



February 17, 2015

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

RECEIVED
RECORDS MANAGEMENT
2015 FEB 19 AM 9:09
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, January 2015
Docket No. UE-140188, Monthly REC Report, January 2015

Dear Mr. King:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of January 2015.

The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers (Attachments A and B). In January, actual net power costs were less than authorized costs by \$3,298,835. Year-to-date actual net power costs were less than authorized costs by \$3,298,835, which is within the \$4 million deadband, therefore there is no ERM deferral at January 31, 2015.

In Order 05, Docket UE-140188, the Company was authorized to return a portion of the accumulated ERM deferral balance to customers effective January 1, 2015. Total rebate revenue amounted to \$865,398 for the month of January 2015. After adjusting for revenue-sensitive expenses, \$826,446 of amortization of the deferral balance was recorded.

Actual net power costs for January 2015 were lower than the authorized level due partially to higher hydro generation and lower power purchase prices. Hydro generation was 89 aMW above the authorized level. Colstrip generation was 18 aMW below the authorized level. Kettle Falls generation was 1 aMW above the authorized level. Natural gas-fired generation was 99 aMW above the authorized level.

The average power purchase price was \$20.98/MWh compared to an authorized price of \$34.28/MWh. The average natural gas price was \$3.56/dth compared to an authorized price of \$4.12/dth. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 18 aMW below the authorized level.

The report also includes the monthly renewable energy credits (REC) accounting journal together with backup work papers (Attachment C). Per Order 05, Docket UE-140188 the Company defers 100% of the net monthly renewable energy credits (REC) not associated with compliance for the Washington Energy Independence Act. The amount of net revenues for January 2015 is \$120,151.

The Company also is authorized to return to customers an amortization amount based on actual and projected net REC revenues from 2012 through June 2016. The rebate revenue amounted to \$170,355 for the month of January 2015. After adjusting for revenue-sensitive expenses, \$162,668 of amortization of the deferral balance was recorded.

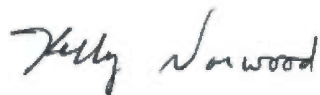
Interest for the ERM is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income 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 40 of the report for January 2015 shows the calculation of the cost of debt at December 31, 2014, which is used for the January through June 2015 period.

Interest for RECs is calculated per footnote 3 of the Settlement Stipulation in Order No. 5, Docket UE-140188 dated November 25, 2014 where parties agreed to the use of an after-tax cost of capital interest rate (6.34%) on the rebate balance. This interest rate will be updated at the next General Rate Case.

There were no forward long-term power contracts executed in January 2015.

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

Sincerely,



Kelly Norwood
Vice President, State and Federal Regulation

AB

Enclosure

C: Mary Kimball, S. Bradley Van Cleve



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

MONTH OF JANUARY 2015

RECEIVED
RECORDS MANAGEMENT
2015 FEB 19 AM 9:11
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 186280 | WA | 201312 | 0.00 | 1,256,447.00 | 1,256,447.00 |
| | WA | 201401 | 1,256,447.00 | -1,247,407.00 | 9,040.00 |
| | WA | 201402 | 9,040.00 | -9,040.00 | 0.00 |
| | WA | 201403 | 0.00 | 0.00 | 0.00 |
| | WA | 201404 | 0.00 | 0.00 | 0.00 |
| | WA | 201405 | 0.00 | -1,748,236.00 | -1,748,236.00 |
| | WA | 201406 | -1,748,236.00 | -914,303.00 | -2,662,539.00 |
| | WA | 201407 | -2,662,539.00 | -1,955,345.00 | -4,617,884.00 |
| | WA | 201408 | -4,617,884.00 | -42,368.00 | -4,660,252.00 |
| | WA | 201409 | -4,660,252.00 | 812,584.00 | -3,847,668.00 |
| | WA | 201410 | -3,847,668.00 | -91,107.00 | -3,938,775.00 |
| | WA | 201411 | -3,938,775.00 | 72,210.00 | -3,866,565.00 |
| | WA | 201412 | -3,866,565.00 | -357,446.00 | -4,224,011.00 |
| | WA | 201501 | -4,224,011.00 | 13,034.00 | -4,210,977.00 |

ERM Deferral Balance (Current Year - 2015)

Account 186280.ED.WA

| | Amount | Journal ID |
|--------------------------------|-----------------------|---------------------|
| Balance 12/31/2014 | \$ (4,224,011) | |
| Deferral - Current Month | \$ - | 481 - WA ERM |
| Interest - Current Month | \$ (12,179) | 481 - WA ERM |
| Transfer BPA Parallel Capacity | (1) \$ 25,213 | 481 - WA ERM/NSJ015 |
| Transfer to 186290 | (2) \$ - | |
| Balance 1/31/2015 | <u>\$ (4,210,977)</u> | |
| Year to date deferrals | \$ - | |
| Transfer BPA Parallel Capacity | \$ 25,213 | |
| Year to date interest | \$ (12,179) | |
| Balance in account | <u>\$ (4,210,977)</u> | |

| | Total | Absorbed | Deferred |
|------------------------------------|-----------------------|-----------------------|-------------|
| First \$4,000,000 at 100% | \$ (3,298,835) | \$ (3,298,835) | \$ - |
| \$4,000,000 to \$10,000,000 at 25% | \$ - | \$ - | \$ - |
| Over \$10,000,000 at 10% | \$ - | \$ - | \$ - |
| Total | <u>\$ (3,298,835)</u> | <u>\$ (3,298,835)</u> | <u>\$ -</u> |

(1) Per Settlement Petition Order 01, Docket # UE-130536 please see page 4, paragraph 9 of the petition. The sentence reads:

“To the extent there is a difference between the actual revenues from Bonneville for 2013 and 2014 and the amount refunded to customers in 2014, 100% of the difference would be added to, or subtracted from, the Energy Recovery Mechanism (“ERM”) deferral balance without being subject to the deadband and sharing bands.”

(2) Transfer for prior year will be made in February, 2015

Please note the ratio utilized to allocate costs between Washington and Idaho for both the ERM and REC deferral was inadvertently changed in error to 64.71% rather than the correct amount of 65.19%. This correction to restate January will be recorded in February 2015.

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 186290 | WA | 201312 | -9,252,504.14 | -28,137.00 | -9,280,641.14 |
| | WA | 201401 | -9,280,641.14 | 1,235,876.00 | -8,044,765.14 |
| | WA | 201402 | -8,044,765.14 | 9,319,254.14 | 1,274,489.00 |
| | WA | 201403 | 1,274,489.00 | 3,827.00 | 1,278,316.00 |
| | WA | 201404 | 1,278,316.00 | -14,785.71 | 1,263,530.29 |
| | WA | 201405 | 1,263,530.29 | 3,692.00 | 1,267,222.29 |
| | WA | 201406 | 1,267,222.29 | 3,692.00 | 1,270,914.29 |
| | WA | 201407 | 1,270,914.29 | -1,270,914.00 | 0.29 |
| | WA | 201408 | 0.29 | -0.29 | 0.00 |
| | WA | 201409 | 0.00 | 0.00 | 0.00 |
| | WA | 201410 | 0.00 | 0.00 | 0.00 |
| | WA | 201411 | 0.00 | 0.00 | 0.00 |
| | WA | 201412 | 0.00 | 0.00 | 0.00 |
| | WA | 201501 | 0.00 | 0.00 | 0.00 |

ERM Deferral Balance (Prior year - 2014)

Account 186290.ED.WA

Balance 12/31/2014

Transfer from 186280*

Balance 1/31/2015

| | <u>Amount</u> | <u>Journal ID</u> |
|-----------------------|---------------|-------------------|
| Balance 12/31/2014 | \$ - | |
| Transfer from 186280* | \$ - | |
| Balance 1/31/2015 | <u>\$ -</u> | |

*Transfer will be made in Feb. 2015

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 182350 | WA | 201312 | -10,262,209.00 | 382,815.00 | -9,879,394.00 |
| | WA | 201401 | -9,879,394.00 | 546,382.00 | -9,333,012.00 |
| | WA | 201402 | -9,333,012.00 | -8,518,899.14 | -17,851,911.14 |
| | WA | 201403 | -17,851,911.14 | 737,656.00 | -17,114,255.14 |
| | WA | 201404 | -17,114,255.14 | 599,294.22 | -16,514,960.92 |
| | WA | 201405 | -16,514,960.92 | 610,932.00 | -15,904,028.92 |
| | WA | 201406 | -15,904,028.92 | 580,003.00 | -15,324,025.92 |
| | WA | 201407 | -15,324,025.92 | 1,888,322.00 | -13,435,703.92 |
| | WA | 201408 | -13,435,703.92 | 711,638.21 | -12,724,065.71 |
| | WA | 201409 | -12,724,065.71 | 722,250.00 | -12,001,815.71 |
| | WA | 201410 | -12,001,815.71 | 612,676.00 | -11,389,139.71 |
| | WA | 201411 | -11,389,139.71 | 628,745.00 | -10,760,394.71 |
| | WA | 201412 | -10,760,394.71 | 798,304.00 | -9,962,090.71 |
| | WA | 201501 | -9,962,090.71 | 798,997.00 | -9,163,093.71 |

Recoverable Deferral Balance

Account 182350.ED.WA

| | <u>Amount</u> | <u>Journal ID</u> |
|------------------------|-----------------------|-------------------|
| Balance 12/31/2014 | \$ (9,962,091) | |
| Surcharge Amortization | \$ 826,446 | 481 - WA ERM |
| Interest | \$ (27,449) | 481 - WA ERM |
| Balance 1/31/2015 | <u>\$ (9,163,094)</u> | |

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 283280 | WA | 201312 | 6,830,150.48 | -563,893.75 | 6,266,256.73 |
| | WA | 201401 | 6,266,256.73 | -187,197.85 | 6,079,058.88 |
| | WA | 201402 | 6,079,058.88 | -276,960.25 | 5,802,098.63 |
| | WA | 201403 | 5,802,098.63 | -259,519.05 | 5,542,579.58 |
| | WA | 201404 | 5,542,579.58 | -204,577.98 | 5,338,001.60 |
| | WA | 201405 | 5,338,001.60 | 396,764.20 | 5,734,765.80 |
| | WA | 201406 | 5,734,765.80 | 115,712.80 | 5,850,478.60 |
| | WA | 201407 | 5,850,478.60 | 468,277.95 | 6,318,756.55 |
| | WA | 201408 | 6,318,756.55 | -234,244.47 | 6,084,512.08 |
| | WA | 201409 | 6,084,512.08 | -537,191.90 | 5,547,320.18 |
| | WA | 201410 | 5,547,320.18 | -182,549.15 | 5,364,771.03 |
| | WA | 201411 | 5,364,771.03 | -245,334.25 | 5,119,436.78 |
| | WA | 201412 | 5,119,436.78 | -154,300.30 | 4,965,136.48 |
| | WA | 201501 | 4,965,136.48 | -284,210.48 | 4,680,926.00 |

