry

Journal: 481-WA ERM Effective Date: 201412
 Team: Resource Accounting Last Saved by: Tara Moses Last Saved: 01/09/2015 9:36 AM
 Type: C Submitted by: Tara Moses Approval Requested: 01/09/2015 9:38 AM
 Category: DJ Approved by:
 Currency: USD

| Seq | Co | FERC | Exp | Ser. | Jur. | S/L | Debit | Credit | Comment |
|----------------|-----|---|-----|------|------|--------------|---------------------|---------------------|---|
| 10 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | 827,733.00 | | | Current Amortization |
| 20 | 001 | 557290 - WA ERM AMORTIZATION | ED | WA | DL | | 827,733.00 | | Current Amortization Expense |
| 30 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | | 29,429.00 | | Interest Accrual for Amortization Balance |
| 40 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS CURRENT YEAR | ED | WA | DL | 29,429.00 | | | Interest Expense on Amortization Balance |
| 50 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 345,924.00 | | Current Year ERM (2014) |
| 60 | 001 | 557280 - DEFERRED POWER SUPPLY EXPENSE | ED | WA | DL | 345,924.00 | | | Current Year ERM Deferral Expense (2014) |
| 70 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 11,522.00 | | Current Year ERM Interest Accrual (2014) |
| 80 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS | ED | WA | DL | 11,522.00 | | | Current Year ERM Interest Expense (2014) |
| 90 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS | ED | WA | DL | 18,583.00 | | | Correct Interest Account Mar-Jun DJ 481 |
| 100 | 001 | 419600 - INTEREST ON ENERGY DEFERRALS | ED | WA | DL | 1,233,191.00 | | | Correct Interest Account Mar-Jun DJ 481 |
| Totals: | | | | | | | 1,233,191.00 | 1,233,191.00 | |

Explanation:

Record current month deferred power supply costs, and interest per WA accounting order.

Prepared by Tara Moses

 Reviewed by
 Date 1/9/15

Approved for Entry
 Corporate Accounting use Only
 Date

**Avista Corp. - Resource Accounting
 Washington Energy Recovery Mechanism (ERM) Current Year Deferral**

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

| | | | |
|------------------------------------|--|------------------------------------|--|
| Actual cost of debt at 12/31/13 is | 5.459% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00455 Before Tax 0.0029570 After Tax 35.00% Tax rate | The monthly rate is: | 0.00445 Before Tax 0.0028941 After Tax 35.00% Tax rate |

Account 186280

0

| | | | | <u>January</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
|-----------|--------------------------------------|-------------|----------|------------------|----------------------|--------------|
| January | ERM Deferral | 0 | | Deferral | 0 Operating | 0 |
| January | Interest | | 0 | Interest | 0 Nonoperating | 0 |
| | 01-31-2014 Balance before interest | 0 | | | 0 Total | 0 |
| | | | | <u>February</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| February | ERM Deferral | 0 | | Deferral | 0 Operating | 0 |
| February | Interest | | 0 | Interest | 0 Nonoperating | 0 |
| | 02-28-2014 Balance before interest | 0 | | | 0 Total | 0 |
| | | | | <u>March</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| March | ERM Deferral | 0 | | Deferral | 0 Operating | 0 |
| March | Interest | | 0 | Interest | 0 Nonoperating | 0 |
| | 03-31-2014 Balance before interest | 0 | | | 0 Total | 0 |
| | | | | <u>April</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| April | ERM Deferral | 0 | | Deferral | 0 Operating | 0 |
| April | Interest | | 0 | Interest | 0 Nonoperating | 0 |
| | 04-30-2014 Balance before interest | 0 | | | 0 Total | 0 |
| | | | | <u>May</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| May | ERM Deferral | (1,750,825) | | Deferral | (612,789) Operating | 612,789 |
| May | Interest | | (2,589) | Interest | (906) Nonoperating | 906 |
| | 05-31-2014 Balance before interest | (1,750,825) | | | (613,695) Total | 613,695 |
| | | | | <u>June</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| June | ERM Deferral | (902,613) | | Deferral | (315,915) Operating | 315,915 |
| June | Interest | | (6,512) | Interest | (2,279) Nonoperating | 2,279 |
| | 06-30-2014 Balance before interest | (2,653,438) | | | (318,194) Total | 318,194 |
| | GL Balance <u>including</u> interest | (2,662,539) | | | | |
| | Interest related to WNP-3 | | 0 | | | |
| | GL Balance <u>including</u> interest | (2,662,539) | | | | |
| | | | | <u>July</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| July | ERM Deferral | (1,944,825) | | Deferral | (680,689) Operating | 680,689 |
| July | Interest | | (10,520) | Interest | (3,882) Nonoperating | 3,882 |
| | 07-31-2014 Balance before interest | (4,607,364) | | | (684,371) Total | 684,371 |
| | | | | <u>August</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| August | ERM Deferral | (28,922) | | Deferral | (10,123) Operating | 10,123 |
| August | Interest | | (13,376) | Interest | (4,682) Nonoperating | 4,682 |
| | 08-31-2014 Balance before interest | (4,636,286) | | | (14,805) Total | 14,805 |
| | | | | <u>September</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| September | ERM Deferral | 824,738 | | Deferral | 288,658 Operating | (288,658) |
| September | Interest | | (12,224) | Interest | (4,278) Nonoperating | 4,278 |
| | 09-30-2014 Balance before interest | (3,811,548) | | | 284,380 Total | (284,380) |
| | | | | <u>October</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| October | ERM Deferral | (79,960) | | Deferral | (27,986) Operating | 27,986 |
| October | Interest | | (11,147) | Interest | (3,901) Nonoperating | 3,901 |
| | 10-31-2014 Balance before interest | (3,891,508) | | | (31,887) Total | 31,887 |
| | | | | <u>November</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| November | ERM Deferral | 83,352 | | Deferral | 29,173 Operating | (29,173) |
| November | Interest | | (11,142) | Interest | (3,900) Nonoperating | 3,900 |
| | 11-30-2014 Balance before interest | (3,808,156) | | | 25,273 Total | (25,273) |
| | | | | <u>December</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| December | ERM Deferral | (345,924) | | Deferral | (121,073) Operating | 121,073 |
| December | Interest (431600EDWA) <i>MW</i> | | (11,522) | Interest | (4,033) Nonoperating | 4,033 |
| | 12-31-2014 Balance before interest | (4,154,080) | | | | |
| | 12-31-2014 Balance with interest | (4,165,602) | | | | |

