BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION Complainant, v. AVISTA CORPORATION d/b/a AVISTA UTILITIES Respondent.	)	DOCKETS UE-140188 and UG-140189 (*Consolidated*) FULL SETTLEMENT STIPULATION

I. PARTIES

1. This Settlement Stipulation is entered into by Avista Corporation ("Avista" or the "Company"), the Staff of the Washington Utilities and Transportation Commission ("Staff"), the Public Counsel Section of the Washington Office of Attorney General ("Public Counsel"), Northwest Industrial Gas Users ("NWIGU"), Industrial Customers of Northwest Utilities ("ICNU"), and The Energy Project, jointly referred to herein as the "Parties." Accordingly, this represents a "full settlement" under WAC 480-07-730. The Parties, representing all who have intervened or appeared in these dockets, agree that this Settlement Stipulation (hereinafter "Settlement" and/or "Stipulation") is in the public interest and should be accepted by the Commission as a full resolution of the known issues in these dockets. The Parties understand this Settlement Stipulation is subject to approval of the Washington Utilities and Transportation Commission (the "Commission").

II. INTRODUCTION

2. On February 4, 2014, Avista filed with the Commission certain tariff revisions designed to increase general rates for electric service (Docket UE-140188) and natural gas service (Docket UG-140189) in the State of Washington. Avista requested an increase in electric base rates of $18.2 million, or 3.8 percent from 2014 levels, and an increase in natural gas base rates of $12.1 million, or 8.1 percent from 2014 levels. On March 10, 2014, the Commission entered Order No. 03 suspending the tariff revisions and setting Dockets UE-140188 and UG-140189 for hearing and determination pursuant to WAC 480-07-320. Representatives of all Parties appeared at Settlement Conferences held on July 7, 2014 and August 4, 2014, which were held for the purpose of narrowing or resolving the contested issues in this proceeding. Subsequent discussions led to this Settlement Stipulation.

3. The Parties have reached a settlement of the known issues as among themselves in this proceeding and wish to present their agreement for the Commission's consideration and approval. The Parties, therefore, adopt the following Settlement Stipulation in the interest of reaching a fair disposition of the issues in this proceeding.

III. AGREEMENT

A. Revenue Increases and Rate Effective Dates

4. Increases in Base Rates. The Parties agree that, effective with service on and after January 1, 2015, Avista shall be authorized to implement base rate changes designed to increase its annual revenues, over existing 2014 revenues, from Washington electric customers by $7.0 million (approximately 1.4 percent overall), and from Washington natural gas customers by $8.5 million (approximately 5.6 percent overall). The Parties agree that a credit of $3.0 million from the existing Energy Recovery Mechanism (ERM) deferral balance will be returned to electric customers to mitigate the 2015 rate increase for calendar year 2015, such that the net overall electric rate increase

to customers in 2015 is 0.8 percent overall.

5. January 1, 2015 Electric Billing Changes and REC Revenue Mechanism.

a) Effective January 1, 2015, the current ERM and BPA credits will expire resulting in an overall increase of 2.8%.[1]

b) The Company will rebate approximately $8.6 million of Renewable Energy Credit ("REC") revenues over 18 months ($5.9 million annualized, or 1.3 percent)[2] / [3]. Going forward, the Parties agree that the costs associated with RECs purchased to comply with the Washington Energy Independence Act will be excluded from the REC tracking mechanism,[4] and will be included in the determination of base power supply costs in a general rate case. Any differences in costs from that included in base power supply costs will be tracked through the ERM, and subject to the existing dead band and sharing bands.

6. Power Supply Update. Effective January 1, 2015, the Parties agree to adjust, up or down, Washington electric revenues related to updated power supply costs. The current estimate is a $6.3 million increase for power supply costs. A new power supply model run on November 1, 2014, will determine the final power cost increase and ERM baseline. As in past proceedings, and as noted in Staff testimony (Ball Exhibit No. JLB-1T, page 6), the purpose of this power supply update will be to: 1) update the three-month average of natural gas and electricity market prices; 2) include new short-term contracts for gas and electric; and 3) update or correct power and transmission service contracts for the 2015 rate year. Staff's $500,000 power supply reduction to expense will be

[1] Included in present billing rates is a refund of approximately $9.0 million from the Energy Recovery Mechanism Schedule 93 (as approved in Docket No. UE-120436), and a refund of approximately $4.3 million from the Bonneville Power Settlement (Docket No. UE-130536), both expiring on January 1, 2015.

[2] Page 4 of Appendix 2 shows the rate spread and cents per kWh rate for the REC Revenue rebate.

[3] The Parties agree to the removal of certain 2015 REC expenses of $725,000 in the determination of the REC revenue rebate, and the use of an after-tax cost of capital interest rate (6.34%) on the rebate balance as proposed by Public Counsel and Staff, and agree to the rate spread (E02 allocator - Generation Level Consumption) as proposed by Staff.

[4] The mechanics of the REC tracking mechanism are included in Mr. Johnson's testimony, WGJ-1T, pages 15-16.

reflected in the updated net power supply costs. In addition, the 2015 REC expenses of $725,000, excluded from the REC rebate calculation, will also be added to the updated net power supply costs.

The net power supply costs resulting from this power supply update, including the two adjustments of $500,000 and $725,000, referenced immediately above, will be compared with the net power supply costs in Avista's original filing in this case to determine the adjustment to Washington revenues on January 1, 2015 related to the power supply update. The net power supply costs in Avista's original filing are shown in Appendix 3.[5]

The updated level of net power supply costs will also be used to determine the new base set of power supply revenues and expenses for ERM calculations beginning January 1, 2015, as further explained in Section B below.

If the November 2014 power supply update results in an increase in net power supply costs, the increase will be offset with available ERM deferral balance dollars for the 12-month period January 1, 2015 through December 31, 2015.[6]

The Company will file on or before November 17, 2014, revisions to the appendices to this settlement stipulation to reflect the power supply update. The Parties are free to seek discovery on, and examine the prudence of, the updated power supply items identified above.

7. <u>Natural Gas Project Compass Deferral.</u> The Parties agree the natural gas revenue requirement associated with the Project Compass Customer Information System for the calendar year 2015 will be deferred for recovery in a future proceeding, based on the actual costs of the Project

[5] These net power supply costs, from the original filing, have been adjusted to reflect 2015 system retail loads, per Paragraphs 9 and 12 of this settlement stipulation.

[6] The ERM deferral balance as of June 30, 2014 is $16.7 million, and is currently estimated to be $13.9 million by December 31, 2014.

at the time the Project goes into service. The carrying charge on the deferral balance will be 3.25%. An estimate of the revenue requirement, for illustrative purposes only, is provided in Appendix 1.

8. Lake Spokane Deferral. In Docket No. UE-131576, Order No. 01, the Company received approval to defer and seek recovery in its next general rate case Washington's share ($871,000) of costs related to the improvement of dissolved oxygen levels in Lake Spokane. The agreed upon revenue increase reflects the amortization of this balance over a three-year period beginning January 1, 2015, with no carrying charge.

9. 2015 Billing Determinants. The Parties agree the Washington electric and natural gas revenue increases will be spread using the January 2015 through December 2015 billing determinants.