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

| | |
|--|-----------------|
| Account 186280.ED.WA balance | \$ (4,210,977) |
| Account 186290.ED.WA balance | \$ - |
| Account 182350.ED.WA balance | \$ (9,163,094) |
| Total | \$ (13,374,071) |
| Federal income tax rate | -35% |
| Deferred FIT related to deferrals | \$4,680,925 |
| Rounding | \$ 1 |
| Balance that should be in account - January 31, 2015 | \$ 4,680,926 |

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 186322 | WA | 201312 | -1,309,240.81 | -297,707.00 | -1,606,947.81 |
| | WA | 201401 | -1,606,947.81 | 82,083.00 | -1,524,864.81 |
| | WA | 201402 | -1,524,864.81 | -79,905.00 | -1,604,769.81 |
| | WA | 201403 | -1,604,769.81 | -221,015.00 | -1,825,784.81 |
| | WA | 201404 | -1,825,784.81 | -361,430.83 | -2,187,215.64 |
| | WA | 201405 | -2,187,215.64 | 84,889.00 | -2,102,326.64 |
| | WA | 201406 | -2,102,326.64 | -21,300.25 | -2,123,626.89 |
| | WA | 201407 | -2,123,626.89 | -140,262.00 | -2,263,888.89 |
| | WA | 201408 | -2,263,888.89 | -180,438.00 | -2,444,326.89 |
| | WA | 201409 | -2,444,326.89 | -271,407.00 | -2,715,733.89 |
| | WA | 201410 | -2,715,733.89 | -458,544.00 | -3,174,277.89 |
| | WA | 201411 | -3,174,277.89 | -42,690.00 | -3,216,967.89 |
| | WA | 201412 | -3,216,967.89 | -60,222.00 | -3,277,189.89 |
| | WA | 201501 | -3,277,189.89 | 153,618.00 | -3,123,571.89 |

REC Amortization Balance

Account 186322.ED.WA

| | <u>Amount</u> | <u>Journal ID</u> |
|---------------------------|---------------------|---------------------------|
| Balance 12/31/2014 | -\$3,277,190 | |
| Amortization | \$162,668 | 475 - WA REC AMORTIZATION |
| Interest | -\$9,050 | 475 - WA REC AMORTIZATION |
| Balance 1/31/2015 | <u>-\$3,123,572</u> | |
| Balance 1/1/2014 | \$0 | |
| Year to date amortization | 162,668 | |
| Year to date interest | -9,050 | |
| Balance 1/31/2015 | <u>-\$3,123,572</u> | |

Please note the interest was calculated using the same rate as the ERM. Per the Settlement Stipulation the agreed upon amount is the after-tax cost of capital interest rate of 6.34%. January 2015 will be corrected in February 2015.

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|-----------|--------------|-------------------|-------------------|------------------|----------------|
| 186323 | WA | 201501 | 0.00 | -120,324.00 | -120,324.00 |

REC Deferral Balance (effective 01.01.2015)

Account 186323.ED.WA

| | <u>Amount</u> | <u>Journal ID</u> |
|-----------------------|-------------------|-----------------------|
| Balance 12/31/2014 | \$0 | |
| Deferral | -\$120,151 | 475 - WA REC DEFERRAL |
| Interest | -\$173 | 475 - WA REC DEFERRAL |
| Balance 12/31/2014 | <u>-\$120,324</u> | |
| Balance 1/1/2014 | \$0 | |
| Year to date deferral | -\$120,151 | |
| Year to date interest | -\$173 | |
| Balance 12/31/2014 | <u>-\$120,324</u> | |

Please note the interest was calculated using the same rate as the ERM. Per the Settlement Stipulation the agreed upon amount is the after-tax cost of capital interest rate of 6.34%. January 2015 will be corrected in February 2015.

| Ferc Acct | Jurisdiction | Accounting Period | Beginning Balance | Monthly Activity | Ending Balance |
|--------------|--------------|-------------------|-------------------|------------------|---------------------|
| 283305 | WA | 201312 | 458,234.28 | 104,197.45 | 562,431.73 |
| | WA | 201401 | 562,431.73 | -28,729.05 | 533,702.68 |
| | WA | 201402 | 533,702.68 | 27,966.75 | 561,669.43 |
| | WA | 201403 | 561,669.43 | 75,592.30 | 637,261.73 |
| | WA | 201404 | 637,261.73 | 124,479.89 | 761,741.62 |
| | WA | 201405 | 761,741.62 | -37,792.30 | 723,949.32 |
| | WA | 201406 | 723,949.32 | 19,320.09 | 743,269.41 |
| | WA | 201407 | 743,269.41 | 49,091.70 | 792,361.11 |
| | WA | 201408 | 792,361.11 | 63,153.30 | 855,514.41 |
| | WA | 201409 | 855,514.41 | 94,992.45 | 950,506.86 |
| | WA | 201410 | 950,506.86 | 160,490.40 | 1,110,997.26 |
| | WA | 201411 | 1,110,997.26 | 14,941.50 | 1,125,938.76 |
| | WA | 201412 | 1,125,938.76 | 21,077.70 | 1,147,016.46 |
| | WA | 201501 | 1,147,016.46 | -53,826.85 | 1,093,189.61 |
| 283310 | WA | 201501 | 0.00 | 42,173.00 | 42,173.00 |
| Total | | | | | 1,135,362.61 |

Account 283305.ED.WA / 283310.ED.WA

| | |
|--|---------------|
| Account 186322.ED.WA balance | -\$3,123,572 |
| Account 186323.ED.WA balance | -\$120,324 |
| Total | -3,243,895.89 |
| Federal income tax rate | -35% |
| Deferred FIT related to deferrals | \$1,135,364 |
| Rounding | -2 |
| Balance that should be in account - January 31, 2015 | \$1,135,362 |

Attachment A

Avista Corporation
Monthly Power Cost Deferral Report
Month of January 2015

ERM Deferral Journal

Avista Corporation Journal Entry

Journal: 481-WA ERM
 Team: Resource Accounting
 Type: C
 Category: DJ
 Currency: USD

Effective Date: 201501
 Last Saved by: Tara Moses
 Submitted by: Tara Moses
 Approved by:

Last Saved: 02/06/2015 4:17 PM
 Approval Requested: 02/06/2015 4:17 PM

| Seq | Co. | FERC | Ser. | Jur. | S.L. | Debit | Credit | Comment |
|----------------|-----|---|------|------|------|-------------------|-------------------|---|
| 10 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | 826,446.00 | | Current Amortization |
| 20 | 001 | 557290 - WA ERM AMORTIZATION | ED | WA | DL | | 826,446.00 | Current Amortization Expense |
| 30 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | | 27,449.00 | Interest Accrual for Amortization Balance |
| 40 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS | ED | WA | DL | 27,449.00 | | Interest Expense on Amortization Balance |
| 50 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | 0.00 | | Current Year ERM (2015) |
| 60 | 001 | 557280 - DEFERRED POWER SUPPLY EXPENSE | ED | WA | DL | | 0.00 | Current Year ERM Deferral Expense (2015) |
| 70 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 12,179.00 | Current Year ERM Interest Accrual (2015) |
| 80 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS | ED | WA | DL | 12,179.00 | | Current Year ERM Interest Expense (2015) |
| 90 | 001 | 254331 - REG LIABILITY BPA PARALLEL CAPACITY | ED | WA | DL | 25,213.00 | | Transfer Balance BPA Settlement |
| 100 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 25,213.00 | Transfer Balance BPA Settlement |
| Totals: | | | | | | 891,287.00 | 891,287.00 | |

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

Prepared by: Tara Moses Date: 2.6.15
 Reviewed by: _____ Date: _____
 Approved for Entry: _____ Date: _____
 Corporate Accounting use Only

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 12/31/14 is | 5.307% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00442 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0028746 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

Account 182350

| | | |
|--|-------------|-----------|
| 12-31-2014 GL Balance including interest | (9,962,091) | 3,486,732 |
|--|-------------|-----------|

| | | January | DFIT Expense | ADFIT |
|------------|-------------------------|-------------|----------------------|-----------|
| January | Surcharge Amortization | 826,446 | 289,256 Operating | (289,256) |
| January | Interest | (27,449) | (9,607) Nonoperating | 9,607 |
| 01-31-2015 | Balance before interest | (9,135,645) | 279,649 Total | (279,649) |

AVISTA CORPORATION
 JANUARY 2015 WASHINGTON ENERGY RECOVERY MECHANISM REBATE REVENUE & DEFERRAL AMORTIZATION

| Schedule | kWh or \$ (b) | Proration Percentages | | Rebate Rates | | Rate | | Current Month Rebate Revenue | | Total (i) (g)+(h) |
|-----------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|---------------------------------|-------------|-------------------------|
| | | Before | On/After | Before | On/After | Before | On/After | 01-Jan-15 | 01-Jan-15 | |
| | | 01-Jan-15 (c) | 01-Jan-15 (d) | 01-Jan-15 (e) | 01-Jan-15 (f) | 01-Jan-15 (g) | 01-Jan-15 (h) | (b)*(c)*(e) | (b)*(d)*(f) | |
| 1 | 275,871,134 | 64.90% | 35.10% | (0.164¢) | (0.149¢) | \$ (293,626.20) | \$ (144,278) | \$ (437,904) | | |
| 11 | 49,116,925 | 63.96% | 36.04% | (0.224¢) | (0.200¢) | \$ (70,370.01) | \$ (35,403) | \$ (105,773) | | |
| 12 | 6,587,514 | 67.68% | 32.32% | (0.224¢) | (0.200¢) | \$ (9,986.88) | \$ (4,258) | \$ (14,245) | | |
| 21 | 116,164,125 | 61.93% | 38.07% | (0.169¢) | (0.150¢) | \$ (121,579.35) | \$ (66,336) | \$ (187,915) | | |
| 22 | 3,775,280 | 76.55% | 23.45% | (0.169¢) | (0.150¢) | \$ (4,884.06) | \$ (1,328) | \$ (6,212) | | |
| 25 | 92,033,172 | 100.00% | 0.00% | (0.108¢) | (0.097¢) | \$ (99,395.83) | \$ - | \$ (99,396) | | |
| 30 | 3,390 | 77.90% | 22.10% | (0.150¢) | (0.139¢) | \$ (3.96) | \$ (1) | \$ (5) | | |
| 31 | 2,537,886 | 71.11% | 28.89% | (0.150¢) | (0.139¢) | \$ (2,707.04) | \$ (1,019) | \$ (3,726) | | |
| 32 | 281,100 | 65.53% | 34.47% | (0.150¢) | (0.139¢) | \$ (276.31) | \$ (135) | \$ (411) | | |
| 41-46 | 1,288,724 | 99.22% | 0.78% | (0.503¢) | (0.458¢) | \$ (6,431.72) | \$ (46) | \$ (6,478) | | |
| 47 | 429,561 | 66.18% | 33.82% | (0.503¢) | (0.458¢) | \$ (1,429.95) | \$ (665) | \$ (2,095) | | |
| 48 | 253,596 | 66.52% | 33.48% | (0.503¢) | (0.458¢) | \$ (848.52) | \$ (389) | \$ (1,238) | | |
| Schedule Totals | 548,342,407 | | | | | -\$611,540 | -\$253,858 | -\$865,398 | | |

