

Exhibit No. CSH-7
Dockets UE-160228/UG-160229
Witness: Christopher S. Hancock

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

CHRISTOPHER S. HANCOCK

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

*Natural Gas Attrition Study
12 Months Ending June 2018*

August 17, 2016

12 ME Jun 2018 NATURAL GAS ATTRITION STUDY

CBR Line	DESCRIPTION	Determine Base Cost and Revenue to Escalate										Escalate Non-Energy Cost			
		12ME 12.2015 AMMA Basis Report	Regulatory Amorts & Misc Adj	Pro Forma Revenue Adjustment	Add 12.2015 Plant	12ME 12.2015 AMMA Escalation Base	Escalation Factor [E] * [F] = [G]	Escalation Amount [H]	Trended 12ME 06.2018 Non-Energy Cost [I] + [H] = [J]	(plus) Revenue Growth [K]	After Attrition Adj AMI Capital Project 2017 [L]	12ME 06.2018 Revenue and Cost [M] + [L] = [N]			
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
	REVENUES	REVISED	REVISED	REVISED	REMOVED						REMOVED				
1	Total General Business	\$ 149,865	\$ -	\$ (65,808)	\$ -	\$ 84,057	2.57%		\$ 84,057	\$ 2,159		\$ 86,216			
2	Total Transportation	\$ 4,054	\$ -	\$ 362	\$ -	\$ 4,416	0.15%		\$ 4,416	\$ 7		\$ 4,423			
3	Other Revenues	\$ 7,129	\$ -	\$ (6,914)	\$ -	\$ 215	46.90%		\$ 215	\$ 101		\$ 316			
4	Total Gas Revenues	\$ 161,048	\$ -	\$ (72,360)	\$ -	\$ 88,688			\$ 88,688	\$ 2,267		\$ 90,955			
	EXPENSES														
	Production Expenses														
5	City Gate Purchases	\$ 79,634	\$ -	\$ (79,634)	\$ -	\$ -			\$ -	\$ -		\$ -			
6	Purchased Gas Expense	\$ 840	\$ -	\$ 1	\$ -	\$ 841	8.65%	73	\$ 914	\$ -		\$ 914			
7	Net Nat Gas Storage Trans	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -		\$ -			
8	Total Production	\$ 80,474	\$ -	\$ (79,633)	\$ -	\$ 841			\$ 73	\$ 914		\$ 914			
	Underground Storage														
9	Operating Expenses	\$ 857	\$ -	\$ -	\$ -	\$ 857	8.65%	74	\$ 931	\$ -		\$ 931			
10	Depreciation/Amortization	\$ 439	\$ -	\$ -	\$ -	\$ 439	7.27%	32	\$ 471	\$ -		\$ 471			
11	Taxes	\$ 196	\$ -	\$ -	\$ -	\$ 196	11.66%	23	\$ 219	\$ -		\$ 219			
12	Total Underground Storage	\$ 1,492	\$ -	\$ -	\$ -	\$ 1,492			\$ 129	\$ 1,621		\$ 1,621			
	Distribution														
13	Operating Expenses	\$ 12,315	\$ -	\$ -	\$ -	\$ 12,315	8.65%	1,065	\$ 13,380	\$ -		\$ 13,380			
14	Depreciation/Amortization	\$ 9,088	\$ -	\$ -	\$ -	\$ 9,088	9.82%	893	\$ 9,981	\$ -		\$ 9,981			
15	Taxes	\$ 8,554	\$ -	\$ (2,504)	\$ -	\$ 6,050	11.66%	705	\$ 6,755	\$ 83		\$ 6,838			
16	Total Distribution	\$ 29,957	\$ -	\$ (2,504)	\$ -	\$ 27,453			\$ 2,663	\$ 30,116		\$ 30,199			
17	Customer Accounting	\$ 6,632	\$ -	\$ (441)	\$ -	\$ 6,191	8.65%	535	\$ 6,726	\$ 15		\$ 6,741			
18	Customer Service & Information	\$ 837	\$ -	\$ -	\$ -	\$ 837	8.65%	72	\$ 909	\$ -		\$ 909			
19	Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	8.65%	-	\$ -	\$ -		\$ -			
	Administrative & General														
20	Operating Expenses	\$ 14,007	\$ (179)	\$ (131)	\$ -	\$ 13,697	8.65%	1,185	\$ 14,882	\$ 4		\$ 14,886			
21	Depreciation/Amortization	\$ 5,649	\$ -	\$ -	\$ -	\$ 5,649	17.09%	965	\$ 6,614	\$ -		\$ 6,614			
22	Regulatory Amortizations	\$ (2,087)	\$ 2,626	\$ -	\$ -	\$ 539	0.00%	-	\$ 539	\$ -		\$ 539			
23	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	11.66%	-	\$ -	\$ -		\$ -			
24	Total Admin. & General	\$ 17,569	\$ 2,447	\$ (131)	\$ -	\$ 19,885			\$ 2,150	\$ 22,035		\$ 22,039			
25	Total Gas Expense	\$ 136,961	\$ 2,447	\$ (82,709)	\$ -	\$ 56,699			\$ 5,623	\$ 62,322		\$ 62,424			
26	OPERATING INCOME BEFORE FIT	\$ 24,087	\$ (2,447)	\$ 10,349	\$ -	\$ 31,989			\$ (5,623)	\$ 26,366		\$ 2,165			

Workpapers for 12.2015 Commission Basis Reports provided with Avesta's response to Staff_DR_030 - Attachment G

