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

AVU-G

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)

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 2016/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation	Year/Period of Report End of 2016/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 Officer
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	This Report Is:	10 Date of Report *(Mo, Da, Yr)*
509-495-2273	(1) [X] An Original (2) [ ] A Resubmission	03/31/2017

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 Officer
13 Signature Ryan L. Krasselt Ryan L Krasselt	14 Date Signed 03/31/2017

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 Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		N/A
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		N/A
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		N/A
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

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	03/31/2017	End of 2016/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."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		N/A
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		N/A
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		N/A
50	Revenues from Storage Gas of Others	306-307		N/A
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		N/A
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		N/A
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		N/A
57	Other Gas Supply Expenses	334		
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		N/A
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		N/A
69	Transmission System Peak Deliveries	518		N/A
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		N/A
73	System Map	522		N/A
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	[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	03/31/2017	End of 2016/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 E 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 Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	100	Not used
2			subsidiaries		
3	Avista Development	I	Maintains investment portfolio incl Real Estate.	100	Not used
4	Avista Energy	I	Inactive	100	Not used
5	Pentzer Corporation	I	Parent of Bay Area Mfg and Penture Venture Hldngs	100	Not used
6	Bay Area Manufacturing	I	Holding co of AM&D dba MetalFX	100	Not used
7	Advanced Manufacturing & Development	I	Custom mfg of electronic enclosures	83	Not used
8	dba MetalFX				Not used
9					
10	Avista Capital II	D	Affiliated business trust issue pref trust sec	100	Not used
11	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	Not used
12	Steam Plant Square, LLC	I	Commercial office and Retail leasing	85	Not used
13	Courtyard Office Center, LLC	I	Commercial office and retail leasing	100	Not used
14	Steam Plant Brew Pub, LLC	I	Restaurant Operations	85	Not used
15					
16	Alaska Energy and Resources Company	D	Parent company of Alaska operations	100	Not used
17	Alaska Electric Light and Power Company	I	Utiltiy operations based in the city and borough	100	Not used
18			Of Juneau, AK		
19	AJT Mining Properties, Inc	I	Inactive mining company holding certain properties	100	Not used
20	Snettisham Electric Company	I	Holds certain rights to purchase the Snettisham	100	Not used
21			Hydroelectric project in the city & borough of		
22			Juneau, AK		
23	Salix, Inc	I	Liquefied Natural Gas Operations. See Footnote	100	Not used
24					
25					
26					
27					
28					

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	03/31/2017	End of 2016/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, or rights were

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:
11/18/2016	Total: 56709126 By Proxy: 56709126	5/12/2016 Spokane, Washington

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 11/18/2016 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	62,726,621	62,726,621		
6	TOTAL number of security holders	8,440	8,440		
7	TOTAL votes of security holders listed below	675,124	675,124		
8	Computershare Trust Company NA as escrow agent for:				
9	William A Corbus, Juneau, AK	300,000	300,000		
10	Malcolm A Menzies, Juneau, AK	113,301	113,301		
11	Mark T Thies, Spokane, WA	54,678	54,678		
12	Gary Ely, LIberty Lake, WA	40,000	40,000		
13	Niels F Larsen & Wilhelmine J Larsen Jt Ten, Juneau, AK	39,312	39,312		
14	Jane N MacKinnon, Juneau, AK	37,347	37,347		
15	Roger D Woodworth, Colbert, WA	22,985	22,985		
16	T R Quinlan/A M Quinlan Trustees of Quinlan Trust	22,643	22,643		
17	John F Kelly	22,576	22,576		
18	T McLeod & G McLeod Ttees Tim & Geri McLeod Lv Tr, Juneau, AK	22,282	22,282		
19					
20					

FOOTNOTE DATA

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

To pay the 12/15/2016 dividend.

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	03/31/2017	2016/Q4

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. None
4. None
5. None

6. Avista Corp. has a committed line of credit with various financial institutions in the total amount of $400.0 million. A two-year option was exercised by the Company in May 2016 to extend the maturity of the facility agreement to April 2021.

Balances outstanding (including letters of credit) under the Company's revolving committed lines of credit were as follows as of December 31, 2016 and December 31, 2015 (dollars in thousands):

	December 31, 2016	December 31, 2015
Balance outstanding at end of period	$120,000	$105,000
Letters of credit outstanding at end of period	$34,353	$44,595

In August 2016, Avista Corp. entered into a term loan agreement with a commercial bank in the amount of $70.0 million with a maturity date of December 30, 2016. Loans under this agreement were unsecured and had a variable annual interest rate. The Company borrowed the entire $70.0 million available under this agreement, which was used to repay a portion of the $90.0 million in first mortgage bonds that matured in August 2016. This term loan was subsequently repaid in full in December using the proceeds from the first mortgage bonds issued in December 2016 (discussed below).

In December 2016, Avista Corp. issued and sold $175.0 million of 3.54 percent first mortgage bonds due in 2051 pursuant to a bond purchase agreement with institutional investors in the private placement market. The total net proceeds from the sale of the bonds were used to repay the $70.0 million term loan discussed above and to repay a portion of the borrowings outstanding under the Company's $400.0 million committed line of credit. In connection with the execution of the bond purchase agreement, the Company cash-settled seven interest rate swap derivatives (notional aggregate amount of $125.0 million) and paid a total of $54.0 million. The debt issuance was approved by regulatory commissions as follows: UTC (Docket No. UE-151822 Order 01) IPUC (Case No. AVU-U-15-01 Order No. 33401) and the OPUC (Docket UF 4294 Order No. 15-305).

7. None
8. Average annual wage increases were 2.5% for non-exempt employees effective February 22, 2016. Average annual wage increases were 3.0% for exempt employees effective February 22, 2016. Officers received average increases of 5.7% effective February 22, 2016. Certain bargaining unit employees received increases of 3.0% effective March 26, 2016.
9. Reference is made to Note 16 of the Notes to Financial Statements.
10. None
11.

Washington General Rate Cases

2015 General Rate Cases

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

The UTC-approved rates are 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 UTC also approved an 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).

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

On January 19, 2016, the Industrial Customers of Northwest Utilities (ICNU) and the Public Counsel

Unit of the Washington State Office of the Attorney General (PC) filed a Joint Motion for Clarification with the UTC. In the Motion for Clarification, ICNU and PC requested that the UTC clarify the calculation of the electric attrition adjustment and the end-result revenue decrease of $8.1 million. ICNU and PC provided their own calculations in their Motion, and suggested that the revenue decrease should have been $19.8 million based on their reading of the UTC's Order.

On January 19, 2016, the UTC Staff, which is a separate party in the general rate case proceedings from the UTC Advisory Staff, filed a Motion to Reconsider with the UTC. In its Motion to Reconsider, the Staff provided calculations and explanations that suggested that the electric revenue decrease should have been a revenue decrease of $27.4 million instead of $8.1 million, based on its reading of the UTC's Order. Further, on February 4, 2016, the UTC Staff filed a Motion to Reopen Record for the Limited Purpose of Receiving into Evidence Instruction on Use and Application of Staff's Attrition Model, and sought to supplement the record "to incorporate all aspects of the Company' Power Cost Update." Within this Motion, UTC Staff updated its suggested electric revenue decrease to $19.6 million.

None of the parties in their Motions raised issues with the UTC's decision on the natural gas revenue increase of $10.8 million.

On February 19, 2016, the UTC issued an order (Order 06) denying the Motions summarized above and affirmed Order 05 including an $8.1 million decrease in electric base revenue.

PC Petition for Judicial Review

On March 18, 2016, PC filed in Thurston County Superior Court a Petition for Judicial Review of the UTC's Order 05 and Order 06 described above that concluded our 2015 electric and natural gas general rate cases. In its Petition for Judicial Review, PC seeks judicial review of five aspects of Order 05 and Order 06, alleging, among other things, that (1) the UTC exceeded its statutory authority by setting rates for our natural gas and electric services based on amounts for utility plant and facilities that are not "used and useful" in providing utility service to customers; (2) the UTC acted arbitrarily and capriciously in granting an attrition adjustment for our electric operations after finding that the we did not meet the newly articulated standard regarding attrition adjustments; (3) the UTC erred in applying the "end results test" to set rates for our electric operations that are not supported by the record; (4) the UTC did not correct its calculation of our electric rates after significant errors were brought to its attention; and (5) the UTC's calculation of our electric rates lacks substantial evidence.

PC is requesting that the Court (1) vacate or set aside portions of the UTC's orders; (2) identify the errors contained in the UTC's orders; (3) find that the rates approved in Order 05 and reaffirmed in Order 06 are unlawful and not fair, just and reasonable; (4) remand the matter to the UTC for further proceedings consistent with these rulings, including a determination of our revenue requirement for electric and natural gas services; and (5) find the customers are entitled to a refund.

On April 18, 2016, PC filed an application with the Thurston County Superior Court to certify this matter for review directly by the Court of Appeals, an intermediate appellate court in the State of Washington. After briefing and argument, the matter was certified on April 29, 2016 and accepted by the Court of Appeals on July 29, 2016. The parties are providing briefs to the Court, after which the Court will set the matter for argument. A decision from the Court is not expected until late 2017, at the earliest.

The new rates established by Order 05 will continue in effect while the Petition for Judicial Review is being considered. We believe the UTC's Order 05 and Order 06 finalizing the electric and natural gas general rate cases provide a reasonable end result for all parties. If the outcome of the judicial review were to result in an electric rate reduction greater than the decrease ordered by the UTC, it may not provide us with a reasonable opportunity to earn the rate of return authorized by the UTC.

2016 General Rate Cases

On December 15, 2016, the UTC issued an order related to our Washington electric and natural gas general rate cases that were originally filed with the UTC in February 2016. The UTC order denied the Company's proposed electric and natural gas rate increase requests of $38.6 million and $4.4 million, respectively. Accordingly, our current electric and natural gas retail rates will remain unchanged in Washington State.

Our original requests were based on a proposed ROR of 7.64 percent with a common equity ratio of 48.5 percent and a 9.9 percent ROE.

On December 23, 2016 we filed a Petition for Reconsideration or, in the alternative, Rehearing (Petition) with the UTC related to our 2016 general rate cases.

The UTC's Order and Avista Corp.'s Response

The primary reason given by the UTC in reaching its conclusion is that, in our request, we did not follow an "appropriate methodology" to show the existence of attrition, as between historical data and current and projected data. Further, the order states that, among other things, we did not demonstrate, as a necessary condition to being allowed an attrition adjustment, that we have suffered from chronic under-earning caused by circumstances beyond our ability to control. We disagree with the UTC as to various questions of fact and law.

In support of its decision, the UTC stated that we did not demonstrate that our current revenue is insufficient for covering costs and providing the opportunity to earn a reasonable return during the 2017 rate period. The UTC also stated that we did not demonstrate that our capital expenditures and increased operating costs are both necessary and immediate.

Our Petition responding to the UTC's order points to evidence in the case that demonstrates, contrary to the UTC's findings, the following:

- Current retail rates are not sufficient for the 2017 rate period, and therefore a revenue increase is necessary. In previously filed testimony, UTC Staff agreed that current rates were not sufficient.
- The costs associated with the growth in rate base and operating expenses are growing at a faster pace than revenue from retail sales, and therefore a revenue adjustment is necessary to close this gap. The revenue adjustment to close this gap is sometimes called an attrition adjustment. In previously filed testimony, UTC Staff agreed that a revenue adjustment is necessary to close this gap.
- All of the capital projects and operating expenses we included in the case are necessary in the time frame proposed in order for us to continue to provide safe, reliable service to customers. No party in the case identified a single capital project that should not be completed in the time frame we proposed (other than Public Counsel's general opposition to Advanced Metering Infrastructure).
- We presented all of the studies and analyses in this case, consistent with our previous filings with the UTC, and the UTC Staff acknowledged in previously filed testimony, that we provided such studies.
- We earned close to our allowed return on equity during each of the years 2013 through 2015, and into 2016. This opportunity was possible only with the revenue increases related to attrition adjustments, and an attrition adjustment is also necessary for 2017.

In previously filed testimony, the UTC Staff supported electric and natural gas revenue increases totaling $28.4 million. Commissioner Jones dissented and did not support the decision. In his dissent, Commissioner Jones supported an electric revenue increase of $26.0 million, and a natural gas increase of $2.4 million, based on UTC Staff's analysis.

On February 27, 2017, we received an order from the UTC denying our Petition and the UTC confirmed its previous order in the case. In its order denying the Petition, the UTC generally referred back to its prior findings and conclusions. Consistent with the original order, Commissioner Jones dissented and did not support the decision in the latest order.

