THIS FILING IS		
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____	

AVU-G

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year/Period of Report
Avista Corporation	End of 2018/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation	Year/Period of Report End of 2018/Q4	
03 Previous Name and Date of Change (If name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207		
05 Name of Contact Person Ryan L. Krasselt	06 Title of Contact Person VP, Controller, Prin. Acctg	
07 Address of Contact Person (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207		
08 Telephone of Contact Person, Including Area Code 509-495-2273	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* 04/15/2019

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Ryan L. Krasselt	12 Title VP, Controller, Prin. Acctg
13 Signature Ryan L. Krasselt Ryan L Krasselt	14 Date Signed 04/15/2019

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

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	[X] Four copies will be submitted [ ] No annual report to stockholders is prepared			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Ryan Krasselt, Vice President and Controller, Principal Accounting Officer
1411 East Mission Avenue
Spokane, WA 99207

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Washington, Incorporated March 15,1889

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric service in the states of Washington, Idaho and Montana
Natural gas service in the states of Washington, Idaho and Oregon

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes... Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

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1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Avista Capital	D	Parent to the Company's subsidiaries	100	Not used
2	Avista Development	I	Maintains investment portfolio incl Real Estate	100	Not used
3	Avista Energy	I	Inactive	100	Not used
4	Pentzer Corporation	I	Parent of Bay Area Mfg and Penture Venture Holdngs	100	Not used
5	Bay Area Manufacturing	I	Holding co of AM&D dba MetalFX	100	Not used
6	Advanced Manufacturing & Develoment	I	Custom Sheet Metal Fabrication	89	Not used
7	dba MetalFX				Not used
8	Avista Capital II	D	Affiliated business trust issue pref trust sec	100	Not used
9	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	Not used
10	Steam Plant Square, LLC	I	Commercial office and Retail leasing	100	Not used
11	Courtyard Office Center, LLC	I	Commerical office and Retail leasing	100	Not used
12	Steam Plant Brew Pub, LLC	I	Restaurant Operations	100	Not used
13	Alaska Energy and Resources Company	D	Parent company of Alaska operations	100	Not used
14	Alaska Electric Light and Power Company	I	Utility operations based in the city and borough	100	Not used
15			of Juneau, AK		
16	AJT Mining Properties, Inc	I	Inactive mining company holding certain properties	100	Not used
17	Snettisham Electric Company	I	Holds certain rights to purchase the Snettisham	100	Not used
18			Hydroelctric project in the city & borough of		
19			Juneau, AK		
20	Salix, Inc	I	Liquified Natural Gas Operations	100	Not used
21	Pentzer Venture Holdings II, Inc	I	Holding Company - Inactive	100	Not used
22					
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
11/30/2018	Total: 57354219 By Proxy: 57353577	5/10/2018; Spokane, WA

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES — 4. Number of votes as of (date): 12/31/2018 — Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	65,688,000	65,688,000		
6	TOTAL number of security holders	7,447	7,447		
7	TOTAL votes of security holders listed below	31,939,809	31,939,809		
8					
9	BlackRock; 40 E 52nd Street, New York, NY	11,585,719	11,585,719		
10	The Vanguard Group; 100 Vanguard Blvd, Malvern, PA	7,236,292	7,236,292		
11	Magnetar Financial LLC; Evanson, IL	3,039,532	3,039,532		
12	CNH Partners LLC; Greenwich, CT	2,816,358	2,816,358		
13	SSgA Funds Management, Inc.; Boston, MA	1,829,001	1,829,001		
14	Dimensional Fund Advisors LP; Austin, TX	1,341,432	1,341,432		
15	Goldman Sachs & Co LLC; New York, NY	1,104,163	1,104,163		
16	Falcon Edge Capital LP; New York, NY	1,094,662	1,094,662		
17	BNY Mellon; Boston, MA	946,846	946,846		
18	Norges Bank Investment Management; Oslo Norway	945,804	945,804		
19					
20					

Schedule Page: 107 Line No.: 1 Column: 1

Record date for dividend payable 12/14/18

Schedule Page: 107 Line No.: 9 Column: b

The holdings are pursuant to Avista's Institutional Investor Contact list provided by Proxy Solicitor DF King & Co., as of 12/31/18. These investors hold their shares through Cede & Company and are benefical owners.

Schedule Page: 107 Line No.: 6 Column: b

As of 11/30/18

Important Changes During the Quarter/Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. On July 19, 2017, Avista Corp. entered into a definitive merger agreement to become an indirect, wholly-owned subsidiary of Hydro One Limited (Hydro One) in Ontario. On January 23, 2019, this transaction was terminated by mutual agreement between Avista Corp. and Hydro One and certain subsidiaries thereof. As a result, Hydro One paid Avista Corp. a $103 million termination fee. Reference is made to Note 17 of the Notes to Financial Statements for further information.
4. None
5. None
6. Reference is made to Notes 10 and 11 of the Notes to Financial Statements. In addition, the $375 million debt issuance referenced in Note 11 was approved by regulatory commissions as follows: WUTC (Docket Nos. UE-151822 Order 01 and U-171210 Order 01) IPUC (Case No. AUV-U-15-01 Order Nos. 33401 and 33978) and the OPUC (Docket No. UF 4302 Order No. 18-033).
7. None
8. Average annual wage increases were 2.4% for non-exempt employees effective March 5, 2018. Average annual wage increases were 2.9% for exempt employees effective March 5, 2018. Officers received average increases of 5.7% effective February 19, 2018. Certain bargaining unit employees received increases of 3.0% effective March 26, 2018.

9. Reference is made to Note 15 of the Notes to Financial Statements.
10. None
11.

Washington General Rate Cases and Other Proceedings

2015 General Rate Cases

In January 2016 we received an order which was reaffirmed by theWashington Utilities and Transportation Commission (WUTC) in February 2016 that concluded our electric and natural gas general rate cases that were originally filed with the WUTC in February 2015. New electric and natural gas rates were effective on January 11, 2016.

The WUTC-approved rates were designed to provide a 1.6 percent, or $8.1 million decrease in electric base revenue, and a 7.4 percent, or $10.8 million increase in natural gas base revenue. The WUTC also approved a rate of return on rate base (ROR) of 7.29 percent, with a common equity ratio of 48.5 percent and a 9.5 percent return on equity (ROE).

In March 2016, the Public Counsel Unit of the Washington State Office of the Attorney General filed in Thurston County Superior Court a Petition for Judicial Review of the WUTC's orders that concluded our 2015 electric and natural gas general rate cases. In April 2016, this matter was certified for review directly by the Court of Appeals, an intermediate appellate court in the State of Washington.

On August 7, 2018, the Court of Appeals issued an Opinion which concluded that the WUTC's use of an attrition allowance to calculate Avista Corp.'s rate base violated Washington law. The Court struck all portions of the attrition allowance attributable to Avista Corp.'s rate base and reversed and remanded the case for the WUTC to recalculate Avista Corp.'s rates without including an attrition allowance in the calculation of rate base.

The total attrition allowance approved by the WUTC was $35.2 million, with $28.3 million related to electric and $6.9 million related to natural gas. The Company cannot predict the outcome of this matter at this time and cannot estimate how much, if any, of the attrition allowance may be removed from the general rate cases. The regulatory process to address this matter has not yet been established by the WUTC. See "Note 15 of the Notes to Financial Statements" for further discussion of this matter.

2017 General Rate Cases

On April 26, 2018, the WUTC issued a final order in our electric and natural gas general rate cases that were originally filed on May 26, 2017. In the order, the WUTC approved new electric rates, effective on May 1, 2018, that increased base rates by 2.2 percent (designed to increase electric revenues by $10.8 million). The net increase in electric base rates was made up of an increase in our base revenue requirement of $23.2 million, an increase of $14.5 million in power supply costs and a decrease of $26.9 million for the impacts of the Tax Cuts and Jobs Act (TCJA), which reflects the federal income tax rate change from 35 percent to 21 percent and the amortization of the regulatory liability for plant excess deferred income taxes that was recorded as of December 31, 2017.

While the WUTC authorized an increase in the Energy Recovery Mechanism (ERM) baseline to reflect increased power supply costs, it directed the parties to examine the functionality and rationale of the Company's power cost modeling and adjust the baseline only in extraordinary circumstances if necessary to more closely match the baseline to actual conditions.

For natural gas, the WUTC approved new natural gas base rates, effective on May 1, 2018, that decreased base rates by 2.4 percent (designed to decrease natural gas revenues by $2.1 million). The net decrease in natural gas base rates was made up of an increase in base revenues of $3.4 million that was offset by a decrease of $5.5 million for the impacts from the TCJA, which reflects the federal income tax rate change and the amortization of the regulatory liability for plant-related excess deferred income taxes that was recorded as of December 31, 2017.

In addition to the above, the WUTC also ordered, effective June 1, 2018, a one-year temporary reduction of $7.9 million in our revenue requirements for electric and $3.2 million for natural gas, reflecting reductions for the return of tax benefits associated with the non-plant excess deferred income taxes and the customer refund liability that was established in 2018 related to the change in federal income tax expense for the period January 1, 2018 to April 30, 2018.

The new rates are based on a ROR of 7.50 percent with a common equity ratio of 48.5 percent and a 9.5 percent ROE.

In our original filings, we requested three-year rate plans for electric and natural gas; however, in the final order the WUTC only provided for new rates effective on May 1, 2018.

In testimony filed in our 2017 general rate case, the WUTC Staff recommended the exclusion of our 2016 settlement costs of interest rate swaps from the cost of capital calculation. In the final order, the WUTC disagreed with WUTC Staff and did not disallow the settlement costs of our interest rate swaps. However, the WUTC did recommend that we make changes to our interest rate risk hedging policy to be more risk responsive. We are evaluating and making changes to our policy to meet the WUTC recommendations.

TCJA Proceedings

In February 2019, we filed an all-party settlement agreement with the WUTC related to the electric tax benefits that were set aside for Colstrip in the 2017 general rate case order. In the settlement agreement, the parties agreed to utilize $10.9 million of the electric tax benefits to offset costs associated with accelerating the depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life of those units through December 31, 2027. The settlement agreement is subject to WUTC approval.

Although the parties to the settlement agreement have agreed to the acceleration of depreciation of Colstrip

Units 3 & 4, the settlement does not reflect any agreement with respect to the ultimate closure of Colstrip Units 3 & 4, since that decision would have to be made in conjunction with the other owners of Colstrip.

Idaho General Rate Cases and Other Proceedings

2016 General Rate Cases

In December 2016, the Idaho Public Utilities Commission (IPUC) approved a settlement agreement between us and other parties, concluding our electric general rate case originally filed in May 2016. New rates were effective on January 1, 2017. We did not file a natural gas general rate case in 2016.

The settlement agreement increased annual electric base rates by 2.6 percent (designed to increase annual electric revenues by $6.3 million). The settlement was based on a ROR of 7.58 percent with a common equity ratio of 50 percent and a 9.5 percent ROE.

2017 General Rate Cases

On December 28, 2017, the IPUC approved a settlement agreement between us and other parties to our electric and natural gas general rate cases. New rates were effective on January 1, 2018 and January 1, 2019.

The settlement agreement is a two-year rate plan and has the following electric and natural gas base rate changes each year, which are designed to result in the following increases in annual revenues (dollars in millions):

	Electric		Natural Gas	
Effective Date	Revenue Increase	Base Rate Increase	Revenue Increase	Base Rate Increase
January 1, 2018	$ 12.9	5.2%	$ 1.2	2.9%
January 1, 2019	$ 4.5	1.8%	$ 1.1	2.7%

The settlement agreement is based on a ROR of 7.61 percent with a common equity ratio of 50.0 percent and a 9.5 percent ROE.

As a part of the two-year rate plan the Company will not file a new general rate case for a new rate plan to be effective prior to January 1, 2020.

TCJA Proceedings

On May 31, 2018, the IPUC approved the all-party settlement agreement related to the income tax benefits associated with the TCJA. Effective June 1, 2018, through separate tariff schedules, until such time as these changes can be reflected in base rates within the next general rate case, current customer rates were reduced to reflect the reduction of the federal income tax rate to 21 percent, and the amortization of the regulatory liability for plant-related excess deferred income taxes. This reduction reduces annual electric rates by $13.7 million (or

5.3 percent reduction to base rates) and natural gas rates by $2.6 million (or 6.1 percent reduction to base rates).

In February 2019, we filed an all-party settlement agreement with the IPUC related to the electric tax benefits that were set aside for Colstrip in the 2017 general rate case order. In the settlement agreement, the parties agreed to utilize approximately $6.4 million of the electric tax benefits to offset costs associated with accelerating the depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life of those units through December 31, 2027. The remaining tax benefits of approximately $5.8 million will be returned to customers through a temporary rate reduction over a period of one year beginning on April 1, 2019. The tax benefits being utilized are related to non-plant excess deferred income taxes, and the customer refund liability that was established in 2018 related to the change in federal income tax expense for the period January 1, 2018 to May 31, 2018. The settlement agreement is subject to IPUC approval.

Oregon General Rate Cases and Other Proceedings

2016 General Rate Case

In September 2017, the Oregon Public Utilities Commission (OPUC) approved a settlement agreement between us and other parties to our natural gas general rate case that was filed with the OPUC in November 2016, which resolved all issues in the case.

The OPUC approved rates designed to increase annual base revenues by 5.9 percent or $3.5 million. A rate adjustment of $2.6 million became effective October 1, 2017, and a second adjustment of $0.9 million became effective on November 1, 2017 to cover specific capital projects identified in the settlement agreement, which were completed in October.

In addition, in the settlement agreement, we agreed to non-recovery of certain utility plant expenditures, which resulted in a write-off of $0.8 million in the second quarter of 2017.

The settlement agreement reflects a 7.35 percent ROR with a common equity ratio of 50 percent and a 9.4 percent ROE.

TCJA Proceedings

In February 2019, the OPUC approved the deferral amount of $3.8 million related to 2018 income tax benefits associated with the TCJA. The 2018 deferred benefits are expected to be returned to customers through a temporary rate reduction over a period of one year beginning March 1, 2019. We requested to continue the deferral of the TCJA benefits during 2019 for later return to customers, until such time as these changes can be reflected in base rates.

12. On November 21, 2017, the Board of Directors of Avista Corp. named Dennis Vermillion as President of Avista Corp effective January 1, 2018. Prior to becoming President of Avista Corp., Mr. Vermillion, served as Avista Corp. Senior Vice President and Environmental Compliance Officer and President of Avista Utilities.

Scott Morris, who was President of Avista Corp., will remain as Chairman of the Board and Chief Executive Officer.

Also on November 21, 2017, the Board of Directors of Avista Corp. increased the number of board members from 10 to 11 and elected Mr. Vermillion to fill the vacancy and serve as a director on the board, effective January 1, 2018.

Mr. Vermillion stood for election to the board at the annual meeting of shareholders on May 12, 2018, and was elected. As an employee director, Mr. Vermillion will receive no additional compensation, consistent with the other employee directors of Avista Corp., as disclosed in Avista Corp.'s definitive Proxy Statement dated March 31, 2017.

Effective January 1, 2018, Bryan Cox, has been named Vice President Safety and HR Shared Services. Prior to being named as Vice President, Mr. Cox was Senior Director of HR Operations.

13. Proprietary capital is not less than 30 percent.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	6,004,750,680	5,650,433,358
3	Construction Work in Progress (107)	200-201	156,563,570	151,271,170
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	6,161,314,250	5,801,704,528
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,991,240,383	1,876,263,672
6	Net Utility Plant (Total of line 4 less 5)		4,170,073,867	3,925,440,856
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		4,170,073,867	3,925,440,856
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	6,992,076	6,992,076
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		4,474,923	3,010,811
18	(Less) Accum. Provision for Depreciation and Amortization (122)		140,360	104,487
19	Investments in Associated Companies (123)	222-223	11,547,000	11,547,000
20	Investments in Subsidiary Companies (123.1)	224-225	153,523,686	161,131,682
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	1,711,072	4,288,775
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		18,794,801	16,722,286
28	Long-Term Portion of Derivative Assets (175)		4,842,426	2,575,446
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		194,753,548	199,171,513
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		4,737,049	2,912,504
33	Special Deposits (132-134)		26,809,063	12,284,827
34	Working Funds (135)		709,204	1,149,696
35	Temporary Cash Investments (136)	222-223	136,712	50,305
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		157,729,381	174,683,071
38	Other Accounts Receivable (143)		4,618,679	5,614,311
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		5,188,090	5,170,026
40	Notes Receivable from Associated Companies (145)		31,659,207	11,659,191
41	Accounts Receivable from Associated Companies (146)		154,548	313,553
42	Fuel Stock (151)		3,982,104	3,958,296
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		43,166,166	38,180,423
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	11,609,184	11,738,607
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	20,211,526	19,333,312
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		166,418	172,493
57	Rents Receivable (172)		2,516,807	2,101,931
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		398,132	138,513
60	Derivative Instrument Assets (175)		10,394,941	6,197,881
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		4,842,426	2,575,446
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		308,968,605	282,743,442
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		13,923,600	10,945,098
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	598,724,109	621,273,693
70	Preliminary Survey and Investigation Charges (Electric)(183)		2,313	195,568
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	299
72	Clearing Accounts (184)		28,530	69,497
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	30,900,539	15,796,170
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		10,255,271	11,879,551
78	Accumulated Deferred Income Taxes (190)	234-235	187,450,520	189,216,780
79	Unrecovered Purchased Gas Costs (191)		(40,713,156)	(37,474,157)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		800,571,726	811,902,499
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		5,481,359,822	5,226,250,386

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	1,110,871,767	1,109,643,921
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	(10,696,711)	(10,696,711)
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	(36,316,031)	(34,500,271)
11	Retained Earnings (215, 215.1, 216)	118-119	660,984,141	604,413,488
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(16,389,107)	56,139
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(7,866,070)	(8,089,542)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,773,220,051	1,729,827,566
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,814,200,000	1,711,700,000
18	(Less) Reacquired Bonds (222)	256-257	83,700,000	83,700,000
19	Advances from Associated Companies (223)	256-257	51,547,000	51,547,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	151,017	159,900
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	1,032,761	786,481
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,781,165,256	1,678,920,419
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		245,000	245,000
29	Accumulated Provision for Pensions and Benefits (228.3)		222,536,776	203,565,903
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		10,178,645	4,906,781

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		10,300,047	10,456,971
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		18,265,985	17,481,829
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		261,526,453	236,656,484
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		190,000,000	105,000,000
39	Accounts Payable (232)		103,484,597	100,959,825
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		7,329	22,197
42	Customer Deposits (235)		4,783,254	4,431,306
43	Taxes Accrued (236)	262-263	39,835,469	36,514,038
44	Interest Accrued (237)		15,509,062	15,159,301
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		79,542	1,533,187
49	Miscellaneous Current and Accrued Liabilities (242)	268	56,358,807	59,386,964
50	Obligations Under Capital Leases-Current (243)		0	2,402,917
51	Derivative Instrument Liabilities (244)		14,252,910	53,752,463
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		10,300,047	10,456,971
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		414,010,923	368,705,227
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		2,142,205	1,584,319
58	Accumulated Deferred Investment Tax Credits (255)		29,725,443	30,265,611
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	22,466,066	28,032,143
61	Other Regulatory Liabilities (254)	278	527,440,814	501,143,487
62	Unamortized Gain on Reacquired Debt (257)	260	1,577,896	1,707,433
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		497,875,564	481,835,128
65	Accumulated Deferred Income Taxes - Other (283)		170,209,151	167,572,569
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,251,437,139	1,212,140,690
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		5,481,359,822	5,226,250,386

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Income

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting mehods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	1,415,105,864	1,464,122,332	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	804,773,049	820,637,125	0	0
5	Maintenance Expenses (402)	317-325	63,628,892	71,114,817	0	0
6	Depreciation Expense (403)	336-338	146,501,216	137,234,038	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	268,929	263,254	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	34,897,443	30,487,581	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	99,047	99,047	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		4,692,818	4,471,025	0	0
13	(Less) Regulatory Credits (407.4)		11,255,061	8,041,294	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	105,935,344	103,234,021	0	0
15	Income Taxes-Federal (409.1)	262-263	21,463,627	22,710,789	0	0
16	Income Taxes-Other (409.1)	262-263	536,050	540,802	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	9,917,224	61,887,452	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	836,768	1,719,631	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(540,168)	(401,676)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		850,233	795,991	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,180,931,875	1,243,313,341	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		234,173,989	220,808,991	0	0

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	985,218,513	989,932,258	429,887,351	474,190,074	0	0
3						
4	516,698,898	496,458,475	288,074,151	324,178,650	0	0
5	49,735,303	56,154,163	13,893,589	14,960,654	0	0
6	112,612,198	106,657,139	33,889,018	30,576,899	0	0
7	268,929	263,254	0	0	0	0
8	26,315,338	22,965,702	8,582,105	7,521,879	0	0
9	99,047	99,047	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	3,843,451	4,261,715	849,367	209,310	0	0
13	9,688,900	7,669,732	1,566,161	371,562	0	0
14	80,790,063	77,630,348	25,145,281	25,603,673	0	0
15	18,711,316	12,447,375	2,752,311	10,263,414	0	0
16	433,688	(14,769)	102,362	555,571	0	0
17	5,726,144	46,542,613	4,191,080	15,344,839	0	0
18	953,010	1,507,061	(116,242)	212,570	0	0
19	(520,104)	(381,612)	(20,064)	(20,064)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	850,233	795,991	0	0	0	0
25	804,922,594	814,702,648	376,009,281	428,610,693	0	0
26	180,295,919	175,229,610	53,878,070	45,579,381	0	0

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		234,173,989	220,808,991	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0
33	Revenues from Nonutility Operations (417)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		6,931,684	9,648,685	0	0
35	Nonoperating Rental Income (418)		(31,262)	(24,801)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	2,392,004	2,517,761	0	0
37	Interest and Dividend Income (419)		3,808,319	4,001,578	0	0
38	Allowance for Other Funds Used During Construction (419.1)		4,281,829	6,441,370	0	0
39	Miscellaneous Nonoperating Income (421)		0	0	0	0
40	Gain on Disposition of Property (421.1)		0	19,733	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		3,519,206	3,306,956	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		13,251	(17,500)	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	3,563,420	3,205,496	0	0
46	Life Insurance (426.2)		2,793,863	2,967,371	0	0
47	Penalties (426.3)		2,053	18,562	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		2,073,702	1,663,123	0	0
49	Other Deductions (426.5)		5,342,674	17,741,930	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	13,788,963	25,578,982	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	293,278	175,689	0	0
53	Income Taxes-Federal (409.2)	262-263	(5,085,932)	(12,536,584)	0	0
54	Income Taxes-Other (409.2)	262-263	(220,461)	(738,539)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	34,584	7,571,606	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	231,946	440,920	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(5,210,477)	(5,968,748)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(5,059,280)	(16,303,278)	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		87,093,842	82,342,603	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	321,207	321,206	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,582,801	2,854,749	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	8,883	8,883	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	0	677,027	0	0
68	Other Interest Expense (431)	340	6,749,117	5,657,334	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		4,052,495	3,254,457	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		92,685,589	88,589,579	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		136,429,120	115,916,134	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		136,429,120	115,916,134	0	0

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(7,567,509)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		(522,033)		
4	Total (lines 2 and 3)		(522,033)		
5	Balance of Account 219 at End of Preceding Quarter/Year		(8,089,542)		
6	Balance of Account 219 at Beginning of Current Year		(8,089,542)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income		(1,742,363)		
8	Current Quarter/Year to Date Changes in Fair Value		1,965,835		
9	Total (lines 7 and 8)		223,472		
10	Balance of Account 219 at End of Current Quarter/Year		(7,866,070)		

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Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify category] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1			(7,567,509)		
2					
3			(522,033)		
4			(522,033)	115,916,134	115,394,101
5			(8,089,542)		
6			(8,089,542)		
7			(1,742,363)		
8			1,965,835		
9			223,472	136,429,120	136,652,592
10			(7,866,070)		

Schedule Page: 117 Line No.: 7 Column: c

During the first quarter of 2018, Accounting Standards Update No. 2018-02 was adopted, which resulted in a $1.7 million balance sheet only reclassification from Accumulated Other Comprehensive Loss to account 439 - Adjustments to Retained Earnings. The reclassification was the result of the change in federal income tax rates from 35 percent to 21 percent. Usage of account 439 requires prior FERC approval. See Page 122 Note 2 for further discussion of the adoption of ASU No. 2018-02 as well as the prior FERC approval.

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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		572,281,364	558,287,446
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)		1,742,363	
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		134,037,116	113,398,373
7	Appropriations of Retained Earnings (Account 436)		(5,320,848)	(8,262,625)
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		98,046,075	92,460,231
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		18,837,250	1,318,400
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		628,852,018	580,543,988
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		37,452,971	32,132,125
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account		(5,320,848)	(8,262,625)
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		32,132,123	23,869,500
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		660,984,141	604,413,488
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		56,139	(1,143,222)
23	Equity in Earnings for Year (Credit) (Account 418.1)		2,392,004	2,517,761
24	(Less) Dividends Received (Debit)		10,000,000	
25	Other Changes (Explain)		(8,837,250)	(1,318,400)
26	Balance-End of Year		(16,389,107)	56,139

Name of Respondent Avista Corporation	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report 2018/Q4

FOOTNOTE DATA

Schedule Page: 118 Line No.: 25 Column: c

$8,000,000 of the total amount in 2018 represents a correction of dividends received from the subsidiaries in prior years that was not reflected in the activity of account 216100.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	136,429,120	115,916,134
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	179,217,557	165,534,842
5	Amortization of deferred power and gas costs, debt expense and exchange power	17,690,809	17,357,659
6	Deferred Income Taxes (Net)	8,882,835	67,298,507
7	Investment Tax Credit Adjustments (Net)	(540,168)	(401,676)
8	Net (Increase) Decrease in Receivables	17,548,393	(8,257,764)
9	Net (Increase) Decrease in Inventory	(4,880,128)	(4,858,369)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	1,753,920	49,034,221
12	Net (Increase) Decrease in Other Regulatory Assets	1,041,677	2,355,616
13	Net Increase (Decrease) in Other Regulatory Liabilities	28,600,265	(7,591,159)
14	(Less) Allowance for Other Funds Used During Construction	6,331,723	6,441,370
15	(Less) Undistributed Earnings from Subsidiary Companies	2,392,004	2,517,761
16	Other (footnote details):	(23,568,891)	3,391,267
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	353,451,662	390,820,147
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(420,377,970)	(406,201,555)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(420,377,970)	(406,201,555)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	559,980	313,974
32	Federal and state grant payments received		
33	Investments in and Advances to Assoc. and Subsidiary Companies	(19,855,879)	(17,160,819)
34	Contributions and Advances from Assoc. and Subsidiary Companies	10,000,000	2,000,000
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37	Cash paid for acquisition		
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42	Restricted cash		(277)
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Changes in other property and investments	(2,002,301)	(2,125,513)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(431,676,170)	(423,174,190)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	374,621,250	90,000,000
54	Preferred Stock		
55	Common Stock	1,206,734	56,380,425
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)	85,000,000	
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	460,827,984	146,380,425
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(274,902,917)	(871,667)
63	Preferred Stock		
64	Common Stock		
65	Other	(8,184,023)	(4,117,383)
66	Net Decrease in Short-Term Debt (c)		(15,000,000)
67	Premium paid to repurchase long-term debt		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(98,046,075)	(92,460,231)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	79,694,969	33,931,144
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	1,470,461	1,577,101
75			
76	Cash and Cash Equivalents at Beginning of Period	4,112,505	2,535,404
77			
78	Cash and Cash Equivalents at End of Period	5,586,966	4,112,505

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Power and natural gas deferrals	1,889,235
Change in special deposits	(22,393,510)
Change in other current assets	(5,212,716)
Non-cash stock compensation	7,359,327
Other non-current assets and liabilities	25,628,277
Allowance for doubtful accounts	5,235,000
Preliminary survey and investigation costs	(195,867)
Cash paid for settlement of interest rate swaps	(11,301,842)
Cash received from settlement of interest rate swaps	2,478,520
Gain on sale of property and equipment	(37,232)
Other	(57,925)

Schedule Page: 120 Line No.: 16 Column: b

Power and natural gas deferrals	3,653,810
Change in special deposits	(3,862,626)
Change in other current assets	(1,546,634)
Non-cash stock compensation	5,366,952
Other non-current assets and liabilities	(4,783,663)
Allowance for doubtful accounts	3,900,000
Preliminary survey and investigation costs	193,554
Cash paid for settlement of interest rate swaps	(32,174,169)
Cash received from settlement of interest rate swaps	5,594,067
Gain on sale of property and equipment	13,250
Other	76,568

Schedule Page: 120 Line No.: 65 Column: c

Minimum tax withholdings for share based compensation	(3,551,786)
Long-term debt issuance costs	(565,597)

Schedule Page: 120 Line No.: 65 Column: b

Minimum tax withholdings for share based compensation	(3,928,728)
Long-term debt issuance costs	(4,255,295)

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1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Avista Corp. (the Company) is primarily an electric and natural gas utility with certain other business ventures. Avista Corp. provides electric distribution and transmission, and natural gas distribution services in parts of eastern Washington and northern Idaho. Avista Corp. also provides natural gas distribution service in parts of northeastern and southwestern Oregon. Avista Corp. has electric generating facilities in Washington, Idaho, Oregon and Montana. Avista Corp. also supplies electricity to a small number of customers in Montana, most of whom are employees who operate Avista Corp.'s Noxon Rapids generating facility.