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

| Line No. | WASHINGTON ACTUALS | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 |
|---------------|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | 555 Purchased Power | \$198,069,941 | \$21,929,187 | \$23,776,856 | \$15,594,828 | \$11,696,613 | \$11,288,454 | \$15,757,204 | \$14,301,087 | \$13,509,093 | \$12,571,027 | \$18,306,185 | \$17,702,425 |
| 2 | 447 Sale for Resale | (\$150,987,385) | (\$12,355,172) | (\$13,519,401) | (\$12,490,297) | (\$13,315,284) | (\$11,774,889) | (\$16,819,937) | (\$10,771,540) | (\$10,843,355) | (\$10,823,724) | (\$10,067,740) | (\$11,906,194) |
| 3 | Less SMUD RECs | \$3,518,573 | \$297,264 | \$306,942 | \$337,238 | \$328,649 | \$316,893 | \$282,911 | \$289,200 | \$273,184 | \$284,648 | \$233,019 | \$300,019 |
| 4 | 501 Thermal Fuel | \$27,262,448 | \$2,404,223 | \$1,871,612 | \$2,179,270 | \$1,105,711 | \$1,184,588 | \$2,197,774 | \$3,102,692 | \$3,305,897 | \$2,444,916 | \$2,248,223 | \$2,523,087 |
| 5 | 547 CT Fuel | \$89,150,875 | \$12,167,651 | \$2,035,023 | \$1,865,777 | \$3,891,130 | \$2,757,899 | \$7,030,790 | \$10,075,246 | \$9,998,206 | \$9,717,054 | \$7,979,846 | \$7,917,283 |
| 6 | 456 Transmission Revenue | (\$12,083,088) | (\$922,550) | (\$903,805) | (\$1,010,617) | (\$1,256,173) | (\$1,199,183) | (\$1,141,239) | (\$977,401) | (\$1,015,417) | (\$945,988) | (\$1,004,533) | (\$943,356) |
| 7 | 565 Transmission Expense | \$18,896,021 | \$1,610,954 | \$1,808,808 | \$1,590,867 | \$1,616,581 | \$1,590,834 | \$1,607,039 | \$1,648,720 | \$1,464,333 | \$1,428,159 | \$1,416,770 | \$1,431,997 |
| 8 | 557 Broker Fees | \$488,277 | \$55,076 | \$73,604 | \$59,102 | \$33,038 | \$34,795 | \$27,548 | \$38,001 | \$48,638 | \$34,528 | \$30,289 | \$16,162 |
| 9 | Less Clearwater directly assigned to ID | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10 | Adjusted Actual Net Expense | \$174,435,862 | \$20,529,748 | \$15,449,839 | \$8,116,188 | \$4,100,285 | \$4,799,391 | \$8,942,030 | \$17,706,006 | \$16,680,679 | \$14,710,640 | \$19,143,039 | \$17,041,423 |
| Total through | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | |
| 11 | 555 Purchased Power | \$119,874,898 | \$14,997,448 | \$12,710,606 | \$10,428,524 | \$9,530,863 | \$8,277,524 | \$8,213,533 | \$10,240,223 | \$8,039,783 | \$9,414,550 | \$12,788,401 | \$13,454,232 |
| 12 | 447 Sale for Resale | (\$76,247,097) | (\$6,903,038) | (\$6,574,919) | (\$8,095,136) | (\$7,462,411) | (\$6,358,811) | (\$7,752,369) | (\$4,810,418) | (\$6,289,985) | (\$7,401,091) | (\$8,405,153) | (\$8,733,727) |
| 13 | Less SMUD RECs | \$4,223,659 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 | \$383,969 |
| 14 | 501 Thermal Fuel | \$28,015,288 | \$2,779,051 | \$2,775,501 | \$2,020,557 | \$1,704,426 | \$1,475,295 | \$2,739,032 | \$2,987,332 | \$2,919,939 | \$3,052,588 | \$2,913,823 | \$3,010,108 |
| 15 | 547 CT Fuel | \$81,674,749 | \$9,324,060 | \$8,377,117 | \$4,998,775 | \$3,034,991 | \$2,592,359 | \$7,522,825 | \$8,820,687 | \$9,214,643 | \$9,279,297 | \$9,863,116 | \$10,707,641 |
| 16 | 456 Transmission Revenue | (\$10,187,741) | (\$983,388) | (\$845,492) | (\$729,613) | (\$837,639) | (\$1,003,326) | (\$1,160,267) | (\$1,024,607) | (\$947,472) | (\$1,081,246) | (\$894,834) | (\$878,220) |
| 17 | 565 Transmission Expense | \$16,414,347 | \$1,520,361 | \$1,508,739 | \$1,443,538 | \$1,426,268 | \$1,396,752 | \$1,441,175 | \$1,489,048 | \$1,492,163 | \$1,556,734 | \$1,674,187 | \$1,844,372 |
| 18 | 557 Broker Fees | \$783,041 | \$42,656 | \$129,860 | \$97,390 | \$52,577 | \$70,281 | \$65,808 | \$76,848 | \$86,944 | \$43,966 | \$52,696 | \$100,670 |
| 19 | Authorized Net Expense | \$161,651,144 | \$21,181,117 | \$18,485,393 | \$10,808,094 | \$8,833,044 | \$8,834,043 | \$11,463,706 | \$18,143,062 | \$14,899,984 | \$15,248,767 | \$18,376,205 | \$19,889,045 |
| 20 | Actual - Authorized Net Expense | (\$9,904,927) | (\$651,389) | (\$3,015,744) | (\$2,482,836) | (\$2,732,759) | (\$2,034,652) | (\$2,511,676) | (\$437,057) | \$1,780,595 | (\$538,127) | \$786,834 | (\$2,647,822) |
| 21 | Resource Optimization - Subtotal | (\$1,407,744) | (\$405,020) | (\$1,335,360) | (\$442,568) | (\$414,608) | (\$459,113) | \$1,609,214 | \$876,652 | \$688,141 | (\$223,497) | \$187,654 | \$763,649 |
| 22 | Adjusted Net Expense | (\$9,212,271) | (\$1,058,389) | (\$4,351,104) | (\$2,925,404) | (\$3,147,367) | (\$2,493,765) | (\$902,462) | \$439,595 | \$2,448,736 | (\$761,624) | \$954,488 | (\$1,883,973) |
| 23 | Washington Allocation | | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% | 65.24% |
| 24 | Washington Share | (\$5,357,685) | (\$689,188) | (\$2,838,660) | (\$1,915,088) | (\$2,053,342) | (\$1,626,932) | (\$588,766) | \$296,792 | \$1,597,555 | (\$496,883) | \$622,708 | (\$1,229,104) |
| 25 | WA Retail Revenue Adjustment (+) Surcharge (-) Rebate | (\$4,168,954) | (\$830,724) | (\$417,082) | (\$534,397) | (\$503,756) | \$423,448 | (\$1,962,498) | (\$318,928) | (\$526,167) | \$390,269 | (\$511,571) | \$767,871 |
| 26 | Net Power Cost (+) Surcharge (-) Rebate | (\$9,526,639) | (\$1,519,912) | (\$3,265,742) | (\$2,449,455) | (\$2,657,100) | (\$1,203,484) | (\$2,571,264) | (\$32,136) | \$1,071,388 | (\$106,614) | \$111,137 | (\$461,233) |
| 27 | Cumulative Balance | | (\$1,519,912) | (\$1,327,878) | (\$3,777,333) | (\$8,334,433) | (\$7,537,917) | (\$10,109,181) | (\$10,141,317) | (\$9,069,929) | (\$9,178,543) | (\$9,085,406) | (\$9,626,639) |
| | Deferral Amount, Cumulative (Customer) | | \$0 | \$0 | \$0 | (\$1,750,825) | (\$2,653,438) | (\$4,568,263) | (\$4,627,185) | (\$3,802,447) | (\$3,892,407) | (\$3,799,055) | (\$4,144,979) |
| | Deferral Amount, Monthly | | \$0 | \$0 | \$0 | (\$1,750,825) | (\$902,613) | (\$1,944,825) | (\$28,922) | \$824,738 | (\$79,960) | \$83,352 | (\$346,924) |
| | Acct 57280 Entry: (+) Rebate, (-) Surcharge | | \$0 | \$0 | \$0 | \$1,760,825 | \$902,613 | \$1,944,825 | \$28,922 | (\$824,738) | \$79,960 | (\$83,352) | \$346,924 |
| | Company Band Gross Margin Impact, Cumulative | | (\$1,519,912) | (\$1,327,878) | (\$3,777,333) | (\$4,563,608) | (\$4,984,479) | (\$5,510,918) | (\$5,514,132) | (\$5,267,482) | (\$5,294,136) | (\$5,266,351) | (\$5,381,680) |

