DAVID J. MEYER VICE PRESIDENT AND CHIEF COUNSEL FOR REGULATORY & GOVERNMENTAL AFFAIRS AVISTA CORPORATION P.O. BOX 3727 1411 EAST MISSION AVENUE SPOKANE, WASHINGTON 99220-3727 TELEPHONE: (509) 495-4316 FACSIMILE: (509) 495-8851 DAVID.MEYER@AVISTACORP.COM

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-15-05
OF AVISTA CORPORATION FOR THE) CASE NO. AVU-G-15-01
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC AND)
NATURAL GAS SERVICE TO ELECTRIC) EXHIBIT NO. 12
AND NATURAL GAS CUSTOMERS IN THE)
STATE OF IDAHO)ELIZABETH M. ANDREWS
)

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

	OF DOLLARS)	WI	TH PRESENT RAT	2016 TES	WITH 2016 PRO	POSED RATES
Line		Actual Per Results	Total	Pro Forma	Proposed Revenues &	Pro Forma Proposed
No.	DESCRIPTION	Report	Adjustments	Total	Related Exp	Total
	a	b	c	d	e	f
	REVENUES					
1	Total General Business	\$248,296	(\$3,561)	\$244,735	\$13,230	\$257,965
2	Interdepartmental Sales	242	-	242		242
3	Sales for Resale	53,248	(29,682)	23,566		23,566
4	Total Sales of Electricity	301,786	(33,243)	268,543	13,230	281,773
5	Other Revenue	32,370	(23,557)	8,813		8,813
6	Total Electric Revenue	334,156	(56,800)	277,356	13,230	290,586
	EXPENSES					
7	Production and Transmission	102.040	(20.749)	72.202		72.202
7 8	Operating Expenses Purchased Power	103,040 69,765	(30,748) (30,537)	72,292 39,228		72,292 39,228
9	Depreciation/Amortization	13,013	1,437	14,450		14,450
10	Regulatory Amortization	(4,739)	7,282	2,543		2,543
11	Taxes	7,004	1,054	8,058		8,058
12	Total Production & Transmission	188,083	(51,512)	136,571	-	136,571
	Distribution					
13	Operating Expenses	11,353	600	11,953		11,953
14	Depreciation/Amortization	14,470	1,259	15,729		15,729
15	Taxes	6,312	(3,137)	3,175		3,175
16	State Income Taxes	378	1,071	1,449	644	2,093
17	Total Distribution	32,513	(207)	32,306	644	32,950
18	Customer Accounting	4,283	144	4,427	45	4,472
19	Customer Service & Information	7,127	(6,521)	606		606
20	Sales Expenses	-	0	0		0
21	Administrative & General	21.050	1.071	22.020	21	22.041
21 22	Operating Expenses	21,959	1,871 6,391	23,830	31	23,861
23	Depreciation/Amortization Taxes	7,478	0,391	13,869		13,869
24	Total Admin. & General	29,437	8,262	37,699	31	37,730
25	Total Electric Expenses	261,443	(49,834)	211,609	720	212,329
26	OPERATING INCOME BEFORE FIT	72,713	(6,966)	65,747	12,510	78,257
	FEDERAL INCOME TAX					
27	Current Accrual	(5,057)	(338)	(5,395)	4,379	(1,016
28	Debt Interest	-	(796)	(796)		(796
29	Deferred Income Taxes	24,290	(1,209)	23,081		23,081
30	Amortized Investment Tax Credit	(69)	(35)	(104)		(104
31	NET OPERATING INCOME	\$53,549	(\$4,589)	\$48,960	\$8,131	\$57,091
	RATE BASE					
	PLANT IN SERVICE					
32	Intangible	\$50,926	\$29,469	\$80,395		\$80,395
33	Production	406,891	51,457	458,348		458,348
34	Transmission	202,857	25,793	228,650		228,650
35 36	Distribution General	474,621 98,443	43,470 10,073	518,091 108,516		518,091
37	Total Plant in Service	1,233,738	160,262	1,394,000		108,516 1,394,000
37	ACCUMULATED DEPRECIATION	1,233,730	100,202	1,554,000		1,354,000
38	Intangible	(9,325)	(8,003)	(17,328)		(17,328
39	Production	(177,530)	(12,886)	(\$190,416)		(190,416
40	Transmission	(67,552)	(3,002)	(70,554)		(70,554
41	Distribution	(158,170)	(26,332)	(184,502)		(184,502
42	General	(33,980)	(4,041)	(38,021)		(38,021
43	Total Accumulated Depreciation	(446,557)	(54,264)	(500,821)	-	(500,821
44	NET PLANT BEFORE DFIT	787,181	105,998	893,179	-	893,179
45	DEFERRED TAXES	(131,234)	(35,049)	(166,283)		(166,283
46	NET PLANT AFTER DFIT	655,947	70,949	726,896	-	726,896
47	DEFERRED DEBITS AND CREDITS	(134)	(545)	(679)		(679
	WORKING CAPITAL	8,276	14,732	23,008		23,008
48						
48 49	TOTAL RATE BASE	\$664,089	\$85,136	\$749,225	\$0	\$749,225

2000	OF DOLLARS)		WITH PRESE	NT DATES	2017	WITH 2017 PRO	DOCED DATEC
	T	2016	2017	2017	2016 Proposed	2017 Proposed	2017 Pro Forma
Line		Pro Forma	Total	Pro Forma	Revenues &	Revenues &	Proposed
No.	DESCRIPTION	Total	Adjustments	Total	Related Exp	Related Exp	Total
	а	b	С	d	e	f	g
	REVENUES						
1	Total General Business	\$244,735	\$0	\$244,735	\$13,230	\$13,713	\$271,673
2	Interdepartmental Sales	242	(5.400)	242			24:
3	Sales for Resale	23,566 268,543	(5,489)	18,077	12 220	13,713	18,07° 289,99°
	Total Sales of Electricity Other Revenue	,	(5,489)	\$263,054	13,230	13,/13	,
5 6	Total Electric Revenue	8,813 277,356	(4,714)	9,588 272,642	13,230	13,713	9,588 299,588
U	Total Electric Revenue	211,330	(4,714)	272,042	13,230	13,713	299,36.
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	72,292	799	73,091			73,09
8	Purchased Power	39,228	2,782	42,010			42,010
9	Depreciation/Amortization	14,450	573	15,023			15,023
10	Regulatory Amortization	2,543	-	2,543			2,543
11	Taxes	8,058	624	8,682			8,682
12	Total Production & Transmission	136,571	4,778	141,349	-	-	141,349
	Distribution						
13	Operating Expenses	11,953	139	12,092			12,092
14	Depreciation/Amortization	15,729	646	16,375			16,375
15	Taxes	3,175	299	3,474			3,474
16	State Income Taxes	1,449	(570)	879	644	668	2,19
17	Total Distribution	32,306	514	32,819	644	668	34,131
							,
18	Customer Accounting	4,427	52	4,479	45	47	4,571
19	Customer Service & Information	606	6	612			612
20	Sales Expenses	-	0	0			(
	Administrative & General						
21	Operating Expenses	23,830	190	24,020	31	33	24,084
22	Depreciation/Amortization	13,869	887	14,756			14,756
23	Taxes	-	-	-			_
24	Total Admin. & General	37,699	1,077	38,776	31	33	38,840
25	Total Electric Expenses	211,609	6,427	218,036	720	748	219,504
26	OPERATING INCOME BEFORE FIT	65,747	(11,141)	54,606	12,510	12,965	80,081
20	OF ERSTENO ENCOME BEFORE TH	03,747	(11,141)	54,000	12,510	12,703	00,001
	FEDERAL INCOME TAX						
27	Current Accrual	(5,395)		(9,294)	4,379	4,537	(378
28	Debt Interest	(796)	(166)	(961)			(961
29	Deferred Income Taxes	23,081	-	23,081			23,081
30	Amortized Investment Tax Credit	(104)	-	(104)			(104
31	NET OPERATING INCOME	\$48,960	(\$7,076)	\$41,884	\$8,131	\$8,428	\$58,443
	RATE BASE	<u> </u>					
	PLANT IN SERVICE						
32	Intangible	\$80,395	\$3,053	\$83,448			\$83,448
33	Production	458,348	15,549	473,897			473,897
34	Transmission	228,650	14,330	242,980			242,980
35	Distribution	518,091	21,416	539,507			539,507
36	General	108,516	1,014	109,530			109,530
37	Total Plant in Service	1,394,000	55,362	1,449,362	_		1,449,362
31	ACCUMULATED DEPRECIATION	1,554,000	33,302	1,449,502			1,447,502
38	Intangible	(17,328)	(7,138)	(24,466)			(24,466
39	Production	(190,416)		(198,204)			(198,204
40	Transmission	(70,554)		(72,687)			(72,687
41	Distribution	(184,502)		(199,047)			(199,047
42	General	(38,021)		(39,177)			(39,17
43	Total Accumulated Depreciation	(500,821)		(533,581)	_	_	(533,58
44	NET PLANT BEFORE DFIT	893,179	22,602	915,781			915,78
45	DEFERRED TAXES	(166,283)		(171,139)			(171,139
46	NET PLANT AFTER DFIT	726,896	17,746	744,642	-	-	744,642
47	DEFERRED DEBITS AND CREDITS	(679)		(679)			(679
48	WORKING CAPITAL	23,008	-	23,008			23,008
49	TOTAL RATE BASE	\$749,225	17,746	\$766.071	\$0	\$0	\$766,97
			17,740	\$766,971	\$0	\$0	
50	RATE OF RETURN	6.53%		5.46%			7.629

AVISTA UTILITIES

Calculation of General Revenue Requirement

Idaho - Electric System

		2016	2017	Incremental 2017
Line No.	Description	(000's of Dollars)	(000's of Dollars)	(000's of Dollars)
1	Pro Forma Rate Base	\$749,225	\$766,971	
2	Proposed Rate of Return	7.62%	7.62%	
3	Net Operating Income Requirement	\$57,091	\$58,443	
4	Pro Forma Net Operating Income	\$48,960	\$41,884	
5	Net Operating Income Deficiency	\$8,131	\$16,559	\$8,428
6	Conversion Factor	0.61459	0.61459	0.61459
7	Revenue Requirement	\$13,230	\$26,943	\$13,713
8	Total General Business Revenues	\$244,977		\$258,207
9	Percentage Revenue Increase	5.40%	- -	5.31%

AVISTA UTILITIES Pro Forma Cost of Capital Idaho - Electric System

Component	Capital Structure	ProForma Cost	ProForma Weighted Cost
Total Debt	50.00%	5.34%	2.67%
Common	50.00%	9.90%	4.95%
Total	100.00%	_	7.62%