Alaska Electric and Resources Company (AERC) is a wholly-owned subsidiary of Avista Corp. The primary subsidiary of AERC is Alaska Electric Light and Power (AEL&P), which comprises Avista Corp.'s regulated utility operations in Alaska.

Avista Capital, a wholly owned non-regulated subsidiary of Avista Corp., is the parent company of all of the subsidiary companies except AERC (and its subsidiaries).

On July 19, 2017, Avista Corp. entered into an Agreement and Plan of Merger (Merger Agreement) to become a wholly-owned subsidiary of Hydro One Limited (Hydro One). Consummation of the acquisition was subject to a number of approvals and the satisfaction or waiver of other specified conditions. On January 23, 2019, Avista Corp. and Hydro One mutually agreed to terminate the Merger Agreement. See Note 17 for additional information.

Basis of Reporting

The financial statements include the assets, liabilities, revenues and expenses of the Company and have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). As required by the FERC, the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by GAAP. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants. In addition, under the requirements of the FERC, there are differences from GAAP in the presentation of (1) current portion of long-term debt (2) assets and liabilities for cost of removal of assets, (3) assets held for sale, (4) regulatory assets and liabilities, (5) deferred income taxes associated with accounts other than utility property, plant and equipment, (6) comprehensive income, (7) unamortized debt issuance costs, (8) operating revenues and resource costs associated with settled energy contracts that are "booked out" (not physically delivered) and (9) non-service portion of pension and other postretirement benefit costs.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include:

- determining the market value of energy commodity derivative assets and liabilities,
- pension and other postretirement benefit plan obligations,
- contingent liabilities,
- goodwill impairment testing for goodwill held at subsidiaries,
- recoverability of regulatory assets, and
- unbilled revenues.

Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the financial statements and thus actual results could differ from the amounts reported and disclosed herein.

System of Accounts

The accounting records of the Company's utility operations are maintained in accordance with the uniform system of accounts prescribed by the FERC and adopted by the state regulatory commissions in Washington, Idaho, Montana and Oregon.

Regulation

The Company is subject to state regulation in Washington, Idaho, Montana and Oregon. The Company is also subject to federal regulation primarily by the FERC, as well as various other federal agencies with regulatory oversight of particular aspects of its operations.

Depreciation

For utility operations, depreciation expense is estimated by a method of depreciation accounting utilizing composite rates for utility plant. Such rates are designed to provide for retirements of properties at the expiration of their service lives. For utility operations, the ratio of depreciation provisions to average depreciable property was as follows for the years ended December 31:

	2018	2017	2016
Avista Corp.			
Ratio of depreciation to average depreciable property	3.17%	3.12%	3.11%

The average service lives for the following broad categories of utility plant in service are (in years):

	Avista Corp.
Electric thermal/other production	41
Hydroelectric production	78
Electric transmission	58
Electric distribution	35
Natural gas distribution property	46
Other shorter-lived general plant	10

Allowance for Funds Used During Construction (AFUDC)

AFUDC represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. As prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant. The debt component of AFUDC is credited against total interest expense in the Statements of Income in the line item “capitalized interest.” The equity component of AFUDC is included in the Statement of Income in the line item “other expense (income)-net.” The Company is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a reasonable return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC does not occur until the related utility plant is placed in service and included in rate base.

The WUTC authorized Avista Corp. to calculate AFUDC using its allowed rate of return. Beginning in 2018, to the extent amounts calculated using this rate exceed the AFUDC amounts calculated using the FERC formula, Avista Corp. capitalizes the excess as a regulatory asset. The regulatory asset is being amortized over the average useful life of Avista Corp.’s utility plant which is approximately 30 years.

The effective AFUDC rate was the following for the years ended December 31:

	2018	2017	2016
Avista Corp.			
Effective AFUDC rate	7.43%	7.29%	7.29%

Income Taxes

Deferred income tax assets represent future income tax deductions the Company expects to utilize in future tax returns to reduce taxable income. Deferred income tax liabilities represent future taxable income the Company expects to recognize in future tax returns. Deferred tax assets and liabilities arise when there are temporary differences resulting from differing treatment of items for tax and accounting purposes. A deferred income tax asset or liability is determined based on the enacted tax rates that will be in effect when the temporary differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's income tax returns. The deferred income tax expense for the period is equal to the net change in the deferred income tax asset and liability accounts from the beginning to the end of the period. The effect on deferred income taxes from a change in tax rates is recognized in income in the period that includes the enactment date unless a regulatory order specifies deferral of the effect of the change in tax rates over a longer period of time. The Company establishes a valuation allowance when it is more likely than not that all, or a portion, of a deferred tax asset will not be realized. Deferred income tax liabilities and regulatory assets are established for income tax benefits flowed through to customers.

The Company's largest deferred income tax item is the difference between the book and tax basis of utility plant. This item results from the temporary difference on depreciation expense. In early tax years, this item is recorded as a deferred income tax liability that will eventually reverse and become subject to income tax in later tax years.

See Note 8 for discussion of the Tax Cuts and Jobs Act (TCJA) and its impacts on the Company's financial statements, as well as a tabular presentation of all the Company's deferred tax assets and liabilities.

The Company did not incur any penalties on income tax positions in 2018 or 2017. The Company would recognize interest accrued related to income tax positions as interest expense and any penalties incurred as income deductions.

Stock-Based Compensation

The Company currently issues three types of stock-based compensation awards - restricted shares, market-based awards and performance-based awards. Historically, these stock compensation awards have not been material to the Company's overall financial results. Compensation cost relating to share-based payment transactions is recognized in the Company's financial statements based on the fair value of the equity or liability instruments issued and recorded over the requisite service period.

The Company recorded stock-based compensation expense (included in other operating expenses) and income tax benefits in the Statements of Income of the following amounts for the years ended December 31 (dollars in thousands):

	2018	2017
Stock-based compensation expense	$ 5,367	$ 7,359
Income tax benefits (1)	1,127	2,576
Excess tax benefits on settled share-based employee payments	990	2,348

(1) For 2017 income tax benefits were calculated using a 35 percent income tax rate; however, due to the TCJA enactment, beginning on January 1, 2018 income tax benefits are calculated using a 21 percent tax rate.

Restricted share awards vest in equal thirds each year over a three-year period and are payable in Avista Corp. common stock at the end of each year if the service condition is met. In addition to the service condition, for restricted shares granted prior to 2018, the Company must meet a return on equity target in order for the Chief Executive Officer's restricted shares to vest. Restricted stock is valued at the close of market of the Company's common stock on the grant date.

Total Shareholder Return (TSR) awards are market-based awards and Cumulative Earnings Per Share (CEPS) awards are performance awards. Both types of awards vest after a period of three years and are payable in cash or Avista Corp. common stock at the end of the three-year period. The method of settlement is at the discretion of the Company and historically the Company has settled these awards through issuance of Avista Corp. common stock and intends to continue this practice. Both types of awards entitle the recipients to dividend equivalent rights, are subject to forfeiture under certain circumstances, and are subject to meeting specific market or performance conditions. Based on the level of attainment of the market or performance conditions, the amount of cash paid or common stock issued will range from 0 to 200 percent of the initial awards granted. Dividend equivalent rights are accumulated and paid out only on shares that eventually vest and have met the market and performance conditions.

For both the TSR awards and the CEPS awards, the Company accounts for them as equity awards and compensation cost for these awards is recognized over the requisite service period, provided that the requisite service period is rendered. For TSR awards, if the market condition is not met at the end of the three-year service period, there will be no change in the cumulative amount of compensation cost recognized, since the awards are still considered vested even though the market metric was not met. For CEPS awards, at the end of the three-year service period, if the internal performance metric of cumulative earnings per share is not met, all compensation cost for these awards is reversed as these awards are not considered vested.

The fair value of each TSR award is estimated on the date of grant using a statistical model that incorporates the probability of meeting the market targets based on historical returns relative to a peer group. The estimated fair value of the equity component of CEPS awards was estimated on the date of grant as the share price of Avista Corp. common stock on the date of grant, less the net present value of the estimated dividends over the three-year period.

The following table summarizes the number of grants, vested and unvested shares, earned shares (based on market metrics), and other pertinent information related to the Company's stock compensation awards for the years ended December 31:

	2018	2017
Restricted Shares		
Shares granted during the year	40,661	57,746
Shares vested during the year	(53,352)	(57,473)
Unvested shares at end of year	91,998	106,053
Unrecognized compensation expense at end of year (in thousands)	$ 1,964	$ 1,853
TSR Awards		
TSR shares granted during the year	80,724	114,390
TSR shares vested during the year	(107,342)	(107,649)
TSR shares earned based on market metrics	—	158,262
Unvested TSR shares at end of year	187,172	218,507
Unrecognized compensation expense (in thousands)	$ 3,706	$ 2,849
CEPS Awards		
CEPS shares granted during the year	40,329	57,223
CEPS shares vested during the year	(53,699)	(53,862)
CEPS shares earned based on market metrics	30,102	41,502
Unvested CEPS shares at end of year	93,579	108,581
Unrecognized compensation expense (in thousands)	$ 1,260	$ 1,856

Outstanding TSR and CEPS share awards include a dividend component that is paid in cash. This component of the share grants is accounted for as a liability award. These liability awards are revalued on a quarterly basis taking into account the number of awards outstanding, historical dividend rate, the change in the value of the Company's common stock relative to an external benchmark (TSR awards only) and the amount of CEPS earned to date compared to estimated CEPS over the performance period (CEPS awards only). Over the life of these awards, the cumulative amount of compensation expense recognized will match the actual cash paid. As of

December 31, 2018 and 2017, the Company had recognized cumulative compensation expense and a liability of $0.3 million and $1.5 million, respectively, related to the dividend component on the outstanding and unvested share grants.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Company considers all temporary investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts to provide for estimated and potential losses on accounts receivable. The Company determines the allowance for utility and other customer accounts receivable based on historical write-offs as compared to accounts receivable and operating revenues. Additionally, the Company establishes specific allowances for certain individual accounts.***Utility Plant in Service***

The cost of additions to utility plant in service, including AFUDC and replacements of units of property and improvements, is capitalized. The cost of depreciable units of property retired plus the cost of removal less salvage is charged to accumulated depreciation.

Asset Retirement Obligations (ARO)

The Company records the fair value of a liability for an ARO in the period in which it is incurred. When the liability is initially recorded, the associated costs of the ARO are capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the related capitalized costs are depreciated over the useful life of the related asset. In addition, if there are changes in the estimated timing or estimated costs of the AROs, adjustments are recorded during the period new information becomes available as an increase or decrease to the liability, with the offset recorded to the related long-lived asset. Upon retirement of the asset, the Company either settles the ARO for its recorded amount or recognizes a regulatory asset or liability for the difference, which will be surcharged/refunded to customers through the ratemaking process. The Company records regulatory assets and liabilities for the difference between asset retirement costs currently recovered in rates and AROs recorded since asset retirement costs are recovered through rates charged to customers (see Note 6 for further discussion of the Company's AROs).

Goodwill

Goodwill arising from acquisitions represents the future economic benefit arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company evaluates goodwill for impairment using a qualitative analysis (Step 0) for AEL&P and a combination of discounted cash flow models and a market approach for the other subsidiaries on at least an annual basis or more frequently if impairment indicators arise. The Company completed its annual evaluation of goodwill for potential impairment as of November 30, 2018 and determined that goodwill was not impaired at that time. There were no events or circumstances that changed between November 30, 2018 and December 31, 2018 that would more likely than not reduce the fair values of the reporting units below their carrying amounts. While, the Company does not have any goodwill amounts recorded on its FERC balance sheets, it does have goodwill at its subsidiaries and the amounts for goodwill are reflected in the investment in subsidiary companies.

The following amounts were recorded as goodwill at the subsidiary companies and reflected through the investment in subsidiary companies on the FERC balance sheets (dollars in thousands):

	AEL&P	Other	Accumulated Impairment Losses	Total
Balance as of December 31, 2017 and 2018	$ 52,426	$ 12,979	$ (7,733)	$ 57,672

Accumulated impairment losses are attributable to the other businesses.

Derivative Assets and Liabilities

Derivatives are recorded as either assets or liabilities on the Balance Sheets measured at estimated fair value.

The Washington Utilities and Transportation Commission (WUTC) and the Idaho Public Utilities Commission (IPUC) issued accounting orders authorizing Avista Corp. to offset energy commodity derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of delivery. Realized benefits and costs result in adjustments to retail rates through Purchased Gas Adjustments (PGA), the Energy Recovery Mechanism (ERM) in Washington, the Power Cost Adjustment (PCA) mechanism in Idaho, and periodic general rates cases. The resulting regulatory assets associated with energy commodity derivative instruments have been concluded to be probable of recovery through future rates.

Substantially all forward contracts to purchase or sell power and natural gas are recorded as derivative assets or liabilities at estimated fair value with an offsetting regulatory asset or liability. Contracts that are not considered derivatives are accounted for on the accrual basis until they are settled or realized unless there is a decline in the fair value of the contract that is determined to be other-than-temporary.

For interest rate swap derivatives, Avista Corp. records all mark-to-market gains and losses in each accounting period as assets and liabilities, as well as offsetting regulatory assets and liabilities, such that there is no income statement impact. The interest rate swap derivatives are risk management tools similar to energy commodity derivatives. Upon settlement of interest rate swap derivatives, the regulatory asset or liability is amortized as a component of interest expense over the term of the associated debt. The Company records an offset of interest rate swap derivative assets and liabilities with regulatory assets and liabilities, based on the prior practice of the commissions to provide recovery through the ratemaking process.

The Company has multiple master netting agreements with a variety of entities that allow for cross-commodity netting of derivative agreements with the same counterparty (i.e. power derivatives can be netted with natural gas derivatives). In addition, some master netting agreements allow for the netting of commodity derivatives and interest rate swap derivatives for the same counterparty. The Company does not have any agreements which allow for cross-affiliate netting among multiple affiliated legal entities. The Company nets all derivative instruments when allowed by the agreement for presentation in the Balance Sheets.

Fair Value Measurements

Fair value represents the price that would be received when selling an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Energy commodity derivative assets and liabilities, deferred compensation assets, as well as derivatives related to interest rate swap derivatives and foreign currency exchange derivatives, are reported at estimated fair value on the Balance Sheets. See Note 13 for the Company's fair value disclosures.

Regulatory Deferred Charges and Credits

The Company prepares its financial statements in accordance with regulatory accounting practices because:

- rates for regulated services are established by or subject to approval by independent third-party regulators,
- the regulated rates are designed to recover the cost of providing the regulated services, and

- in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover costs.

Regulatory accounting practices require that certain costs and/or obligations (such as incurred power and natural gas costs not currently included in rates, but expected to be recovered or refunded in the future), are reflected as deferred charges or credits on the Balance Sheets. These costs and/or obligations are not reflected in the Statements of Income until the period during which matching revenues are recognized. The Company also has decoupling revenue deferrals. Decoupling revenue deferrals are recognized in the Statements of Income during the period they occur (i.e. during the period of revenue shortfall or excess due to fluctuations in customer usage), subject to certain limitations, and a regulatory asset/liability is established which will be surcharged or rebated to customers in future periods. GAAP requires that for any alternative regulatory revenue program, like decoupling, the revenue must be expected to be collected from customers within 24 months of the deferral to qualify for recognition in the current period Statement of Income. Any amounts included in the Company's decoupling program that are not expected to be collected from customers within 24 months are not recorded in the financial statements until the period in which revenue recognition criteria are met. This could ultimately result in decoupling revenue that arose during the current year being recognized in a future period.

If at some point in the future the Company determines that it no longer meets the criteria for continued application of regulatory accounting practices for all or a portion of its regulated operations, the Company could be:

- required to write off its regulatory assets, and
- precluded from the future deferral of costs or decoupled revenues not recovered through rates at the time such amounts are incurred, even if the Company expected to recover these amounts from customers in the future.

Unamortized Debt Expense

Unamortized debt expense includes debt issuance costs that are amortized over the life of the related debt.

Unamortized Gain/Loss on Reacquired Debt

For the Company's Washington regulatory jurisdiction and for any debt repurchases beginning in 2007 in all jurisdictions, premiums or discounts paid to repurchase debt are amortized over the remaining life of the original debt that was repurchased or, if new debt is issued in connection with the repurchase, these amounts are amortized over the life of the new debt. In the Company's other regulatory jurisdictions, premiums or discounts paid to repurchase debt prior to 2007 are being amortized over the average remaining maturity of outstanding debt when no new debt was issued in connection with the debt repurchase. The premiums and discounts costs are recovered or returned to customers through retail rates as a component of interest expense.

Appropriated Retained Earnings

In accordance with the hydroelectric licensing requirements of section 10(d) of the Federal Power Act (FPA), the Company maintains an appropriated retained earnings account for any earnings in excess of the specified rate of return on the Company's investment in the licenses for its various hydroelectric projects. Per section 10(d) of the FPA, the Company must maintain these excess earnings in an appropriated retained earnings account until the termination of the licensing agreements or apply them to reduce the net investment in the licenses of the hydroelectric projects at the discretion of the FERC. The Company calculates the earnings in excess of the specified rate of return on an annual basis, usually during the second quarter.

The appropriated retained earnings amounts included in retained earnings were as follows as of December 31 (dollars in thousands):

	2018	2017
Appropriated retained earnings	$ 37,453	$ 32,132

Operating Leases

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from 1 to 45 years. The following table details future minimum lease payments under these agreements (dollars in thousands):

	2019	2020	2021	2022	2023	Thereafter	Total
Avista Corp. (1)	$ 4,504	$ 4,394	$ 4,369	$ 4,292	$ 4,290	$ 98,962	$ 120,811

(1) The minimum lease payments for Avista Corp. are primarily related to a lease of the Montana riverbed for the Company's hydroelectric facilities on the Clark Fork River. These payments were disclosed as a generating facility contractual commitment at the Energy Purchase Contracts footnote in prior years. These payments are included as operating expenses for the Company's regulated operations and are recovered through base retail rates.

See Note 2 for discussion of the new lease standard that the Company adopted on January 1, 2019.

Equity in Earnings (Losses) of Subsidiaries

The Company records all the earnings (losses) from its subsidiaries under the equity method. The Company had the following equity in earnings (losses) of its subsidiaries for the years ended December 31 (dollars in thousands):

	2017	2016
Avista Capital	$ (5,660)	$ (6,942)
AERC	8,052	9,460
Total equity in earnings of subsidiary companies	$ 2,392	$ 2,518

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2018 up to February 19, 2019, the date that Avista Corp.'s GAAP financial statements were issued and has updated such evaluation for disclosure purposes through the date of this report. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Contingencies

The Company has unresolved regulatory, legal and tax issues which have inherently uncertain outcomes. The Company accrues a loss contingency if it is probable that a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. The Company also discloses loss contingencies that do not meet these conditions for accrual, if there is a reasonable possibility that a material loss may be incurred. As of December 31, 2018, the Company has not recorded any significant amounts related to unresolved contingencies. See Note 15 for further discussion of the Company's commitments and contingencies.

NOTE 2. NEW ACCOUNTING STANDARDS

ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)"

On January 1, 2018, the Company adopted Accounting Standards Update (ASU) No. 2014-09, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance.

The Company elected to use a modified retrospective method of adoption, which required a cumulative adjustment to opening retained earnings (if any were identified), as opposed to a full retrospective application. The Company did not identify any adjustments required to opening retained earnings related to the adoption of the new revenue standard. The Company applied the standards only to contracts that were not completed as of the implementation date. The Company did not apply the new guidance to contracts that were completed with all revenue recognized prior to the implementation date. In addition, total operating revenues on the Statements of Income in years prior to 2018 would not have changed if the Company had elected to apply the full retrospective method of adoption.

Since the majority of Avista Corp.'s revenue is from rate-regulated sales of electricity and natural gas to retail customers and revenue is recognized as energy is delivered to these customers, the Company does not expect any significant change in operating revenues or net income going forward as a result of the adoption of this standard.

The only changes in revenue that resulted from the adoption of this ASU were related to the timing of when revenue from self-generated RECs is recognized.

Under ASU No. 2014-09, revenue associated with the sale of RECs is recognized at the time of generation and sale of the credits as opposed to when the RECs are certified in the Western Renewable Energy Generation Information System, which generally occurs during a period subsequent to the sale. This represents a change from the Company's prior practice, which was to defer revenue recognition until the time of certification. Revenue associated with the sale of RECs is not material to the financial statements and almost all of the Company's REC revenue is deferred for future rebate to retail customers. As such, the change in the timing of revenue recognition does not have a material impact on net income.

See Note 3 for the Company's complete revenue disclosures.

ASU No. 2016-02 "Leases (Topic 842)"

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02. This ASU introduces a new lessee model that requires most leases to be capitalized and shown on the balance sheet with corresponding lease assets and liabilities. The standard also aligns certain of the underlying principles of the new lessor model with those in Topic 606, the FASB's new revenue recognition standard. Furthermore, this ASU addresses other issues that arise under the current lease model; for example, eliminating the required use of bright-line tests in current GAAP for determining lease classification (operating leases versus capital leases). This ASU also includes enhanced disclosures surrounding leases. This ASU is effective for periods beginning on or after December 15, 2018; however, early adoption is permitted. Under ASU No. 2016-02, upon adoption, the effects of this standard must be applied using a modified retrospective approach to the earliest period presented. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. In July 2018, the FASB issued ASU No. 2018-11 which provides a practical expedient that allows companies to use an optional transition method. Under the optional transition method, a cumulative adjustment to retained earnings during the period of adoption is recorded and prior periods would not require restatement.

Upon adoption, the Company expects to elect a package of practical expedients that will allow it to not reassess whether any expired or existing contract is a lease or contains a lease, the lease classification of any expired or existing leases, and the initial direct costs for any existing leases. The Company also expects to elect practical expedients associated with hindsight, historical easements, and the optional transition method.

Adoption of the standard will impact the Company's Balance Sheet through recognition of right-of-use assets and lease liabilities for the Company's operating leases. As of December 31, 2018, the Company estimates that it will record a right-of-use asset and lease liability of between $65.0 million and $75.0 million.

ASU No. 2017-07 "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

On January 1, 2018, the Company adopted ASU No. 2017-07, which amended the income statement presentation of the components of net period benefit cost for an entity's defined benefit pension and other postretirement plans. Under previous GAAP, net benefit cost consisted of several components that reflected different aspects of an employer's financial arrangements as well as the cost of benefits earned by employees. These components were aggregated and reported net in the financial statements. ASU No. 2017-07 requires entities to (1) disaggregate the current service-cost component from the other components of net benefit cost (other components) and present it with other current compensation costs for related employees in the income statement and (2) present the other components elsewhere in the income statement and outside of income from operations.

In addition, only the service-cost component of net benefit cost is eligible for capitalization (e.g., as part of utility plant). This is a change from prior practice, under which entities capitalized the aggregate net benefit cost to utility plant when applicable, in accordance with FERC accounting guidance. Avista Corp. is a rate-regulated entity and all components of net benefit cost are currently recovered from customers as a component of utility plant and, under the new ASU, these costs will continue to be recovered from customers in the same manner over the depreciable lives of utility plant. As all such costs are expected to continue to be recoverable, the components that are no longer eligible to be recorded as a component of utility plant for GAAP will be recorded as regulatory assets.

The adoption of this ASU did not impact FERC regulatory reporting as the Company made an optional election to continue accounting for pension costs under the previous method for regulatory reporting.

ASU No. 2018-02 "Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income"

In February 2018, the FASB issued ASU No. 2018-02, which amended the guidance for reporting comprehensive income. This ASU allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the enactment of the TCJA in December 2017. This ASU is effective for periods beginning after December 15, 2018 and early adoption is permitted. Upon adoption, the requirements of this ASU must be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. The Company early adopted this standard effective January 1, 2018 and elected to apply the guidance during the period of adoption rather than apply the standard retrospectively. As a result, the Company reclassified $1.7 million in tax benefits from accumulated other comprehensive loss to retained earnings during the year ended December 31, 2018.

For regulatory reporting, the reclassification to retained earnings is reflected in FERC account 439 – Adjustments to Retained Earnings. Per FERC Guidelines, the usage of account 439 requires prior FERC approval. During 2018, the Company filed a request with FERC for approval of the usage of account 439, which was approved by the FERC on December 21, 2018. The docket number for Avista Corp.'s request was AC19-9-000.

ASU 2018-13 "Fair Value Measurement (Topic 820)"

In August 2018, the FASB issued ASU No. 2018-13, which amends the fair value measurement disclosure requirements of ASC 820. The requirements of this ASU include additional disclosure regarding the range and weighted average used to develop significant unobservable inputs for Level 3 fair value estimates and the elimination of certain other previously required disclosures, such as the narrative description of the valuation process for Level 3 fair value measurements. This ASU is effective for periods beginning after December 15, 2019 and early adoption is permitted. Entities have the option to early adopt the eliminated or modified disclosure requirements and delay the adoption of all the new disclosure requirements until the effective date of the ASU. The Company is in the process of evaluating this standard; however, it has determined that it will not early adopt any portion of this standard as of December 31, 2018.

ASU No. 2018-14 "Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)"

In August 2018, the FASB issued ASU No. 2018-14, which amends ASC 715 to add, remove and/or clarify certain disclosure requirements related to defined benefit pension and other postretirement plans. The additional disclosure requirements are primarily narrative discussion of significant changes in the benefit obligations and plan assets. The removed disclosures are primarily information about accumulated other comprehensive income expected to be recognized over the next year and the effects of changes associated with assumed health care costs. This ASU is effective for periods beginning after December 15, 2021 and early adoption is permitted. The Company is in the process of evaluating this standard; however, it has determined that it will not early adopt this standard as of December 31, 2018.

NOTE 3. REVENUE

ASC 606, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded previous revenue recognition guidance, including industry-specific guidance, became effective on January 1, 2018. The core principle of the revenue model is that an entity should identify the various performance obligations in a contract, allocate the transaction price among the performance obligations and recognize revenue when (or as) the entity satisfies each performance obligation.

Utility Revenues

Revenue from Contracts with Customers

General

The majority of Avista Corp.'s revenue is from rate-regulated sales of electricity and natural gas to retail customers, which has two performance obligations, (1) having service available for a specified period (typically a month at a time) and (2) the delivery of energy to customers. The total energy price generally has a fixed component (basic charge) related to having service available and a usage-based component, related to the delivery and consumption of energy.

In addition, the sale of electricity and natural gas is governed by the various state utility commissions, which set rates, charges, terms and conditions of service, and prices. Collectively, these rates, charges, terms and conditions are included in a "tariff," which governs all aspects of the provision of regulated services. Tariffs are only permitted to be changed through a rate-setting process involving an independent, third-party regulator empowered by statute to establish rates that bind customers. Thus, all regulated sales by the Company are conducted subject to the regulator-approved tariff.

Tariff sales involve the current provision of commodity service (electricity and/or natural gas) to customers for a price that generally has a basic charge and a usage-based component. Tariff rates also include certain pass-through costs to customers such as natural gas costs, retail revenue credits and other miscellaneous regulatory items that do not impact net income, but can cause total revenue to fluctuate significantly up or down compared to previous periods. The commodity is sold and/or delivered to and consumed by the customer simultaneously, and the provisions of the relevant tariff determine the charges the Company may bill the customer, payment due date, and other pertinent rights and obligations of both parties. Generally, tariff sales do not involve a written contract. Given that all revenue recognition criteria are met upon the delivery of energy to customers, revenue is recognized immediately at that time.

Revenues from contracts with customers are presented in the Statements of Income in the line item "Utility revenues, exclusive of alternative revenue programs."

Unbilled Revenue from Contracts with Customers

The determination of the volume of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month (once per month for each individual customer). At the end of each calendar month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. The Company's estimate of unbilled revenue is based on:

- the number of customers,
- current rates,
- meter reading dates,
- actual native load for electricity,
- actual throughput for natural gas, and
- electric line losses and natural gas system losses.

Any difference between actual and estimated revenue is automatically corrected in the following month when the actual meter reading and customer billing occurs.

Accounts receivable includes unbilled energy revenues of the following amounts as of December 31 (dollars in thousands):

	2018	2017
Unbilled accounts receivable	$ 64,463	$ 65,801

Non-Derivative Wholesale Contracts

The Company has certain wholesale contracts which are not accounted for as derivatives that are within the scope of ASC 606 and considered revenue from contracts with customers. Revenue is recognized as energy is delivered to the customer or the service is available for specified period of time, consistent with the discussion of tariff sales above.