12 ME Jun 2018 NATURAL GAS ATTRITION STUDY

CBR Line	DESCRIPTION	Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost				12ME 06.2018 Revenue and Cost [H]+[I]+[J] = [K]		
		12ME 12.2015 AMA	12ME 12.2015 Add Escalation Base	12ME 12.2015 Pro Forma Revenue Normalization Adjustment Plant	12ME 12.2015 Add Plant	Escalation Factor	Escalation Amount [F]	Trended 12ME 06.2018 Non-Energy Cost [E]+[G]=[H]	(plus) Revenue Growth [I]		After Attrition Adj. AMI Capital Project 2017 [J]	
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	FEDERAL INCOME TAX											
27	Current Accrual	\$ (456)	\$ (1,503)	3,622	-	\$ 1,663		(1,968)	(305)	758	-	453
28	Debt Interest	\$ (37)	\$ 33	-	-	\$ (4)		(403)	(407)	-	-	(407)
29	Deferred FIT	\$ 7,838	\$ -	-	-	\$ 7,838			7,838			7,838
30	Amort ITC	\$ (20)	\$ -	-	-	\$ (20)			(20)			(20)
31	NET OPERATING INCOME	\$ 16,762	\$ (976)	\$ 6,727	\$ -	\$ 22,513		\$ (3,252)	\$ 19,261	\$ 1,407	\$ -	\$ 20,668
	RATE BASE											
	PLANT IN SERVICE											
32	Underground Storage	\$ 25,720	\$ -	-	-	\$ 25,720	-0.77%	\$ (198)	25,522			25,522
33	Distribution Plant	\$ 360,612	\$ -	-	-	\$ 360,612	15.72%	56,679	417,291			417,291
34	General Plant	\$ 75,514	\$ -	-	-	\$ 75,514	20.99%	15,847	91,361			91,361
35	Total Plant in Service	\$ 461,846	\$ -	-	-	\$ 461,846		72,328	534,174			534,174
	ACCUMULATED DEPR/AMORT											
36	Underground Storage	\$ (9,906)	\$ -	-	-	\$ (9,906)	12.86%	(1,274)	(11,180)			(11,180)
37	Distribution Plant	\$ (121,623)	\$ -	-	-	\$ (121,623)	15.15%	(18,424)	(140,047)			(140,047)
38	General Plant	\$ (20,741)	\$ -	-	-	\$ (20,741)	19.07%	(3,955)	(24,696)			(24,696)
39	Total Accumulated Depr/Amort	\$ (152,270)	\$ -	-	-	\$ (152,270)		(23,653)	(175,923)			(175,923)
40	NET PLANT	\$ 309,576	\$ -	-	-	\$ 309,576		\$ 48,675	\$ 358,251			\$ 358,251
41	DEFERRED TAXES	\$ (64,929)	\$ -	-	-	\$ (64,929)	26.13%	(16,964)	(81,893)			(81,893)
42	Net Plant After DFIT	\$ 244,647	\$ -	-	-	\$ 244,647		31,711	276,358			276,358
43	GAS INVENTORY	\$ 12,740	\$ -	-	-	\$ 12,740	0.00%	-	12,740			12,740
44	GAIN ON SALE OF BUILDING	\$ -	\$ -	-	-	\$ -	0.00%	-	-			-
45	OTHER	\$ (485)	\$ -	-	-	\$ (485)	0.00%	-	(485)			(485)
46	WORKING CAPITAL	\$ 16,069	\$ (3,386)	-	-	\$ 12,683	0.00%	-	12,683			12,683
47	TOTAL RATE BASE	\$ 272,971	\$ (3,386)	\$ -	\$ -	\$ 269,585		\$ 31,711	\$ 301,296			\$ 301,296
48	RATE OF RETURN						6.14%					\$ 6.86%

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2007-2015

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)

Commission Basis Results of Operations

Line No.	DESCRIPTION	2007		2008		2009		2010		2011		2012		2013		2014		2015		
		Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	
REVENUES																				
1	Total General Business	\$ 209,186	\$ 203,727	\$ 182,706	\$ 142,370	\$ 152,457	\$ 142,048	\$ 144,257	\$ 154,546	\$ 149,865	\$ 154,546	\$ 149,865	\$ 154,546	\$ 149,865	\$ 154,546	\$ 149,865	\$ 154,546	\$ 149,865	\$ 154,546	\$ 149,865
2	Total Transportation	3,263	3,469	3,275	3,155	3,448	3,627	3,915	3,960	4,054	3,960	4,054	3,960	4,054	3,960	4,054	3,960	4,054	3,960	4,054
3	Other Revenues	68,416	153,093	84,085	115,257	98,841	68,107	403	332	7,129	332	7,129	332	7,129	332	7,129	332	7,129	332	7,129
4	Total Gas Revenues	280,865	360,189	270,066	260,782	254,746	213,782	148,575	158,838	161,048	158,838	161,048	158,838	161,048	158,838	161,048	158,838	161,048	158,838	161,048
EXPENSES																				
Production Expenses																				
5	City Gate Purchases	222,364	310,276	194,267	197,494	188,167	139,073	76,801	84,187	79,634	84,187	79,634	84,187	79,634	84,187	79,634	84,187	79,634	84,187	79,634
6	Purchased Gas Expense	792	(9,103)	803	800	14	130	891	779	840	779	840	779	840	779	840	779	840	779	840
7	Net Nat Gas Storage Trans	283	2	10,720	(3,322)	(4,366)	4,352	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Production	223,439	301,175	205,790	194,972	183,815	143,555	77,692	84,966	80,474	84,966	80,474	84,966	80,474	84,966	80,474	84,966	80,474	84,966	80,474
Underground Storage																				
9	Operating Expenses	451	436	403	380	585	712	820	893	857	893	857	893	857	893	857	893	857	893	857
10	Depreciation/Amortization	310	276	393	348	395	438	380	402	439	402	439	402	439	402	439	402	439	402	439
11	Taxes	95	113	121	116	19	17	158	184	196	158	196	158	196	158	196	158	196	158	196
12	Total Underground Storage	856	825	917	844	999	1,167	1,358	1,479	1,492	1,479	1,492	1,479	1,492	1,479	1,492	1,479	1,492	1,479	1,492
Distribution																				
13	Operating Expenses	6,467	6,123	7,700	7,696	8,854	9,511	10,820	10,704	12,315	10,704	12,315	10,704	12,315	10,704	12,315	10,704	12,315	10,704	12,315
14	Depreciation/Amortization	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513	9,088	8,513	9,088	8,513	9,088	8,513	9,088	8,513	9,088	8,513	9,088
15	Taxes	9,844	8,941	8,746	7,223	8,051	7,825	8,116	8,719	8,554	8,719	8,554	8,719	8,554	8,719	8,554	8,719	8,554	8,719	8,554
16	Total Distribution	21,916	20,737	22,510	21,286	23,554	24,314	26,861	27,936	29,957	27,936	29,957	27,936	29,957	27,936	29,957	27,936	29,957	27,936	29,957
17	Customer Accounting	4,487	4,692	5,586	5,234	5,740	5,796	6,270	6,108	6,632	6,108	6,632	6,108	6,632	6,108	6,632	6,108	6,632	6,108	6,632
18	Customer Service & Information	4,658	5,169	7,609	9,505	9,777	6,955	983	865	837	865	837	865	837	865	837	865	837	865	837
19	Sales Expenses	516	442	497	105	3	3	3	-	-	-	-	-	-	-	-	-	-	-	-
Administrative & General																				
20	Operating Expenses	8,901	9,706	9,770	11,383	11,585	13,419	11,862	12,777	14,007	12,777	14,007	12,777	14,007	12,777	14,007	12,777	14,007	12,777	14,007
21	Depreciation/Amortization	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389	5,649	4,389	5,649	4,389	5,649	4,389	5,649	4,389	5,649	4,389	5,649
22	Regulatory Amortizations	(815)	(242)	440	216	(186)	171	91	(91)	(2,087)	(91)	(2,087)	(91)	(2,087)	(91)	(2,087)	(91)	(2,087)	(91)	(2,087)
23	Taxes	20	17	19	24	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	9,604	11,284	12,228	14,035	14,133	16,865	15,821	17,075	17,569	17,075	17,569	17,075	17,569	17,075	17,569	17,075	17,569	17,075	17,569
25	Total Gas Expense	265,476	344,324	255,137	245,981	238,021	198,655	128,988	138,429	136,961	138,429	136,961	138,429	136,961	138,429	136,961	138,429	136,961	138,429	136,961
26	OPERATING INCOME BEFORE FIT	15,389	15,865	14,929	14,801	16,725	15,127	19,587	20,409	24,087	20,409	24,087	20,409	24,087	20,409	24,087	20,409	24,087	20,409	24,087
FEDERAL INCOME TAX																				
27	Current Accrual	5,010	506	2,468	(5,811)	(907)	(1,185)	4,253	(6,945)	(729)	(6,945)	(729)	(6,945)	(729)	(6,945)	(729)	(6,945)	(729)	(6,945)	(729)
28	Debt Interest	(1,442)	3,320	1,238	9,594	5,691	5,033	1,403	13,105	7,842	13,105	7,842	13,105	7,842	13,105	7,842	13,105	7,842	13,105	7,842
29	Deferred FIT	(31)	(31)	(30)	(29)	(27)	(25)	(24)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)
30	Amort ITC	(31)	(31)	(30)	(29)	(27)	(25)	(24)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)
31	NET OPERATING INCOME	\$ 11,852	\$ 12,070	\$ 11,253	\$ 11,047	\$ 11,906	\$ 11,301	\$ 14,011	\$ 14,406	\$ 17,031	\$ 14,406	\$ 17,031	\$ 14,406	\$ 17,031	\$ 14,406	\$ 17,031	\$ 14,406	\$ 17,031	\$ 14,406	\$ 17,031

