

Account	Functional Category	Classification	Allocation
Production Plant			
Thermal Production	P = Production	Demand	D01 Coincident Peak Demand
Hydro Production	P = Production	Demand	D01 Coincident Peak Demand
Other Production	P = Production	Demand	D01 Coincident Peak Demand
Transmission Plant			
All Transmission	T = Transmission	Demand	D01 Coincident Peak Demand
Distribution Plant			
360 Land	D = Distribution	Demand	D02 Non-coincident Peak Demand
361 Structures	D = Distribution	Demand	D03/D04/D05 Direct Assign Large / Non-coincident Peak Demand Excl DA
362 Station Equipment	D = Distribution	Demand	D03/D04/D05 Direct Assign Large / Non-coincident Peak Demand Excl DA
364 Poles Towers & Fixtures	D = Distribution	Demand	D02/D06/D07 Non-coincident Peak Demand All / Secondary only / Direct Assign Lights
365 Overhead Conductors & Devices	D = Distribution	Demand	D02/D06 Non-coincident Peak Demand All / Secondary only
366 Underground Conduit	D = Distribution	Demand	D02/D06 Non-coincident Peak Demand All / Secondary only
367 Underground Conductors & Devices	D = Distribution	Demand	D02/D06 Non-coincident Peak Demand All / Secondary only
368 Line Transformers	D = Distribution	Demand	D06 Non-coincident Peak Demand Secondary only
369 Services	D = Distribution	Customer	C02 Secondary Customers unweighted Excl Lighting
370 Meters	D = Distribution	Customer	C04 Customers weighted by Current Typical Meter Cost
373 Street and Area Lighting Systems	D = Distribution	Customer	C05 Direct Assignment to Street and Area Lights
General Plant			
All General	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted
Intangible Plant			
301 Organization	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted
302 Franchises & Consents	P = Production	Demand	D01 Coincident Peak Demand
303 Misc Intangible Plant - Grant Co Transmission	T = Transmission	Demand	D01 Coincident Peak Demand
303 Misc Intangible Plant - Software	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted
Reserve for Depreciation/Amortization			
Intangible	P/T/O	Follows Related Plant	S01/S02/S23 Sum of Production Plant / Sum of Transmission Plant / Corp Cost Allocator
Production	P = Production	Follows Related Plant	D01 Coincident Peak Demand
Transmission	T = Transmission	Follows Related Plant	D01 Coincident Peak Demand
Distribution	D = Distribution	Follows Related Plant	D02/D03/D04/D05/D06/D07/C02/C04/C05 - See Related Plant
General	O = Other	Follows Related Plant	S23 40% Customer Level Consumption / 60% All Customers unweighted
Other Rate Base			
252 Customer Advances for Construction	D = Distribution	Customer	S13 Sum of Account 369 Services Plant
282/190 Accumulated Deferred Income Tax	P/T/D/O by Plant Balances	Follows Related Plant	S01/S02/S03/S04 Sums of Production / Transmission / Distribution / General Plant
Gain on Sale of General Office Building	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted
Demand Side Management Investment	DSM	Demand from Production Plant	S01 Sum of Production Plant
Deferred MOPS Costs	P = Production	Demand from Production Plant	S01 Sum of Production Plant
Production O&M			
Thermal	P = Production	Demand	D01 Coincident Peak Demand
Thermal Fuel (501)	P = Production	Energy	E02 Annual Generation Level Consumption
Hydro	P = Production	Demand	D01 Coincident Peak Demand
Water for Power (536)	P = Production	Energy	E02 Annual Generation Level Consumption

Account	Functional Category	Classification	Allocation
Other	P = Production	Demand	D01 Coincident Peak Demand
Production O&M continued			
Purchased Power (555)	P = Production	Energy Demand	E02 Annual Generation Level Consumption
System Control & Misc and Other Exp (556 & 557)	P = Production	Demand	D01 Coincident Peak Demand
Transmission O&M			