Alternative Revenue Programs (Decoupling)

ASC 606 retained existing GAAP associated with alternative revenue programs, which specified that alternative revenue programs are contracts between an entity and a regulator of utilities, not a contract between an entity and a customer. GAAP requires that an entity present revenue arising from alternative revenue programs separately from revenues arising from contracts with customers on the face of the Statements of Income. The Company's decoupling mechanisms (also known as a FCA in Idaho) qualify as alternative revenue programs. Decoupling revenue deferrals are recognized in the Statements of Income during the period they occur (i.e. during the period of revenue shortfall or excess due to fluctuations in customer usage), subject to certain limitations, and a regulatory asset or liability is established which will be surcharged or rebated to customers in future periods. GAAP requires that for any alternative revenue program, like decoupling, the revenue must be expected to be collected from customers within 24 months of the deferral to qualify for recognition in the current period Statement of Income. Any amounts included in the Company's decoupling program that are not expected to be collected from customers within 24 months are not recorded in the financial statements until the period in which revenue recognition criteria are met. The amounts expected to be collected from customers within 24 months represents an estimate which must be made by the Company on an ongoing basis due to it being based on the volumes of electric and natural gas sold to customers on a go-forward basis.

Two acceptable methods of presenting decoupling revenue have evolved within the utility industry and a policy election is required by the Company. The two options relate to how the collection/refund of previously recognized decoupling revenue is presented within total revenue. The first option is the gross method, which is to amortize the decoupling regulatory asset/liability to the alternative revenue program line item on the Statement of Income as it is collected from or refunded to customers. The cash passing between the Company and the customers is presented in revenue from contracts with customers since it is a portion of the overall tariff paid by customers. This method results in a gross-up to both revenue from contracts with customers and revenue from alternative revenue programs, but has a net zero impact on total revenue. The second option is the net method, which requires the amortization of the decoupling regulatory asset/liability to be presented within revenue from contracts with customers such that, when netted against the cash passing between the Company and the customers within the same line item, there is a net zero impact to revenue from contracts with customers and total revenue. The Company has elected the gross method for the presentation of alternative revenue program revenue, consistent with historical practice. Depending on whether the previous deferral balance being amortized was a regulatory asset or regulatory liability, and depending on the size and direction of the current year deferral of surcharges and/or rebates to customers, it could result in negative alternative revenue program revenue during the year.

Derivative Revenue

Most wholesale electric and natural gas transactions (including both physical and financial transactions), and the sale of fuel are considered derivatives, which are scoped out of ASC 606. As such, these revenues are disclosed separately from revenue from contracts with customers. Revenue is recognized for these items upon the settlement/expiration of the derivative contract. Derivative revenue includes those transactions which are entered into and settled within the same month.

Other Utility Revenue

Other utility revenue includes rent, revenues from the lineman training school, sales of materials, late fees and other charges that do not represent contracts with customers. Other utility revenue also includes the provision for earnings sharing and the deferral and amortization of refunds to customers associated with the Tax Cuts and Jobs Act (TCJA), enacted in December 2017. This revenue is scoped out of ASC 606, as this revenue does not represent items where a customer is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. As such, these revenues are presented separately from revenue from contracts with customers.

Other Considerations for Utility Revenues

Contracts with Multiple Performance Obligations

In addition to the tariff sales described above, which are stand-alone energy sales, the Company has bundled arrangements which contain multiple performance obligations including some combination of energy, capacity, energy reserves and RECs. Under these arrangements, the total contract price is allocated to the various performance obligations and revenue is recognized as the obligations are satisfied. Depending on the source of the revenue, it could either be included in revenue from contracts with customers or derivative revenue.

Gross Versus Net Presentation

Utility-related taxes collected from customers (primarily state excise taxes and city utility taxes) are taxes that are imposed on Avista Corp. as opposed to being imposed on its customers; therefore, Avista Corp. is the taxpayer and records these transactions on a gross basis in revenue from contracts with customers and operating expense (taxes other than income taxes).

Utility-related taxes that were included in revenue from contracts with customers were as follows for the years ended December 31 (dollars in thousands):

	2018	2017
Utility-related taxes	$ 58,730	$ 61,715

Significant Judgments and Unsatisfied Performance Obligations

The vast majority of the Company's revenues are derived from the rate-regulated sale of electricity and natural gas that have two performance obligations that are satisfied throughout the period and as energy is delivered to customers. In addition, the customers do not pay for energy in advance of receiving it. As such, the Company does not have any significant unsatisfied performance obligations or deferred revenues as of period-end associated with these revenues. Also, the only significant judgments involving revenue recognition are estimates surrounding unbilled revenue and receivables from contracts with customers (discussed in detail above) and estimates surrounding the amount of decoupling revenues which will be collected from customers within 24 months.

The Company has certain capacity arrangements, where the Company has a contractual obligation to provide either electric or natural gas capacity to its customers for a fixed fee. Most of these arrangements are paid for in arrears by the customers and do not result in deferred revenue and only result in receivables from the customers. The Company does have one capacity agreement where the customer makes payments throughout the year and depending on the timing of the customer payments, it can result in an immaterial amount of deferred revenue or a receivable from the customer. As of December 31, 2018, the Company estimates it had unsatisfied capacity performance obligations of $10.3 million, which will be recognized as revenue in future periods as the capacity is provided to the customers. These performance obligations are not reflected in the financial statements, as the Company has not received payment for these services.

Disaggregation of Total Operating Revenue

The following table disaggregates total operating revenue by source for the year ended December 31, 2018 (dollars in thousands):

	2018
Avista Corp.	
Revenue from contracts with customers	$ 1,147,935
Derivative revenues	277,048
Alternative revenue programs	908
Deferrals and amortizations for rate refunds to customers	(16,549)
Other utility revenues	7,456
Total Avista Corp. operating revenues	1,416,798

Utility Revenue from Contracts with Customers by Type and Service

The following table disaggregates revenue from contracts with customers associated with the Company's utility operations for the year ended December 31, 2018 (dollars in thousands):

	2018
	Avista Corp.
ELECTRIC OPERATIONS	
Revenue from contracts with customers	
Residential	$ 368,753
Commercial and governmental	314,532
Industrial	109,846
Public street and highway lighting	7,539
Total retail revenue	800,670
Transmission	17,864
Other revenue from contracts with customers	27,364
Total revenue from contracts with customers	$ 845,898
NATURAL GAS OPERATIONS	
Revenue from contracts with customers	
Residential	$ 194,340
Commercial	89,341
Industrial and interruptible	4,753
Total retail revenue	288,434
Transportation	9,103
Other revenue from contracts with customers	4,500
Total revenue from contracts with customers	$ 302,037

NOTE 4. DERIVATIVES AND RISK MANAGEMENT

Energy Commodity Derivatives

Avista Corp. is exposed to market risks relating to changes in electricity and natural gas commodity prices and certain other fuel prices. Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Avista Corp. utilizes derivative instruments, such as forwards, futures, swap derivatives and options in order to manage the various risks relating to these commodity price exposures. Avista Corp. has an energy resources risk policy and control procedures to manage these risks.

As part of Avista Corp.'s resource procurement and management operations in the electric business, the Company engages in an ongoing process of resource optimization, which involves the economic selection from available energy resources to serve Avista

Corp.'s load obligations and the use of these resources to capture available economic value through wholesale market transactions. These include sales and purchases of electric capacity and energy, fuel for electric generation, and derivative contracts related to capacity, energy and fuel. Such transactions are part of the process of matching resources with load obligations and hedging a portion of the related financial risks. These transactions range from terms of intra-hour up to multiple years.

As part of its resource procurement and management of its natural gas business, Avista Corp. makes continuing projections of its natural gas loads and assesses available natural gas resources including natural gas storage availability. Natural gas resource planning typically includes peak requirements, low and average monthly requirements and delivery constraints from natural gas supply locations to Avista Corp.'s distribution system. However, daily variations in natural gas demand can be significantly different than monthly demand projections. On the basis of these projections, Avista Corp. plans and executes a series of transactions to hedge a portion of its projected natural gas requirements through forward market transactions and derivative instruments. These transactions may extend as much as four natural gas operating years (November through October) into the future. Avista Corp. also leaves a significant portion of its natural gas supply requirements unhedged for purchase in short-term and spot markets.

Avista Corp. plans for sufficient natural gas delivery capacity to serve its retail customers for a theoretical peak day event. Avista Corp. generally has more pipeline and storage capacity than what is needed during periods other than a peak day. Avista Corp. optimizes its natural gas resources by using market opportunities to generate economic value that helps mitigate fixed costs. Avista Corp. also optimizes its natural gas storage capacity by purchasing and storing natural gas when prices are traditionally lower, typically in the summer, and withdrawing during higher priced months, typically during the winter. However, if market conditions and prices indicate that Avista Corp. should buy or sell natural gas during other times in the year, Avista Corp. engages in optimization transactions to capture value in the marketplace. Natural gas optimization activities include, but are not limited to, wholesale market sales of surplus natural gas supplies, purchases and sales of natural gas to optimize use of pipeline and storage capacity, and participation in the transportation capacity release market.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2018 that are expected to be delivered in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs
2019	206	941	10,732	101,293	197	2,790	2,909	54,418
2020	—	—	1,138	47,225	123	959	1,430	14,625
2021	—	—	—	9,670	—	—	1,049	4,100
2022	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—

The following table presents the underlying energy commodity derivative volumes as of December 31, 2017 that were expected to be delivered in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs
2018	426	763	10,572	107,580	213	1,739	3,643	67,375

2019	235	737	610	61,073	94	1,420	1,345	35,438
2020	—	—	910	16,590	—	589	1,430	915
2021	—	—	—	—	—	—	1,049	—
2022	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—

(1) Physical transactions represent commodity transactions in which Avista Corp. will take or make delivery of either electricity or natural gas; financial transactions represent derivative instruments with delivery of cash in the amount of the benefit or cost but with no physical delivery of the commodity, such as futures, swap derivatives, options, or forward contracts.

The electric and natural gas derivative contracts above will be included in either power supply costs or natural gas supply costs during the period they are delivered and will be included in the various deferral and recovery mechanisms (ERM, PCA, and PGAs), or in the general rate case process, and are expected to be collected through retail rates from customers.

Foreign Currency Exchange Derivatives

A significant portion of Avista Corp.'s natural gas supply (including fuel for power generation) is obtained from Canadian sources. Most of those transactions are executed in U.S. dollars, which avoids foreign currency risk. A portion of Avista Corp.'s short-term natural gas transactions and long-term Canadian transportation contracts are committed based on Canadian currency prices and settled within 60 days with U.S. dollars. Avista Corp. hedges a portion of the foreign currency risk by purchasing Canadian currency exchange derivatives when such commodity transactions are initiated. The foreign currency exchange derivatives and the unhedged foreign currency risk have not had a material effect on Avista Corp.'s financial condition, results of operations or cash flows and these differences in cost related to currency fluctuations are included with natural gas supply costs for ratemaking.

The following table summarizes the foreign currency exchange derivatives that Avista Corp. has outstanding as of December 31 (dollars in thousands):

	2018	2017
Number of contracts	31	18
Notional amount (in United States dollars)	$ 4,018	$ 2,552
Notional amount (in Canadian dollars)	5,386	3,241

Interest Rate Swap Derivatives

Avista Corp. is affected by fluctuating interest rates related to a portion of its existing debt, and future borrowing requirements. Avista Corp. hedges a portion of its interest rate risk with financial derivative instruments, which may include interest rate swap derivatives and U.S. Treasury lock agreements. These interest rate swap derivatives and U.S. Treasury lock agreements are considered economic hedges against fluctuations in future cash flows associated with anticipated debt issuances.

The following table summarizes the unsettled interest rate swap derivatives that Avista Corp. has outstanding as of the balance sheet date indicated below (dollars in thousands):

Balance Sheet Date	Number of Contracts	Notional Amount	Mandatory Cash Settlement Date
December 31, 2018	6	70,000	2019
	6	60,000	2020
	2	25,000	2021

	7	80,000	2022
December 31, 2017	14	275,000	2018
	6	70,000	2019
	3	30,000	2020
	1	15,000	2021
	5	60,000	2022

During the second quarter 2018, in connection with the issuance and sale of $375.0 million of Avista Corp. first mortgage bonds (see Note 11), the Company cash-settled fourteen interest rate swap derivatives (notional aggregate amount of $275.0 million) and paid a net amount of $26.6 million. Upon settlement of interest rate swap derivatives, the cash payments made or received are recorded as a regulatory asset or liability and are subsequently amortized as a component of interest expense over the life of the associated debt. The settled interest rate swap derivatives are also included as a part of Avista Corp.'s cost of debt calculation for ratemaking purposes.

The fair value of outstanding interest rate swap derivatives can vary significantly from period to period depending on the total notional amount of swap derivatives outstanding and fluctuations in market interest rates compared to the interest rates fixed by the swaps. Avista Corp. is required to make cash payments to settle the interest rate swap derivatives when the fixed rates are higher than prevailing market rates at the date of settlement. Conversely, Avista Corp. receives cash to settle its interest rate swap derivatives when prevailing market rates at the time of settlement exceed the fixed swap rates.

Summary of Outstanding Derivative Instruments

The amounts recorded on the Balance Sheet as of December 31, 2018 and December 31, 2017 reflect the offsetting of derivative assets and liabilities where a legal right of offset exists.

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2018 (in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) on Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument liabilities current	$ —	$ (45)	$ —	$ (45)
Interest rate swap derivatives				
Derivative instrument assets current	5,283	—	—	5,283
Long-term portion of derivative assets	5,283	(440)	—	4,843
Long-term portion of derivative liabilities	—	(7,391)	530	(6,861)
Energy commodity derivatives				
Derivative instrument assets current	400	(130)	—	270
Derivative instrument liabilities current	31,457	(73,155)	37,790	(3,908)
Long-term portion of derivative liabilities	4,426	(21,292)	13,427	(3,439)
Total derivative instruments recorded on the balance sheet	$ 46,849	$ (102,453)	$ 51,747	$ (3,857)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2017 (in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) on Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument assets current	$ 32	$ (1)	$ —	$ 31
Interest rate swap derivatives				
Derivative instrument assets current	2,597	(270)	—	2,327
Long-term portion of derivative assets	4,880	(2,304)	—	2,576
Derivative instrument liabilities current	—	(63,399)	28,952	(34,447)
Long-term portion of derivative liabilities	—	(7,540)	6,018	(1,522)
Energy commodity derivatives				
Derivative instrument assets current	1,386	(122)	—	1,264
Derivative instrument liabilities current	26,641	(52,895)	17,406	(8,848)
Long-term portion of derivative liabilities	15,970	(34,936)	10,032	(8,934)
Total derivative instruments recorded on the balance sheet	$ 51,506	$ (161,467)	$ 62,408	$ (47,553)

Exposure to Demands for Collateral

Avista Corp.'s derivative contracts often require collateral (in the form of cash or letters of credit) or other credit enhancements, or reductions or terminations of a portion of the contract through cash settlement. In the event of a downgrade in Avista Corp.'s credit ratings or changes in market prices, additional collateral may be required. In periods of price volatility, the level of exposure can change significantly. As a result, sudden and significant demands may be made against Avista Corp.'s credit facilities and cash. Avista Corp. actively monitors the exposure to possible collateral calls and takes steps to mitigate capital requirements.

The following table presents Avista Corp.'s collateral outstanding related to its derivative instruments as of as of December 31 (in thousands):

	2018	2017
Energy commodity derivatives		
Cash collateral posted	$ 78,025	$ 39,458
Letters of credit outstanding	6,500	23,000
Balance sheet offsetting (cash collateral against net derivative positions)	51,217	27,438
Interest rate swap derivatives		
Cash collateral posted	530	34,970
Letters of credit outstanding	—	5,000
Balance sheet offsetting (cash collateral against net derivative positions)	530	34,970

Certain of Avista Corp.'s derivative instruments contain provisions that require the Company to maintain an "investment grade" credit rating from the major credit rating agencies. If Avista Corp.'s credit ratings were to fall below "investment grade," it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing collateralization on derivative instruments in net liability positions.

The following table presents the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position and the amount of additional collateral Avista Corp. could be required to post as of December 31 (in thousands):

	2018	2017
Energy commodity derivatives		
Liabilities with credit-risk-related contingent features	$ 2,193	$ 1,336
Additional collateral to post	2,193	1,336
Interest rate swap derivatives		
Liabilities with credit-risk-related contingent features	7,831	73,514
Additional collateral to post	6,579	18,770

NOTE 5. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, Colstrip, located in southeastern Montana, and provides financing for its ownership interest in the project. The Company's share of related fuel costs as well as operating expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant in service for Colstrip and accumulated depreciation (inclusive of the ARO assets and accumulated amortization) were as follows as of December 31 (dollars in thousands):

	2018	2017
Utility plant in service	$ 384,431	$ 379,970
Accumulated depreciation	(261,997)	(255,604)

See Note 6 for further discussion of AROs.

While the obligations and liabilities with respect to Colstrip are to be shared among the co-owners on a pro rata basis, many of the environmental liabilities are joint and several under the law, so that if any co-owner failed to pay its share of such liability, the other co-owners (or any one of them) could be required to pay the defaulting co-owner's share (or the entire liability).

NOTE 6. ASSET RETIREMENT OBLIGATIONS

The Company has recorded liabilities for future AROs to:

- restore coal ash containment ponds at Colstrip,
- cap a landfill at the Kettle Falls Plant,
- remove plant and restore the land at the Coyote Springs 2 site at the termination of the land lease, and
- dispose of PCBs in certain transformers.

Due to an inability to estimate a range of settlement dates, the Company cannot estimate a liability for the:

- removal and disposal of certain transmission and distribution assets, and
- abandonment and decommissioning of certain hydroelectric generation and natural gas storage facilities.

In 2015, the EPA issued a final rule regarding CCRs, also termed coal combustion byproducts or coal ash. Colstrip, of which Avista Corp. is a 15 percent owner of units 3 & 4, produces this byproduct. The CCR rule has been the subject of ongoing litigation. In August 2018, the D.C. Circuit struck down provisions of the rule. The rule includes technical requirements for CCR landfills and surface impoundments. The Colstrip owners developed a multi-year compliance plan to address the CCR requirements and existing state obligations.

The actual asset retirement costs related to the CCR rule requirements may vary substantially from the estimates used to record the ARO due to the uncertainty and evolving nature of the compliance strategies that will be used and the availability of data used to estimate costs, such as the quantity of coal ash present at certain sites and the volume of fill that will be needed to cap and cover certain impoundments. The Company expects to seek recovery of any increased costs related to complying with the CCR rule through customer rates.

In addition to the above, under a 2012 Administrative Order on Consent, the owners of Colstrip are required to provide financial assurance, primarily in the form of surety bonds, to secure each owner's pro rata share of various anticipated closure and remediation obligations. The amount of financial assurance required of each owner may, like the ARO, vary substantially due to the uncertainty and evolving nature of anticipated closure and remediation activities, and as those activities are completed over time.

The following table documents the changes in the Company's asset retirement obligation during the years ended December 31 (dollars in thousands):

	2018	2017
Asset retirement obligation at beginning of year	$ 17,482	$ 15,515
Liabilities incurred	—	1,171
Liabilities settled	(66)	—
Accretion expense	850	796
Asset retirement obligation at end of year	$ 18,266	$ 17,482

NOTE 7. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The pension and other postretirement benefit plans described below only relate to Avista Corp. AEL&P (not discussed below) participates in a defined contribution multiemployer plan for its union workers and a defined contribution money purchase pension plan for its nonunion workers. METALfx (not discussed below) has a defined contribution 401(k) plan. None of the subsidiary retirement plans, individually or in the aggregate, are significant to Avista Corp.

Avista Corp.

The Company has a defined benefit pension plan covering the majority of all regular full-time employees at Avista Corp. that were hired prior to January 1, 2014. Individual benefits under this plan are based upon the employee's years of service, date of hire and average compensation as specified in the plan. Non-union employees hired on or after January 1, 2014 participate in a defined contribution 401(k) plan in lieu of a defined benefit pension plan. The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company contributed $22.0 million in cash to the pension plan in 2018 and 2017. The Company expects to contribute $22.0 million in cash to the pension plan in 2019.

The Company also has a SERP that provides additional pension benefits to certain executive officers and certain key employees of the Company. The SERP is intended to provide benefits to individuals whose benefits under the defined benefit pension plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary under deferred compensation plans. The liability and expense for this plan are included as pension benefits in the tables included in this Note.

The Company expects that benefit payments under the pension plan and the SERP will total (dollars in thousands):

	2019	2020	2021	2022	2023	Total 2024-2028
Expected benefit payments	$ 37,920	$ 38,486	$ 38,433	$ 39,018	$ 39,405	$ 210,240

The expected long-term rate of return on plan assets is based on past performance and economic forecasts for the types of investments held by the plan. In selecting a discount rate, the Company considers yield rates for highly rated corporate bond portfolios with maturities similar to that of the expected term of pension benefits.

The Company provides certain health care and life insurance benefits for eligible retired employees that were hired prior to January 1, 2014. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The liability and expense of this plan are included as other postretirement benefits. Non-union employees hired on or after January 1, 2014, will have access to the retiree medical plan upon retirement; however, Avista Corp. will no longer provide a contribution toward their medical premium.

The Company has a Health Reimbursement Arrangement (HRA) to provide employees with tax-advantaged funds to pay for allowable medical expenses upon retirement. The amount earned by the employee is fixed on the retirement date based on the employee's years of service and the ending salary. The liability and expense of the HRA are included as other postretirement benefits.

The Company provides death benefits to beneficiaries of executive officers who die during their term of office or after retirement. Under the plan, an executive officer's designated beneficiary will receive a payment equal to twice the executive officer's annual base salary at the time of death (or if death occurs after retirement, a payment equal to twice the executive officer's total annual pension benefit). The liability and expense for this plan are included as other postretirement benefits.

The Company expects that benefit payments under other postretirement benefit plans will total (dollars in thousands):

	2019	2020	2021	2022	2023	Total 2024-2028
Expected benefit payments	$ 6,766	$ 6,393	$ 6,566	$ 6,688	$ 6,740	$ 37,581

The Company expects to contribute $7.1 million to other postretirement benefit plans in 2019, representing expected benefit payments to be paid during the year excluding the Medicare Part D subsidy. The Company uses a December 31 measurement date for its pension and other postretirement benefit plans.

The following table sets forth the pension and other postretirement benefit plan disclosures as of December 31, 2018 and 2017 and the components of net periodic benefit costs for the years ended December 31, 2018 and 2017 (dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2018	2017	2018	2017
Change in benefit obligation:				
Benefit obligation as of beginning of year	$ 716,561	$ 666,472	$ 132,947	$ 136,453
Service cost	21,614	20,406	3,188	3,220

	Pension Benefits 2018	Pension Benefits 2017	Other Post-retirement Benefits 2018	Other Post-retirement Benefits 2017
Interest cost	26,096	27,898	4,831	5,490
Actuarial (gain)/loss	(48,641)	39,743	(610)	(6,020)
Plan change	—	3,158	—	—
Benefits paid	(44,001)	(41,116)	(6,303)	(6,196)
Benefit obligation as of end of year	$ 671,629	$ 716,561	$ 134,053	$ 132,947
Change in plan assets:				
Fair value of plan assets as of beginning of year	$ 605,652	$ 540,914	$ 37,953	$ 33,365
Actual return on plan assets	(40,954)	82,476	(1,101)	4,588
Employer contributions	22,000	22,000	—	—
Benefits paid	(42,647)	(39,738)	—	—
Fair value of plan assets as of end of year	$ 544,051	$ 605,652	$ 36,852	$ 37,953
Funded status	$ (127,578)	$ (110,909)	$ (97,201)	$ (94,994)
Amounts recognized in the Balance Sheets:				
Current liabilities	(1,477)	(1,663)	(580)	(529)
Non-current liabilities	(126,101)	(109,246)	(96,621)	(94,465)
Net amount recognized	(127,578)	(110,909)	(97,201)	(94,994)
Accumulated pension benefit obligation	$ 586,398	$ 624,345	—	—
Accumulated postretirement benefit obligation:				
For retirees			$ 63,796	$ 60,354
For fully eligible employees			$ 29,902	$ 32,891
For other participants			$ 40,355	$ 39,702
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost	$ 2,308	$ 2,066	$ (5,230)	$ (5,058)
Unrecognized net actuarial loss	138,516	102,624	52,441	44,382
Total	140,824	104,690	47,211	39,324
Less regulatory asset	(133,237)	(97,025)	(46,932)	(38,899)
Accumulated other comprehensive loss for unfunded benefit obligation for pensions and other postretirement benefit plans	$ 7,587	$ 7,665	$ 279	$ 425

	Pension Benefits		Other Post-retirement Benefits	
	2018	2017	2018	2017
Weighted-average assumptions as of December 31:				
Discount rate for benefit obligation	4.31%	3.71%	4.32%	3.72%
Discount rate for annual expense	3.71%	4.26%	3.72%	4.23%
Expected long-term return on plan assets	5.50%	5.87%	5.20%	5.69%
Rate of compensation increase	4.67%	4.69%		

Medical cost trend pre-age 65 – initial	6.00%	6.50%
Medical cost trend pre-age 65 – ultimate	5.00%	5.00%
Ultimate medical cost trend year pre-age 65	2023	2023
Medical cost trend post-age 65 – initial	6.25%	6.50%
Medical cost trend post-age 65 – ultimate	5.00%	5.00%
Ultimate medical cost trend year post-age 65	2024	2024

	Pension Benefits		Other Post-retirement Benefits	
	2018	2017	2018	2017
Components of net periodic benefit cost:				
Service cost (a)	$ 21,614	$ 20,406	$ 3,188	$ 3,220
Interest cost	26,096	27,898	4,831	5,490
Expected return on plan assets	(33,018)	(31,626)	(1,973)	(1,899)
Amortization of prior service cost	257	2	(1,089)	(1,144)
Net loss recognition	7,879	9,793	4,232	4,934
Net periodic benefit cost	$ 22,828	$ 26,473	$ 9,189	$ 10,601

(a) Total service costs in the table above are recorded to the same accounts as labor expense. Labor and benefits expense is recorded to various projects based on whether the work is a capital project or an operating expense. Approximately 40 percent of all labor and benefits is capitalized to utility property and 60 percent is expensed to utility other operating expenses.

See Note 2 for discussion regarding the adoption of ASU No. 2017-07 and its impact to the presentation of pension and other postretirement benefits in the Statements of Income and the Balance Sheets.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2018 by $8.1 million and the service and interest cost by $0.6 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2018 by $6.4 million and the service and interest cost by $0.5 million.

Plan Assets

The Finance Committee of the Company's Board of Directors approves investment policies, objectives and strategies that seek an appropriate return for the pension plan and other postretirement benefit plans and reviews and approves changes to the investment and funding policies.

The Company has contracted with investment consultants who are responsible for monitoring the individual investment managers. The investment managers' performance and related individual fund performance is periodically reviewed by an internal benefits committee and by the Finance Committee to monitor compliance with investment policy objectives and strategies.

Pension plan assets are invested in mutual funds, trusts and partnerships that hold marketable debt and equity securities, real estate, absolute return and commodity funds. In seeking to obtain a return that aligns with the funded status of the pension plan, the investment consultant recommends allocation percentages by asset classes. These recommendations are reviewed by the internal benefits committee, which then recommends their adoption by the Finance Committee. The Finance Committee has established target investment allocation percentages by asset classes and also investment ranges for each asset class. The target investment allocation percentages are typically the midpoint of the established range. The target investment allocation percentages by asset classes are indicated in the table below:

	2018	2017
Equity securities	37%	37%
Debt securities	45%	45%
Real estate	8%	8%
Absolute return	10%	10%

The fair value of pension plan assets invested in debt and equity securities was based primarily on fair value (market prices). The fair value of investment securities traded on a national securities exchange is determined based on the reported last sales price; securities traded in the over-the-counter market are valued at the last reported bid price. Investment securities for which market prices are not readily available or for which market prices do not represent the value at the time of pricing, the investment manager estimates fair value based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry).

Pension plan and other postretirement plan assets whose fair values are measured using net asset value (NAV) are excluded from the fair value hierarchy and are included as reconciling items in the tables below.

Investments in common/collective trust funds are presented at estimated fair value, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date. The Company's investments in common/collective trusts have redemption limitations that permit quarterly redemptions following notice requirements of 45 to 60 days. The fair values of the closely held investments and partnership interests are based upon the allocated share of the fair value of the underlying net assets as well as the allocated share of the undistributed profits and losses, including realized and unrealized gains and losses. Most of the Company's investments in closely held investments and partnership interests have redemption limitations that range from bi-monthly to semi-annually following redemption notice requirements of 60 to 90 days. One investment in a partnership has a lock-up for redemption currently expiring in 2022 and is subject to extension.

The fair value of pension plan assets invested in real estate was determined by the investment manager based on three basic approaches:

- properties are externally appraised on an annual basis by independent appraisers, additional appraisals may be performed as warranted by specific asset or market conditions,
- property valuations are reviewed quarterly and adjusted as necessary, and
- loans are reflected at fair value.

The fair value of pension plan assets was determined as of December 31, 2018 and 2017.