Avista Corp. - 1 Accounting
 WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

mw

| Line No. | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 |
|----------|--------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 54 | TOTAL | \$488,277 | \$65,076 | \$37,498 | \$73,804 | \$58,102 | \$33,038 | \$27,548 | \$38,001 | \$48,838 | \$34,528 | \$16,162 |
| 55 | RESOURCE OPTIMIZATION | | | | | | | | | | | |
| 55 | Econ Dispatch-557010 | \$308,095 | \$1,187,582 | (\$8,690,279) | (\$1,629,868) | (\$862,721) | (\$872,300) | (\$3,033,248) | (\$707,227) | (\$699,024) | \$727,137 | \$1,900,166 |
| 56 | Econ Dispatch-557150 | \$23,386,782 | (\$2,123,618) | \$11,640,860 | \$3,548,946 | \$1,963,092 | \$4,350,624 | \$184,062 | (\$2,912,860) | (\$3,783,001) | (\$2,115,166) | \$5,442,877 |
| 57 | Gas Bookouts-557111 | \$3,390,041 | \$683,488 | \$0 | (\$185,723) | \$0 | (\$298,710) | \$0 | \$252,278 | \$559,845 | \$464,957 | \$633,370 |
| 58 | Gas Bookouts-557111 | (\$3,390,041) | (\$683,488) | \$0 | (\$185,723) | \$0 | (\$298,710) | \$0 | (\$252,278) | (\$559,845) | (\$464,957) | (\$633,370) |
| 59 | Intraco Thermal Gas-557730 | \$74,477,252 | \$6,796,131 | \$5,089,685 | \$5,942,834 | \$7,110,457 | \$2,317,938 | \$6,785,648 | \$10,373,757 | \$9,674,118 | \$7,072,586 | \$3,499,121 |
| 60 | Fuel Dispatch-In-456010 | \$10,442,238 | (\$47,723) | (\$1,218,358) | \$5,698,019 | \$1,130,831 | \$479,028 | \$2,684,714 | \$1,461,645 | \$1,016,768 | (\$460,833) | (\$271,599) |
| 61 | Fuel Dispatch-456015 | (\$30,143,784) | (\$321,991) | (\$125,662) | (\$133,659) | (\$3,334,602) | (\$3,143,980) | (\$770,461) | (\$528,965) | (\$500,249) | (\$1,406,786) | (\$3,255,681) |
| 62 | Intraco Thermal Gas-456730 | (\$97,420,725) | (\$8,059,830) | (\$5,012,112) | (\$4,002,364) | (\$5,747,582) | (\$3,803,501) | (\$4,081,812) | (\$6,809,697) | (\$4,143,578) | (\$4,640,485) | (\$8,163,319) |
| 63 | Fuel Bookouts-456711 | \$44,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$44,500 |
| 64 | Fuel Bookouts-456720 | (\$44,500) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$44,500) |
| 65 | Resource Optimization Subtotal | (\$1,374,843) | (\$3,222,542) | (\$1,320,262) | (\$442,644) | (\$414,707) | (\$459,202) | \$1,609,093 | \$876,533 | \$688,036 | (\$223,551) | \$187,615 |
| 66 | Misc. Power Exp. Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 67 | Misc. Power Exp. Actual-557160 ED AN | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 68 | KEMF Contract Buyout | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 69 | Misc. Power Exp. Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70 | Wind REC Exp. Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71 | Wind REC Exp. Actual-557285 | (\$52,901) | (\$8,179) | (\$10,346) | (\$15,098) | \$76 | \$89 | \$121 | \$119 | \$105 | \$54 | \$20 |
| 72 | Wind REC Subtotal | (\$52,901) | (\$8,179) | (\$10,346) | (\$15,098) | \$76 | \$89 | \$121 | \$119 | \$105 | \$54 | \$20 |
| 73 | Net Resource Optimization | (\$1,407,744) | (\$405,020) | (\$3,232,868) | (\$1,335,360) | (\$448,631) | (\$468,113) | \$1,609,214 | \$876,652 | \$688,141 | (\$223,497) | \$187,634 |
| 74 | Adjusted Actual Net Expense | \$189,809,345 | \$19,827,464 | \$24,715,221 | \$13,807,337 | \$7,336,382 | \$4,023,385 | \$10,288,333 | \$18,283,457 | \$17,075,536 | \$14,202,495 | \$19,097,874 |
| | | | | | | | | | | | | \$17,505,053 |

Washington Energy Recovery Mechanism (ERM) Amortizing Deferral Balance

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

| | | | |
|------------------------------------|---------------------|------------------------------------|---------------------|
| Actual cost of debt at 12/31/13 is | 5.459% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00455 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0029570 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

Account 182350

| | | | | | |
|--|---|--------------------|---|---------------------|-------------------------|
| 12-31-2012 GL Balance including interest | | (9,879,394) | | | 3,457,788 |
| | | | <u>January</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| January | Surcharge Amortization | 574,746 | Amortization | 201,161 | Operating (201,161) |
| January | Interest | (28,364) | Interest | (9,927) | Nonoperating 9,927 |
| 01-31-2014 Balance before interest | | (9,304,648) | | | 191,234 Total (191,234) |
| | | | <u>February</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| February | Transfer from 186290 | (9,308,084) | 2012 Balance | | |
| February | Remove Jan. 2014 Interest | (27,443) | Don't compound | | |
| February | Balance before Jan. Interest | (9,280,641) | Use to calculate simple Interest | | |
| February | Total Balance before Interest | (18,585,289) | Total used to calculate simple interest | | |
| February | Surcharge Amortization | 842,895 | Amortization | 295,013 | Operating (295,013) |
| February | Interest | (53,710) | Interest | (18,799) | Nonoperating 18,799 |
| 02-28-2014 Balance before interest | | (17,742,394) | | | 276,214 Total (276,214) |
| | | | <u>March</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| March | Surcharge Amortization | 788,954 | Amortization | 276,134 | Operating (276,134) |
| March | Interest | (51,298) | Interest | (17,954) | Nonoperating 17,954 |
| 03-31-2014 Balance before interest | | (16,953,440) | | | 258,180 Total (258,180) |
| | | | <u>April</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| April | REC Expense Reclass NSJ016 | (32,859) | Amortization | 238,481 | Operating (238,481) |
| April | Surcharge Amortization | 681,374 | Interest | (17,227) | Nonoperating 17,227 |
| April | Interest | (49,221) | | | 221,254 Total (221,254) |
| 04-30-2014 Balance before interest | | (16,304,925) | | | |
| | | | <u>May</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| May | Surcharge Amortization | 658,173 | Amortization | 230,361 | Operating (230,361) |
| May | Interest | (47,241) | Interest | (16,534) | Nonoperating 16,534 |
| 05-31-2014 Balance before interest | | (15,646,752) | | | 213,827 Total (213,827) |
| | | | <u>June</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| Balance transfer | | | Amortization | 218,871 | Operating (218,871) |
| June | Surcharge Amortization | 625,346 | Interest | (15,870) | Nonoperating 15,870 |
| June | Interest | 0 | | | 203,001 Total (203,001) |
| 06-30-2014 Balance including interest | | (15,021,406) | | | |
| | | | <u>July</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| GL Balance including interest | | (15,324,026) | Amortization | 229,972 | Operating (229,972) |
| Transfer from 186290 | | 1,270,914 | Interest | (13,902) | Nonoperating 13,902 |
| July | Surcharge Amortization | 657,064 | | | 216,070 Total (216,070) |
| July | Interest | (39,720) | | | |
| 07-31-2014 Balance before interest | | (13,396,048) | | | |
| | | | <u>August</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| August | Surcharge Amortization | 749,387 | Amortization | 262,285 | Operating (262,285) |
| August | Interest | (37,685) | Interest | (13,190) | Nonoperating 13,190 |
| 08-31-2014 Balance before interest | | (12,646,661) | | | 249,095 Total (249,095) |
| | | | <u>September</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| September | Surcharge Amortization | 757,754 | Amortization | 265,214 | Operating (265,214) |
| September | Interest | (35,504) | Interest | (12,426) | Nonoperating 12,426 |
| 09-30-2014 Balance before interest | | (11,888,907) | | | 252,788 Total (252,788) |
| | | | <u>October</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| October | Surcharge Amortization | 646,149 | Amortization | 226,152 | Operating (226,152) |
| October | Interest | (33,473) | Interest | (11,716) | Nonoperating 11,716 |
| 10-31-2014 Balance before interest | | (11,242,758) | | | 214,436 Total (214,436) |
| | | | <u>November</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| November | Surcharge Amortization | 660,327 | Amortization | 231,114 | Operating (231,114) |
| November | Interest | (31,582) | Interest | (11,054) | Nonoperating 11,054 |
| 11-30-2014 Balance before interest | | (10,582,431) | | | 220,060 Total (220,060) |
| | | | <u>December</u> | <u>DFIT Expense</u> | <u>ADFIT</u> |
| December | Surcharge Amortization | 827,733 | Amortization | 289,707 | Operating (289,707) |
| December | Interest (431600EDWA) <i>Interest & Paise</i> | (29,429) | Interest | (10,300) | Nonoperating 10,300 |
| 12-31-2014 Balance before interest | | (9,754,698) | | | 279,407 Total (279,407) |
| 12-31-2014 Balance including interest | | (9,962,091) | | | |