AVISTA UTILITIES

Revenue Conversion Factor

Idaho - Electric System

Line No.	Description	Factor
1	Revenues	1.000000
2	Expenses: Uncollectibles	0.003407
3	Commission Fees	0.002371
4	Idaho Income Tax	0.048695
5	Total Expenses	0.054473
6	Net Operating Income Before FIT	0.945527
7	Federal Income Tax @ 35%	0.330934
8	REVENUE CONVERSION FACTOR	0.61459

AVISTA UTILITIES IDAHO ELECTRIC RESULTS TWELVE MONTHS ENDED DECEMBER 31, 2014 (000'S OF DOLLARS)

Manusem Number 1400	Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Restate Capital 2014 EOP	Working Capital	Eliminate B & O Taxes
REVENUES				1.01	1.02	1.03		2.01
1 motic feece librations		Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-RCAP	E-WC	E-EBO
Second S		REVENUES						
Section Sect				\$0		\$0	\$0	(\$3,378)
1		*		-		-	-	
Total Electric Revenue				- 0		- 0	- 0	
EXPENSES Poduction and Transmission 1010/40 1011								
Policy P	6	Total Electric Revenue	334,156	0	0	0	0	(3,378)
7 Opensting Expenses 103,440								
Depreciation/Amorization 13,015 0	7		103,040	=	515	=	=	0
10 Regulatory Amortization (4,739) . (867)				-		-	-	
1 Takes		1		-		-	-	
1				-		-	-	
1.53 1.53		-		0		0	0	
1.53 1.53								
14 Deprecimion/Amortization 14,470 . 0	13		11 353	_	0	_		0
15 Taxes				-		-	-	
Total Distribution 32.513 0 17 0 0 (3.588)		Taxes		=	0	=	=	(3,368)
Customer Accounting				<u> </u>				
19 Customer Service & Information 7,127 - 0 - 0 - 0 0 0 0 0 0	17	Total Distribution	32,513	0	17	0	0	(3,368)
Administrative & Ceneral	18	Customer Accounting	4,283	-	0	=	-	0
Administrative & General 21 Operating Expenses 21.959 - 0 0 - 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				=		=	=	
21 Operating Expenses 21,959 - 0 0 0 0 0 0 0 0	20	Sales Expenses	0	-	0	-	-	0
21 Operating Expenses 21,959 - 0 0 0 0 0 0 0 0		Administrative & General						
Takes	21			-	0	-	-	0
Total Admin, & General 29,437 0 0 0 0 0 0 0 0 0				-		-	-	
25 Total Electric Expenses 261,443 0 (335) 0 0 (3,368)		-		- 0				
FEDERAL INCOME TAX		·						
FEDERAL INCOME TAX 27 Current Accrual 28 Debt Interest 0 49 5 (2) (138) 0 29 Deferred Income Taxes 24,290 - 0 0 - 0 - 0 30 Amortized ITC (69) - 0 0 - 0 - 0 31 NET OPERATING INCOME 553,549 (849) \$213 \$2 \$138 \$60 RATE BASE PLANT IN SERVICE 21 Intangible 550,926 \$0 \$0 \$1,445 \$0 \$0 33 Production 406,891 - 0 6,010 - 0 34 Transmission 474,621 - 0 9,948 - 0 35 Distribution 474,621 - 0 0 11,856 - 0 36 General 98,443 - 0 2,210 - 0 37 Total Plant in Service 1,233,738 - 0 2,210 - 0 38 Production 40,6891 - 0 0 2,210 - 0 39 Transmission (67,552) - 0 0 248 - 0 40 Transmission (67,552) - 0 0 (609) - 0 40 Transmission (67,552) - 0 0 (609) - 0 41 Distribution (177,530) - 0 0 (2,451) - 0 40 Transmission (67,552) - 0 0 (609) - 0 41 Distribution (158,170) - 0 0 (2,99) - 0 42 General (33,980) - 0 0 (229) - 0 43 Total Accumulated Depreciation (445,557) - 1 0 (9,028) - 1 4 NET PLANT (787,181 - 2 2,441 - 2 2,441 - 2 4,441 - 2 4,444 -		- -						
Current Accumal Co.0579	26	OPERATING INCOME BEFORE FIT	72,713	0	335	0	0	(10)
Debt Interest 0 49 5 C2 C138 0 0 2 2 2 2 2 2 2 2		FEDERAL INCOME TAX						
Deferred Income Taxes 24,290 - 0 0 - 0 0 0 0 0 0				-		= (4)	-	
NET OPERATING INCOME S53,549 (\$49) \$213 \$2 \$138 \$(\$6) \$ \$ \$ \$ \$ \$ \$ \$ \$				49				
RATE BASE PLANT IN SERVICE 92 Intangible \$50,926 \$0 \$0 \$0 \$1,445 \$0 \$0 33 Production 406,891 - 0 6,010 - 0 34 Transmission 202,857 - 0 0 9,948 - 0 35 Distribution 474,621 - 0 11,856 - 0 36 General 98,443 - 0 0 2,210 - 0 37 Total Plant in Service 1,233,738 - 0 2,210 - 0 ACCUMULATED DEPRECIATION/AMORT 38 Intangible (9,325) - 0 248 - 0 39 Production (177,530) - 0 (2,451) - 0 40 Transmission (67,552) - 0 (609) - 0 41 Distribution (158,170) - 0 (5,987) - 0 42 General (33,980) - 0 (609) - 0 43 Total Accumulated Depreciation (446,557) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) - 1 (9,028) - 1 44 NET PLANT (787,181 - 2 2,2441 - 2 2 45 DEFERRED TAXES (131,234) (5,200) - 22,64 - 1 46 Net Plant After DEFT (55,947 (5,200) - 22,6 - 1 47 DEFERRED TAXES (131,234) (5,200) - 22,6 - 1 48 WORKING CAPITAL (8,276 - 2 1,4732 - 1 49 TOTAL RATE BASE \$664,089 (85,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8,06% 0				-				
PLANT IN SERVICE S50,926 S0 S0 \$1,445 \$0 \$0 \$0 \$0 \$1,445 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	31	NET OPERATING INCOME	\$53,549	(\$49)	\$213	\$2	\$138	(\$6)
PLANT IN SERVICE S50,926 S0 S0 \$1,445 \$0 \$0 \$0 \$0 \$1,445 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$		DATEDASE						
Production 406,891 -								
Transmission 202,857 - 0 9,948 - 0 0 35				\$0			\$0	
Distribution 474,621 - 0 11,856 - 0 0 36 General 98,443 - 0 2,210 - 0 0 37 Total Plant in Service 1,233,738 - 3 31,469 - 3 - 31,469 - 3 - 31,469 - 3 - 3 31,469 - 3				-			-	
Separal Sepa				=			=	
ACCUMULATED DEPRECIATION/AMORT 38 Intangible (9,325) - 0 248 - 0 39 Production (177,530) - 0 (2,451) - 0 40 Transmission (67,552) - 0 (609) - 0 41 Distribution (158,170) - 0 (5,987) - 0 42 General (33,980) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) (9,028) 44 NET PLANT 787,181 - 22,441 45 DEFERRED TAXES (131,234) (5,200) - (22,215) 46 Net Plant After DFIT (655,947 (5,200) - 226 47 DEFERRED DEBITS AND CREDITS (134) - (545) 1 48 WORKING CAPITAL 8.276 14,732 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8.06% 0				-			-	
38 Intangible (9,325) - 0 248 - 0 39 Production (177,530) - 0 (2,451) - 0 40 Transmission (67,552) - 0 (609) - 0 41 Distribution (158,170) - 0 (5,987) - 0 42 General (33,980) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) - - - (9,028) - - - 4 NET PLANT 787,181 - - 22,441 - - - 45 DEFERRED TAXES (131,234) (5,200) - 22,215) - - 46 Net Plant After DFIT 655,947 (5,200) - 226 - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - -	37	Total Plant in Service	1,233,738	-	-	31,469	-	_
Production (177,530) - 0 (2,451) - 0 (4,5751) - 0 (4,5752) - 0 (6,699) - 0 (6,7552) - 0 (6,7987) - 0 (6,7987) - 0 (7,587)								
40 Transmission (67,552) - 0 (609) - 0 41 Distribution (158,170) - 0 (5,987) - 0 42 General (33,980) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) (9,028) 44 NET PLANT 787,181 22,441 45 DEFERRED TAXES (131,234) (5,200) - (22,215) 46 Net Plant After DFIT 655,947 (5,200) - 226 47 DEFERRED DEBITS AND CREDITS (134) - (545) 48 WORKING CAPITAL 8,276 14,732 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8.06% 0		e		=			=	
41 Distribution (158,170) - 0 (5,987) - 0 42 General (33,980) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) - - (9,028) - - 44 NET PLANT 787,181 - - 22,441 - - 45 DEFERRED TAXES (131,234) (5,200) - (22,215) - - 46 Net Plant After DFIT 655,947 (5,200) - 226 - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - - 48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8,06% 0				-			=	
42 General (33,980) - 0 (229) - 0 43 Total Accumulated Depreciation (446,557) - - (9,028) - - - 44 NET PLANT 787,181 - - 22,441 - - 45 DEFERRED TAXES (131,234) (5,200) - (22,215) - - - 46 Net Plant After DFIT 655,947 (5,200) - 226 - - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - - - 48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8,06% 0 - - - - - - - - - - - - - <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td>-</td> <td></td>				-			-	
44 NET PLANT 787,181 - - 22,441 - - 45 DEFERRED TAXES (131,234) (5,200) - (22,215) - - 46 Net Plant After DFIT 655,947 (5,200) - 226 - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - - 48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8,06% 0				-			-	0
45 DEFERRED TAXES (131,234) (5,200) - (22,215) - - 46 Net Plant After DFIT 655,947 (5,200) - 226 - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - - 48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8,06% 0 0 -								-
46 Net Plant After DFIT 655,947 (5,200) - 226 - - 47 DEFERRED DEBITS AND CREDITS (134) - (545) - - - - 48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8.06% 0					=		-	=
47 DEFERRED DEBITS AND CREDITS 40 (134) - (545) -		-			-		-	<u> </u>
48 WORKING CAPITAL 8,276 - - - 14,732 - 49 TOTAL RATE BASE \$664,089 (\$5,200) (\$545) 226 14,732 \$0 50 RATE OF RETURN 8.06% 0				(5,200)		226	=	-
50 RATE OF RETURN 8.06% 0					-	-	14,732	
	49	TOTAL RATE BASE	\$664,089	(\$5,200)	(\$545)	226	14,732	\$0
50 REVENUE REQUIREMENT (4,792) (566) (413) 25 1,603 10	50	RATE OF RETURN	8.06%	0				
	50	REVENUE REQUIREMENT	(4,792)	(566)	(413)	25	1,603	10