10. Cost of Capital. The Parties have not agreed on specific capital structure ratios or cost of capital components.[7] The agreed-upon revenue increases reflect a reduction in risk associated with the adoption of decoupling.

11. Attrition. While the Parties agree to the level of electric and natural gas revenue increases, there is disagreement on the use of an attrition adjustment in the determination of the revenue increases.[8]

B. Other Settlement Components

12. ERM Authorized Amounts.

a) For purposes of calculating the monthly ERM entries beginning January 1, 2015, the level of power supply revenues, expenses, retail load, and retail revenue credit for the ERM will be

[7] A 7.32% rate of return, however, will be used for "Allowance For Funds Used During Construction" (AFUDC) and other purposes.
[8] While the Company and Staff support the use of an attrition adjustment to achieve reasonable and sufficient rates, ICNU, Public Counsel and NWIGU do not agree that an attrition adjustment is warranted in this case.

based on the November 1, 2014 updated power supply model run discussed in Section A, Paragraph 6. Appendix 3 includes the level of power supply revenues, expenses, retail load, and retail revenue credit as originally filed by Avista, with the power supply expenses and retail load adjusted to reflect 2015 retail loads. The retail load in the new ERM base numbers will be based on 2015 billing determinants, per Paragraph 9 above.

b) The Retail Revenue Credit (RRC) will be based on Staff's proposed variable rate (revised to exclude all production plant), which will be based on ERM-related FERC accounts. The same RRC will be used for both the ERM calculations and the electric Decoupling Mechanism starting January 1, 2015 (described below).

13. Electric and Natural Gas Decoupling.

a) The electric and natural gas Decoupling Mechanisms illustrated in Appendices 4 and 5 will commence concurrent with the natural gas and electric rate changes January 1, 2015.[9] Per the Company's testimony, the length of the decoupling mechanisms is five years, with a third-party evaluation of the mechanisms paid for by Avista, to be completed following the end of the third full-year.

b) Electric Schedules 25 and 41-48 are excluded from the decoupling mechanism. Natural Gas Schedules 112, 122, 132 and 146 are excluded from the decoupling mechanism.

c) The Company will perform an annual earnings test as follows:

i. The earnings test will be based on the Company's year-end Commission Basis Reports ("CBR") stated on an average-of-monthly-averages ("AMA") basis, prepared in accordance with WAC 480-90-257 and 480-100-257 (Commission Basis Report). This report is prepared using actual recorded results of electric or natural gas operations and rate base, adjusted for any material out-of-period, non-operating, nonrecurring, and extraordinary items or any other item that materially

[9] Per the Company's filed testimony (PDE-1T, p. 78), the existing partial natural gas decoupling mechanism will be terminated effective January 1, 2015, and the Company will transfer any remaining deferral balance into the new mechanism.

distorts reporting period earnings and rate base. These adjustments have been consistently made by the Company when preparing past CBRs and are consistent with the adjustments described in paragraph (2) (b) of WAC 480-90-257 and 480-100-257 (Commission Basis Report). The CBR includes normalizing adjustments, such as adjustments to power supply-related revenues and expenses to reflect operations under normal conditions. For the earnings test, the decoupling accounting entries adjust revenues from a kilowatt-hour ("kWh") sales basis to a revenue per customer basis. The CBR will not include any annualizing or pro forma adjustments.

ii. Should the Company have a decoupling rebate balance at year-end, the entire rebate will be returned to customers.
    1) If the CBR earned return exceeds 7.32%, the rebate will be increased by one-half the rate of return in excess of 7.32%.[10]

iii. Should the Company have a decoupling surcharge balance at year-end:
    1) If the CBR earned return is less than 7.32%, no adjustment is made to the surcharge, if any, recorded for the year.
    2) If the CBR earned return exceeds 7.32%, the surcharge recorded for the year will be reduced, or eliminated, by one-half the rate of return in excess of 7.32%.

d) The calculation of power supply related revenue that will be deducted from total revenues prior to calculating revenue per customer is as follows: Authorized Power Supply Year kWhs * Retail Revenue Credit.

e) The Retail Revenue Credit is based on Staff's proposed variable rate (revised to exclude all production plant), which is based on ERM-related FERC accounts. The same credit will be used for ERM calculations.

f) The Company agrees to increase its electric energy conservation achievement by 5% over the conservation target approved by the Commission, beginning with the 2014-2015 biennial target.

g) A decoupling surcharge cannot exceed a 3% annual rate adjustment, and any unrecovered

[10] The 7.32% figure used for the earnings test will be adjusted to reflect any subsequent rates of return approved by the Commission during the term of the Decoupling Mechanisms.

balances will be carried forward to future years for recovery. There is no limit to the level of the decoupling rebate.

h) Appendix 4 contains the calculations for determining the baseline allowed revenue per customer for the electric decoupling mechanism. The final form of Appendix 4 will be filed on or before November 17, 2014, to reflect changes from the November 1, 2014 power supply update.

i) Appendix 5 contains the calculations for determining the baseline allowed revenue per customer for the natural gas decoupling mechanism.

C. <u>Rate Spread/Rate Design</u>

14. <u>Electric Rate Spread/Rate Design</u>

a) Electric Cost of Service/Rate Spread – The Parties agree to a uniform percentage of revenue increase for purposes of spreading the base revenue increase of $7.0 million, as well as the $3.0 million ERM offset, as shown on Page 1 of Appendix 2.[11]

b) The Parties agree that the revenue change related to the updated power supply costs discussed in Section A above, as well as the ERM offset, will be spread on a uniform percentage basis. Within each electric rate schedule, the revenue increase from the updated power supply costs and the ERM offset will be applied on a uniform percentage basis to the variable energy blocks.

c) Electric Rate Design, shown on Page 2 of Appendix 2:

(i.) The Residential Basic Charge (Schedule 1) increases from $8 per month to $8.50 per month.

[11] Page 3 of Appendix 2 shows the revenue spread of the $3.0 million to each rate schedule.

(ii.) For the rate design of Schedule 1, the revenue applicable to the volumetric rates is spread on a uniform percentage basis.

(iii.) For the rate design of Schedule 25, the demand charge for the first 3,000 kVa or less increases from $15,000 to $21,000 per month. In addition, the variable demand charge increases from $5.25 to $6.00 per kVa over 3,000 per month. The remaining revenue change applicable to Schedule 25 will be spread on a uniform percentage basis to the three energy block rates.

(iv.) The Rate Design for all other Schedules will be as follows:

- Schedules 11/12 will have an increase in the Basic Charge from $15.00 to $18.00 per month, and a uniform percentage rate change to blocks. In addition, the demand charge will remain at $6.00 per kilowatt in excess of 20 kW per month.
- Schedules 21/22 will have an increase in the Basic Charge from $450 to $500 per month, for the first 50kW or less, and a uniform percentage increase to all blocks for the remaining revenue increase. In addition, the demand charge will remain at $6.00 per kilowatt for all demand in excess of 50 kW per month.
- Schedules 31/32 will have an increase in the Basic Charge from $15.00 to $18.00 per month, and there will be a uniform percentage increase to all blocks for the remaining revenue increase applicable to the schedule.
- Street and Area Lighting (Schedules 41-48) will see a uniform percentage increase.