Note: The Regulatory Amortizations Category has been restated in prior years to reflect consistency with the current reporting format.

NATURAL GAS COST AND REVENUE TREND CALCULATIONS 2007-2015

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)

Commission Basis Results of Operations

Line No.	DESCRIPTION	2007		2008		2009		2010		2011		2012		2013		2014		12.2015	
		Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total	Restated Total	Total
RATE BASE																			
PLANT IN SERVICE																			
32	Underground Storage	\$ 13,758	\$ 15,260	\$ 21,798	\$ 20,047	\$ 22,008	\$ 24,365	\$ 24,711	\$ 25,235	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720	\$ 25,720
33	Distribution Plant	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894	360,612	381,894	402,909	422,298	442,298	461,846	481,846	501,846	521,846	541,846
34	General Plant	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169	75,514	91,863	108,612	125,361	142,110	158,859	175,608	192,357	209,106	225,855
35	Total Plant in Service	264,883	280,294	305,521	322,917	342,258	365,326	390,403	422,298	461,846	501,894	541,894	581,894	621,894	661,894	701,894	741,894	781,894	821,894
ACCUMULATED DEPRECIATION/AMORT																			
36	Underground Storage	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521	9,906	10,291	10,676	11,061	11,446	11,831	12,216	12,601	12,986	13,371
37	Distribution Plant	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795	121,623	128,451	135,279	142,107	148,935	155,763	162,591	169,419	176,247	183,075
38	General Plant	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429	20,741	24,053	27,365	30,677	33,989	37,301	40,613	43,925	47,237	50,549
39	Total Accumulated Depreciation/Amortization	92,560	97,295	100,710	108,254	116,701	123,541	132,474	141,745	152,270	162,791	173,312	183,833	194,354	204,875	215,396	225,917	236,438	246,959
40	NET PLANT	172,323	182,999	204,811	214,663	225,557	241,785	257,929	280,553	309,576	339,593	368,603	397,614	426,625	455,636	484,647	513,658	542,669	571,680
41	DEFERRED TAXES	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)	(64,929)	(75,206)	(85,483)	(95,760)	(106,037)	(116,314)	(126,591)	(136,868)	(147,145)	(157,422)
42	Net Plant After DFT	145,500	154,054	173,806	177,901	183,553	195,287	207,759	225,901	244,647	264,387	282,120	301,854	320,587	339,321	358,055	376,789	395,523	414,257
43	GAS INVENTORY	5,607	15,327	8,440	10,226	13,753	13,107	11,702	14,762	12,740	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702	11,702
44	GAIN ON SALE OF BUILDING	(197)	(152)	(109)	(44)	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-
45	OTHER	789	452	(1,359)	(1,163)	(1,012)	(816)	(332)	(479)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)	(485)
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ 151,699	\$ 169,681	\$ 180,778	\$ 186,920	\$ 196,280	\$ 207,578	\$ 224,824	\$ 250,257	\$ 272,971	\$ 297,917	\$ 322,863	\$ 347,809	\$ 372,755	\$ 397,701	\$ 422,647	\$ 447,593	\$ 472,539	\$ 497,485