AVISTA CORPORATION
 DECEMBER 2014 WASHINGTON ENERGY RECOVERY MECHANISM REBATE REVENUE & DEFERRAL AMORTIZATION

| Schedule | kWh or \$ (b) | Proration Percentages | | Rebate Rates | | Current Month Rebate Revenue | | Total (i) (g)+(h) |
|-----------------|------------------|-----------------------|------------------|------------------|------------------|---------------------------------|------------------|-------------------------|
| | | Before | On/After | Before | On/After | Rate | Rate | |
| | | 01-Jan-14 (c) | 01-Jan-14 (d) | 01-Jan-14 (e) | 01-Jan-14 (f) | 01-Jan-13 (g) | 01-Jan-13 (h) | |
| 1 | 252,801,353 | 0.00% | 100.00% | (0.080¢) | (0.164¢) | 0 | -414,594 | -414,594 |
| 11 | 50,001,310 | 0.00% | 100.00% | (0.110¢) | (0.224¢) | 0 | -112,003 | -112,003 |
| 12 | 6,127,543 | 0.00% | 100.00% | (0.110¢) | (0.224¢) | 0 | -13,726 | -13,726 |
| 21 | 120,628,298 | 0.00% | 100.00% | (0.083¢) | (0.169¢) | 0 | -203,862 | -203,862 |
| 22 | 4,798,160 | 0.00% | 100.00% | (0.083¢) | (0.169¢) | 0 | -8,109 | -8,109 |
| 25 | 91,551,612 | 0.00% | 100.00% | (0.053¢) | (0.108¢) | 0 | -98,876 | -98,876 |
| 30 | 53,450 | 0.00% | 100.00% | (0.073¢) | (0.150¢) | 0 | -80 | -80 |
| 31 | 3,009,796 | 0.00% | 100.00% | (0.073¢) | (0.150¢) | 0 | -4,515 | -4,515 |
| 32 | 288,075 | 0.00% | 100.00% | (0.073¢) | (0.150¢) | 0 | -432 | -432 |
| 41-46 | 1,352,709 | 0.00% | 100.00% | (0.246¢) | (0.503¢) | 0 | -6,804 | -6,804 |
| 47 | 465,017 | 0.00% | 100.00% | (0.246¢) | (0.503¢) | 0 | -2,339 | -2,339 |
| 48 | 259,512 | 0.00% | 100.00% | (0.246¢) | (0.503¢) | 0 | -1,305 | -1,305 |
| Schedule Totals | 531,336,835 | | | | | \$0 | -\$866,645 | -\$866,645 |

kWh not subject to surcharge 0
 Sch 62
 Total kWh 531,336,835

Conversion factor 0.955100
 Amortization 52,733
 FIT rate -35%
 DFIT expense \$289,707

Avista Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2014

m

| Retail Sales - MWh | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | YTD |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|
| Total Billed Sales | 573,032 | 545,716 | 506,123 | 443,610 | 428,312 | 409,828 | 427,457 | 486,327 | 491,736 | 421,698 | 430,844 | 531,337 | 5,695,818 |
| Deduct Prior Month Unbilled | (379,964) | (358,118) | (333,394) | (319,373) | (306,107) | (306,279) | (306,819) | (378,698) | (384,548) | (316,958) | (331,579) | (391,943) | (4,113,780) |
| Add Current Month Unbilled | 358,118 | 333,394 | 319,373 | 306,107 | 306,279 | 306,819 | 378,698 | 384,548 | 316,958 | 331,579 | 391,943 | 388,674 | 4,122,490 |
| Total Retail Sales | 551,186 | 520,992 | 492,102 | 430,344 | 428,484 | 410,166 | 499,336 | 492,177 | 424,146 | 436,319 | 491,208 | 528,068 | 5,704,528 |
| Test Year Retail Sales | 525,347 | 517,091 | 479,129 | 413,722 | 412,815 | 423,337 | 437,672 | 492,257 | 407,780 | 448,458 | 475,296 | 551,952 | 5,574,856 |
| Difference from Test Year | 25,839 | 3,901 | 12,973 | 16,622 | 15,669 | (13,171) | 61,664 | 9,920 | 16,366 | (12,139) | 15,912 | (23,884) | 129,672 |
| Production Rate - \$/MWh | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 | \$32.15 |
| Total Revenue Credit - \$ | \$830,724 | \$125,417 | \$417,082 | \$534,397 | \$503,758 | (\$423,448) | \$1,982,498 | \$318,928 | \$526,167 | (\$390,269) | \$511,571 | (\$767,871) | \$4,188,954 |

Electric Revenue Report by Revenue Class Current Month and Year-to-Date for Accounting Period : 201412 , State Code : WA