15. Natural Gas Rate Spread/Rate Design:

a) Natural Gas Cost of Service/Rate Spread – The rate spread for natural gas is shown on Page 6 of Appendix 2. While the Parties do not agree on the results of a single cost of service study, for purposes of settlement the Parties agree to spread the revenue increase as follows:

	Revenue	Percentage
Schedule 101	$6,581,000	6.00%
Schedule 111/112	$1,515,000	4.40%
Schedule 121/122	$181,000	4.60%
Schedule 131/132	$43,000	5.60%
Schedule 146	$180,000	7.40%
	$8,500,000	**5.60%**

b) Natural Gas Rate Design, shown on Page 7 of Appendix 2:

(i.) The Basic Charge for Schedule 101 will increase from $8 per month to $9 per month.

(ii.) For Schedule 146, the monthly basic charge will increase from $400 to $500 per month, and the remaining revenue increase will be spread on a uniform percentage basis to all blocks.

(iii.) The Rate Design for other Schedules will be as follows:

- Schedule 111 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 200 therms), and a uniform percentage increase to all blocks.
- Schedule 121 will have an increase in the monthly Minimum Charge based on Schedule 101 rates (breakeven at 500 therms), and a uniform percentage increase to blocks two through four.
- Schedule 131 will have a uniform percentage increase to all blocks.

D. <u>Service Quality and Reliability Program:</u>

16. Avista agrees to meet with Staff and interested parties to develop and implement appropriate service quality metrics, customer guarantees and reporting, with the agreed upon tariff revisions filed on or before June 1, 2015, with a program in place on July 1, 2015.

E. <u>Low Income Rate Assistance Program (LIRAP) Modifications:</u>

17. The Company, the Energy Project, Commission Staff, other interested parties and the agencies that deliver the LIRAP program shall meet to explore additional program options and develop mutually agreed to modifications or additions to the LIRAP program. The primary intention of either additions or modifications is to keep low-income customers connected to service while serving more customers who need assistance. Modifications would entail changes to the existing bill assistance structures, e.g., continuing to serve LIRAP Heat applicants through the summer. Additions are changes that augment the existing programs with new service offerings, such as a targeted rate discount or arrearage management program. Meetings will begin no later than 30 days after the Commission accepts any settlement that covers this issue in this case. A third party facilitator acceptable to all the parties will be used and will be paid for by Avista shareholders. Meetings will be held at least bi-monthly or more frequently until completion. The Company will file mutually agreed upon modifications to the existing LIRAP program with the Commission by June 1, 2015, including a proposal to implement such changes in time for the fall 2015 bill assistance season. Any mutually agreed to addition(s) to LIRAP will be filed by June 1, 2016 for implementation on or after October 1, 2016.

F. <u>LIRAP Funding:</u>

18. The Parties accept the Energy Project and Staff's proposal to increase Electric LIRAP Funding by twice the Schedule 1 increase ($112,000 or 2.8 percent), and Natural gas LIRAP Funding

by twice the Schedule 101 increase ($221,000 or 12 percent). In addition, for Schedule 25, the Parties agree that the LIRAP rate will apply to the first and second energy blocks. LIRAP revenues previously collected from the third block will be spread to all schedules, including the first two blocks of Schedule 25, on a uniform percentage of current LIRAP funding levels. The changes to electric LIRAP funding can be found on Page 5 of Appendix 2, and the changes to natural gas LIRAP funding can be found on Page 8 of Appendix 2.

G. Bonneville Power Residential Exchange Program Interest Rate:

19. Related to the carrying charge on the Residential Exchange deferral balance, the Company agrees, effective January 1, 2015, to use a money market carrying charge instead of the Company's average cost of debt.

H. Other Issues:

20. The Company agrees to provide detailed semi-annual reporting of 2014 and 2015 capital expenditures with actual data by expenditure request, in the categories provided in its pro forma "cross check" plant adjustments. The Parties agree to meet and confer by no later than January 31, 2015 to establish any additional details of the capital reporting requirements.

21. The Parties recommend the Commission provide a separate forum to discuss attrition and other rate making policy issues, to include participation by Commissioners, and interested parties.

22. The Parties agree to address in the next general rate case alternative methods to rebate or recover ERM balances.

IV. EFFECT OF THE SETTLEMENT STIPULATION

23. Binding on Parties. The Parties agree to support the terms of the Settlement Stipulation throughout this proceeding, including any appeal, and recommend that the Commission issue an order adopting the Settlement Stipulation contained herein. The Parties understand that this

Settlement Stipulation is subject to Commission approval. The Parties agree that this Settlement Stipulation represents a compromise in the positions of the Parties. As such, conduct, statements and documents disclosed in the negotiation of this Settlement Stipulation shall not be admissible evidence in this or any other proceeding.

24. Integrated Terms of Settlement. The Parties have negotiated this Settlement Stipulation as an integrated document. Accordingly, the Parties recommend that the Commission adopt this Settlement Stipulation in its entirety. Each Party has participated in the drafting of this Settlement Stipulation, so it should not be construed in favor of, or against, any particular Party.

25. Procedure. The Parties shall cooperate in submitting this Settlement Stipulation promptly to the Commission for acceptance. Each Party shall make available a witness or representative in support of this Settlement Stipulation. The Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Settlement Stipulation and to supplement the record accordingly.

26. Reservation of Rights. Each Party may offer into evidence its prefiled testimony and exhibits as they relate to the issues in this proceeding, together with such evidence in support of the Stipulation as may be offered at the time of the hearing on the Settlement. If the Commission rejects all or any material portion of this Settlement Stipulation, or adds additional material conditions, each Party reserves the right, upon written notice to the Commission and all parties to this proceeding within seven (7) days of the date of the Commission's Order, to withdraw from the Settlement Stipulation. If any Party exercises its right of withdrawal, this Settlement Stipulation shall be void and of no effect, and the Parties will support a joint motion for a procedural schedule to address the issues that would otherwise have been settled herein.

27. Advance Review of News Releases. All Parties agree:

a. to provide all other Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to make about the Settlement Stipulation. This right of advance review includes a reasonable opportunity for a Party to request changes to the text of such announcements. However, no Party is required to make any change requested by another Party; and,

b. to include in any news release or announcement a statement that Staff's recommendation to approve the settlement is not binding on the Commission itself. This subsection does not apply to any news release or announcement that otherwise makes no reference to Staff.

28. No Precedent. The Parties enter into this Settlement Stipulation to avoid further expense, uncertainty, and delay. By executing this Settlement Stipulation, no Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at the Settlement Stipulation, and, except to the extent expressly set forth in the Settlement Stipulation, no Party shall be deemed to have agreed that such a Settlement Stipulation is appropriate for resolving any issues in any other proceeding.

29. Public Interest. The Parties agree that this Settlement Stipulation is in the public interest.

30. Execution. This Settlement Stipulation may be executed by the Parties in several counterparts and as executed shall constitute one Settlement Stipulation.

Entered into this 18th day of August 2014.