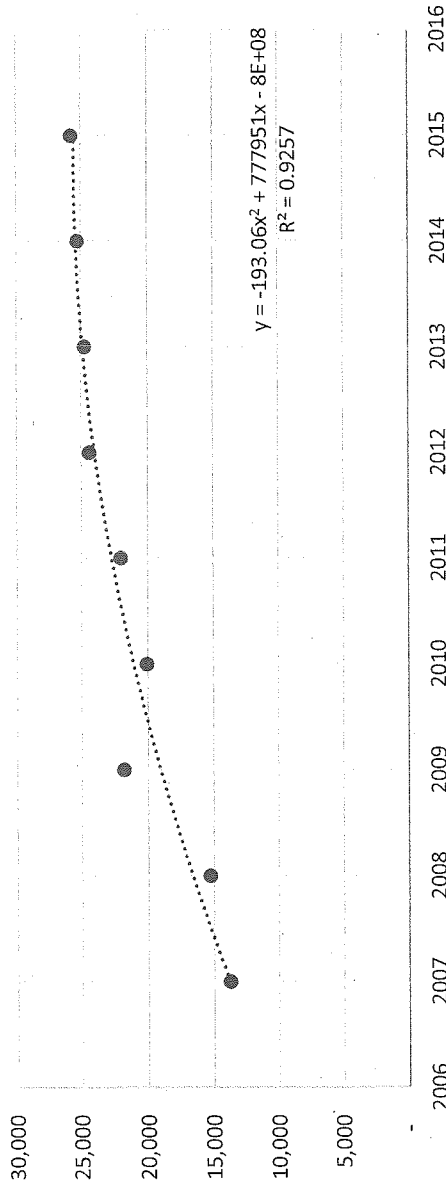
Note: The Other (Deferred Debits and Credits) Category has been restated in prior years to reflect consistency with the current reporting format.

AVISTA UTILITIES
WASHINGTON NATURAL GAS RESULTS
(000'S OF DOLLARS)

Staff Proposed Based on Commission Order No. 05. Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Underground Storage Plant	13,758	15,260	21,798	20,047	22,008	24,365	24,711	25,235	25,720
	0	1	2	3	4	5	6	7	8
Underground Storage Plant	13,758	15,260	21,798	20,047	22,008	24,365	24,711	25,235	25,720

Underground Storage Plant (Natural Gas)



2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

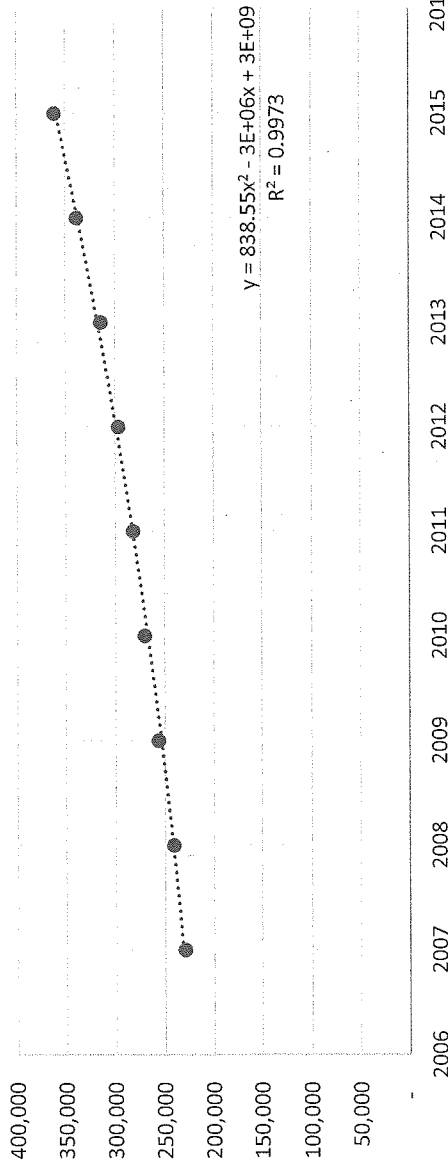
	X	C
Derivative of Quadratic (below)	-386.119	3,010
x = 8 (2015 is year 8)	-3088.95	
Sum (x and C)		(79)
rate (1-year)		-0.31%
rate (2-year)		-0.77%

Escalation factor (to 06.2018)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Distribution Plant	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894	360,612
	0	1	2	3	4	5	6	7	8
Distribution Plant	229,417	240,778	255,976	269,469	281,279	296,152	313,469	337,894	360,612

Distribution Plant (Natural Gas)



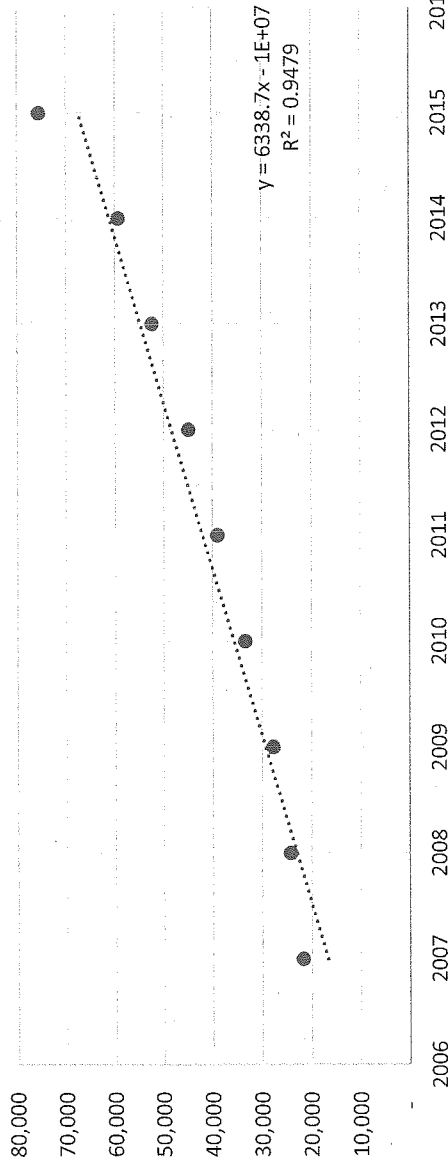
	x	C
Derivative of Quadratic (below)	1677.097	9,255
x = 8 (2015 is year 8)	13416.78	
Sum (x and C)		22,672
rate (1-year)		6.29%
rate (2-year)		15.72%

Escalation factor (to 06.2018)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Plant	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169	75,514
	0	1	2	3	4	5	6	7	8
General Plant	21,708	24,256	27,747	33,401	38,971	44,809	52,223	59,169	75,514

General Plant (Natural Gas)