Accounting Period:201412

State Code:WA

M

| Rate Schedule Num | Meters | Usage | Revenue Amt | YTD Avg Meters | Ytd Usage | Ytd Revenue Amt |
|-------------------|---------|-------------|---------------|----------------|---------------|-----------------|
| 001 | 207,339 | 252,801,353 | 21,807,175.14 | 205,621 | 2,396,268,182 | 208,602,730.27 |
| 011 | 21,911 | 50,001,310 | 5,812,897.64 | 21,732 | 534,977,420 | 62,922,653.31 |
| 012 | 8,923 | 6,127,543 | 804,183.22 | 8,838 | 57,554,409 | 7,961,146.39 |
| 021 | 1,959 | 120,628,298 | 10,789,036.73 | 1,958 | 1,390,472,043 | 125,753,149.93 |
| 022 | 54 | 4,798,160 | 399,550.49 | 53 | 37,208,880 | 3,204,901.84 |
| 025 | 21 | 91,551,612 | 5,299,984.26 | 21 | 1,112,646,747 | 64,354,647.95 |
| 030 | 35 | 53,450 | 4,261.18 | 32 | 24,819,445 | 1,720,772.26 |
| 031 | 1,198 | 3,009,796 | 273,631.39 | 1,191 | 107,927,146 | 8,901,377.00 |
| 032 | 1,211 | 288,075 | 42,342.57 | 1,213 | 8,963,315 | 954,130.01 |
| 041 | 11 | 8,560 | 1,976.79 | 11 | 104,352 | 24,000.36 |
| 042 | 291 | 1,123,584 | 382,386.23 | 293 | 13,398,677 | 4,564,602.24 |
| 044 | 13 | 26,015 | 3,323.36 | 13 | 291,820 | 38,126.95 |
| 044A | 1 | - | 336.00 | 1 | - | 3,696.00 |
| 045 | 11 | 87,547 | 6,194.08 | 11 | 1,066,824 | 75,669.16 |
| 046 | 53 | 107,003 | 10,396.77 | 53 | 1,397,772 | 136,299.48 |
| 047 | - | 465,017 | 109,170.68 | - | 5,568,846 | 1,304,660.81 |
| 048 | - | 259,512 | 65,265.16 | - | 3,153,739 | 788,818.00 |
| 058 | - | - | 1,640,188.16 | - | - | 17,786,128.66 |
| 058A | - | - | (8,855.45) | - | - | (88,943.85) |
| 062 | - | - | - | - | - | - |
| 090 | - | - | - | - | - | - |
| 095 | - | - | 15,357.10 | - | - | 183,374.82 |
| 099 | - | - | 45,510.48 | - | - | 605,287.56 |
| Sum | 243,031 | 531,336,835 | 47,504,311.98 | 241,041 | 5,695,819,617 | 509,797,229.15 |

M

ELECTRIC UNBILLED KWH AND REVENUE

| ACCOUNT DESCRIPTION | TOWN | REVENUE CLASS CODE | RATE SCH | Current | | Prior | | Net Change | | |
|-------------------------------------|------|--------------------|----------|-----------------------|------------------------|-------------------------|------------------------|------------------------|-----------------------|-------------------|
| | | | | Gross Unbilled KWH | Gross Unbilled REVENUE | Month Reversal KWH | Month Reversal REVENUE | KWH | REVENUE | |
| WASHINGTON | | | | | | | | | | |
| Residential Service | 2800 | 01 | 001 | 171,928,083.05 | \$ 14,689,059 | (152,149,735.09) | \$ (12,758,418) | 19,778,348 | \$ 1,930,643 | |
| Residential Farm Gen | 2800 | 01 | 012 | 4,145,016.88 | \$ 535,081 | (3,785,184.26) | \$ (499,703) | 379,832 | \$ 36,368 | |
| Residential Farm Lg | 2800 | 01 | 022 | 3,243,926.10 | \$ 239,167 | (2,368,910.52) | \$ (179,616) | 965,015 | \$ 80,349 | |
| Residential Farm Pump | 2800 | 01 | 032 | 180,218.12 | \$ 24,866 | (226,819.33) | \$ (25,712) | (46,600) | \$ (4,846) | |
| Commercial General | 2800 | 21 | 011 | 33,475,515.12 | \$ 3,769,633 | (36,018,750.65) | \$ (4,087,317) | (2,543,236) | \$ (298,694) | |
| Commercial Lg General | 2800 | 21 | 021 | 75,601,499.83 | \$ 5,916,488 | (92,178,968.91) | \$ (7,125,655) | (16,577,469) | \$ (1,209,187) | |
| Commercial Extra Lg | 2800 | 21 | 025 | 24,357,241.00 | \$ 1,523,454 | (23,321,222.00) | \$ (1,471,659) | 1,038,019 | \$ 51,595 | |
| Commercial Pump | 2800 | 21 | 031 | 1,486,799.48 | \$ 128,697 | (3,765,184.26) | \$ (325,214) | (2,276,385) | \$ (198,517) | |
| Industrial General | 2800 | 31 | 011 | 405,490.76 | \$ 44,594 | (408,272.99) | \$ (45,108) | (2,782) | \$ (514) | |
| Industrial Lg General | 2800 | 31 | 021 | 6,262,579.54 | \$ 470,313 | (8,210,823.51) | \$ (610,448) | (1,946,244) | \$ (140,135) | |
| Industrial Extra Lg | 2800 | 31 | 025 | 67,046,708.00 | \$ 3,772,483 | (68,269,171.00) | \$ (3,829,633) | (1,222,463) | \$ (67,160) | |
| Industrial Pump | 2800 | 31 | 031 | 540,654.35 | \$ 49,873 | (1,270,182.54) | \$ (113,259) | (729,529) | \$ (63,298) | |
| WASHINGTON TOTAL | | | | 388,673,732.01 | \$ 31,182,788 | (391,943,234.26) | \$ (31,075,142) | (3,269,493) | \$ 107,646 | |
| IDAHO | | | | | | | | | | |
| Residential Service | 3800 | 01 | 001 | 85,333,278.12 | \$ 7,881,216 | (76,483,140.54) | \$ (7,022,176) | 8,850,138 | \$ 859,038 | |
| Residential Farm Gen | 3800 | 01 | 012 | 1,892,290.22 | \$ 211,438 | (1,723,819.30) | \$ (197,897) | 168,471 | \$ 13,541 | |
| Residential Farm Lg | 3800 | 01 | 022 | 675,817.84 | \$ 47,400 | (589,727.96) | \$ (42,174) | 86,080 | \$ 5,228 | |
| Residential Farm Pump | 3800 | 01 | 032 | 135,163.59 | \$ 15,314 | (136,091.00) | \$ (15,781) | (927) | \$ (447) | |
| Commercial General | 3800 | 21 | 011 | 21,400,901.32 | \$ 2,107,563 | (22,046,741.58) | \$ (2,200,674) | (645,840) | \$ (83,121) | |
| Commercial Lg General | 3800 | 21 | 021 | 36,142,632.76 | \$ 2,539,530 | (41,009,753.88) | \$ (2,837,653) | (5,866,221) | \$ (398,023) | |
| Commercial Extra Lg | 3800 | 21 | 025 | 5,160,216.00 | \$ 299,740 | (4,964,519.00) | \$ (290,330) | 195,997 | \$ 8,810 | |
| Commercial Pump | 3800 | 21 | 031 | 1,261,526.81 | \$ 118,569 | (1,633,091.97) | \$ (154,983) | (371,565) | \$ (38,414) | |
| Industrial General | 3800 | 31 | 011 | 315,381.70 | \$ 30,453 | (317,545.66) | \$ (31,101) | (2,164) | \$ (549) | |
| Industrial Lg General | 3800 | 31 | 021 | 6,127,415.96 | \$ 417,150 | (8,120,096.18) | \$ (546,748) | (1,992,680) | \$ (131,569) | |
| Industrial Extra Lg | 3800 | 31 | 025 | 21,777,221.00 | \$ 1,238,082 | (20,935,018.00) | \$ (1,204,684) | 842,202 | \$ 33,388 | |
| Industrial Pump | 3800 | 31 | 031 | 991,199.64 | \$ 92,163 | (1,224,818.36) | \$ (115,261) | (233,619) | \$ (23,088) | |
| IDAHO TOTAL | | | | 180,212,645.00 | \$ 14,978,908 | (179,183,384.76) | \$ (14,761,955) | 1,029,592 | \$ 219,653 | |
| WASHINGTON & IDAHO TOTAL | | | | 569,886,877 | \$ 0.0811 | \$ 46,161,396 | \$ 0.0603 | \$ (45,837,087) | \$ (2,239,911) | \$ 324,299 |