Company:	By: ______________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________________ Brett P. Shearer Assistant Attorney General Patrick J. Oshie Assistant Attorney General
Public Counsel:	By: ______________________ Lisa Gafken Assistant Attorney General
NWIGU:	By: ______________________ Chad M. Stokes Cable Huston Benedict Haagensen & Lloyd LLP
ICNU:	By: ______________________ Melinda Davison Davison Van Cleve, P.C.
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The Energy Project:	By: ________________________________ Ronald Roseman Attorney at Law

APPENDIX 1

Avista Utilities
Project Compass
WA Natural Gas Revenue Requirement (1)

Line No.		Software (FERC 303100)	Hardware (FERC 391100)	Total
1	Depreciation Expense	$ 5,320,106	$ 515,584	$ 5,835,690
2	Property Tax @ 1.5% of Gross Plant, excluding software	-	116,006	116,006
3	Total Expenses	5,320,106	631,590	5,951,696
4	Net Operating Income Before FIT	(5,320,106)	(631,590)	(5,951,696)
5	FIT Benefit of Depreciation and Property Tax	1,862,037	221,057	2,083,094
6	FIT Benefit of Interest Expense	724,635	70,226	794,861
7	Net Operating Income Requirement	$ (2,733,434)	$ (340,308)	$ (3,073,742)
8	Net Plant (2)	$ 79,801,595	$ 7,733,761	$ 87,535,357
9	Accumulated Depreciation (AMA)	(2,660,053)	(257,792)	(2,917,845)
10	Accumulated DFIT (AMA)	(3,723,609)	(360,864)	(4,084,473)
11	Net Rate Base	73,417,933	7,115,105	80,533,039
12	Rate of Return	7.32%	7.32%	7.32%
13	Return on Rate Base	$ 5,374,193	$ 520,826	$ 5,895,018
14	Net Operating Income Requirement including Return	$ 8,107,627	$ 861,133	$ 8,968,760
15	WA Natural Gas Conversion Factor	0.62088	0.62088	0.62088
16	Revenue Requirement	$ 13,058,283	$ 1,386,956	$ 14,445,239
17	WA Natural Gas Allocator	14.31%	14.31%	
18	Revenue Requirement - WA Natural Gas Share (3) (4)	$1,868,446	$198,453	$2,066,899
	Tax benefit of debt			
19	Net rate base per above	$73,417,933	$7,115,105	$80,533,039
20	Debt cost component	2.82%	2.82%	2.82%
21	Debt cost	$2,070,386	$200,646	$2,271,032
22	Federal income tax rate	35%	35%	35%
23	Tax benefit of debt cost	$724,635	$70,226	$794,861

Notes:

(1) Information provided for illustrative purposes. Amounts will be based on actual costs of the Project at the time the Project goes into service.

(2) Project Compass Costs include the following:

Total Cost	$ 89,113,570	$ 8,813,430	$ 97,927,000
Less: Maximo Project (#09905700) transferred to Plant in Sept. 2013	9,311,975	1,079,669	10,391,643
	$ 79,801,595	$ 7,733,761	$ 87,535,357

(3) In service date of January 1, 2015 was used to compute 2015 average rate base. If the in-service date is later than January 1, 2015 the revenue requirement for 2015 will be lower.

(4) The carrying charge on the deferral balance will be 3.25%.

APPENDIX 2

AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2015
(000s of Dollars)

To be updated to reflect Nov. 1 Power Supply update & ERM offset.

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates(1)	**Base Tariff Percent Increase**	Sch.93 ERM Decrease	Sch.98 REC Revenue Decrease	Expiration of 2014 ERM/BPA Decrease	Sch. 92 LIRAP Increase	Net General & Sch. 92/93/94/98 Increase	**Percent Increase on Billed Revenue (2)**
	(a)	(b)	(c)	(d)	(e)	**(f)**	(g)	(h)	(i)	(j)	(k)	**(l)**
1	Residential	1	$214,476	$3,061	$217,537	**1.4%**	-$1,311	-$2,535	$6,021	$134	$5,370	**2.5%**
2	General Service	11/12	$69,493	$989	$70,482	**1.4%**	-$425	-$610	$1,717	$47	$1,718	**2.4%**
3	Large General Service	21/22	$127,831	$1,828	$129,659	**1.4%**	-$781	-$1,523	$3,549	$84	$3,156	**2.4%**
4	Extra Large General Service	25	$61,637	$877	$62,514	**1.4%**	-$377	-$1,098	$1,937	($163)	$1,176	**1.9%**
5	Pumping Service	30/31/32	$10,525	$149	$10,674	**1.4%**	-$64	-$145	$284	$6	$231	**2.2%**
6	Street & Area Lights	41-48	$6,871	$96	$6,967	**1.4%**	-$42	-$27	$144	$5	$176	**2.5%**
7	Total		$490,832	$7,000	$497,832	**1.4%**	-$3,000	-$5,936	$13,652	$112	$11,828	**2.4%**

* All revenue based on 2015 billing determinants

(1) Excludes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 91 (DSM Adjustment), Schedule 92 (LIRAP Adjustment), Schedule 93 (Energy Recovery Mechanism), and Schedule 94 (BPA Transmission Revenue).

(2) Includes all rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), Schedule 94 (BPA Transmission Revenue), and Schedule 98 (REC Revenue Rebate).

AVISTA UTILITIES
WASHINGTON ELECTRIC
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE

To be updated to reflect Nov. 1 Power Supply update & ERM offset.