We evaluated all options for appeal of the Commission's latest order and determined that appeal of the Commission's decision to the courts would bring a significant amount of uncertainty regarding the level of success of such an appeal, as well as the timing of any value that might come following a process that would take between one and two years. The Company believes greater long-term value can be achieved through focusing on upcoming new general rate cases, than through appealing the recent decision in the courts.

Now that the 2016 case is concluded, we will request meetings with the Commissioners to better understand their concerns and their expectations going forward. The Company will also reach out to Commission Staff and other parties to discuss needs and expectations prior to filing the next general rate case. The Company plans to file a general rate case in the second quarter of 2017.

Idaho General Rate Cases

2015 General Rate Cases

In December 2015, the IPUC approved a settlement agreement between Avista Utilities and all interested parties related to our electric and natural gas general rate cases, which were originally filed with the IPUC on June 1, 2015. New rates were effective on January 1, 2016.

The settlement agreement is designed to increase annual electric base revenues by $1.7 million or 0.7 percent and annual natural gas base revenues by $2.5 million or 3.5 percent. The settlement is based on an ROR of 7.42 percent with a common equity ratio of 50 percent and a 9.5 percent ROE.

The settlement agreement also reflects the following:

- the discontinuation of the after-the-fact earnings test (provision for earnings sharing) that was originally agreed to as part of the settlement of our 2012 electric and natural gas general rate cases, and
- the implementation of electric and natural gas Fixed Cost Adjustment mechanisms, as discussed below.

2016 General Rate Cases

In December 2016, the IPUC approved a settlement agreement between us and other parties in our electric general rate case, concluding our Idaho electric general rate case originally filed in May 2016. New rates took effect on January 1, 2017 under the settlement agreement. We did not file a natural gas general rate case in 2016.

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

In addition to the agreed upon increase in electric revenues to recover costs primarily driven by our increased capital investments in infrastructure to serve customers, the settlement agreement includes the continued recovery of approximately $4.1 million in costs related to the Palouse Wind Project through the PCA mechanism rather than through base rates.

In our original request we requested an overall increase in base electric rates of 6.3 percent (designed to increase annual electric revenues by $15.4 million), effective January 1, 2017.

Our original request was based on a proposed ROR of 7.78 percent with a common equity ratio of 50 percent and a 9.9 percent ROE.

Oregon General Rate Cases

2014 General Rate Case

In March 2015, we filed an all-party settlement agreement with the OPUC related to our natural gas general rate case, which was originally filed in September 2014. The settlement agreement was designed to increase base natural gas revenues by $5.3 million. Included in this base rate increase is $0.3 million in base revenues that we were already receiving from customers through a separate rate adjustment. Therefore, the net increase in base revenues was $5.0 million, or 4.9 percent on a billed basis. The parties requested that new retail rates become effective on April 16, 2015. On April 9, 2015, the OPUC issued an Order approving the settlement agreement as filed.

This settlement agreement provided for an overall authorized ROR of 7.516 percent with a common equity ratio of 51 percent and a 9.5 percent ROE.

2015 General Rate Case

On February 29, 2016, the OPUC issued a preliminary order (and a final order on March 15, 2016) concluding our natural gas general rate case, which was originally filed with OPUC in May 2015. The OPUC order approved rates designed to increase overall billed natural gas rates by 4.9 percent (designed to increase annual natural gas revenues by $4.5 million). New rates went into effect on March 1, 2016. The final OPUC order incorporated two partial settlement agreements which were entered into during November 2015 and January 2016.

The OPUC order provided an authorized ROR of 7.46 percent with a common equity ratio of 50 percent and a 9.4 percent ROE.

The November 2015 partial settlement agreement, approved by the OPUC, included a provision for the implementation of a decoupling mechanism, similar to the Washington and Idaho mechanisms described below. See further description and a summary of the balances recorded under this mechanism below.

2016 General Rate Case

On November 30, 2016 we filed a natural gas general rate case with the OPUC. We have requested an overall increase in base natural gas rates of 14.5 percent (designed to increase annual natural gas revenues by $8.5 million). Our request is based on a proposed ROR of 7.83 percent with a common equity ratio of 50 percent and a 9.9 percent ROE. The OPUC has up to 10 months to review our request and issue a decision.

12. On May 16, 2016 Marian Durkin was named Corporate Secretary, in addition to her current role as Senior Vice President, General Counsel and Chief Compliance Officer. The former Corporate Secretary, Karen Feltes, will retain her previous responsibilities as Senior Vice President and Chief Human Resources Officer and continue to serve as the lead executive for the Board of Directors Compensation and Organization Committee.

On June 30, 2016, Avista Corp.'s Board of Directors decided to increase the number of board members from 10 to 11 and elected Scott H. Maw to fill the vacancy and serve as a director on the board effective August 1, 2016.

On July 31, 2016, Roger Woodworth, Vice President of Avista Corp. retired.

13. Proprietary capital is not less than 30 percent.

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	03/31/2017	End of 2016/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	5,304,257,392	4,923,194,978
3	Construction Work in Progress (107)	200-201	144,751,274	190,108,665
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	5,449,008,666	5,113,303,643
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,770,511,420	1,680,907,938
6	Net Utility Plant (Total of line 4 less 5)		3,678,497,246	3,432,395,705
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)		3,678,497,246	3,432,395,705
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)		3,058,415	2,740,379
18	(Less) Accum. Provision for Depreciation and Amortization (122)		211,651	201,768
19	Investments in Associated Companies (123)	222-223	11,547,000	11,547,000
20	Investments in Subsidiary Companies (123.1)	224-225	161,804,156	157,515,280
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	6,945,185	23,760,324
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		13,611,799	20,755,670
28	Long-Term Portion of Derivative Assets (175)		5,356,765	22,687
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		202,111,669	216,139,572
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		1,373,667	2,074,149
33	Special Deposits (132-134)		7,540,762	14,430,708
34	Working Funds (135)		1,138,883	691,896
35	Temporary Cash Investments (136)	222-223	22,854	204,231
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		172,903,052	160,488,098
38	Other Accounts Receivable (143)		4,163,026	5,500,743
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		4,961,486	4,469,344
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		462,036	469,096
42	Fuel Stock (151)		3,566,367	3,293,585
43	Fuel Stock Expenses Undistributed (152)		0	0

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)		37,423,657	33,931,771
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)		(86)	0
52	Gas Stored Underground-Current (164.1)	220	8,029,020	12,774,487
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	14,459,235	10,580,934
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		107,608	39,738
57	Rents Receivable (172)		1,429,562	1,749,949
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		537,127	527,051
60	Derivative Instrument Assets (175)		10,644,436	706,117
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		5,356,765	22,687
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)		253,482,955	242,970,522
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		11,690,512	11,527,001
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	622,464,411	573,031,070
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	467,080
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		13,933	527
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	43,850,403	26,759,597
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)		13,699,992	15,520,432
78	Accumulated Deferred Income Taxes (190)	234-235	147,354,707	136,036,119
79	Unrecovered Purchased Gas Costs (191)		(30,819,635)	(17,880,236)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		808,254,323	745,461,590
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		4,949,338,269	4,643,959,465

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	1,052,578,756	984,603,843
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	(9,506,476)	(9,506,476)
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	(32,208,771)	(29,238,213)
11	Retained Earnings (215, 215.1, 216)	118-119	582,156,946	536,821,476
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(1,143,222)	(5,881,619)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(7,567,509)	(6,649,771)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,648,727,266	1,528,625,666
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,621,700,000	1,536,700,000
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	168,783	177,666
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	960,522	1,134,563
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,588,755,261	1,503,590,103
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		2,402,917	3,274,583
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		260,000	239,910
29	Accumulated Provision for Pensions and Benefits (228.3)		226,551,767	201,453,549
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		6,600,086	11,476,706

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	03/31/2017	End of 2016/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		41,994,092	52,248,445
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		15,514,534	15,996,704
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		293,323,396	284,689,897
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		120,000,000	105,000,000
39	Accounts Payable (232)		111,124,132	109,244,954
40	Notes Payable to Associated Companies (233)		5,634,684	22,177,680
41	Accounts Payable to Associated Companies (234)		37,625	18,798
42	Customer Deposits (235)		3,808,551	3,273,927
43	Taxes Accrued (236)	262-263	(16,431,293)	7,186,818
44	Interest Accrued (237)		14,676,249	14,179,517
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)		1,431,933	1,759,040
49	Miscellaneous Current and Accrued Liabilities (242)	268	58,068,093	57,577,117
50	Obligations Under Capital Leases-Current (243)		871,667	871,667
51	Derivative Instrument Liabilities (244)		55,076,777	85,797,553
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		41,994,092	52,248,445
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)		312,304,326	354,838,626
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		2,266,861	2,161,687
58	Accumulated Deferred Investment Tax Credits (255)		31,501,931	12,639,187
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	15,262,118	39,790,303
61	Other Regulatory Liabilities (254)	278	77,740,268	40,976,484
62	Unamortized Gain on Reacquired Debt (257)	260	1,836,970	1,966,507
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		731,162,121	646,870,366
65	Accumulated Deferred Income Taxes - Other (283)		246,457,751	227,810,639
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,106,228,020	972,215,173
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		4,949,338,269	4,643,959,465

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	03/31/2017	End of 2016/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	1,476,215,123	1,530,543,739	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	858,140,856	980,245,446	0	0
5	Maintenance Expenses (402)	317-325	68,632,689	64,022,756	0	0
6	Depreciation Expense (403)	336-338	130,221,417	122,488,709	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	26,554,225	21,544,004	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)		2,541,927	1,619,427	0	0
13	(Less) Regulatory Credits (407.4)		1,790,145	12,818,909	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	96,218,096	95,109,798	0	0
15	Income Taxes-Federal (409.1)	262-263	(37,366,331)	5,601,404	0	0
16	Income Taxes-Other (409.1)	262-263	379,481	919,149	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	102,646,826	65,371,809	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	1,622,706	2,423,024	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		18,862,745	481,680	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)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,263,518,127	1,342,261,296	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		212,696,996	188,282,443	0	0

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	1,004,897,624	1,006,140,061	471,317,499	524,403,678	0	0
3						
4	523,294,682	567,238,063	334,846,174	413,007,383	0	0
5	53,468,423	50,148,482	15,164,266	13,874,274	0	0
6	101,769,331	95,895,130	28,452,086	26,593,579	0	0
7	0	0	0	0	0	0
8	20,106,387	16,519,997	6,447,838	5,024,007	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	2,573,428	2,650,525	(31,501)	(1,031,098)	0	0
13	1,781,713	12,146,367	8,432	672,542	0	0
14	74,172,165	72,133,173	22,045,931	22,976,625	0	0
15	(34,063,947)	10,884,847	(3,302,384)	(5,283,443)	0	0
16	365,911	936,622	13,570	(17,473)	0	0
17	79,435,289	54,107,931	23,211,537	11,263,878	0	0
18	1,397,052	2,599,365	225,654	(176,341)	0	0
19	18,887,909	511,740	(25,164)	(30,060)	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	0	0	0	0	0	0
25	836,929,860	856,379,825	426,588,267	485,881,471	0	0
26	167,967,764	149,760,236	44,729,232	38,522,207	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	03/31/2017	End of 2016/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)		212,696,996	188,282,443	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)		11,653,482	9,566,840	0	0
35	Nonoperating Rental Income (418)		(939)	(939)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	6,288,876	11,164,785	0	0
37	Interest and Dividend Income (419)		2,719,466	645,403	0	0
38	Allowance for Other Funds Used During Construction (419.1)		7,298,983	7,961,552	0	0
39	Miscellaneous Nonoperating Income (421)		0	795,424	0	0
40	Gain on Disposition of Property (421.1)		240,297	142,552	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		4,893,201	11,141,937	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	2,837,164	3,208,021	0	0
46	Life Insurance (426.2)		2,589,158	3,079,994	0	0
47	Penalties (426.3)		(64,095)	70,316	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,788,417	1,625,650	0	0
49	Other Deductions (426.5)		1,915,238	1,386,500	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	9,065,882	9,370,481	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	192,113	202,511	0	0
53	Income Taxes-Federal (409.2)	262-263	(10,041,967)	(715,329)	0	0
54	Income Taxes-Other (409.2)	262-263	(834,874)	(886,632)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	1,585,996	1,006,935	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	322,781	5,704,734	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)		(9,421,513)	(6,097,249)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		5,248,832	7,868,705	0	0
61	**INTEREST CHARGES**					
62	Interest on Long-Term Debt (427)		74,527,233	69,747,769	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	458,080	419,914	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,941,399	3,004,198	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	766,389	605,274	0	0
68	Other Interest Expense (431)	340	4,386,030	2,636,227	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		2,352,527	3,480,392	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		80,717,721	72,924,107	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		137,228,107	123,227,041	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)		137,228,107	123,227,041	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	03/31/2017	End of 2016/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		(7,887,881)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		1,238,110		
4	Total (lines 2 and 3)		1,238,110		
5	Balance of Account 219 at End of Preceding Quarter/Year		(6,649,771)		
6	Balance of Account 219 at Beginning of Current Year		(6,649,771)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(917,738)		
9	Total (lines 7 and 8)		(917,738)		
10	Balance of Account 219 at End of Current Quarter/Year		(7,567,509)		