Transaction Detail Selection: Accounting Period : '2014%' , GI Ferc Account : '431600'

| Ferc Acct | Ferc Acct Desc | Service | Accounting Period | Subledger Transaction Id | Dr Cr Code | Jurisdiction | Journal Name | Transaction Desc | Ava Jet | Transaction Amount |
|-----------|--------------------------------|---------|-------------------|--------------------------|------------|--------------|--------------------------|---------------------------------------|---------|--------------------|
| 431600 | INTEREST EXPENSE ENERGY DEFERR | ED | 201403 | GL.224719 4.9 | C | WA | 481-WA ERM 201403 DJ USD | Correct February Interest Calculation | - | -3,760.00 |
| 431600 | INTEREST EXPENSE ENERGY DEFERR | ED | 201403 | GL.224719 4.8 | C | WA | 481-WA ERM 201403 DJ USD | Prior Year's (2013) Interest Income | - | -3,747.00 |
| 431600 | INTEREST EXPENSE ENERGY DEFERR | ED | 201404 | GL.233819 1.5 | C | WA | 481-WA ERM 201404 DJ USD | Prior Year's (2013) Interest Income | - | -3,692.00 |
| 431600 | INTEREST EXPENSE ENERGY DEFERR | ED | 201405 | GL.241118 9.8 | C | WA | 481-WA ERM 201405 DJ USD | Prior Year's (2013) Interest Income | - | -3,692.00 |
| 431600 | INTEREST EXPENSE ENERGY DEFERR | ED | 201406 | GL.247919 3.10 | C | WA | 481-WA ERM 201406 DJ USD | Prior Year's (2013) Interest Income | - | -3,692.00 |

1817 ED

5/10 credit to 419600

18,583
 M

Dr. 4121600
 Cr. 419600

Attachment B

Avista Corporation
Monthly Power Cost Deferral Report
Month of December 2014

REC Revenues Deferral Journal

Printed 01/08/2015 at 9:47 am

Avista Corporation Journal Entry

Effective Date: 201412
 Last Saved: 01/08/2015 9:47 AM
 Approval Requested: 01/08/2015 9:47 AM

Journal: 475-WASHINGTON REC DEFERRAL
 Team: Resource Accounting
 Type: C
 Category: DJ
 Currency: USD

Last Saved by: Tara Moses
 Submitted by: Tara Moses
 Approved by:

| Seq | Co. | FERC | Exp | Sel. | Jul. | S.L. | Debit | Credit | Comment |
|----------------|-----|---|-----|------|------|------|-----------|------------------|---|
| | | | | ED | WA | DL | | | |
| 10 | 001 | 557322 - DEF POWER SUPPLY EXP-RECs | | ED | WA | DL | 50,948.00 | | WA REC Deferral Expense |
| 20 | 001 | 186322 - MISC DEF DEBIT - WA REC DEF | | ED | WA | DL | | 50,948.00 | WA REC Balance |
| 30 | 001 | 419016 - INTEREST INCOME ON REC DEFERRAL | | ED | WA | DL | 0.00 | | WA REC Interest Income Accrual |
| 40 | 001 | 186322 - MISC DEF DEBIT - WA REC DEF | | ED | WA | DL | | 0.00 | WA REC Balance Interest Income Accrual |
| 50 | 001 | 431016 - INTEREST EXPENSE ON REC DEFERRAL | | ED | WA | DL | 9,274.00 | | WA REC Interest Expense Accrual |
| 60 | 001 | 186322 - MISC DEF DEBIT - WA REC DEF | | ED | WA | DL | 60,222.00 | 9,274.00 | WA REC Balance Interest Expense Accrual |
| Totals: | | | | | | | | 60,222.00 | |

Explanation:

To account for the Washington REC Deferral per Washington UE-120436 and UE-120437.

Prepared by: Tara Moses
 Reviewed by: *Tara Moses*
 Date: 1/8/15
 Date: _____
 Date: _____
 Approved for Entry
 Corporate Accounting use Only

Avista Corp. - Resource Accounting
 DJ475 - Washington REC Deferral

Changes Semiannually on January 1 and July 1

The rate is based on Avista's actual cost of debt, updated semiannually.

The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.

The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.

Interest will be accrued monthly and compounded semi-annually.

Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

| | | | |
|------------------------------------|---------------------|------------------------------------|---------------------|
| Actual cost of debt at 12/31/13 is | 5.459% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00455 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0029570 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

Account 186322-ED-WA

0

Beginning Balance Including Interest interest (1,606,948)

| | | | | January | DFIT Expense | ADFIT |
|------------|--|-------------|---------|--------------|--------------|--------------------|
| January | REC Deferral | 86,707 | | Deferral | 30,347 | Operating (30,347) |
| January | Interest | | (4,624) | Interest | (1,618) | Nonoperating 1,618 |
| 01-31-2013 | Balance before interest | (1,520,241) | | | 28,729 | Total (28,729) |
| | | | | February | DFIT Expense | ADFIT |
| February | REC Deferral | (75,298) | | Deferral | (26,354) | Operating 26,354 |
| February | Transfer 2012 Balance from 254360 | | | Interest | (1,612) | Nonoperating 1,612 |
| February | Interest | | (4,607) | | | |
| February | EWEB REC Balance Interest from Jan. 2013 | | | | | |
| 02-28-2013 | Balance before interest | (1,595,539) | | | (27,966) | Total 27,966 |
| | | | | March | DFIT Expense | ADFIT |
| March | REC Deferral | (215,978) | | Deferral | (75,592) | Operating 75,592 |
| March | Interest | | (5,037) | Interest | (1,763) | Nonoperating 1,763 |
| 03-31-2013 | Balance before interest | (1,811,517) | | | (77,355) | Total 77,355 |
| | | | | April | DFIT Expense | ADFIT |
| April | NSJ016 - Transfer Prior Yr REC Exp | 73,465 | | Deferral | (150,193) | Operating 150,193 |
| April | REC Deferral | (429,122) | | Interest | (2,021) | Nonoperating 2,021 |
| April | Interest | | (5,774) | | | |
| 04-30-2013 | Balance before interest | (2,167,174) | | | (152,214) | Total 152,214 |
| | | | | May | DFIT Expense | ADFIT |
| May | REC Deferral | 91,028 | | Deferral | 31,860 | Operating (31,860) |
| May | Interest | | (6,139) | Interest | (2,149) | Nonoperating 2,149 |
| 05-31-2013 | Balance before interest | (2,076,146) | | | 29,711 | Total (29,711) |
| | | | | June | DFIT Expense | ADFIT |
| June | REC Deferral | (61,390) | | Deferral | (21,487) | Operating 21,487 |
| June | NSJ014 - REC Deferral Adj | 46,386 | | Deferral Adj | 16,235 | Operating (16,235) |
| June | Interest | | (6,296) | Interest | (2,204) | Nonoperating 2,204 |
| 06-30-2013 | Balance before interest | (2,091,150) | | | (7,456) | Total 7,456 |
| | | | | July | DFIT Expense | ADFIT |
| July | GL Balance including interest | (2,123,627) | | Deferral | (46,872) | Operating 46,872 |
| July | REC Deferral | (133,921) | | Interest | (2,219) | Nonoperating 2,219 |
| July | Interest | | (6,340) | | | |
| 07-31-2013 | Balance before interest | (2,257,548) | | | (49,091) | Total 49,091 |
| | | | | August | DFIT Expense | ADFIT |
| August | REC Deferral | (173,652) | | Deferral | (60,778) | Operating 60,778 |
| August | Interest | | (6,785) | Interest | (2,375) | Nonoperating 2,375 |
| 08-31-2013 | Balance before interest | (2,431,200) | | | (63,153) | Total 63,153 |
| | | | | September | DFIT Expense | ADFIT |
| September | REC Deferral | (263,991) | | Deferral | (92,397) | Operating 92,397 |
| September | Interest | | (7,416) | Interest | (2,596) | Nonoperating 2,596 |
| 09-30-2013 | Balance before interest | (2,695,191) | | | (94,993) | Total 94,993 |
| | | | | October | DFIT Expense | ADFIT |
| October | REC Deferral | (450,093) | | Deferral | (157,533) | Operating 157,533 |
| October | Interest | | (8,451) | Interest | (2,958) | Nonoperating 2,958 |
| 10-31-2013 | Balance before interest | (3,145,284) | | | (160,491) | Total 160,491 |
| | | | | November | DFIT Expense | ADFIT |
| November | REC Deferral | (33,539) | | Deferral | (11,739) | Operating 11,739 |
| November | Interest | | (9,151) | Interest | (3,203) | Nonoperating 3,203 |
| 11-30-2013 | Balance before interest | (3,178,823) | | | (14,942) | Total 14,942 |
| | | | | December | DFIT Expense | ADFIT |
| December | REC Deferral | (50,948) | | Deferral | (17,832) | Operating 17,832 |
| December | Interest | | (9,274) | Interest | (3,246) | Nonoperating 3,246 |
| 12-31-2013 | Balance before interest | (3,229,771) | | | (21,078) | Total 21,078 |

