

SUMMARY OF PUBLIC COUNSEL GAS ADJUSTMENTS  
 AND COMPARISON TO AVISTA'S DIRECT FILING GAS ADJUSTMENTS  
 Docket No. UG-140189

Exhibit No. JRD-3  
 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		
<b>Restating adjustments</b>										
1.00		Per Results Report	\$11,188	\$209,456	\$ 7,990	\$11,188	\$209,456	\$ 5,765	Reflects PC COC	(2,225)
1.01		Deferred FIT Rate Base	(9)	(883)	(96)				PC Neutral in Direct	
1.02		Deferred Debits and Credits	(1)	0	1				PC Neutral in Direct	
1.03		Working Capital	88	9,100	988				PC Neutral in Direct	
2.01		Eliminate B & O Taxes	(3)	0	4				PC Neutral in Direct	
2.02		Restate 2013 Property Tax	(404)	0	650				PC Neutral in Direct	
2.03		Uncollectible Expense	174	0	(281)				PC Neutral in Direct	
2.04		Regulatory Expense	16	0	(25)				PC Neutral in Direct	
2.05		Injuries and Damages	40	0	(65)				PC Neutral in Direct	
2.06	PC-G.2.06	FIT / DFIT Expense	0	0	-	69		(112)	PC Modified	(112)
2.07		Office Space Charges to Subs	5	0	(7)				PC Neutral in Direct	
2.08		Restate Excise Taxes	0	0	-				PC Neutral in Direct	
2.09		Net Gains/Losses	1	0	(1)				PC Neutral in Direct	
2.10		2013 Revenue Normalization & Gas Cost Adju	2,395	0	(3,857)	2,395	0	(3,857)	PC Support	-
	PC-G.2.10 A	Revenue Update Through March 2014				273		(440)	PC Incremental	(440)
2.11		Restate Atmospheric Testing	294	0	(474)				PC Neutral in Direct	
2.12		Misc Restating Adjustments	17	0	(27)				PC Neutral in Direct	
2.13		Restating Incentive Adjustment	559	0	(900)				PC Neutral in Direct	
2.14		Restate Debt Interest	(211)	0	340				PC Neutral in Direct	
2.15		Restate June 30 2013 Capital EOP	(628)	4,955	1,627	(628)	4,955	1,575	PC Support	(52)
		<b>Restated Total</b>	<b>\$13,522</b>	<b>\$222,628</b>	<b>\$5,868</b>	<b>\$13,297</b>	<b>\$214,411</b>	<b>\$2,931</b>		<b>(\$2,830)</b>
<b>Pro Forma Adjustments</b>										
3.00	PC-G.3.00	Pro Forma Labor Non-Exec	(304)	0	489	(141)		228	PC Modified	(262)
3.01		Pro Forma Labor Exec	5	0	(8)				PC Neutral in Direct	
3.02	PC-G.3.02	Pro Forma Employee Benefits	156	0	(251)	561		(903)	PC Modified	(653)
3.03	PC-G.3.03	Pro Forma Insurance	(97)	0	156	(23)		37	PC Modified	(119)
3.04	PC-G.3.04	Pro Forma Property Tax	(240)	0	386	(115)		185	PC Modified	(201)
3.05		Pro Forma Information Tech/Serv Exp	(186)	0	299				PC Neutral in Direct	
<b>Attrition Components</b>										
4.00		Planned Capital Add Dec 2013 EOP	(652)	11,295	2,453	(652)	11,295	2,333	PC Support	(120)
	PC-G.4.00 A	Actual Capital Additions March 2014 EOP				(146)	9,364	1,299	PC Incremental	1,299
4.01		Planned Capital Add 2014 EOP	(942)	15,436	3,433				PC Oppose	(3,433)
4.02		Planned Capital Add 2015 AMA	(430)	3,352	1,108				PC Oppose	(1,108)
4.03		Reconcile Pro Forma To Attrition	(494)	(9,867)	(429)				PC Oppose	429
<b>Remaining Pro Forma Adjustments</b>										
4.04		O&M Offsets	8	0	(13)				PC Neutral in Direct	
4.05		Revenue Normalization 2014	843	0	(1,358)	843	0	(1,358)	PC Support	-
		<b>Total Restating &amp; Pro Forma Total</b>	<b>\$11,188</b>	<b>\$242,844</b>	<b>\$12,136</b>	<b>\$13,624</b>	<b>\$235,070</b>	<b>\$4,751</b>		<b>(\$6,998)</b>