Type of Service	Base Tariff Sch. Rate	Present Other Adj.(1)	Present Billing Rate	**General Rate Inc/Dec**	**Sch. 93/98 ERM/REC Decrease**	**Sch. 93/94 ERM/BPA Increase**	**Sch. 92 LIRAP Increase**	**Proposed Billing Rate**	**Proposed Base Tariff Rate**
Total Profo (a)	(b)	(c)	(d)	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**
Residential Service - Schedule 1									
Basic Charge	$8.00		$8.00	**$0.50**				**$8.50**	**$8.50**
Energy Charge:									
First 800 kWhs	$0.07369	($0.00104)	$0.07265	**$0.00069**	**($0.00158)**	**$0.00247**	**$0.00006**	**$0.07429**	**$0.07438**
800 - 1,500 kWhs	$0.08573	($0.00104)	$0.08469	**$0.00079**	**($0.00158)**	**$0.00247**	**$0.00006**	**$0.08643**	**$0.08652**
All over 1,500 kWhs	$0.10050	($0.00104)	$0.09946	**$0.00094**	**($0.00158)**	**$0.00247**	**$0.00006**	**$0.10135**	**$0.10144**
General Services - Schedule 11									
Basic Charge	$15.00		$15.00	**$3.00**				**$18.00**	**$18.00**
Energy Charge:									
First 3,650 kWhs	$0.11391	$0.00173	$0.11564	**($0.00022)**	**($0.00176)**	**$0.00293**	**$0.00008**	**$0.11667**	**$0.11369**
All over 3,650 kWhs	$0.08370	$0.00173	$0.08543	**($0.00017)**	**($0.00176)**	**$0.00293**	**$0.00008**	**$0.08651**	**$0.08353**
Demand Charge:									
20 kW or less	no charge		no charge	**no charge**					**no charge**
Over 20 kW	$6.00/kW		$6.00/kW					$6.00/kW	$6.00/kW
Large General Service - Schedule 21									
Energy Charge:									
First 250,000 kWhs	$0.07099	$0.00103	$0.07202	**$0.00044**	**($0.00160)**	**$0.00247**	**$0.00006**	**$0.07339**	**$0.07143**
All over 250,000 kWhs	$0.06349	$0.00103	$0.06452	**$0.00039**	**($0.00160)**	**$0.00247**	**$0.00006**	**$0.06584**	**$0.06388**
Demand Charge:									
50 kW or less	$450.00		$450.00	**$50.00**				**$500.00**	**$500.00**
Over 50 kW	$6.00/kW		$6.00/kW					$6.00/kW	$6.00/kW
Primary Voltage Discount	$0.20/kW		$0.20/kW					$0.20/kW	$0.20/kW
Extra Large General Service - Schedule 25									
Energy Charge:									
First 500,000 kWhs	$0.05708	$0.00042	$0.05750	**($0.00163)**	**($0.00137)**	**$0.00180**	**$0.00004**	**$0.05634**	**$0.05545**
500,000 - 6,000,000 kWhs	$0.05135	$0.00042	$0.05177	**($0.00147)**	**($0.00137)**	**$0.00180**	**$0.00004**	**$0.05077**	**$0.04988**
All over 6,000,000 kWhs	$0.04391	$0.00042	$0.04433	**($0.00126)**	**($0.00137)**	**$0.00180**	**($0.00046)**	**$0.04304**	**$0.04265**
Demand Charge:									
3,000 kva or less	$15,000		$15,000	**$6,000**				**$21,000**	**$21,000**
Over 3,000 kva	$5.25/kva		$5.25/kva	$0.75/kva				$6.00/kva	$6.00/kva
Primary Volt. Discount									
11 - 60 kv	$0.20/kW		$0.20/kW					$0.20/kW	$0.20/kW
60 - 115 kv	$1.10/kW		$1.10/kW					$1.10/kW	$1.10/kW
115 or higher kv	$1.40/kW		$1.40/kW					$1.40/kW	$1.40/kW
Annual Minimum	Present:	$779,230				Proposed:	Proposed:	**$834,100**	
Pumping Service - Schedule 31									
Basic Charge	$15.00		$15.00	**$3.00**				**$18.00**	**$18.00**
Energy Charge:									
First 165 kW/kWh	$0.09545	$0.00087	$0.09632	**$0.00058**	**($0.00163)**	**$0.00222**	**$0.00005**	**$0.09754**	**$0.09603**
All additional kWhs	$0.06817	$0.00087	$0.06904	**$0.00041**	**($0.00163)**	**$0.00222**	**$0.00005**	**$0.07009**	**$0.06858**

(1) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange), Sch. 91 (DSM Adjustment), Sch. 92 (LIRAP Adjustment), Sch. 93 (Energy Recovery Mechanism) and Sch 94 (BPA Transmission Revenue)

AVISTA UTILITIES
WASHINGTON ELECTRIC
ERM REVENUE DECREASE BY SERVICE SCHEDULE
(000s of Dollars)

To be updated to reflect Nov. 1 Power Supply update & ERM offset.

			Present Base Revenue	ERM Offset	Percentage Change	kWh Rate	Billing Determinants
1	Residential	1	$214,476,179	$ (1,310,894)	-0.61%	$ (0.00054)	2,437,508,068
2	General Service	11/12	$69,492,932	$ (424,746)	-0.61%	$ (0.00072)	586,109,432
3	Large General Service	21/22	$127,830,953	$ (781,312)	-0.61%	$ (0.00054)	1,436,806,481
4	Extra Large General Service	25	$61,636,549	$ (376,727)	-0.61%	$ (0.00035)	1,076,126,636
5	Pumping Service	30/31/32	$10,524,650	$ (64,327)	-0.61%	$ (0.00050)	127,927,573
6	Street & Area Lights	41-48	$6,870,763	$ (41,995)	-0.61%	$ (0.00166)	25,328,044
7	Total		$490,832,026	$ (3,000,000)	-0.61%		5,689,806,234

REC Revenues Rebate Allocation - Generation Level Consumption

Line No.	DESCRIPTION A	TOTAL B	RESIDENTIAL SCHEDULE 1 C	GENERAL SVC. SCH. 11,12 D	LG. GEN. SVC. SCH. 21,22 E	EX LG GEN SVC SCHEDULE 25 F	PUMPING SCH. 30, 31, 32 H	ST & AREA LTG SCH. 41-48 I	J
1	**Generation Allocated**								
2	Total Generation Percentage	100.00%	42.51%	10.07%	25.68%	18.90%	2.38%	0.46%	**(1)**
3	2015 Rebate Amount	**$ (5,936,379)**	$ (2,535,008)	$ (609,554)	$ (1,523,015)	$ (1,097,649)	$ (144,558)	$ (26,594)	
4	Annual Load (Rate Year)	5,689,806,233	2,437,508,067	586,109,432	1,436,806,481	1,076,126,635	127,927,574	25,328,044	**(2)**
5	Cents Per kWh Rate		$ (0.00104)	$ (0.00104)	$ (0.00106)	$ (0.00102)	$ (0.00113)	$ (0.00105)	
6	Total Bills	2,922,458	2,494,197	369,788	24,074	253	34,146		
7	Avg Monthly Credit Per Customer		$ (1.02)	$ (1.65)	$ (63.26)	$ (4,338.53)	$ (4.23)		
8	Avg Annual Credit Per Customer		$ (12.20)	$ (19.78)	$ (759.17)	$ (52,062.41)	$ (50.80)		
9									
10	**Rate Calculation**								
11	18-mo Rebate Amt	**$ (8,679,049)**	$ (3,688,996)	$ (874,177)	$ (2,228,873)	$ (1,640,311)	$ (206,468)	$ (40,225)	
12	Load Forecast (18 Months)	8,347,293,891	3,563,388,464	836,891,898	2,109,870,302	1,615,235,840	183,456,283	38,451,104	
13	**Cents Per kWh Rate**		**$ (0.00104)**	**$ (0.00104)**	**$ (0.00106)**	**$ (0.00102)**	**$ (0.00113)**	**$ (0.00105)**	

(1) E02 Allocator (Generation Level Consumption)
(2) 2015 loads updated per Avista Response to Staff Data Request 24, Supplemental 2 Attachment A

Avista Electric
LIRAP Rate Calculation
UE-140188

			Settlement Billing Determinants *	Adjusted LIRAP Revenue	2.8% LIRAP Increase	Settlement LIRAP Revenue	Settlement Sch 92 kWh Rate
1	Residential	1	2,437,508,067	$ 1,790,246	$ 50,127	$ 1,840,373	$ 0.00076
2	General Service	11/12	586,109,432	$ 621,110	$ 17,391	$ 638,501	$ 0.00109
3	Large General Service	21/22	1,436,806,481	$ 1,115,575	$ 31,236	$ 1,146,811	$ 0.00080
4	Extra Large General Service	25	668,283,785	$ 322,543	$ 9,031	$ 331,574	$ 0.00050
5	Pumping Service	30/31/32	127,927,574	$ 85,904	$ 2,405	$ 88,309	$ 0.00069
6	Street & Area Lights	41-48	25,328,044	$ 63,439	$ 1,776	$ 65,215	0.94%
7	Total		5,281,963,383	$ 3,998,818	$ 111,966	$ 4,110,784	

* The 3rd block billing determinants of Schedule 25 excluded per Settlement Agreement.