**Avista Corp. - Resource Accounting
 Washington REC Deferral Summary - DJ475**

| REC REVENUE & EXPENSE | Debit | Credit | Entry |
|----------------------------------|--------------|---------------|---------------------------|
| December Revenue | | | |
| 186322 | | \$66,766 | |
| 557322 | \$66,766 | | |
| December Expense | | | |
| 186322 | \$15,818 | | |
| 557322 | | \$15,818 | |
| December Total | | | |
| 186322 | \$15,818 | \$66,766 | \$50,948 Credit |
| 557322 | \$66,766 | \$15,818 | -\$50,948 Debit <i>mw</i> |

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2014 REC Revenue Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

mw

| Actual | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Total |
|--|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|----------------------|
| Non WA EIA - Voluntary REC Revenue | (\$49,303) | (\$281,613) | (\$501,200) | (\$657,881) | (\$11,848) | (\$235,112) | (\$302,584) | (\$336,748) | (\$469,648) | (\$659,089) | (\$153,778) | (\$147,375) | (\$4,006,378) |
| WA EIA937 Requirement (EWEB) - PGE Revenue | \$0 | \$0 | \$0 | (\$97,500) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$65,000) | \$0 | \$0 | (\$162,500) |
| Sacramento Municipal Utility District (SMUD) - REC Revenue | (\$297,264) | (\$268,606) | (\$306,942) | (\$337,238) | (\$328,649) | (\$316,893) | (\$282,911) | (\$289,200) | (\$273,184) | (\$284,648) | (\$233,019) | (\$300,019) | (\$3,518,573) |
| Total | (\$346,567) | (\$550,219) | (\$808,142) | (\$1,092,619) | (\$340,497) | (\$552,005) | (\$585,495) | (\$625,948) | (\$743,032) | (\$1,208,737) | (\$386,797) | (\$447,394) | (\$7,687,461) |
| Authorized - System | | | | | | | | | | | | | |
| Non WA EIA - Voluntary REC Revenue | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$31,458) | (\$377,500) |
| WA EIA937 Requirement (EWEB) - PGE Revenue | \$0 | \$0 | \$0 | (\$79,000) | \$0 | \$0 | \$0 | \$0 | \$0 | (\$79,000) | \$0 | \$0 | (\$159,000) |
| Sacramento Municipal Utility District (SMUD) - REC Revenue | (\$470,394) | (\$424,872) | (\$469,762) | (\$455,220) | (\$470,394) | (\$455,220) | (\$313,596) | (\$313,596) | (\$303,480) | (\$313,596) | (\$303,902) | (\$313,596) | (\$4,607,627) |
| Total Authorized | (\$501,852) | (\$466,330) | (\$801,220) | (\$565,678) | (\$501,852) | (\$486,678) | (\$345,054) | (\$345,054) | (\$334,938) | (\$424,054) | (\$335,360) | (\$345,054) | (\$4,799,073) |
| Difference | | | | | | | | | | | | | |
| Non WA EIA - Voluntary REC Revenue | (\$17,845) | (\$250,154) | (\$469,742) | (\$626,423) | \$19,610 | (\$203,654) | (\$271,126) | (\$305,290) | (\$438,390) | (\$827,630) | (\$122,319) | (\$115,916) | (\$3,628,878) |
| WA EIA937 Requirement (EWEB) - PGE Revenue | \$0 | \$0 | \$0 | (\$18,500) | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000 | \$0 | \$0 | (\$4,500) |
| Sacramento Municipal Utility District (SMUD) - REC Revenue | \$173,130 | \$156,266 | \$162,820 | \$117,982 | \$141,745 | \$138,327 | \$30,685 | \$24,396 | \$30,296 | \$28,948 | \$70,883 | \$13,577 | \$1,089,054 |
| Total (+) = Surcharge | \$155,285 | (\$93,888) | (\$306,922) | (\$526,941) | \$161,355 | (\$65,327) | (\$240,441) | (\$280,894) | (\$408,094) | (\$784,682) | (\$51,437) | (\$102,339) | (\$2,544,323) |
| WA Share of Difference | | | | | | | | | | | | | |
| Non WA EIA - Voluntary (65.24%) | (\$11,642) | (\$163,201) | (\$306,459) | (\$408,678) | \$12,794 | (\$132,864) | (\$176,882) | (\$199,171) | (\$286,005) | (\$539,946) | (\$79,801) | (\$75,624) | (\$2,367,480) |
| WA EIA937 Requirement (EWEB) - PGE Revenue (100%) | \$0 | \$0 | \$0 | (\$18,500) | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000 | \$0 | \$0 | (\$4,500) |
| SMUD (65.24%) | \$112,950 | \$101,948 | \$106,224 | \$76,971 | \$92,474 | \$90,245 | \$20,019 | \$15,916 | \$19,765 | \$18,886 | \$46,244 | \$8,858 | \$710,499 |
| Total - 100% Surcharge (+) or Rebate (-) | \$101,308 | (\$61,253) | (\$200,236) | (\$350,207) | \$105,268 | (\$42,619) | (\$156,863) | (\$183,255) | (\$266,240) | (\$607,060) | (\$33,557) | (\$66,766) | (\$1,661,481) |
| Accounting Entries | | | | | | | | | | | | | |
| 186322-ED-WA | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit |
| 567322-ED-WA | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit | Debit | Credit |

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2014 REC Expense Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

