

SUMMARY OF PUBLIC COUNSEL ELECTRIC ADJUSTMENTS
 AND COMPARISON TO AVISTA'S DIRECT FILING ELECTRIC ADJUSTMENTS
 Docket No. UE-140188

Exhibit No. JRD-2
 Page 1 of 8
 Schedule No. 1

Avista Adj't. No.	Public Counsel Adj't. No.	Adjustment Description	Avista Adjustments - Original Filing			Public Counsel Adjustments			Public Counsel Position Relative to the Company's Original Filed Position	Revenue Requirement Impact Difference
			NOI	Rate Base	Rev Req't	NOI	Rate Base	Rev Req't		
Restating adjustments										
1.00		Results of Operations	\$ 92,108	\$1,193,944	\$ (88)	\$ 92,108	1,193,944	\$(12,783)	Reflects PC COC	\$(12,695)
1.01		Deferred FIT Rate Base	(18)	(1,890)	(205)				PC Neutral in Direct	
1.02		Deferred Debits and Credits	(169)	(8,768)	(818)				PC Neutral in Direct	
1.03		Working Capital	147	15,215	1,653				PC Neutral in Direct	
2.01		Eliminate B & O Taxes	(45)	-	72				PC Neutral in Direct	
2.02		Restate 2013 Property Tax	(\$655)	\$0	1,056				PC Neutral in Direct	
2.03		Uncollect. Expense	(462)	-	745				PC Neutral in Direct	
2.04		Regulatory Expense	34	-	(54)				PC Neutral in Direct	
2.05		Injuries and Damages	(183)	-	295				PC Neutral in Direct	
2.06	PC-E.2.06	FIT/DFIT/ ITC/PTC Expense	751	-	(1,210)	1,526		(2,458)	PC Modified	(1,248)
2.07		Office Space Charges to Subsidiaries	15	-	(24)				PC Neutral in Direct	
2.08		Restate Excise Taxes	112	-	(181)				PC Neutral in Direct	
2.09		Net Gains / Losses	49	-	(79)				PC Neutral in Direct	
2.10		Revenue Normalization 2013	4,683	-	(7,544)	4,683		(7,544)	PC Support	-
	PC-E.2.10 A	Revenue Update Through March 2014				1,086		(1,750)	PC Incremental	(1,750)
2.11		Eliminate WA Power Cost Defer	4,387	-	(7,067)				PC Neutral in Direct	
2.12		Nez Perce Settlement Adjustment	(8)	-	13				PC Neutral in Direct	
2.13		Misc. Restating Expenses	27	-	(43)				PC Neutral in Direct	
2.14		Restate Incentive Expenses	1,979	-	(3,187)				PC Neutral in Direct	
2.15		Colstrip / CS2 Maintenance Amort	(358)	-	576				PC Neutral in Direct	
2.16		Restate Debt Interest	(1,203)	-	1,938				PC Neutral in Direct	
2.17		Restate June 30 2013 Capital EOP	(415)	35,200	5,041	(415)	35,200	4,667	PC Support	(374)
		Restated Total	<u>\$100,775</u>	<u>\$1,233,701</u>	<u>\$(9,113)</u>	<u>\$ 98,987</u>	<u>\$1,229,144</u>	<u>\$(19,867)</u>		<u>(\$16,066)</u>
Pro Forma Adjustments										
3.00		Pro Forma Power Supply	1,483	-	(2,390)				PC Neutral in Direct	
3.01		Pro Forma Transmission Rev/Exp	(3,531)	-	5,689				PC Neutral in Direct	
3.02	PC-E.3.02	Pro Forma Labor Non-Exec	(1,096)	-	1,765	(506)		815	PC Modified	(950)
3.03		Pro Forma Labor Exec	(16)	-	26				PC Neutral in Direct	
3.04	PC-E.3.04	Pro Forma Employee Benefits	563	-	(906)	2,028		(3,268)	PC Modified	(2,361)
3.05	PC-E.3.05	Pro Forma Insurance Expense	(361)	-	582	(85)		137	PC Modified	(445)
3.06	PC-E.3.06	Pro Forma Property Tax	(1,325)	-	2,134	(623)		1,004	PC Modified	(1,130)
3.07		Pro Forma Information Tech/Serv Exp	(692)	-	1,115				PC Neutral in Direct	
Incremental Attrition Components										
4.00		Planned Capital Add Dec 2013 EOP	(2,422)	33,588	8,073	(2,422)	33,588	7,716	PC Support	(357)
	PC-E.4.00 A	Actual Capital Additions March 2014 EOP				(380)	7,717	1,489	PC Incremental	1,489
4.01		Planned Capital Add 2014 EOP	(3,655)	74,587	15,152				PC Oppose	(15,152)
4.02		Planned Capital Add 2015 AMA	(1,680)	19,440	5,120				PC Oppose	(5,120)
4.03		DSM	(3,323)	-	5,353				PC Oppose	(5,353)
4.04		Reconcile Pro Forma To Attrition	320	3,656	(61)				PC Oppose	61
Remaining Pro Formas										
4.05		Lake Spokane Deferral 3-YR Amort	(184)	472	355				PC Neutral in Direct	
4.06		O&M Offsets	398	-	(642)				PC Neutral in Direct	
4.07		Revenue Normalization 2014	8,724	-	(14,054)	8,724		(14,054)	PC Support	-
		Total Restating & Pro Forma	<u>\$93,978</u>	<u>\$1,365,444</u>	<u>\$18,201</u>	<u>\$105,723</u>	<u>\$1,270,449</u>	<u>(\$26,028)</u>		<u>(\$45,386)</u>