AVISTA UTILITIES
WASHINGTON NATURAL GAS
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2015
(000s of Dollars)

Line No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Proposed General Increase	Base Tariff Revenue Under Proposed Rates	**Base Tariff Percent Increase**	Total Billed Revenue at Present Rates (2)	Sch. 192 LIRAP Increase	Total GRC/LIRAP Increase	**Percent Increase on Billed Revenue (2)**
	(a)	(b)	(c)	(d)	(e)	**(f)**	(g)	(h)	(i)	**(j)**
1	General Service	101	$110,008	$6,581	$116,589	**6.0%**	$114,458	$160	$6,742	**5.9%**
2	Large General Service	111/112	$34,391	$1,515	$35,906	**4.4%**	$35,967	$53	$1,568	**4.4%**
3	Large General Svc.-High Annual Load Factor	121/122	$3,932	$181	$4,113	**4.6%**	$4,181	$6	$187	**4.5%**
4	Interruptible Service	131/132	$768	$43	$811	**5.6%**	$798	$1	$44	**5.5%**
5	Transportation Service	146	$2,434	$180	$2,614	**7.4%**	$2,436	$0	$180	**7.4%**
6	Special Contracts	148	$1,542	$0	$1,542	**0.0%**	$1,542	$0	$0	**0.0%**
7	Total		$153,075	$8,500	$161,575	**5.6%**	$159,383	$221	$8,722	**5.5%**

* All revenue based on 2015 billing determinants

(1) Includes Purchase Adjustment Schedule 150; excludes all other rate adjustments.

(2) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 159 (Decoupling), Schedule 191 (DSM), and Schedule 192 (LIRAP).

AVISTA UTILITIES
WASHINGTON NATURAL GAS
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE

Type of Service	Base Rate	Sch. 150 PGA Rate Adj	Base Rate including Schedule 150	Present Billing Rate Adj.	Present Billing Rate (1)	General Rate Increase	Sch. 192 LIRAP Increase	Proposed Billing Rate(1)	Proposed Base Rate including Schedule 150	Proposed Base Rate excluding Schedule 150
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
General Service - Schedule 101										
Basic Charge			$8.00		$8.00	$1.00		$9.00	$9.00	$9.00
Usage Charge:										
First 70 Therms	0.28219	0.49803	$0.78022	$0.03803	$0.81825	$0.03901	$0.00137	$0.85863	$0.81923	$0.32120
All over 70 Therms	0.38327	0.49803	$0.88130	$0.03803	$0.91933	$0.04406	$0.00137	$0.96476	$0.92536	$0.42733
Large General Service - Schedule 111										
Usage Charge:										
First 200 therms	0.39131	0.49535	$0.88666	$0.03407	$0.92073	$0.04389	$0.00115	$0.96577	$0.93055	$0.43520
200 - 1,000 therms	0.26644	0.49535	$0.76179	$0.03407	$0.79586	$0.03735	$0.00115	$0.83436	$0.79914	$0.30379
All over 1,000 therms	0.19322	0.49535	$0.68857	$0.03407	$0.72264	$0.03376	$0.00115	$0.75755	$0.72233	$0.22698
Minimum Charge:										
per month			$161.21		$161.21	($74.17)		$87.04	$87.04	$87.04
per therm	-0.41474	0.49535	$0.08061	$0.03407	$0.11468	$0.41474		$0.52942	$0.49535	$0.00000
High Annual Load Factor Large General Service - Schedule 121										
Usage Charge:										
First 500 therms	0.40597	0.47449	$0.88046	$0.04203	$0.92249	$0.02451	$0.00105	$0.94805	$0.90497	$0.43048
500 - 1,000 therms	0.28246	0.47449	$0.75695	$0.04203	$0.79898	$0.03980	$0.00105	$0.83983	$0.79675	$0.32226
1,000 - 10,000 therms	0.20758	0.47449	$0.68207	$0.04203	$0.72410	$0.03586	$0.00105	$0.76101	$0.71793	$0.24344
10,000 - 25,000 therms	0.16056	0.47449	$0.63505	$0.04203	$0.67708	$0.03339	$0.00105	$0.71152	$0.66844	$0.19395
All over 25,000 therms	0.12272	0.47449	$0.59721	$0.04203	$0.63924		$0.00105	$0.64029	$0.59721	$0.12272
Minimum Charge:										
per month			$409.92		$409.92	($194.68)		$215.24	$215.24	$215.24
per therm	-0.41387	0.47449	$0.06062	$0.04203	$0.10265	$0.41387	$0.00105	$0.51757	$0.47449	$0.00000
Annual Minimum per therm			Present:	$0.30041				Proposed:	$0.33816	$0.33816
Interruptible Service - Schedule 132										
Usage Charge:										
First 10,000 therms	0.18974	0.44955	$0.63929	$0.02359	$0.66288	$0.03580	$0.00101	$0.69969	$0.67509	$0.22554
10,000 - 25,000 therms	0.1447	0.44955	$0.59425	$0.02359	$0.61784	$0.03328	$0.00101	$0.65213	$0.62753	$0.17798
25,000 - 50,000 therms	0.13365	0.44955	$0.58320	$0.02359	$0.60679	$0.03266	$0.00101	$0.64046	$0.61586	$0.16631
All over 50,000 therms	0.12999	0.44955	$0.57954	$0.02359	$0.60313	$0.03245	$0.00101	$0.63659	$0.61199	$0.16244
Annual Minimum per therm			Present:	$0.21578				Proposed:	$0.24776	$0.24776
Transportation Service - Schedule 146										
Basic Charge			$400.00		$400.00	$100.00		$500.00	$500.00	$500.00
Usage Charge:										
First 20,000 therms	0.08233	0.00056	$0.08289	$0.00004	$0.08293	$0.00482		$0.08775	$0.08771	$0.08715
20,000 - 50,000 therms	0.07324	0.00056	$0.07380	$0.00004	$0.07384	$0.00429		$0.07813	$0.07809	$0.07753
50,000 - 300,000 therms	0.06603	0.00056	$0.06659	$0.00004	$0.06663	$0.00387		$0.07050	$0.07046	$0.06990
300,000 - 500,000 therms	0.06106	0.00056	$0.06162	$0.00004	$0.06166	$0.00358		$0.06524	$0.06520	$0.06464
All over 500,000 therms	0.04586	0.00056	$0.04642	$0.00004	$0.04646	$0.00270		$0.04916	$0.04912	$0.04856
Annual Minimum per therm			Present:	$0.07380				Proposed:	$0.07809	$0.07809

(1) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 191 (DSM Adjustment), and Schedule 192 (LIRAP Adjustment).

Avista Natural Gas
LIRAP Rate Calculation
UG-140189

		Billing Determinants	Present LIRAP Revenue	12.00% LIRAP Increase	Settlement LIRAP Revenue	Settlement Sch 192 Therm Rate
General Service	101	117,011,207	$ 1,339,778	$ 160,773	$ 1,500,552	$ 0.01282
Large General Service	111/112	46,256,893	$ 444,066	$ 53,288	$ 497,354	$ 0.01075
Large General Svc.-High Annual Load Factor	121/122	5,940,558	$ 52,039	$ 6,245	$ 58,284	$ 0.00981
Interruptible Service	131/132	1,288,220	$ 10,847	$ 1,302	$ 12,148	$ 0.00943
Transportation Service	146	31,023,878	$ -	$ -	$ -	$ -
Special Contracts	148	46,142,216	$ -	$ -	$ -	$ -
Total		247,662,972	$ 1,846,731	$ 221,608	$ 2,068,338	

APPENDIX 3

Avista Corp
Pro forma January 2015 - December 2015
ERM Authorized Expense and Retail Sales
Adjusted to Reflect 2015 System Loads (1)

To be updated to reflect Nov. 1 Power Supply update.