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			(7,887,881)		
2					
3			1,238,110		
4			1,238,110	123,227,041	124,465,151
5			(6,649,771)		
6			(6,649,771)		
7					
8			(917,738)		
9			(917,738)	137,228,107	136,310,369
10			(7,567,509)		

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	03/31/2017	End of 2016/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		517,393,547	492,987,406
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)			(1,488,991)
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		130,939,231	112,062,256
7	Appropriations of Retained Earnings (Account 436)		(4,441,571)	(5,158,174)
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)		87,154,240	82,396,803
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		1,550,479	1,387,851
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		562,729,017	522,551,719
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		23,869,500	19,427,931
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account		(4,441,571)	(5,158,174)
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		19,427,929	14,269,757
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		582,156,946	536,821,476
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(5,881,619)	(15,658,553)
23	Equity in Earnings for Year (Credit) (Account 418.1)		6,288,876	11,164,785
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)		(1,550,479)	(1,387,851)
26	Balance-End of Year		(1,143,222)	(5,881,619)

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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	03/31/2017	End of 2016/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)	137,228,107	123,227,041
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	155,162,338	138,235,780
5	Amortization of deferred power and gas costs, debt expense and exchange power	22,675,618	27,223,055
6	Deferred Income Taxes (Net)	102,361,230	53,931,102
7	Investment Tax Credit Adjustments (Net)	18,862,744	481,680
8	Net (Increase) Decrease in Receivables	(16,916,930)	(3,884,715)
9	Net (Increase) Decrease in Inventory	980,885	12,267,853
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(26,152,468)	6,880,544
12	Net (Increase) Decrease in Other Regulatory Assets	(38,029,474)	(4,114,779)
13	Net Increase (Decrease) in Other Regulatory Liabilities	2,936,022	2,007,784
14	(Less) Allowance for Other Funds Used During Construction	7,298,983	7,961,552
15	(Less) Undistributed Earnings from Subsidiary Companies	6,288,876	11,164,785
16	Other (footnote details):	(7,763,331)	16,024,447
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	337,756,882	353,153,455
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(390,690,230)	(381,174,406)
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)	(390,690,230)	(381,174,406)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	1,288,524	272,897
32	Federal and state grant payments received	512,000	2,730,166
33	Investments in and Advances to Assoc. and Subsidiary Companies	(16,517,111)	
34	Contributions and Advances from Assoc. and Subsidiary Companies	2,000,000	14,185,571
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37	Cash paid for acquisition		(94,643)
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	03/31/2017	End of 2016/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	(25,425)	(62,284)
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	(8,915,798)	(7,992,961)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(412,348,040)	(372,135,660)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	245,000,000	100,000,000
54	Preferred Stock		
55	Common Stock	66,952,672	1,559,840
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)	15,000,000	
58	Cash received for settlement of interest rate swap agreements		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	326,952,672	101,559,840
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(160,871,667)	(734,802)
63	Preferred Stock		
64	Common Stock		(2,919,781)
65	Other	(4,770,479)	(11,571,217)
66	Net Decrease in Short-Term Debt (c)		
67	Premium paid to repurchase long-term debt		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(87,154,240)	(82,396,801)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	74,156,286	3,937,239
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(434,872)	(15,044,966)
75			
76	Cash and Cash Equivalents at Beginning of Period	2,970,276	18,015,242
77			
78	Cash and Cash Equivalents at End of Period	2,535,404	2,970,276

FOOTNOTE DATA

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

Power and natural gas deferrals	1,121,287
Change in special deposits	(13,301,265)
Change in other current assets	2,856,640
Non-cash stock compensation	6,913,619
Other non-current assets and liabilities	5,891,691
Allowance for doubtful accounts	5,749,995
Amortization of Spokane Energy contract	9,499,494
Change in Coyote Springs 2 O&M LTSA	(2,260,661)
Preliminary survey and investigation costs	(301,214)
Gain on sale of property and equipment	(142,552)
Other	(2,587)

Schedule Page: 120 Line No.: 34 Column: c

Notes receivable from subsidiaries	12,185,571
Dividends received from subsidiaries	2,000,000

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

Minimum tax withholdings for share based compensation	(1,831,678)
Cash paid for settlement of interest rate swap	(9,326,000)
Long-term debt issuance costs	(593,969)
Excess tax benefits	180,430

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

Power and natural gas deferrals	1,408,987
Change in special deposits	10,712,388
Change in other current assets	(3,635,861)
Non-cash stock compensation	7,890,705
Other non-current assets and liabilities	4,190,684
Allowance for doubtful accounts	6,000,000
Amortization of Spokane Energy contract	14,694,374
Change in Coyote Springs 2 O&M LTSA	4,705,259
Preliminary survey and investigation costs	467,080
Gain on sale of property and equipment	(240,297)
Cash paid for settlement of interest rate swaps	(53,966,197)
Other	9,547

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

Minimum tax withholdings for share based compensation	(3,072,433)
Long-term debt issuance costs	(1,698,046)

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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.

AERC is a wholly-owned subsidiary of Avista Corp. The primary subsidiary of AERC is AEL&P, which comprises Avista Corp.'s regulated utility operations in Alaska. AERC was acquired by Avista Corp. on July 1, 2014 and there are no AERC earnings included in the overall results of Avista Corp. prior to that date. See Note 3 for information regarding the acquisition of AERC.

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). During the first half of 2014 and prior, Avista Capital's subsidiaries included Ecova, which was an 80.2 percent owned subsidiary prior to its disposition on June 30, 2014. See Note 4 for information regarding the disposition of Ecova.

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 (U.S. 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 U.S. 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 U.S. 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 and (8) operating revenues and resource costs associated with settled energy contracts that are "booked out" (not physically delivered).

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,
- 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.

Operating Revenues

Operating revenues related to the sale of energy are recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. 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. Our 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):

	2016	2015
Unbilled accounts receivable	$ 69,544	$ 59,405

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:

	2016	2015
Ratio of depreciation to average depreciable property	3.11%	3.09%

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	57
Electric distribution	35
Natural gas distribution property	45
Other shorter-lived general plant	9

Taxes Other Than Income Taxes

Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers (primarily state excise taxes and city utility taxes) are recorded as operating revenue and expense. Taxes other than income taxes consisted of the following items for the years ended December 31 (dollars in thousands):

	2016	2015
Utility related taxes	$ 56,286	$ 57,716
Property taxes	38,505	35,948
Other taxes	1,619	1,648
Total	$ 96,410	$ 95,312

Allowance for Funds Used During Construction

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

	2016	2015
Effective AFUDC rate	7.29%	7.32%

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 (such as depreciation). 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 consolidated 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 did not incur any penalties on income tax positions in 2016 or 2015. 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):

		2016		2015
Stock-based compensation expense	$	7,891	$	6,914
Income tax benefits (1)		4,359		2,420

(1) Income tax benefits for 2016 include $1.6 million associated with excess tax benefits on settled share-based employee payments. The excess tax benefits were recognized in the Statement of Income for 2016 due to the adoption of ASU 2016-09, effective January 1, 2016. See Note 2 for further discussion.

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, 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. CEPS awards were first granted in 2014. 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:

		2016		2015
Restricted Shares				
Shares granted during the year		58,610		58,302
Shares vested during the year		(52,385)		(60,379))
Unvested shares at end of year		109,806		106,091
Unrecognized compensation expense at end of year (in thousands)	$	1,853	$	1,705
TSR Awards				
TSR shares granted during the year		116,435		116,435

TSR shares vested during the year	(111,665)	(171,334))
TSR shares earned based on market metrics	132,887	222,734
Unvested TSR shares at end of year	222,228	223,697
Unrecognized compensation expense (in thousands)	$ 3,409	$ 3,219
CEPS Awards		
CEPS shares granted during the year	57,521	58,259
CEPS shares vested during the year	(55,835)	—
CEPS shares earned based on market metrics	90,460	—
Unvested CEPS shares at end of year	110,452	111,887
Unrecognized compensation expense (in thousands)	$ 1,671	$ 1,840

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, 2016 and 2015, the Company had recognized cumulative compensation expense and a liability of $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 an allowance for funds used during construction 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

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 incurs a gain or loss. 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 7 for further discussion of the Company's asset retirement obligations).

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, 2016 and determined that goodwill was not impaired at that time. 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 the December 31, 2015	$ 52,426	$ 12,979	$ (7,733)	$ 57,672
Balance as of the December 31, 2016	$ 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 UTC and the 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 PGAs, the ERM in Washington, the PCA mechanism in Idaho, and periodic general rates cases. The resulting regulatory assets 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.

As of December 31, 2016, 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 14 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, which began in 2015. 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 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 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 typically 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):

	2016	2015
Appropriated retained earnings	$ 23,869	$ 19,428

Operating Leases

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from 1 to 45 years. Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year were not material as of December 31, 2016.

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):

	2016	2015
Avista Capital	$ (1,434)	$ 4,857
Alaska Energy and Resources Company	7,723	6,308
Total equity in earnings of subsidiary companies	$ 6,289	$ 11,165

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2016 up to February 21, 2017, the date that Avista Corp.'s U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through March 31, 2017. 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 losses 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, 2016, the Company has not recorded any significant amounts related to unresolved contingencies. See Note 16 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)"

In May 2014, the FASB issued 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 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. This ASU was originally effective for periods beginning after December 15, 2016 and early adoption was not permitted. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," which deferred the effective date of ASU No. 2014-09 for one year, with adoption as of the original date permitted.

The Company has formed a revenue recognition standard implementation team that is working through several implementation issues described below. The Company has evaluated this standard and is planning to adopt this standard in 2018 upon its effective date. The Company is currently expecting to use a modified retrospective method of adoption, which would require a cumulative adjustment to opening retained earnings, as opposed to a full retrospective application. The Company is not far enough along in the adoption process to determine the amount, if any, of cumulative adjustment necessary.

Since the vast 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 a significant change in operating revenues or net income. The Company is in the process of reviewing and analyzing certain contracts with customers (most of which are related to wholesale sales of power and natural gas), but has not yet identified any significant differences in revenue recognition between current GAAP and ASU 2014-09.

During the implementation process, the Company has identified several unresolved issues, the most significant of which are as follows based on our current assessment:

Contributions in Aid of Construction – There is the potential that CIACs could be recognized as revenue upon the adoption of ASU 2014-09. Under current GAAP, CIACs are accounted for as an offset to the cost of utility plant in service.

Utility Related Taxes Collected from Customers – There are questions on the presentation of utility related taxes collected from customers (primarily state excise taxes and city utility taxes) on a gross basis. Under current GAAP, the Company is allowed to record these utility related taxes on a gross basis in revenue when billed to customers with an offset included in taxes other than income taxes in operating expenses. The Company is evaluating whether this presentation is appropriate under ASU 2014-09 or whether they should be presented on a net basis. To qualify for gross presentation under the new guidance, the Company must perform an analysis to determine if it is the principal or the agent in regards to utility related taxes.

Collectibility - There are questions regarding the requirement that collection of a sale be probable and how, or if, utilities should consider bad debt collection mechanisms (riders, base rate adjustments, etc.) in assessing probability of collection on sales to low income customers. Within the utility industry, there is support for and against considering these recovery mechanisms when assessing collectibility of a sale. If the bad debt recovery mechanisms cannot be considered, there is the potential that certain sales to low income customers cannot be recognized as revenue until payment is received from the customers, which could result in revenues being recognized in periods other than when the energy was delivered to customers or not recognized at all.

The Company is monitoring utility industry implementation guidance as it relates to unresolved issues to determine if there will be an industry consensus regarding accounting and presentation of these items.

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

In February 2016, the 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. Upon adoption, this ASU must be applied using a modified retrospective approach to the earliest period presented, which will likely require restatements of previously issued financial statements. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. The Company evaluated this standard and determined that it will most likely not early adopt this standard before its effective date in 2019. The Company has formed a lease standard implementation team that is working through the implementation process. The most significant implementation challenge identified thus far relates to identifying a complete population of leases and potential leases under the new lease standard. Also, the Company is monitoring utility industry implementation guidance as it relates to several unresolved issues to determine if there will be an industry consensus, including whether right-of-ways are considered leases. The Company cannot, at this time, estimate the potential impact on its future financial condition, results of operations and cash flows.