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2018 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 7,061	$ —	$ 7,061
Fixed income securities:				
U.S. government issues	—	37,078	—	37,078
Corporate issues	—	175,908	—	175,908
International issues	—	31,561	—	31,561
Municipal issues	—	16,170	—	16,170
Mutual funds:				
U.S. equity securities	101,720	—	—	101,720
International equity securities	33,141	—	—	33,141
Absolute return (1)	2,249	—	—	2,249
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate	—	—	—	43,303
International equity securities	—	—	—	30,944
Partnership/closely held investments:				
Absolute return (1)	—	—	—	60,612
Real estate	—	—	—	4,304
Total	$ 137,110	$ 267,778	$ —	$ 544,051

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2017 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 20,619	$ —	$ 20,619
Fixed income securities:				
U.S. government issues	—	20,305	—	20,305
Corporate issues	—	185,272	—	185,272

International issues	—	32,054	—	32,054
Municipal issues	—	20,201	—	20,201
Mutual funds:				
U.S. equity securities	127,742	—	—	127,742
International equity securities	40,755	—	—	40,755
Absolute return (1)	7,728	—	—	7,728
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate	—	—	—	34,470
International equity securities	—	—	—	43,462
Partnership/closely held investments:				
Absolute return (1)	—	—	—	67,167
Private equity funds (2)	—	—	—	72
Real estate	—	—	—	5,805
Total	$ 176,225	$ 278,451	$ —	$ 605,652

(1) This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income, and (d) market neutral strategies.

(2) This category includes private equity funds that invest primarily in U.S. companies.

The fair value of other postretirement plan assets invested in debt and equity securities was based primarily on market prices. The fair value of investment securities traded on a national securities exchange is determined based on the last reported sales price; securities traded in the over-the-counter market are valued at the last reported bid price. Investment securities for which market prices are not readily available are fair-valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry). The target asset allocation was 60 percent equity securities and 40 percent debt securities in both 2018 and 2017.

The fair value of other postretirement plan assets was determined as of December 31, 2018 and 2017.

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2018 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual funds (1)	$ 36,852	$ —	$ —	$ 36,852

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2017 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual funds (1)	$ 37,953	$ —	$ —	$ 37,953

(1) The balanced index fund for 2018 and 2017 is a single mutual fund that includes a percentage of U.S. equity and fixed income securities and International equity and fixed income securities.

401(k) Plans and Executive Deferral Plan

Avista Corp. has a salary deferral 401(k) plans that is a defined contribution plans and covers substantially all employees. Employees can make contributions to their respective accounts in the plans on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the respective plan.

Employer matching contributions were as follows for the years ended December 31 (dollars in thousands):

	2018	2017
Employer 401(k) matching contributions	$ 10,044	$ 8,896

The Company has an Executive Deferral Plan. This plan allows executive officers and other key employees the opportunity to defer until the earlier of their retirement, termination, disability or death, up to 75 percent of their base salary and/or up to 100 percent of their incentive payments. Deferred compensation funds are held by the Company in a Rabbi Trust.

There were deferred compensation assets and corresponding deferred compensation liabilities on the Balance Sheets of the following amounts as of December 31 (dollars in thousands):

	2018	2017
Deferred compensation assets and liabilities	$ 8,400	$ 8,458

NOTE 8. ACCOUNTING FOR INCOME TAXES

Federal Income Tax Law Changes

On December 22, 2017, the TCJA was signed into law. The legislation included substantial changes to the taxation of individuals as well as U.S. businesses, multi-national enterprises, and other types of taxpayers. Highlights of provisions most relevant to Avista Corp. included:

- A permanent reduction in the statutory corporate tax rate from 35 percent to 21 percent, beginning with tax years after 2017;
- Statutory provisions requiring that excess deferred taxes associated with public utility property be normalized using the Average Rate Assumption Method (ARAM) or the Reverse South Georgia Method for determining the timing of the return of excess deferred taxes to customers. Excess deferred taxes result from revaluing deferred tax assets and liabilities based on the newly enacted tax rate instead of the previous tax rate, which, for most rate-regulated utilities like Avista Corp. results in a net benefit to customers that will be deferred as a regulatory liability and passed through to customers over future periods;
- Repeal of the corporate alternative minimum tax (AMT);
- Bonus depreciation (expensing of capital investment on an accelerated basis) was removed as a deduction for property predominantly used in certain rate-regulated businesses (like Avista Corp.), but is still allowed for the Company's non-regulated businesses; and
- NOL carryback deductions were eliminated, but carryforward deductions are allowed indefinitely with some annual limitations versus the previous 20-year limitation.

As a result of the TCJA and its reduction of the corporate income tax rate from 35 percent to 21 percent (among many other changes in the law), the Company recorded a regulatory liability associated with the revaluing of its deferred income tax assets and liabilities to the new corporate tax rate. The total net amount of the regulatory liability for excess deferred income taxes associated with the TCJA is $429.3 million as of December 31, 2018, compared to $434.6 million as of December 31, 2017, which reflects the amounts to be refunded to customers through the regulatory process. The Avista Corp. amounts related to utility plant commenced being returned to customers in 2018 and the Company expects they will be returned to customers over a period of approximately 36 years using the ARAM. The return of the regulatory liability attributable to non-plant excess deferred taxes of approximately $18.5 million (among all jurisdictions) as of December 31, 2018 will be determined by final orders from the WUTC, IPUC and the Oregon Public Utilities Commission (OPUC) during 2019.

Because most of the provisions of the TCJA were effective as of January 1, 2018 but customers' rates included a 35 percent corporate tax rate built in from prior general rate cases, the Company began accruing for a refund to customers for the change in federal income tax expense beginning January 1, 2018 forward. For Washington and Idaho, this accrual was recorded until all benefits prior to a permanent rate change were properly captured through the deferral process. Refunds have begun to Washington and Idaho customers through tariffs or other regulatory mechanisms or proceedings. For Oregon, a final order is expected during 2019 to determine the timing of refunds to customers.

As of December 31, 2018, excess accumulated deferred tax liabilities associated with the TCJA are classified as follows in the Balance Sheet (in thousands):

	Protected			Unprotected			Total		
	Washington	Idaho	Oregon	Washington	Idaho	Oregon	Washington	Idaho	Oregon
Deferred tax assets	59,201	26,657	8,820	2,725	1,465	71	61,926	28,122	8,891
Regulatory liabilities	256,837	115,647	38,265	11,824	6,409	306	268,661	122,056	38,571

The deferred tax assets in the table above represent the income tax gross-up of the excess deferred taxes (which, together with the excess deferred tax amount, reflects the revenue amounts to be refunded to customers through the regulatory process).

Excess accumulated deferred income taxes in 2018 were amortized in the Statement of Income as follows (in thousands):

	Protected			Unprotected			Total		
	Washington	Idaho	Oregon	Washington	Idaho	Oregon	Washington	Idaho	Oregon
Provision for deferred income taxes	(5,334)	(2,426)	(496)	(339)	290	—	(5,673)	(2,136)	(496)

Positive amounts reflect increases to the provision for deferred income taxes and negative amounts reflect reductions to the provision for deferred income taxes.

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards. The realization of deferred income tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred income tax assets and determined it is more likely than not that deferred income tax assets will be realized.

As of December 31, 2018, the Company had $21.0 million of state tax credit carryforwards. Of the total amount, the Company believes that it is more likely than not that it will only be able to utilize $7.3 million of the state tax credits. As such, the Company has recorded a valuation allowance of $13.7 million against the state tax credit carryforwards and reflected the net amount of $7.3 million as an asset as of December 31, 2018. State tax credits expire from 2020 to 2032.

Status of Internal Revenue Service (IRS) and State Examinations

The Company and its eligible subsidiaries file federal income tax returns. The Company also files state income tax returns in certain jurisdictions, including Idaho, Oregon, Montana and Alaska. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. All tax years after 2013 are open for an IRS tax examination. The IRS is currently reviewing tax years 2014 through 2016 and the Company does not yet know the final status of these examinations.

The Idaho State Tax Commission notified the Company in 2018 that they would be auditing the Company's tax returns for the years 2014 through 2016. The statute of limitations for Montana and Oregon to review 2014 and earlier tax years has expired.

The Company believes that any open tax years for federal or state income taxes will not result in adjustments that would be significant to the financial statements.

Regulatory Assets and Liabilities Associated with Income Taxes

The Company had regulatory assets and liabilities related to the probable recovery/refund of certain deferred income tax assets and liabilities through future customer rates as of December 31 (dollars in thousands):

	2018	2017
Regulatory assets for deferred income taxes	$ 91,188	$ 90,315
Regulatory liabilities for deferred income taxes	446,187	453,817

NOTE 9. ENERGY PURCHASE CONTRACTS

Avista Corp. has contracts for the purchase of fuel for thermal generation, natural gas for resale and various agreements for the purchase or exchange of electric energy with other entities. The remaining term of the contracts range from one month to twenty-five years.

Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs, which are included in utility resource costs in the Statements of Income, were as follows for the years ended December 31 (dollars in thousands):

	2018	2017	2016
Utility power resources	$ 357,656	$ 380,523	$ 402,575

The following table details Avista Corp.'s future contractual commitments for power resources (including transmission contracts) and natural gas resources (including transportation contracts) (dollars in thousands):

	2019	2020	2021	2022	2023	Thereafter	Total
Power resources	$ 199,239	$ 174,236	$ 163,608	$ 162,895	$ 154,935	$ 990,024	$ 1,844,937
Natural gas resources	70,159	61,017	37,318	33,900	33,130	298,253	533,777
Total	$ 269,398	$ 235,253	$ 200,926	$ 196,795	$ 188,065	$ 1,288,277	$ 2,378,714

These energy purchase contracts were entered into as part of Avista Corp.'s obligation to serve its retail electric and natural gas customers' energy requirements, including contracts entered into for resource optimization. As a result, these costs are recovered either through base retail rates or adjustments to retail rates as part of the power and natural gas cost deferral and recovery mechanisms.

The above future contractual commitments for power resources include fixed contractual amounts related to the Company's contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the fixed contracts obligate Avista Corp. to pay certain minimum amounts whether or not the facilities are operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in utility resource costs in the Statements of Income. The contractual amounts included above consist of Avista Corp.'s share of existing debt service cost and its proportionate share of the variable operating expenses of these projects. The minimum amounts payable under these contracts are based in part on the proportionate share of the debt service requirements of the PUD's revenue bonds for which the Company is indirectly responsible. The Company's total future debt service obligation associated with the revenue bonds outstanding at December 31, 2018 (principal and interest) was $65.3 million.

In addition, Avista Corp. has operating agreements, settlements and other contractual obligations related to its generating facilities and transmission and distribution services. The following table details future contractual commitments under these agreements (dollars in thousands):

	2019	2020	2021	2022	2023	Thereafter	Total
Contractual obligations	$ 29,474	$ 33,311	$ 32,291	$ 28,142	$ 28,859	$ 195,743	$ 347,820

NOTE 10. NOTES PAYABLE

Avista Corp. has a committed line of credit with various financial institutions in the total amount of $400.0 million that expires in April 2021. The committed line of credit is secured by non-transferable first mortgage bonds of Avista Corp. issued to the agent bank that would only become due and payable in the event, and then only to the extent, that Avista Corp. defaults on its obligations under the committed line of credit.

The committed line of credit agreement contains customary covenants and default provisions. The credit agreement has a covenant which does not permit the ratio of "total debt" to "total capitalization" of Avista Corp. to be greater than 65 percent at any time. As of December 31, 2018, the Company was in compliance with this covenant.

Balances outstanding and interest rates of borrowings (excluding letters of credit) under the Company's revolving committed lines of credit were as follows as of December 31 (dollars in thousands):

	2018	2017
Balance outstanding at end of period	$ 190,000	$ 105,000
Letters of credit outstanding at end of period	$ 10,503	$ 34,420
Average interest rate at end of period	3.18%	2.26%

As of December 31, 2018 and 2017, the borrowings outstanding under Avista Corp.'s committed line of credit were classified as short-term borrowings on the Balance Sheet.

NOTE 11. BONDS

The following details long-term debt outstanding as of December 31 (dollars in thousands):

Maturity Year	Description	Interest Rate	2018	2017
Avista Corp. Secured Long-Term Debt				
2018	First Mortgage Bonds	5.95%	—	250,000
2018	Secured Medium-Term Notes	7.39%-7.45%	—	22,500
2019	First Mortgage Bonds	5.45%	90,000	90,000
2020	First Mortgage Bonds	3.89%	52,000	52,000
2022	First Mortgage Bonds	5.13%	250,000	250,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	13,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Secured Pollution Control Bonds (1)	(1)	66,700	66,700
2034	Secured Pollution Control Bonds (1)	(1)	17,000	17,000
2035	First Mortgage Bonds	6.25%	150,000	150,000
2037	First Mortgage Bonds	5.70%	150,000	150,000
2040	First Mortgage Bonds	5.55%	35,000	35,000
2041	First Mortgage Bonds	4.45%	85,000	85,000
2044	First Mortgage Bonds	4.11%	60,000	60,000
2045	First Mortgage Bonds	4.37%	100,000	100,000
2047	First Mortgage Bonds	4.23%	80,000	80,000
2047	First Mortgage Bonds	3.91%	90,000	90,000
2048	First Mortgage Bonds (2)	4.35%	375,000	—
2051	First Mortgage Bonds	3.54%	175,000	175,000
	Total secured bonds		1,814,200	1,711,700
	Secured Pollution Control Bonds held by Avista Corporation (1)		(83,700)	(83,700)
	Total long-term debt		$ 1,730,500	$ 1,628,000

(1) In December 2010, $66.7 million and $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due in 2032 and 2034, respectively, which had been held by Avista Corp. since 2008 and 2009, respectively, were refunded by new variable rate bond issues (Series 2010A and Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds may be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheets.

(2) In May 2018, the Company issued and sold $375.0 million of 4.35 percent first mortgage bonds due in 2048 through a public offering. The total net proceeds from the sale of the bonds were used to repay maturing long-term debt of $272.5 million, repay the outstanding balance under Avista Corp.'s $400.0 million committed line of credit and for other general corporate

purposes. In connection with the issuance and sale of the first mortgage bonds, the Company cash-settled fourteen interest rate swap derivatives (notional aggregate amount of $275.0 million) and paid a net amount of $26.6 million. See Note 4 for a discussion of interest rate swap derivatives.

The following table details future long-term debt maturities including advances from associated companies (see Note 12) (dollars in thousands):

	2019	2020	2021	2022	2023	Thereafter	Total
Debt maturities	$ 90,000	$ 52,000	$ —	$ 250,000	$ 13,500	$ 1,376,547	$ 1,782,047

Substantially all of Avista Corp.'s owned properties are subject to the lien of its mortgage indenture. Under the Mortgage and Deed of Trust (Mortgage) securing its first mortgage bonds (including secured medium-term notes), Avista Corp. may issue additional first mortgage bonds under its mortgage in an aggregate principal amount equal to the sum of:

- 66-2/3 percent of the cost or fair value (whichever is lower) of property additions which have not previously been made the basis of any application under the Mortgage, or
- an equal principal amount of retired first mortgage bonds which have not previously been made the basis of any application under the Mortgage, or
- deposit of cash.

Avista Corp. may not issue any additional first mortgage bonds (with certain exceptions in the case of bonds issued on the basis of retired bonds) unless it has "net earnings" (as defined in the Mortgage) for any period of 12 consecutive calendar months out of the preceding 18 calendar months that were at least twice the annual interest requirements on all mortgage securities at the time outstanding, including the first mortgage bonds to be issued, and on all indebtedness of prior rank. As of December 31, 2018, property additions and retired bonds would have allowed, and the net earnings test would not have prohibited, the issuance of $1.2 billion in aggregate principal amount of additional first mortgage bonds at Avista Corp.

NOTE 12. ADVANCES FROM ASSOCIATED COMPANIES

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of $51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II issued $50.0 million of Preferred Trust Securities with a floating distribution rate of LIBOR plus 0.875 percent, calculated and reset quarterly.

The distribution rates paid were as follows during the years ended December 31:

	2018	2017	2016
Low distribution rate	2.36%	1.81%	1.29%
High distribution rate	3.61%	2.36%	1.81%
Distribution rate at the end of the year	3.61%	2.36%	1.81%

Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These Preferred Trust Securities may be redeemed at the option of Avista Capital II at any time and mature on June 1, 2037. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

The Company owns 100 percent of Avista Capital II and has solely and unconditionally guaranteed the payment of distributions on, and redemption price and liquidation amount for, the Preferred Trust Securities to the extent that Avista Capital II has funds available for such payments from the respective debt securities. Upon maturity or prior redemption of such debt securities, the Preferred Trust Securities will be mandatorily redeemed.

NOTE 13. FAIR VALUE

The carrying values of cash and cash equivalents, special deposits, accounts and notes receivable, accounts payable and notes payable are reasonable estimates of their fair values. Bonds and advances from associated companies are reported at carrying value on the Balance Sheets.

The fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair values derived from unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, but which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values incorporates various factors that not only include the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits and letters of credit), but also the impact of Avista Corp.'s nonperformance risk on its liabilities.

The following table sets forth the carrying value and estimated fair value of the Company's financial instruments not reported at estimated fair value on the Balance Sheets as of December 31 (dollars in thousands):

	2018		2017	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Long-term debt (Level 2)	$ 1,053,500	$ 1,142,292	$ 951,000	$ 1,067,783
Long-term debt (Level 3)	677,000	645,523	677,000	713,147
Long-term debt to affiliated trusts (Level 3)	51,547	38,145	51,547	41,882

These estimates of fair value of long-term debt and long-term debt to affiliated trusts were primarily based on available market information, which generally consists of estimated market prices from third party brokers for debt with similar risk and terms. The price ranges obtained from the third party brokers consisted of par values of 74.00 to 121.49, where a par value of 100.00 represents the carrying value recorded on the Balance Sheets. Level 2 long-term debt represents publicly issued bonds with quoted market prices; however, due to their limited trading activity, they are classified as Level 2 because brokers must generate quotes and make estimates using comparable debt with similar risk and terms if there is no trading activity near a period end. Level 3 long-term debt consists of private placement bonds and debt to affiliated trusts, which typically have no secondary trading activity. Fair values in Level 3 are estimated based on market prices from third party brokers using secondary market quotes for debt with similar risk and terms to generate quotes for Avista Corp. bonds.

The following table discloses by level within the fair value hierarchy the Company's assets and liabilities measured and reported on the Balance Sheets as of December 31, 2018 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2018					
Assets:					
Energy commodity derivatives	$ —	$ 36,252	$ —	$ (35,982)	$ 270
Level 3 energy commodity derivatives:					
Natural gas exchange agreements	—	—	31	(31)	—
Interest rate swap derivatives	—	10,566	—	(440)	10,126
Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	1,745	—	—	—	1,745
Equity securities	6,157	—	—	—	6,157
Total	$ 7,902	$ 46,818	$ 31	$ (36,453)	$ 18,298
Liabilities:					
Energy commodity derivatives	$ —	$ 89,283	$ —	$ (87,199)	$ 2,084
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	2,805	(31)	2,774
Power exchange agreement	—	—	2,488	—	2,488
Power option agreement	—	—	1	—	1
Foreign currency exchange derivatives	—	45	—	—	45
Interest rate swap derivatives	—	7,831	—	(970)	6,861
Total	$ —	$ 97,159	$ 5,294	$ (88,200)	$ 14,253

The following table discloses by level within the fair value hierarchy the Company's assets and liabilities measured and reported on the Balance Sheets as of December 31, 2017 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2017					
Assets:					
Energy commodity derivatives	$ —	$ 43,814	$ —	$ (42,550)	$ 1,264
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	183	(183)	—
Foreign currency exchange derivatives	—	32	—	(1)	31
Interest rate swap derivatives	—	7,477	—	(2,574)	4,903

Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	1,638	—	—	—	1,638
Equity securities	6,631	—	—	—	6,631
Total	$ 8,269	$ 51,323	$ 183	$ (45,308)	$ 14,467

Liabilities:					
Energy commodity derivatives	$ —	$ 71,342	$ —	$ (69,988)	$ 1,354
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	3,347	(183)	3,164
Power exchange agreement	—	—	13,245	—	13,245
Power option agreement	—	—	19	—	19
Foreign currency exchange derivatives	—	1	—	(1)	—
Interest rate swap derivatives	—	73,513	—	(37,544)	35,969
Total	$ —	$ 144,856	$ 16,611	$ (107,716)	$ 53,751

(1) The Company is permitted to net derivative assets and derivative liabilities with the same counterparty when a legally enforceable master netting agreement exists. In addition, the Company nets derivative assets and derivative liabilities against any payables and receivables for cash collateral held or placed with these same counterparties.

The difference between the amount of derivative assets and liabilities disclosed in respective levels in the table above and the amount of derivative assets and liabilities disclosed on the Balance Sheets is due to netting arrangements with certain counterparties. See Note 4 for additional discussion of derivative netting.

To establish fair value for energy commodity derivatives, the Company uses quoted market prices and forward price curves to estimate the fair value of energy commodity derivative instruments included in Level 2. In particular, electric derivative valuations are performed using market quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange pricing for similar instruments, adjusted for basin differences, using market quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2.

To establish fair values for interest rate swap derivatives, the Company uses forward market curves for interest rates for the term of the swaps and discounts the cash flows back to present value using an appropriate discount rate. The discount rate is calculated by third party brokers according to the terms of the swap derivatives and evaluated by the Company for reasonableness, with consideration given to the potential non-performance risk by the Company. Future cash flows of the interest rate swap derivatives are equal to the fixed interest rate in the swap compared to the floating market interest rate multiplied by the notional amount for each period.

To establish fair value for foreign currency derivatives, the Company uses forward market curves for Canadian dollars against the US dollar and multiplies the difference between the locked-in price and the market price by the notional amount of the derivative. Forward foreign currency market curves are provided by third party brokers. The Company's credit spread is factored into the locked-in price of the foreign exchange contracts.

Deferred compensation assets and liabilities represent funds held by the Company in a Rabbi Trust for an executive deferral plan. These funds consist of actively traded equity and bond funds with quoted prices in active markets. The balance disclosed in the table above excludes cash and cash equivalents of $0.5 million as of December 31, 2018 and $0.2 million as of December 31, 2017.

Level 3 Fair Value

Under the power exchange agreement the Company purchases power at a price that is based on the average operating and maintenance (O&M) charges from three surrogate nuclear power plants around the country. To estimate the fair value of this agreement the Company estimates the difference between the purchase price based on the future O&M charges and forward prices for energy. The Company compares the Level 2 brokered quotes and forward price curves described above to an internally developed forward price which is based on the average O&M charges from the three surrogate nuclear power plants for the current year. The Company estimates the volumes of the transactions that will take place in the future based on historical average transaction volumes per delivery year (November to April). Significant increases or decreases in any of these inputs in isolation would result in a significantly higher or lower fair value measurement.

For the natural gas commodity exchange agreement, the Company uses the same Level 2 brokered quotes described above; however, the Company also estimates the purchase and sales volumes (within contractual limits) as well as the timing of those transactions. Changing the timing of volume estimates changes the timing of purchases and sales, impacting which brokered quote is used. Because the brokered quotes can vary significantly from period to period, the unobservable estimates of the timing and volume of transactions can have a significant impact on the calculated fair value. The Company currently estimates volumes and timing of transactions based on a most likely scenario using historical data. Historically, the timing and volume of transactions have not been highly correlated with market prices and market volatility.

In addition to the above, the Company also has power option agreements which expire in June 2019. The Company uses the Black-Scholes-Merton valuation model to estimate the fair value, and this model includes significant inputs not observable or corroborated in the market. These inputs include: 1) the strike price (which is an internally derived price based on a combination of generation plant heat rate factors, natural gas market pricing, delivery and other O&M charges) and 2) estimated delivery volumes. Due to the short duration remaining for the power option agreements and their insignificant dollar value, the Company has elected to exclude these agreements from the below Level 3 disclosures.

The following table presents the quantitative information which was used to estimate the fair values of the Level 3 assets and liabilities above as of December 31, 2018 (dollars in thousands):

	Fair Value (Net) at December 31, 2018	Valuation Technique	Unobservable Input	Range
Power exchange agreement	$ (2,488)	Surrogate facility pricing	O&M charges	$40.05-$52.59/MWh (1)
			Transaction volumes	173,465 MWhs
Natural gas exchange agreement	(2,774)	Internally derived weighted-average cost of gas	Forward purchase prices	$1.44 - $1.88/mmBTU
			Forward sales prices	$1.47 - $3.34/mmBTU
			Purchase volumes	115,000 - 310,000 mmBTUs
			Sales volumes	60,000 - 310,000 mmBTUs

(1) The average O&M charges for the delivery year beginning in November 2018 are $45.61 per MWh.

The valuation methods, significant inputs and resulting fair values described above were developed by the Company's management and are reviewed on at least a quarterly basis to ensure they provide a reasonable estimate of fair value each reporting period.

The following table presents activity for energy commodity derivative assets (liabilities) measured at fair value using significant unobservable inputs (Level 3) for the years ended December 31 (dollars in thousands):

	Natural Gas Exchange Agreement	Power Exchange Agreement	Total
Year ended December 31, 2018:			
Balance as of January 1, 2018	$ (3,164)	$ (13,245)	$ (16,409)
Total gains or (losses) (realized/unrealized):			
Included in regulatory assets/liabilities (1)	326	5,027	5,353
Settlements	64	5,730	5,794
Ending balance as of December 31, 2018 (2)	$ (2,774)	$ (2,488)	$ (5,262)
Year ended December 31, 2017:			
Balance as of January 1, 2017	$ (5,885)	$ (13,449)	$ (19,334)
Total gains or (losses) (realized/unrealized):			
Included in regulatory assets/liabilities (1)	3,292	(7,674)	(4,382)
Settlements	(571)	7,878	7,307
Ending balance as of December 31, 2017 (2)	$ (3,164)	$ (13,245)	$ (16,409)

(1) All gains and losses are included in other regulatory assets and liabilities. There were no gains and losses included in either net income or other comprehensive income during any of the periods presented in the table above.
(2) There were no purchases, issuances or transfers from other categories of any derivatives instruments during the periods presented in the table above.

NOTE 14. COMMON STOCK

The payment of dividends on common stock could be limited by:

- certain covenants applicable to preferred stock (when outstanding) contained in the Company’s Restated Articles of Incorporation, as amended (currently there are no preferred shares outstanding),
- certain covenants applicable to the Company's outstanding long-term debt and committed line of credit agreements,
- the hydroelectric licensing requirements of section 10(d) of the FPA (see Note 1), and
- certain requirements under the OPUC approval of the AERC acquisition in 2014. The OPUC's AERC acquisition order requires Avista Corp. to maintain a capital structure of no less than 40 percent common equity (inclusive of short-term debt). This limitation may be revised upon request by the Company with approval from the OPUC.

As of December 31, 2018, the acquisition of the Company by Hydro One had not yet been terminated. As such, the Merger Agreement was still in effect at that time. Under the Merger Agreement, the annual dividends were not to increase by more than $0.06 per year over the 2017 dividend rate, thus limiting annual dividends to $1.49 per share.

Now that the Merger Agreement has been terminated, the requirements of the OPUC approval of the AERC acquisition are the most restrictive. Under the OPUC restriction, the amount available for dividends at December 31, 2018 was limited to $231.1 million.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2018 and 2017.

Equity Issuances

The Company has entered into four separate sales agency agreements under which the sales agents may offer and sell new shares of the Company's common stock from time to time. No shares were issued under these agreements during 2018. These agreements provide for the offering of a maximum of 3.8 million shares, of which approximately 1.1 million remain unissued as of December 31, 2018. Subject to the satisfaction of customary conditions (including any required regulatory approvals), the Company has the right to increase the maximum number of shares that may be offered under these agreements.

NOTE 15. COMMITMENTS AND CONTINGENCIES

In the course of its business, the Company becomes involved in various claims, controversies, disputes and other contingent matters, including the items described in this Note. Some of these claims, controversies, disputes and other contingent matters involve litigation or other contested proceedings. For all such matters, the Company intends to vigorously protect and defend its interests and pursue its rights. However, no assurance can be given as to the ultimate outcome of any particular matter because litigation and other contested proceedings are inherently subject to numerous uncertainties. For matters that affect Avista Corp.'s operations, the Company intends to seek, to the extent appropriate, recovery of incurred costs through the ratemaking process.

California Refund Proceeding

In February 2016, APX, a market maker in the California Refund Proceedings in whose markets Avista Energy participated in the summer of 2000, asserted that Avista Energy and its other customer/participants may be responsible for a share of the disgorgement penalty APX may be found to owe to Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, the California Attorney General, the California Department of Water Resources, and the California Public Utilities Commission (together, the "California Parties"). The penalty was the result of the FERC's finding that APX committed violations in the California market in the summer of 2000. APX made these assertions despite Avista Energy having been dismissed in FERC Opinion No. 536 from the on-going administrative proceeding at the FERC regarding potential wrongdoing in the California markets in the summer of 2000. APX identified Avista Energy's share of APX's exposure to be as much as $16.0 million even though no wrongdoing allegations were specifically attributable to Avista Energy. Avista Energy asserted its settlement with the California Parties in 2014 insulated it from any such liability and that as a dismissed party it would not be drawn back into the litigation. On May 3, 2018, the FERC issued an order, Order on Compliance Filings, resolving in the Company's favor the last indirect exposure the Company had related to the California Refund Proceedings. That order, which fully absolved the Company of any further exposure, was not challenged and is now final and not subject to appeal.