Line No.	DESCRIPTION	Uncollectible Expense	Regulatory Expense	Injuries and Damages	FIT/DFIT ITC/PTC Expense	SIT/SITC Expense	Revenue Normalization	Miscellaneous Restating
1101	Adjustment Number Workpaper Reference	2.02 E-UE	2.03 E-RE	2.04 E-ID	2.05 E-FIT	2.06 E-SIT	2.07 E-RN	2.08 E-MR
	REVENUES	0.0	0.0	do.	0.0		(02.457)	40
1	Total General Business	\$0	\$0 0	\$0 0	\$0	\$0	(\$2,467)	\$0 0
2	Interdepartmental Sales Sales for Resale	0	0	0	-	-	-	0
3 4	Total Sales of Electricity	0	0	0	- 0	0	(2,467)	0
5	Other Revenue	0	0	0	-	-	7,503	0
6	Total Electric Revenue	0	0	0	0	0	5,036	0
	EXPENSES							
7	Production and Transmission	0	0	0			(722)	0
7 8	Operating Expenses Purchased Power	0	0	0	-	-	(722)	0
9	Depreciation/Amortization	0	0	0	_	-	_	0
10	Regulatory Amortization	0	0	0	_	_	5,763	0
11	Taxes	0	0	0	-	-	-	0
12	Total Production & Transmission	0	0	0	0	0	5,041	0
12	Distribution	0	0	0				(2)
13 14	Operating Expenses Depreciation/Amortization	0	0	0	-	-	-	(2)
15	Taxes	0	0	0	-	-	-	0
16	State Income Taxes	5	3	3	-	1,281	319	(4)
17	Total Distribution	5	3	3	0	1,281	319	(6)
18	Customer Accounting	(99)	0	0	_	_	(8)	0
19	Customer Service & Information	0	0	0	_	-	(6,550)	(1)
20	Sales Expenses	0	0	0	-	-	-	0
	Administrative & General							
21	Operating Expenses	0	(56)	(57)	-	-	(6)	79
22	Depreciation/Amortization	0	0	0	-	-	-	0
23 24	Taxes Total Admin. & General	0	(56)	(57)	0	0	(6)	0 79
	-							
25	Total Electric Expenses	(94)	(53)	(54)	0	1,281	(1,204)	72
26	OPERATING INCOME BEFORE FIT	94	53	54	0	(1,281)	6,240	(72)
	FEDERAL INCOME TAX							
27	Current Accrual	33	19	19	6	-	2,184	(25)
28 29	Debt Interest	0	0	0	-	-	-	0
30	Deferred Income Taxes Amortized ITC	0	0	0	<u> </u>	(35)	=	0
31	NET OPERATING INCOME	\$61	\$35	\$35	(\$6)	(\$1,246)	\$4,056	(\$47)
	RATE BASE							
	PLANT IN SERVICE							
32	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Production	0	0	0	-	-	-	0
34	Transmission	0	0	0	-	-	-	0
35	Distribution	0	0	0	-	-	-	0
36 37	General Total Plant in Service	0	-	0	-	-	-	-
	ACCUMULATED DEPRECIATION/AN							
38	Intangible	0	0	0	-	-	-	0
39	Production	0	0	0	-	=	-	0
40	Transmission	0	0	0	-	-	-	0
41	Distribution	0	0	0	-	-	-	0
42	General	0	0	0	-	-	=	0
43 44	Total Accumulated Depreciation NET PLANT		=		-	-	=	<u>-</u>
45	DEFERRED TAXES	-	=	-	-	=	=	=
46	Net Plant After DFIT	-	-	-	-	-	-	-
47 48	DEFERRED DEBITS AND CREDITS WORKING CAPITAL	-	-	-	-	-	-	-
	-	- -				-	- -	-
49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	RATE OF RETURN							
50	REVENUE REQUIREMENT	(100)	(56)	(57)	10	2,027	(6,600)	76

Line No.	DESCRIPTION	Restate Incentives	ID PCA	Nez Perce Settlement Adjustment	CS2 Levelized	Colstrip / CS2 Maintenance	Restate Debt Interest	Restated TOTAL
	Adjustment Number	2.09 E.D.	2.10 E.DCA	2.11 E NDC	2.12	2.13 F. CCOM	2.14 E. DDI	R-Ttl
	Workpaper Reference	E-RI	E-PCA	E-NPS	E-CS2	E-CCOM	E-RDI	
	REVENUES	¢0	\$2.294	¢o.	¢0	¢0	60	\$244. 5 25
1 2	Total General Business Interdepartmental Sales	\$0	\$2,284	\$0 0	\$0 0	\$0 0	\$0 0	\$244,735 242
3	Sales for Resale	-	-	0	0	0	0	53,248
4	Total Sales of Electricity	0	2,284	0	0	0	0	298,225
5	Other Revenue	-	-	0	0	0	0	39,873
6	Total Electric Revenue	0	2,284	0	0	0	0	338,098
	EXPENSES							
7	Production and Transmission Operating Expenses		3,862	(13)	0	0	0	106,682
8	Purchased Power	-	3,802	0	0	0	0	69,765
9	Depreciation/Amortization	-	-	0	0	0	0	13,013
10	Regulatory Amortization	-	-	0	(409)	2,758	0	2,506
11	Taxes	-	-	0	0	0	0	7,004
12	Total Production & Transmission	0	3,862	(13)	(409)	2,758	0	198,970
12	Distribution				^	^	0	11 251
13 14	Operating Expenses Depreciation/Amortization	-	-	0	0	0	0	11,351 14,470
15	Taxes	-	-	0	0	0	0	2,944
16	State Income Taxes	25	=	1	20	(134)	-	1,912
17	Total Distribution	25	0	1	20	(134)	0	30,677
18	Customer Accounting	_	6	0	0	0	0	4,182
19	Customer Service & Information	-	-	0	0	0	0	576
20	Sales Expenses	-	-	0	0	0	0	-
	Administrative & General							
21	Operating Expenses	(509)	5	0	0	0	0	21,415
22	Depreciation/Amortization	-	-	0	0	0	0	7,478
23 24	Taxes Total Admin. & General	(509)	5	0	0	0	0	28,893
25	Total Electric Expenses	(484)	3,873	(12)	(389)	2,624	0	263,298
26	OPERATING INCOME BEFORE FIT	484	(1,589)	12	389	(2,624)	0	74,800
	FEDERAL INCOME TAX							
27	Current Accrual	169	796	4	(7)	(918)	437	(2,226)
28	Debt Interest	-	-	0	0	0	0	(86)
29	Deferred Income Taxes	-	(1,352)	0	143	0	0	23,081
30	Amortized ITC	-	=	0	0	0	0	(104)
31	NET OPERATING INCOME	\$315	(\$1,033)	\$8	\$253	(\$1,705)	(\$437)	54,135
	RATE BASE							
	PLANT IN SERVICE	**	**	**	**	***	**	
32 33	Intangible Production	\$0	\$0	\$0 0	\$0 0	\$0 0	\$0 0	\$52,371 412,901
34	Transmission	-	-	0	0	0	0	212,805
35	Distribution	-	-	0	0	0	0	486,477
36	General	-	-	0	0	0	0	100,653
37	Total Plant in Service	-	-	-	-	-	-	1,265,207
**	ACCUMULATED DEPRECIATION/AN				_			
38 39	Intangible Production	=	=	0	0	0	0	(9,077) (179,981)
39 40	Production Transmission	-	-	0	0	0	0	(179,981) (68,161)
41	Distribution	-	-	0	0	0	0	(164,157)
42	General	=	-	0	0	0	0	(34,209)
43	Total Accumulated Depreciation	-	-	-	-	-	-	(455,585) 809,622
44	NET PLANT	=	-	-	=	=	=	
45 46	DEFERRED TAXES Net Plant After DFIT	-	-	<u> </u>	= =	= =	= =	(158,649) 650,973
46 47	DEFERRED DEBITS AND CREDITS	-	-	- -	-	-	-	650,973 (679)
48	WORKING CAPITAL	-	-	=	-	-	-	23,008
		40	\$0	60	\$0	\$0	\$0	\$673,302
49	TOTAL RATE BASE	\$0	30	\$0	\$U	30	30	\$073,302
49 50	TOTAL RATE BASE RATE OF RETURN	\$0	30	20	- 50	30	\$0	8.04%