ASU No. 2016-09 "Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting."

In March 2016, the FASB issued ASU No. 2016-09. This ASU simplifies several aspects of the accounting for employee share-based payment transactions including:

- allowing excess tax benefits or tax deficiencies to be recognized as income tax benefits or expenses in the Statements of Income rather than in Additional Paid in Capital (APIC),
- excess tax benefits no longer represent a financing cash inflow on the Statements of Cash Flows and instead will be included as an operating activity,
- excess tax benefits and tax deficiencies will be excluded from the calculation of diluted earnings per share, whereas under current accounting guidance, these amounts must be estimated and included in the calculation,
- allowing forfeitures to be accounted for as they occur, instead of estimating forfeitures, and
- changing the statutory tax withholding requirements for share-based payments.

This ASU is effective for periods beginning after December 15, 2016 and early adoption is permitted. The Company early adopted this standard during the second quarter of 2016, with a retrospective effective date of January 1, 2016. The adoption of this standard resulted in a recognized income tax benefit of $1.6 million in 2016 associated with excess tax benefits on settled share-based employee payments. In addition, the Statement of Cash Flows for 2016 included the excess tax benefits as an operating activity rather than as a financing activity. Periods prior to 2016 were not restated for the adoption of this accounting standard as the Company has adopted this standard on a prospective basis beginning January 1, 2016.

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

In March 2017, the FASB issued ASU No. 2017-07, which amends the income statement presentation of the components of net period benefit cost for an entity's defined benefit pension and other postretirement plans. Under current GAAP, net benefit cost consists of several components that reflect different aspects of an employer's financial arrangements as well as the cost of benefits earned by employees. These components are aggregated and reported net in the financial statements. ASU 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 property, plant, and equipment). This is a change from current practice, under which entities capitalize the aggregate net benefit cost when applicable. Because Avista Corp. is a rate-regulated entity and all components of net benefit cost are required to be capitalized within utility plant when applicable, this will result in a Regulatory/GAAP difference because for GAAP, the other components of net benefit cost will be capitalized as regulatory assets (because they are still allowable costs) but for regulatory reporting, they will be included in utility plant.

This ASU is effective for periods beginning after December 15, 2017 and early adoption is permitted. Upon adoption entities must use a retrospective transition method to adopt the requirement for separate presentation in the income statement and a prospective transition method to adopt the requirement to limit the capitalization of benefit costs to the service cost component. The Company evaluated this standard and does not expect to early adopt this standard. Also, the Company is still evaluating the impact to its financial statements upon adoption of this standard.

NOTE 3. BUSINESS ACQUISITIONS

Alaska Energy and Resources Company

On July 1, 2014, the Company acquired AERC, based in Juneau, Alaska, and as of that date, AERC became a wholly-owned subsidiary of Avista Corp.

The primary subsidiary of AERC is AEL&P, a regulated utility which provides electric services to approximately 17,000 customers in Juneau, Alaska. In addition to the regulated utility, AERC owns AJT Mining, which is an inactive mining company holding certain properties.

The purpose of the acquisition was to expand and diversify Avista Corp.'s energy assets and deliver long-term value to its customers, communities and investors.

In connection with the closing, Avista Corp. issued 4,501,441 new shares of common stock to the shareholders of AERC based on a contractual formula that resulted in a price of $32.46 per share, reflecting a purchase price of $170.0 million, plus acquired cash, less outstanding debt and other closing adjustments. Avista Corp. also paid $4.8 million in cash. The total fair value of all consideration transferred was $154.9 million and resulted in goodwill of $52.4 million, which is not deductible for tax purposes.

The majority of AERC's operations are subject to the rate-setting authority of the RCA and are accounted for pursuant to GAAP, including the accounting guidance for regulated operations. The rate-setting and cost recovery provisions currently in place for AERC's regulated operations provide revenues derived from costs, including a return on investment, of assets and liabilities included in rate base. Due to this regulation, the fair values of AERC's assets and liabilities subject to these rate-setting provisions were assumed to approximate their carrying values. There were not any identifiable intangible assets associated with this acquisition. The excess of the purchase consideration over the estimated fair values of the assets acquired and liabilities assumed was recognized as goodwill at the acquisition date. The goodwill reflects the value paid for the expected continued growth of a rate-regulated business located in a defined service area with a constructive regulatory environment, the attractiveness of stable, growing cash flows, as well as providing a platform for potential future growth outside of the rate-regulated electric utility in Alaska and potential additional utility investment.

NOTE 4. DISCONTINUED OPERATIONS

On June 30, 2014, Avista Capital, completed the sale of its interest in Ecova to Cofely USA Inc., an unrelated party to Avista Corp. The sales price was $335.0 million in cash, less the payment of debt and other customary closing adjustments. At the closing of the transaction on June 30, 2014, Ecova became a wholly-owned subsidiary of Cofely USA Inc. and the Company has not had and will not have any further involvement with Ecova after such date.

The purchase price of $335.0 million, as adjusted, was divided among all the security holders of Ecova pro rata based on ownership. After consideration of all escrow amounts received, the sales transaction provided cash proceeds to Avista Corp., net of debt, payment to option and minority holders, income taxes and transaction expenses, of $143.7 million, and resulted in a net gain of $74.8 million. Almost all of the net gain was recognized in 2014 with some true-ups during 2015.

NOTE 5. 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, swaps and options in order to manage the various risks relating to these commodity price exposures. The Company has an energy resources risk policy and control procedures to manage these risks.

As part of the Company'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 the Company's load obligations and the use of these resources to capture available economic value. The Company transacts in wholesale markets by selling and purchasing 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 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, the Company 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 the Company's distribution system. However, daily variations in natural gas demand can be significantly different than monthly demand projections. On the basis of these projections, the Company 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.

The Company is required to plan for sufficient natural gas delivery capacity to serve its retail customers for a theoretical peak day event. The Company generally has more pipeline and storage capacity than what is needed during periods other than a peak day. The Company 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 the Company should buy or sell natural gas during other times in the year, the Company 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, 2016 that are expected to be settled 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
2017	510	907	15,475	110,380	316	1,552	4,165	73,110
2018	397	—	—	52,755	286	1,244	1,360	15,113
2019	235	—	610	29,475	158	982	1,345	4,020
2020	—	—	910	2,725	—	—	1,430	—
2021	—	—	—	—	—	—	1,060	—
Thereafter	—	—	—	—	—	—	—	—

The following table presents the underlying energy commodity derivative volumes as of December 31, 2015 that were expected to be settled 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
2016	407	1,954	17,252	142,693	280	2,656	3,182	112,233
2017	397	97	675	49,200	255	483	1,360	26,965
2018	397	—	—	15,118	286	—	1,360	2,738
2019	235	—	305	6,935	158	—	1,345	—
2020	—	—	455	905	—	—	1,430	—
Thereafter	—	—	—	—	—	—	1,060	—

(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 benefit or cost but with no physical delivery of the commodity, such as futures, swaps, 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 settled and will be included in the various recovery mechanisms (ERM, PCA, and PGAs), or in the general rate case process, and are expected to be collected through retail rates from customers. Any transactions that result in gains will be used to reduce retail rates charged to customers in the future.

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 the Company'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 hedges that the Company has entered into as of December 31 (dollars in thousands):

	2016	2015

Number of contracts	21	24
Notional amount (in United States dollars)	$ 2,819	$ 1,463
Notional amount (in Canadian dollars)	3,754	2,002

Interest Rate Swap Derivatives

Avista Corp. is affected by fluctuating interest rates related to a portion of its existing debt, and future borrowing requirements. The Company 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 the Company 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, 2016	6	75,000	2017
	14	275,000	2018
	6	70,000	2019
	2	20,000	2020
	5	60,000	2022
December 31, 2015	6	115,000	2016
	3	45,000	2017
	11	245,000	2018
	2	30,000	2019
	1	20,000	2022

During the third quarter 2016, in connection with the execution of a purchase agreement for bonds that the Company issued in December 2016, the Company cash-settled seven interest rate swap derivatives (notional aggregate amount of $125.0 million) and paid a total of $54.0 million. The interest rate swap derivatives were settled in connection with the pricing of $175.0 million of Avista Corp. first mortgage bonds that were issued in December 2016 (see Note 12). 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 the Company'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 swaps outstanding and fluctuations in market interest rates compared to the interest rates fixed by the swaps. The Company would be required to make cash payments to settle the interest rate swap derivatives if the fixed rates are higher than prevailing market rates at the date of settlement. Conversely, the Company 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, 2016 and December 31, 2015 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, 2016 (in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) in Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument liabilities current	$ 5	$ (28)	$ —	$ (23)
Interest rate swap derivatives				
Derivative instrument assets current	3,393	—	—	3,393
Long-term portion of derivative assets	5,754	(397)	—	5,357
Derivative instrument liabilities current	—	(15,756)	9,731	(6,025)
Long-term portion of derivative liabilities	3,951	(57,825)	25,169	(28,705)
Energy commodity derivatives				
Derivative instrument assets current	18,682	(16,787)	—	1,895
Derivative instrument liabilities current	16,335	(29,598)	6,228	(7,035)
Long-term portion of derivative liabilities	13,071	(29,990)	3,630	(13,289)
Total derivative instruments recorded on the balance sheet	$ 61,191	$ (150,381)	$ 44,758	$ (44,432)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2015 (in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) in Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument liabilities current	$ 2	$ (19)	$ —	$ (17)
Interest rate swap derivatives				
Long-term portion of derivative assets	23	—	—	23
Derivative instrument liabilities current	118	(23,262)	3,880	(19,264)
Long-term portion of derivative liabilities	1,407	(62,236)	30,150	(30,679)
Energy commodity derivatives				
Derivative instrument assets current	1,236	(553)	—	683
Derivative instrument liabilities current	67,466	(85,409)	3,675	(14,268)
Long-term portion of derivative liabilities	6,613	(39,033)	10,851	(21,569)
Total derivative instruments recorded on the balance sheet	$ 76,865	$ (210,512)	$ 48,556	$ (85,091)

Exposure to Demands for Collateral

The Company'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 the Company's credit ratings or changes in market prices. In periods of price volatility, the level of exposure can change significantly. As a result, sudden and significant demands may be made against the Company's credit facilities and cash. The Company actively monitors the exposure to possible collateral calls and takes steps to mitigate capital requirements.

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

	2016	2015
Energy commodity derivatives		
Cash collateral posted	$ 17,134	$ 28,716
Letters of credit outstanding	24,400	28,200
Balance sheet offsetting (cash collateral against net derivative positions)	9,858	14,526
Interest rate swap derivatives		
Cash collateral posted	34,900	34,030
Letters of credit outstanding	3,600	9,600
Balance sheet offsetting (cash collateral against net derivative positions)	34,900	34,030

Certain of the Company's derivative instruments contain provisions that require the Company to maintain an "investment grade" credit rating from the major credit rating agencies. If the Company'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 the Company could be required to post as of December 31 (in thousands):

	2016	2015
Energy commodity derivatives		
Liabilities with credit-risk-related contingent features	$ 1,124	$ 7,090
Additional collateral to post	1,046	6,980
Interest rate swap derivatives		
Liabilities with credit-risk-related contingent features	73,978	85,498
Additional collateral to post	21,100	18,750

NOTE 6. 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):

	2016	2015
Utility plant in service	$ 380,406	$ 362,199

Accumulated depreciation	(249,359)	(243,363)

See Note 7 for further discussion of AROs.

NOTE 7. 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.

On April 17, 2015, the EPA published a final rule regarding coal combustion residuals (CCR), also termed coal combustion byproducts or coal ash, in the Federal Register, and this rule became effective on October 15, 2015. Colstrip, of which Avista Corp. is a 15 percent owner of units 3 & 4, produces this byproduct. The rule established technical requirements for CCR landfills and surface impoundments under Subtitle D of the Resource Conservation and Recovery Act, the nation's primary law for regulating solid waste. The Company, in conjunction with the other Colstrip owners, developed a multi-year compliance plan to strategically address the CCR requirements and existing state obligations while maintaining operational stability. During 2015, the operator of Colstrip provided an initial cost estimate of the expected retirement costs associated with complying with the new CCR rule. Based on the initial assessments, Avista Corp. recorded an increase to its ARO of $12.5 million during 2015 with a corresponding increase in the cost basis of the utility plant. During 2016, due to additional information and updated estimates, the ARO increased to $13.6 million (including accretion of $0.7 million).