*Amortization
 Reduce
 Liability*

| | |
|------------------------------|-------------|
| kWh not subject to surcharge | 0 |
| Sch 62 | |
| Total kWh | 548,342,407 |
| Conversion factor | 0.954989 |
| Amortization | -\$826,446 |
| FIT rate | -35% |
| DFIT expense | \$289,256 |

01-30-2015
 DWWPAORR

AVISTA UTILITIES

RATE CHANGE PRORATION FOR JANUARY

PROCESSING DATE RANGE: 2014-12-31 THRU 2015-01-29

RATE CHANGE EFFECTIVE DATE 2015-01-01

REVENUE MONTH JANUARY

| STATE | RATE SCHEDULE NUM | PREVIOUS RATE USAGE | PRIOR RATE PERCENTAGE | CURRENT RATE USAGE | CURRENT RATE PERCENTAGE | TOTAL USAGE BILLED |
|------------|--------------------|---------------------|-----------------------|--------------------|-------------------------|--------------------|
| WASHINGTON | TOTAL SCHEDULE 001 | 179,346,343 | 64.90% | 97,010,516 | 35.10% | 276,356,859 |
| | TOTAL SCHEDULE 011 | 31,374,591 | 63.96% | 17,680,749 | 36.04% | 49,055,340 |
| | TOTAL SCHEDULE 012 | 4,475,990 | 67.68% | 2,137,305 | 32.32% | 6,613,295 |
| | TOTAL SCHEDULE 021 | 71,973,618 | 61.93% | 44,239,267 | 38.07% | 116,212,885 |
| | TOTAL SCHEDULE 022 | 2,889,798 | 76.55% | 885,482 | 23.45% | 3,775,280 |
| | TOTAL SCHEDULE 025 | 31,706,523 | 100.00% | | 0.00% | 31,706,523 |
| | TOTAL SCHEDULE 030 | 6,840 | 77.90% | 1,940 | 22.10% | 8,780 |
| | TOTAL SCHEDULE 031 | 1,807,900 | 71.11% | 734,381 | 28.89% | 2,542,281 |
| | TOTAL SCHEDULE 032 | 184,313 | 65.53% | 96,933 | 34.47% | 281,246 |
| | STATE TOTAL | 323,765,916 | | 162,786,573 | | 486,552,489 |
| | MONTH USAGE TOTALS | 323,765,916 | | 162,786,573 | | 486,552,489 |

Avista Corporation
 Proration Percentages
 January 1, 2015 Electric Rate Change
 State of Washington

| Read Day | Read Date | Service Days | 01-Jan-15 | | Schedule 41-46 | | Schedule 47 | | Schedule 48 | | | |
|----------|-----------|--------------|-------------|-----------------|----------------|-----------|-------------|---------|-------------|---------|---------|--------|
| | | | Days Before | Days On & After | Total | Before | After | Total | Before | After | | |
| 20 | 29-Dec | 34 | 34 | 0 | 1,246,932 | 1,246,932 | 0 | 31,105 | 31,105 | 15,029 | 15,029 | 0 |
| 21 | 30-Dec | 34 | 34 | 0 | 2,332 | 2,332 | 0 | 31,468 | 31,468 | 16,244 | 16,244 | 0 |
| 1 | 31-Dec | 30 | 30 | 0 | 5,619 | 5,619 | 0 | 36,799 | 36,799 | 16,764 | 16,764 | 0 |
| 2 | 02-Jan | 31 | 29 | 2 | 676 | 632 | 44 | 23,882 | 22,341 | 20,832 | 19,488 | 1,344 |
| 3 | 05-Jan | 33 | 28 | 5 | 0 | 0 | 0 | 16,563 | 14,053 | 14,181 | 12,032 | 2,149 |
| 4 | 06-Jan | 33 | 27 | 6 | 12,018 | 9,833 | 2,185 | 30,455 | 24,918 | 11,016 | 9,013 | 2,003 |
| 5 | 07-Jan | 33 | 26 | 7 | 4,273 | 3,367 | 906 | 18,990 | 14,962 | 8,626 | 6,796 | 1,830 |
| 6 | 08-Jan | 31 | 23 | 8 | 0 | 0 | 0 | 12,082 | 8,964 | 9,951 | 7,383 | 2,568 |
| 7 | 09-Jan | 31 | 22 | 9 | 8,401 | 5,962 | 2,439 | 21,240 | 15,074 | 17,786 | 12,622 | 5,164 |
| 8 | 12-Jan | 33 | 21 | 12 | 3,514 | 2,236 | 1,278 | 34,884 | 22,199 | 16,821 | 10,704 | 6,117 |
| 9 | 13-Jan | 33 | 20 | 13 | 0 | 0 | 0 | 12,926 | 7,834 | 10,708 | 6,490 | 4,218 |
| 10 | 14-Jan | 33 | 19 | 14 | 373 | 215 | 158 | 13,914 | 8,011 | 13,540 | 7,796 | 5,744 |
| 11 | 15-Jan | 31 | 16 | 15 | 0 | 0 | 0 | 17,438 | 9,000 | 7,326 | 3,781 | 3,545 |
| 12 | 16-Jan | 31 | 15 | 16 | 0 | 0 | 0 | 14,726 | 7,125 | 11,935 | 5,775 | 6,160 |
| 13 | 19-Jan | 33 | 14 | 19 | 827 | 351 | 476 | 14,923 | 6,331 | 9,636 | 4,088 | 5,548 |
| 14 | 20-Jan | 33 | 13 | 20 | 1,522 | 600 | 922 | 8,201 | 3,231 | 7,519 | 2,962 | 4,557 |
| 15 | 21-Jan | 33 | 12 | 21 | 1,104 | 401 | 703 | 9,893 | 3,597 | 9,355 | 3,402 | 5,953 |
| 16 | 22-Jan | 31 | 9 | 22 | 0 | 0 | 0 | 22,075 | 6,409 | 7,779 | 2,258 | 5,521 |
| 17 | 23-Jan | 31 | 8 | 23 | 0 | 0 | 0 | 12,634 | 3,260 | 9,796 | 2,528 | 7,268 |
| 18 | 26-Jan | 33 | 7 | 26 | 532 | 113 | 419 | 10,808 | 2,293 | 12,797 | 2,715 | 10,082 |
| 19 | 27-Jan | 32 | 5 | 27 | 613 | 96 | 517 | 34,755 | 5,430 | 6,186 | 967 | 5,219 |
| Sum | | 677 | 412 | 265 | 1,288,736 | 1,278,689 | 10,047 | 429,761 | 284,404 | 253,827 | 168,837 | 84,990 |
| | | | | | | 99.22% | 0.78% | | 66.18% | | 66.52% | 33.48% |

WA Street Light Rate Change 01-01-15.xlsx

AVISTA UTILITIES
 WASHINGTON ELECTRIC
 ERM REVENUE DECREASE BY SERVICE SCHEDULE
 (000s of Dollars)

Updated to reflect November
 2014 Power Supply update &
 ERM offset.

| | | Present Base Revenue | ERM Offset | Percentage Change | kWh Rate | Billing Determinants |
|-------------------------------|----------|-------------------------|--------------------|----------------------|--------------------|-------------------------|
| 1 Residential | 1 | \$214,476,179 | \$(3,624,621) | -1.69% | \$(0.00149) | 2,437,508,068 |
| 2 General Service | 11/12 | \$69,492,932 | \$(1,174,422) | -1.69% | \$(0.00200) | 586,109,432 |
| 3 Large General Service | 21/22 | \$127,830,953 | \$(2,160,327) | -1.69% | \$(0.00150) | 1,436,806,481 |
| 4 Extra Large General Service | 25 | \$61,638,549 | \$(1,041,650) | -1.69% | \$(0.00097) | 1,076,126,636 |
| 5 Pumping Service | 30/31/32 | \$10,524,650 | \$(177,865) | -1.69% | \$(0.00139) | 127,927,573 |
| 6 Street & Area Lights | 41-48 | <u>\$6,870,763</u> | <u>\$(116,115)</u> | <u>-1.69%</u> | <u>\$(0.00458)</u> | <u>25,328,044</u> |
| 7 Total | | \$490,832,026 | \$(6,295,000) | -1.69% | | 5,689,806,234 |

Docket #
 UE-140188, UE-140189
 ORDER #5

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 12/31/14 is | 5.307% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00442 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0028746 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

| | | | | |
|--|-------------|--|--|---|
| Account 186280 | | | | 0 |
| 12-31-2014 GL Balance including interest | (4,224,011) | | | |

| | | | January | DFIT Expense | | ADFIT |
|------------|-------------------------|-------------|----------|--------------|--------------|-------|
| January | ERM Deferral | 0 | Deferral | 0 | Operating | 0 |
| January | BPA Settlement Bal Trsf | (25,213) | | | | |
| January | Interest | (12,179) | Interest | (4,263) | Nonoperating | 4,263 |
| 01-31-2015 | Balance before interest | (4,249,224) | | (4,263) | Total | 4,263 |