Avista Corporation
 Electric Docket No. UE-140188
 Adjustment to Restate FIT/DFIT/ITC/PTC Expense

Schedule No. 2
 PC-E.2.06

Line No.	Description:	Washington Jurisdictional	
		Per Avista	Per Public Counsel
1	Taxable NOI per Results	66,249,546	66,249,546
2	Schedule M Reallocations and Adjustments		
3	Injuries and Damages	51,182	51,182
4	401-K Dividend Deduction		(716,192) (1)
5	Section 199 Manufacturing Deduction (DPAD)	(2,175,341)	(3,673,065) (2)
6	Reallocated Taxable NOI	64,125,387	61,911,471
7	FIT Normal Accrual per Results	23,187,341	23,187,341
8	Adjusted FIT Normal Accrual	22,443,885	21,669,015
9	Total Current FIT Adjustment	(743,456)	(1,518,326)
10		Washington	Washington
11	Deferred FIT Adjustment		
12	(1) Injuries and Damages	(17,914)	(17,914)
13	Total Deferred FIT Adjustment	(17,914)	(17,914)
14	Amortized Investment Tax Credit - Noxon	1,815	1,815
15	Net FIT/DFIT/ITC Adjustment	(759,555)	(1,534,425)
16	FIT Adjustment for Production Tax Credit	8,815	8,815
17	Net Tax Adjustment	(750,740)	(1,525,610)
18	(1) Allocation of 401-K Dividend Deduction:		
19	Total Avista 401-K Dividend Deduction		\$1,484,424
20	Allocation to Utility Operations (Per Avista Adjustment 3.04)		98.8%
21	401-K Dividend Deduction Allocated to Utility Operations		1,466,611
22	Washington Electric O&M Labor	39,801,720	48.83%
23	Idaho Electric O&M Labor	19,883,337	24.40%
24	Washington Gas O&M Labor	11,005,634	13.50%
25	Idaho Gas O&M Labor	4,743,489	5.82%
26	Oregon Gas O&M Labor	6,071,357	7.45%
		81,505,537	100.00%
27	401-K Dividend Deduction Allocated to Each Avista Utility Operation		
28	Washington Electric		716,192
29	Idaho Electric		357,781
30	Washington Gas		198,035
31	Idaho Gas		85,354
32	Oregon Gas		109,248
33	Total Utility Operations		1,466,611
34	(2) 2013 DPAD Per Company Response to PC-118		5,650,000
35	Washington Electric Retail Allocation (Per Avista Adjustment 2.06)		65.010%
36	Public Counsel Proposed Washington Retail DPAD		3,673,065

Avista Corporation
 Electric Docket No. UE-140188
 Adjust Revenues for Post Test Year Growth Thru March 2014