The actual asset retirement costs related to the CCR rule requirements may vary substantially from the estimates used to record the increased ARO due to uncertainty about the compliance strategies that will be used and the preliminary nature of available 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. Avista Corp. will coordinate with the plant operator and continue to gather additional data in future periods to make decisions about compliance strategies and the timing of closure activities. As additional information becomes available, Avista Corp. will update the ARO for these changes in estimates, which could be material. The Company expects to seek recovery of any increased costs related to complying with the new rule through customer rates.

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

	2016	2015
Asset retirement obligation at beginning of year	$ 15,997	$ 3,028
Liabilities incurred	430	12,539
Liabilities settled	(1,529)	(29)
Accretion expense	617	459
Asset retirement obligation at end of year	$ 15,515	$ 15,997

NOTE 8. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

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 $12.0 million in cash to the pension plan in 2016, $12.0 million in 2015 and $32.0 million in 2014. The Company expects to contribute $22.0 million in cash to the pension plan in 2017.

The Company also has a SERP that provides additional pension benefits to 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):

	2017	2018	2019	2020	2021	Total 2022-2026
Expected benefit payments	$ 30,971	$ 32,014	$ 33,047	$ 34,545	$ 35,892	$ 196,322

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):

	2017	2018	2019	2020	2021	Total 2022-2026
Expected benefit payments	$ 6,991	$ 7,302	$ 7,580	$ 6,479	$ 6,675	$ 34,704

The Company expects to contribute $7.0 million to other postretirement benefit plans in 2017, 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, 2016 and 2015 and the components of net periodic benefit costs for the years ended December 31, 2016, 2015 and 2014 (dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Change in benefit obligation:				
Benefit obligation as of beginning of year	$ 613,503	$ 634,674	$ 138,795	$ 127,989
Service cost	18,302	19,791	3,205	2,925
Interest cost	27,544	26,117	6,110	5,158
Actuarial (gain)/loss	39,997	(35,790)	(3,648)	12,668
Plan change	—	(228)	—	(1,000)
Cumulative adjustment to reclassify liability	—	—	(1,042)	(1,521)
Benefits paid	(32,874)	(31,061)	(6,967)	(7,424)
Benefit obligation as of end of year	$ 666,472	$ 613,503	$ 136,453	$ 138,795
Change in plan assets:				
Fair value of plan assets as of beginning of year	$ 517,234	$ 539,311	$ 30,868	$ 31,312
Actual return on plan assets	43,212	(4,305)	2,497	(444)
Employer contributions	12,000	12,000	—	—
Benefits paid	(31,532)	(29,772)	—	—
Fair value of plan assets as of end of year	$ 540,914	$ 517,234	$ 33,365	$ 30,868
Funded status	$ (125,558)	$ (96,269)	$ (103,088)	$ (107,927)
Unrecognized net actuarial loss	178,783	162,961	81,979	92,433
Unrecognized prior service cost	23	25	(8,981)	(10,180)
Prepaid (accrued) benefit cost	53,248	66,717	(30,090)	(25,674)
Additional liability	(178,806)	(162,986)	(72,998)	(82,253)
Accrued benefit liability	$ (125,558)	$ (96,269)	$ (103,088)	$ (107,927)
Accumulated pension benefit obligation	$ 583,498	$ 542,209	—	—
Accumulated postretirement benefit obligation:				
For retirees			$ 60,670	$ 65,652
For fully eligible employees			$ 34,429	$ 34,498
For other participants			$ 41,354	$ 38,645
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost	$ 15	$ 16	$ (5,854)	$ (6,617)
Unrecognized net actuarial loss	116,209	105,925	53,303	60,081
Total	116,224	105,941	47,449	53,464
Less regulatory asset	(108,903)	(99,414)	(47,202)	(53,341)
Accumulated other comprehensive loss for unfunded benefit				

obligation for pensions and other postretirement benefit plans	$ 7,321	$ 6,527	$ 247	$ 123

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Weighted-average assumptions as of December 31:				
Discount rate for benefit obligation	4.26%	4.57%	4.23%	4.57%
Discount rate for annual expense	4.57%	4.21%	4.57%	4.16%
Expected long-term return on plan assets	5.40%	5.30%	6.03%	6.36%
Rate of compensation increase	4.78%	4.87%		
Medical cost trend pre-age 65 – initial			7.00%	7.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2023	2022
Medical cost trend post-age 65 – initial			7.00%	7.00%
Medical cost trend post-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year post-age 65			2024	2023

	Pension Benefits		Other Post-retirement Benefits	
	2016	2015	2016	2015
Components of net periodic benefit cost:				
Service cost	$ 18,302	$ 19,791	$ 3,205	$ 2,925
Interest cost	27,544	26,117	6,110	5,158
Expected return on plan assets	(27,547)	(28,299))	(1,861)	(1,991)
Amortization of prior service cost	2	2	(1,208)	(1,199)
Net loss recognition	8,511	9,451	5,728	5,095
Net periodic benefit cost	$ 26,812	$ 27,062	$ 11,974	$ 9,988

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 managing/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 the desired return to fund 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:

	2016	2015
Equity securities	37%	27%
Debt securities	45%	58%
Real estate	8%	6%
Absolute return	10%	9%

The 2016 target investment allocation percentages were revised in the fourth quarter of 2016 and the pension plan assets were subsequently reinvested during the fourth quarter of 2016 and first quarter of 2017 to move toward the new target investment allocation percentages. The target asset allocation percentages were modified to better align the asset allocations with the funded status of the pension plan. Future contributions to the plan will also be increased to improve the funded status of the plan.

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). 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 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, 2016 and 2015.

Pension plan 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.

The following table discloses by level within the fair value hierarchy (see Note 14 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2016 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 10,179	$ —	$ 10,179
Fixed income securities:				
U.S. government issues	—	30,919	—	30,919
Corporate issues	—	193,563	—	193,563
International issues	—	34,145	—	34,145
Municipal issues	—	18,888	—	18,888
Mutual funds:				
U.S. equity securities	120,856	—	—	120,856
International equity securities	30,025	—	—	30,025
Absolute return (1)	6,622	—	—	6,622
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate	—	—	—	19,779
International equity securities	—	—	—	29,140
Partnership/closely held investments:				
Absolute return (1)	—	—	—	39,077
Private equity funds (2)	—	—	—	72
Real estate	—	—	—	7,649
Total	$ 157,503	$ 287,694	$ —	$ 540,914

The following table discloses by level within the fair value hierarchy (see Note 14 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2015 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 86	$ 10,641	$ —	$ 10,727
Fixed income securities:				
U.S. government issues	—	47,845	—	47,845
Corporate issues	—	187,308	—	187,308
International issues	—	34,458	—	34,458
Municipal issues	—	22,416	—	22,416
Mutual funds:				
U.S. equity securities	87,678	—	—	87,678
International equity securities	40,343	—	—	40,343
Absolute return (1)	13,996	—	—	13,996
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate	—	—	—	24,147
Partnership/closely held investments:				
Absolute return (1)	—	—	—	38,302

Private equity funds (2)	—	—	—	73
Real estate	—	—	—	9,941
Total	$ 142,103	$ 302,668	$ —	$ 517,234

(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 2016 and 2015.

The fair value of other postretirement plan assets was determined as of December 31, 2016 and 2015.

The following table discloses by level within the fair value hierarchy (see Note 14 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2016 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 6	$ —	$ 6
Mutual funds:				
Balanced index fund (1)	33,359	—	—	33,359
Total	$ 33,359	$ 6	$ —	$ 33,365

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

The following table discloses by level within the fair value hierarchy (see Note 14 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2015 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 9	$ —	$ 9
Mutual funds:				
Fixed income securities	12,000	—	—	12,000
U.S. equity securities	13,224	—	—	13,224
International equity securities	5,635	—	—	5,635
Total	$ 30,859	$ 9	$ —	$ 30,868

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, 2016 by $8.6 million and the service and interest cost by $1.0 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, 2016 by $6.7 million and the service and interest cost by $0.7 million.

401(k) Plans and Executive Deferral Plan

Avista Corp. has a salary deferral 401(k) plans that is a defined contribution plan 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):

	2016	2015
Employer 401(k) matching contributions	$ 8,555	$ 7,875

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):

	2016	2015
Deferred compensation assets and liabilities	$ 7,679	$ 8,093

NOTE 9. ACCOUNTING FOR 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, 2016, the Company had $17.1 million of state tax credit carryforwards of which it is expected $7.9 million may expire unused; the Company has reflected the net amount of $9.2 million as an asset at December 31, 2016. State tax credits expire from 2019 to 2028.

The Company and its eligible subsidiaries file consolidated federal income tax returns. The Company also files state income tax returns in certain jurisdictions, including Idaho, Oregon and Montana. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. The Internal Revenue Service (IRS) has completed its examination of all tax years through 2011 and all issues were resolved related to these years. The statute of limitations for the IRS to review the 2012 tax year has expired, leaving the 2013 through 2015 tax years still open for review. 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.

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

	2016	2015
Regulatory assets for deferred income taxes	$ 109,853	$ 101,240

Regulatory liabilities for deferred income taxes	28,966	17,609

NOTE 10. 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):

	2016	2015
Utility power resources	$ 402,575	$ 511,937

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):

	2017	2018	2019	2020	2021	Thereafter	Total
Power resources	$ 202,494	$ 187,080	$ 174,285	$ 109,878	$ 96,485	$ 775,548	$ 1,545,770
Natural gas resources	95,549	65,230	53,860	41,340	29,306	349,468	634,753
Total	$ 298,043	$ 252,310	$ 228,145	$ 151,218	$ 125,791	$ 1,125,016	$ 2,180,523

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 PUDs 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, 2016 (principal and interest) was $65.2 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):

	2017	2018	2019	2020	2021	Thereafter	Total
Contractual obligations	$ 33,922	$ 28,783	$ 32,549	$ 32,160	$ 27,019	$ 189,000	$ 343,433

NOTE 11. NOTES PAYABLE

Avista Corp.

Avista Corp. has a committed line of credit with various financial institutions in the total amount of $400.0 million. A two-year option was exercised by the Company in 2016 to extend the maturity of the facility agreement to April 2021.

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 "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at any time. As of December 31, 2016, 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):

	2016	2015
Balance outstanding at end of period	$ 120,000	$ 105,000
Letters of credit outstanding at end of period	$ 34,353	$ 44,595
Average interest rate at end of period	1.50%	1.18%

As of December 31, 2016 and 2015, the borrowings outstanding under Avista Corp.'s committed line of credit were classified as short-term borrowings on the Balance Sheet.

NOTE 12. BONDS

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

Maturity Year	Description	Interest Rate	2016	2015
2016	First Mortgage Bonds (1)	0.84%	$ —	$ 90,000
2018	First Mortgage Bonds	5.95%	250,000	250,000
2018	Secured Medium-Term Notes	7.39%-7.45%	22,500	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 (2)	(2)	66,700	66,700
2034	Secured Pollution Control Bonds (2)	(2)	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
2051	First Mortgage Bonds (3)	3.54%	175,000	—
	Total secured bonds		1,621,700	1,536,700
	Secured Pollution Control Bonds held by Avista Corporation (2)		(83,700)	(83,700)
	Total long-term debt		$ 1,538,000	$ 1,453,000

(1) In August 2016, Avista Corp. entered into a term loan agreement with a commercial bank in the amount of $70.0 million with a maturity date of December 30, 2016. Loans under this agreement were unsecured and had a variable annual interest rate. The Company borrowed the entire $70.0 million available under this agreement, which was used to repay a portion of the $90.0 million in first mortgage bonds that matured in August 2016. This term loan was subsequently repaid in full in December using the proceeds from the first mortgage bonds issued in December 2016 (discussed below).

(2) 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 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.

(3) In December 2016, Avista Corp. issued and sold $175.0 million of 3.54 percent first mortgage bonds due in 2051 pursuant to a bond purchase agreement with institutional investors in the private placement market. The total net proceeds from the sale of the bonds were used to repay the $70.0 million term loan discussed above and to repay a portion of the borrowings outstanding under the Company's $400.0 million committed line of credit. In connection with the execution of the bond purchase agreement, the Company cash-settled seven interest rate swap derivatives (notional aggregate amount of $125.0 million) and paid a total of $54.0 million.

The following table details future long-term debt maturities including advances from associated companies (see Note 13) (dollars in thousands):

	2017	2018	2019	2020	2021	Thereafter	Total
Debt maturities	$ —	$ 272,500	$ 90,000	$ 52,000	$ —	$ 1,175,047	$ 1,589,547

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.