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

| Line No. | WASHINGTON ACTUALS | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
|----------|---|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | 555 Purchased Power | \$18,508,249 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 447 Sale for Resale | (\$11,643,072) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | Less SMUD RECs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4 | 501 Thermal Fuel | \$3,024,714 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 5 | 547 CT Fuel | \$7,034,057 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 6 | 456 Transmission Revenue | (\$1,313,993) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7 | 565 Transmission Expense | \$1,469,091 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8 | 557 Broker Fees | \$31,393 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 9 | Less Cleanwater directly assigned to ID | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10 | Adjusted Actual Net Expense | \$17,110,439 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Total through | | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
|--------------------------------------|--|----------------------|----------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| AUTHORIZED NET EXPENSE-SYSTEM | | | | | | | | | | | | | |
| 11 | 555 Purchased Power | \$14,241,308 | \$12,816,216 | \$12,684,102 | \$10,157,992 | \$8,801,839 | \$8,966,511 | \$9,032,312 | \$10,449,135 | \$8,227,612 | \$8,950,494 | \$12,731,418 | \$12,617,776 |
| 12 | 447 Sale for Resale | (\$5,385,864) | (\$7,026,454) | (\$8,167,295) | (\$8,655,099) | (\$9,111,902) | (\$8,389,009) | (\$5,130,621) | (\$3,284,320) | (\$4,661,364) | (\$4,875,558) | (\$6,000,154) | (\$4,742,812) |
| 13 | Less SMUD RECs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 501 Thermal Fuel | \$2,663,532 | \$2,494,671 | \$2,578,707 | \$2,068,252 | \$1,665,745 | \$1,511,381 | \$2,254,578 | \$2,621,357 | \$2,672,936 | \$2,757,933 | \$2,649,850 | \$2,700,185 |
| 15 | 547 CT Fuel | \$10,133,311 | \$9,419,650 | \$9,305,476 | \$5,867,735 | \$3,112,735 | \$2,595,918 | \$5,623,100 | \$7,743,935 | \$8,219,145 | \$8,634,779 | \$9,035,104 | \$9,873,776 |
| 16 | 456 Transmission Revenue | (\$1,304,329) | (\$1,105,921) | (\$1,123,977) | (\$1,154,782) | (\$1,377,232) | (\$1,552,357) | (\$1,659,835) | (\$1,502,892) | (\$1,306,364) | (\$1,460,291) | (\$1,241,936) | (\$1,225,427) |
| 17 | 565 Transmission Expense | \$1,447,542 | \$1,429,504 | \$1,405,324 | \$1,394,208 | \$1,365,074 | \$1,353,383 | \$1,377,511 | \$1,429,273 | \$1,414,185 | \$1,374,889 | \$1,403,813 | \$1,423,031 |
| 18 | 557 Broker Fees | \$89,667 | \$89,667 | \$89,666 | \$89,667 | \$89,667 | \$89,666 | \$89,667 | \$89,667 | \$89,666 | \$89,667 | \$89,667 | \$89,666 |
| 19 | Authorized Net Expense | \$21,885,167 | \$18,107,333 | \$16,772,003 | \$9,767,973 | \$4,545,926 | \$4,575,493 | \$11,586,712 | \$17,546,155 | \$14,655,816 | \$15,671,913 | \$18,667,762 | \$20,736,195 |
| 20 | Actual - Authorized Net Expense | (\$4,774,728) | (\$4,774,728) | | | | | | | | | | |

| | | | | | | | | | | | | | |
|----|---|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 21 | Resource Optimization - Subtotal | (\$729,496) | | | | | | | | | | | \$0 |
| 22 | Adjusted Net Expense | (\$5,504,224) | | | | | | | | | | | \$0 |
| 23 | Washington Allocation | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% | \$64,711% |
| 24 | Washington Share | (\$3,561,783) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 25 | WA Retail Revenue Adjustment (+) Surcharge (-) Rebate | \$262,948 | \$262,948 | | | | | | | | | | \$0 |

| | | | | | | | | | | | | | |
|----|---|----------------------|----------------------|--|--|--|--|--|--|--|--|--|--|
| 26 | Net Power Cost (+) Surcharge (-) Rebate | (\$3,298,835) | (\$3,298,835) | | | | | | | | | | |
| 27 | Cumulative Balance | (\$3,298,835) | | | | | | | | | | | |
| | Deferral Amount, Cumulative (Customer) | \$0 | | | | | | | | | | | |
| | Deferral Amount, Monthly | \$0 | | | | | | | | | | | |
| | Acct 557280 Entry; (+) Rebate, (-) Surcharge | \$0 | | | | | | | | | | | |
| | Company Band Gross Margin Impact, Cumulative | (\$3,298,835) | | | | | | | | | | | |

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

| Line No. | TOTAL | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
|--|-----------------------|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 555 PURCHASED POWER | | | | | | | | | | | | | |
| 1 | \$9,083,672 | \$9,083,672 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | \$1,137,218 | \$1,137,218 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | \$100,730 | \$100,730 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4 | \$153,852 | \$153,852 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 5 | \$618,334 | \$618,334 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 6 | \$2,759,816 | \$2,759,816 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7 | \$505 | \$505 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8 | \$132,037 | \$132,037 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 9 | \$133,876 | \$133,876 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10 | \$483,338 | \$483,338 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11 | \$407,336 | \$407,336 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | \$2,085,311 | \$2,085,311 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | \$1,241,479 | \$1,241,479 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 16 | \$147,986 | \$147,986 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 17 | \$22,759 | \$22,759 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 18 Total 555 Purchased Power | \$18,508,249 | \$18,508,249 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-86-99 | | | | | | | | | | | | | |
| 447 SALES FOR RESALE | | | | | | | | | | | | | |
| 19 | (\$10,076,763) | (\$10,076,763) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 20 | (\$145,955) | (\$145,955) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21 | (\$76,281) | (\$76,281) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 22 | (\$11,963) | (\$11,963) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 23 | (\$48,666) | (\$48,666) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 24 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 25 | (\$1,283,444) | (\$1,283,444) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26 Total 447 Sales for Resale | (\$11,643,072) | (\$11,643,072) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 501 FUEL-DOLLARS | | | | | | | | | | | | | |
| 27 | \$787,016 | \$787,016 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 28 | (\$159) | (\$159) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 29 | \$2,191,973 | \$2,191,973 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | \$45,884 | \$45,884 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 31 Total 501 Fuel Expense | \$3,024,714 | \$3,024,714 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 501 FUEL-TONS | | | | | | | | | | | | | |
| 32 | 57,572 | 57,572 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 33 | 98,812 | 98,812 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 34 | wood | wood | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 35 | coal | coal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 547 FUEL | | | | | | | | | | | | | |
| 36 | \$1,933 | \$1,933 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 37 | \$16,613 | \$16,613 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 38 | \$1,161 | \$1,161 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 39 | \$3,756,118 | \$3,756,118 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 40 | \$3,234,280 | \$3,234,280 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 41 | \$23,952 | \$23,952 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 42 Total 547 Fuel Expense | \$7,034,057 | \$7,034,057 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 43 TOTAL NET EXPENSE | | | | | | | | | | | | | |
| | \$16,923,948 | \$16,923,948 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 456 TRANSMISSION REVENUE | | | | | | | | | | | | | |
| 44 | (\$1,044,935) | (\$1,044,935) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 45 | (\$266,000) | (\$266,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 46 | (\$3,058) | (\$3,058) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 47 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 48 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 49 Total 456 Transmission Revenue | (\$1,313,993) | (\$1,313,993) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

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

| Line No. | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
|---|---------------------|---------------------|------------|--------------------|------------|--------------------|------------|------------|------------|--------------------|------------|------------|
| 565 TRANSMISSION EXPENSE | | | | | | | | | | | | |
| 50 565000 ED AN | \$1,467,061 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 51 565312 ED AN | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 52 565710 ED AN | \$2,030 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 53 Total 565 Transmission Expense | \$1,469,091 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 557 Broker & Related Fees | | | | | | | | | | | | |
| 54 557170 ED AN | \$31,018 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 55 557172 ED AN | \$375 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 56 Total 557 ED AN Broker & Related Fees | \$31,393 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| RESOURCE OPTIMIZATION | | | | | | | | | | | | |
| 57 Econ Dispatch-557010 | \$2,591,889 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 58 Econ Dispatch-557150 | \$814,972 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 Gas Bookouts-557700 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 60 Gas Bookouts-557711 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 61 Intraco Thermal Gas-557730 | \$2,862,530 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 62 Fuel DispatchFin-456010 | (\$2,013,173) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 63 Fuel Dispatch-456015 | (\$1,010,407) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 64 Intraco Thermal Gas-456730 | (\$3,952,616) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 65 Fuel Bookouts-456711 | \$63,150 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 66 Fuel Bookouts-456720 | (\$63,150) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 67 Resource Optimization Subtotal | (\$706,805) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 68 Misc. Power Exp. Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 69 Misc. Power Exp. Actual-557160 ED AN | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70 KFWF Contract Buyout | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71 Misc. Power Exp. Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 72 Wind REC Exp Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 73 Wind REC Exp Actual 557395 | \$16 | \$16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 74 Wind REC Subtotal | \$16 | \$16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 75 WA EIA937 Requirement (EWEB) - Expense | \$154,715 | \$154,715 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 76 WA EIA REC Purchase - Authorized | \$181,250 | \$181,250 | \$0 | \$181,250 | \$0 | \$181,250 | \$0 | \$0 | \$0 | \$181,250 | \$0 | \$0 |
| 77 WA EIA 937 Requirement (EWEB) - Broker Fee Exp | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 77 WA EIA 937 Requirement (EWEB) - Broker Fee Exp | \$3,828 | \$3,828 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 78 EWEB REC WA EIA 937 Compliance | (\$22,707) | (\$22,707) | \$0 | (\$181,250) | \$0 | (\$181,250) | \$0 | \$0 | \$0 | (\$181,250) | \$0 | \$0 |
| 79 Net Resource Optimization | (\$729,496) | (\$729,496) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 80 Adjusted Actual Net Expense | \$16,380,943 | \$16,380,943 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Electric Revenue Report by Revenue Class Current Month and Year-to-Date for Accounting Period : 201501 , State Code : WA