Avista Corporation  
 Electric Docket No. UG-140189  
 Adjustment to Restate FIT/DFIT/ITC/PTC Expense

Schedule No. 2  
 PC-G.2.06

Line No.	Description:	Washington Jurisdictional	
		Per Avista	Per Public Counsel
1	Taxable NOI per Results	(2,694,699)	(2,694,699)
2	<b>Schedule M Reallocations and Adjustments</b>		
3	401-K Dividend Deduction		198,035 (1)
4	<b>Injuries and Damages</b>		
5	Elim Orig Sch M	125,517	125,517
6	Reallocated Taxable NOI	(2,569,182)	(2,371,147)
7	FIT Normal Accrual per Results	(943,145)	(943,145)
8	Adjusted FIT Normal Accrual	(899,214)	(829,901)
9	<b>Current FIT Adjustment</b>	<b>43,931</b>	<b>113,244</b>
10		<b>Washington</b>	<b>Washington</b>
11	<b>Deferred FIT Adjustment</b>		
12	<b>Injuries and Damages</b>		
13	Elim Orig Alloc	(43,931)	(43,931)
14	<b>Total Deferred FIT Adjustment</b>	<b>(43,931)</b>	<b>(43,931)</b>
15	<b>Net FIT/DFIT Adj</b>	<b>0</b>	<b>69,313</b>
16	(1) Allocation of 401-K Dividend Deduction:		
17	Total Avista 401-K Dividend Deduction		\$1,484,424
18	Allocation to Utility Operations (Per Avista Adjustment 3.04)		98.8%
19	401-K Dividend Deduction Allocated to Utility Operations		1,466,611
20	Washington Electric O&M Labor	39,801,720	48.83%
21	Idaho Electric O&M Labor	19,883,337	24.40%
22	Washington Gas O&M Labor	11,005,634	13.50%
23	Idaho Gas O&M Lab. Total Restating & Pro Forma	4,743,489	5.82%
24	Oregon Gas O&M Labor	6,071,357	7.45%
		<u>81,505,537</u>	<u>100.00%</u>
25	401-K Dividend Deduction Allocated to Each		
26	Avista Utility Operation:		
27	Washington Electric		716,192
28	Idaho Electric		357,781
29	Washington Gas		198,035
30	Idaho Gas		85,354
31	Oregon Gas		109,248
32	Total Utility Operations		<u>1,466,611</u>

Avista Corporation  
 Electric Docket No. UG-140189  
 Adjust Revenues for Post Test Year Growth Thru March 2014