However, 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, 2016, 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 13. 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:

	2016	2015
Low distribution rate	1.29%	1.11%
High distribution rate	1.81%	1.29%
Distribution rate at the end of the year	1.81%	1.29%

Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These debt 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 14. 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):

	2016		2015	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds (Level 2)	$ 951,000	$ 1,048,661	$ 951,000	$ 1,055,797
Bonds (Level 3)	587,000	583,073	502,000	505,768
Advances from associated companies (Level 3)	51,547	38,660	51,547	36,083

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 75.00 to 122.59, 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, 2016 and 2015 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, 2016					
Assets:					
Energy commodity derivatives	$ —	$ 47,994	$ —	$ (46,099)	$ 1,895
Level 3 energy commodity derivatives:					
Natural gas exchange agreements	—	—	69	(69)	—
Power exchange agreement	—	—	25	(25)	—
Foreign currency exchange derivatives	—	5	—	(5)	—
Interest rate swap derivatives	—	13,098	—	(4,348)	8,750
Deferred compensation assets:					
Fixed income securities	1,789	—	—	—	1,789
Equity securities	5,481	—	—	—	5,481
Total	$ 7,270	$ 61,097	$ 94	$ (50,546)	$ 17,915
Liabilities:					

Energy commodity derivatives	$ —	$ 56,871	$ —	$ (55,957)	$ 914
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	5,954	(69)	5,885
Power exchange agreement	—	—	13,474	(25)	13,449
Power option agreement	—	—	76	—	76
Interest rate swap derivatives	—	73,978	—	(39,248)	34,730
Foreign currency exchange derivatives	—	28	—	(5)	23
Total	$ —	$ 130,877	$ 19,504	$ (95,304)	$ 55,077

	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2015					
Assets:					
Energy commodity derivatives	$ —	$ 74,637	$ —	$ (73,954)	$ 683
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	678	(678)	—
Foreign currency exchange derivatives	—	2	—	(2)	—
Interest rate swap derivatives	—	1,548	—	—	1,548
Deferred compensation assets:					
Fixed income securities	1,727	—	—	—	1,727
Equity securities	5,761	—	—	—	5,761
Total	$ 7,488	$ 76,187	$ 678	$ (74,634)	$ 9,719
Liabilities:					
Energy commodity derivatives	$ —	$ 97,193	$ —	$ (88,480)	$ 8,713
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	5,717	(678)	5,039
Power exchange agreement	—	—	21,961	—	21,961
Power option agreement	—	—	124	—	124
Foreign currency exchange derivatives	—	19	—	(2)	17
Interest rate swap derivatives	—	85,498	—	—	85,498
Total	$ —	$ 182,710	$ 27,802	$ (89,160)	$ 121,352

(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 5 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 utility derivative commodity 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 (NYMEX) 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 $0.4 million as of December 31, 2016 and $0.6 million as of December 31, 2015.

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. Because the nuclear power plant O&M charges are only known for one year, all forward years are estimated assuming an annual escalation. In addition to the forward price being estimated using unobservable inputs, the Company also 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. Generally, a change in the current year O&M charges for the surrogate plants is accompanied by a directionally similar change in O&M charges in future years. There is generally not a correlation between external market prices and the O&M charges used to develop the internal forward price.

For the power commodity option agreement, 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), 2) estimated delivery volumes, and 3) volatility rates. Significant increases or decreases in any of these inputs in isolation would result in a significantly higher or lower fair value measurement. Generally, changes in overall commodity market prices and volatility rates are accompanied by directionally similar changes in the strike price and volatility assumptions used in the calculation.

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.

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, 2016 (dollars in thousands):

	Fair Value (Net) at December 31, 2016	Valuation Technique	Unobservable Input	Range
Power exchange agreement	$ (13,449)	Surrogate facility pricing	O&M charges	$33.59-$49.15/MWh (1)
			Escalation factor	3% - 2017 to 2019
			Transaction volumes	241,558 - 396,984 MWhs
Power option agreement	(76)	Black-Scholes-Merton	Strike price	$37.83/MWh - 2019
				$54.40/MWh - 2018
			Delivery volumes	157,517 - 285,979 MWhs
			Volatility rates	0.20 (2)
Natural gas exchange agreement	(5,885)	Internally derived weighted-average cost of gas	Forward purchase prices	$1.83 - $3.06/mmBTU
			Forward sales prices	$1.90 - $5.14/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 2016 were $39.22 per MWh. For ratemaking purposes the average O&M charges to be included for recovery in retail rates vary slightly between regulatory jurisdictions. The average O&M charges for the delivery year beginning in 2016 were $44.33 for Washington and $39.22 for Idaho.

(2) The estimated volatility rate of 0.20 is compared to actual quoted volatility rates of 0.35 for 2017 to 0.26 in December 2018.

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	Power Option Agreement	Total

Year ended December 31, 2016:				
Balance as of January 1, 2016	$ (5,039)	$ (21,961)	$ (124)	$ (27,124)
Total gains or (losses) (realized/unrealized):				
Included in regulatory assets/liabilities (1)	259	400	48	707
Settlements	(1,105)	8,112	—	7,007
Ending balance as of December 31, 2016 (2)	$ (5,885)	$ (13,449)	$ (76)	$ (19,410)
Year ended December 31, 2015:				
Balance as of January 1, 2015	$ (35)	$ (23,299)	$ (424)	$ (23,758)
Total gains or (losses) (realized/unrealized):				
Included in regulatory assets/liabilities (1)	(6,008)	(6,198)	300	(11,906)
Settlements	1,004	7,536	—	8,540
Ending balance as of December 31, 2015 (2)	$ (5,039)	$ (21,961)	$ (124)	$ (27,124)

(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 15. 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.

The Company declared the following dividends for the year ended December 31:

	2016	2015
Dividends paid per common share	$ 1.37	$ 1.32

Under the most restrictive of the dividend limitations discussed above, which are the requirements of the OPUC approval of the AERC acquisition, the amount available for dividends at December 31, 2016 was limited to $263.4 million.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2016 and 2015.

Stock Repurchase Programs

During 2014 and 2015, Avista Corp.'s Board of Directors approved programs to repurchase shares of the Company's outstanding common stock. The number of shares repurchased and the total cost of repurchases are disclosed in the Statements of Equity and Redeemable Noncontrolling Interests. The average repurchase price was $31.57 in 2014 and $32.66 in 2015. All repurchased shares reverted to the status of authorized but unissued shares.

Equity Issuances

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. In 2016, 1.6 million shares were issued under these agreements resulting in total net proceeds of $65.3 million, leaving 2.2 million shares remaining to be issued.

In 2016, the Company also issued $1.7 million (net of issuance costs) of common stock under the employee plans.

NOTE 16. 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 (PG&E), Southern California Edison, San Diego Gas & Electric, the California Attorney General (AG), the California Department of Water Resources (CERS), and the California Public Utilities Commission (together, the "California Parties"). The penalty arises as a result of the FERC's finding that APX committed violations in the California market in the summer of 2000. APX is making 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 has identified Avista Energy's share of APX's exposure to be as much as $16.0 million even though no wrongdoing allegations are specifically attributable to Avista Energy. Avista Energy believes its settlement with the California Parties in 2014 insulates it from any such liability and that as a dismissed party it cannot be drawn back into the litigation. Avista Energy intends to vigorously dispute APX's assertions of indirect liability, but cannot at this time predict the eventual outcome.

Pacific Northwest Refund Proceeding

In July 2001, the FERC initiated a preliminary evidentiary hearing to develop a factual record as to whether prices for spot market sales of wholesale energy in the Pacific Northwest between December 25, 2000 and June 20, 2001 were just and reasonable. In June 2003, the FERC terminated the Pacific Northwest refund proceedings, after finding that the equities do not justify the imposition of refunds. In August 2007, the Ninth Circuit found that the FERC had failed to take into account new evidence of market manipulation and that such failure was arbitrary and capricious and, accordingly, remanded the case to the FERC, stating that the FERC's findings must be reevaluated in light of the new evidence. The Ninth Circuit expressly declined to direct the FERC to grant refunds. On October 3, 2011, the FERC issued an Order on Remand and on April 5, 2013 expanded the temporal scope of the proceeding to permit parties to submit evidence on transactions during the period from January 1, 2000 through and including June 20, 2001.

On July 11, 2012 and March 28, 2013, Avista Energy and Avista Corp. filed settlements of all issues in this docket with regard to the claims made by the City of Tacoma and the California AG (on behalf of the California Department of Water Resources). The FERC approved the settlements and they are final.

The remaining direct claimant against Avista Corp. and Avista Energy in this proceeding was the City of Seattle, Washington (Seattle). An evidentiary, trial type hearing before an Administrative Law Judge (ALJ) to permit parties to present evidence of unlawful market activity was conducted in 2013.

With regard to the Seattle claims, on March 28, 2014, the Presiding ALJ issued an Initial Decision finding that: 1) Seattle failed to demonstrate that either Avista Corp. or Avista Energy engaged in unlawful market activity and also failed to identify any specific contracts at issue; 2) Seattle failed to demonstrate that contracts with either Avista Corp. or Avista Energy imposed an excessive burden on consumers or seriously harmed the public interest; and that 3) Seattle failed to demonstrate that either Avista Corp. or Avista Energy engaged in any specific violations of substantive provisions of the FPA or any filed tariffs or rate schedules. Accordingly, the ALJ denied all of Seattle's claims under both section 206 and section 309 of the FPA. On May 22, 2015, the FERC issued its Order on Initial Decision in which it upheld the ALJ's Initial Decision denying all of Seattle's claims against Avista Corp. and Avista Energy. Seattle filed a Request for Rehearing of the FERC's Order on Initial Decision which was denied on December 31, 2015. Seattle appealed the FERC's decision to the Ninth Circuit. In October 2016, Seattle settled all of the matters with the remaining parties and withdrew its appeal at the Ninth Circuit. All the remaining parties signed the settlement agreement and a petition to dismiss the case was filed with the Ninth Circuit on October 27, 2016. There are no remaining claims outstanding under this proceeding. The settlement did not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Sierra Club and Montana Environmental Information Center Litigation

In 2013, the Sierra Club and Montana Environmental Information Center (MEIC) (collectively "Plaintiffs"), filed a Complaint in the United States District Court for the District of Montana, Billings Division, against the Owners of the Colstrip Generating Project ("Colstrip"); Avista Corp. owns a 15 percent interest in Units 3 & 4 of Colstrip. The other Colstrip co-Owners are Talen Montana, LLC (formerly PPL Montana, LLC, an indirect subsidiary of Talen Energy Corporation), Puget Sound Energy, Portland General Electric Company, NorthWestern Energy and PacifiCorp. The Complaint alleged certain violations of the Clean Air Act, including the New Source Review, Title V and opacity requirements with respect to post-January 1, 2001 Colstrip projects. The Plaintiffs requested that the Court grant injunctive and declaratory relief, order remediation of alleged environmental damages, impose civil penalties, require a beneficial environmental project in the areas affected by the alleged air pollution and require payment of Plaintiffs' costs of litigation and attorney fees.

The liability trial was scheduled to start on May 31, 2016. The parties engaged in settlement discussions with the Plaintiffs to resolve the claims raised in the litigation. On July 12, 2016, the parties filed a proposed Consent Decree with the court which contained the terms of the settlement of the matter with respect to all four units at Colstrip. The settlement does not include any monetary payments by any party, dismisses all claims against all four units, and provides for the shut-down of units 1 & 2 (which are owned solely by Talen Montana, LLC and Puget Sound Energy) no later than July, 2022. The Consent Decree was entered on September 6, 2016. The parties have petitioned the Court for costs and attorneys' fees. The Court denied the defendant's claim for fees and reduced the plaintiff's claimed fees from approximately $3.0 million to $1.6 million. On February 15, 2017 the Court issued an Order adopting this resolution in full and closing the case.

The Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows.

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 (CFSA) 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 is reducing TDG by constructing spill crest modifications on spill gates at the dam, and the Company expects to continue spill crest modifications over the next several years, in ongoing consultation with key stakeholders. Avista Corp. cannot at this time predict the outcome or estimate a range of costs associated with this contingency; however, the Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

Fish Passage at Cabinet Gorge and Noxon Rapids

In 1999, the United States Fish and Wildlife Service (USFWS) listed bull trout as threatened under the Endangered Species Act. In 2010, the USFWS issued a revised designation of critical habitat for bull trout, which includes the lower Clark Fork River. The USFWS issued a final recovery plan in October 2015.

The CFSA describes programs intended to help restore bull trout populations in the project area. Using the concept of adaptive management and working closely with the USFWS, the Company evaluated the feasibility of fish passage at Cabinet Gorge and Noxon Rapids. The results of these studies led, in part, to the decision to move forward with development of permanent facilities, among other bull trout enhancement efforts. Parties to the CFSA are working to resolve several issues. The Company believes its ongoing efforts through the CFSA continue to effectively address issues related to bull trout. Avista Corp. cannot at this time predict the outcome or estimate a range of costs associated with this contingency; however, the Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to fish passage at Cabinet Gorge and Noxon Rapids.