Section Sect	Line No.	DESCRIPTION	Pro Forma Power Supply	Pro Forma Transmission Rev/Exp	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance	Pro Forma Property Tax	Pro Forma IS/IT Costs
## ACCOUNT OF THE PROPERTY OF										
Total Content Business 50 50 50 50 50 50 50		workpaper Reference	E-FFS	E-FIK	E-FLN	E-FLE	E-FED	E-F1	E-FF1	E-1511
2 Interoprogrammental Soles										
3 Sales for Reade			\$0	\$0	\$0	\$0	\$0			\$0
4 Total Sales of Electricity 5 Obser Revenue 6 (2) (2) (3) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		*	(20,682)	-	-	-	-			0
Total Exercise				0			0			0
EXPENSES Poderation and Transmission Operating Expenses OUS.56(3) 149 436 (8) 632 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	5			118	-	-	-	0		0
Production and Transmissione 7 Operating Exponses (35,663) 149 436 (8) 632 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	6	Total Electric Revenue	(60,860)	118	0	0	0	0	0	0
Production and Transmissione 7 Operating Exponses (35,663) 149 436 (8) 632 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		EVDENCEC								
7 Operating Exposure										
8 Parchased Proces (0.537)	7		(35,663)	149	436	(8)	632	0	0	0
10 Regulatory Amortization		Purchased Power	(30,537)	=	E	=	=			0
Taries			=	=	=	=	=	0		0
12 Total Production & Transmission (66,200) 149 4.56 (8) 632 0 1.054 0								0		0
Distribution 13 Operating Expenses 271 392 0 0 0 0 1 1 1 1 1 1			(66 200)	149	436	(8)	632			0
13 Operating Expenses - 271		Total Troduction & Transmission	(00,200)	1.17	.50	(0)	032	0	1,05	Ü
Depreciation/Amortization										
15 Tarkes			=	=	271	=	392			0
Sales Income Taxes			-	-	-	-	-			0
17 Total Estribution			260	(2)	(89)	(8)	(83)			(30)
18 Customer Accounting										(30)
19 Customer Service & Information - 12 18 0 0 0 0 0 0 0 0 0				` ,						
Administrative & General Administrative & General Operating Expenses - 1,012 167 511 94 0 610 Depreciation / Amonization - - - - 0 0 0 Depreciation / Amonization - - - - 0 0 0 Total Admin & General 0 0 1,012 167 511 94 0 611 Total Admin & General 0 0 1,012 167 511 94 0 611 Total Admin & General 0 0 1,012 167 511 94 0 611 Total Electric Expenses (65,940) 147 1,742 151 1,616 89 1,222 58 Total Electric Expenses (65,940) 147 1,742 151 1,616 89 1,222 58 Total Electric Expenses (70 1,742 1,7			-	-		-				0
Administrative & General 21 Operating Expenses			-	-		-				0
21 Operating Expenses	20	Sales Expenses	-	-	0	-	-	0	0	0
21 Operating Expenses		Administrative & General								
Taxes	21		-	=	1,012	167	511	94	0	614
Total Admin. & General 0	22	Depreciation/Amortization	-	-	-	=	=			0
25 Total Electric Expenses		_	-		-	-				0
FEDERAL INCOME BEFORE FIT 5,080 (29) (1,742) (151) (1,616) (89) (1,222) (58)	24	Total Admin. & General								
FEDERAL INCOME TAX 27 Current Accural 1,778 (10) (610) (53) (566) (31) (428) (20- 28 Debt Interest 0 0 0 0 29 Deferred Income Taxes 0 0 0 0 30 Amontized ITC 0 0 0 0 31 NET OPERATING INCOME \$3,302 (\$19) (\$1,132) (\$98) (\$1,050) (\$58) (\$795) (\$380 RATE BASE PLANT IN SERVICE 32 Intangible \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 33 Production 0 0 0 0 44 Transmission 0 0 0 0 53 Obstribution 0 0 0 0 54 Transmission 0 0 0 0 55 Obstribution 0 0 0 0 66 General 0 0 0 0 70 Total Plant in Service ACCUMULATED DEPRECIATION/A) ACCUMULATED DEPRECIATION/A) 10 Transmission 0 0 0 0 11 Total Accumulated Depreciation 0 0 0 0 12 Total Accumulated Depreciation	25	Total Electric Expenses	(65,940)	147	1,742	151	1,616	89	1,222	584
FEDERAL INCOME TAX 27 Current Accmal 1,778 (10) (610) (53) (566) (31) (428) (20- 28 Debt Interest 0 0 0 0 29 Deferred Income Taxes 0 0 0 0 30 Amortized TIC 0 0 0 0 30 Amortized TIC 0 0 0 0 31 NET OPERATING INCOME \$3,302 (\$19) (\$1,132) (\$98) (\$1,050) (\$58) (\$795) (\$380 RATE BASE PLANT IN SERVICE 32 Intangible S0 33 Production 0 0 0 0 34 Transmission 0 0 0 0 35 Distribution 0 0 0 0 36 General 0 0 0 0 37 Total Plant in Service ACCUMULATED DEPRECIATION/A) 38 Intangible 0 0 0 0 39 Production 0 0 0 0 40 Transmission 0 0 0 0 41 Transmission 0 0 0 0 42 General 0 0 0 0 43 Transmission 0 0 0 0 44 Transmission 0 0 0 0 45 General 0 0 0 0 46 General	26	OPERATING INCOME REFORE FIT	5.080	(29)	(1.742)	(151)	(1.616)	(89)	(1 222)	(584)
Current Accrual 1,778 (10) (610) (53) (566) (31) (428) (20-	20	OF ERSTENO ENCOME BEFORE TH	5,000	(2))	(1,742)	(131)	(1,010)	(67)	(1,222)	(504)
28 Debt Interest		FEDERAL INCOME TAX								
Deferred Income Taxes			1,778	(10)	(610)	(53)	(566)			(204)
NET OPERATING INCOME \$3,302 \$(\$19) \$(\$1,132) \$(\$98) \$(\$1,050) \$(\$58) \$(\$795) \$(\$380) \$(\$180) \$			-		-		=			0
RATE BASE PLANT IN SERVICE					-		-			0
RATE BASE PLANT IN SERVICE 32 Intangible \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	50									
PLANT IN SERVICE	31	NET OPERATING INCOME	\$3,302	(\$19)	(\$1,132)	(\$98)	(\$1,050)	(\$58)	(\$795)	(\$380)
PLANT IN SERVICE										
So										
33 Production - - - - - 0 0 0 0 0	32		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Company			-	-	-	-	-			0
36 General 0 0 0 0	34	Transmission	-	-	-	-	-	0	0	0
Total Plant in Service			-	-	-	-	-			0
ACCUMULATED DEPRECIATION/AN Intangible 0 0 0 0 Production 0 0 0 0 Transmission			-	-	-	-	-	0	0	0
Intangible	3/		-	-	-	-	-	-	-	-
39 Production 0 0 0 0 0 0 0 0 0 0 0	20		=	-	=	-	-	-	-	~
Transmission			=	≡	≡	=	=			0
Distribution			-	-	-	-	-			0
Total Accumulated Depreciation			-	-	_	=	=			0
44 NET PLANT -	42	General	-	-	-	=	=	0	0	0
45 DEFERRED TAXES			-		-	=		-	-	-
Net Plant After DFTT	44	NET PLANT	-	-	-	=	=	-	-	=
DEFERRED DEBITS AND CREDITS	45		-	-	-	=	=	-	-	<u> </u>
48 WORKING CAPITAL			-		-	=		-		=
49 TOTAL RATE BASE \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 50 RATE OF RETURN			-		-	=	=	-		=
50 RATE OF RETURN	40	WORKING CAFITAL	<u> </u>	<u> </u>	-		<u> </u>	-	-	<u>-</u> _
	49	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	50	RATE OF RETURN								
50 REVENUE REQUIREMENT (5,373) 31 1,842 160 1,709 95 1,293 618	50	MIL OF RETORY								
	50	REVENUE REQUIREMENT	(5,373)	31	1,842	160	1,709	95	1,293	618

Line No.	DESCRIPTION	Planned Capital Add 2015 EOP	Planned Capital Add 2016 AMA	Pro Forma O&M Offsets	Pro Forma Lake Spokane 2-Yr Amort	Pro Forma Colstrip Settlement	Pro Forma Project Compass Deferral Amorts	2016 FINAL TOTAL
	Adjustment Number	3.09	3.10	3.11	3.12	3.13	3.14	F-Ttl
	Workpaper Reference	E-CAP15	E-CAP16	E-OFF	E-LSD	E-CLS	E-COM	
	REVENUES	**	**	**	**	**		****
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$244,735
2	Interdepartmental Sales Sales for Resale	-	-	-	0	0	0	242 23,566
4	Total Sales of Electricity	0	0	0	0	0	0	268,543
5	Other Revenue	=	-	-	0	0	0	8,813
6	Total Electric Revenue	0	0	0	0	0	0	277,356
	EXPENSES							
7	Production and Transmission			64	0	0	0	72,292
8	Operating Expenses Purchased Power	-	-	64	0	0	0	39,228
9	Depreciation/Amortization	1,277	160	-	0	0	0	14,450
10	Regulatory Amortization			-	237	(200)	0	2,543
11	Taxes	-	-	-	0	0	0	8,058
12	Total Production & Transmission	1,277	160	64	237	(200)	0	136,571
12	Distribution			(61)	0	0	0	11,953
13 14	Operating Expenses Depreciation/Amortization	1,014	245	(61)	0	0	0	15,729
15	Taxes	-	-	-	0	0	0	3,175
16	State Income Taxes	(342)	(36)	(1)	(12)	10	(65)	1,449
17	Total Distribution	672	209	(62)	(12)	10	(65)	32,306
18	Customer Accounting	-	-	_	0	0	0	4,427
19	Customer Service & Information	=	=	=	0	0	0	606
20	Sales Expenses	=	=	=	0	0	0	0
	Administrative & General							
21	Operating Expenses	-		17	0	0	0	23,830
22 23	Depreciation/Amortization Taxes	4,735	327	-	0	0	1,329	13,869
24	Total Admin. & General	4,735	327	17	0	0	1,329	37,699
25	Total Electric Expenses	6,684	696	19	225	(190)	1,264	211,609
26	OPERATING INCOME BEFORE FIT	(6,684)	(696)	(19)	(225)	190	(1,264)	65,747
	FEDERAL INCOME TAX							
27	Current Accrual	(2,339)	(244)	(7)	(79)	67	(442)	(5,395)
28	Debt Interest	(726)	17	-	0	0	0	(796)
29	Deferred Income Taxes	=	=	=	0	0	0	23,081
30	Amortized ITC	-	-	-	0	0	0	(104)
31	NET OPERATING INCOME =	(\$3,618)	(\$469)	(\$12)	(\$147)	\$124	(\$822)	\$48,960
	RATE BASE							
	PLANT IN SERVICE							
32	Intangible	\$27,345	\$679	\$0	\$0	\$0	\$0	\$80,395
33 34	Production Transmission	40,651 12,589	4,796 3,256	-	0	0	0	458,348 228,650
35	Distribution	23,482	8,132	=	0	0	0	518,091
36	General	6,516	1,347	=	0	0	0	108,516
37	Total Plant in Service	110,583	18,210	=	=	=	-	1,394,000
**	ACCUMULATED DEPRECIATION/AN				-	-		
38	Intangible	(4,974)	(3,277)	-	0	0	0	(17,328)
39 40	Production Transmission	(6,602) (1,376)	(3,833) (1,017)	-	0	0	0	(190,416) (70,554)
41	Distribution	(13,228)	(7,117)	-	0	0	0	(184,502)
42	General	(2,362)	(1,450)	-	0	0	0	(38,021)
43	Total Accumulated Depreciation	(28,542)	(16,694)	e	÷	÷	-	(500,821)
44	NET PLANT	82,041	1,516	-	-	=	-	893,179
	DEFERRED TAXES	(4,329)	(3,305)	-	=	-	-	(166,283)
46 47	Net Plant After DFIT	77,712	(1,789)	-	=	-	-	726,896
48	DEFERRED DEBITS AND CREDITS WORKING CAPITAL	=	=	=	-	=	-	(679) 23,008
49	TOTAL RATE BASE	77,712	(1,789)	=	\$0	\$0	\$0	\$749,225
50	RATE OF RETURN					<u> </u>		6.53%
50	REVENUE REQUIREMENT	15,522	542	20	238	(201)	1,337	13,230
50		12,222	5-2	20	230	(231)	1,557	10,200