Accounting_Period:201501 State Code:WA

| Rate Schedule Num | Meters | Usage | Revenue Amt | YTD Avg Meters | Ytd Usage | Ytd Revenue Amt |
|-------------------|---------|-------------|------------------|----------------|-------------|------------------|
| 001 | 207,224 | 275,871,134 | \$ 24,081,608.96 | 207,224 | 275,871,134 | \$ 24,081,608.96 |
| 011 | 19,997 | 49,116,925 | \$ 5,690,326.23 | 19,997 | 49,116,925 | \$ 5,690,326.23 |
| 012 | 8,876 | 6,587,514 | \$ 862,988.83 | 8,876 | 6,587,514 | \$ 862,988.83 |
| 021 | 1,798 | 116,164,125 | \$ 10,369,370.57 | 1,798 | 116,164,125 | \$ 10,369,370.57 |
| 022 | 54 | 3,775,280 | \$ 318,083.34 | 54 | 3,775,280 | \$ 318,083.34 |
| 025 | 21 | 92,033,172 | \$ 5,323,163.45 | 21 | 92,033,172 | \$ 5,323,163.45 |
| 030 | 32 | 3,390 | \$ 764.54 | 32 | 3,390 | \$ 764.54 |
| 031 | 974 | 2,537,886 | \$ 226,415.41 | 974 | 2,537,886 | \$ 226,415.41 |
| 032 | 1,190 | 281,100 | \$ 42,413.37 | 1,190 | 281,100 | \$ 42,413.37 |
| 041 | 11 | 8,560 | \$ 1,976.79 | 11 | 8,560 | \$ 1,976.79 |
| 042 | 289 | 1,121,018 | \$ 365,996.65 | 289 | 1,121,018 | \$ 365,996.65 |
| 044 | 13 | 26,015 | \$ 3,323.36 | 13 | 26,015 | \$ 3,323.36 |
| 044A | 1 | 0 | \$ 336.00 | 1 | 0 | \$ 336.00 |
| 045 | 10 | 29,307 | \$ 1,831.85 | 10 | 29,307 | \$ 1,831.85 |
| 046 | 52 | 103,824 | \$ 10,093.00 | 52 | 103,824 | \$ 10,093.00 |
| 047 | 0 | 429,561 | \$ 101,472.99 | 0 | 429,561 | \$ 101,472.99 |
| 048 | 0 | 253,596 | \$ 64,193.24 | 0 | 253,596 | \$ 64,193.24 |
| 058 | 0 | 0 | \$ 1,691,802.72 | 0 | 0 | \$ 1,691,802.72 |
| 058A | 0 | 0 | \$ (9,129.61) | 0 | 0 | \$ (9,129.61) |
| 090 | 0 | 0 | \$ - | 0 | 0 | \$ - |
| 095 | 0 | 0 | \$ 15,302.10 | 0 | 0 | \$ 15,302.10 |
| 099 | 0 | 0 | \$ 45,375.84 | 0 | 0 | \$ 45,375.84 |
| Sum | 240,542 | 548,342,407 | \$ 49,207,709.63 | 240,542 | 548,342,407 | \$ 49,207,709.63 |

| ELECTRIC UNBILLED KWH AND REVENUE | | REVENUE CLASS CODE | TOWN | RATE SCH | Current Gross Unbilled KWH | Current Gross Unbilled REVENUE | Prior Month Reversal KWH | Prior Month Reversal REVENUE | Net Change KWH | Net Change REVENUE |
|-----------------------------------|-----------------------|--------------------|------|----------|----------------------------|--------------------------------|--------------------------|------------------------------|-----------------|--------------------|
| WASHINGTON | Residential Service | 01 | 2800 | 001 | 170,023,801.67 | \$ 15,088,529 | (171,326,063.05) | \$ (14,851,240) | (1,304,181) | \$ 447,289 |
| | Residential Farm Gen | 01 | 2800 | 012 | 4,046,181.10 | \$ 838,163 | (4,145,016.68) | \$ (832,010) | (98,836) | \$ 7,453 |
| | Residential Farm Lg | 01 | 2800 | 022 | 2,318,124.59 | \$ 179,416 | (3,243,926.10) | \$ (238,613) | (925,802) | \$ (56,197) |
| | Residential Farm Pump | 01 | 2800 | 032 | 169,590.68 | \$ 176,558,798.24 | (180,218.12) | \$ (24,487) | (11,627) | \$ 830 |
| | Commercial General | 21 | 2800 | 011 | 20,798,437.90 | \$ 3,454,134 | (33,475,615.12) | \$ (3,781,189) | (3,677,077) | \$ (327,065) |
| | Commercial Lg General | 21 | 2800 | 021 | 65,497,556.57 | \$ 6,287,031 | (75,601,496.83) | \$ (5,897,384) | (10,103,943) | \$ (630,353) |
| | Commercial Extra Lg | 21 | 2800 | 025 | 24,343,014.00 | \$ 1,564,017 | (24,357,241.00) | \$ (1,523,454) | (14,227) | \$ 40,563 |
| | Commercial Pump | 21 | 2800 | 031 | 1,180,136.15 | \$ 120,819,144.62 | (1,486,789.48) | \$ (1,28,481) | (306,653) | \$ (25,245) |
| | Industrial General | 31 | 2800 | 011 | 379,329.48 | \$ 43,546 | (405,490.78) | \$ (44,550) | (26,161) | \$ (2,004) |
| | Industrial Lg General | 31 | 2800 | 021 | 5,689,942.17 | \$ 437,899 | (6,262,679.54) | \$ (489,440) | (572,637) | \$ (31,441) |
| | Industrial Extra Lg | 31 | 2800 | 025 | 68,642,987.00 | \$ 3,913,656 | (67,046,706.00) | \$ (3,772,463) | 1,586,279 | \$ 141,173 |
| | Industrial Pump | 31 | 2800 | 031 | 379,329.48 | \$ 75,091,588.13 | (540,654.35) | \$ (49,781) | (161,329) | \$ (12,552) |
| | WASHINGTON TOTAL | | | | 372,467,530.99 | \$ 30,662,273 | (388,673,732.01) | \$ (31,113,122) | (16,206,200) | \$ (450,849) |
| IDAHO | Residential Service | 01 | 3800 | 001 | 62,651,676.53 | \$ 7,638,469 | (65,333,276.12) | \$ (7,848,798) | (2,681,600) | \$ (210,339) |
| | Residential Farm Gen | 01 | 3800 | 012 | 1,812,351.95 | \$ 203,412 | (1,892,296.22) | \$ (210,280) | (79,938) | \$ (6,868) |
| | Residential Farm Lg | 01 | 3800 | 022 | 632,215.80 | \$ 44,393 | (675,917.94) | \$ (47,248) | (43,602) | \$ (2,856) |
| | Residential Farm Pump | 01 | 3800 | 032 | 126,443.16 | \$ 85,222,689.44 | (135,163.59) | \$ (15,197) | (8,720) | \$ (860) |
| | Commercial General | 21 | 3800 | 011 | 19,050,769.35 | \$ 1,870,640 | (21,400,901.32) | \$ (2,104,034) | (2,350,132) | \$ (233,394) |
| | Commercial Lg General | 21 | 3800 | 021 | 30,767,835.45 | \$ 2,228,898 | (35,142,532.70) | \$ (2,531,047) | (4,374,697) | \$ (302,149) |
| | Commercial Extra Lg | 21 | 3800 | 025 | 5,089,949.00 | \$ 296,118 | (5,160,216.00) | \$ (299,740) | (70,267) | \$ (4,822) |
| | Commercial Pump | 21 | 3800 | 031 | 969,397.56 | \$ 55,877,951.36 | (1,261,526.81) | \$ (118,475) | (292,129) | \$ (27,348) |
| | Industrial General | 31 | 3800 | 011 | 252,866.32 | \$ 24,418 | (315,361.70) | \$ (30,423) | (62,495) | \$ (6,005) |
| | Industrial Lg General | 31 | 3800 | 021 | 5,184,169.54 | \$ 353,974 | (6,127,415.96) | \$ (416,581) | (943,246) | \$ (62,817) |
| | Industrial Extra Lg | 31 | 3800 | 025 | 22,012,463.00 | \$ 1,267,366 | (21,777,221.00) | \$ (1,238,082) | 235,272 | \$ 19,283 |
| | Industrial Pump | 31 | 3800 | 031 | 947,920.36 | \$ 27,997,489.22 | (891,192.64) | \$ (92,125) | (443,279) | \$ (41,022) |
| | IDAHO TOTAL | | | | 169,098,110.02 | \$ 14,073,228 | (180,212,948.00) | \$ (14,952,041) | (11,114,833) | \$ (878,815) |
| WASHINGTON & IDAHO TOTAL | | | | | 541,565,641 | \$ 0.0826 | \$ 44,735,499 | \$ 0.0610 | \$ (27,321,039) | \$ (1,329,664) |

Washington
 BPA Settlement

BPA Settlement per WA Order Docket UE-130536

| | Monthly BPA Revenue | WA portion 65.24% Deferral | Amortization | Balance |
|----------------------------------|------------------------|----------------------------------|--------------|--------------|
| 201301 | 266,000.00 | 173,538.00 | - | 173,538.00 |
| 201302 | 266,000.00 | 173,538.00 | - | 347,076.00 |
| 201303 | 266,000.00 | 173,538.00 | - | 520,614.00 |
| 201304 | 266,000.00 | 173,538.00 | - | 694,152.00 |
| 201305 | 266,000.00 | 173,538.00 | - | 867,690.00 |
| 201306 | 266,000.00 | 173,538.00 | - | 1,041,228.00 |
| 201307 | 266,000.00 | 173,538.00 | - | 1,214,766.00 |
| 201308 | 266,000.00 | 173,538.00 | - | 1,388,304.00 |
| 201309 | 266,000.00 | 173,538.00 | - | 1,561,842.00 |
| 201310 | 266,000.00 | 173,538.00 | - | 1,735,380.00 |
| 201311 | 266,000.00 | 173,538.00 | - | 1,908,918.00 |
| 201312 | 266,000.00 | 173,538.00 | - | 2,082,456.00 |
| Amortization entry begins 201401 | 266,000.00 | 173,538.00 | (122,823.00) | 2,133,171.00 |
| 201402 | 266,000.00 | 173,538.00 | (403,219.00) | 1,903,490.00 |
| 201403 | 266,000.00 | 173,538.00 | (378,712.00) | 1,698,316.00 |
| 201404 | 266,000.00 | 173,538.00 | (329,126.00) | 1,542,728.00 |
| 201405 | 266,000.00 | 173,538.00 | (315,504.00) | 1,400,762.00 |
| 201406 | 266,000.00 | 173,538.00 | (298,756.00) | 1,275,544.00 |
| 201407 | 266,000.00 | 173,538.00 | (312,350.00) | 1,136,732.00 |
| 201408 | 266,000.00 | 173,538.00 | (357,075.00) | 953,195.00 |
| 201409 | 266,000.00 | 173,538.00 | (360,374.00) | 766,359.00 |
| 201410 | 266,000.00 | 173,538.00 | (308,886.00) | 631,011.00 |
| 201411 | 266,000.00 | 173,538.00 | (318,827.00) | 485,722.00 |
| 201412 | 266,000.00 | 173,538.00 | (397,389.00) | 261,871.00 |
| 201501 | | | (287,084.00) | (25,213.00) |
| | | 4,164,912.00 | | |

Amortization ends December 2014 per WA Order Docket UE-130536. January 2015 amortization is recognizing the remaining usage that occurred in December 2014

Dr. 254331-EDW

Cr. 186280 EDW

(808,135.66)

Moses, Tara

From: Machado, Christine
Sent: Tuesday, February 03, 2015 2:08 PM
To: Moses, Tara
Subject: FW: BPA Settlement Balance
Attachments: Avista BPA - Reardan Petition FINAL (Apr 12 2013).docx; UE-130536+Order+Granting+Accounting+Petition.pdf

Christine Machado
Resource Accounting Analyst
P 509.495.2231

From: Pluth, Jeanne
Sent: Tuesday, February 03, 2015 12:32 PM
To: Groome, Carolyn
Cc: Machado, Christine; Brandon, Annette
Subject: RE: BPA Settlement Balance

ERM

Hi Carolyn,

I am attaching the WA petition we filed in April 2013 on accounting for the BPA funds. I have also attached the Order. The order does not specifically address the remaining balance, however, it approves our proposed accounting.