Collective Bargaining Agreements

The Company's collective bargaining agreements with the IBEW represent approximately 45 percent of all of Avista Corp.'s employees. A new 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.

A three-year agreement in Oregon, which covers approximately 50 employees was set to expire in March 2017. A new three-year agreement has been approved by the IBEW membership that will expire in March 2020. It is still awaiting approval from the National IBEW.

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 of our operations. However, the Company believes that the possibility of this occurring is remote.

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 17. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

Deferred power supply costs are recorded as a deferred charge on the Balance Sheets for future prudence review and recovery 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 and availability of hydroelectric generation,
- the level and availability of thermal generation (including changes in fuel prices), and
- retail loads.

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with UTC 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. The Washington ERM calculation is subject to certain deadbands and sharing bands. For 2016, the Company recognized a pre-tax benefit of $5.1 million under the ERM in Washington compared to a benefit of $6.3 million for 2015. Total net deferred power costs under the ERM were a liability of $21.3 million as of December 31, 2016 compared to a liability of $18.0 million as of December 31, 2015, and these deferred power cost balances represent amounts due to customers.

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 $2.2 million as of December 31, 2016 compared to an asset of $0.2 million as of December 31, 2015.

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 $30.8 million as of December 31, 2016 compared to a liability of $17.9 million as of December 31, 2015.

Decoupling and Earnings Sharing Mechanisms

Decoupling is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. In each of Avista Corp.'s jurisdictions, each month 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, rather than KWh and therm sales. The difference between revenues based on the number of customers and revenues based on actual usage is deferred and either surcharged or rebated to customers beginning in the following year.

Washington Decoupling and Earnings Sharing

In Washington, the UTC approved the Company's decoupling mechanisms for electric and natural gas for a five-year period beginning January 1, 2015. Electric and natural gas decoupling surcharge rate adjustments to customers are limited to 3 percent 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 electric and natural gas decoupling mechanisms each include an after-the-fact earnings test. At the end of each calendar year, separate electric and natural gas earnings calculations will be made for the prior calendar year. These earnings tests will reflect actual decoupled revenues, normalized power supply costs and other normalizing adjustments. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

Idaho Fixed Cost Adjustment (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.

For the period 2013 through 2015 the Company had an after-the-fact earnings test, such that if Avista Corp., on a consolidated basis for electric and natural gas operations in Idaho, earned more than a 9.8 percent ROE, the Company was required to share with customers 50 percent of any earnings above the 9.8 percent. There was no provision for a surcharge to customers if the Company's ROE was less than 9.8 percent. This after-the-fact earnings test was discontinued as part of the settlement of the Company's 2015 Idaho electric and natural gas general rates cases. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

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 and there will be an opportunity for interested parties to review the mechanism and recommend changes, if any, by September 2019. An earnings review is conducted on an annual basis, which is filed by the Company with the OPUC on or before June 1 of each year for the prior calendar year. In the annual earnings review, if the Company earns more than 100 basis points above its allowed return on equity, 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, 2016 and December 31, 2015, the Company had the following cumulative balances outstanding related to decoupling and earnings sharing mechanisms in its various jurisdictions (dollars in thousands):

	December 31, 2016	December 31, 2015
Washington		
Decoupling surcharge	$ 30,408	$ 10,933
Provision for earnings sharing rebate	(5,113)	(3,422)
Idaho		
Decoupling surcharge	$ 8,292	n/a
Provision for earnings sharing rebate	(5,184)	(8,814)
Oregon		
Decoupling surcharge	$ 2,021	n/a
Provision for earnings sharing rebate	—	—

(n/a) This mechanism did not exist during this time period.

NOTE 18. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2016	2015
Cash paid for interest	$ 79,183	$ 72,405
Cash received for income taxes, net	(14,624)	(10,506)

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	03/31/2017	End of 2016/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)	5,288,471,667
4	Property Under Capital Leases	5,843,742
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	5,294,315,409
9	Leased to Others	
10	Held for Future Use	9,941,983
11	Construction Work in Progress	144,751,274
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	5,449,008,666
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,770,511,420
15	Net Utility Plant (Total of lines 13 and 14)	3,678,497,246
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,701,243,278
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	69,268,142
22	TOTAL In Service (Total of lines 18 thru 21)	1,770,511,420
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)	1,770,511,420

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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				
2				
3	3,782,482,769	1,041,145,791		464,843,107
4	289,388	254,354		5,300,000
5				
6				
7				
8	3,782,772,157	1,041,400,145		470,143,107
9				
10	9,751,398	190,585		
11	82,968,637	7,987,817		53,794,820
12				
13	3,875,492,192	1,049,578,547		523,937,927
14	1,313,645,015	337,046,928		119,819,477
15	2,561,847,177	712,531,619		404,118,450
16				
17				
18	1,294,760,452	335,655,367		70,827,459
19				
20				
21	18,884,562	1,391,561		48,992,019
22	1,313,645,014	337,046,928		119,819,478
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	1,313,645,014	337,046,928		119,819,478

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	03/31/2017	End of 2016/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	4,470,328	(583,192)
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	4,470,328	(583,192)
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		

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	03/31/2017	End of 2016/Q4

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	415,249			3,471,887
5	415,249			3,471,887
6				
7				
8				
9				
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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	407,111	806,641
45	350.2 Rights-of-Way	59,812	
46	351 Structures and Improvements	1,906,462	194,889
47	352 Wells	13,904,797	194,889
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	14,876,708	194,890
53	355 Other Equipment	683,401	194,890
54	356 Purification Equipment	403,712	
55	357 Other Equipment	1,998,758	194,889
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	43,079,699	1,781,088
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 Processing		

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				1,213,752
45				59,812
46				2,101,351
47	169,344			13,930,342
48				254,354
49				1,667,492
50				5,810,311
51				1,106,781
52				15,071,598
53				878,291
54				403,712
55	14,677			2,178,970
56				
57	184,021			44,676,766
58				
59				
60				
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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	03/31/2017	End of 2016/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,	43,079,699	1,781,088
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	886,774	
95	375 Structures and Improvements	1,329,682	(14,729)
96	376 Mains	462,357,449	43,326,258
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	10,715,743	419,258
99	379 Measuring and Regulating Station Equipment-City Gate	9,354,043	(488,377)
100	380 Services	277,347,039	28,469,585
101	381 Meters	111,868,077	7,083,144
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	4,932,890	(21,525)
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)	878,792,236	78,773,614
110	GENERAL PLANT		
111	389 Land and Land Rights	1,325,709	
112	390 Structures and Improvements	5,848,464	(7,508)
113	391 Office Furniture and Equipment	634,332	19,922
114	392 Transportation Equipment	14,217,573	2,695,887
115	393 Stores Equipment	141,498	3,888
116	394 Tools, Shop, and Garage Equipment	6,265,019	741,307
117	395 Laboratory Equipment	431,414	
118	396 Power Operated Equipment	4,700,726	148,016
119	397 Communication Equipment	3,469,372	19,966
120	398 Miscellaneous Equipment	2,367	
121	Subtotal (Enter Total of lines 111 thru 120)	37,036,474	3,621,478
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)	37,036,474	3,621,478
125	TOTAL (Accounts 101 and 106)	963,386,365	83,592,988
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)	963,386,365	83,592,988

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	184,021			44,676,766
82				
83				
84				
85				
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94				886,774
95	4,154			1,310,799
96	1,665,979			504,017,728
97				
98	18,404			11,116,597
99	33,383		74,303	8,906,586
100	348,901			305,467,723
101	1,466,841			117,484,380
102				
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105				4,911,365
106				
107				539
108				
109	3,537,662		74,303	954,102,491
110				
111			124,007	1,449,716
112	5,858		2,741	5,837,839
113	32,672			621,582
114	605,297		48,353	16,356,516
115				145,386
116	107,147			6,899,179
117	88,948			342,466
118	654,749		(113,443)	4,080,550
119	9,002		(74,563)	3,405,773
120				2,367
121	1,503,673		(12,905)	39,141,374
122				
123				
124	1,503,673		(12,905)	39,141,374
125	5,640,605		61,398	1,041,400,146
126				
127				
128				
129	5,640,605		61,398	1,041,400,146

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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45	**Total**			**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	03/31/2017	End of 2016/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	Gas HP Pipeline Remediation Program	2,346,405	
2	Dollar Rd Service Center Addition and Remodel	2,110,929	
3	Minor Projects under $1,000,000	3,530,483	112,640,000
4			
5			
6	Notes:		
7	Estimated additional cost amounts represent a five year		
8	budget total.		
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44			
45	**Total**	**7,987,817**	**112,640,000**

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.

Allowance for Funds Used During Construction is calculated system wide using a rate that is equivalent to the allowed rate of return approved in the latest rate order from the company's primary state commission (Washington State). For 2016, Avista used a rate of 7.29% which is the allowed Rate of Return contained in the Washington Utilities and Transportation Commission Final Order 05 dated January 6, 2016 for consolidated dockets UE-150204 and UG-150205.

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	03/31/2017	End of 2016/Q4

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		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D		d
	(4) Preferred Stock	P		p
	(5) Common Equity	C		c
	(6) Total Capitalization			
	(7) Average Construction Work In Progress Balance	W		

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

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

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 2.65

b. Rate for Other Funds - 4.64

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	03/31/2017	End of 2016/Q4

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	316,058,414	316,058,414		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	22,966,032	22,966,032		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	1,934,537	1,934,537		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	24,900,569	24,900,569		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(4,618,982)	(4,618,982)		
13	Cost of Removal	(83,181)	(83,181)		
14	Salvage (Credit)	109,110	109,110		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(4,811,273)	(4,811,273)		
16	Other Debit or Credit Items (Describe) (footnote details):	(492,343)	(492,343)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	335,655,367	335,655,367		
	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				
25	Other Storage Plant	15,483,192	15,483,192		
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	304,045,605	304,045,605		
29	General	16,126,570	16,126,570		
30	TOTAL (Total of lines 21 thru 29)	335,655,367	335,655,367		

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	03/31/2017	2016/Q4

FOOTNOTE DATA

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

Schedule Page: 219 Line No. 16

Change in Removal Work in Progress ($492,343)

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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	03/31/2017	End of 2016/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				12,774,487			19,766,563
2	Gas Delivered to Storage					18,187,452			18,187,452
3	Gas Withdrawn from					22,932,919			22,932,919
4	Other Debits and Credits								
5	Balance at End of Year	6,992,076				8,029,020			15,021,096
6	Dth	1,253,060				4,631,092			5,884,152
7	Amount Per Dth	5.5800				1.7337			2.5528

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	03/31/2017	End of 2016/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)		19,717,504	
5	Other Investment - Coli Borrowings (124610)		(19,717,504)	
6	Other Investment - WZN Loans Oregon (124680)		23,541	
7	Other Investment - WNP3 Exchange Power (124900)		79,626,000	
8	Other Investment - AMT WNP3 Exchange (124930)		(70,642,947)	
9	Temp Cash Investments (136000)		22,854	
10	Energy Commodity Contract (124020)		14,694,374	
11	Other Investment-Non Affilicated LT Note Rec			
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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	03/31/2017	End of 2016/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	(1,990,408)		21,707,912		
5	1,990,408		(21,707,912)		
6	2,568		20,973		
7			79,626,000		
8	2,450,031		(73,092,978)		
9			22,854		
10	14,694,374				
11	(331,835)		331,835		
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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	03/31/2017	End of 2016/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			(144,021,712)
3	Investment in AERC	07/01/2014		89,816,380
4	AERC- Equity in Earnings			5,581,641
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40	**TOTAL Cost of Account 123.1 $**		**TOTAL**	157,515,280

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	(1,433,856)		(145,455,568)	
3			89,816,380	
4	7,722,732	2,000,000	11,304,373	
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40	6,288,876	2,000,000	161,804,156	

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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	03/31/2017	End of 2016/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	1,507,107
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	12,952,128
6	TOTAL	14,459,235