ERM Authorized Power Supply Expense - System Numbers (2)

	Total	January	February	March	April	May	June	July	August	September	October	November	December
Account 555 - Purchased Power	$122,341,702	$12,894,630	$10,161,441	$10,871,086	$9,153,702	$7,056,607	$7,905,194	$9,123,576	$10,708,820	$8,580,169	$8,702,784	$13,006,713	$14,176,979
Account 501 - Thermal Fuel	$28,423,248	$2,660,552	$2,480,351	$2,572,380	$2,073,293	$1,655,419	$1,498,913	$2,160,432	$2,550,493	$2,679,752	$2,751,040	$2,641,658	$2,698,966
Account 547 - Natural Gas Fuel	$82,710,097	$9,605,191	$8,969,294	$8,892,473	$5,431,762	$2,534,267	$2,008,138	$5,193,996	$7,124,280	$7,340,686	$8,186,151	$8,195,534	$9,228,326
Account 447 - Sale for Resale	$67,356,865	$3,783,645	$5,317,869	$6,379,003	$8,564,524	$8,129,288	$7,632,572	$4,498,617	$2,758,375	$3,884,423	$4,406,001	$6,013,776	$5,988,772
Power Supply Expense (3)	$166,118,183	$21,376,728	$16,293,217	$15,956,935	$8,094,234	$3,117,004	$3,779,673	$11,979,387	$17,625,218	$14,716,184	$15,233,974	$17,830,130	$20,115,498
Transmission Expense	$16,698,737	$1,437,625	$1,419,588	$1,395,408	$1,384,292	$1,355,157	$1,343,466	$1,367,594	$1,419,356	$1,404,268	$1,364,972	$1,393,897	$1,413,115
Transmission Revenue	$16,015,349	$1,304,329	$1,105,921	$1,123,977	$1,154,782	$1,377,232	$1,552,357	$1,659,835	$1,502,892	$1,306,364	$1,460,291	$1,241,936	$1,225,427
Broker Fees	$1,076,000	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667	$89,667
Total (5)	$167,877,570	$21,599,690	$16,696,550	$16,318,032	$8,413,410	$3,184,595	$3,660,448	$11,776,812	$17,631,348	$14,903,754	$15,228,322	$18,071,757	$20,392,852

ERM Authorized Washington Retail Sales

	Total	January	February	March	April	May	June	July	August	September	October	November	December
2015 Total Retail Sales, MWh (4)	5,689,806	545,205	498,034	487,551	422,246	421,982	420,901	464,392	489,763	426,967	452,424	490,319	570,023
Retail Revenue Credit Rate	$19.23	/MWh											

(1) The November 2014 power supply update will also be based on 2015 system loads.
(2) Multiply system numbers by 65.19% to determine Washington share.
(3) Power Supply Expense has been adjusted to reflect 2015 system loads.
(4) Reflects 2015 billing determinants used to set rates.
(5) The November 1, 2014 update of net power supply costs will be compared to this Total of $167,877,570 to determine the increase or decrease to the $7.0 million base revenue increase effective Janaury 1, 2015. The November 1, 2014 updated net power supply costs will be reduced by $500,000 (System), and increased by the $725,000 (Washington share) excluded from the REC rebate calculation.

APPENDIX 4

Avista Utilities
Electric Decoupling Mechanism
Development of Decoupled Revenue by Rate Schedule - Electric

To be updated to reflect Nov. 1 Power Supply update.

		TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC. SCH. 11,12	LG. GEN. SVC. SCH. 21,22	PUMPING SCH. 30, 31, 32	EX LG GEN SVC SCHEDULE 25	ST & AREA LTG SCH. 41-48
1	Total Normalized 2015 Revenue (Appendix 2)	$ 490,832,000	$ 214,476,000	$ 69,493,000	$ 127,831,000	$ 10,525,000	$ 61,636,000	$ 6,871,000
2	Settlement Revenue Increase (Appendix 2)	$ 7,000,000	$ 3,061,000	$ 989,000	$ 1,828,000	$ 149,000	$ 877,000	$ 96,000
3	Total Rate Revenue (January 1, 2015)	$ 497,832,000	$ 217,537,000	$ 70,482,000	$ 129,659,000	$ 10,674,000	$ 62,513,000	$ 6,967,000
4	Normalized kWhs (2015 Rate Year)	5,689,806,234	2,437,508,068	586,109,432	1,436,806,481	127,927,573	1,076,126,636	25,328,044
5	Retail Revenue Credit (line 14)	$ 0.02014	$ 0.02014	$ 0.02014	$ 0.02014	$ 0.02014	$ 0.02014	$ 0.02014
6	Variable Power Supply Revenue (L4 * L5)	$ 114,618,061	$ 49,102,278	$ 11,806,857	$ 28,943,687	$ 2,577,032	$ 21,677,987	$ 510,220
7	Delivery & Power Plant Revenue (L3 - L6)	$ 335,922,146	$ 168,434,722	$ 58,675,143	$ 100,715,313	$ 8,096,968		
8	Customer Bills (2015 Rate Year)	2,917,521	2,494,197	369,788	24,074	29,462		
9	Proposed Basic Charges		$ 8.50	$ 18.00	$ 500.00	$ 18.00		
10	Basic Charge Revenue (Ln 8 * Ln 9)	$ 40,424,175	$ 21,200,675	$ 6,656,184	$ 12,037,000	$ 530,316		
11	Decoupled Revenue	$ 295,497,972	$ 147,234,047	$ 52,018,959	$ 88,678,313	$ 7,566,652	Excluded From Decoupling	
12	Retail Revenue Credit - (Appendix 3)	$0.01923						
13	Gross Up Factor for Revenue Related Exp	104.76%						
14	Grossed Up Retail Revenue Credit	$0.02014						

		Residential	Non-Residential Group
15	Average Number of Customers (Line 8 / 12)	207,850	35,277
16	Annual kWh	2,437,508,068	2,150,843,486
17	Basic Charge Revenues	21,200,675	19,223,500
18	Customer Bills	2,494,197	423,324
19	Average Basic Charge	$8.50	$45.41

To be updated to reflect Nov. 1 Power Supply update.

Avista Utilities
Electric Decoupling Mechanism
Development of Annual Decoupled Revenue Per Customer - Electric

Line No.		Source	Residential	Non-Residential Schedules*
	(a)	(b)	(c)	(d)
1	Decoupled Revenues	Appendix 4, Page 1	$ 147,234,047	$ 148,263,924
2	Rate Year # of Customers 2015	Revenue Data	207,850	35,277
3	Decoupled Revenue per Customer	(1) / (2)	$ 708.37	$ 4,202.85

* Schedules 11, 12, 21, 22, 31, 32.

