

# OPERATING STATEMENT

## December 31, 2013

|                                    | Current Month |               | Year-To-Date   |                |
|------------------------------------|---------------|---------------|----------------|----------------|
|                                    | Actual        | Last Year     | Actual         | Last Year      |
| <b>GAS OPERATING REVENUES</b>      |               |               |                |                |
| (Includes Unbilled Revenue)        |               |               |                |                |
| Residential Sales                  | \$ 37,406,345 | \$ 28,313,546 | \$ 206,329,739 | \$ 196,718,688 |
| Commercial Firm Sales              | 18,544,113    | 13,516,617    | 102,225,552    | 98,993,687     |
| Commercial Interruptible Sales     | 302,485       | 220,218       | 2,227,000      | 1,738,940      |
| Industrial Firm Sales              | 471,307       | 307,619       | 3,598,947      | 3,635,103      |
| Industrial Interruptible Sales     | 38,568        | 24,014        | 453,718        | 493,735        |
| Interdepartmental Sales            | <u>50,308</u> | <u>37,073</u> | <u>313,297</u> | <u>291,260</u> |
| <b>SALES TO ULTIMATE CONSUMERS</b> | 56,813,125    | 42,419,087    | 315,148,253    | 301,871,413    |

|                                    | Current Month  |               | Year-To-Date     |                  |
|------------------------------------|----------------|---------------|------------------|------------------|
|                                    | Actual         | Last Year     | Actual           | Last Year        |
| <b>ELECTRIC OPERATING REVENUES</b> |                |               |                  |                  |
| (Includes Unbilled Revenue)        |                |               |                  |                  |
| Residential Sales                  | \$ 40,547,071  | \$ 34,386,459 | \$ 331,866,711   | \$ 315,137,035   |
| Commercial - Firm Sales            | 25,540,940     | 23,303,544    | 289,604,042      | 286,567,953      |
| Industrial - Firm Sales            | 8,310,741      | 9,474,381     | 113,631,878      | 119,588,721      |
| Public St. & Hwy Light Sales       | 625,996        | 602,965       | 7,266,654        | 7,240,388        |
| Interdepartmental Sales            | <u>103,906</u> | <u>91,714</u> | <u>1,103,973</u> | <u>1,025,713</u> |
| <b>SALES TO ULTIMATE CONSUMERS</b> | 75,128,654     | 67,859,063    | 743,473,259      | 729,559,810      |

Total Electric and Gas:

1,058,621,511

0.015

\$ 15,879,323

**AVISTA UTILITIES**  
**2013 Essential Utilities Services Contracts Annual Report**

| <b>ESSENTIAL SERVICES VENDOR (1)</b>   | <b>PAYMENTS</b> | <b>BUDGET</b> | <b>TYPE OF CONTRACT</b>                                 | <b>ESSENTIAL OBLIGATIONS</b>   | <b>TERM</b>   |
|--|-----------------|---------------|---|--|---|
| Bonneville Power Administration        | REDACTED        | REDACTED      | Long-term power purchase                                | WNP-3 long-term power purchase   | 1986 - 2019   |
|  | REDACTED        | (2)           | Short-term power purchases                              | WSPP Schedule C short-term purchases, deviation energy and reserves  | N/A   |
|  | REDACTED        | REDACTED      | Long-term transmission                                  | Includes long-term transmission purchases from BPA for Colstrip, Coyote Springs 2, WNP-3 and Lancaster   | various   |
|  | REDACTED        | (2)           | Short-term transmission                                 | Short-term BPA nonfirm transmission purchases  | N/A   |
| Avista Turbine Power, Inc.             | REDACTED        | REDACTED      | Long-term power purchase agreement                      | Long-term power purchase agreement for the Lancaster combustion turbine  | 11/1/2005 -2052   |
| PPL Montana                            | REDACTED        | (2)           | Short-term power purchases                              | WSPP Schedule C short-term purchases   | N/A   |
| Western Energy Company                 | REDACTED        | REDACTED      | Long-term coal purchase                                 | Long-term coal supply for Colstrip and Royalty Settlement  | Ends 12/31/2019   |
| Macquarie Cook Energy Canada Limited   | REDACTED        | (2)           | North American Energy Standards Board (NAESB) Agreement | The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.  | 08/01/2007-Variou Lengths                               |
| Gas Transmission Northwest Corporation | REDACTED        | (2)           | Long Term Transportation Contract                       | GTN provides firm transportation capacity to Avista on the gas pipeline under long term contracts. Avista pays fixed monthly reservation charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day | Predating 1992 - various termination dates through 2025 |
| Natural Gas Exchange, Inc.             | REDACTED        | (2)           | Long-term Natural Gas Purchase Agreement                | The Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.  | 06/21/2004-Variou Lengths                               |

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| <b>ESSENTIAL SERVICES VENDOR (1)</b>   | <b>PAYMENTS</b> | <b>BUDGET</b> | <b>TYPE OF CONTRACT</b>           | <b>ESSENTIAL OBLIGATIONS</b>   | <b>TERM</b>   |
|--|-----------------|---------------|-----------------------------------|--|---|
| Shell Energy North America (U.S.) L.P. | REDACTED        | (2)           | ISDA Master Agreement             | The ISDA Master Agreement enables short and long-term financial derivative transactions based upon an underlying commodity price (electric or natural gas). Short and long-term physical electric and physical natural gas transactions can also be enabled under the ISDA if the ISDA contains the applicable physical commodity annexes to the Master Agreement. | 09/29/2008-Variou<br>Lengths                                  |
| Northwest Pipeline Corp.               | REDACTED        | REDACTED      | Long Term Transportation Contract | NWP provides firm transportation capacity to Avista on the gas pipeline under long term contracts. Avista pays fixed monthly reservation charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day   | Predating 1989 -<br>various termination<br>dates through 2042 |
| TransCanada - GTN System               | REDACTED        | REDACTED      | Long Term Transportation Contract | GTN provides firm transportation capacity to Avista on the gas pipeline under long term contracts. Avista pays fixed monthly reservation charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day   | Predating 1989 -<br>various termination<br>dates through 2028 |

**Notes:**

(1) Parties to the contract are the Vendor and Avista.

(2) Avista does not budget electric short-term purchases or gas purchases at the vendor level.