Schedule No. 3
 PC-E.2.10 A

Line No.	Description	Amount	Reference
1	Number of Months From June 2013 (Historic TY End)		
2	Through December 2015 (End of Rate Year)	30	
3	Number of Months from Test Year End of Period		
4	(June 2013) Through Public Counsel's Proposed		
5	Plant Update (March 2014 EOP)	9	
6	Number of Post Test Year Months Through March 2014		
7	as a Percentage of Number of Post Test Year		
8	Months Through Rate Year End December 2015	30.0%	Line 5 / Line 2
9	Company Developed Revenue Growth Factor to Consider		
10	Revenue Growth From Historic Test Year End Through		Exh. No.__(EMA-2)
11	End of 2015 Rate Year - Billing Determinant Index	<u>2.08%</u>	Page 10 of 10
12	Escalation Factor to Consider Revenue Growth from		
13	June 2013 Through March 2014	0.62%	Line 8 X Line 11
14	June 2013 Revenue Base to Apply Revenue		
15	Escalation Factor (Weather Normalized Historic		
16	Test Year Sales Reflecting 2014 Approved WA		Exh. No.__(EMA-2)
17	Retail Base Rates)	<u>\$ 466,872</u>	Page 4 of 10
18	Adjustment to Reflect Washington Retail Electric		
19	Revenue Growth from Test Year End through		
20	March 2014 - Consist with Public Counsel's Net		
21	Plant Update Adjustment	\$ 2,913	Line 13 X Line 21
22	Avista's Power Supply Adjustment Posted to		Exh. No.__(EMA-2)
23	be Synchronized with Revenue Growth Adjustment	3,699	Page 4 of 10
24	Avista's Adjustment to Reflect Revenue Growth		Exh. No.__(EMA-2)
25	from the Test Year Through the 2015 Rate Year	<u>9,698</u>	Page 4 of 10
26	Power Supply Cost as a Percent of Gross Revenues	38.1%	Line 23 / Line 25
27	Adjustment to Synchronize Power Supply Expense With		
28	Public Counsel's Revenue Growth Adjustment	\$ 1,111	Line 21 X Line 26
29	Other Revenue Related Expenses:		
30	Uncollectibles as a % of Revenues	0.445%	Co. Spreadsheet:
31	WUTC Fees as a % of Revenues	0.200%	"2015 Electric
32	Washington Excise Tax as a % of Revenues	3.856%	Attrition Analysis.xlsx"
33	Adjustment to Synchronize Revenue Related		
34	Expenses with Public Counsel's Revenue		
35	Growth Adjustment:		
36	Uncollectibles as a % of Revenues	\$ 13	Line 21 X Line 30
37	WUTC Fees as a % of Revenues	6	Line 21 X Line 31
38	Washington Excise Tax as a % of Revenues	112	Line 21 X Line 32
39	Subtotal: Public Counsel's Revenue Growth		
40	Adjustment Net of Related Power Supply and Gross		Line 21 Less
50	Revenue Related Expenses	1,671	Lines 28, 36, 37 ,38
51	Less: Federal Income Tax Expense @ 35%	<u>(585)</u>	Line 50 X 35%
52	Adjustment to Net Operating Income	<u>\$ 1,086</u>	Line 50 - Line 51

Avista Corporation
 Electric Docket No. UE-140188
 Pro Forma Non-Executive Labor Adjustment

Line No.	Description	Washington Retail Electric Operations	Washington Retail Gas Operations
1	Non-Executive Labor Adjustment to Annualize Wages		
2	Wages for Increases Granted Through March 2014 (Per		
3	"PC Labor & Employee Retirements Benefits Adjt.xlsx")	\$ 778,427	\$ 217,502
4	Federal Income Tax Rate	<u>35.0%</u>	<u>35.0%</u>
5	Reduction in Related Federal Income Tax Expense	\$ (272,449)	\$ (76,126)
6	Adjustment to Net Operating Income to Reflect		
7	Annualized Impact of Wage Increases Granted		
8	Through March 2014	<u>\$ (505,978)</u>	<u>\$ (141,376)</u>

Avista Corporation
 Electric Docket No. UE-140188
 Pro Forma Employee Benefits

Line No.	Description	Washington Retail Electric Operations	Washington Retail Gas Operations
1	Adjustment to Annual Pensions and Benefits Costs		
2	Calculated by Reflecting Total Avista 2014 Updated		
3	Pension Costs (Per "PC Labor & Employee	\$ (3,120,453)	\$ (862,796)
4	Retirement Benefits Adj.t.xlsx")		
5	Federal Income Tax Rate	35.0%	35.0%
6	Reduction in Related Federal Income Tax Expense	\$ 1,092,159	\$ 301,979
7	Adjustment to Net Operating Income to Reflect		
8	Annualized Impact of Wage Increases Granted		
9	Through March 2014	<u>\$ 2,028,294</u>	<u>\$ 560,817</u>