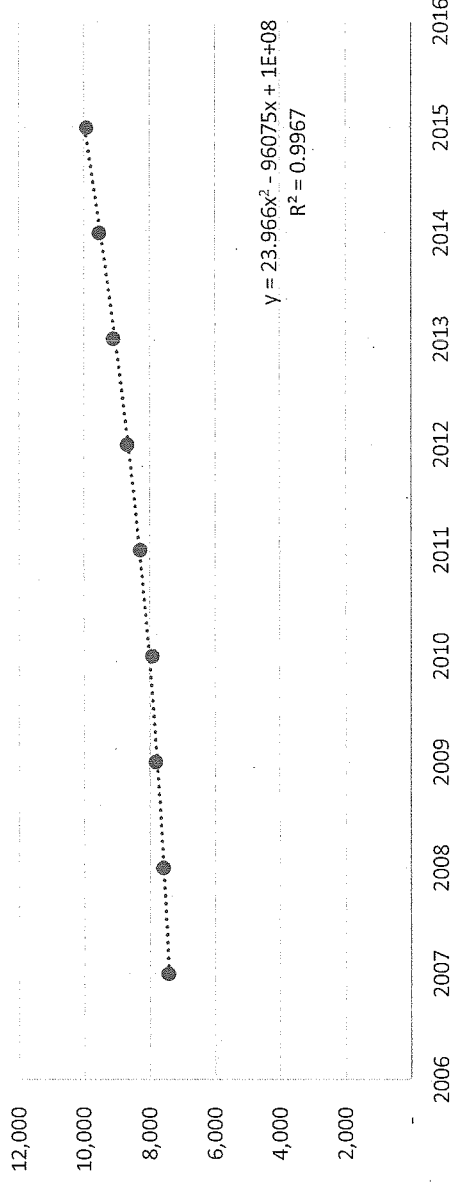


Annual Increase (slope) 6,339
 Rate (Annual) 8.39%
 Rate (2-year, to 2017) **20.99%** (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
UG Stor Accum Depr/Amort	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521	9,906
	0	1	2	3	4	5	6	7	8
UG Stor Accum Depr/Amort	7,427	7,581	7,807	7,912	8,286	8,677	9,088	9,521	9,906

Underground Storage Accum. Depr. & Amort. (Natural Gas)



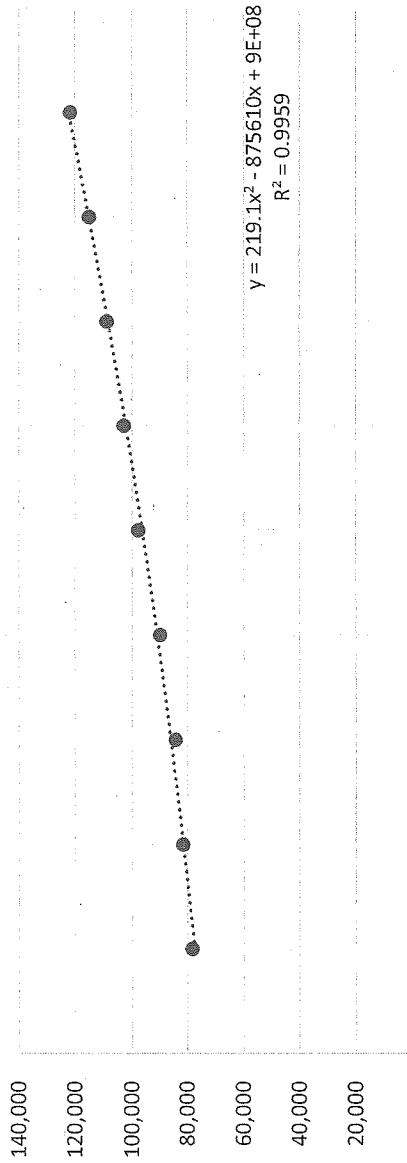
	X	C
Derivative of Quadratic (below)	47,9329	126
x = 8 (2015 is year 8)	383,4632	
Sum (x and C)		509
rate (1-year)		5.14%
rate (2-year)		12.86%

Escalation factor (to 06.2018)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Distribution Accum. Depr. & Amort.	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795	121,623
	0	1	2	3	4	5	6	7	8
Distribution Accum. Depr. & Amort.	77,997	81,405	84,021	89,620	97,489	102,678	108,662	114,795	121,623

Distribution Accum. Depr. & Amort. (Natural Gas)



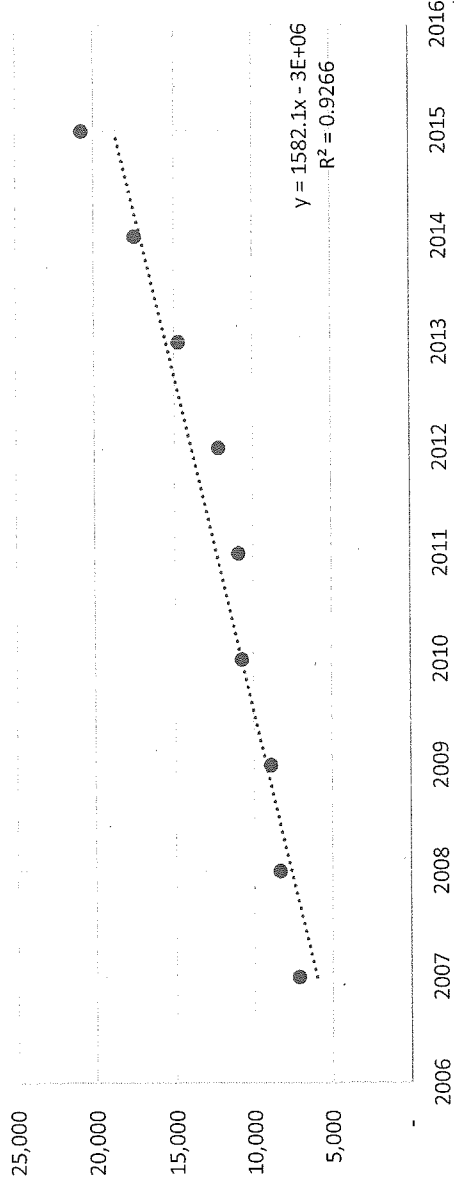
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
------	------	------	------	------	------	------	------	------	------	------

	X	C
Derivative of Quadratic (below)	438.2035	3,864
x = 8 (2015 is year 8)	3505.628	
Sum (x and C)		7,370
rate (1-year)		6.06%
rate (2-year)		15.15% Escalation factor (to 06.2018)