Rate Year Ending December 31, 2017

2 Interdepartmental Sales 242 3 Sales for Resale 23,566 (5,48 4 Total Sales of Electricity 268,543 (5,48 5 Other Revenue 8,813 6 Total Electric Revenue 277,356 (5,48 EXPENSES Production and Transmission 7 Operating Expenses 72,292 50 8 Purchased Power 39,228 2,78 9 Depreciation/Amortization 14,450 10 Regulatory Amortization 2,543 11 Taxes 8,058 12 Total Production & Transmission 136,571 3,28 Distribution 13 Operating Expenses 11,953 14 Depreciation/Amortization 15,729 15 Taxes 3,175 16 State Income Taxes 1,449 (42 17 Total Distribution 32,306 (42 18 Customer Accounting 4,427 19 19 Customer Service & Information 606 20 20 Sales Expenses 0 0 Administrative & General 21 Operating Expenses				INCREMENTAL
Adjustment Number Workpaper Reference E-PB17	Transmission	ro Forma Pro Forma Plann Labor Property Capital	Add FINAL	2017 I FINAL
REVENUES 1 Total General Business \$244,735 \$2	Rev/Exp	Non-Exec Tax 2017 A		TOTAL
Total General Business \$244,735 \$2	17.02 E-PTR17	17.03 17.04 17.0 E-PLN17 E-PPT17 E-CA		F-Ttl
Total General Business \$244,735 \$3				
Sales for Resale	50 \$	\$0 \$0	\$0 \$244,735	\$0
Total Sales of Electricity	-	- 0	- 242	\$0
Total Electric Revenue	39)	- 0	- 18,077	(\$5,489)
EXPENSES Production and Transmission 7		0 0	0 263,054	(5,489)
EXPENSES Production and Transmission 7	- 77	- 0	- 9,588	\$775
Production and Transmission 7	39) 77	0 0	0 272,642	(4,714)
7				
8 Purchased Power 39,228 2,78 9 Depreciation/Amortization 14,450 10 Regulatory Amortization 2,543 11 Taxes 8,058 12 Total Production & Transmission 136,571 3,28 Distribution 13 Operating Expenses 11,953 14 Depreciation/Amortization 15,729 15 15 14 Depreciation/Amortization 15,729 15 7 14 149 (42 14 149 (42 14 149 (42 17 15,729 15 23 15 14 9 (42 17 14 149 (42 14	05 6	225 0	- 73,091	\$799
9 Depreciation/Amortization		- 0	- 42,010	
10	-	- 0	573 15,023	\$573
Taxes		0	2,543	\$0
Distribution 13	-	- 624	- 8,682	\$624
13	6	225 624	573 141,349	4,778
14				
Taxes	-	139 0	- 12,092	\$139
State Income Taxes	-	- 0	646 16,375	\$646
Total Distribution 32,306 (42	- 27) 3	- 299 (30) (45)	- 3,474 (103) 879	\$299 (\$570)
18 Customer Accounting		109 254	543 32,819	(\$570) 514
19 Customer Service & Information 606 20 Sales Expenses 0 Administrative & General 21 Operating Expenses 23,830 22 Depreciation/Amortization 13,869 23 Taxes -	.1) 3			
20 Sales Expenses 0 Administrative & General 21 Operating Expenses 23,830 22 Depreciation/Amortization 13,869 23 Taxes - 24 Total Admin. & General 37,699 25 Total Electric Expenses 211,609 2,86 26 OPERATING INCOME BEFORE FIT 65,747 (8,34 FEDERAL INCOME TAX (5,395) (2,92 28 Debt Interest (796) 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42 RATE BASE PLANT IN SERVICE 32 Intangible 80,395 \$3 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AI 1	-	52 0	- 4,479	\$52
21	-	6 0 0 0	- 612 - 0	\$6 \$0
21				
Depreciation/Amortization		190 0	24,020	\$190
Taxes 37,699 2,86 2	-	- 0	887 14,756	
24 Total Admin. & General 37,699 25 Total Electric Expenses 211,609 2,86 26 OPERATING INCOME BEFORE FIT 65,747 (8,34 FEDERAL INCOME TAX (5,395) (2,92 28 Debt Interest (796) (29 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42 RATE BASE PLANT IN SERVICE 32 Intangible 80,395 \$3 33 Production 458,348 \$3 34 Transmission 228,650 \$3 35 Distribution 518,091 \$3 36 General 108,516 37 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AVI \$3 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,	_	- 0		-
26 OPERATING INCOME BEFORE FIT 65,747 (8,34 FEDERAL INCOME TAX 27 Current Accrual (5,395) (2,92 28 Debt Interest (796) 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42 RATE BASE PLANT IN SERVICE 32 Intangible 80,395 \$ 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A) 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	0	190 0	887 38,776	1,077
FEDERAL INCOME TAX 27 Current Accrual (5,395) (2,92 28 Debt Interest (796) 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42 RATE BASE PLANT IN SERVICE 32 Intangible 80,395 \$3 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A\(\text{A}\) 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	50 10	582 878	2,003 218,036	6,427
27 Current Accrual (5,395) (2,92) 28 Debt Interest (796) 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42] RATE BASE PLANT IN SERVICE 80,395 \$3 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AY 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) Net Plant After DFIT </td <td>19) 67</td> <td>(582) (878) (3</td> <td>2,003) 54,606</td> <td>(11,141)</td>	19) 67	(582) (878) (3	2,003) 54,606	(11,141)
27 Current Accrual (5,395) (2,92) 28 Debt Interest (796) 29 Deferred Income Taxes 23,081 30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42] RATE BASE PLANT IN SERVICE 80,395 \$3 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A 1 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) Net				
Deferred Income Taxes 23,081 30 Amortized ITC (104)	(2) 23	(204) (307)	(701) (9,294)	(\$3,899)
30 Amortized ITC (104) 31 NET OPERATING INCOME \$48,960 (\$5,42) RATE BASE PLANT IN SERVICE 32 Intangible 80,395 \$ 33 Production 458,348 \$ 34 Transmission 228,650 \$ 35 Distribution 518,091 \$ 36 General 108,516 \$ 37 Total Plant in Service 1,394,000 \$ ACCUMULATED DEPRECIATION/A\(\) 38 Intangible (17,328) \$ 39 Production (190,416) \$ 40 Transmission (70,554) \$ 41 Distribution (184,502) \$ 42 General (38,021) \$ 43 Total Accumulated Depreciation (500,821) \$ 44 NET PLANT 893,179 \$ 45 DEFERRED TAXES (166,283) \$ 46 Net Plant After DFIT 726,896 \$ 47 DEFERRED DEBITS AND CREDITS (679)	-	- 0	(166) (961)	
RATE BASE PLANT IN SERVICE 80,395 \$3 \$3 Production 518,091 \$35 \$10 \$35 \$45 \$35	=	- 0	- 23,081	\$0
RATE BASE PLANT IN SERVICE 32 Intangible 80,395 8 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A) 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-	- 0	- (104)	\$0
PLANT IN SERVICE 32 Intangible 80,395 \$ 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A! 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	27) \$43	(\$378) (\$571) (\$	1,136) \$41,884	(\$7,076)
32 Intangible 80,395 \$ 33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/A! 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)				
33 Production 458,348 34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AY 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFT 726,896 47 DEFERRED DEBITS AND CREDITS (679)				
34 Transmission 228,650 35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AY 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	\$60 \$		3,053 \$83,448	
35 Distribution 518,091 36 General 108,516 37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AN 38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		5,549 473,897 4,330 242,980	\$15,549 \$14,330
Total Plant in Service 1,394,000	-		1,416 539,507	\$14,330 \$21,416
37 Total Plant in Service 1,394,000 ACCUMULATED DEPRECIATION/AN (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		1,014 109,530	
38 Intangible (17,328) 39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFTT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	=		5,362 1,449,362	55,362
39 Production (190,416) 40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-	-	-	-
40 Transmission (70,554) 41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		7,138) (24,466)	
41 Distribution (184,502) 42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		7,788) (198,204)	
42 General (38,021) 43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFTT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	=		2,133) (72,687)	
43 Total Accumulated Depreciation (500,821) 44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		4,545) (199,047)	
44 NET PLANT 893,179 45 DEFERRED TAXES (166,283) 46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		1,156) (39,177) (2,760) (533,581)	
46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	-		2,602 (533,581) 2,602 915,781	
46 Net Plant After DFIT 726,896 47 DEFERRED DEBITS AND CREDITS (679)	_	(4,856) (171,139)	(\$4,856)
47 DEFERRED DEBITS AND CREDITS (679)	-		7,746 744,642	
· · ·	=		- (679)	
	-		- 23,008	
49 TOTAL RATE BASE \$749,225 \$	50 \$	\$0 \$0 1	7,746 \$766,971	\$17,746
50 RATE OF RETURN 6.53%			5.46%	
50 REVENUE REQUIREMENT 13,230 8,83	60 (71	616 929	4,049 26,943	13,713

			TAKE TO A COURT	WITH 404 C PROPOSED B 4 27-2			
	Г	WITH PRESI	ENT RATES	2017	WITH 2016 PROPOSED RATES Proposed Pro Forma		
Line		Actual Per Results	Total	2016 Pro Forma			
No.	DESCRIPTION	Report	Adjustments	Total	Related Exp	Proposed Total	
	a a	b	c	d	e e	f	
	REVENUES						
1	Total General Business	\$71,109	\$ (35,276)	\$35,833	\$3,205	\$39,03	
2	Total Transportation	466	(25)	441		44	
3	Other Revenues	38,507	(38,386)	121		12	
4	Total Gas Revenues	110,082	(73,687)	36,395	3,205	39,60	
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	79,163	(79,163)	-			
6	Purchased Gas Expense	349	(14)	335		33	
7	Net Nat Gas Storage Trans	(5,645)	5,645	-			
8	Total Production	73,867	(73,532)	335	-	33	
0	Underground Storage	260	(0)	269		20	
9 10	Operating Expenses	368 165	(0) 17	368 182		36 18	
10	Depreciation Taxes	165 79	17	182 93		18	
12	Total Underground Storage	612	31	643	-	64	
	Distribution						
13	Operating Expenses	6,057	(14)	6,043		6,04	
14	Depreciation	4,205	423	4,628		4,62	
15	Taxes	2,634	(790)	1,844		1,84	
16	State Income Taxes	(83)	383	300	156	45	
17	Total Distribution	12,813	2	12,815	156	12,97	
18	Customer Accounting	2,534	(306)	2,228	11	2,23	
19	Customer Service & Information	348	17	365		36	
20	Sales Expenses	-	-	-			
	Administrative & General						
21	Operating Expenses	5,089	532	5,621	8	5,62	
22	Depreciation/Amortization	1,814	952	2,766		2,76	
23	Regulatory Amortizations	-	334	334		33	
24	Taxes		-	-			
25 26	Total Admin. & General Total Gas Expense	6,903 97,077	1,818 (71,970)	8,721 25,107	8 175	8,72 25,28	
		·					
27	OPERATING INCOME BEFORE FIT	13,005	(1,717)	11,288	3,030	14,31	
20	FEDERAL INCOME TAX	(2.1==	/0.cc	(2.02°	. 0.00	,, = -	
28	Current Accrual	(2,459)	(369)	(2,828)	1,061	(1,76	
29	Debt Interest Deferred FIT	- 	(122)	(122)	-	(12	
30 31	Deferred FTI Amort ITC	6,512	(6)	6,512 (19)		6,51	
		(13)				(1	
32	NET OPERATING INCOME	\$8,965	(\$1,220)	\$7,745	\$1,969	\$9,71	
22	RATE BASE: PLANT IN SERVICE	#10.207	#c22	#11.000		d11.03	
33	Underground Storage	\$10,387	\$633	\$11,020		\$11,02	
34 35	Distribution Plant General Plant	170,161 23,619	14,892 9,561	185,053 33,180		185,05 33,18	
36	Total Plant in Service	204,167	25,086	229,253	-	229,25	
	ACCUMULATED DEPREC/AMORT						
37	Underground Storage	(3,919)	(344)	(4,263)		(4,26	
38	Distribution Plant	(57,807)	(7,052)	(64,859)		(64,85	
39	General Plant	(7,960)	(2,117)	(10,077)		(10,07	
40	Total Accum. Depreciation/Amort.	(69,686)	(9,513)	(79,199)	-	(79,19	
41	NET PLANT	134,481	15,573	150,054	-	150,05	
42	DEFERRED FIT	(27,493)	(4,723)	(32,216)		(32,21	
43	Net Plant After DFIT	106,988	10,850	117,838	-	117,83	
44	GAS INVENTORY	6,076	-	6,076		6,07	
45	GAIN ON SALE OF BUILDING	-	-	-			
46 47	OTHER WORKING CAPITAL	(67) 1,433	2,218	(67) 3,651		(6 3,65	
40		·			60		
48	TOTAL RATE BASE	\$114,430	\$13,068	\$127,498	\$0	\$127,49	
49	RATE OF RETURN	7.83%		6.07%		7.62	