Please see page 4, paragraph 9 of the petition. The last sentence reads:

"To the extent there is a difference between the actual revenues from Bonneville for 2013 and 2014 and the amount refunded to customers in 2014, 100% of the difference would be added to, or subtracted from, the Energy Recovery Mechanism ("ERM") deferral balance without being subject to the deadband and sharing bands."

Based on this, you can transfer the balance to the ERM, January if possible. If not, February?

I am still researching ID.

current deferral

From: Groome, Carolyn
Sent: Tuesday, February 03, 2015 12:01 PM
To: Pluth, Jeanne
Cc: Machado, Christine
Subject: BPA Settlement Balance

Hi Jeanne,

Not sure who to direct this question but thought I would start with you. The WA balance at the end of Jan 2015 will be approximately <\$25,213>. We are calculating an amortization amount for the residual of December billed volumes of ~\$287k which we will record for January close. The ID balance will be <\$382,724.88> also after a similar entry. Both of these amounts will be sitting in 254331 ED WA and ED ID. How would these balances clear out this year? Please advise. Thanks.

Carolyn Groome
Resource Accounting
Avista Corp.

case⁴, and although that rate case was resolved through a Commission-approved rate plan, the Company understood it would need to bring this settlement to the Commission for disposition.

8 As explained later in this Petition, Avista received \$11.692 million from Bonneville in early 2013 as settlement for past use of Avista's system by Bonneville, of which the Washington jurisdictional share is \$7.604 million. The Company proposes to retain Washington's allocated amount of the BPA incremental firm transmission revenues of \$7.604 million attributable to the 2005-2012 time period.

9 In addition, Bonneville will pay Avista \$266,000 per month beginning January 2013 and extending through September 30, 2042. As it relates to the Bonneville settlement revenues for 2013 and 2014, Avista proposes to separately defer and track, for its customers' benefit, Washington's allocated amount of incremental firm transmission revenues as Avista receives the revenue from Bonneville. The estimated annual Washington allocated share is \$2.1 million. At the time Avista files tariffs to increase rates for 2014 pursuant to the Company's last general rate case, the Company will file a tariff with the same January 1, 2014 effective date that refunds to customers, during 2014, the entire 2013 and 2014 revenue associated the Bonneville settlement (approximately \$4.2 million). To the extent there is a difference between the actual revenues from Bonneville for 2013 and 2014 and the amount refunded to customers in 2014, 100% of the difference would be added to, or subtracted from, the Energy Recovery Mechanism ("ERM") deferral balance without being subject to the deadband and sharing bands.

10 The 2013 and 2014 refund would be spread to all rate schedules in 2014, to offset the scheduled rate increase, using the same rate spread/rate design methodology as other

⁴ Dockets UE-120436 and UG-120437.

Attachment B

Avista Corporation
Monthly Power Cost Deferral Report
Month of January 2015

NSJ015 Reverse BPA Balance Transferred Incorrectly
Journal

Avista Corporation Journal Entry

Journal: NSJ015 - Reverse BPA Balance entered incorrectly
 Team: Resource Accounting
 Type: C
 Category: NSJ
 Currency: USD

Effective Date: 201501
 Last Saved by: Carolyn Groome
 Submitted by: Carolyn Groome
 Approved by:

Last Saved: 02/10/2015 12:54 PM
 Approval Requested: 02/10/2015 12:58 PM

| Seq | Co | FERC | ED | WA | DL | Debit | Credit | Comment |
|----------------|-----|---|----|----|----|------------------|------------------|---------------------------------|
| 10 | 001 | 254331 - REG LIABILITY BPA PARALLEL CAPACITY | ED | WA | DL | | 25,213.00 | Reversing entry |
| 20 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | 25,213.00 | | Reversing entry |
| 30 | 001 | 254331 - REG LIABILITY BPA PARALLEL CAPACITY | ED | WA | DL | | 25,213.00 | Transfer Balance BPASettlement |
| 40 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | 25,213.00 | | Transfer Balance BPA Settlement |
| Totals: | | | | | | 50,426.00 | 50,426.00 | |

Explanation:
 To reverse transfer of BPA Settlement balance entered incorrectly in DJ481.

Carolyn Groome
 Prepared by Carolyn Groome
 Date 2/10/15

[Signature]
 Reviewed by
 Date 2/10/15

Approved for Entry
 Corporate Accounting use Only
 Date

Printed 02/10/2015 at 12:36 pm

Avista Corporation Journal Entry

Journal: 481-WA ERM Effective Date: 201501
 Team: Resource Accounting Last Saved by: Tara Moses Last Saved: 02/06/2015 4:17 PM
 Type: C Submitted by: Tara Moses Approval Requested: 02/06/2015 4:17 PM
 Category: DJ Approved by: John Wilcox Approved on: 02/06/2015 4:52 PM
 Currency: USD

| Seq | Co | Ferc | Set. | Jul. | S.L. | Debit | Credit | Comment |
|----------------|-----|---|------|------|------|-------------------|-------------------|---|
| 10 | 001 | | ED | WA | DL | 826,446.00 | | Current Amortization |
| 20 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | | 826,446.00 | Current Amortization Expense |
| 30 | 001 | 557290 - WA ERM AMORTIZATION | ED | WA | DL | | 27,449.00 | Interest Accrual for Amortization Balance |
| 40 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY | ED | WA | DL | 27,449.00 | | Interest Expense on Amortization Balance |
| 50 | 001 | 431600 - INTEREST EXPENSE DEFERRALS | ED | WA | DL | 0.00 | | Current Year ERM (2015) |
| 60 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 0.00 | Current Year ERM Deferral Expense (2015) |
| 70 | 001 | 557280 - DEFERRED POWER SUPPLY EXPENSE | ED | WA | DL | | 12,179.00 | Current Year ERM Interest Accrual (2015) |
| 80 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | 12,179.00 | | Current Year ERM Interest Expense (2015) |
| 90 | 001 | 431600 - INTEREST EXPENSE DEFERRALS | ED | WA | DL | 25,213.00 | | Transfer Balance BPA Settlement |
| | | 254331 - REG LIABILITY BPA PARALLEL CAPACITY | ED | WA | DL | | 25,213.00 | Transfer Balance BPA Settlement |
| 100 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR | ED | WA | DL | | 891,287.00 | |
| Totals: | | | | | | 891,287.00 | 891,287.00 | |

EMERSON POWER

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

Prepared by Tara Moses Date
 Reviewed by Date
 Approved for Entry
 Corporate Accounting use Only Date

| Washington BPA Settlement | | | | | |
|---|------------------------|----------------------------------|---------------------|---------------------|---------------------|
| BPA Settlement per WA Order Docket UE-130536 | | | | | |
| | Monthly BPA Revenue | WA portion 65.24% Deferral | Amortization | Balance | |
| 201301 | 266,000.00 | 173,538.00 | - | | 173,538.00 |
| 201302 | 266,000.00 | 173,538.00 | - | | 347,076.00 |
| 201303 | 266,000.00 | 173,538.00 | - | | 520,614.00 |
| 201304 | 266,000.00 | 173,538.00 | - | | 694,152.00 |
| 201305 | 266,000.00 | 173,538.00 | - | | 867,690.00 |
| 201306 | 266,000.00 | 173,538.00 | - | | 1,041,228.00 |
| 201307 | 266,000.00 | 173,538.00 | - | | 1,214,766.00 |
| 201308 | 266,000.00 | 173,538.00 | - | | 1,388,304.00 |
| 201309 | 266,000.00 | 173,538.00 | - | | 1,561,842.00 |
| 201310 | 266,000.00 | 173,538.00 | - | | 1,735,380.00 |
| 201311 | 266,000.00 | 173,538.00 | - | | 1,908,918.00 |
| 201312 | 266,000.00 | 173,538.00 | - | | 2,082,456.00 |
| Amortization entry begins | 201401 | 266,000.00 | 173,538.00 | (122,823.00) | 2,133,171.00 |
| | 201402 | 266,000.00 | 173,538.00 | (403,219.00) | 1,903,490.00 |
| | 201403 | 266,000.00 | 173,538.00 | (378,712.00) | 1,698,316.00 |
| | 201404 | 266,000.00 | 173,538.00 | (329,126.00) | 1,542,728.00 |
| | 201405 | 266,000.00 | 173,538.00 | (315,504.00) | 1,400,762.00 |
| | 201406 | 266,000.00 | 173,538.00 | (298,756.00) | 1,275,544.00 |
| | 201407 | 266,000.00 | 173,538.00 | (312,350.00) | 1,136,732.00 |
| | 201408 | 266,000.00 | 173,538.00 | (357,075.00) | 953,195.00 |
| | 201409 | 266,000.00 | 173,538.00 | (360,374.00) | 766,359.00 |
| | 201410 | 266,000.00 | 173,538.00 | (308,886.00) | 631,011.00 |
| | 201411 | 266,000.00 | 173,538.00 | (318,827.00) | 485,722.00 |
| | 201412 | 266,000.00 | 173,538.00 | (397,389.00) | 261,871.00 |
| | 201501 | | | (287,084.00) | (25,213.00) |
| | | | 4,164,912.00 | | |
| | | | | | (808,135.66) |

Amortization ends December 2014 per WA Order Docket UE-130536. January 2015 amortization is recognizing the remaining usage that occurred in December 2014

Attachment C

Avista Corporation
Monthly Power Cost Deferral Report
Month of January 2015

REC Revenues Deferral Journal

Avista Corporation Journal Entry

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

Effective Date: 201501
 Last Saved by: Tara Moses
 Submitted by: Tara Moses
 Approved by:

Last Saved: 02/05/2015 1:11 PM
 Approval Requested: 02/05/2015 1:11 PM

| Seq | Co. | FERC | Debit | Credit | Comment |
|----------------|-----|---|-------------------|-------------------|---|
| 10 | 001 | 557322 - DEF POWER SUPPLY EXP-RECS | 120,151.00 | | Current Year 2015 WA REC Deferral Expense |
| 20 | 001 | 186323 - MISC DEF DEBIT-WA REC 2 | | 120,151.00 | Current Year 2015 WA REC Deferred Liability |
| 30 | 001 | 431016 - INTEREST EXPENSE ON REC DEFERRAL | 173.00 | | Current Year 2015 WA REC Interest Expense Accru |
| 40 | 001 | 186323 - MISC DEF DEBIT-WA REC 2 | | 173.00 | Current Year 2015 WA REC Interest Liability Accru |
| 50 | 001 | 557324 - DEF POWER SUPPLY EXP-REC AMORT | 162,668.00 | | Prior Year (2012-2014) WA REC Deferral Amortization |
| 60 | 001 | 186322 - MISC DEF DEBIT - WA REC 1 | 162,668.00 | | Prior Year (2012-2014) WA REC Deferral Amortization |
| 70 | 001 | 431016 - INTEREST EXPENSE ON REC DEFERRAL | 9,050.00 | | Prior Year (2012-2014) WA REC Deferral Interest Expense Accru |
| 80 | 001 | 186322 - MISC DEF DEBIT - WA REC 1 | | 9,050.00 | Prior Year (2012-2014) WA REC Deferral Interest Liability Accru |
| Totals: | | | 292,042.00 | 292,042.00 | |

Explanation:

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

Tara Moses
 Prepared by: Tara Moses
 Date: 2.5.15

Reviewed by _____ Date _____
 Approved for Entry _____ Date _____
 Corporate Accounting use Only

Avista Corp. - Resource Accounting
 DJ475 - Washington REC (Current "2015" 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

*Updated w/ 12-31-14
 Cost of debt*

| | | | |
|------------------------------------|---------------------|------------------------------------|---------------------|
| Actual cost of debt at 12/31/14 is | 5.307% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00442 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0028746 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

Account 186323-ED-WA Current (2015) Deferral

Beginning Balance Including Interest interest 0

| | January | DFIT Expense | ADFIT |
|------------------------------------|-----------|--------------------|--------|
| January REC Deferral | (120,151) | (42,053) Operating | 42,053 |
| January Interest | (173) | (61) Nonoperating | 61 |
| 01-31-2015 Balance before interest | (120,151) | (42,114) Total | 42,114 |

42,114

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

| EC REVENUE & EXPENSE | Debit | Credit | Entry |
|---------------------------------|--------------|---------------|------------------|
| January Revenue | | | |
| 186322 | | \$122,175 | |
| 557322 | \$122,175 | | |
| January Expense | | | |
| 186322 | \$2,024 | | |
| 557322 | | \$2,024 | |
| January Total | | | |
| 186322 | \$2,024 | \$122,175 | \$120,151 Credit |
| 557322 | \$122,175 | \$2,024 | -\$120,151 Debit |

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2015 REC Revenue Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

| Actual | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Total |
|---|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------------|
| Non WA EIA - Voluntary REC Revenue | (\$188,804) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$188,804) |
| WA EIA937 Requirement (EWEB) - PGE Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sacramento Municipal Utility District (SMUD) - REC Revenue From Nucleus | | | | | | | | | | | | | \$0 |
| Total | (\$188,804) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$188,804) |
| Authorized - System | | | | | | | | | | | | | |
| Non WA EIA - Voluntary REC Revenue | | | | | | | | | | | | | \$0 |
| WA EIA937 Requirement (EWEB) - PGE Revenue | | | | | | | | | | | | | \$0 |
| Sacramento Municipal Utility District (SMUD) - REC Revenue | | | | | | | | | | | | | \$0 |
| Total Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Difference | | | | | | | | | | | | | |
| Non WA EIA - Voluntary REC Revenue | (\$188,804) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$188,804) |
| WA EIA937 Requirement (EWEB) - PGE Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sacramento Municipal Utility District (SMUD) - REC Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total (+) = Surcharge | (\$188,804) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$188,804) |
| WA Share of Difference | | | | | | | | | | | | | |
| Non WA EIA - Voluntary (64.71%) | (\$122,175) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$123,176) |
| WA EIA937 Requirement (EWEB) - PGE Revenue (100%) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SMUD (64.71%) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total - 100% Surcharge (+) or Rebate (-) | (\$122,175) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$123,176) |

Accounting Entries
 186322-ED-WA
 557322-ED-WA

Credit
 Debit

Credit
 Debit

updated WA P/T %

Avista Corp. - Resource Accounting
 DJ 475 - Washington REC Deferral
 2015 REC Expense Deferral Calculation
 Per UE-120436 and UG-120437 Order 14

| Actual | Source | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Total |
|---|--------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Other Non WA EIA - Voluntary REC Expense | 557160-ED-AN | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Non WA EIA - Voluntary REC Broker Fee Expense | 557171-ED-AN | \$3,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,127 |
| Total Other Non WA EIA REC Expenses | | \$3,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,127 |
| Authorized - System | | | | | | | | | | | | | | |
| Other Non WA EIA - Voluntary REC Expense | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Authorized | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Difference | | | | | | | | | | | | | | |
| Other Non WA EIA - Voluntary REC Expense | | \$3,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,127 |
| Total | | \$3,127 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,127 |
| WA Share of Difference | | | | | | | | | | | | | | |
| Non WA EIA - Voluntary (64.71%) | | \$2,024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,024 |
| Total - 100% Surcharge (+) or Rebate (-) | | \$2,024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,024 |
| Accounting Entries | | | | | | | | | | | | | | |
| 186322-ED-WA | | Debit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Debit |
| 557322-ED-WA | | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit | Credit |

Avista Corp. - Resource Accounting
DJ475 - Washington REC Deferral (Current Amortization)

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 12/31/14 is | 5.307% | Actual cost of debt at 06/30/14 is | 5.343% |
| The monthly rate is: | 0.00442 Before Tax | The monthly rate is: | 0.00445 Before Tax |
| | 0.0028746 After Tax | | 0.0028941 After Tax |
| | 35.00% Tax rate | | 35.00% Tax rate |

Account 186322-ED-WA

Currently Amortization of 2012-2014 activity, Amortized over 18 months (Jan '15-June '16)

| | | <u>December</u> | | <u>DFIT Expense</u> | <u>ADFIT</u> |
|----------|------------------------------------|-----------------|---------|----------------------|--------------|
| December | REC Deferral | (50,948) | | (17,832) Operating | 17,832 |
| December | Interest | | (9,274) | (3,246) Nonoperating | 3,246 |
| | 12-31-2014 Balance before interest | (3,229,771) | | (21,078) Total | 21,078 |
| | | <u>January</u> | | <u>DFIT Expense</u> | <u>ADFIT</u> |
| January | REC Amortization | 162,668 | | 56,934 Operating | (56,934) |
| January | Interest | | (9,050) | (3,168) Nonoperating | 3,168 |
| | 01-31-2015 Balance before interest | (3,067,103) | | 53,766 Total | (53,766) |

AVISTA CORPORATION
 JANUARY 2015 WASHINGTON REC REVENUE & DEFERRAL AMORTIZATION

| Schedule | kW/h or \$ (b) | Proration Percentages | | Rebate Rates | | Current Month Rebate Revenue | | Total (g)+(h) |
|-----------------|-------------------|-----------------------|------------------|------------------|------------------|---------------------------------|------------------|------------------|
| | | Before | On/After | Before | On/After | Rate On/After | Rate On/After | |
| | | 01-Jan-15 (c) | 01-Jan-15 (d) | 01-Jan-15 (e) | 01-Jan-15 (f) | 01-Jan-15 (g) | 01-Jan-15 (h) | |
| | | | | | | | | |
| 1 | 275,871,134 | 64.90% | 35.10% | 0.000¢ | (0.104¢) | \$ | (100,704) | \$ (100,704) |
| 11 | 49,116,925 | 63.96% | 36.04% | 0.000¢ | (0.104¢) | \$ | (18,410) | \$ (18,410) |
| 12 | 6,587,514 | 67.68% | 32.32% | 0.000¢ | (0.104¢) | \$ | (2,214) | \$ (2,214) |
| 21 | 116,164,125 | 61.93% | 38.07% | 0.000¢ | (0.106¢) | \$ | (46,877) | \$ (46,877) |
| 22 | 3,775,280 | 76.55% | 23.45% | 0.000¢ | (0.106¢) | \$ | (938) | \$ (938) |
| 25 | 92,033,172 | 100.00% | 0.00% | 0.000¢ | (0.102¢) | \$ | - | \$ - |
| 30 | 3,390 | 77.90% | 22.10% | 0.000¢ | (0.113¢) | \$ | (1) | \$ (1) |
| 31 | 2,537,886 | 71.11% | 28.89% | 0.000¢ | (0.113¢) | \$ | (829) | \$ (829) |
| 32 | 281,100 | 65.53% | 34.47% | 0.000¢ | (0.113¢) | \$ | (109) | \$ (109) |
| 41-46 | 1,288,724 | 99.22% | 0.78% | 0.000¢ | (0.105¢) | \$ | (11) | \$ (11) |
| 47 | 429,561 | 66.18% | 33.82% | 0.000¢ | (0.105¢) | \$ | (153) | \$ (153) |
| 48 | 253,596 | 66.52% | 33.48% | 0.000¢ | (0.105¢) | \$ | (89) | \$ (89) |
| Schedule Totals | 548,342,407 | | | | | \$0 | -\$170,335 | -\$170,335 |

| | | | | | | | | |
|------------------------------|-------------|--|--|--|--|--|--|------------|
| kWh not subject to surcharge | | | | | | | | |
| Sch 62 | 0 | | | | | | | |
| Total kWh | 548,342,407 | | | | | | | 0.954989 |
| Conversion factor | | | | | | | | -\$162,668 |
| Amortization | | | | | | | | -35% |
| FIT rate | | | | | | | | \$56,934 |
| DFIT expense | | | | | | | | |

Balance to

Source: Avista Brandon 2.5.15

Exhibit No. ____ (EMA-4)

**AVISTA UTILITIES
 REVENUE CONVERSION FACTOR
 WASHINGTON ELECTRIC
 TWELVE MONTHS ENDED JUNE 30, 2013**

| <u>Line No.</u> | <u>Description</u> | <u>Factor</u> |
|---------------------|----------------------------------|-----------------------|
| 1 | Revenues | 1.000000 |
| | Expense: | |
| 2 | Uncollectibles | 0.004449 |
| 3 | Commission Fees | 0.002000 |
| 4 | Washington Excise Tax | 0.038562 |
| 5 | Franchise Fees | 0.000000 |
| 6 | Total Expense | <u>0.045011</u> |
| 7 | Net Operating Income Before FIT | 0.954989 |
| 8 | Federal Income Tax @ 35% | <u>0.334246</u> |
| 9 | REVENUE CONVERSION FACTOR | <u><u>0.62074</u></u> |