Staff Proposed Based on Commission Order No. 05. Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Accum. Depr. & Amort.	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429	20,741
	0	1	2	3	4	5	6	7	8
General Accum. Depr. & Amort.	7,136	8,309	8,882	10,722	10,926	12,186	14,724	17,429	20,741

General Accum. Depr. & Amort. (Natural Gas)

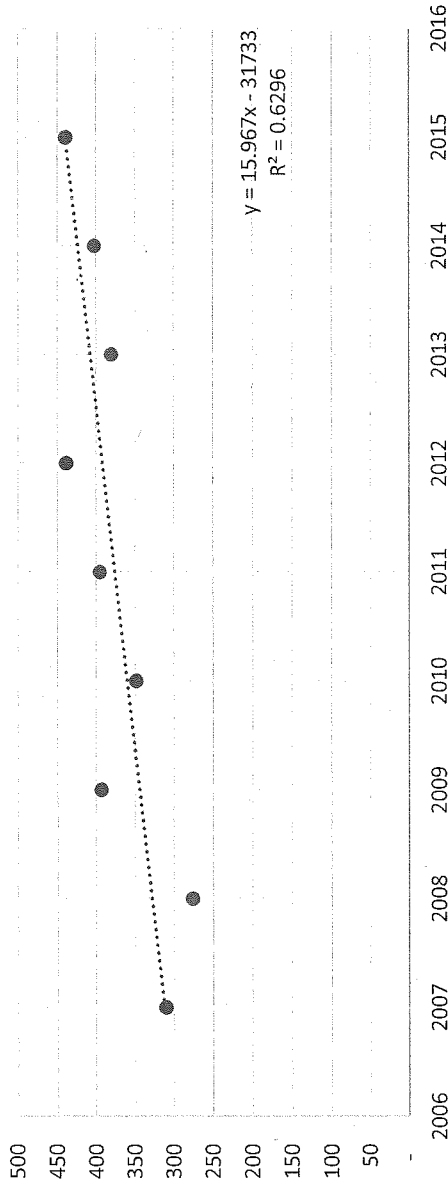


Annual Increase (slope) 1,582
 Rate (Annual) 7.63%
 Rate (2-year, to 2017) **19.07%** (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
UG Stor Depr/Amort Expense	310	276	393	348	395	438	380	402	439
	0	1	2	3	4	5	6	7	8
UG Stor Depr/Amort Expense	310	276	393	348	395	438	380	402	439

UG Storage Depr/Amort Expenses (Natural Gas)

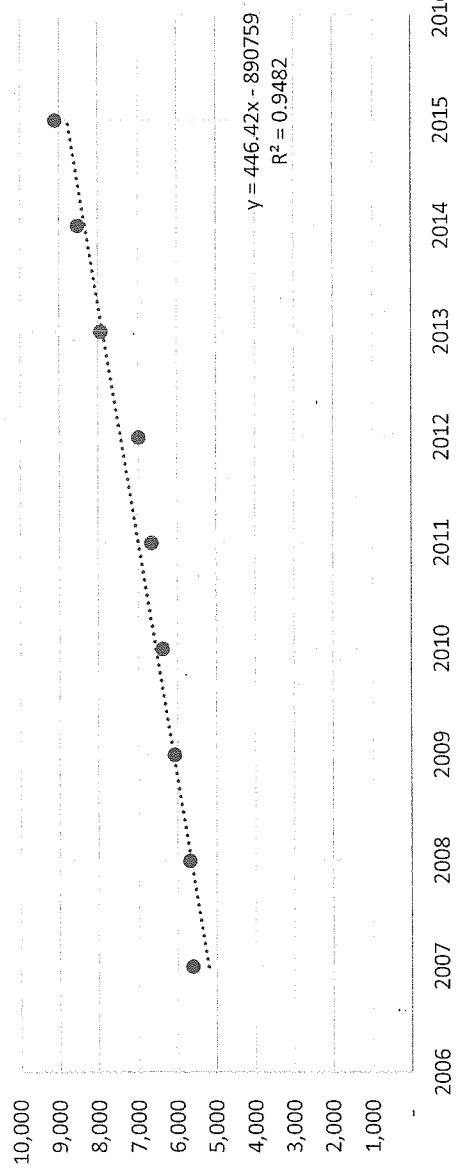


Annual Increase (slope) 16
 Rate (Annual) 3.64%
 Rate (2.5-year, to Jun 2018) 7.27% (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Distribution Depr/Amort Expense	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513	9,088
	0	1	2	3	4	5	6	7	8
Distribution Depr/Amort Expense	5,605	5,673	6,064	6,367	6,649	6,978	7,925	8,513	9,088

Distribution Depr/Amort Expenses (Natural Gas)



Annual Increase (slope) 446
 Rate (Annual) 4.91%
 Rate (2.5-year, to Jun 2018) 9.82% (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Depr/Amort Expense	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389	5,649
	0	1	2	3	4	5	6	7	8
General Depr/Amort Expense	1,498	1,803	1,999	2,412	2,734	3,276	3,868	4,389	5,649

General Depr/Amort Expenses (Natural Gas)

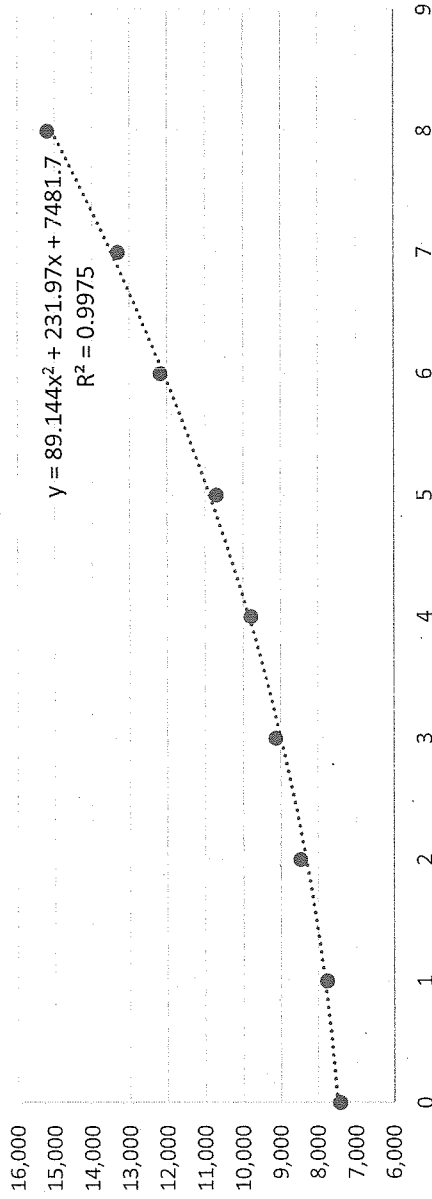


Annual Increase (slope) 483
 Rate (Annual) 8.55%
 Rate (2.5-year, to Jun 2018) 17.09% (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304	15,176
	0	1	2	3	4	5	6	7	8
Depreciation/Amortization	7,413	7,752	8,456	9,127	9,778	10,692	12,173	13,304	15,176

