

**Exhibit No. JH-9
Dockets UE-160228/UG-160229
Witness: Joanna Huang**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-160228 and
UG-160229 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

JOANNA HUANG

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Pro Forma O & M Offsets (Adjustments 3.10 Gas)

August 17, 2016

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2015
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma O&M Offsets
	Adjustment Number	3.10
	Workpaper Reference	G-POFF
	REVENUES	
1	Total General Business	\$ -
2	Total Transportation	-
3	Other Revenues	-
4	Total Gas Revenues	-
	EXPENSES	
	Production Expenses	
5	City Gate Purchases	-
6	Purchased Gas Expense	-
7	Net Nat Gas Storage Trans	-
8	Total Production	-
	Underground Storage	
9	Operating Expenses	-
10	Depreciation/Amortization	-
11	Taxes	-
12	Total Underground Storage	-
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	-
17	Customer Accounting	-
18	Customer Service & Information	-
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	(34)
21	Depreciation/Amortization	-
22	Regulatory Amortizations	-
23	Taxes	-
24	Total Admin. & General	(34)
25	Total Gas Expense	(34)
26	OPERATING INCOME BEFORE FIT	34
	FEDERAL INCOME TAX	
27	Current Accrual	12
28	Debt Interest	-
29	Deferred FIT	-
30	Amort ITC	-
31	NET OPERATING INCOME	\$ 22
	RATE BASE	
	PLANT IN SERVICE	
32	Underground Storage	\$ -
33	Distribution Plant	-
34	General Plant	-
35	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
36	Underground Storage	-
37	Distribution Plant	-
38	General Plant	-
39	Total Accumulated Depreciation/Amortization	-
40	NET PLANT	-
41	DEFERRED TAXES	-
42	Net Plant After DFIT	-
43	GAS INVENTORY	-
44	GAIN ON SALE OF BUILDING	-
45	OTHER	-
46	WORKING CAPITAL	-
47	TOTAL RATE BASE	\$ -

Avista Utilities
 O&M Offsets
 Test Year Sept 30, 2015

Excludes Plant Additions for Customer Growth (Budget Category 1,000's)



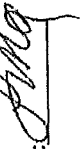
Plant Additions by Month

Functional Plant Categories	ER	State	Service	Electric		Gas	
				WA	Share	WA	Share
Downtown Network New Warehouse/Ops Bldg	7139	AN	CD	53.47%	15.04%		
COF Long-Term Restructuring Plan	7126	WA	CD	78.74%	21.26%		
General Plant Subtotal							

General:

Subtotal Offsets

Total Offsets			
System	Electric	Gas	
Total	WA	WA	Share
229	122	34	
103	81	22	
332	204	56	
332	204	56	

Prep by:  1st Review: 
 Date: 1/20/2016 Mgr. Review: 

Avista Utilities
 Pro Forma Capital Projects
 Test Year Sept 30, 2015

ER	Business Case	O&M Offsets (System)
4140	Nine Mile Hydroelectric Development	\$ -
4152	Little Falls Powerhouse Redevelopment	\$ -
4161	CG HED U#1 Refurbishment	\$ -
4162	Post Falls South Channel Gate Replacement	\$ -
5005	Information Technology Refresh	\$ -
4116	Colstrip Capital Additions	\$ -
7139	Network Building Purchase Renovation	\$ 229,000
2532	Noxon 230 kV Substation	\$ -
3005	Gas Distribution Non-Revenue Blanket	\$ -
3007	Isolated Steele Replacement	\$ -
3008	Aldyl A Pipe Replacement	\$ -
7126	Long Term Campus Restructuring	\$ 103,000
		<u>\$ 332,000</u>

Note 1: The above listed projects include those pro formed in Adjustment 3.10 "Pro forma 2016 Limited Capital Adds." A review of these proejects shows O&M Offsets for ER 7139 and 7126 only.

Note 2: The Little Falls Powerhouse Redevelopment Business Case shows a potential offset of \$20,000 (system) related to labor that will be redistributed to other projects. This does not result in an overall labor savings.

Note 3: The Post Falls South Channel Gate Replacement Business Case shows O&M Offsets of \$5,000 in 2015. These savings are related to labor that will be redistributed to other projects and do not result in overall reductions to labor expense.

Prep by: *AB*
 Date: 1/20/2016
 Mgr. Review: *DMG*