	S OF DOLLARS)		2017								
	T		TH PRESENT RAT		WITH 2017 PROPOSED RATES						
	<u> </u>	2016	2017	2016 Proposed	2017 Proposed	2017 Pro Forma					
Line		Pro Forma	Total	Pro Forma	Revenues &	Revenues &	Proposed				
No.	DESCRIPTION	Total	Adjustments	Total	Related Exp	Related Exp	Total				
	а	b	c	d	e	f	g				
	REVENUES										
1	Total General Business	\$35,833		\$35,833	\$3,205	\$1,665	\$40,70				
2	Total Transportation	441	-	441	,	. ,	44				
3	Other Revenues	121		121			12				
4	Total Gas Revenues	36,395	-	36,395	3,205	1,665	41,26				
	EXPENSES										
	EXPENSES Production Expenses										
5	Production Expenses City Gate Purchases										
5 6	City Gate Purchases Purchased Gas Expense	335	5	340			34				
6 7	Purchased Gas Expense Net Nat Gas Storage Trans	333	3	340			54				
8	Total Production	335	5	340	-	-	34				
		555	5	5.0			J-1*				
	Underground Storage										
9	Operating Expenses	368	0	368			36				
10	Depreciation	182	6	188			18				
11	Taxes Total Underground Storage	93	10	103			10				
12	Total Underground Storage	643	16	659	-	-	659				
	Distribution										
13	Distribution Operating Expenses	6,043	538	6,581			6,58				
14	Depreciation	4,628	207	4,835			4,83				
15	Taxes	1,844	251	2,095			2,09				
16	State Income Taxes	300	(63)	2,093	156	81	47				
17	Total Distribution	12,815	933	13,748	156	81	13,98				
18	Customer Accounting	2,228	30	2,258	11	6	2,27				
19	Customer Service & Information	365	4	369			369				
20	Sales Expenses	-	-	-							
	Administrativa & Ganar-1										
21	Administrative & General Operating Expenses	5,621	45	5,666	8	4	5,67				
21 22	Operating Expenses Depreciation/Amortization	5,621 2,766	45 198	5,666 2,964	8	4	5,678 2,964				
22	Depreciation/Amortization Regulatory Amortizations	2,766 334	198	2,964 334			2,96 33				
24	Taxes	534			_						
25	Total Admin. & General	8,721	243	8,964	8	4	8,97				
26	Total Gas Expense	25,107	1,231	26,338	175	91	26,60				
27	OPERATING INCOME BEFORE FIT	11,288	(1,231)	10,057	3,030	1,574	14,66				
		-1,200	(,,=01)	-,1	2,350	-,-,-	- 1,00				
	FEDERAL INCOME TAX										
28	Current Accrual	(2,828)	(431)	(3,259)	1,061	551	(1,64				
29	Debt Interest	(122)	(31)	(153)	-	-	(15				
30	Deferred FIT	6,512	-	6,512			6,512				
31	Amort ITC	(19)	<u> </u>	(19)			(1				
32	NET OPERATING INCOME	\$7,745	(\$769)	\$6,976	\$1,969	\$1,023	\$9,96				
	RATE BASE: PLANT IN SERVICE										
33	Underground Storage	\$11,020 185,053	\$341 8 227	\$11,361			\$11,36				
34	Distribution Plant	185,053	8,327	193,380			193,38				
35 36	General Plant Total Plant in Service	33,180 229,253	724 9,392	33,904 238,645			33,90 238,64				
36	rotal realt III Service	229,253	9,392	238,645	-	-	238,64				
	ACCUMULATED DEPREC/AMORT			(4.440			(4,44				
37	Underground Storage	(4,263)	(183)	(4,446)							
38	Underground Storage Distribution Plant	(64,859)	(3,518)	(68,377)			(68,37				
38 39	Underground Storage Distribution Plant General Plant	(64,859) (10,077)	(3,518) (1,177)	(68,377) (11,254)			(68,37 (11,25				
38 39 40	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort.	(64,859) (10,077) (79,199)	(3,518) (1,177) (4,878)	(68,377) (11,254) (84,077)	-	-	(68,37' (11,254 (84,07'				
38 39 40 41	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT	(64,859) (10,077) (79,199) 150,054	(3,518) (1,177) (4,878) 4,514	(68,377) (11,254) (84,077) 154,568	-		(68,37 (11,25 (84,07 154,56				
38 39 40 41 42	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT	(64,859) (10,077) (79,199) 150,054 (32,216)	(3,518) (1,177) (4,878) 4,514 (1,175)	(68,377) (11,254) (84,077) 154,568 (33,391)	-		(68,37' (11,25) (84,07' 154,56 (33,39				
38 39 40 41 42 43	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT	(64,859) (10,077) (79,199) 150,054 (32,216) 117,838	(3,518) (1,177) (4,878) 4,514	(68,377) (11,254) (84,077) 154,568 (33,391) 121,177	-		(68,37 (11,25 (84,07 154,56 (33,39				
38 39 40 41 42 43 44	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT GAS INVENTORY	(64,859) (10,077) (79,199) 150,054 (32,216)	(3,518) (1,177) (4,878) 4,514 (1,175)	(68,377) (11,254) (84,077) 154,568 (33,391)	-		(68,37 (11,25) (84,07) 154,56 (33,39) 121,17'				
38 39 40 41 42 43	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT	(64,859) (10,077) (79,199) 150,054 (32,216) 117,838 6,076	(3,518) (1,177) (4,878) 4,514 (1,175)	(68,377) (11,254) (84,077) 154,568 (33,391) 121,177 6,076	-		(68,37 (11,25 (84,07 154,56 (33,39 121,17 6,07				
38 39 40 41 42 43 44 45	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT GAS INVENTORY GAIN ON SALE OF BUILDING	(64,859) (10,077) (79,199) 150,054 (32,216) 117,838	(3,518) (1,177) (4,878) 4,514 (1,175)	(68,377) (11,254) (84,077) 154,568 (33,391) 121,177	-		(68,37' (11,25' (84,07' 154,56' (33,39' 121,17' 6,076' (6' 3,65'				
38 39 40 41 42 43 44 45 46	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT GAS INVENTORY GAIN ON SALE OF BUILDING OTHER WORKING CAPITAL	(64,859) (10,077) (79,199) 150,054 (32,216) 117,838 6,076 - (67) 3,651	(3,518) (1,177) (4,878) 4,514 (1,175) 3,339	(68,377) (11,254) (84,077) 154,568 (33,391) 121,177 6,076	-	-	(68,37' (11,25- (84,07' 154,56' (33,39) 121,17' 6,070'				
38 39 40 41 42 43 44 45 46	Underground Storage Distribution Plant General Plant Total Accum. Depreciation/Amort. NET PLANT DEFERRED FIT Net Plant After DFIT GAS INVENTORY GAIN ON SALE OF BUILDING OTHER	(64,859) (10,077) (79,199) 150,054 (32,216) 117,838 6,076	(3,518) (1,177) (4,878) 4,514 (1,175)	(68,377) (11,254) (84,077) 154,568 (33,391) 121,177 6,076	-		(68,37 (11,25 (84,07) 154,56 (33,39) 121,17 6,07				

AVISTA UTILITIES

${\bf Calculation\ of\ General\ Revenue\ Requirement}$

Idaho - Natural Gas

				Incremental
		2016	2017	2017
Line		(000's of	(000's of	(000's of
No.	Description	Dollars)	Dollars)	Dollars)
1	Pro Forma Rate Base	\$127,498	\$ 130,837	
2	Proposed Rate of Return	7.62%	7.62%	
3	Net Operating Income Requirement	\$9,715	\$9,970	
J	Tet operating meonic requirement	ψ>,713	Ψ,,,,,	
4	Pro Forma Net Operating Income	\$7,745	\$ 6,976	
5	Net Operating Income Deficiency	\$1,970	\$2,994	\$1,023
		0.61450	0.61450	0.61450
6	Conversion Factor	0.61459	0.61459	0.61459
7	Revenue Requirement	\$3,205	\$4,871	\$1,665
	•		<u> </u>	
8	Total Base Distribution Revenues	\$36,274		\$39,479
			_	
9	Percentage Base Distribution Revenue Increase	8.84%	=	4.22%
10	Total Present Billed Revenue	\$71,601		\$75,763
10	Total Present Diffed Revenue	Ψ/1,001		Ψ13,103
11	Percentage Billed Revenue Increase	4.48%	<u>-</u>	2.20%
			=	

AVISTA UTILITIES PRO FORMA COST OF CAPITAL Idaho - Natural Gas

Proposed: Component	Capital Structure	Pro Forma Cost	Pro Forma Weighted Cost
Total Debt	50.00%	5.34%	2.67%
Common Equity	50.00%	9.90%	4.95%
Total	100.00%	- -	7.62%

AVISTA UTILITIES Revenue Conversion Factor Idaho - Natural Gas System

Line No.	Description	Factor
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003407
3	Commission Fees	0.002371
4	Idaho State Income Tax	0.048695
5	Total Expenses	0.054473
6	Net Operating Income Before FIT	0.945527
7	Federal Income Tax @ 35%	0.330934
8	REVENUE CONVERSION FACTOR	0.61459