M

| Actual | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Total |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-----------------|----------------|------------------|----------------|-----------------|-------------------|
| Source | | | | | | | | | | | | | |
| Other Non WA EIA - Voluntary REC Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Non WA EIA - Voluntary REC Broker Fee Expense | \$2,625 | \$5,324 | \$5,603 | \$5,639 | \$7,906 | \$0 | \$1,898 | \$14,692 | \$3,420 | \$6,842 | \$0 | \$0 | \$24,217 |
| Total Other Non WA EIA REC Expenses | \$2,625 | \$5,324 | \$5,603 | \$5,639 | \$7,906 | \$0 | \$1,898 | \$14,692 | \$3,420 | \$6,842 | \$0 | \$0 | \$78,166 |
| WA EIA937 Requirement (EWEB) - Expense | \$183,498 | \$0 | \$0 | \$116,566 | \$0 | \$0 | \$202,101 | \$0 | \$0 | \$232,899 | \$0 | \$0 | \$735,063 |
| WA EIA937 Requirement (EWEB) - Broker Fee Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WA EIA 937 Requirement (EWEB) - Broker Fee Expense | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$3,964 | \$47,562 |
| Total WA EIA 937 Requirement REC Expenses | \$187,461 | \$3,964 | \$3,964 | \$120,529 | \$3,964 | \$3,964 | \$206,065 | \$3,964 | \$3,964 | \$236,863 | \$3,964 | \$3,964 | \$782,525 |
| Authorized - System | | | | | | | | | | | | | |
| Other Non WA EIA - Voluntary REC Expense | \$29,760 | \$26,880 | \$29,760 | \$28,760 | \$29,760 | \$28,800 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$173,720 |
| WA EIA937 Requirement (EWEB) - Expense | \$184,359 | \$3,945 | \$3,945 | \$184,359 | \$3,945 | \$3,945 | \$184,359 | \$3,945 | \$3,945 | \$184,359 | \$3,945 | \$3,945 | \$768,000 |
| Total Authorized | \$214,119 | \$30,825 | \$33,705 | \$213,119 | \$33,705 | \$32,745 | \$184,359 | \$3,945 | \$3,945 | \$184,359 | \$3,945 | \$3,945 | \$942,720 |
| Difference | | | | | | | | | | | | | |
| Other Non WA EIA - Voluntary REC Expense | (\$27,135) | (\$21,556) | (\$24,157) | (\$23,121) | (\$21,854) | (\$28,800) | \$1,896 | \$14,692 | \$3,420 | \$6,842 | \$0 | \$24,217 | (\$95,555) |
| WA EIA937 Requirement (EWEB) - Expense | \$3,102 | \$18 | \$18 | (\$63,830) | \$18 | \$18 | \$21,705 | \$18 | \$18 | \$52,503 | \$18 | \$18 | \$13,625 |
| Total | (\$24,033) | (\$21,537) | (\$24,139) | (\$86,952) | (\$21,836) | (\$28,782) | \$23,601 | \$14,710 | \$3,438 | \$59,345 | \$18 | \$24,235 | (\$81,930) |
| WA Share of Difference | | | | | | | | | | | | | |
| Non WA EIA - Voluntary (65.24%) | (\$17,703) | (\$14,063) | (\$15,760) | (\$15,084) | (\$14,258) | (\$18,769) | \$1,237 | \$9,585 | \$2,231 | \$4,464 | \$0 | \$15,799 | (\$62,340) |
| WA EIA937 Requirement (EWEB) - (100%) | \$3,102 | \$18 | \$18 | (\$63,830) | \$18 | \$18 | \$21,705 | \$18 | \$18 | \$52,503 | \$18 | \$18 | \$13,625 |
| Total - 100% Surcharge (+) or Rebate (-) | (\$14,601) | (\$14,045) | (\$16,742) | (\$78,915) | (\$14,240) | (\$18,771) | \$22,942 | \$9,603 | \$2,249 | \$66,967 | \$18 | \$16,818 | (\$48,715) |
| Accounting Entries | | | | | | | | | | | | | |
| 186322-ED-WA | Credit | Credit | Credit | Credit | Credit | Credit | Debit | Debit | Debit | Debit | Debit | Debit | Credit |
| 557322-ED-WA | Debit | Debit | Debit | Debit | Debit | Debit | Credit | Credit | Credit | Credit | Credit | Credit | Debit |

**Avista Corp. - Resource Accounting
 Sacramento Municipal Utility District (SMUD) Deal Delivery Summary From Nucleus**

| Deal # | \$/MWh | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Total MWhs |
|--|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | Volume - MWhs | | | | | | | | | | | | |
| System NR 141888 | \$0.00 | 26 | 15 | 2,742 | 6 | 1,847 | 1,722 | 2,617 | 1,052 | 1,852 | 1,554 | 7,998 | - | 21,431 |
| System 142305 | \$9.00 | - | 100 | 28,447 | 33,225 | 27,651 | 26,355 | 4,191 | - | - | - | 6,295 | 10,299 | 136,563 |
| System 141868 | \$9.50 | - | 100 | 28,447 | 33,225 | 27,651 | 26,355 | 4,191 | - | - | - | 6,295 | 10,299 | 136,563 |
| CS2 141878 | \$8.00 | 37,158 | 33,457 | 3,889 | 2,700 | 7,691 | 7,860 | 30,334 | 36,148 | 34,148 | 29,296 | 21,652 | 26,685 | 271,018 |
| CS2 142314 | \$7.50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mid C 141880 | \$8.00 | - | - | 350 | - | - | - | - | - | - | 6,285 | - | - | 6,635 |
| Mid C 142315 | \$7.50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lanc 166019 | \$8.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lanc 166020 | \$7.50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total All Deals | | 37,184 | 33,572 | 35,428 | 35,931 | 37,189 | 35,937 | 37,142 | 37,200 | 36,000 | 37,135 | 35,945 | 36,984 | 435,647 |
| Total Excluding "Brown" Power Deal 141888 | | 37,158 | 33,557 | 32,686 | 35,925 | 35,342 | 34,215 | 34,525 | 36,148 | 34,148 | 35,581 | 27,947 | 36,984 | 414,216 |

| Deal # | \$/MWh | Dollars | | | | | | | | | | | | Total Dollars | |
|--|--------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|-----|
| | | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | | |
| System NR 141888 | \$0.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| System 142305 | \$9.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| System 141868 | \$9.50 | \$0 | \$950 | \$270,247 | \$315,638 | \$262,685 | \$250,373 | \$39,815 | \$0 | \$0 | \$0 | \$59,803 | \$97,841 | \$1,297,349 | |
| CS2 141878 | \$8.00 | \$297,264 | \$267,656 | \$31,112 | \$21,600 | \$61,528 | \$62,880 | \$242,672 | \$289,184 | \$273,184 | \$234,368 | \$173,216 | \$213,480 | \$2,168,144 | |
| CS2 142314 | \$7.50 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Mid C 141880 | \$8.00 | \$0 | \$0 | \$2,800 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,280 | \$0 | \$0 | \$53,080 | |
| Mid C 142315 | \$7.50 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Lanc 166019 | \$8.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Lanc 166020 | \$7.50 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total All Deals | | \$297,264 | \$268,606 | \$304,159 | \$337,238 | \$324,213 | \$313,253 | \$282,487 | \$289,184 | \$273,184 | \$284,648 | \$233,019 | \$311,321 | \$3,518,573 | |
| Total Excluding "Brown" Power Deal 141888 | | \$297,264 | \$268,606 | \$304,159 | \$337,238 | \$324,213 | \$313,253 | \$282,487 | \$289,184 | \$273,184 | \$284,648 | \$233,019 | \$311,321 | \$3,518,573 | |

SMUD-At times prior period adjustments are required, adjusting from green to brown power. Timing can be 3 months after the actual energy delivery when REC's are being calculated and transferred.

| | | | | | | | | | | | | | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| As originally captured | \$297,264 | \$268,606 | \$306,942 | \$337,238 | \$328,649 | \$316,893 | \$282,911 | \$289,200 | \$273,184 | \$284,648 | \$233,019 | \$311,321 | \$3,529,875 |
| Adjustment | \$0 | \$0 | -\$2,784 | -\$1 | -\$4,437 | -\$3,641 | -\$425 | -\$16 | \$0 | \$0 | -\$1 | -\$1 | -\$11,309 |
| Total | \$297,264 | \$268,606 | \$304,159 | \$337,238 | \$324,213 | \$313,253 | \$282,487 | \$289,184 | \$273,184 | \$284,648 | \$233,019 | \$311,321 | \$3,518,566 |

Adjustment captured in 201412 Deferral Journal
\$300,019