Schedule No. 3  
 PC-G.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	<u>2.16%</u>	Page 10 of 10
12	Escalation Factor to Consider Revenue Growth from		
13	June 2013 Through March 2014	0.65%	Line 8 X Line 11
14	June 2013 Revenue Base to Apply Revenue		
15	Escalation Factor (Weather Normalized Historic		Calculated From
16	Test Year Sales Reflecting 2014 Approved WA		Exh. No.__(EMA-3)
17	Retail Base Rates)	<u>\$ 148,671</u>	Page 4 of 10
18	Adjustment to Reflect Washington Retail Gas		
19	Revenue Growth from Test Year End through		
20	March 2014 - Consist with Public Counsel's Net		
21	Plant Update Adjustment	\$ 963	Line 13 X Line 21
22	Avista's City Gate Purchases Adjustment Posted to		Exh. No.__(EMA-3)
23	be Synchronized with Revenue Growth Adjustment	1,665	Page 4 of 10
24	Avista's Adjustment to Reflect Revenue Growth		Exh. No.__(EMA-3)
25	from the Test Year Through the 2015 Rate Year	<u>3,211</u>	Page 4 of 10
26	City Gate Purchases as a Percent of Gross Revenues	51.9%	Line 23 / Line 25
27	Adjustment to Synchronize Power Supply Expense With		
28	Public Counsel's Revenue Growth Adjustment	\$ 500	Line 21 X Line 26
29	Other Revenue Related Expenses:		
30	Uncollectibles as a % Total Restating & Pro Forma Total	0.445%	Co. Spreadsheet:
31	WUTC Fees as a % of Revenues	0.200%	"2015 Gas
32	Washington Excise Tax as a % of Revenues	3.835%	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	\$ 4	Line 21 X Line 30
37	WUTC Fees as a % of Revenues	2	Line 21 X Line 31
38	Washington Excise Tax as a % of Revenues	37	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	421	Lines 28, 36, 37 ,38
51	Less: Federal Income Tax Expense @ 35%	<u>(147)</u>	Line 50 X 35%
52	Adjustment to Net Operating Income	<u>\$ 273</u>	Line 50 - Line 51

Avista Corporation  
 Gas Docket No. UG-140189  
 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  
 Gas Docket No. UG-140189  
 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 Adjt.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  
 Gas Docket No. UG-140189  
 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  
 Gas Docket No. UG-140189  
 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  
 Gas Docket No. UG-140189  
 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-5, "Restated TOTAL")	(b) Planned Capital Additions July 2013 thru Dec 2013 (Per Exh. EMA-5, 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 Adjustment to Update for Actual EOP Plant @ 3/31/14 (Col. d - Col. c)
1	PLANT IN SERVICE					
2	Underground Storage	\$ 24,600	\$ 225	\$ 24,825	\$ 24,922	\$ 97
3	Distribution Plant	308,847	11,022	319,869	331,529	11,660
4	General Plant	51,731	7,677	59,408	58,461	(947)
5	Total Plant in Service	\$ 385,178	\$ 18,924	\$ 404,102	\$ 414,912	\$ 10,810
6	ACCUMULATED DEPRECIATION/AMORT					
7	Underground Storage	\$ (9,050)	\$ (191)	\$ (9,241)	\$ (9,177)	\$ 64
8	Distribution Plant	(109,163)	(3,959)	(113,122)	(113,459)	(337)
9	General Plant	(15,087)	(2,105)	(17,192)	(16,511)	681
10	Total Accumulated Depreciation/Amortization	\$ (133,300)	\$ (6,255)	\$ (139,555)	\$ (139,147)	\$ 408
11	NET PLANT	251,878	12,669	264,547	275,765	11,218
12	ACCUMULATED DEFERRED INCOME TAXES	(49,230)	(1,374)	(50,604)	(52,458)	(1,854)
13	NET PLANT AFTER ADIT	\$ 202,648	\$ 11,295	\$ 213,943	\$ 223,307	\$ 9,364
14	Calculated Composite Depreciation Rate					
15	Underground Storage			1.546828%		
16	Distribution Plant			2.560111%		
17	General Plant			7.936642%		
18	DEPRECIATION EXPENSE					
19	Underground Storage	380	4	384	385	1
20	Distribution Plant	7,911	278	8,189	8,488	299
21	General Plant	3,826	889	4,715	4,640	(75)
		\$ 12,117	\$ 1,171	\$ 13,288	\$ 13,513	\$ 225
22	Federal Income Tax Expense Calcul Total Restating & Pro Forma Total					(79)
23	Adjustment to Net Operating Income					\$ (146)