Avista Corporation
 Electric Docket No. UE-140188
 Pro Forma Insurance Expense

Line No.	Description	Washington Retail Electric Operations	Washington Retail Gas Operations
1	Insurance Expense Adjustment to Reflect 2014		
2	Estimated Insurance Expense (Per "Public		
3	Counsel 2014 PF Insurance Adj.xlsx")	\$ 130,634	\$ 35,032
4	Federal Income Tax Rate	<u>35.0%</u>	<u>35.0%</u>
5	Reduction in Related Federal Income Tax Expense	\$ (45,722)	\$ (12,261)
6	Adjustment to Net Operating Income to Reflect		
7	Annualized Impact of 2014 Proforma Insurance		
8	Expense	<u>\$ (84,912)</u>	<u>\$ (22,771)</u>

Avista Corporation
 Electric Docket No. UE-140188
 Pro Forma Property Tax Expense

Line No.	Description	Washington Retail Electric Operations	Washington Retail Gas Operations
1	Property Tax Expense Adjustment to Reflect		
2	Estimated 2014 Property Tax Expense Based		
3	Upon 2013 EOP Plant Values (Per "Public	\$ 959,086	\$ 176,865
4	Counsel Proforma Property Tax ADJ.xlsx")		
5	Federal Income Tax Rate	<u>35.0%</u>	<u>35.0%</u>
6	Reduction in Related Federal Income Tax Expense	\$ (335,680)	\$ (61,903)
7	Adjustment to Net Operating Income to Reflect		
8	Annualized Impact of 2014 Proforma Property Tax		
9	Expense	<u>\$ (623,406)</u>	<u>\$ (114,962)</u>

Avista Corporation
 Docket No. UE-140188
 Adjustment to Reflect Actual Capital Additions Through Period Ending March 31, 2014 (Net Plant After Deferred Income Taxes)

Line No.	Description	(a) Restated June 30, 2013 EOP Balances (Per Exh. EMA-4, "Restated TOTAL")	(b) Planned Capital Additions July 2013 thru Dec 2013 (Per Exh. EMA-4, Proforma Adj. 4.00)	(c) Estimated Dec 2013 EOP Balances Col. a Plus Col. b	(d) Actual EOP Balance @ 3/31/14 (Response to PC 200)	(e) WA Juris Incremental Adjustment to Update for Actual EOP Plant @ 3/31/14 (Col. d - Col. c)
1	PLANT IN SERVICE					
2	Intangible	\$ 89,588	\$ 16,010	\$ 105,598	\$ 100,912	\$ (4,686)
3	Production	741,332	9,304	750,636	747,839	(2,797)
4	Transmission	357,517	11,581	369,098	371,658	2,560
5	Distribution	794,659	23,051	817,710	829,987	12,277
6	General	178,611	11,158	189,769	192,377	2,608
7	Total Plant in Service	\$ 2,161,707	\$ 71,104	\$ 2,232,811	\$ 2,242,774	\$ 9,963
8	ACCUMULATED DEPRECIATION					
9	Intangible	\$ (17,951.00)	\$ (3,414.00)	\$ (21,365.00)	\$ (18,852.51)	\$ 2,512.49
10	Production	(313,324)	(8,159)	(321,483)	(324,770)	(3,287)
11	Transmission	(121,740)	(3,284)	(125,024)	(124,532)	492
12	Distribution	(237,132)	(11,165)	(248,297)	(249,658)	(1,361)
13	General	(59,122)	(5,530)	(64,652)	(62,289)	2,363
14	Total Accumulated Depreciation	\$ (749,269)	\$ (31,552)	\$ (780,821)	\$ (780,102)	\$ 719
15	NET PLANT	1,412,438	39,552	1,451,990	1,462,672	10,682
16	ACCUMULATED DEFERRED INCOME TAXES	(219,946)	(5,964)	(225,910)	(228,875)	(2,965)
17	NET PLANT AFTER ADIT	\$ 1,192,492	\$ 33,588	\$ 1,226,080	\$ 1,233,797	\$ 7,717
18	Calculated Composite Depreciation Rate					
19	Production & Transmission			2.080762%		
20	Distribution			2.816280%		
21	General			9.342938%		
22	DEPRECIATION EXPENSE					
23	Production & Transmission	23,110	189	23,299	23,294	(5)
24	Distribution	22,356	673	23,029	23,375	346
25	General	14,567	3,163	17,730	17,974	244
		\$ 60,033	\$ 4,025	\$ 64,058	\$ 64,643	\$ 585
26	Federal Income Tax Expense Calculated @ 35%					(205)
27	Adjustment to Net Operating Income					(380)