Depreciation/Amortization (Natural Gas)

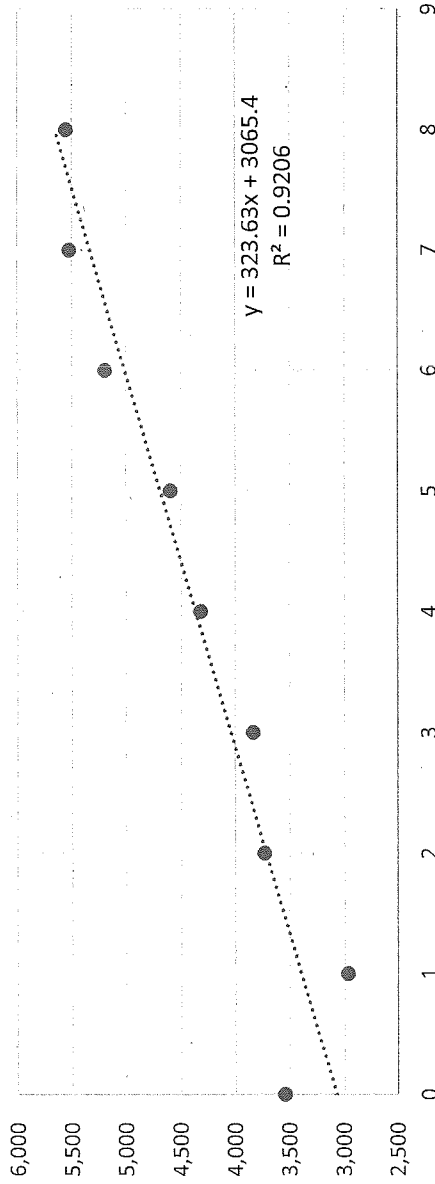


Derivative of Quadratic (below)	X	C
x = 8 (2015 is year 8)	178.288	231.97
Sum (x and C)	1426.304	
rate (1-year)	1658.274	
rate (2-year)	10.93%	
	27.32%	Escalation factor (to 06.2018)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523	5,553
	0	1	2	3	4	5	6	7	8
Taxes (other than income)	3,541	2,961	3,728	3,834	4,317	4,592	5,191	5,523	5,553

Taxes (other than income)

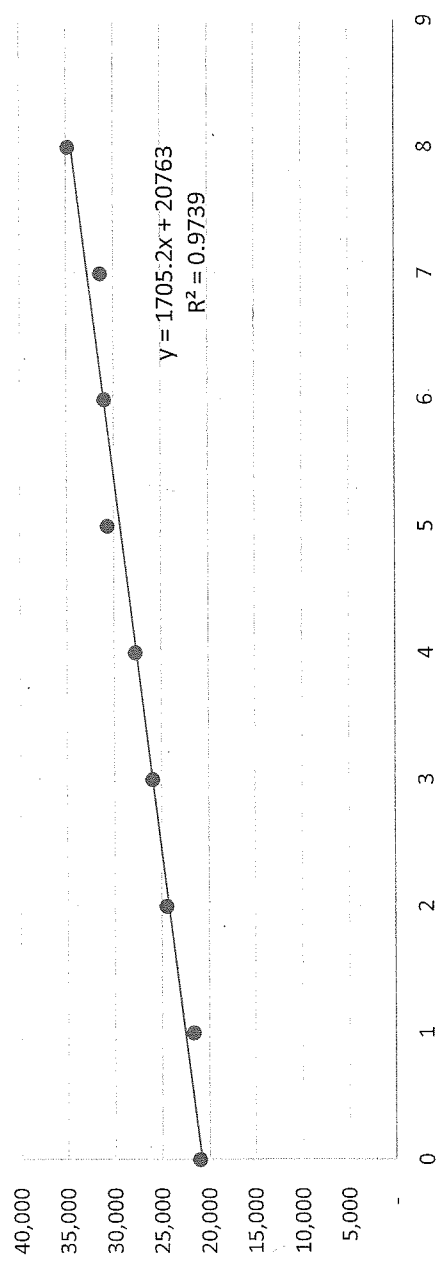


Annual Increase (slope) 324
 Rate (Annual) 5.83%
 Rate (2.5-year, to Jun 2018) 11.66% (Escalation Factor)

Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Adjusted Operating Expenses	20,971	21,575	24,412	25,880	27,716	30,641	30,945	31,354	34,758
	0	1	2	3	4	5	6	7	8
Adjusted Operating Expenses	20,971	21,575	24,412	25,880	27,716	30,641	30,945	31,354	34,758

Adjusted Operating Expenses 2007-2015



Annual Increase (slope) 1,705
 Rate (Annual) 4.91%
 Rate (2.5-year, to Jun 2018) 9.81%
 Adjusted per CSH-1T pg 52 8.65% (Escalation Factor)