Cabinet Gorge Total Dissolved Gas Abatement Plan

Dissolved atmospheric gas levels (referred to as "Total Dissolved Gas" or "TDG") in the Clark Fork River exceed state of Idaho and federal water quality numeric standards downstream of Cabinet Gorge particularly during periods when excess river flows must be diverted over the spillway. Under the terms of the Clark Fork Settlement Agreement as incorporated in Avista Corp.'s FERC license for the Clark Fork Project, Avista Corp. has worked in consultation with agencies, tribes and other stakeholders to address this issue. Under the terms of a gas supersaturation mitigation plan, Avista Corp. is reducing TDG by constructing spill crest modifications on spill gates at the dam. These modifications have been shown to be effective in reducing TDG downstream. TDG monitoring and analysis is ongoing. Under the terms of the mitigation plan, Avista Corp. will continue to work with stakeholders to determine the degree to which TDG abatement reduces future mitigation obligations. The Company has sought, and will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

Collective Bargaining Agreements

The Company's collective bargaining agreements with the IBEW represent approximately 45 percent of all of Avista Corp.'s employees. A three-year agreement with the local union in Washington and Idaho representing the majority (approximately 90 percent) of the Avista Corp.'s bargaining unit employees was approved in March 2016 and expires in March 2019. The Company is currently negotiating a new agreement with the IBEW.

A three-year agreement in Oregon, which covers approximately 50 employees will expire in March 2020.

There is a risk that if collective bargaining agreements expire and new agreements are not reached in each of our jurisdictions, employees could strike. Given the magnitude of employees that are covered by collective bargaining agreements, this could result in disruptions to our operations. However, the Company believes that the possibility of this occurring is remote.

Legal Proceedings Related to the Proposed Acquisition by Hydro One

See Note 17 for information regarding the termination of the proposed acquisition of the Company by Hydro One.

In connection with the now terminated acquisition, three lawsuits were filed in the United States District Court for the Eastern District of Washington and were subsequently voluntarily dismissed by the plaintiffs.

One lawsuit was filed in the Superior Court for the State of Washington in and for Spokane County, captioned as follows:

- *Fink v. Morris, et al.,* No. 17203616-6 (filed September 15, 2017, amended complaint filed October 25, 2017).

This lawsuit was filed against Hydro One Limited, Olympus Holding Corp., Olympus Corp. and Bank of America Merrill Lynch, as well as all members of the Company's Board of Directors, namely Erik Anderson, Kristianne Blake, Donald Burke, Rebecca Klein, Scott Maw, Scott Morris, Marc Racicot, Heidi Stanley, John Taylor and Janet Widmann. While Avista Corp. is not a named defendant in this lawsuit, the Company has the obligation to indemnify members of its Board of Directors.

The complaint generally alleges that the members of the Board breached their fiduciary duties by, among other things, conducting an allegedly inadequate sale process and agreeing to the acquisition at a price that allegedly undervalues Avista Corporation, and that Hydro One Limited, Olympus Holding Corp., and Olympus Corp. aided and abetted those purported breaches of duty. The aiding and abetting claims were brought only against Hydro One Limited, Olympus Holding Corp. and Olympus Corp. The complaint seeks various remedies, including monetary damages, attorneys' fees and expenses. The complaint was stayed by the court until the closing of the transaction at which time the plaintiff would have the option to file an amended complaint within 30 days of such closing. If the amended complaint was not filed within the 30 days the suit would be dismissed. Since the transaction will not close, the status of this lawsuit is unknown.

All defendants deny any wrongdoing in connection with the proposed acquisition and plan to vigorously defend against all pending claims; however, the Company cannot at this time predict the eventual outcome.

2015 Washington General Rate Cases

In January 2016, the Company received an order (Order 05) that concluded its electric and natural gas general rate cases that were originally filed with the WUTC in February 2015. New electric and natural gas rates were effective on January 11, 2016.

WUTC Order Denying Industrial Customers of Northwest Utilities / Public Counsel Joint Motion for Clarification, WUTC Staff Motion to Reconsider and WUTC Staff Motion to Reopen Record

In January 2016, the Industrial Customers of Northwest Utilities, the Public Counsel Unit of the Washington State Office of the Attorney General (PC) and the WUTC Staff, which is a separate party in the general rate case proceedings from the WUTC Advisory Staff, filed Motions for Clarification requesting the WUTC to clarify their attrition adjustment and the end result electric revenue amounts. The Motions for Clarification suggested that the electric revenue decrease should have been significantly larger than what was included in Order 05.

In February 2016, the WUTC issued an order (Order 06) denying the Motions summarized above and affirming Order 05, including an $8.1 million decrease in electric base revenue.

PC Petition for Judicial Review

In March 2016, PC filed in Thurston County Superior Court a Petition for Judicial Review of the WUTC's Order 05 and Order 06 described above. In April 2016, this matter was certified for review directly by the Court of Appeals, an intermediate appellate court in the State of Washington.

On August 7, 2018, the Court of Appeals issued a "Published Opinion" (Opinion) which concluded that the WUTC's use of an attrition allowance to calculate Avista Corp.'s rate base violated Washington law. In the Opinion, the Court stated that because the projected additions to rate base in the future were not "used and useful" for service at the time the request for the rate increase was made, they may not lawfully be included in the Company's rate base to justify a rate increase. Accordingly, the Court concluded that the WUTC erred in including an attrition allowance in the calculation of Avista Corp.'s electric and natural gas rate base. The Court noted, however, that the law does not prohibit an attrition allowance in the calculation, for ratemaking purposes, of recoverable operating and maintenance expense. Since the WUTC order provided one lump sum attrition allowance without distinguishing what portion was for rate base and which was for operating and maintenance expenses or other considerations, the Court struck all portions of the attrition allowance attributable to Avista Corp.'s rate base and reversed and remanded the case for the WUTC to recalculate Avista Corp.'s rates without including an attrition allowance in the calculation of rate base. On October 1, 2018, the Court of Appeals terminated its review of this case, remanding it back to the Thurston County Superior Court.

The total attrition allowance approved by the WUTC in Order 05 and reaffirmed in Order 06 was $35.2 million, with $28.3 million related to electric and $6.9 million related to natural gas. The Company believes the potential amount to return to customers is limited to the 2015 general rate cases because in subsequent Washington general rate cases (specifically those approved in April 2018), the WUTC did not include any attrition allowance on rate base. Even though the Company believes the issue only relates to the 2015 general rate cases, the Company cannot predict the outcome of this matter at this time and cannot estimate how much, if any, of the attrition allowance may be removed from the general rate cases or if other amounts from subsequent general rate cases will be included. The Company will participate in any regulatory process that is yet to be established by the WUTC.

Other Contingencies

In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material impact on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

The Company routinely assesses, based on studies, expert analyses and legal reviews, its contingencies, obligations and commitments for remediation of contaminated sites, including assessments of ranges and probabilities of recoveries from other responsible parties who either have or have not agreed to a settlement as well as recoveries from insurance carriers. The Company's policy is to accrue and charge to current expense identified exposures related to environmental remediation sites based on estimates of investigation, cleanup and monitoring costs to be incurred. For matters that affect Avista Corp.'s or AEL&P's operations, the Company seeks, to the extent appropriate, recovery of incurred costs through the ratemaking process.

The Company has potential liabilities under the Endangered Species Act for species of fish, plants and wildlife that have either already been added to the endangered species list, listed as "threatened" or petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company. However, the Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to these issues.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. In addition, the company holds additional non-hydro water rights. The state of Montana is examining the status of all water right claims within state boundaries through a general adjudication. Claims within the Clark Fork River basin could adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The state of Idaho has initiated adjudication in northern Idaho, which will ultimately include the lower Clark Fork River, the Spokane River and the Coeur d'Alene basin. The Company is and will continue to be a participant in these and any other relevant adjudication processes. The complexity of such adjudications makes each unlikely to be concluded in the foreseeable future. As such, it is not possible for the Company to estimate the impact of any outcome at this time. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

NOTE 16. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

Deferred power supply costs are recorded as a deferred charge or liability on the Balance Sheets for future prudence review and recovery or rebate through retail rates. The power supply costs deferred include certain differences between actual net power supply costs incurred by Avista Corp. and the costs included in base retail rates. This difference in net power supply costs primarily results from changes in:

- short-term wholesale market prices and sales and purchase volumes,
- the level, availability and optimization of hydroelectric generation,
- the level and availability of thermal generation (including changes in fuel prices),
- retail loads, and
- sales of surplus transmission capacity.

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with WUTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for Washington customers and defer these differences (over the $4.0 million deadband and sharing bands) for future surcharge or rebate to customers. For 2018, the Company recognized a pre-tax benefit of $6.1 million under the ERM in Washington compared to a benefit of $4.6 million for 2017. Total net deferred power costs under the ERM were a liability of $34.4 million as of December 31, 2018 and a liability of $23.7 million as of December 31, 2017. These deferred power cost balances represent amounts due to customers. These deferred power cost balances represent amounts due to customers. Pursuant to WUTC requirements, should the cumulative deferral balance exceed $30 million in the rebate or surcharge direction, the Company must make a filing with the WUTC to adjust customer rates to either return the balance to customers or recover the balance from customers. Avista Corp. makes an annual filing on or before April 1 of each year to provide the opportunity for the WUTC staff and other interested parties to review the prudence of and audit the ERM deferred power cost transactions for the prior calendar year. The filing in 2019 will also contain a proposed rate adjustment or refund, effective July 1, 2019, due to the rebate balance exceeding $30 million.

Avista Corp. has a PCA mechanism in Idaho that allows it to modify electric rates on October 1 of each year with IPUC approval. Under the PCA mechanism, Avista Corp. defers 90 percent of the difference between certain actual net power supply expenses and the amount included in base retail rates for its Idaho customers. The October 1 rate adjustments recover or rebate power costs deferred during the preceding July-June twelve-month period. Total net power supply costs deferred under the PCA mechanism were a liability of $7.6 million as of December 31, 2018 and a liability of $6.1 million as of December 31, 2017. These deferred power cost balances represent amounts due to customers.

Natural Gas Cost Deferrals and Recovery Mechanisms

Avista Corp. files a PGA in all three states it serves to adjust natural gas rates for: 1) estimated commodity and pipeline transportation costs to serve natural gas customers for the coming year, and 2) the difference between actual and estimated commodity and transportation costs for the prior year. Total net deferred natural gas costs to be refunded to customers were a liability of $40.7 million as of December 31, 2018 and a liability of $37.5 million as of December 31, 2017. These balances represent amounts due to customers.

Decoupling and Earnings Sharing Mechanisms

Decoupling (also known as an FCA in Idaho) is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. In each of Avista Corp.'s jurisdictions, Avista Corp.'s electric and natural gas revenues are adjusted so as to be based on the number of customers in certain customer rate classes and assumed "normal" kilowatt hour and therm sales, rather than being based on actual kilowatt hour and therm sales. The difference between revenues based on the number of customers and "normal" sales and revenues based on actual usage is deferred and either surcharged or rebated to customers beginning in the following year. Only residential and certain commercial customer classes are included in decoupling mechanisms.

Washington Decoupling and Earnings Sharing

In Washington, the WUTC approved the Company's decoupling mechanisms for electric and natural gas for a five-year period beginning January 1, 2015. In February 2019, the WUTC approved an all-party agreement that extends the life of the mechanisms through the end of the Company's next general rate case, or April 1, 2020, whichever comes first. In that general rate case the Company will seek to either make permanent or extend the mechanisms for an additional multi-year term. Electric and natural gas decoupling surcharge rate adjustments to customers are limited to a 3 percent increase on an annual basis, with any remaining surcharge balance carried forward for recovery in a future period. There is no limit on the level of rebate rate adjustments.

The decoupling mechanisms each include an after-the-fact earnings test. At the end of each calendar year, separate electric and natural gas earnings calculations are made for the calendar year just ended. These earnings tests reflect actual decoupled revenues, normalized power supply costs and other normalizing adjustments. If the Company earns more than its authorized ROR in Washington, 50 percent of excess earnings are rebated to customers through adjustments to decoupling surcharge or rebate balances. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

Idaho FCA and Earnings Sharing Mechanisms

In Idaho, the IPUC approved the implementation of FCAs for electric and natural gas (similar in operation and effect to the Washington decoupling mechanisms) for an initial term of three years, beginning January 1, 2016. During the first quarter of 2018, the FCA in Idaho was extended for a one-year term through December 31, 2019. The Company expects to seek an extension of the FCAs in its next general rate case, expected in the second quarter of 2019.

Oregon Decoupling Mechanism

In February 2016, the OPUC approved the implementation of a decoupling mechanism for natural gas, similar to the Washington and Idaho mechanisms described above. The decoupling mechanism became effective on March 1, 2016. There will be an opportunity for interested parties to review the mechanism and recommend changes, if any, by September 2019. In Oregon, an earnings review is conducted on an annual basis. In the annual earnings review, if the Company earns more than 100 basis points above its allowed ROE, one-third of the earnings above the 100 basis points would be deferred and later returned to customers. The earnings review is separate from the decoupling mechanism and was in place prior to decoupling. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

Cumulative Decoupling and Earnings Sharing Mechanism Balances

As of December 31, 2018 and December 31, 2017, the Company had the following cumulative balances outstanding related to decoupling and earnings sharing mechanisms in its various jurisdictions (dollars in thousands):

	December 31, 2018	December 31, 2017
Washington		
Decoupling surcharge	$ 12,671	$ 14,240
Provision for earnings sharing rebate	(693)	(3,420)
Idaho		
Decoupling surcharge	$ 2,150	$ 3,471
Provision for earnings sharing rebate	(774)	(2,350)
Oregon		
Decoupling rebate	$ (898)	$ (1,168)
Provision for earnings sharing rebate	—	—

NOTE 17. TERMINATION OF PROPOSED ACQUISITION BY HYDRO ONE

On July 19, 2017, Avista Corp. entered into a Merger Agreement that provided for Avista Corp. to become an indirect, wholly-owned subsidiary of Hydro One, subject to the satisfaction or waiver of specified closing conditions, including approval by regulatory agencies. Hydro One, based in Toronto, is Ontario's largest electricity transmission and distribution provider.

At the effective time of the acquisition, each share of Avista Corp. common stock issued and outstanding, other than shares of Avista Corp. common stock that are owned by Hydro One and its affiliates, were to be converted automatically into the right to receive an amount in cash equal to $53, without interest.

Denial by Regulatory Commissions

The closing of the acquisition was subject to various conditions, including, among others, receipt of regulatory approval from the WUTC, IPUC, MPSC, OPUC, and the RCA.

Washington - On March 27, 2018, Avista Corp. and Hydro One filed an all-parties (including the WUTC Staff), all-issues settlement agreement with the WUTC recommending approval of the acquisition of the Company by Hydro One. The settlement agreement was subject to WUTC approval.

On December 5, 2018, the Company and Hydro One received a decision from the WUTC, denying the proposed acquisition. On December 17, 2018, the Company and Hydro One filed a petition requesting that the WUTC reconsider its December 5, 2018 order denying approval of the acquisition, together with a petition requesting that the WUTC rehear the matter to accept new evidence. Under Washington State law, the WUTC had 20 days to act on the petition for reconsideration.

On January 8, 2019, the WUTC provided notice of its deemed denial by operation of law of the filed petition to reconsider the denial of approval for the acquisition. The WUTC did not take action on the petition within the required 20 days of its filing so the petition was automatically denied under the state's Administrative Procedure Act. In the same notice, the WUTC also denied the petition for a rehearing on the basis that it does not apply.

Idaho - On April 13, 2018, Avista Corp. and Hydro One filed an all-issues settlement agreement (to which the IPUC Staff was a party) with the IPUC recommending approval of the acquisition of the Company by Hydro One. The settlement agreement was subject to IPUC approval.

On January 3, 2019, the Company and Hydro received a decision from the IPUC, finding that the proposed acquisition was not permitted by Idaho law. Avista Corp. and Hydro One had until January 24, 2019 to file a petition for reconsideration with the IPUC, which they did not file.

Oregon - On May 25, 2018, Avista Corp. and Hydro One filed an all-parties (including the OPUC Staff), all-issues settlement agreement with the OPUC related to the Oregon merger proceeding. The settlement agreement was subject to review and approval by the OPUC.

On January 15, 2019, due to the denial of the acquisition by the WUTC and IPUC, the OPUC issued an order suspending indefinitely the procedural schedule in its merger docket until Hydro One and Avista Corp. informed the OPUC that they had sought a reversal of the denial decisions through appeal or other means that would provide a justiciable issue for the OPUC to address.

Termination of the Merger Agreement

On January 23, 2019, Avista Corp., Hydro One and certain subsidiaries thereof, entered into a Termination Agreement indicating their mutual agreement to terminate the Merger Agreement, effective immediately. Pursuant to the terms of the Termination Agreement, Hydro One paid Avista Corp. a $103 million termination fee on January 24, 2019. The termination fee will be used for reimbursing the Company's transaction costs incurred from 2017 to 2019. The balance of the termination fee remaining after payment of 2019 transaction costs and applicable income taxes will be used for general corporate purposes and reduces the Company's need for external financing.

Other Information Related to the Terminated Acquisition

Due to the termination of the acquisition, all the financial commitments that were included in the various settlement agreements with the commissions for the proposed acquisition will not occur.

The Company incurred significant acquisition costs associated with the acquisition consisting primarily of consulting, banking fees, legal fees and employee time, and these costs are not being passed through to customers. When the Company was assuming the transaction was going to be completed, a significant portion of these costs were not deductible for income tax purposes. Now that the transaction has been terminated, the Company expects more of the previously incurred transaction costs to be deductible so it expects additional tax benefits from these costs in 2019.

See Note 15 for discussion of shareholder lawsuits filed against the Company, the Company's directors, Hydro One, Olympus Holding Corp., and Olympus Corp. in relation to the Merger Agreement and the proposed acquisition.

NOTE 18. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information consisted of the following items for the years ended December 31 (dollars in thousands):

	2017	2016

Cash paid for interest	$ 90,394	$ 88,368
Cash paid for income taxes	16,576	3,832
Cash received for income tax refunds	(3,025)	(46,916)

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	5,995,428,313
4	Property Under Capital Leases	
5	Plant Purchased or Sold	286,320
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	5,995,714,633
9	Leased to Others	
10	Held for Future Use	9,036,047
11	Construction Work in Progress	156,563,570
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	6,161,314,250
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,991,240,383
15	Net Utility Plant (Total of lines 13 and 14)	4,170,073,867
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,895,743,265
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	95,497,118
22	TOTAL In Service (Total of lines 18 thru 21)	1,991,240,383
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,991,240,383

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1	[redacted]	[redacted]	[redacted]	[redacted]
2	[redacted]	[redacted]	[redacted]	[redacted]
3	4,157,842,860	1,238,294,830		599,290,623
4				
5	286,320			
6				
7				
8	4,158,129,180	1,238,294,830		599,290,623
9				
10	8,130,526	190,585		714,936
11	113,918,710	4,595,404		38,049,456
12				
13	4,280,178,416	1,243,080,819		638,055,015
14	1,450,183,104	378,705,925		162,351,354
15	2,829,995,312	864,374,894		475,703,661
16	[redacted]	[redacted]	[redacted]	[redacted]
17	[redacted]	[redacted]	[redacted]	[redacted]
18	1,426,663,880	377,778,951		91,300,434
19	[redacted]		[redacted]	[redacted]
20	[redacted]		[redacted]	[redacted]
21	23,519,224	926,974		71,050,920
22	1,450,183,104	378,705,925		162,351,354
23	[redacted]	[redacted]	[redacted]	[redacted]
24				
25				
26				
27	[redacted]	[redacted]	[redacted]	[redacted]
28				
29				
30				
31	[redacted]		[redacted]	[redacted]
32				
33	1,450,183,104	378,705,925		162,351,354

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c).Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	2,880,555	36,309
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	2,880,555	36,309
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4				2,916,864
5				2,916,864
6				
7				
8				
9				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	7,628	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	7,628	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	1,306,601	
45	350.2 Rights-of-Way	59,812	
46	351 Structures and Improvements	2,407,983	470,245
47	352 Wells	14,166,928	470,245
48	352.1 Storage Leaseholds and Rights	254,354	
49	352.2 Reservoirs	1,667,492	
50	352.3 Non-recoverable Natural Gas	5,810,311	
51	353 Lines	1,106,781	
52	354 Compressor Station Equipment	15,378,230	470,245
53	355 Other Equipment	1,184,923	470,245
54	356 Purification Equipment	403,712	
55	357 Other Equipment	2,485,602	470,244
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	46,232,729	2,351,224
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				7,628
41				7,628
42				
43				
44				1,306,601
45				59,812
46				2,878,228
47			254,354	14,891,527
48			(254,354)	
49				1,667,492
50				5,810,311
51				1,106,781
52				15,848,475
53				1,655,168
54				403,712
55	19,003			2,936,843
56				
57	19,003			48,564,950
58				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	46,232,729	2,351,224
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)		
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	920,102	253,449
95	375 Structures and Improvements	1,354,564	492,194
96	376 Mains	547,688,874	50,146,864
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	12,181,034	366,289
99	379 Measuring and Regulating Station Equipment-City Gate	9,087,273	123,051
100	380 Services	332,999,643	36,918,548
101	381 Meters	123,444,538	7,860,476
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	4,997,477	811,715
106	386 Other Property on Customers' Premises		
107	387 Other Equipment	539	
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	1,032,674,044	96,972,586
110	GENERAL PLANT		
111	389 Land and Land Rights	3,367,309	239,812
112	390 Structures and Improvements	7,160,856	15,905,931
113	391 Office Furniture and Equipment	736,399	829,003
114	392 Transportation Equipment	16,989,163	1,857,028
115	393 Stores Equipment	136,789	
116	394 Tools, Shop, and Garage Equipment	7,673,669	633,848
117	395 Laboratory Equipment	340,946	28,540
118	396 Power Operated Equipment	3,996,441	99,967
119	397 Communication Equipment	3,545,025	287,337
120	398 Miscellaneous Equipment	2,367	
121	Subtotal (Enter Total of lines 111 thru 120)	43,948,964	19,881,466
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	43,948,964	19,881,466
125	TOTAL (Accounts 101 and 106)	1,125,743,920	119,241,585
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	1,125,743,920	119,241,585

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	19,003			48,564,950
82				
83				
84				
85				
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89				
90				
91				
92				
93				
94	1,506		7,330	1,179,375
95	81,839		38,101	1,803,020
96	706,348		90,839	597,220,229
97				
98	496,068		(83,474)	11,967,781
99	441,448		(47,207)	8,721,669
100	308,810		9,721	369,619,102
101	2,767,972			128,537,042
102				
103				
104				
105	20,122			5,789,070
106				
107				539
108				
109	4,824,113		15,310	1,124,837,827
110				
111				3,607,121
112	23,945			23,042,842
113	378,871			1,186,531
114	1,135,236			17,710,955
115	23,988			112,801
116	137,328			8,170,189
117	45,311			324,175
118				4,096,408
119	102,880		(15,310)	3,714,172
120				2,367
121	1,847,559		(15,310)	61,967,561
122				
123				
124	1,847,559		(15,310)	61,967,561
125	6,690,675			1,238,294,830
126				
127				
128				
129	6,690,675			1,238,294,830

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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of $1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Gas Distribution Mains and Services	03/01/2007		190,585
2	located in Coeur d'Alene, Idaho			
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44				
45	**Total**	[redacted]		**190,585**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Dollar Rd Service Center Addition and Remodel	1,858,215	8,772,048
2	Minor Projects under $1,000,000:		
3	Gas Replace-St&Hwy	587,634	126,578
4	Cathodic Protection-Minor Blanket	525,883	92,042
5	Regulator Reliable - Blanket	324,077	1,244,629
6	Gas Revenue Blanket	313,633	377,420
7	Transportation Equip	305,651	54,655
8	Gas Op Qual - Tooling, Vehicles and Material	234,193	90,807
9	Cheney HP Reinforcement	145,459	2,999,262
10	Endpoint Compute and Productivity Systems	88,433	61,567
11	Rathdrum Prairie HP Gas Reinforcement	55,825	2,491,016
12	Gas Reinforce-Minor Blanket	54,907	34,444
13	Gas Telemetry	39,987	95,880
14	Environmental Control & Monitoring Systems	29,458	
15	NSC Greene St HP Gas Main	28,344	
16	Gas ERT Minor Blanket	9,346	39,500
17	Gas Regulators Minor Blanket	5,579	
18	Structures & Improv	3,757	479
19	COF Long Term Restructuring Plan Phase 2	2,657	17,064
20	Replace Deteriorating Gas System	658	49,273
21	Gas Meters Minor Blanket	399	99,559
22	Facilities Driven Technology Improvements	279	49,686
23	Gas Distribution Non-Revenue Blanket	(18,970)	108,719
24			
25			
26			
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44			
45	**Total**	**4,595,404**	**16,804,628**

General Description of Construction Overhead Procedure

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Construction costs with a direct relationship to new construction and capital replacement activities that cannot be clearly identified with specific projects are charged to overhead pools. The established pools are:

Construction Overhead North Gas
Construction Overhead South Gas

Pool costs are allocated monthly to gas construction projects on a percent rate applied to direct project costs, excluding AFUDC. Each pool's rate is calculated separately and applied only to the related gas construction projects for allocation.