All Transmission	T = Transmission	Demand	D01 Coincident Peak Demand
Distribution O&M			
580 OP Super & Engineering	D = Distribution	Demand/Customer from Other Dist Op Exp	S16 Sum of Other Distribution Operating Expenses
581 Load Dispatching	D = Distribution	Demand	S09 Non-coincident Peak Demand
582 Station Expenses	D = Distribution	Demand	D02 Sum of Account 362 Station Equipment
583 Overhead Lines	D = Distribution	Demand	S10 Sum of Accounts 364 and 365 Poles, Towers, Fixtures & Overhead Conductors
584 Underground Lines	D = Distribution	Demand	S11 Sum of Accounts 366 and 367 Underground Conduit & Underground Conductors
585 Street Lights	D = Distribution	Customer	S15 Sum of Account 373 Street Light and Signal Systems
586 Meters	D = Distribution	Customer	S14 Sum of Account 370 Meters
587 Customer Installations	D = Distribution	Customer	S13 Sum of Account 369 Services
588 Misc Operating Expense	D = Distribution	Demand/Customer from Other Dist Op Exp	S16 Sum of Other Distribution Operating Expenses
589 Rents	D = Distribution	Demand	D02 Non-coincident Peak Demand
590 MT Super & Engineering	D = Distribution	Demand/Customer from Other Dist Mt Exp	S17 Sum of Other Distribution Maintenance Expenses
591 MT of Structures	D = Distribution	Demand	S08 Sum of Account 361 Structures & Improvements
592 MT of Station Equipment	D = Distribution	Demand	S09 Sum of Account 362 Station Equipment
593 MT of Overhead Lines	D = Distribution	Demand	S10 Sum of Accounts 364 and 365 Poles, Towers, Fixtures & Overhead Conductors
594 MT of Underground Lines	D = Distribution	Demand	S11 Sum of Accounts 366 and 367 Underground Conduit & Underground Conductors
595 MT of Line Transformers	D = Distribution	Demand	S12 Sum of Account 368 Line Transformers
596 MT of Street Lights	D = Distribution	Customer	S15 Sum of Account 373 Street Light and Signal Systems
597 MT of Meters	D = Distribution	Customer	S14 Sum of Account 370 Meters
598 Misc Maintenance Expense	D = Distribution	Demand/Customer from Other Dist Mt Exp	S17 Sum of Other Distribution Maintenance Expenses
Customer Accounts Expenses			
901 Supervision	C = Customer Relations	Customer	S18 Sum of Other Customer Accounts Expenses Excluding Uncollectibles
902 Meter Reading	C = Customer Relations	Customer	C03 Customers Weighted by Estimated Meter Reading Time
903 Customer Records & Collections	C = Customer Relations	Customer	C01/C06 All Customers unweighted / Direct Assign Handbilled Cust
904 Uncollectible Accounts	R = Revenue Conversion	Revenue	R01 Retail Sales Revenue
905 Misc Cust Accounts	C = Customer Relations	Customer	C01 All Customers unweighted
Customer Service & Info Expenses			
907 Supervision	C = Customer Relations	Customer	C01 All Customers unweighted
908 Customer Assistance	C = Customer Relations	Customer	C01 All Customers unweighted
908 Demand Side Management Amortization	DSM	Demand	S01 Sum of Production Plant
908 Demand Side Management Tariff Rider Offset	DSM	Revenue	R02 Pro Forma Tariff Rider Revenue
909 Advertising	C = Customer Relations	Customer	C01 All Customers unweighted
910 Misc Cust Service & Info	C = Customer Relations	Customer	C01 All Customers unweighted
Sales Expenses			
911 - 916	C = Customer Relations	Energy	E02 Annual Generation Level Consumption

Straight Fixed Variable Production Transmission Cost Methodology
Avista Utilities Washington Jurisdiction

Account	Functional Category	Classification	Allocation
Admin & General Expenses			
920 - 926 & 930 -935 Assigned to Production	P = Production	Demand/Energy from Production Plant	S01 Sum of Production Plant
920 - 926 & 930 -935 Assigned to Transmission	T = Transmission	Demand/Energy from Transmission Plant	S02 Sum of Transmission Plant
920 - 926 & 930 - 935 Assigned to Distribution	D = Distribution	Demand/Customer from Distribution Plant	S03 Sum of Distribution Plant