To be updated to reflect Nov. 1 Power Supply update.

Avista Utilities
Electric Decoupling Mechanism
Development of Monthly Decoupled Revenue Per Customer - Electric

Line No.		Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	**Electric Sales**														
2	*Residential*														
3	- Weather-Normalized kWh Sales	Monthly Rate Year	271,130,047	240,621,765	221,370,825	175,525,307	161,914,993	154,545,588	176,072,045	186,627,300	157,769,890	180,730,371	225,437,958	285,761,978	2,437,508,067
4	- % of Annual Total	% of Total	11.12%	9.87%	9.08%	7.20%	6.64%	6.34%	7.22%	7.66%	6.47%	7.41%	9.25%	11.72%	100.00%
5	*Non-Residential**														
6	- Weather-Normalized kWh Sales	Monthly Rate Year	181,922,081	170,861,843	173,030,139	157,004,730	167,947,307	175,614,812	195,632,184	207,327,409	177,370,453	177,453,044	174,351,964	192,327,521	2,150,843,487
7	- % of Annual Total	% of Total	8.46%	7.94%	8.04%	7.30%	7.81%	8.16%	9.10%	9.64%	8.25%	8.25%	8.11%	8.94%	100.00%
8	**Monthly Decoupled Revenue Per Customer ("RPC")**														
9	*Residential*														
10	- 2015 Decoupled RPC	Appendix 4, P. 2 L. 3													$ 708.37
11	- 2015 Monthly Decoupled RPC	(4) x (10)	$ 78.79	$ 69.93	$ 64.33	$ 51.01	$ 47.05	$ 44.91	$ 51.17	$ 54.24	$ 45.85	$ 52.52	$ 65.52	$ 83.05	$ 708.37
12	*Non-Residential**														
13	- 2015 Decoupled RPC	Appendix 4, P. 2 L. 3													$ 4,202.85
14	- 2015 Monthly Decoupled RPC	(7) x (13)	$ 355.48	$ 333.87	$ 338.11	$ 306.79	$ 328.18	$ 343.16	$ 382.27	$ 405.13	$ 346.59	$ 346.75	$ 340.69	$ 375.82	$ 4,202.85

* Schedules 11, 12, 21, 22, 31, 32.

APPENDIX 5

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Decoupled Revenue by Rate Schedule - Natural Gas

		TOTAL	RESIDENTIAL SCHEDULE 101	GENERAL SVC. SCH. 111	LG. GEN. SVC. SCH. 121	INTERRUPTIBLE SCH 131	SCHEDULES 112, 122, 132	SCHEDULES 146 & 148
1	Total Normalized 2015 Revenue (Appendix 2)	$ 153,075,000	$ 110,008,000	$ 34,391,000	$ 3,645,000	$ -	$ 1,055,000	$ 3,976,000
2	Settlement Revenue Increase (Appendix 2)	$ 8,500,000	$ 6,581,000	$ 1,515,000	$ 168,000	$ -	$ 56,000	$ 180,000
3	Total Rate Revenue (January 1, 2015)	$ 161,575,000	$ 116,589,000	$ 35,906,000	$ 3,813,000	$ -	$ 1,111,000	$ 4,156,000
4	Normalized Therms (2015 Rate Year)	247,662,972	117,011,207	46,256,893	5,507,204	-	1,721,574	77,166,094
5	PGA Rates		$ 0.49803	$ 0.49535	$ 0.47449	$ 0.44955		
6	Variable Gas Supply Revenue	$ 83,801,557	$ 58,275,091	$ 22,913,352	$ 2,613,113	$ -		
7	Delivery Revenue (Ln 3 - Ln 6)	$ 72,506,443	$ 58,313,909	$ 12,992,648	$ 1,199,887	$ -		
8	Customer Bills (2015 Rate Year)	1,833,425	1,802,235	30,276	305	0	48	561
9	Settlement Basic Charges		$9.00	$87.04	$215.24	$0.00		
10	Basic Charge Revenue (Ln 8 * Ln 9)	$ 18,920,986	$ 16,220,115	$ 2,635,223	$ 65,648	$ -		
11	Decoupled Revenue	$ 53,585,457	$ 42,093,794	$ 10,357,425	$ 1,134,239	$ -	Excluded From Decoupling	

		Residential	Non-Residential Group
12	Average Number of Customers (Line 8 / 12)	150,186	2,548
13	Annual Therms	117,011,207	51,764,097
14	Basic Charge Revenues	$ 16,220,115	$ 2,700,871
15	Customer Bills	1,802,235	30,581
16	Average Basic Charge	$9.00	$88.32

Avista Utilities
Natural Gas Decoupling Mechanism
Development of Decoupled Revenue Per Customer - Natural Gas

Line No.		Source	Residential	Non-Residential Schedules*
	(a)	(b)	(c)	(d)
1	Decoupled Revenues	Appendix 5, Page 1	$ 42,093,794	$ 11,491,664
2	Rate Year # of Customers 2015	Revenue Data	150,186	2,548
3	Decoupled Revenue Per Customer	(1) / (2)	$ 280.28	$ 4,509.33

*Sales Schedules 111, 121, 131.

Avista Utilities
Natural Gas Decoupling Mechanism
'Development of Monthly Decoupled Revenue Per Customer - Natural Gas

Line No.		Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1															
2	**Natural Gas Delivery Volume**														
3	*Residential*														
4	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	20,096,515	16,729,826	14,285,474	9,202,394	5,127,082	3,376,941	2,456,171	2,227,453	2,907,962	6,931,034	13,836,643	19,833,713	117,011,207
5	- % of Annual Total	% of Total	17.17%	14.30%	12.21%	7.86%	4.38%	2.89%	2.10%	1.90%	2.49%	5.92%	11.83%	16.95%	100.00%
6															
7	*Non-Residential Sales**														
8	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	7,372,432	6,284,928	5,638,128	3,840,835	2,388,634	1,911,614	1,631,753	1,792,654	2,433,461	4,483,160	6,399,826	7,586,671	51,764,097
9	- % of Annual Total	% of Total	14.24%	12.14%	10.89%	7.42%	4.61%	3.69%	3.15%	3.46%	4.70%	8.66%	12.36%	14.66%	100.00%
10															
11	**Monthly Decoupled Revenue Per Customer ("RPC")**														
12	*Residential*														
13	- 2015 Decoupled RPC	Appendix 5, P. 2 L. 3													$ 280.28
14	- 2015 Monthly Decoupled RPC	(5) x (13)	$ 48.14	$ 40.07	$ 34.22	$ 22.04	$ 12.28	$ 8.09	$ 5.88	$ 5.34	$ 6.97	$ 16.60	$ 33.14	$ 47.51	$ 280.28
15															
16	*Non-Residential Sales**														
17	- 2015 Decoupled RPC	Appendix 5, P. 2 L. 3													$ 4,509.33
18	- 2015 Monthly Decoupled RPC	(9) x (17)	$ 642.24	$ 547.50	$ 491.15	$ 334.59	$ 208.08	$ 166.53	$ 142.15	$ 156.16	$ 211.99	$ 390.54	$ 557.51	$ 660.90	$ 4,509.33
19															
20	*Sales Schedules 111, 121, 131.														