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S 58,215,068		
	(2) Short-Term Interest			s 3.00
	(3) Long-Term Debt	D 1,668,000,000	49.04	d 5.34
	(4) Preferred Stock	P		p
	(5) Common Equity	C 1,737,860,969	50.96	c 9.50
	(6) Total Capitalization	3,405,860,969		
	(7) Average Construction Work In Progress Balance	W 162,896,875		

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 2.75

3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] 3.12

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 3.00

b. Rate for Other Funds - 3.12

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Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	356,537,862	356,537,862		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	26,994,029	26,994,029		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	2,044,607	2,044,607		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	29,038,636	29,038,636		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(6,690,673)	(6,690,673)		
13	Cost of Removal	(103,011)	(103,011)		
14	Salvage (Credit)	(22,233)	(22,233)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(6,771,451)	(6,771,451)		
16	Other Debit or Credit Items (Describe) (footnote details):	(1,026,096)	(1,026,096)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	377,778,951	377,778,951		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	17,610,170	17,610,170		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	340,259,784	340,259,784		
29	General	19,908,997	19,908,997		
30	TOTAL (Total of lines 21 thru 29)	377,778,951	377,778,951		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA

Schedule Page: 219 Line No.: 16 Column: c

Change in Removal Work in Progress ($1,263,580)
AFUDC Adjustment ($3,209)
Correction of Gas Storage Lease from Capital Lease (101.1) $240,693

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	6,992,076				11,738,607			18,730,683
2	Gas Delivered to Storage					19,279,491			19,279,491
3	Gas Withdrawn from					19,408,914			19,408,914
4	Other Debits and Credits								
5	Balance at End of Year	6,992,076				11,609,184			18,601,260
6	Dth	1,253,060				6,323,387			7,576,447
7	Amount Per Dth	5.5800				1.8359			2.4551

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Investment in Spokane Energy (123000)			
2	Investment in Avista Capital II (123010)		11,547,000	
3	Other Investment - WZN Loans Sandpoint (124350)		59,355	
4	Other Investment - Coli Cash Value (124600)		23,885,740	
5	Other Investment - Coli Borrowings (124610)		(23,885,740)	
6	Other Investment - WZN Loans Oregon (124680)		20,009	
7	Other Investment - WNP3 Exchange Power (124900)		79,626,000	
8	Other Investment - AMT WNP3 Exchange (124930)		(75,543,008)	
9	Temp Cash Investments (136000)		50,305	
10	Energy Commodity Contract (124020)			
11	Other Investment-Non Affilicated LT Note Rec (124820)		126,419	
12				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2			11,547,000		
3			59,355		
4	(2,335,962)		26,221,702		
5	2,335,962		(26,221,702)		
6	1,254		18,755		
7			79,626,000		
8	2,450,031		(77,993,039)		
9	(86,408)		136,713		
10					
11	126,419				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
(a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Investment in Avista Capital	01/01/1997		206,138,971
2	Avista Capital - Equity in Earnings			(153,588,304)
3	Investment in AERC	07/01/2014		89,816,380
4	AERC- Equity in Earnings			18,764,635
5				
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40	**TOTAL Cost of Account 123.1 $**		**TOTAL**	161,131,682

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1			206,138,971	
2	(5,660,192)		(159,248,496)	
3			89,816,380	
4	8,052,196	10,000,000	16,816,831	
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40	2,392,004	10,000,000	153,523,686	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	2,029,111
2	Prepaid Rents	
3	Prepaid Taxes	4,306,049
4	Prepaid Interest	
5	Miscellaneous Prepayments	13,876,366
6	TOTAL	20,211,526

Schedule Page: 230 Line No.: 5 Column: b

$10,778,461 of which is software license fees

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	WA Excess Nat Gas Line Extension Allowance	6,628,783	3,058,661				9,687,444
2	Reg Asset Post Ret Liab	211,784,076	18,857,361				230,641,437
3	Regulatory Asset FAS 109 Utility Plant	81,590,853		283	249,912		81,340,941
4	Regulatory Asset FAS 109 DSIT Non Plant	1,673,881		283	252,984		1,420,897
5	Regulatory Asset FAS 109 WNP3	269,399		283	161,700		107,699
6	Regulatory Asset-Spokane River Relicense	228,682		407	78,737		149,945
7	Regulatory Asset-Spokane River PM&E	209,327		557	73,312		136,015
8	Regulatory Asset-Lake CDA Fund	8,382,273		407	211,065		8,171,208
9	Regulatory Asset-Lake CDA IPA Fund	2,000,000					2,000,000
10	Regulatory Asset-Spokane River TDG Idaho	234,447		407	117,223		117,224
11	Regulatory Assets-Decoupling Surcharge	25,021,786		456	23,245,216		1,776,570
12	Regulatory Asset-Lake CDA DEF Costs	1,179,263		407	32,719		1,146,544
13	DEF CS2 & COLSTRIP	1,314,448		407	1,314,448		
14	Commodity MTM ST Regulatory Asset	24,990,699	16,437,341				41,428,040
15	Commodity MTM LT Regulatory Asset	18,966,686		244	2,100,663		16,866,023
16	Regulatory Asset FAS 143 Asset Retirement Obligation	3,571,371	1,119,162				4,690,533
17	Regulatory Asset AN-CDA Lake Settlement	31,863,920		407	884,086		30,979,834
18	Regulatory Asset WA-CDA Lake Settlement	443,678		407	152,118		291,560
19	Regulatory Asset Workers Comp	983,900		407	349,836		634,064
20	Settled Interest RAte Swap Asset	98,764,463	27,698,273				126,462,736
21	DSM Asset	24,620,221		242	4,946,147		19,674,074
22	Unsettled Interest Rate Swaps Asset	70,939,403		245	63,548,634		7,390,769
23	Deferred ITC	4,123,891		254	70,968		4,052,923
24	Regulatory Asset MDM System	671,660	3,358,495				4,030,155
25	Regulatory Asset BPA Residential Exchange	137,139		254	46,709		90,430
26	Regulatory Asset FISERV	679,444	1,251,075				1,930,519
27	Regulatory Asset- AFUDC & Equity DFIT		3,506,418				3,506,418
28	Other Regulatory Asseta		107				107
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40	**Total**	**621,273,693**	**75,286,893**		**97,836,477**	**0**	**598,724,109**

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1						
2	Colstrip Common Facility	1,110,999				1,110,999
3	Colstrip Common Facility	2,355,642				2,355,642
4	Prepaid plane Lease LT - 3 yr amort	49,108		931	49,108	
5	Misc DD- Airplane Lease - 3yr amort	57,267		VAR	57,267	
6	Plant Alloc of Clearing Journal	4,213,974		VAR	517,273	3,696,701
7	Nez Perce Settlement	134,689		557	5,188	129,501
8	Reg Asset ID - Lake CDA - 10 yr amort	85,181		506	30,974	54,207
9	Credit Union Labor & Expense	73,909		VAR	13,982	59,927
10	Misc Work Orders <$50,000	24,136		VAR	5,751	18,385
11	Subsidiary Billings	1,307,882		VAR	785,662	522,220
12	Reg Asset - Decoupling deferred	3,187,126	17,814,438			21,001,564
13	Optional Wind Power	(40,745)	3,175			(37,570)
14	Gas Telemetry Equipment	8,893	10,894			19,787
15	Deferred Project Compass (ID) 4 yr	1,673,450		407	836,726	836,724
16	Saddle Mountain East Trans Line	1,182		235	1,182	
17	AMI Suspense SA Base Chg out	758,720		107	758,720	
18	Misc Deferred Debits (AN)	448,694	21,799			470,493
19	Bluff Road Restoration	216,553		426	216,553	
20	CIP v5 Electronic Access Controls	129,510		107	129,510	
21	Clarkston Heights Solar Project		27,912			27,912
22	Mutual Assistance Reimbursable		576,148			576,148
23	Taunton Solar Project #52		57,899			57,899
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39	Miscellaneous Work in Progress					
40	**Total**	**15,796,170**	**18,512,265**		**3,407,896**	**30,900,539**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	10,161,086	(3,830,188)	(26,833)
3	Gas	2,120,542	(763,297)	(68,916)
4	Other (Define) (footnote details)	176,935,152	106,889	(1,045,249)
5	Total (Total of lines 2 thru 4)	189,216,780	(4,486,596)	(1,140,998)
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	189,216,780	(4,486,596)	(1,140,998)
8	Classification of TOTAL			
9	Federal Income Tax	189,216,780	(4,486,596)	(1,140,998)
10	State Income Tax			
11	Local Income Tax			

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2						329,895	14,294,336
3						256,897	3,071,820
4	850,422	231,946		5,080,174			170,084,364
5	850,422	231,946		5,080,174		586,792	187,450,520
6							
7	850,422	231,946		5,080,174		586,792	187,450,520
8							
9	850,422	231,946		5,080,174		586,792	187,450,520
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Acct. 201 - Common Stock Issued:			
2	No Par Value	200,000,000		
3	Restriced shares			
4	TOTAL Common	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	Total Preferred	10,000,000		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1						
2	65,688,356	1,110,871,767				
3					91,998.00	4,741,577.00
4	65,688,356	1,110,871,767			91,998.00	4,741,577.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Equity transactions of subsidiaries	(10,696,711)
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40	**Total**	**(10,696,711)**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
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	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Common Stock-no par	(36,316,031)
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	TOTAL	(36,316,031)

Name of Respondent Avista Corporation	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report 2018/Q4

FOOTNOTE DATA

Schedule Page: 254 Line No.: 16 Column: a

Beginning Balance	$ (34,500,271)
Issuance Costs of Common Stock	$ 21,112
Repurchase and Retirement of Common Stock	$ -
Tax Benefit-Options Excercised	$ -
Excess Tax Benefits on stock compensation	$ 3,928,728
VESTED STOCK COMP	$ -
Stock Compensation Accrual	$ (5,765,601)
Ending Balance	**$ (36,316,031)**

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Securities Issued or Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

(1) In May 2018, Avista Corp. issued and sold $375.0 million of 4.35 percent first mortgage bonds due in 2048 pursuant to a bond purchase agreement with institutional investors in the public bond market. The total net proceeds from the sale of the bonds were used to repay a portion of the borrowings outstanding under Avista Corp.'s $400.0 million committed line of credit and $272.5 million of maturing long term debt. In connection with the execution of the bond purchase agreement, Avista Corp. cash-settled fourteen interest rate swap derivatives (notional aggregate amount of $275.0 million) and paid a total of $26.6 million.

The new issuance is based on the following state commission orders:

2. Order of the Washington Utilities and Transportation Commission in Docket No. UE-151822 entered October 29, 2015 and Docket No. 171210 entered January 11, 2018;

3. Order of the Idaho Public Utilities Commission, Order No. 33401, entered October 23, 2015 and Order No. 33978 entered January 30, 2018;

4. Order of the Public Utility Commission of Oregon, Order No. 18033, entered February 1, 2018;

Order of the Public Service Commission of the State of Montana, Default Order No. 4535

In March 2016, the Company entered into four separate sales agency agreements under which Avista Corp.'s sales agents may offer and sell up to 3.8 million new shares of Avista Corp.'s common stock, no par value, from time to time. The sales agency agreements expire on February 29, 2020. Through December 31, 2018, 2.7 million shares were issued under these agreements resulting in total net proceeds of $120.0 million ($54.7 million in 2017 and $65.3 million in 2016), leaving 1.1 million shares remaining to be issued.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	FMBS - SERIES A - 7.53% DUE 05/05/2023	05/06/1993	05/05/2023	5,500,000
2	FMBS - SERIES A - 7.54 DUE 05/05/2023	05/07/1993	05/05/2023	1,000,000
3	FMBS - SERIES A - 7.39% DUE 5/11/2018	05/11/1993	05/11/2018	
4	FMBS - SERIES A - 7.45% DUE 6/11/2018	06/09/1993	06/11/2018	
5	Discount - FMBS - SERIES A - 7.45% DUE 6/11/2018			
6	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
7	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
8	FMBS - 6.37% SERIES C	06/19/1998	06/19/2028	25,000,000
9	FMBS - 5.45% SERIES	11/18/2004	12/01/2019	90,000,000
10	Discount- FMBS - 5.45% SERIES			
11	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
12	Discount- FMBS - 6.25% SERIES			
13	FMBS - 5.70% SERIES	12/15/2006	07/01/2037	150,000,000
14	Discount- FMBS - 5.70% SERIES			
15	FMBS - 5.95% SERIES	04/02/2008	06/01/2018	
16	Discount- FMBS - 5.95% SERIES			
17	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
18	Discount- FMBS - 5.125% SERIES			
19	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000
20	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000
21	FMBS - 3.89% SERIES	12/20/2010	12/20/2020	52,000,000
22	FMBS - 5.55% SERIES	12/20/2010	12/20/2040	35,000,000
23	4.45% SERIES DUE 12-14-2041	12/14/2011	12/14/2041	85,000,000
24	4.23% SERIES DUE 11-29-2047	11/30/2012	11/29/2047	80,000,000
25	FMBS- 4.11% SERIES	12/18/2014	12/01/2044	60,000,000
26	FMBS- 4.37% SERIES	12/16/2015	12/01/2045	100,000,000
27	FMBS- 3.54% SERIES	12/16/2016	12/01/2051	175,000,000
28	FMBS 3.91% SERIES	12/14/2017	12/01/2047	90,000,000
29	FMBS 4.35% SERIES	05/22/2018	06/01/2048	375,000,000
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40	**TOTAL**			1,865,747,000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1	7.530	414,150			
2	7.540	75,400			
3	7.390	186,803			
4	7.450	513,222			
5					
6	7.180	502,600			
7	3.610	1,221,118			
8	6.370	1,592,500			
9	5.450	4,905,000			
10					
11	6.250	9,375,000			
12					
13	5.700	8,550,000			
14					
15	5.950	6,197,917			
16					
17	5.125	12,812,500			
18					
19	2.040	1,109,395	66,700,000		
20	2.040	283,998	17,000,000		
21	3.890	2,022,800			
22	5.550	1,942,500			
23	4.450	3,782,500			
24	4.230	3,384,000			
25	4.110	2,466,000			
26	4.370	4,370,000			
27	3.540	6,195,000			
28	3.910	3,519,000			
29	4.350	9,962,543			
30					
31					
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33					
34					
35					
36					
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40		85,383,946	83,700,000		

Schedule Page: 256 Line No.: 7 Column: a

Upon issuance Avista Capital II issued $1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

Schedule Page: 256 Line No.: 29 Column: a

The new issuance is based on the following state commission orders:

1. Order of the Washington Utilities and Transportation Commission in Docket No. UE-151822 entered October 29, 2015 and Docket No.U-171210 entered January 11, 2018;

2. Order of the Idaho Public Utilities Commission, Order No. 33401, entered October 23, 2015 and Order No. 33978 entered January 30, 2018;

3. Order of the Public Utility Commission of Oregon, Order No. 18-033, entered February 1, 2018;

Order of the Public Service Commission of the State of Montana, Default Order No. 4535

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	FMBS - SERIES A - 7.53% DUE 05/05/2023	5,500,000	42,712	05/06/1993	05/05/2023
2	FMBS - SERIES A - 7.54% DUE 5/05/2023	1,000,000	7,766	05/07/1993	05/05/2023
3	FMBS - SERIES A - 7.39% DUE 5/11/2018	7,000,000	54,364	05/11/1993	05/11/2018
4	FMBS - SERIES A - 7.45% DUE 6/11/2018	15,500,000	170,597	06/09/1993	06/11/2018
5	FMBS - SERIES A - 7.18% DUE 8/11/2023	7,000,000	54,364	08/12/1993	08/11/2023
6	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	51,547,000	1,296,086	06/03/1197	06/01/2037
7	FMBS - 6.37% SERIES C	25,000,000	158,304	06/19/1998	06/19/2028
8	FMBS - 5.45% SERIES	90,000,000	1,432,081	11/18/2004	12/01/2019
9	FMBS - 6.25% SERIES	150,000,000	2,180,435	11/17/2005	12/01/2035
10	FMBS - 5.70% SERIES	150,000,000	4,924,304	12/15/2006	07/01/2037
11	FMBS - 5.95% SERIES	250,000,000	3,081,419	04/02/2008	06/01/2018
12	FMBS - 5.125% SERIES	250,000,000	2,859,788	09/22/2009	04/01/2022
13	FMBS - 3.89% SERIES	52,000,000	385,129	12/20/2010	12/20/2020
14	FMBS - 5.55% SERIES	35,000,000	258,834	12/20/2010	12/20/2040
15	Short-Term Credit Facility		5,070,271	12/14/2011	04/18/2019
16	4.45% SERIES DUE 12-14-2041	85,000,000	692,833	12/14/2011	12/14/2041
17	4.23% SERIES DUE 11-29-2047	80,000,000	730,833	11/30/2012	11/29/2047
18	4.11% Seires Due 12-1-2044	60,000,000	428,205	12/18/2014	12/01/2044
19	4.37% Series Due 12-1-2045	100,000,000	590,761	12/16/2015	12/01/2045
20	3.54% Series Due 12-1-2051	175,000,000	1,042,569	12/15/2016	12/01/2051
21	3.91% Series Due 12-1-2047	90,000,000	552,539	12/14/2017	12/01/2047
22	4.35% Series due 6-1-2048	375,000,000	4,625,198	06/01/2018	06/01/2048
23	Rathrum 2005		71,646	09/30/2005	12/01/2035
24	Debt Strategies		858	08/01/2005	08/01/2035
25	WKSI Shelf Registration Statement		16,064	03/01/2013	03/01/2018
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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	7,711		1,424	6,287
2	1,402		259	1,143
3	904		904	
4	3,412		3,412	
5	10,269		1,812	8,457
6	273,288		14,015	259,273
7	55,405		5,275	50,130
8	171,921		85,960	85,961
9	1,306,240		72,569	1,233,671
10	3,153,535		161,032	2,992,503
11	126,289		126,289	
12	986,094		227,561	758,533
13	115,858		38,619	77,239
14	198,446		8,629	189,817
15	1,447,772		434,332	1,013,440
16	554,494		23,104	531,390
17	624,843		20,886	603,957
18	385,619		14,282	371,337
19	551,643		19,702	531,941
20	1,012,990		29,794	983,196
21	539,741		5,488	534,253
22		4,625,198	89,176	4,536,022
23	42,634		2,368	40,266
24	505		29	476
25	661		661	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Misc Debt Repurchases I	05/10/1993		(4,695,395)	(334,849)	(227,340)
2	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	12/18/2000	10,000,000	1,769,125	947,600	898,797
3	Misc 2002 Repurchase	12/31/2002	10,000,000	2,228,153	516,576	464,484
4	Misc 2003 Repurchase	12/31/2003	25,330,000	315,274	85,861	78,860
5	Misc 2004 Repurchase	12/31/2004	36,590,000	(7,244,895)	(188,754)	
6	Misc 2005 Repurchase	12/31/2005	26,000,000	(1,700,371)	(567,022)	(532,018)
7	Misc 2006 Repurchase	12/31/2006	6,875,000	483,582	(803)	
8	Misc 2008 Repurchase Costs	12/31/2008		43,132	16,313	13,617
9	AVA Capital Trust III (2022)	04/01/2009	60,000,000	(2,875,817)	(993,523)	(764,248)
10	COLSTRIP 2010A PCRBs DUE 2032	12/14/2010	66,700,000	(3,709,174)	(2,309,072)	(2,153,404)
11	COLSTRIP 2010B PCRBs DUE 2034	12/14/2010	17,000,000	(1,916,297)	(1,336,982)	(1,254,488)
12	FMBS - 7.25% SERIES (2040)	12/20/2010	30,000,000	(5,263,822)	(4,035,597)	(3,860,136)
13	FMBS - 6.125% SERIES (2020)	12/20/2010	45,000,000	(6,273,664)	(1,882,099)	(1,254,733)
14	KETTLE FALLS P C REV BONDS DUE 14 (2047)	06/28/2012	4,100,000	(105,020)	(89,767)	(86,767)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	136,429,120
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		7,471,039
6		
7		
8	TOTAL	7,471,039
9	Deductions Recorded on Books Not Deducted for Return	
10		61,088,735
11	Federal Income Tax Expense	24,498,059
12	State Income Tax Expense Adj	256,428
13	TOTAL	85,843,222
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18	TOTAL	
19	Deductions on Return Not Charged Against Book Income	
20		(104,131,981)
21		
22		
23	Equity in Sub Earnings	(2,392,004)
24	Corporate Overhead Unallocated Subs	1,059,811
25		
26	TOTAL	(105,464,174)
27	Federal Tax Net Income	124,279,207
28	Show Computation of Tax:	
29		
30	Federal Tax at 21%	26,098,633
31		
32	Prior Year True Ups	(9,720,938)
33		
34	Total Federal Tax Expense	16,377,695
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this
page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	FEDERAL:		
2	Income Tax 2013		
3	Income Tax 2014	840,072	
4	Income Tax 2016	(571,914)	
5	Income Tax (2017)	1,438,214	
6	Income Tax (current)		
7	Prior Retained Earnings		
8	Current Retained Earnings		
9	Total Federal	1,706,372	
10			
11	STATE OF WASHINGTON		
12	Property Tax (2017)	16,443,031	
13	Property Tax (2018)		
14	Excise Tax (2016)	892,951	
15	Excise Tax (2017)	2,805,220	
16	Excise Tax (2018)		
17	Natural Gas Use Tax	500	
18	Municipal Occupation Tax	3,010,959	
19	Community Solar		
20	Sales & Use Tax (2017)	153,053	
21	Sales & Use Tax (2018)		
22	Total Washington	23,305,714	
23			
24	STATE OF IDAHO:		
25	Income Tax (2017)		
26	Income Tax (2018)		
27	Property Tax (2017)	3,874,217	
28	Property Tax (2018)		
29	Sales & Use Tax (2016)	1	
30	Sales & Use Tax (2017)	10,650	
31	Sales & Use Tax (2018)		
32	KWH Tax (2017)	34,973	
33	KWH Tax (2018)		
34	Franchise Tax (2017)	1,102,379	
35	Franchise Tax (2018)		
36	Total Idaho	5,022,220	
37			
38	STATE OF MONTANA		
39	Income Tax (2015)	439,238	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3			(592,424)	247,648	
4			51,503	(520,411)	
5	(13,201,943)	(2,731,101)	9,032,628		
6	26,220,217	14,591,100	(8,491,707)	3,137,410	
7					
8					
9	13,018,274	11,859,999		2,864,647	
10					
11					
12	745,564	17,188,595			
13	18,651,695	(5,584)		18,657,279	
14				892,951	
15	21,137	2,826,357			
16	26,659,277	24,043,614		2,615,663	
17	3,049	3,053		496	
18	23,922,427	24,130,655		2,802,731	
19	(582,394)	(576,993)	(17,305)	(22,706)	
20	(12)	153,041			
21	1,446,221	1,354,076		92,145	
22	70,866,964	69,116,814	(17,305)	25,038,559	
23					
24					
25	(175,305)	(294,385)	(119,080)		
26	343,757	210,000		133,757	
27	25,067	3,899,284			
28	7,988,205	4,029,755	25,047	3,983,497	25,046
29			(1)		
30	(545)	10,105			
31	201,308	197,215		4,093	
32	(5,058)	29,916			
33	418,040	386,213		31,827	
34		1,102,410	30	(1)	
35	4,731,532	3,712,217	(30)	1,019,285	
36	13,527,001	13,282,730	(94,034)	5,172,458	25,046
37					
38					
39			(439,238)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5	297,235	(108,227)		(9,909,943)
6	26,032,636	6,104,827		(6,261,394)
7				
8				
9	26,329,871	5,996,600		(16,171,337)
10				
11				
12	648,162	45,038		52,364
13	14,726,881	3,836,805		88,009
14				
15	21,803	(666)		
16	21,013,778	5,538,232		107,267
17	3,049			
18	18,624,892	5,192,612		
19				
20				
21				
22	55,038,565	14,612,021		247,640
23				
24				
25	(137,147)	(24,200)		
26	292,195	51,562		
27	(846)			25,913
28	6,226,432	1,765,710		21,110
29				
30				
31				
32	(5,058)			
33	423,968			
34				
35	3,613,869	1,102,971		
36	10,413,413	2,896,043		47,023
37				
38				
39				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5				(3,481,008)	
6				344,148	
7					
8					
9				(3,136,860)	
10					
11					
12					
13					
14					
15					
16					
17					
18				104,923	
19				(582,394)	
20				(12)	
21				1,446,221	
22				968,738	
23					
24					
25				(13,958)	
26					
27					
28				(25,047)	
29					
30				(545)	
31				201,308	
32					
33				(5,928)	
34					
35				14,692	
36				170,522	
37					
38					
39					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Income Tax (2016)	118,720	
2	Income Tax (2017)	(557,908)	
3	Income Tax (2018)		
4	Property Tax (2017)	5,210,680	
5	Property Tax (2018)		
6	Colstrip Generation Tax		
7	KWH Tax (2017)	257,400	
8	KWH Tax (2018)		
9	Consumer Council Fee	53	
10	Public Commission Fee	28	
11	Total Montana	5,468,211	
12			
13	STATE OF OREGON		
14	Income Tax (2015)		
15	Income Tax (2018)		
16	Property Tax (2017)		3,323,020
17	Property Tax (2018)		
18	Franchise Tax (2017)	1,008,688	
19	Franchise Tax (2018)		
20	Total Oregon	1,008,688	3,323,020
21			
22	STATE OF CALIFORNIA		
23	Income Tax (2018)		
24	Total California		
25			
26	MISCELLANEOUS STATES:		
27	Income Tax (2017)	1	
28	Income Tax (2018)		
29	Total Misc States	1	
30			
31	MISCELLANEOUS OTHER		
32	CTR Credit for 2018		
33	Misc/Distribution		
34	Timber Excise Tax		
35	WA Renewable Energy		
36	Thermal Fuel Tax	2,832	
37	Total County	2,832	
38			
39			
	TOTAL	36,514,038	3,323,020

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1			(118,720)		
2		50	557,958		
3	253,640	250,000		3,640	
4	(13,875)	5,196,805			
5	11,167,531	5,599,893	(1)	5,567,637	
6	3,294	3,294			
7	(62)	257,338			
8	1,106,158	858,599		247,559	
9	32	25		60	
10	124	133		19	
11	12,516,842	12,166,137	(1)	5,818,915	
12					
13					
14		1			
15	100,000	100,000			
16	3,323,021		(3,323,021)		
17	3,952,253	7,904,665	3,952,413		3,952,413
18		1,008,688			
19	3,630,921	2,675,549		955,373	
20	11,006,195	11,688,903	629,392	955,373	3,952,413
21					
22					
23	1,600	1,600			
24	1,600	1,600			
25					
26					
27				1	
28					
29				1	
30					
31					
32	(1,510)	(1,510)			
33	25,046	(13,332)	(13,332)	25,046	
34					
35	(1,339,881)	(1,303,272)	(5,928)	(42,537)	
36	47,318	47,143		3,007	
37	(1,269,027)	(1,270,971)	(19,260)	(14,484)	
38					
39					
TOTAL	119,667,849	116,845,212	498,792	39,835,469	3,977,459

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3	253,640			
4	(13,875)			
5	11,167,531			
6	3,294			
7	(62)			
8	1,106,158			
9	32			
10	124			
11	12,516,842			
12				
13				
14				
15	25,000	75,000		
16	1,483,707	1,839,314		
17	1,746,224	2,206,029		
18				
19		3,619,236		
20	3,254,931	7,739,579		
21				
22				
23	336			1,264
24	336			1,264
25				
26				
27				
28				600
29				600
30				
31				
32				(1,511)
33				26
34				
35				
36				
37				(1,485)
38				
39				
TOTAL	107,553,958	31,244,243		(15,876,295)

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19				11,685	
20				11,685	
21					
22					
23					
24					
25					
26					
27					
28				(600)	
29				(600)	
30					
31					
32				1	
33				25,020	
34					
35				(1,339,881)	
36				47,318	
37				(1,267,542)	
38					
39					
TOTAL				(3,254,057)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	MARGIN CALL DEPOSIT	1,810,000
2	FOREST USE PERMITS	2,721,611
3	AUDIT EXP ACC	
4	FERC ADMIN FEE ACC	550,000
5	FERC ELEC ADMIN CHARGE	153,954
6	MT LEASE PAYMENTS	4,898,000
7	MT INVASIVE SPECIES FEE	388,331
8	MISC NON MON PWR EXCHANGE	12,926
9	DSM TARIFF RIDER RECLASS	(1,343,384)
10	PAID TIME OFF	20,671,770
11	LOW INCOME ENERGY ASSIST	1,343,384
12	AVISTA GRANTS ENG SUSTAIN WSU-ASL	22,272
13	WORKERS COMP LIABILITY	634,064
14	ACCTS PAYABLE INVENTORY ACCRUALS-SC	56,776
15	ACCT PAYABLE EXPENSE ACCRUAL-SC	3,658,272
16	CURRENT PORTION BENEFIT LIAB	9,151,077
17	CLEARING ACCOUNTS	325,930
18	GAS IMBALANCE	328,590
19	CUSTOMER ACCOUNTS	10,975,234
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
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41		
42		
43		
44		
45	**Total**	**56,358,807**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Defer Gas Exchange	1,125,000				1,125,000
2	Rathdrum Refund	70,463	550	33,823		36,640
3	Kettle Falls Diesel Leak	260,093	186	147,652		112,441
4	Bills Pole Rentals	163,907			20,128	184,035
5	WA REC	176,311			675,442	851,753
6	Deferred Treasury Expense	2,127,252	131	2,122,255		4,997
7	DOC EECE Grant	26,105	134	26,105		
8	Conservation Program Projects	112,679	186	23,660		89,019
9	Defer Comp Active Execs	8,463,265	128	62,908		8,400,357
10	Executive Incent Plan	140,000				140,000
11	Unbilled Revenue	2,014,366	908	433,940		1,580,426
12	WA Energy Recovery Mechanism	1,684,801			8,011,463	9,696,264
13	Misc Deferred Credits	1,163	186	1,013		150
14	Decoupling Deferred Credits	11,666,738	456	11,421,754		244,984
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	**Total**	**28,032,143**		**14,273,110**	**8,707,033**	**22,466,066**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	319,934,303	4,280,311	
3	Gas	75,471,104	3,060,450	
4	Other (Define) (footnote details)	86,429,721	2,857,477	
5	Total (Enter Total of lines 2 thru 4)	481,835,128	10,198,238	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	481,835,128	10,198,238	
8	Classification of TOTAL			
9	Federal Income Tax	465,411,769	10,198,238	
10	State Income Tax	16,423,359		
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2				3,351,367			327,565,981
3				1,427,084			79,958,638
4				1,063,747			90,350,945
5				5,842,198			497,875,564
6							
7				5,842,198			497,875,564
8							
9				22,265,557			497,875,564
10				(16,423,359)			
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	6,410,231	(1,830,486)	490,318
3	Gas	(5,496,820)	(1,176,216)	
4	Other (Define) (footnote details)	161,229,911	4,853,234	
5	Total (Total of lines 2 thru 4)	162,143,322	1,846,532	490,318
6	Other (Specify) (footnote details)	5,429,247		
7	TOTAL Account 283 (Total of lines 5 thru	167,572,569	1,846,532	490,318
8	Classification of TOTAL			
9	Federal Income Tax	167,572,569	1,846,532	490,318
10	State Income Tax			
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2						92,766	3,996,661
3						7,874	(6,680,910)
4	105,283			6,704,972			172,893,400
5	105,283			6,704,972		100,640	170,209,151
6						5,429,247	
7	105,283			6,704,972		5,529,887	170,209,151
8							
9	105,283			6,704,972		5,529,887	170,209,151
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Idaho Investment Tax Credit	7,468,113	190	1,222,862			6,245,251
2	Oregon BETC Credit	1,111,427					1,111,427
3	Settled Int Rate Swaps	13,735,249				4,217,866	17,953,115
4	Unsettled Int Rate Swaps	4,902,566				5,222,833	10,125,399
5	FAS 109 Invest Credit	11,839	190	5,472			6,367
6	Nez Perce	572,324	557	22,008			550,316
7	Idaho Earnings Test	862,780	191	88,796			773,984
8	Decoupling Rebate					8,609,963	8,609,963
9	Other Regulatory Liabilities	1,407,145				34,284	1,441,429
10	WA ERM	22,048,815				2,699,539	24,748,354
11	ID PCA	6,139,347				1,420,562	7,559,909
12	Deferred Federal ITC	8,247,784	190	141,936			8,105,848
13	Plant Excess Deferred	416,959,206	282	6,209,812			410,749,394
14	Non Plant Excess Deferred	17,634,985				903,143	18,538,128
15	Reg Liability MDM System	41,907				263,219	305,126
16	AFUDC Equity TAx Deferral					1,692,177	1,692,177
17	Exist Meters/ERTS Excess Depr Deferred					188,620	188,620
18	DSM TAriff Rider					284,139	284,139
19	Low Income Energy Assistance					1,343,384	1,343,384
20	Deferred CS2 & Colstrip O&M					658,833	658,833
21	Reg Liability - TAx Reform Amortization					6,449,651	6,449,651
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45	**Total**	**501,143,487**		**7,690,886**	**0**	**33,988,213**	**527,440,814**