AVISTA UTILITIES
WASHINGTON NATURAL GAS

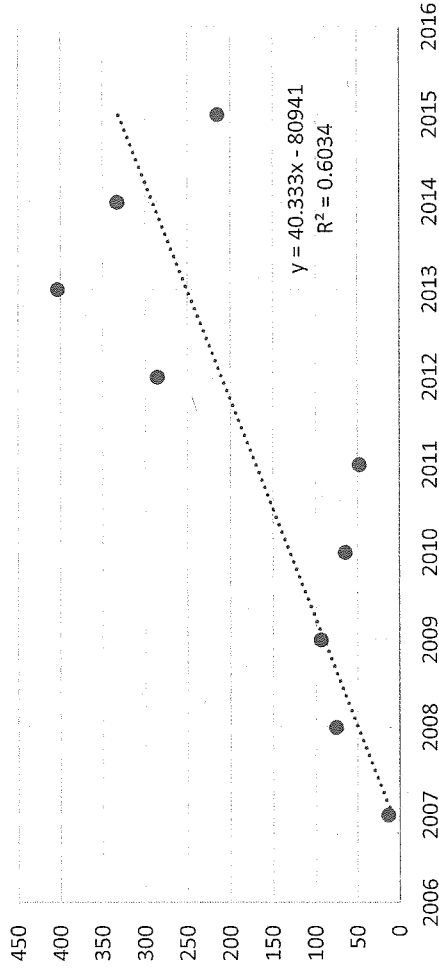
BILLING DETERMINANT INDEX
09-2015 TO 2018 WEIGHTED REVENUE GROWTH

Line No.	Description A	Schedule B	Billing Determinant C	Revenue Model Sept 2015 D	Forecast 12ME.06.2018 E	Billing Determinant Growth F=(E-D)/D	Revenue Sept 2015 G	Weight H=G/SUM G	Weighted Growth I=FxH
1	General Svc	101	Basic/Min	1,807,677	1,863,376	3.08%	\$16,269,093	19.35%	0.60%
2	Lrg Gen Svc	111/112	Basic/Min	31,406	32,623	3.88%	\$3,185,825	3.79%	0.15%
3	Ex Lrg Gen Svc	121/122	Basic/Min	324	334	3.23%	\$81,739	0.10%	0.00%
4	Interruptible Svc	131/132	Basic/Min	24	24	0.00%	\$0	0.00%	0.00%
5	General Svc	101	Volumes	119,361,176	121,367,846	1.68%	\$51,084,521	60.77%	1.02%
6	Lrg Gen Svc	111/112	Volumes	47,375,864	49,340,681	4.15%	\$12,037,805	14.32%	0.59%
7	Ex Lrg Gen Svc	121/122	Volumes	5,175,510	5,903,971	14.08%	\$1,202,621	1.43%	0.20%
8	Interruptible Svc	131/132	Volumes	931,617	953,452	2.34%	\$195,654	0.23%	0.01%
9	Total			172,844,167	177,565,950		\$84,057,258	100.00%	2.57%
10	Transportation Svc	146	Basic/Min	456	479	5.06%	\$270,633	6.13%	0.31%
11	Special Contract	148	Basic/Min	60	63	5.38%	\$325,584	7.37%	0.40%
12	Transportation Svc	146	Volumes	29,762,848	29,444,697	-1.07%	\$2,558,062	57.92%	-0.62%
13	Special Contract	148	Volumes	48,141,846	48,255,353	0.24%	\$1,262,060	28.58%	0.07%
14	Total			77,904,694	77,700,050		\$4,416,339	100.00%	0.15%
15	General Svc	101	Total Revenue				\$67,353,614		
16	Lrg Gen Svc	111/112	Total Revenue				\$15,223,630		
17	Ex Lrg Gen Svc	121/122	Total Revenue				\$1,284,359		
18	Interruptible Svc	131/132	Total Revenue				\$195,654		
19	Transportation Svc	146	Total Revenue				\$2,828,695		
20	Special Contract	148	Total Revenue				\$1,587,644		
21	Total						\$88,473,597		\$2,166,155

	2007	2008	2009	2010	2011	2012	2013	2014	12.2015
Adj. Other Revenue	13	75	93	64	47	285	403	332	215
	0	1	2	3	4	5	6	7	8
	13	75	93	64	47	285	403	332	215

Annual growth (slope)
 rate (1-yr) 40.33333
 rate (2.5-yr), to Jun 2018 18.76%
 46.90% (Escalation Factor)

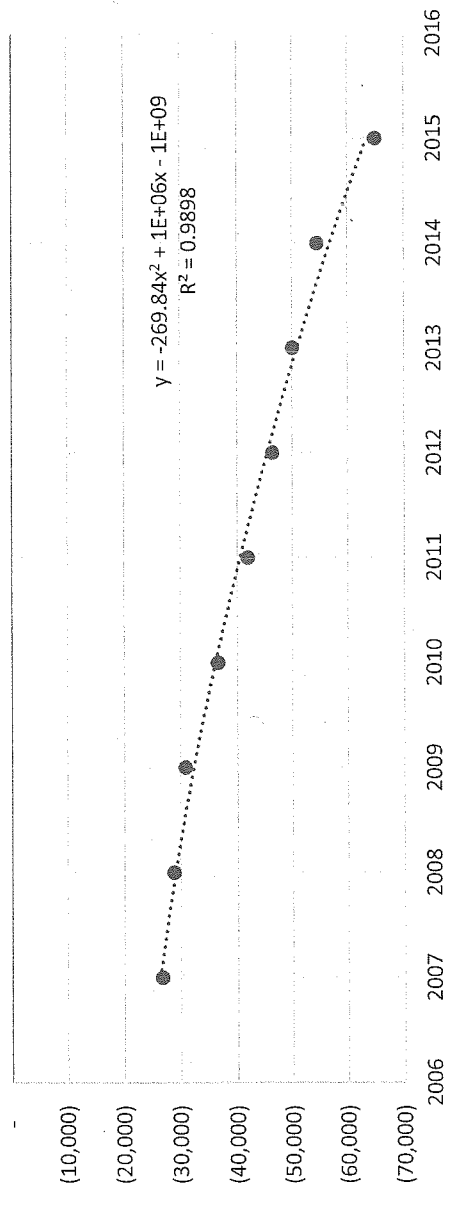
Adj. Other Revenue



Staff Proposed Based on Commission Order No. 05, Docket No. UG-150205

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Deferred Taxes	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)	(64,929)
	0	1	2	3	4	5	6	7	8
Deferred Taxes	(26,823)	(28,945)	(31,005)	(36,762)	(42,004)	(46,498)	(50,170)	(54,652)	(64,929)

Deferred Taxes (Natural Gas)



	X	C
Derivative of Quadratic (below)	-539,686	(2,468)
x = 8 (2015 is year 8)	-4317.49	
Sum (x and C)		(6,786)
rate (1-year)		10.45%
rate (2-year)		26.13%

Escalation factor (to 06.2018)