Rate Year Ending December 31, 2016

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits, Credits & Regulatory Amortizations	Restating 2014 Capital EOP	Working Capital Restating	Eliminate B & O Taxes	Uncollectible Expense	Regulatory Expense
	Adjsutment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-CAP13	G-WC	G-EBO	G-UE	G-RE
	REVENUES			**					**
1 2	Total General Business Total Transportation	\$71,109 466	\$ -	\$0	\$ -	\$ -	(\$1,290)	\$0	\$0
3	Other Revenues	38,507	-	=	-	-	(8)	-	-
4	Total Gas Revenues	\$110,082	-	\$0	-	-	(\$1,298)	\$0	\$0
	EXPENSES								
5	Production Expenses City Gate Purchases	79,163							
6	Purchased Gas Expense	349	_	-	-		_	_	_
7	Net Nat Gas Storage Trans	(5,645)	=	=	=	=	=	=	=
8	Total Production	73,867	-	-	-	-	-	-	-
	Underground Storage								
9	Operating Expenses	368	-	-	-	-	-	-	-
10 11	Depreciation/Amortization Taxes	165 79	-	-	-	-	-	-	-
12	Total Underground Storage	612		<u>-</u>					
		012							
13	Distribution Operating Expenses	6,057	_	_	_	_	_	_	_
14	Depreciation/Amortization	4,205	_	-	-	_	_	-	_
15	Taxes	2,634	-	-	=	-	(1,297)	-	-
16	State Income Taxes 0.048695	(83)	-	=	=	=	(0)	16	(0)
17	Total Distribution	12,813	-	-	-	-	(1,297)	16	(0)
18	Customer Accounting	2,534	-	-	-	-	-	(333)	=
19	Customer Service & Information	348	-	-	-	-	-	-	=
20	Sales Expenses	-	=	-	=	Ē	Ξ	=	Ē
	Administrative & General								
21	Operating Expenses	5,089	-	-	-	-	-	-	8
22 23	Depreciation/Amortization	1,814	-	-	-	-	-	-	=
24	Regulatory Amortizations Taxes	-	_	_	_	_	_	_	_
25	Total Admin. & General	6,903	-	-	-	-	_	-	8
26	Total Gas Expense	97,077	-	-	-	-	(1,297)	(317)	8
27	OPERATING INCOME BEFORE FIT	13,005	-	=	-	-	(1)	317	(8)
	FEDERAL INCOME TAX								
28	Current Accrual	(2,459)	-	=	=	-	(0)	111	(3)
29	Debt Interest	=	(23)	=	25	(21)	=	=	=
30	Deferred FIT	6,512	-	-	-	-	-	-	-
31	Amort ITC	(13)			-		<u>-</u> .	-	<u>-</u>
32	NET OPERATING INCOME	\$ 8,965	\$ 23	\$ -	\$ (25)	\$ 21	\$ (1)	\$ 206	\$ (5)
	RATE BASE PLANT IN SERVICE								
33	Underground Storage	\$10,387	s -	\$0	\$ 126	\$ -	\$0	\$0	\$0
34	Distribution Plant	170,161	-	=	3,601	-	-	-	-
35	General Plant	23,619	=	=	442	=	-	=	
36	Total Plant in Service	204,167	-	-	4,169	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT								
37	Underground Storage	(3,919)	=	=	(80)		=	=	=
38	Distribution Plant	(57,807)	-	-	(1,853)	-	-	-	-
39 40	General Plant Total Accumulated Depreciation/Amortization	(7,960)		-	(1,825)			<u>-</u>	-
41	NET PLANT	134,481			2,344	-			
42	DEFERRED TAXES	(27,493)	2,477	-	(5,018)	. =	=	=	Ē
43	Net Plant After DFIT	106,988	2,477		(2,674)				
44	GAS INVENTORY	6,076	2,477	-	(2,074)	_	_	-	_
45	GAIN ON SALE OF BUILDING		-	-	-	-	-	-	-
46	OTHER	(67)		-					
47	WORKING CAPITAL	1,433	-	-	-	2,218	-	-	-
48	TOTAL RATE BASE	\$ 114,430	\$ 2,477	\$ -	\$ (2,674)	\$ 2,218	\$ -	\$ -	\$ -
49 50	RATE OF RETURN REVENUE REQUIREMENT	7.83% (399)	269	-	(291)	241	1	(335)	8
20		(5,7)	237		(2)1)	2.1	•	(555)	J

Exhibit No. 12 Case Nos. AVU-E-15-05 and AVU-G-15-01 E. Andrews, Avista Schedule 2, Page 6 of 10

Line No.	DESCRIPTION	Injuries and Damages	FIT / DFIT Expense	SIT / SITC Expense	Revenue Normalization & Gas Cost Adjust	Miscellaneous Restating	Restate Incentive	Restate Debt Interest	Restated Total	
	Adjsutment Number	2.04	2.05	2.06	2.07	2.08	2.09	2.10		
	Workpaper Reference	G-ID	G-FIT	G-SIT	G-RNGC	G-MR	G-RI	G-RDI	R-Ttl	
	REVENUES	60				40		do.	4 25	- 022
1	Total General Business	\$0	\$ -	\$ -	\$ (33,986)	\$0	\$0	-	\$ 35	5,833 441
2	Total Transportation	-	-	-	(17) (38,386)	-	-	-		121
4	Other Revenues Total Gas Revenues	\$0			(72,389)	\$0	\$0		36	6,395
4	EXPENSES	\$0	-	-	(72,369)	30	30	-	30	3,373
	Production Expenses									
5	City Gate Purchases	=	-	=	(79,163)	Ξ	=	-		-
6	Purchased Gas Expense	-	-	-	(30)	-	-	-		319
7	Net Nat Gas Storage Trans	=	-	-	5,645	=	=	-		-
8	Total Production	-	-	-	(73,548)	=	-	-		319
	Underground Storage									
9	Operating Expenses	-	-	-	-	-	-	-		368
10	Depreciation/Amortization	-	-	-	-	-	-	-		165
11	Taxes	-	-	-	-	-	-	-		79
12	Total Underground Storage	-	=	-	=	-	=	-		612
12	Distribution Operating Expenses					1			_	6,058
13 14	Operating Expenses Depreciation/Amortization	-	-	-	-	1	-	-		6,058 4,205
15	Taxes	-	-	-	-	-	-	-		1,337
16	State Income Taxes	(6)	_	448	66	(1)	6	-		446
17	Total Distribution	(6)	-	448	66	(0)	6	-	12	2,046
18	Customer Accounting	-	-	-	(116)	-	-	-	2	2,085
19	Customer Service & Information	=	-	=	-	=	-	_		348
20	Sales Expenses	-	-	-	-	-	-	-		-
	Administrative & General									
21	Operating Expenses	125	-	-	(80)	20	(129)	-	5	5,033
22	Depreciation/Amortization	-	-	-		=	-	-	1	1,814
23	Regulatory Amortizations				-					-
24	Taxes	-	-	-	-	-	-	-		-
25 26	Total Admin. & General Total Gas Expense	125 119	-	448	(80) (73,678)	20 20	(129)	-		6,847 2,257
	_									
27	OPERATING INCOME BEFORE FIT	(119)	-	(448)	1,289	(20)	123	-	14	4,138
	FEDERAL INCOME TAX									
28	Current Accrual	(42)	-	-	451	(7)	43	75	(1	1,831)
29	Debt Interest	-	-	-	-	-	-	-		(19)
30 31	Deferred FIT Amort ITC	-	-	(6)	- -	- -	-	-	6	6,512 (19)
	NET OPEN ATRIC BYCOLG	6 (77)	Φ.			4 (12) (1		A (75)	Φ 0	
32	=	\$ (77)	\$ -	\$ (442)	\$ 838	\$ (13) \$	80	\$ (75)	1 \$ 9	9,495
	RATE BASE PLANT IN SERVICE									
33	Underground Storage	\$0	\$ -	\$ -	\$ -	\$0	\$0	\$ -	\$ 10	0,513
34	Distribution Plant	-	-	-	-	-	-	-		3,762
35	General Plant	-	-	-	=	-	-	-	24	4,061
36	Total Plant in Service	-	-	-	=	=	-	-	208	8,336
	ACCUMULATED DEPRECIATION/									
37	Underground Storage	-	-	-	-	-	-	-		3,999)
38	Distribution Plant General Plant	-	-	-	-	-	-	-		9,660) 7,853)
39 40	Total Accumulated Depreciation/Amc	-		<u>-</u>	<u> </u>	<u>-</u>				7,852) 1,511)
41	NET PLANT					-		-		1,311) 6,825
42	DEFERRED TAXES	_	-	_	=	=	_	_		0,034)
43	Net Plant After DFIT	_	_				=	_		6,791
44	GAS INVENTORY	-	-	-	- -	- -	-	-		6,076
45	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-		-,
46	OTHER									(67)
47	WORKING CAPITAL	-	-	-	-	-	-	-	3	3,651
40	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ - 5	- :	\$ -	\$ 116	6,451
48 49	RATE OF RETURN									3.15%

Exhibit No. 12 Case Nos. AVU-E-15-05 and AVU-G-15-01 E. Andrews, Avista Schedule 2, Page 7 of 10

1 2 3 4 5 6 7 8 9	DESCRIPTION Adjsutment Number Workpaper Reference REVENUES Total General Business Total Transportation Other Revenues	Non-Exec 3.01 G-PLN	3.02 G-PLE	Benefits 3.03	3.04	Tax	Costs
2 3 4 5 6 7 8	Workpaper Reference REVENUES Total General Business Total Transportation			5.05		3.05	3.06
2 3 4 5 6 7 8	Total General Business Total Transportation			G-PEB	G-PI	G-PPT	G-ISIT
2 3 4 5 6 7 8	Total Transportation						
3 4 5 6 7 8	=	\$0	\$0	\$0	\$0 -	\$0	\$0
5 6 7 8		-	-	-	-	- -	-
6 7 8	Total Gas Revenues	\$0	\$0	\$0	\$0	\$0	\$0
6 7 8	EXPENSES						
6 7 8	Production Expenses						
7 8	City Gate Purchases	-	-	-	=	-	-
8	Purchased Gas Expense Net Nat Gas Storage Trans	10	(9)	15	=	=	-
9	Total Production	10	(9)	15	-	-	=
9	Underground Storage						
	Operating Expenses	0	≘	(0)	≘	≘	=
10	Depreciation/Amortization	=	≡	=	≘	≡	=
11	Taxes	0	<u> </u>	(0)	=	14 14	-
12	Total Underground Storage	U	-	(0)	-	14	-
13	Distribution Operating Expenses	156		224			
14	Depreciation/Amortization	130	=	-	=	= =	=
15	Taxes	-	=	=	=	507	=
16	State Income Taxes	(23)	(2)	(22)	(1)	(25)	(8)
17	Total Distribution	133	(2)	202	(1)	482	(8)
18	Customer Accounting	58	=	85	=		=
19	Customer Service & Information	7	-	10	-	=	-
20	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
21	Operating Expenses	243	41	123	24	-	155
22 23	Depreciation/Amortization Regulatory Amortizations	-	-	-	=	=	=
24	Taxes	-	-	_	-	-	-
25	Total Admin. & General	243	41	123	24	-	155
26	Total Gas Expense	451	30	434	23	496	147
27	OPERATING INCOME BEFORE FIT	(451)	(30)	(434)	(23)	(496)	(147)
	FEDERAL INCOME TAX						
28	Current Accrual	(158)	(11)	(152)	(8)	(173)	(52)
29	Debt Interest	-	-	-	-	=	-
30 31	Deferred FIT Amort ITC	-	-	-	-	=	-
		(202) 6	(20)	(202)	(15) 0	(222)	
32	NET OPERATING INCOME \$	(293) \$	(20) \$	(282) 5	\$ (15) \$	(322) \$	(96)
	RATE BASE PLANT IN SERVICE						
33	Underground Storage	\$0	\$0	\$0	\$0	\$0	\$0
34	Distribution Plant	-	-	-	-	-	-
35	General Plant	-	=	=	=	-	-
36	Total Plant in Service	=	=	=	=	=	=
	ACCUMULATED DEPRECIATION/						
37 38	Underground Storage Distribution Plant	=	=	=	=	=	=
39	General Plant	- -	-	- -	=	- -	-
40	Total Accumulated Depreciation/Amo	-	-	-	-	-	-
41	NET PLANT	-	-	-	-	-	-
42	DEFERRED TAXES					-	
43	Net Plant After DFIT	-	-	-	-	-	-
44	GAS INVENTORY					-	
45	GAIN ON SALE OF BUILDING					-	
46 47	OTHER WORKING CAPITAL					-	
48	TOTAL RATE BASE \$	- \$	- \$	- 5	- \$	- \$	· -
49	RATE OF RETURN				Ψ	ч	
50	REVENUE REQUIREMENT	477	32	459	24	524	156