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	194,340,048	220,175,977	194,340,048	220,175,977	20,834,449	22,198,195
2	94,094,869	109,897,458	94,094,869	109,897,458	13,622,087	14,514,777
3						
4	137,700,616	143,278,875	137,700,616	143,278,875	51,383,498	55,088,826
5	271,572	315,487	271,572	315,487	41,215	44,100
6						
7						
8	116,985	140,525	116,985	140,525		
9						
10						
11	9,102,582	9,207,927	9,102,582	9,207,927	18,184,474	18,932,268
12						
13						
14						
15						
16	2,678	2,693	2,678	2,693		
17						
18	1,022,412	(6,436,726)	1,022,412	(6,436,726)		
19	436,651,762	476,582,216	436,651,762	476,582,216		
20	6,764,411	2,392,142	6,764,411	2,392,142		
21	429,887,351	474,190,074	429,887,351	474,190,074		

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Gas Revenues (Account 495)

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Misc Bills	484,356
13	Deferred Exchange Revenue	4,500,000
14	Decoupling Deferred Revenue	(3,961,944)
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	Total	**1,022,412**

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	214,502,540	250,078,370
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	(5,442)
76	(Less) 805.1 Purchases Gas Cost Adjustments	(898,476)	(5,601,002)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	215,401,016	255,673,930
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	19,408,914	21,687,940
87	(Less) 808.2 Gas Delivered to Storage-Credit	19,279,491	25,397,528
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	1,448,821	1,015,361
93	812 Gas Used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,448,821	1,015,361
95	813 Other Gas Supply Expenses	1,597,405	2,014,546
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	215,679,023	252,963,527
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	215,679,023	252,963,527
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	15,179	25,153
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	877,951	819,775
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	893,130	844,928

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	1,554,613	806,732
124	TOTAL Maintenance (Total of lines 116 thru 123)	1,554,613	806,732
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,447,743	1,651,660
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	2,447,743	1,651,660

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,133,710	2,517,597
205	871 Distribution Load Dispatching	0	0
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	5,760,059	6,848,075
209	875 Measuring and Regulating Station Expenses-General	195,295	272,676
210	876 Measuring and Regulating Station Expenses-Industrial	22,023	19,000
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	96,654	165,259
212	878 Meter and House Regulator Expenses	697,101	810,264
213	879 Customer Installations Expenses	2,648,771	3,190,311
214	880 Other Expenses	3,259,800	3,211,115
215	881 Rents	60,361	63,758
216	TOTAL Operation (Total of lines 204 thru 215)	14,873,774	17,098,055
217	Maintenance		
218	885 Maintenance Supervision and Engineering	233,303	291,604
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,356,740	2,646,970
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	569,260	511,713
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	103,774	992,109
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	80,624	105,065
225	892 Maintenance of Services	1,664,336	2,018,175
226	893 Maintenance of Meters and House Regulators	2,143,842	2,542,797
227	894 Maintenance of Other Equipment	607,116	490,277
228	TOTAL Maintenance (Total of lines 218 thru 227)	7,758,995	9,598,710
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	22,632,769	26,696,765
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	139,050	218,512
233	902 Meter Reading Expenses	1,910,839	2,264,716
234	903 Customer Records and Collection Expenses	8,035,197	9,001,055

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	1,856,595	2,482,594
236	905 Miscellaneous Customer Accounts Expenses	241,665	222,367
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	12,183,346	14,189,244
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	10,689,454	13,677,235
242	909 Informational and Instructional Expenses	1,180,742	981,821
243	910 Miscellaneous Customer Service and Informational Expenses	324,966	297,636
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	12,195,162	14,956,692
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	346	345
249	913 Advertising Expenses	1,040	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	1,386	345
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	10,540,964	12,818,632
255	921 Office Supplies and Expenses	1,899,662	1,662,561
256	(Less) 922 Administrative Expenses Transferred-Credit	19,674	18,822
257	923 Outside Services Employed	3,740,550	3,072,504
258	924 Property Insurance	448,289	429,491
259	925 Injuries and Damages	1,607,878	1,257,759
260	926 Employee Pensions and Benefits	10,522,259	567,728
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,785,080	2,366,012
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	0	0
265	930.2Miscellaneous General Expenses	1,557,349	1,717,673
266	931 Rents	165,973	252,321
267	TOTAL Operation (Total of lines 254 thru 266)	32,248,330	24,125,859
268	Maintenance		
269	932 Maintenance of General Plant	4,579,981	4,555,212
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	36,828,311	28,681,071
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	301,967,740	339,139,304

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit		2,230,115			
2	811 Gas Used for Products Extraction - Credit		2,590,517	1,448,821		
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
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25	**Total**		4,820,632	1,448,821		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of $250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	Gas Resource Management	
2	Labor	892,420
3	Labor Loading	320,702
4	Other Expenses (Professional Services, Travel, Transportation, Office Supplies, Training)	191,077
5		
6	Regulatory Affairs	
7	Labor	22,581
8	Labor Loading	9,057
9	Other Expenses (Travel, Transportation, Gas Technology Institute Payments)	161,569
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25	**Total**	1,597,406

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	167,518
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer	
	agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	124,187
4	Community Relations	6,869
5	Director Expenses	239,271
6	Education and Information	12,785
7	Rating Agency Fees	60,067
8	Aircraft Operations and fees	129,865
9	Vendors => 5000	535,175
10	Vendors < 5000	281,612
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25	**Total**	1,557,349

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				152
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	1,057,975			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	24,917,412			
10	General plant	1,018,642			
11	Common plant-gas	6,894,989			
12	TOTAL	33,889,018			152

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	177,344		177,496	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			1,057,975	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			24,917,412	Distribution plant
10			1,018,642	General plant
11	8,404,609		15,299,598	Common plant-gas
12	8,581,953		42,471,123	TOTAL

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)		
9			
10			
11			
12			
13			
14			
15			

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	426.10 DONATIONS	250,000
2	Items under $250,000	3,313,420
3	Total 426.10	3,563,420
4	Acct. 426.20 LIFE INSURANCE	
5	Officers Life	134,260
6	SERP	2,408,440
7	Items Under $250,000	251,163
8	Total 426.20	2,793,863
9	Acct 426.30 PENALTIES	
10	Items under $250,000	2,053
11	Total 426.30	2,053
12	Acct 426.40 EXPEDICTURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES	
13	items under $250,000	2,073,702
14	Total 426.40	2,073,702
15	Acct 426.50 OTHER DEDUCTIONS	
16	Executive Deferred Compensation	194,725
17	Kirkland and Elllis LLP	1,908,627
18	Hydro One Avista Acquisition	684,161
19	Hanna & Assoc	484,684
20	items under $250,000	2,070,476
21	Total 426.50	5,342,673
22	Avista Capital	1,221,268
23	Total 427.67	1,221,268
24	Acct 430.0 INTEREST ON DEBT TO ASSOC COMPANIES	
25	Total 430.0	
26	Acct 431 OTHER INTEREST EXPENSE	
27	Interest on electric deferrals	2,172,572
28	Interest on natural gas deferrals	2,153,195
29	Interst on committed line of credit	2,168,853
30	Other	254,498
31	Total 431.0	6,749,118
32		
33		
34		
35		

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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	Charges include annual fee and license fee				
3	for the Spokane River Project, the Cabinet				
4	Gorge Project and Noxon Rapids Project	2,595,769	104,489	2,700,258	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	1,103,122	497,527	1,600,649	
8					
9	Includes annual fee and various other natural gas dockets	342,265	143,351	485,616	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	577,500	159,921	737,421	
13					
14	Includes annual fee and various other natural gas dockets	148,782	40,034	188,815	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	605,703	153,477	759,180	
18					
19	Not directly assigned electric		685,897	685,897	
20	Not directly assigned natural gas		351,469	351,469	
21					
22					
23					
24					
25	**Total**	5,373,141	2,136,165	7,509,305	

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Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2							
3							
4	Electric	928	2,707,060				
5							
6							
7	Electric	928	1,671,938				
8							
9	Gas	928	501,029				
10							
11							
12	Electric	928	748,986				
13							
14	Gas	928	194,806				
15							
16							
17	Gas	928	790,725				
18							
19	Electric	928	1,044,677				
20	Gas	928	456,940				
21							
22							
23							
24							
25			8,116,161				

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Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	20,623,979
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	8,833,830
4	Post- employment benefit plans	
5	Other (Specify)	802,787
6	Health insurance and benefits	25,892,927
7	401(K) Savings Plan	10,043,964
8	Employee Education	2,091,037
9	Allocated to capital and other expense accounts	(57,766,265)
10		
11		
12		
13		
14		
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	Total	**10,522,259**

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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2019	Year/Period of Report End of 2018/Q4

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	12,440,584			12,440,584
4	Transmission	3,623,837			3,623,837
5	Distribution	8,781,520			8,781,520
6	Customer Accounts	7,560,552			7,560,552
7	Customer Service and Informational	618,095			618,095
8	Sales				
9	Administrative and General	20,423,547			20,423,547
10	TOTAL Operation (Total of lines 3 thru 9)	53,448,135			53,448,135
11	Maintenance				
12	Production	5,091,038			5,091,038
13	Transmission	1,063,818			1,063,818
14	Distribution	3,656,607			3,656,607
15	Administrative and General			8,557,638	8,557,638
16	TOTAL Maintenance (Total of lines 12 thru 15)	9,811,463		8,557,638	18,369,101
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	17,531,622			17,531,622
19	Transmission (Total of lines 4 and 13)	4,687,655			4,687,655
20	Distribution (Total of lines 5 and 14)	12,438,127			12,438,127
21	Customer Accounts (line 6)	7,560,552			7,560,552
22	Customer Service and Informational (line 7)	618,095			618,095
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	20,423,547		8,557,638	28,981,185
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	63,259,598		8,557,638	71,817,236
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	915,001			915,001
31	Storage, LNG Terminaling and Processing	9,900			9,900
32	Transmission				
33	Distribution	5,724,403			5,724,403
34	Customer Accounts	3,268,072			3,268,072
35	Customer Service and Informational	458,819			458,819
36	Sales				
37	Administrative and General	8,450,852			8,450,852
38	TOTAL Operation (Total of lines 28 thru 37)	18,827,047			18,827,047
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission	1,439,174			1,439,174
45	Distribution	2,948,156			2,948,156

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Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General			2,970,413	2,970,413
47	TOTAL Maintenance (Total of lines 40 thru 46)	4,387,330		2,970,413	7,357,743
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	915,001			915,001
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	9,900			9,900
54	Transmission (Total of lines 32 and 44)	1,439,174			1,439,174
55	Distribution (Total of lines 33 and 45)	8,672,559			8,672,559
56	Customer Accounts (Total of line 34)	3,268,072			3,268,072
57	Customer Service and Informational (Total of line 35)	458,819			458,819
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	8,450,852		2,970,413	11,421,265
60	Total Operation and Maintenance (Total of lines 50 thru 59)	23,214,377		2,970,413	26,184,790
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	86,473,975		11,528,051	98,002,026
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	41,798,020		6,925,464	48,723,484
67	Gas Plant	11,590,993		2,573,090	14,164,083
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	53,389,013		9,498,554	62,887,567
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,346,812		243,309	2,590,121
72	Gas Plant	449,275		46,579	495,854
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,796,087		289,888	3,085,975
75	Other Accounts (Specify) (footnote details)	48,527,472		(21,316,488)	27,210,984
76	TOTAL Other Accounts	48,527,472		(21,316,488)	27,210,984
77	TOTAL SALARIES AND WAGES	191,186,547		5	191,186,552

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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising,labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than $250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.
 (a) Name of person or organization rendering services.
 (b) Total charges for the year.
2. Sum under a description "Other", all of the aforementioned services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	CROWDSTRIKE	3,663,758
2	PATHOLOGIST REG LABORATORY	3,077,022
3	PER SE GROUP INC	2,932,865
4	SPRAGUE PEST SOLUTIIONS	2,097,196
5	SANDRA WIGGINS PHOTOGRAPHY	2,073,857
6	PATTERN RECOGNITION TECHOLOGIES	2,046,730
7	HANNA AND ASSOC	1,944,839
8	LEE & HAYES	1,858,066
9	ACCURATE STRIPING	1,682,503
10	WATER DIAMONDS	1,523,857
11	ORACLE AMERICA	1,321,435
12	CAROLYN HENDRIKSON	1,259,576
13	OPTIV SECURITY	1,195,613
14	CULVER COMPANY	1,186,528
15	CROWLEY FLECK PLLP	1,152,512
16	CORP CREDIT CARD	1,147,547
17	FACTS INC	903,190
18	ENCOMPASS NORTHWEST SERVICES	899,128
19	TULLETT PREBON AMERICAS CORP	831,673
20	WEST ONE PLUMBING	807,042
21	JIMS TRANSFER INC DBA	736,861
22	ITRON INC	660,487
23	LAKELAND RESTORATION SERVICES	644,112
24	MCCUNES INSTRUMENTS	595,995
25	DR KIRK PARGE	591,965
26	RACOVERY PLANNER.COM	537,158
27	L & S ENGINEERING	536,724
28	PROLAWN SERVICES	519,450
29	THOMAS E EBZERY	514,946
30	EAGLE TECHNICAL SERVICES	512,728
31	ROTO ROOTER	511,680
32	NORTHWEST POWER POOL	505,891
33	MCKINSTRY ESSENTION	494,826
34	ABREMOD LLC	484,963
35	NORTHERN LIGHTS INC	483,761

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	ZBA ARCHITECTURE	467,724
2	STEPHENS TIMBER CONSULTING	454,024
3	LOOMIS	430,052
4	POWER TESTING & ENERGIZATION	425,250
5	CULLIGAN SPOKANE	417,153
6	US HEALTHWORKS MEDICAL GROUP	383,931
7	LUCKY ACRES FENCING	377,559
8	FISH GUYS	361,181
9	JACO ANALYTICAL	356,703
10	HACKETT GROUP	349,521
11	EVCO SOUND & ELECTRONICS	336,501
12	WALCO INC	331,684
13	DECKERT JILLIONS	318,814
14	CARSON SHEET METAL WORKS INC	317,761
15	PROVIIDENCE HEALTH & SERVICES	305,553
16	ANDERSON ENVIRONMENTAL CONSULTING	305,279
17	ADVENTURES IN ADVERTISING	301,122
18	POWER CITY ELECTRIC	299,669
19	ASPECT CONSULTING	296,890
20	TIMBERLAND MANAGEMENT CO	296,373
21	BUG ZAPPER PEST CONTROL	293,959
22	UTILICAST LLC	289,652
23	SMART ENERGY CONSUMER COLLABORATIVE	283,314
24	BREWER PUBLIC AFFAIRS	272,360
25	ENREG GROUP INC	271,299
26	POWER ENGINEERS INC	271,034
27	JOE HALL FORD - LINCOLN-MERCURY	265,591
28	AFFIRMA CONSULTING	257,212
29	Subtotal	51,273,649
30	OTHER	21,910,565
31	TOTAL	73,184,214
32		
33		
34		
35		

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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than $250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Other	Steam Plant Square	931000	106,500
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Corporate Support	Salix	146000	342,114
22	Other	Avista Development	146000	112,536
23	Other	Avista Capital	146000	89,779
24	Other	AELP	146000	30,419
25	Other	AJT Mining	146000	8,428
26	Other	Steam Plant Square	146000	120,008
27	Other	Court Yard Office Center	146000	56,931
28				
29				
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40				

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Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January	183,166		183,166
3	February	272,361		272,361
4	March			
5	April	652,495		652,495
6	May	2,084,065		2,084,065
7	June	2,688,993		2,688,993
8	July	447,082		447,082
9	August	1,522,279		1,522,279
10	September	1,499,207		1,499,207
11	October	246,784		246,784
12	November	325,101		325,101
13	December	410,402		410,402
14	TOTAL (Total of lines 2 thru 13)	10,331,935		10,331,935
15	Gas Withdrawn from Storage			
16	January	1,946,260		1,946,260
17	February	2,337,839		2,337,839
18	March	876,342		876,342
19	April	364,854		364,854
20	May	303,375		303,375
21	June	3,084		3,084
22	July	176,817		176,817
23	August	10,228		10,228
24	September	4,485		4,485
25	October	683,649		683,649
26	November	1,582,153		1,582,153
27	December	912,962		912,962
28	TOTAL (Total of lines 16 thru 27)	9,202,048		9,202,048

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Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	8,528,000
2	Cushion Gas (Including Native Gas)	7,730,668
3	Total Gas in Reservoir (Total of line 1 and 2)	16,258,668
4	Certificated Storage Capacity	16,258,668
5	Number of Injection - Withdrawal Wells	50
6	Number of Observation Wells	32
7	Maximum Days' Withdrawal from Storage	107,806
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

FOOTNOTE DATA

Schedule Page: 513 Line No.: 7 Column: b

Mcf converted to Dth using a factor of 1.04

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Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1					
2	Chehalis, Washington	Underground Natural Gas	346,667	41,990,959	Yes
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	52,000	6,573,990	Yes
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623		Yes
11		Storage Field			
12		Oregon Supply			
13					
14	Rock Springs, Wyoming	Underground Natural Gas	186,125		Yes
15		Storage Field			
16		Washington & Idaho Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	63,875		Yes
19		Storage Field			
20		Oregon Supply			
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

FOOTNOTE DATA

Schedule Page: 519 Line No.: 10 Column: a

Respondent is a participant in the facilities, not an owner, and is charged a fee for demand deliverability and capacity.

Schedule Page: 519 Line No.: 14 Column: a

Respondent is a participant in the facilities, not an owner, and is charged a fee for demand deliverability and capacity.

Schedule Page: 519 Line No.: 18 Column: a

Respondent is a participant in the facilities, not an owner, and is charged a fee for demand deliverability and capacity.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2019	End of 2018/Q4

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales,transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		88,817,723	22,435,592
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	18,184,474	4,949,769
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328	(153,970)	(135,913)
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		(1,092,942)	2,172,426
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		105,755,285	29,421,874
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		85,881,249	23,938,213
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	17,643,921	4,707,944
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509	2,230,115	775,716
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		105,755,285	29,421,873
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For			
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		105,755,285	29,421,873

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UTILITIES COMMISSION

Avista Corp.

2018

IDAHO

State Natural Gas Annual Report

(IC 61-405)

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Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

STATEMENT OF UTILITY OPERATING INCOME - IDAHO

Instructions

1. For each account below, report the amount attributable to the state of Idaho based on Idaho jurisdictional Results of Operations.
2. Provide any necessary important notes regarding this statement of utility operating income in a footnote in the available space at the bottom of this

Line No.	Account (a)	*Refer to Form 2 Page* (b)	TOTAL SYSTEM - IDAHO Current Year (c)	 Prior Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	408,048,751	419,787,234
3	Operating Expenses			
4	Operation Expenses (401)	317-325	225,812,784	231,703,973
5	Maintenance Expenses (402)	317-325	20,790,728	22,074,389
6	Depreciation Expense (403)	336-338	46,184,456	43,999,108
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	-	-
8	Amortization & Depletion of Utility Plant (404-405)	336-338	8,900,451	7,955,792
9	Amortization of Utility Plant Acquisition Adjustment (406)	336-338	(1,409,350)	(2,731,391)
10	Amort. of Property Losses, Unrecov Plant and Regulatory Study Costs (407)		-	-
11	Amortization of Conversion Expenses (407)		-	-
12	Regulatory Debits (407.3)		2,996,413	2,991,044
13	(Less) Regulatory Credits (407.4)		(488,222)	(1,515,051)
14	Taxes Other Than Income Taxes (408.1)	262-263	19,038,933	18,329,857
15	Income Taxes - Federal (409.1)	262-263	10,949,838	5,395,634
16	- Other (409.1)	262-263	-	-
17	Provision for Deferred Income Taxes (410.1)	234-235	(1,505,436)	19,613,501
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234-235	-	-
19	Investment Tax Credit Adjustment - Net (411.4)		(173,017)	(125,223)
20	(Less) Gains from Disposition of Utility Plant (411.6)		-	-
21	Losses from Disposition Of Utility Plant (411.7)		-	-
22	(Less) Gains from Disposition of Allowances (411.8)		-	-
23	Losses from Disposition of Allowances (411.9)		-	-
24	Accretion Expense (411.10)		-	-
25	TOTAL Utility Operating Expenses (Total of line 4 through 24)		331,097,578	347,691,633
26	Net Utility Operating Income (Total line 2 less 25)		76,951,173	72,095,601

Name of Respondent **Avista Corporation**	This Report is: [X] An Original [ ] A Resubmission	Date of Report *mm/dd/yyyy* 4/15/2019	Year / Period of Report End of 2018 / Q4

STATEMENT OF UTILITY OPERATING INCOME - IDAHO

Instructions

page or in a separate schedule.

3. Explain in a footnote if the previous year's figures are different from those reported in prior reports.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
320,376,541	325,100,552	87,672,210	94,686,682			2
						3
169,023,992	167,904,262	56,788,792	63,799,711			4
17,870,091	19,148,674	2,920,637	2,925,715			5
38,848,826	37,220,519	7,335,630	6,778,589			6
	-		-			7
7,291,034	6,461,920	1,609,417	1,493,872			8
(1,409,350)	(2,730,776)		(615)			9
	-		-			10
	-		-			11
2,714,347	2,822,908	282,066	168,136			12
(329,664)	(1,441,279)	(158,558)	(73,772)			13
16,007,935	15,332,575	3,030,998	2,997,282			14
8,873,336	3,958,603	2,076,502	1,437,031			15
	-		-			16
(1,645,148)	16,558,512	139,712	3,054,989			17
	-		-			18
(167,785)	(119,991)	(5,232)	(5,232)			19
	-		-			20
	-		-			21
	-		-			22
	-		-			23
	-		-			24
257,077,614	265,115,927	74,019,964	82,575,706	-	-	25
63,298,927	59,984,625	13,652,246	12,110,976	-	-	26

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION - IDAHO

Instructions

1. Report below the original cost of utility plant in service necessary to furnish utility service to customers in the state of Idaho, and the accumulated provisions for depreciation, amortization, and depletion attributable to that plant in service.
2. Report in column (c) the amount for electric function, in column (d) the amount for gas function, in columns (e), (f), and (g) report other (specify),

Line No.	Account (a)	Total Company End of Current Year (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,852,643,131	1,423,286,524
4	Property Under Capital Leases	-	-
5	Plant Purchased or Sold	99,095	99,095
6	Completed Construction not Classified	-	
7	Experimental Plant Unclassified	-	
8	Total (Total lines 3 through 7)	1,852,742,226	1,423,385,619
9	Leased to Others	-	
10	Held for Future Use	352,937	162,352
11	Construction Work in Progress	43,404,416	34,669,276
12	Acquisition Adjustments	-	-
13	Total Utility Plant (Total lines 8 through 12)	1,896,499,579	1,458,217,247
14	Accumulated Provision for Depreciation, Amortization, and Depletion	659,898,188	522,811,960
15	Net Utility Plant (Line 13 less line 14)	1,236,601,391	935,405,287
16	Detail of Accumulated Provision for Depreciation, Amortization, and Depletion		
17	In Service		
18	Depreciation	634,126,208	516,717,192
19	Amortization and Depletion of Producing Natural Gas Lands / Land Rights	-	
20	Amortization of Underground Storage Lands / Land Rights	-	
21	Amortization of Other Utility Plant	25,771,980	6,094,768
22	Total (Total lines 18 through 21)	659,898,188	522,811,960
23	Leased to Others		
24	Depreciation	-	
25	Amortization and Depletion	-	
26	Total Leased to Others	-	-
27	Held for Future Use		
28	Depreciation	-	
29	Amortization	-	
30	Total Held for Future Use	-	-
31	Abandonment of Leases (Natural Gas)	-	
32	Amortization of Plant Acquisition Adjustment	-	
33	Total Accumulated Provision (Total lines 22, 26, 30, 31, 32)	659,898,188	522,811,960

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION - IDAHO

Instructions

and in column (h) common function.

3. In order to accurately reflect utility plant in service necessary to furnish utility service to customers in the state of Idaho, electric and gas plant not directly assigned is allocated to the state of Idaho as appropriate and included in column (c) and (d).

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
262,375,334				166,981,273	3
-				-	4
					5
					6
					7
262,375,334	-	-	-	166,981,273	8
					9
190,585					10
443,513				8,291,627	11
					12
263,009,432	-	-	-	175,272,900	13
88,545,884	-	-	-	48,540,344	14
174,463,548	-	-	-	126,732,556	15
					16
					17
88,347,078				29,061,938	18
					19
					20
198,806				19,478,406	21
88,545,884	-	-	-	48,540,344	22
					23
					24
					25
-	-	-	-	-	26
					27
					28
					29
-	-	-	-	-	30
					31
					32
88,545,884	-	-	-	48,540,344	33

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106)

Instructions

1. Report below the original cost of gas plant in service necessary to furnish natural gas utility service to customers in the state of Idaho. Include gas plant not directly assigned as allocated to the state of Idaho.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, include by primary plant account increases in column (c), additions, and reductions in column (e), adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) distributions of

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	-	-
3	302 Franchises and Consents	-	-
4	303 Miscellaneous Intangible Plant	907,700	10,082
5	TOTAL Intangible Plant (Total of lines 2, 3, and 4)	907,700	10,082
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands	-	-
9	325.2 Producing Leaseholds	-	-
10	325.3 Gas Rights	-	-
11	325.4 Rights-of-Way	-	-
12	325.5 Other Land and Land Rights	-	-
13	326 Gas Well Structures	-	-
14	327 Field Compressor Station Structures	-	-
15	328 Field Measuring and Regulating Station Equipment	-	-
16	329 Other Structures	-	-
17	330 Producing Gas Wells-Well Construction	-	-
18	331 Producing Gas Wells-Well Equipment	-	-
19	332 Field Lines	-	-
20	333 Field Compressor Station Equipment	-	-
21	334 Field Measuring and Regulating Station Equipment	-	-
22	335 Drilling and Cleaning Equipment	-	-
23	336 Purification Equipment	-	-
24	337 Other Equipment	-	-
25	338 Unsuccessful Exploration and Development Costs	-	-
26	339 Asset Retirement Costs for Natural Gas Production and Gathering Plant	-	-
27	TOTAL Natural Gas Production and Gathering Plant (Total of lines 8 through 26)	-	-
28	Products Extraction Plant		
29	340 Land and Land Rights	-	-
30	341 Structures and Improvements	-	-
31	342 Extraction and Refining Equipment	-	-
32	343 Pipe Lines	-	-
33	344 Extracted Products Storage Equipment	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106)

Instructions

these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distributions of these amounts. Careful observance of these instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102; include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
8. For Account 399, state the nature and use of plant included in this account, and, if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.
9. For each account comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed as required by the Uniform System of Accounts, give also the date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)		Line No.
					1
-	-	-	-		2
-	-	-	-		3
-	(7,365)	-	910,417		4
-	(7,365)	-	910,417		5
					6
					7
-	-	-	-		8
-	-	-	-		9
-	-	-	-		10
-	-	-	-		11
-	-	-	-		12
-	-	-	-		13
-	-	-	-		14
-	-	-	-		15
-	-	-	-		16
-	-	-	-		17
-	-	-	-		18
-	-	-	-		19
-	-	-	-		20
-	-	-	-		21
-	-	-	-		22
-	-	-	-		23
-	-	-	-		24
-	-	-	-		25
-	-	-	-		26
-	-	-	-		27
					28
-	-	-	-		29
-	-	-	-		30
-	-	-	-		31
-	-	-	-		32
-	-	-	-		33

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment	-	-
35	346 Gas Measuring and Regulating Equipment	-	-
36	347 Other Equipment	-	-
37	348 Asset Retirement Costs for Products Extraction Plant	-	-
38	TOTAL Products Extraction Plant (Total of lines 29 through 37)	-	-
39	TOTAL Natural Gas Production Plant (Total lines 27 and 38)	-	-
40	Manufactured Gas Production Plant (Submit Supplementary Schedule)	-	-
41	TOTAL Production Plant (Total lines 39 and 40)	-	-
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	358,727	-
45	350.2 Rights-of-Way	18,506	-
46	351 Structures and Improvements	708,528	-
47	352 Wells	4,075,856	-
48	352.1 Storage Leaseholds and Rights	78,697	-
49	352.2 Reservoirs	62,910	-
50	352.3 Non-recoverable Natural Gas	1,658,288	-
51	353 Lines	323,161	-
52	354 Compressor Station Equipment	3,840,744	-
53	355 Other Equipment	335,475	-
54	356 Purification Equipment	124,909	-
55	357 Other Equipment	736,168	-
56	358 Asset Retirement Costs for Underground Storage Plant	-	-
57	TOTAL Underground Storage Plant	12,321,969	-
58	Other Storage Plant		
59	360 Land and Land Rights	-	-
60	361 Structures and Improvements	-	-
61	362 Gas Holders	-	-
62	363 Purification Equipment	-	-
63	363.1 Liquefaction Equipment	-	-
64	363.2 Vaporizing Equipment	-	-
65	363.3 Compressor Equipment	-	-
66	363.4 Measuring and Regulating Equipment	-	-
67	363.5 Other Equipment	-	-
68	363.6 Asset Retirement Costs for Other Storage Plant	-	-
69	TOTAL Other Storage Plant (Total of lines 58 through 68)	-	-
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights	-	-
72	364.2 Structures and Improvements	-	-
73	364.3 LNG Processing Terminal Equipment	-	-
74	364.4 LNG Transportation Equipment	-	-
75	364.5 Measuring and Regulating Equipment	-	-
76	364.6 Compressor Station Equipment	-	-
77	364.7 Communications Equipment	-	-
78	364.8 Other Equipment	-	-
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas	-	-
80	TOTAL Base Load Liquefied Natural Gas Terminaling and Processing Plant (Total lines 71 through 79)	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)		Line No.
-	-	-	-		34
-	-	-	-		35
-	-	-	-		36
-	-	-	-		37
-	-	-	-		38
-	-	-	-		39
-	-	-	-		40
-	-	-	-		41
					42
					43
-	(7,623)	-	351,104		44
-	(24)	-	18,482		45
-	130,368	-	838,896		46
-	204,611	-	4,280,467		47
-	(78,697)	-	-		48
-	(81)	-	62,829		49
-	(2,144)	-	1,656,144		50
-	(418)	-	322,743		51
-	126,318	-	3,967,062		52
-	130,851	-	466,326		53
-	(161)	-	124,748		54
-	124,461	-	860,629		55
-	-	-	-		56
-	627,461	-	12,949,430		57
					58
-	-	-	-		59
-	-	-	-		60
-	-	-	-		61
-	-	-	-		62
-	-	-	-		63
-	-	-	-		64
-	-	-	-		65
-	-	-	-		66
-	-	-	-		67
-	-	-	-		68
-	-	-	-		69
					70
-	-	-	-		71
-	-	-	-		72
-	-	-	-		73
-	-	-	-		74
-	-	-	-		75
-	-	-	-		76
-	-	-	-		77
-	-	-	-		78
-	-	-	-		79
-	-	-	-		80