920 - 926 & 930 - 935 Assigned to Customer Relations	C = Customer Relations	Customer	C01 All Customers unweighted
920 - 935 Assigned to Other	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted
928 FERC Commission Fees	P = Production	Energy	E02 Annual Generation Level Consumption
927:928 Franchise Fees, WUTC Commission Fees	R = Revenue Conversion	Revenue	R01 Retail Sales Revenue
Depreciation & Amortization Expense			
Intangible	P/T/O	Demand/Energy/Customer as in related Plant	S01/S02/S23 Sum of Production Plant / Sum of Transmission Plant / Corp Cost Allocator
Production	P = Production	Demand as in related Plant	D01/E02 Coincident Peak Demand/Annual Generation Level Consumption
Transmission	T = Transmission	Demand as in related Plant	D01/E02 Coincident Peak Demand/Annual Generation Level Consumption
Distribution	D = Distribution	Demand/Customer as in related Plant	D02/D03/D04/D05/D06/D07/C02/C04/C05 - See Related Plant
General	O = Other	Energy/Customer as in related Plant	S23 40% Customer Level Consumption / 60% All Customers unweighted
Taxes			
Property Tax	P/T/D/O	Demand/Energy/Customer from Related Plant	S01/S02/S03/S04 Sums of Production / Transmission / Distribution / General Plant
State kWh Generation Taxes	P = Production	Energy	E02 Generation Level Consumption
Misc Production Taxes	P = Production	Demand	D01 Coincident Peak Demand
Misc Distribution Taxes	D = Distribution	Demand/Customer from Distribution Plant	S03 Sum of Distribution Plant
Washington State Excise Tax	R = Revenue Conversion	Revenue	R01 Retail Sales Revenue
Federal Income Tax	R = Revenue Conversion	Revenue	R03 Revenue less Expenses Before Income Tax less Interest Expense
Deferred FIT	R = Revenue Conversion	Revenue	S07 Sum of Total Rate Base
ITC	R = Revenue Conversion	Revenue	S07 Sum of Total Rate Base
Other Income Related Items			
Settlement Exchange Power	P = Production	Energy	E02 Generation Level Consumption
Operating Revenues			
Sales of Electricity- Retail	R = Revenue from Rates	Revenue	Input Pro Forma Revenue per Revenue Study
Allocated from Special Contract	P = Production	Energy from Purchased Power	E02 Annual Generation Level Consumption
Sales for Resale (447)	P = Production	Energy from Purchased Power	E02 Annual Generation Level Consumption
Misc Service Revenue (451)	D = Distribution	Demand/Customer from Distribution Plant	S03 Sum of Distribution Plant
Sales of Water & Water Power (453)	P = Production	Demand	D01 Coincident Peak Demand
Rent from Production Property (454)	P = Production	Demand from Production Plant	S01 Sum of Production Plant
Rent from Distribution Property (454)	D = Distribution	Demand/Customer from Distribution Plant	S03 Sum of Distribution Plant
Other Electric Revenues - Wheeling (456)	T = Transmission	Demand from Transmission Plant	S02 Sum of Transmission Plant
Other Electric Revenues - Wholesale (456)	P = Production	Demand from Production Plant	S01 Sum of Production Plant
Salaries & Wages (for unused allocators)			
Operation & Maintenance Expenses			
Production Total	P = Production	Demand from Production Plant	S01 Sum of Production Plant
Transmission Total	T = Transmission	Demand from Transmission Plant	S02 Sum of Transmission Plant
Distribution Total	D = Distribution	Demand/Customer from Distribution Plant	S03 Sum of Distribution Plant
Customer Accounts Total	C = Customer Relations	Customer	S18 Sum of Other Customer Accounts Expenses Excluding Uncollectibles
Customer Service Total	C = Customer Relations	Customer	C01 All Customers unweighted
Sales Total	C = Customer Relations	Energy	E02 Annual Generation Level Consumption
Admin & General Total	O = Other	Energy/Customer by Corp Cost Allocator	S23 40% Customer Level Consumption / 60% All Customers unweighted