Exhibit No. 12 Case Nos. AVU-E-15-05 and AVU-G-15-01 E. Andrews, Avista Schedule 2, Page 8 of 10

Line No.	DESCRIPTION		Pro Forma Capital Add 2015 EOP	Pro Forma Capital Add 2016 AMA	Pro Forma O&M Offsets	Pro Forma Atmospheric Testing	Pro Forma Project Compass Deferral Amorts.	2016 FINAL TOTAL
	Adjsutment Number		3.07	3.08	3.09	3.10	3.11	D. #53
	Workpaper Reference		G-CAP15	G-CAP16	G-OFF	G-PAT	G-COM	F-Ttl
	REVENUES							
1	Total General Business	\$	- \$	- \$	-	\$0	\$0	\$ 35,833
2	Total Transportation		-	-	-	-	-	441
3 4	Other Revenues Total Gas Revenues					\$0	- \$0	36,395
-						ΨΟ	40	30,373
	EXPENSES Production Expenses							
5	City Gate Purchases		-	-	-	-	-	
6	Purchased Gas Expense		=	=	Ξ	=	=	335
7	Net Nat Gas Storage Trans		-	-	-	-	-	-
8	Total Production		-	-	-	-	-	335
	Underground Storage							
9	Operating Expenses		-	-	-	-	-	368
10	Depreciation/Amortization		15	2	-	-	-	182
11 12	Taxes Total Underground Storage		15	2	-	-	<u>-</u>	93 643
12			15	<u> </u>	-	-	-	043
13	Distribution Operating Expenses		-	-	-	(395)	-	6,043
14	Depreciation/Amortization		363	60	-	(3)3)	-	4,628
15	Taxes		=	=	≡	=	=	1,844
16	State Income Taxes		(61)	(7)	(0)	19	(16)	300
17	Total Distribution		302	53	(0)	(376)	(16)	12,815
18	Customer Accounting		-	-	-	-	-	2,228
19	Customer Service & Information		-	-	-	-	-	365
20	Sales Expenses		-	-	-	-	-	-
	Administrative & General							
21	Operating Expenses		-	-	3	-	-	5,621
22	Depreciation/Amortization		868	84	=	-	-	2,766
23	Regulatory Amortizations						334	334
24	Taxes		- 0.00	84	- 2	-	- 224	9.721
25 26	Total Admin. & General Total Gas Expense		868 1,185	139	3	(376)	334 318	8,721 25,107
	-							
27	OPERATING INCOME BEFORE FIT	l	(1,185)	(139)	(3)	376	(318)	11,288
	FEDERAL INCOME TAX							
28	Current Accrual		(415)	(49)	(1)	132	(111)	(2,828)
29	Debt Interest		(109)	6	-	-	-	(122)
30 31	Deferred FIT Amort ITC		=	-	-	-	=	6,512 (19)
31	Amontine			-		-		(12)
32	NET OPERATING INCOME	\$	(661) \$	(97) \$	(2) \$	244	\$ (207)	\$ 7,745
	RATE BASE							
	PLANT IN SERVICE							
33	Underground Storage	\$	354 \$	153 \$	=	\$0	\$0	\$ 11,020
34 35	Distribution Plant General Plant		8,876 8,524	2,415 595	-	-	-	185,053
	•				-	-		33,180
36	Total Plant in Service		17,754	3,163	-	-	-	229,253
37	ACCUMULATED DEPRECIATION/ Underground Storage	′	(174)	(90)				(4,263)
38	Distribution Plant		(3,345)	(1,854)	-	-	-	(64,859)
39	General Plant		(1,255)	(970)	<u> </u>			(10,077)
40	Total Accumulated Depreciation/Amo		(4,774)	(2,914)	=	=	=	(79,199)
41	NET PLANT		12,980	249	-	Ξ	=	150,054
42	DEFERRED TAXES		(1,264)	(918)				(32,216)
43	Net Plant After DFIT		11,716	(669)	-	=	=	117,838
44	GAS INVENTORY		- =	=				6,076
45	GAIN ON SALE OF BUILDING							
46 47	OTHER WORKING CAPITAL							(67) 3,651
	•						*	
48	TOTAL RATE BASE	\$	11,716 \$	(669) \$	- \$	-	\$ -	\$ 127,498
49 50	RATE OF RETURN REVENUE REQUIREMENT		2,528	74	3	(397)	336	6.07% 3,205
50	Z. OZ NZOREMENT		2,520	7-7	,	(371)	550	3,203

Rate Year Ending December 31, 2017

									INCREMENTAL
			2016	Pro Forma	Pro Forma	Pro Forma	Pro Forma	2017	2017 I
Line No.	DESCRIPTION		FINAL TOTAL	Labor Non-Exec-2017	Property Tax-2017	Capital Add 2017 AMA	Atmospheric Testing	FINAL TOTAL	FINAL TOTAL
140.	Adjsutment Number		IOIAL	17.01	17.02	17.03	17.04	TOTAL	TOTAL
	Workpaper Reference		F-Ttl	G-PLN17	G-PPT17	G-CAP17	G-PAT17	F-Ttl	F-Ttl
	DELEMEN								
1	REVENUES Total General Business	\$	35,833	\$0	\$0	\$ -	\$0	\$ 35,833	4
2	Total Transportation	Ψ	441	-	-	-	-	441	-
3	Other Revenues		121	-	-	=	-	121	
4	Total Gas Revenues		36,395	\$0	\$0	-	\$0	36,395	-
	EXPENSES								
	Production Expenses								
5	City Gate Purchases		-	-	-	-	-		
6	Purchased Gas Expense		335	5	-	-	-	340	5
7	Net Nat Gas Storage Trans			-	-	-	-	-	-
8	Total Production		335	5	=	-	=	340	5
	Underground Storage								
9	Operating Expenses		368	0	-	-	-	368	0
10	Depreciation/Amortization		182	-	-	6	-	188	6
11 12	Taxes Total Underground Storage		93 643	- 0	10 10	- 6	-	103 659	10 16
12			043	U	10	O	-	039	10
12	Distribution Operating Expanses		6,043	79			450	6,581	538
13 14	Operating Expenses Depreciation/Amortization		4,628	79	=	207	459	4,835	207
15	Taxes		1,844	-	251	-	-	2,095	251
16	State Income Taxes		300	(8)	(13)	(20)	(22)	237	(63)
17	Total Distribution		12,815	71	238	187	437	13,748	933
18	Customer Accounting		2,228	30				2,258	30
19	Customer Service & Information		365	4	=	=	-	369	4
20	Sales Expenses			-	-	=	-		
	-								
	Administrative & General								
21	Operating Expenses		5,621	45	-	-	-	5,666	45
22 23	Depreciation/Amortization Regulatory Amortizations		2,766 334	-	-	198	-	2,964 334	198
24	Taxes		334	-	_	-	_	334	
25	Total Admin. & General		8,721	45	-	198	-	8,964	243
26	Total Gas Expense		25,107	155	248	391	437	26,338	1,231
27	OPERATING INCOME BEFORE FIT		11,288	(155)	(248)	(391)	(437)	10,057	(1,231)
21	OF ERATING INCOME BEFORE ITI		11,200	(155)	(248)	(391)	(437)	10,037	(1,231)
	FEDERAL INCOME TAX								
28	Current Accrual		(2,828)	(54)	(87)	(137)	(153)	(3,259)	(431)
29	Debt Interest Deferred FIT		(122)	-	-	(31)	-	(153)	(31)
30 31	Amort ITC		6,512 (19)	-	-	-	-	6,512 (19)	
51	Tamore Tree		(1)					(25)	
32	NET OPERATING INCOME	\$	7,745	\$ (101)	\$ (161)	\$ (223)	\$ (284)	\$ 6,976	\$ (769)
	RATE BASE								
	PLANT IN SERVICE								
33	Underground Storage	\$	11,020	\$0	\$0	\$ 341	\$0	\$ 11,361	341
34	Distribution Plant		185,053	-	-	8,327	-	193,380	8,327
35	General Plant		33,180	=	=	724	=	33,904	724
36	Total Plant in Service		229,253	=	=	9,392	=	238,645	9,392
	ACCUMULATED DEPRECIATION/								
37	Underground Storage		(4,263)	-	-	(183)	-	(4,446)	(183)
38	Distribution Plant		(64,859)	-	-	(3,518)	-	(68,377)	(3,518)
39	General Plant		(10,077)	-	-	(1,177)	-	(11,254)	(1,177)
40	Total Accumulated Depreciation/Amo	_	(79,199)	<u> </u>	-	(4,878)		(84,077)	(4,878)
41	NET PLANT		150,054	-	-	4,514	-	154,568	4,514
42	DEFERRED TAXES		(32,216)		=	(1,175)		(33,391)	(1,175)
43	Net Plant After DFIT		117,838	-	-	3,339	-	121,177	3,339
44	GAS INVENTORY		6,076		-	-		6,076	-
45	GAIN ON SALE OF BUILDING				-				
46 47	OTHER WORKING CAPITAL		(67) 3,651					(67) 3,651	•
					- _				-
48	TOTAL RATE BASE	\$	127,498	\$ -	<u> - </u>	\$ 3,339	<u>-</u>	\$ 130,837	\$ 3,339
49	RATE OF RETURN		6.07%	164	262	222	4.50	5.33%	1.00
50	REVENUE REQUIREMENT		3,206	164	263	777	462	4,871	1,665

Exhibit No. 12 Case Nos. AVU-E-15-05 and AVU-G-15-01 E. Andrews, Avista Schedule 2, Page 10 of 10