Name of Respondent **Avista Corporation**	This Report is: [X] An Original [ ] A Resubmission	Date of Report *mm/dd/yyyy* 4/15/2019	Year / Period of Report End of 2018 / Q4

GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
81	TOTAL Natural Gas Storage and Processing Plant (Total of lines 57, 69 and 80)	12,321,969	-
82	TRANSMISSION PLANT		
83	365.1 Land and Land Rights	-	-
84	365.2 Rights-of-Way	-	-
85	366 Structures and Improvements	-	-
86	367 Mains	-	-
87	368 Compressor Station Equipment	-	-
88	369 Measuring and Regulating Station Equipment	-	-
89	370 Communication Equipment	-	-
90	371 Other Equipment	-	-
91	372 Asset Retirement Costs for Transmission Plant	-	-
92	TOTAL Transmission Plant (Total lines 83 through 91)	-	-
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	127,350	5,500
95	375 Structures and Improvements	375,026	89,896
96	376 Mains	114,307,035	9,670,205
97	377 Compressor Station Equipment	-	-
98	378 Measuring and Regulating Station Equipment-General	2,376,509	159,322
99	379 Measuring and Regulating Station Equipment-City Gate	4,510,621	91,963
100	380 Services	74,706,338	5,860,768
101	381 Meters	23,891,044	409,912
102	382 Meter Installations	-	-
103	383 House Regulators	-	-
104	384 House Regulator Installations	-	-
105	385 Industrial Measuring and Regulating Station Equipment	755,727	176,240
106	386 Other Property on Customers' Premises	-	-
107	387 Other Equipment	-	-
108	388 Asset Retirement Costs for Distribution Plant	-	-
109	TOTAL Distribution Plant (Total lines 94 through 108)	221,049,650	16,463,806
110	GENERAL PLANT		
111	389 Land and Land Rights	-	-
112	390 Structures and Improvements	-	-
113	391 Office Furniture and Equipment	144,389	8
114	392 Transportation Equipment	2,949,771	181,162
115	393 Stores Equipment	-	-
116	394 Tools, Shop, and Garage Equipment	1,246,613	175,535
117	395 Laboratory Equipment	70,627	-
118	396 Power Operated Equipment	982,784	99,967
119	397 Communication Equipment	718,407	5,070
120	398 Miscellaneous Equipment	-	-
121	Subtotal (Total of Lines 111 through 120)	6,112,591	461,742
122	399 Other Tangible Property	-	
123	399.1 Asset Retirement Costs for General Plant	-	
124	TOTAL General Plant (Total of lines 121, 122 and 123)	6,112,591	461,742
125	TOTAL (Accounts 101 and 106)	240,391,910	16,935,630
126	Gas Plant Purchased (See Instruction 8)	-	
127	(Less) Gas Plant Sold (See Instruction 8)	-	
128	Experimental Gas Plant Unclassified	-	
129	TOTAL Gas Plant in Service (Total of lines 125 through 128)	240,391,910	16,935,630

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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)		Line No.
-	627,461	-	12,949,430		81
					82
-	-	-	-		83
-	-	-	-		84
-	-	-	-		85
-	-	-	-		86
-	-	-	-		87
-	-	-	-		88
-	-	-	-		89
-	-	-	-		90
-	-	-	-		91
-	-	-	-		92
					93
-	-	-	132,850		94
12,412	39	(7,055)	445,494		95
122,060	10,044	3,940	123,869,164		96
-	-	-	-		97
91,932	(39,491)	5,185	2,409,593		98
141,210	547	15,310	4,477,231		99
36,368	1	-	80,530,739		100
-	1	5,139,379	29,440,336		101
-	-	-	-		102
-	-	-	-		103
-	-	-	-		104
2,748	1	-	929,220		105
-	-	-	-		106
-	-	-	-		107
-			-		108
406,730	(28,858)	5,156,759	242,234,627		109
					110
-	-	-	-		111
-	-	-	-		112
105,053	28,403	-	67,747		113
32,026	(20,207)	-	3,078,700		114
-	-	-	-		115
26,356	(84,214)	-	1,311,578		116
11,951	(2,108)	-	56,568		117
-	(7,533)	-	1,075,218		118
10,058	(7,060)	(15,310)	691,049		119
-	-	-	-		120
185,444	(92,719)	(15,310)	6,280,860		121
			-		122
			-		123
185,444	(92,719)	(15,310)	6,280,860		124
592,174	498,519	5,141,449	262,375,334		125
			-		126
			-		127
			-		128
592,174	498,519	5,141,449	262,375,334		129

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GAS STORED - IDAHO (Accounts 117.1, 117.2, 117.3, 164.1, 164.2, and 164.3)

Instructions

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote (in the available space at the bottom of this page or in a separate schedule) the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote, in the available space at the bottom of this page or in a separate schedule, the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at beginning of year	1,772,478				8,000,085			9,772,563
2	Gas delivered to storage	-				5,744,172			5,744,172
3	Gas withdrawn from storage	-				5,430,385			5,430,385
4	Other debits and credits	-				-			-
5	Balance at end of year	1,772,478	-	-	-	8,313,872	-	-	10,086,350
6	Dth	317,648				4,531,387			4,849,035
7	Amount per Dth	5.58				1.83			2.08

(1) Fuel is accounted for within injections and withdrawal accounts.

(2) All gas reported is current working gas. Avista uses the inventory method to report all working gas stored.

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GAS OPERATING REVENUES - IDAHO

Instructions

1. Report below natural gas operating revenues attributable to the state of Idaho for each prescribed account total in accordance with jurisdictional Results of Operations.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Account	Revenues for Transition Costs and Take-or-Pay		Revenues for GRI and ACA	
		Current Year	Previous Year	Current Year	Previous Year
	(a)	(b)	(c)	(d)	(e)
1	480 Residential Sales	-	-	-	-
2	481 Commercial and Industrial Sales	-	-	-	-
3	482 Other Sales to Public Authorities	-	-	-	-
4	483 Sales for Resale (1)	-	-	-	-
5	484 Interdepartmental Sales	-	-	-	-
6	485 Intracompany Transfers	-	-	-	-
7	487 Forfeited Discounts	-	-	-	-
8	488 Miscellaneous Service Revenues	-	-	-	-
9	489.1 Revenues from Transportation of Gas for Others through Gathering Facilities	-	-	-	-
10	489.2 Revenues from Transportation of Gas for Others through Transmission Facilities	-	-	-	-
11	489.3 Revenues from Transportation of Gas for Others through Distribution Facilities	-	-	-	-
12	489.4 Revenues from Storing Gas of Others	-	-	-	-
13	490 Sales of Products Extracted from Natural Gas	-	-	-	-
14	491 Revenues from Natural Gas Processed by Others	-	-	-	-
15	492 Incidental Gasoline and Oil Sales	-	-	-	-
16	493 Rent from Gas Property	-	-	-	-
17	494 Interdepartmental Rents	-	-	-	-
18	495 Other Gas Revenues (1)	-	-	-	-
19	Subtotal	-	-	-	-
20	496 (Less) Provision for Rate Refunds	-	-	-	-
21	TOTAL	-	-	-	-

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GAS OPERATING REVENUES - IDAHO

Instructions

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote in the available space at the bottom of this page or attached in a separate schedule.
5. See pages 108 in the FERC Form 2, Important Changes During the Quarter/Year, for information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Other Revenues		Total Operating Revenues		Dekatherm of Natural Gas		Line No.
Current Year (f)	Previous Year (g)	Current Year (h)	Previous Year (i)	Current Year (j)	Previous Year (k)	
41,800,464	45,661,813	41,800,464	45,661,813	5,165,897	5,360,236	1
18,770,855	21,992,152	18,770,855	21,992,152	3,251,939	3,449,267	2
	-	-	-		-	3
26,621,409	26,456,040	26,621,409	26,456,040	10,432,851	9,089,780	4
29,055	32,211	29,055	32,211	4,733	4,843	5
	-	-	-			6
	-	-	-			7
7,546	8,788	7,546	8,788			8
	-	-	-		-	9
	-	-	-		-	10
600,212	584,996	600,212	584,996	4,644,358	5,496,129	11
	-	-	-		-	12
	-	-	-			13
	-	-	-			14
	-	-	-			15
	-	-	-			16
	-	-	-			17
893,187	(49,318)	893,187	(49,318)			18
88,722,728	94,686,682	88,722,728	94,686,682			19
(1,050,518)	-	(1,050,518)	-			20
87,672,210	94,686,682	87,672,210	94,686,682			21

(1) Sales for Resale and Deferred Exchange dollars are allocated based on the Washington / Idaho monthly commodity allocations used in Results of Operations.

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	-	-
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	-	-
8	751 Production Maps and Records	-	-
9	752 Gas Well Expenses	-	-
10	753 Field Lines Expenses	-	-
11	754 Field Compressor Station Expenses	-	-
12	755 Field Compressor Station Fuel and Power	-	-
13	756 Field Measuring and Regulating Station Expenses	-	-
14	757 Purification Expenses	-	-
15	758 Gas Well Royalties	-	-
16	759 Other Expenses	-	-
17	760 Rents	-	-
18	TOTAL Operation (Total of lines 7 through 17)	-	-
19	Maintenance		
20	761 Maintenance Supervision and Engineering	-	-
21	762 Maintenance of Structures and Improvements	-	-
22	763 Maintenance of Producing Gas Wells	-	-
23	764 Maintenance of Field Lines	-	-
24	765 Maintenance of Field Compressor Station Equipment	-	-
25	766 Maintenance of Field Measuring and Regulating Station Equipment	-	-
26	767 Maintenance of Purification Equipment	-	-
27	768 Maintenance of Drilling and Cleaning Equipment	-	-
28	769 Maintenance of Other Equipment	-	-
29	TOTAL Maintenance (Total of lines 20 through 28)	-	-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	-	-
34	771 Operation Labor	-	-
35	772 Gas Shrinkage	-	-
36	773 Fuel	-	-
37	774 Power	-	-
38	775 Materials	-	-
39	776 Operation Supplies and Expenses	-	-
40	777 Gas Processed by Others	-	-
41	778 Royalties on Products Extracted	-	-
42	779 Marketing Expenses	-	-
43	780 Products Purchased for Resale	-	-
44	781 Variation in Products Inventory	-	-
45	782 (Less) Extracted Products Used by the Utility-Credit	-	-
46	783 Rents	-	-
47	TOTAL Operation (Total of line 33 through 46)	-	-
48	Maintenance		
49	784 Maintenance Supervision and Engineering	-	-
50	785 Maintenance of Structures and Improvements	-	-
51	786 Maintenance of Extraction and Refining Equipment	-	-
52	787 Maintenance of Pipe Lines	-	-
53	788 Maintenance of Extracted Products Storage Equipment	-	-
54	789 Maintenance of Compressor Equipment	-	-
55	790 Maintenance of Gas Measuring and Regulating Equipment	-	-
56	791 Maintenance of Other Equipment	-	-
57	TOTAL Maintenance (Total of lines 49 through 56)	-	-
58	TOTAL Products Extraction (Total of lines 47 and 57)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	-	-
62	796 Nonproductive Well Drilling	-	-
63	797 Abandoned Leases	-	-
64	798 Other Exploration	-	-
65	TOTAL Exploration and Development (Total of lines 61 through 64)	-	-
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases		-
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		-
70	801 Natural Gas Field Line Purchases		-
71	802 Natural Gas Gasoline Plant Outlet Purchases		-
72	803 Natural Gas Transmission Line Purchases		-
73	804 Natural Gas City Gate Purchases	43,755,809	51,810,449
74	804.1 Liquefied Natural Gas Purchases		-
75	805 Other Gas Purchases		-
76	805.1 (Less) Purchased Gas Cost Adjustments		-
77	TOTAL Other Gas Supply Expenses (Total of lines 68 through 76)	43,755,809	51,810,449
78	806 Exchange Gas	-	-
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas		-
81	807.2 Operation of Purchased Gas Measuring Stations		-
82	807.3 Maintenance of Purchased Gas Measuring Stations		-
83	807.4 Purchased Gas Calculations Expenses		-
84	807.5 Other Purchased Gas Expenses	(313,787)	(1,494,183)
85	TOTAL Purchased Gas Expenses (Total of lines 80 through 84)	(313,787)	(1,494,183)

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Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	-	-
87	808.2 (Less) Gas Delivered to Storage-Credit	-	-
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	-	-
89	809.2 (Less) Deliveries of Natural Gas for Processing-Credit	-	-
90	Gas Used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	-	-
92	811 Gas Used for Products Extraction-Credit	(334,206)	(218,992)
93	812 Gas Used for Other Utility Operations-Credit	-	-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 through 93)	(334,206)	(218,992)
95	813 Other Gas Supply Expenses	450,354	437,921
96	TOTAL Other Gas Supply Expenses (Total of lines 77, 78, 85, 86 through 89, 94, 95)	43,558,170	50,535,195
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	43,558,170	50,535,195
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	6,203	7,782
102	815 Maps and Records		-
103	816 Wells Expenses		-
104	817 Lines Expense		-
105	818 Compressor Station Expenses		-
106	819 Compressor Station Fuel and Power		-
107	820 Measuring and Regulating Station Expenses		-
108	821 Purification Expenses		-
109	822 Exploration and Development		-
110	823 Gas Losses		-
111	824 Other Expenses	245,107	229,162
112	825 Storage Well Royalties		-
113	826 Rents		-
114	TOTAL Operation (Total of lines 101 through 113)	251,310	236,944

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	-	-
117	831 Maintenance of Structures and Improvements	-	-
118	832 Maintenance of Reservoirs and Wells	-	-
119	833 Maintenance of Lines	-	-
120	834 Maintenance of Compressor Station Equipment	-	-
121	835 Maintenance of Measuring and Regulating Station Equipment	-	-
122	836 Maintenance of Purification Equipment	-	-
123	837 Maintenance of Other Equipment	434,019	225,516
124	TOTAL Maintenance (Total of lines 116 through 123)	434,019	225,516
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	685,329	462,460
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	-	-
129	841 Operation Labor and Expenses	-	-
130	842 Rents	-	-
131	842.1 Fuel	-	-
132	842.2 Power	-	-
133	842.3 Gas Losses	-	-
134	TOTAL Operation (Total of lines 128 through 133)	-	-
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	-	-
137	843.2 Maintenance of Structures	-	-
138	843.3 Maintenance of Gas Holders	-	-
139	843.4 Maintenance of Purification Equipment	-	-
140	843.5 Maintenance of Liquefaction Equipment	-	-
141	843.6 Maintenance of Vaporizing Equipment	-	-
142	843.7 Maintenance of Compressor Equipment	-	-
143	843.8 Maintenance of Measuring and Regulating Equipment	-	-
144	843.9 Maintenance of Other Equipment	-	-
145	TOTAL Maintenance (Total of lines 136 through 144)	-	-
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	-	-
150	844.2 LNG Processing Terminal Labor and Expenses	-	-
151	844.3 Liquefaction Processing Labor and Expenses	-	-
152	844.4 Liquefaction Transportation Labor and Expenses	-	-
153	844.5 Measuring and Regulating Labor and Expenses	-	-
154	844.6 Compressor Station Labor and Expenses	-	-
155	844.7 Communication System Expenses	-	-
156	844.8 System Control and Load Dispatching	-	-
157	845.1 Fuel	-	-
158	845.2 Power	-	-
159	845.3 Rents	-	-
160	845.4 Demurrage Charges	-	-
161	845.5 (Less) Wharfage Receipts-Credit	-	-
162	845.6 Processing Liquefied or Vaporized Gas by Others	-	-
163	846.1 Gas Losses	-	-
164	846.2 Other Expenses	-	-
165	TOTAL Operation (Total of lines 149 through 164)	-	-
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	-	-
168	847.2 Maintenance of Structures and Improvements	-	-
169	847.3 Maintenance of LNG Processing Terminal Equipment	-	-
170	847.4 Maintenance of LNG Transportation Equipment	-	-
171	847.5 Maintenance of Measuring and Regulating Equipment	-	-
172	847.6 Maintenance of Compressor Station Equipment	-	-
173	847.7 Maintenance of Communication Equipment	-	-
174	847.8 Maintenance of Other Equipment	-	-
175	TOTAL Maintenance (Total of lines 167 through 174)	-	-
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	-	-
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	685,329	462,460

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	-	-
181	851 System Control and Load Dispatching	-	-
182	852 Communication System Expenses	-	-
183	853 Compressor Station Labor and Expenses	-	-
184	854 Gas for Compressor Station Fuel	-	-
185	855 Other Fuel and Power for Compressor Stations	-	-
186	856 Mains Expenses	-	-
187	857 Measuring and Regulating Station Expenses	-	-
188	858 Transmission and Compression of Gas by Others	-	-
189	859 Other Expenses	-	-
190	860 Rents	-	-
191	TOTAL Operation (Total of lines 180 through 190)	-	-
192	Maintenance		
193	861 Maintenance Supervision and Engineering	-	-
194	862 Maintenance of Structures and Improvements	-	-
195	863 Maintenance of Mains	-	-
196	864 Maintenance of Compressor Station Equipment	-	-
197	865 Maintenance of Measuring and Regulating Station Equipment	-	-
198	866 Maintenance of Communication Equipment	-	-
199	867 Maintenance of Other Equipment	-	-
200	TOTAL Maintenance (Total of lines 193 through 199)	-	-
201	TOTAL Transmission (Total of lines 191 and 200)	-	-
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	546,016	522,805
205	871 Distribution Load Dispatching	-	-
206	872 Compressor Station Labor and Expenses	-	-
207	873 Compressor Station Fuel and Power	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	1,514,658	1,596,669
209	875 Measuring and Regulating Station Expenses-General	42,619	54,080
210	876 Measuring and Regulating Station Expenses-Industrial	2,853	5,881
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	34,645	77,563
212	878 Meter and House Regulator Expenses	166,245	200,902
213	879 Customer Installations Expenses	606,564	714,082
214	880 Other Expenses	661,176	582,803
215	881 Rents	13,113	13,530
216	TOTAL Operation (Total of lines 204 through 215)	3,587,889	3,768,315
217	Maintenance		
218	885 Maintenance Supervision and Engineering	103,949	87,967
219	886 Maintenance of Structures and Improvements		-
220	887 Maintenance of Mains	208,852	338,861
221	888 Maintenance of Compressor Station Equipment		-
222	889 Maintenance of Measuring and Regulating Station Equipment-General	87,199	87,285
223	890 Maintenance of Measuring and Regulating Station Equipment-Industrial	32,397	45,007
224	891 Maintenance of Meas. and Reg. Station Equipment-City Gate Check Station	38,713	35,836
225	892 Maintenance of Services	260,420	486,926
226	893 Maintenance of Meters and House Regulators	747,020	650,549
227	894 Maintenance of Other Equipment	62,815	77,674
228	TOTAL Maintenance (Total of lines 218 through 227)	1,541,365	1,810,105
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	5,129,254	5,578,420
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	39,524	51,963
233	902 Meter Reading Expenses	150,816	168,487
234	903 Customer Records and Collection Expenses	2,071,509	2,008,955

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

1. For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
2. If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	442,446	590,364
236	905 Miscellaneous Customer Accounts Expenses	65,329	52,879
237	TOTAL Customer Accounts Expenses (Total of lines 232 through 236)	2,769,624	2,872,648
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision		-
241	908 Customer Assistance Expenses	1,429,160	1,500,469
242	909 Informational and Instructional Expenses	297,722	209,595
243	910 Miscellaneous Customer Service and Informational Expenses	80,646	71,053
244	TOTAL Customer Service and Informational Expenses (Total of lines 240 through 243)	1,807,528	1,781,117
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	-	-
248	912 Demonstrating and Selling Expenses	-	-
249	913 Advertising Expenses	-	-
250	916 Miscellaneous Sales Expenses	-	-
251	TOTAL Sales Expenses (Total of lines 247 through 250)	-	-
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	2,659,826	2,543,747
255	921 Office Supplies and Expenses	370,349	322,243
256	922 (Less) Administrative Expenses Transferred-Credit	(5,446)	(5,391)
257	923 Outside Services Employed	702,414	592,274
258	924 Property Insurance	85,520	84,762
259	925 Injuries and Damages	232,818	241,399
260	926 Employee Pensions and Benefits	140,336	111,543
261	927 Franchise Requirements	-	-
262	928 Regulatory Commission Expenses	282,253	319,080
263	929 (Less) Duplicate Charges-Credit	-	-
264	930.1 General Advertising Expenses	-	-
265	930.2 Miscellaneous General Expenses	309,476	340,673
266	931 Rents	36,725	55,162
267	TOTAL Operation (Total of lines 254 through 266)	4,814,271	4,605,492
268	Maintenance		
269	932 Maintenance of General Plant	945,253	890,094
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	5,759,524	5,495,586
271	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, 270)	59,709,429	66,725,426

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GAS TRANSMISSION MAINS - IDAHO

Instructions

1. Report below the requested details of transmission mains in system operated by respondent at end of year in the state of Idaho.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote (in the available space at the bottom of this page or attached in a separate schedule) state the name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.

Line No.	Kind of Material (a)	Diameter of Pipe *in Inches* (b)	Total Length in Use Beginning of Year *in Feet* (c)	Laid During Year *in Feet* (d)	Taken Up or Abandoned During Year *in Feet* (e)	Total Length in Use End of Year *in Feet* (f)
1						-
2						-
3						-
4						-
5						-
6						-
7						-
8						-
9						-
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-
21						-
22						-
23						-
24						-
25						-
26						-
27						-
28						-
29						-
30						-
31						-
32						-
33						-
34						-
35						-
36						-
37						-
38						-
39						-
40						-

NOTE:
In accordance with the definitions established in the Uniform System of Accounts for production, transmission, and distribution plant, the Company's gas mains are appropriately classified as distribution property for accounting purposes (see definitions 29 (B) and (C)).

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

GAS DISTRIBUTION MAINS - IDAHO

Instructions

1. Report below the requested details of distribution mains in system operated by respondent at end of year in the state of Idaho.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote (in the available space at the bottom of this page or attached in a separate schedule) state the name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.

Line No.	Kind of Material (a)	Diameter of Pipe *in Inches* (b)	Total Length in Use Beginning of Year *in Feet* (c)	Laid During Year *in Feet* (d)	Taken Up or Abandoned During Year *in Feet* (e)	Total Length in Use End of Year *in Feet* (f)
1	Steel Wrapped	Less than 2"	1,756,033			1,756,033
2	Steel Wrapped	2" to 4"	619,962			619,962
3	Steel Wrapped	4" to 8"	429,475			429,475
4	Steel Wrapped	8" to 12"	12,197			12,197
5	Steel Wrapped	Over 12"	-			-
6			-			-
7			-			-
8	Plastic	Less than 2"	5,769,984			5,769,984
9	Plastic	2" to 4"	1,521,601			1,521,601
10	Plastic	4" to 8"	632,771			632,771
11	Plastic	8" to 12"	-			-
12	Plastic	Over 12"	-			-
13					-	-
14						-
15						-
16						-
17						-
18						-
19						-
20						-
21						-
22						-
23						-
24						-
25						-
26						-
27						-
28						-
29						-
30						-
31						-
32						-
33						-
34						-
35						-
36						-
37						-
38						-
39						-
40						-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

SERVICE PIPES - GAS - IDAHO

Instructions

1. Report below the requested details of line service pipe in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Type of Material (a)	Diameter of Pipe *in Inches* (b)	Number of Service Pipes Beginning of Year (c)	Added During Year (c)	Retired During Year (d)	Number of Service Pipes End of Year (e)	Average Length *in Feet* (f)
1	Steel Wrapped	1" or Less	11,379			11,379	(1)
2	Steel Wrapped	1" to 2"	183			183	(1)
3	Steel Wrapped	2" to 4"	7			7	(1)
4	Steel Wrapped	4" to 8"	1			1	(1)
5	Steel Wrapped	Over 8"	-			-	(1)
6	Steel Wrapped	Unknown	304			304	(1)
7							
8	Plastic	1" or Less	64,937			64,937	(1)
9	Plastic	1" to 2"	277			277	(1)
10	Plastic	2" to 4"	12			12	(1)
11	Plastic	4" to 8"	3			3	(1)
12	Plastic	Over 8"	-			-	(1)
13	Plastic	Unknown	1,224			1,224	(1)
14							
15	Other	Unknown	5			5	(1)
16							
17							
18							
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(1) Information not available.

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

REGULATORS - GAS - IDAHO

Instructions

1. Report below the requested details of gas regulators in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	In Service Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	In Plant End of Year (h)
1								-
2		No Data available						-
3								-
4								-
5								-
6								-
7								-
8								-
9								-
10								-
11								-
12								-
13								-
14								-
15								-
16								-
17								-
18								-
19								-
20								-
21								-
22								-
23								-
24								-
25								-
26								-
27								-
28								-
29								-
30								-
31								-
32								-
33								-
34								-
35								-
36								-
37								-
38								-
39								-
40	Total				-	-		-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 4/15/2019	End of 2018 / Q4

CUSTOMER METERS - GAS - IDAHO

Instructions

1. Report below the requested details of gas customer meters in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	In Service Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	In Plant End of Year (h)
1	All	All	All	All	81,329			81,329
2								-
3								-
4								-
5								-
6								-
7								-
8								-
9								-
10								-
11								-
12								-
13								-
14								-
15								-
16								-
17								-
18								-
19								-
20								-
21								-
22								-
23								-
24								-
25								-
26								-
27								-
28								-
29								-
30								-
31								-
32								-
33								-
34								-
35								-
36								-
37								-
38								-
39								-
40								-

(1) The Company's systems do not supply meter information tracking by type of meter.

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 4/15/2019	End of 2018 / Q4

GAS ACCOUNT - NATURAL GAS - IDAHO

Instructions

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent for service in the state of Idaho.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year-to-date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Indicate in a footnote (in the available space at the bottom of this page or in a separate schedule) the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
6. Indicate by footnote the quantities of gas not subject to FERC regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline, (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
7. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes report on line 3 relate.
8. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
9. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Account (a)	*Refer to Form 2 Page* (b)	Amount of Dth Year to Date (c)	Amount of Dth Current 3 Months Ended *Quarterly Only* (d)
1	Name of System			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		19,854,816	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	4,644,358	
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Exchanged Gas Received from Others (Account 806)	328		
9	Gas Received as Imbalances (Account 806)	328	(21,142)	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
11	Other Gas Withdrawn from Storage (Explain)		(332,004)	
12	Gas Received from Shippers as Compressor Station Fuel			
13	Gas Received from Shippers as Lost and Unaccounted For			
14	Other Receipts (Specify) (footnote details)			
15	Total Receipts (Total of lines 3 through 14)		24,146,028	
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		18,905,957	
18	Deliveries of Gas Gathered for Others (Account 489.1)	303		
19	Deliveries of Gas Transported for Others (489.2)	305		
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,644,358	
21	Deliveries of Contract Storage Gas (Account 489.4)	307		
22	Exchange Gas Delivered to Others (Account 806)	328		
23	Gas Delivered as Imbalances (Account 858)	328		
24	Deliveries of Gas to Others for Transportation (Account 858)	332		
25	Other Gas Delivered to Storage (Explain) (1)			
26	Gas Used for Compressor Station Fuel	509	595,713	
27	Other Deliveries (Specify) (footnote details)			
28	Total Deliveries (Total of lines 17 through 27)		24,146,028	
29	GAS UNACCOUNTED FOR			
30	Production System Losses		-	
31	Gathering System Losses		-	
32	Transmission System Losses		-	
33	Distribution System Losses		-	
34	Storage System Losses		-	
35	Other Losses (Specify) (footnote details)		-	
36	Total Gas Unaccounted For (Total of lines 30 through 35)		-	
37	Total Deliveries and Gas Unaccounted For (Total of lines 28 and 36)		24,146,028	

(1) Represents net gas withdrawals and injections.