REC Revenues Rebate Allocation - Generation Level Consumption

| Line No. | DESCRIPTION | TOTAL | RESIDENTIAL SCHEDULE 1 | GENERAL SVC. SCHEDULE 11,12 | LG. GEN. SVC. SCHEDULE 21,22 | EX LG GEN SVC SCHEDULE 25 | PUMPING SCH. 30, 31, 32 | ST & AREA LTG SCH. 41-48 | J |
|----------|---------------------------------|-----------------------|------------------------|-----------------------------|------------------------------|---------------------------|-------------------------|--------------------------|-----|
| | A | B | C | D | E | F | H | I | |
| 1 | Generation Allocated | | | | | | | | |
| 2 | Total Generation Percentage | 100.00% | 42.51% | 10.07% | 25.68% | 18.90% | 2.38% | 0.46% | (1) |
| 3 | 2015 Rebate Amount | \$ (5,936,379) | \$ (2,535,008) | \$ (609,554) | \$ (1,523,015) | \$ (1,097,649) | \$ (144,558) | \$ (26,594) | |
| 4 | Annual Load (Rate Year) | 5,689,806,233 | 2,437,508,067 | 586,109,432 | 1,436,806,481 | 1,076,126,635 | 127,927,574 | 25,328,044 | (2) |
| 5 | Cents Per kWh Rate | | \$ (0.00104) | \$ (0.00104) | \$ (0.00106) | \$ (0.00102) | \$ (0.00113) | \$ (0.00105) | |
| 6 | Total Bills | 2,922,458 | 2,494,197 | 369,788 | 24,074 | 253 | 34,146 | | |
| 7 | Avg Monthly Credit Per Customer | | \$ (1.02) | \$ (1.65) | \$ (63.26) | \$ (4.338.53) | \$ (4.23) | | |
| 8 | Avg Annual Credit Per Customer | | \$ (12.20) | \$ (19.78) | \$ (759.17) | \$ (52,062.41) | \$ (50.80) | | |
| 9 | | | | | | | | | |
| 10 | Rate Calculation | | | | | | | | |
| 11 | 18-mo Rebate Amt | \$ (8,679,049) | \$ (3,688,996) | \$ (874,177) | \$ (2,228,873) | \$ (1,640,311) | \$ (206,468) | \$ (40,225) | |
| 12 | Load Forecast (18 Months) | 8,347,293,891 | 3,563,388,464 | 836,891,898 | 2,109,870,302 | 1,615,235,840 | 183,456,283 | 38,451,104 | |
| 13 | Cents Per kWh Rate | | \$ (0.00104) | \$ (0.00104) | \$ (0.00106) | \$ (0.00102) | \$ (0.00113) | \$ (0.00105) | |

- (1) E02 Allocator (Generation Level Consumption)
- (2) 2015 loads updated per Avista Response to Staff Data Request 24, Supplemental 2 Attachment A

Docket # UE-140188 ; UE-140189
 ORDER #5

AVISTA CORPORATION
 Cost of Long-Term Debt Detail - Washington
 December 31, 2014

| Line No. | Description | Coupon Rate | Maturity Date | Settlement Date | Principal Amount | Issuance Costs | SWAP Loss/(Gain) | Discount (Premium) | Loss/Reacq Expenses | Net Proceeds | Yield to Maturity | Principal Outstanding 12-31-2014 | Effective Cost | Line No. |
|----------|-------------------|-------------|---------------|-----------------|------------------|----------------|------------------|--------------------|---------------------|--------------|-------------------|----------------------------------|----------------|----------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (g) | (h) | (i) | (j) | (k) | (l) | |
| 1 | FMBS - SERIES A | 7.530% | 05-05-2023 | 05-06-1993 | 5,500,000 | 42,712 | - | - | 983,011 | 4,494,277 | 9.359% | 5,500,000 | 514,744 | 1 |
| 2 | FMBS - SERIES A | 7.540% | 05-05-2023 | 05-07-1993 | 1,000,000 | 7,766 | - | - | 175,412 | 816,822 | 9.375% | 1,000,000 | 93,747 | 2 |
| 3 | FMBS - SERIES A | 7.390% | 05-11-2018 | 05-11-1993 | 7,000,000 | 54,364 | - | - | 1,227,883 | 5,717,753 | 9.287% | 7,000,000 | 650,114 | 3 |
| 4 | FMBS - SERIES A | 7.450% | 06-11-2018 | 05-09-1993 | 15,500,000 | 120,377 | - | 50,220 | 2,140,440 | 13,188,963 | 8.953% | 15,500,000 | 1,387,715 | 4 |
| 5 | FMBS - SERIES A | 7.180% | 08-11-2023 | 08-12-1993 | 7,000,000 | 54,364 | - | - | - | 6,945,636 | 7.244% | 7,000,000 | 507,064 | 5 |
| 6 | ADVANCE ASSOCIAT | 1.220% | 06-01-2037 | 06-03-1997 | 40,000,000 | 1,296,066 | - | - | (1,769,125) | 40,473,039 | 1.163% | 40,000,000 | 473,072 | 6 |
| 7 | Series C Setup C | N/A | 06-15-2013 | 06-15-1998 | - | 665,169 | - | - | - | - | - | - | - | 7 |
| 8 | FMBS - SERIES C | 6.370% | 06-19-2028 | 06-19-1998 | 25,000,000 | 156,304 | - | - | 188,649 | 24,653,047 | 6.475% | 25,000,000 | 1,618,863 | 8 |
| 9 | 5.45% SERIES | 5.450% | 12-01-2019 | 11-16-2004 | 90,000,000 | 1,192,681 | - | 239,400 | 7,244,918 | 81,323,001 | 6.462% | 90,000,000 | 5,815,420 | 9 |
| 10 | FMBS - 6.25% | 6.250% | 12-01-2035 | 11-17-2005 | 150,000,000 | 1,812,935 | (4,445,000) | 367,500 | 1,700,376 | 150,564,188 | 6.222% | 150,000,000 | 9,332,891 | 10 |
| 11 | FMBS - 5.70% | 5.700% | 07-01-2037 | 12-15-2006 | 150,000,000 | 4,702,304 | 3,738,000 | 222,000 | - | 141,337,696 | 6.120% | 150,000,000 | 9,179,674 | 11 |
| 12 | 5.95% SERIES | 5.950% | 06-01-2018 | 04-03-2008 | 250,000,000 | 2,246,419 | 16,395,000 | 835,000 | - | 230,523,581 | 7.034% | 250,000,000 | 17,585,926 | 12 |
| 13 | 5.125% SERIES | 5.125% | 04-01-2022 | 09-22-2009 | 250,000,000 | 2,284,788 | (10,776,222) | 575,000 | 2,875,817 | 255,040,618 | 4.907% | 250,000,000 | 12,268,615 | 13 |
| 14 | 3.89% SERIES | 3.890% | 12-20-2020 | 12-20-2010 | 52,000,000 | 385,129 | - | - | 6,273,664 | 45,341,207 | 5.578% | 52,000,000 | 2,900,581 | 14 |
| 15 | 5.55% SERIES | 5.550% | 12-20-2040 | 12-20-2010 | 35,000,000 | 258,834 | - | - | 5,263,822 | 29,477,345 | 6.789% | 35,000,000 | 2,375,887 | 15 |
| 16 | 4.45% SERIES | 4.450% | 12-14-2041 | 12-14-2011 | 85,000,000 | 692,833 | 10,557,000 | - | - | 73,750,167 | 5.340% | 85,000,000 | 4,538,871 | 16 |
| 17 | 4.23% SERIES | 4.230% | 11-29-2047 | 11-30-2012 | 80,000,000 | 730,833 | 18,546,870 | - | 105,020 | 60,617,277 | 5.868% | 80,000,000 | 4,694,533 | 17 |
| 18 | 0.84% SERIES | 0.840% | 08-14-2016 | 06-14-2013 | 90,000,000 | 515,369 | (2,900,680) | - | - | 92,385,311 | -0.043% | 90,000,000 | (38,509) | 18 |
| 19 | 4.11% SERIES | 4.110% | 12-01-2044 | 12-19-2014 | 60,000,000 | 420,177 | (5,429,000) | - | - | 65,008,823 | 3.649% | 60,000,000 | 2,189,621 | 19 |
| 20 | | | | | | | | | | | | 1,393,000,000 | 76,088,831 | 20 |
| 21 | | | | | | | | | | | | | | 21 |
| 22 | Repurchase | 8.85% | 06-05-2028 | 05-24-2002 | 10,000,000 | - | - | - | (2,228,153) | 12,228,153 | 6.981% | 10,000,000 | -188,084 | 22 |
| 23 | Repurchase | 8.83% | 06-05-2028 | 04-03-2003 | 10,000,000 | - | - | - | (460,769) | 10,460,769 | 8.395% | 10,000,000 | -43,061 | 23 |
| 24 | Repurchase | 8.63% | 12-29-2022 | 03-11-2003 | 5,000,000 | - | - | - | 92,363 | 4,907,637 | 9.029% | 5,000,000 | 10,341 | 24 |
| 25 | Repurchase | 5.72% | 03-01-2034 | 12-30-2009 | 17,000,000 | - | - | - | 1,916,297 | 15,083,703 | 6.661% | 17,000,000 | 159,446 | 25 |
| 26 | Repurchase | 6.55% | 10-01-2032 | 12-31-2008 | 66,700,000 | - | - | - | 3,709,174 | 62,990,826 | 7.034% | 66,700,000 | 324,360 | 26 |
| 27 | | | | | | | | | | | | 1,393,000,000 | 76,351,233 | 27 |
| 28 | 3 Short Term-Debt | | | | 81,121,048 | | | | | | 2.327% | 81,121,048 | 1,887,295 | 28 |
| 29 | | | | | | | | | | | | 1,474,121,048 | 78,238,528 | 29 |
| 30 | | | | | | | | | | | | | | 30 |
| 31 | | | | | | | | | | | | | | 31 |
| 32 | | | | | | | | | | | | | | 32 |
| 33 | | | | | | | | | | | | | | 33 |
| 34 | | | | | | | | | | | | | | 34 |

WASHINGTONS TOTAL DEBT OUTSTANDING AND COST OF DEBT AT December 31, 2014

| Adjusted Weighted Average Cost of Debt | 5.307% |
|--|--------|
|--|--------|

1 Average Monthly Average Rate over a twelve month period
 2 Coupon Rate at the time of repurchase
 3 Calculated using the Internal Rate of Return method