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	03/31/2017	End of 2016/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		1,444,028				1,444,028
2	Reg Asset Post Ret Liab	235,008,848	5,105,058				240,113,906
3	Regulatory Asset FAS 109 Utility Plant	42,104,242	56,282,205				98,386,447
4	Regulatory Asset FAS109 DSIT Non Plant	51,827,593		283	50,774,151		1,053,442
5	Regulatory Asset FAS109 DFIT State Tax Cr	4,652,121		283	4,652,121		
6	Regulatory Asset FAS109 WNP3	2,703,891		283	737,482		1,966,409
7	Regulatory Asset-Spokane River Relicense	386,154		407	78,736		307,418
8	Regulatory Asset-Spokane River PM&E	355,950		557	73,312		282,638
9	Regulatory Asset-Lake CDA Fund	8,804,404		407	211,065		8,593,339
10	Regulatory Asset-Lake CDA IPA Fund	2,000,000					2,000,000
11	Regulatory Asset-Spokane River TDG Idaho	468,893		407	117,223		351,670
12	Reg Assets-Decoupling Surcharge	5,640	11,828,860				11,834,500
13	Regulatory Asset-Lake CDA DEF Costs	1,244,703		407	32,719		1,211,984
14	DEF CS2 & COLSTRIP	4,823,298		407	2,151,630		2,671,668
15	Commodity MTM St Regulatory Asset	17,260,177		244	5,895,089		11,365,088
16	Commodity MTM Lt Regulatory Asset	32,419,723		244	15,500,519		16,919,204
17	Regulatory Asset FAS143 Asset Retirement Obligation	2,875,898	495,837				3,371,735
18	Reg Asset AN-CDA Lake Settlement	33,632,090		407	884,086		32,748,004
19	Reg Asset WA-CDA Lake Settlement	747,916		407	152,118		595,798
20	Regulatory Asset Workers Comp	2,047,832		407	835,020		1,212,812
21	Regulatory Asset ID PCA Deferral 1	932,887		557	932,887		
22	Spokane River TDG	580,789		407	290,395		290,394
23	Settled Interest Rate Swap Asset	40,786,512	51,092,099				91,878,611
24	DSM Asset	3,167,519	12,502,132				15,669,651
25	Unsettled Interest Rate Swaps Asset	83,972,777		245	14,343,183		69,629,594
26	Deferred ITC		8,481,289				8,481,289
27	Other Reg Assets	221,213		254	136,431		84,782
28							
29							
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39							
40	**Total**	**573,031,070**	**147,231,508**		**97,798,167**	0	**622,464,411**

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	03/31/2017	End of 2016/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 Fac.	1,110,999		406		1,110,999
3	Regulatory Asset-Mt Lease Pymt	270,513		540	270,513	
4	Regulatory Asset-Mt Lease Pymt	676,584		540	676,584	
5	Colstrip Common Fac.	2,355,642				2,355,642
6	Prepaid plane Lease LT-3 yr amort	441,966			196,429	245,537
7	Misc DD- Airplane Lease-3yr amort	515,400			229,067	286,333
8	Plant Alloc of Clearing Jrl	1,888,049	1,632,106			3,520,155
9	Misc Posting Suspense	115,295	169,179	VAR		284,474
10	Renewable Energy-Cert Fees	21,750		557	21,750	
11	Nez Perce Settlement	145,113		557	5,212	139,901
12	Reg Asset ID-Lake CDA- 10 yr amort	147,131		506	30,975	116,156
13	Credit Union Labor & Expense	62,978	44,379			107,357
14	Misc Work Orders <$50,000	(92,021)		VAR	395,354	(487,375)
15	Subsidiary Billings	471,651		VAR	44,658	426,993
16	Misc Deferred Debits (WA)	16,568			1,405,199	(1,388,631)
17	Regulatory Assets Consv	2,154,581			1,112,190	1,042,391
18	Reg Asset-Decoupling deferred	13,305,979	19,846,225			33,152,204
19	Optional Wind Power	(206,235)	271,553			65,318
20	Gas Telemetry equip	4,823			651	4,172
21	Deferred Project Compass (ID) 4 yr	3,346,902			836,726	2,510,176
22	Saddle Mountain East Trans Line	5,929	53,265			59,194
23	AMI Suspense SA Base Chg out		299,407			299,407
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39	Miscellaneous Work in Progress					
40	**Total**	**26,759,597**	**22,316,114**		**5,225,308**	**43,850,403**

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	03/31/2017	End of 2016/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	10,573,200		
3	Gas	750,527		
4	Other (Define) (footnote details)	124,712,392		
5	Total (Total of lines 2 thru 4)	136,036,119		
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	136,036,119		
8	Classification of TOTAL			
9	Federal Income Tax	136,036,119		
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				(8,988,638)			19,561,838
3				(1,817,652)			2,568,179
4				(512,298)			125,224,690
5				(11,318,588)			147,354,707
6							
7				(11,318,588)			147,354,707
8							
9				(11,318,588)			147,354,707
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	03/31/2017	End of 2016/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	03/31/2017	End of 2016/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	64,187,934	1,052,578,756			109,806.00	4,127,608.00
3						
4	64,187,934	1,052,578,756			109,806.00	4,127,608.00
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Schedule Page: 250 Line No.: 2 Column: i

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, the Company must meet a return on equity target in order for the CEO's restricted shares to vest. Restricted stock is valued at the close of market of the Company's common stock on the grant date.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	(9,506,476)
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40	**Total**	**(9,506,476)**

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	03/31/2017	End of 2016/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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13		
14		
	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	(32,208,771)
17		
18		
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28		
	TOTAL	(32,208,771)

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	03/31/2017	2016/Q4

FOOTNOTE DATA

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

Beginning Balance	$	(29,238,213)
Issuance of Common Stock	$	1,022,242
Payment of Minimum Tax Withholdings for Share-Based Payment awards	$	3,072,433
Vested Stock Compensation	$	(31,835,414)
Stock Compensation Accrual	$	24,770,181
Ending Balance	$	(32,208,771)

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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.

In December 2016, Avista Corp. issued and sold $175.0 million of 3.54 percent first mortgage bonds due in 2051 pursuant to a bond purchase agreement with institutional investors in the private placement market. The total net proceeds from the sale of the bonds were used to repay the $70.0 million term loan discussed above and to repay a portion of the borrowings outstanding under the Company's $400.0 million committed line of credit. In connection with the execution of the bond purchase agreement, the Company cash-settled seven interest rate swap derivatives (notional aggregate amount of $125.0 million) and paid a total of $54.0 million.

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

1. Order of the Washington Utilities and Transportation Commission entered July 13, 2011, as amended on August 24, 2011 in Docket No. U-111176 and in Docket No. UE-151822, entered October 29, 2015;

2. Order of the Idaho Public Utilities Commission, Order No. 32338, entered August 25, 2011 and Order No. 33401, entered October 23, 2015;

3. Order of the Public Utility Commission of Oregon, Order No. 15305, entered October 6, 2015;

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. In 2016, 1.6 million shares were issued under these agreements resulting in total net proceeds of $65.3 million, leaving 2.2 million shares remaining to be issued.

In 2016, the Company also issued $1.7 million (net of issuance costs) of common stock under the employee plans.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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 05/11/2018	05/11/1993	05/11/2018	7,000,000
4	FMBS - SERIES A - 7.45% DUE 06/11/2018	06/09/1993	06/11/2018	15,500,000
5	FMBS - SERIES A - 7.18% DUE 08/11/2023	08/12/1993	08/11/2023	7,000,000
6				
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	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
11	FMBS - 5.70% SERIES	12/15/2006	07/01/2037	150,000,000
12	FMBS - 5.95% SERIES	04/02/2008	06/01/2018	250,000,000
13	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
14	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000
15	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000
16	FMBS - 3.89% SERIES	12/20/2010	12/20/2020	52,000,000
17	FMBS - 5.55% SERIES	12/20/2010	12/20/2040	35,000,000
18	4.45% SERIES DUE 12-14-2041	12/14/2011	12/14/2041	85,000,000
19	4.23% SERIES DUE 11-29-2047	11/30/2012	11/29/2047	80,000,000
20	FMBS - 4.11% SERIES	12/18/2014	12/01/2044	60,000,000
21	FMBS - 4.37% SERIES	12/16/2015	12/01/2045	100,000,000
22	FMBS - 3.54% SERIES	12/15/2016	12/01/2051	175,000,000
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40	**TOTAL**			1,673,247,000

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	03/31/2017	End of 2016/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	517,300			
4	7.450	1,154,750			
5	7.180	502,600			
6					
7	1.806	634,372			
8	6.370	1,592,500			
9	5.450	4,905,000			
10	6.250	9,375,000			
11	5.700	8,550,000			
12	5.950	14,875,000			
13	5.125	12,812,500			
14	1.050	484,176	66,700,000		
15	1.050	123,403	17,000,000		
16	3.890	2,022,800			
17	5.550	1,942,500			
18	4.450	3,782,500			
19	4.230	3,384,000			
20	4.110	2,466,000			
21	4.370	4,370,000			
22	3.540	275,333			
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40		74,259,284	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. The interest for the year disclosed in column (i) reflects the net amount owed to third parties.

Schedule Page: 256 Line No.: 14 Column: a

The Company reacquired this debt in 2010. These bonds have not been retired or canceled; the Company plans, based on liquidity needs and market conditions, to remarket these bonds at a future date.

Schedule Page: 256 Line No.: 15 Column: a

The Company reacquired this debt in 2010. These bonds have not been retired or canceled; the Company plans, based on liquidity needs and market conditions, to remarket these bonds at a future date.

Schedule Page: 256 Line No.: 22 Column: a

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

1. Order of the Washington Utilities and Transportation Commission entered July 13, 2011, as amended on August 24, 2011 in Docket No. U-111176 and in Docket No. UE-151822, entered October 29, 2015;

2. Order of the Idaho Public Utilities Commission, Order No. 32338, entered August 25, 2011 and Order No. 33401, entered October 23, 2015;

3. Order of the Public Utility Commission of Oregon, Order No. 15305, entered October 6, 2015;

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	03/31/2017	End of 2016/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		4,635,960	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	1,001,382	12/15/2016	12/01/2051
21	Rathrum 2005		71,646	09/30/2005	12/01/2035
22	Debt Strategies		858	08/01/2005	08/01/2035
23	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	10,559		1,424	9,135
2	1,920		259	1,661
3	5,254		2,175	3,079
4	17,060		6,824	10,236
5	13,893		1,812	12,081
6	301,318		14,015	287,303
7	65,959		5,277	60,682
8	343,841		85,960	257,881
9	1,451,378		72,569	1,378,809
10	3,475,599		161,032	3,314,567
11	732,469		303,090	429,379
12	1,441,216		227,561	1,213,655
13	193,096		38,619	154,477
14	215,702		8,628	207,074
15	1,776,797	676,511	571,205	1,882,103
16	600,702		23,104	577,598
17	666,615		20,886	645,729
18	414,779		14,878	399,901
19	564,165	26,597	19,417	571,345
20		1,001,382		1,001,382
21	47,371		2,368	45,003
22	563		29	534
23	6,205		2,900	3,305
24				
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Schedule Page: 258 Line No.: 20 Column: c

Expenses may change as more invoices related to this issuance become known

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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	03/31/2017	End of 2016/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)	(692,787)	(513,818)
2	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	12/18/2000	10,000,000	1,769,125	1,045,207	996,404
3	Misc 2002 Repurchase	12/31/2002	10,000,000	2,228,153	620,760	568,668
4	Misc 2003 Repurchase	12/31/2003	25,330,000	315,274	99,861	92,861
5	Misc 2004 Repurchase	12/31/2004	36,590,000	(7,244,895)	(785,339)	(487,046)
6	Misc 2005 Repurchase	12/31/2005	26,000,000	(1,700,371)	(637,031)	(602,027)
7	Misc 2006 Repurchase	12/31/2006	6,875,000	483,582	(32,733)	(16,768)
8	Misc 2008 Repurchase Costs	12/31/2008		43,132	21,705	19,009
9	AVA Capital Trust III (2022)	04/01/2009	60,000,000	(2,875,817)	(1,452,072)	(1,222,798)
10	COLSTRIP 2010A PCRBs DUE 2032	12/14/2010	66,700,000	(3,709,174)	(2,620,408)	(2,464,740)
11	COLSTRIP 2010B PCRBs DUE 2034	12/14/2010	17,000,000	(1,916,297)	(1,501,969)	(1,419,475)
12	FMBS - 7.25% SERIES (2040)	12/20/2010	30,000,000	(5,263,822)	(4,386,518)	(4,211,057)
13	FMBS - 6.125% SERIES (2020)	12/20/2010	45,000,000	(6,273,664)	(3,136,832)	(2,509,466)
14	KETTLE FALLS P C REV BONDS DUE 14 (2047)	06/28/2012	4,100,000	(105,020)	(95,769)	(92,768)
15						
16						
17						
18						
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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	03/31/2017	End of 2016/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)	137,228,107
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		5,326,302
6		
7		
8	TOTAL	5,326,302
9	Deductions Recorded on Books Not Deducted for Return	
10		(2,613,289)
11	Income Tax Expense	74,121,263
12		
13	TOTAL	71,507,974
14	Income Recorded on Books Not Included in Return	
15		(39,942,100)
16		
17		
18	TOTAL	(39,942,100)
19	Deductions on Return Not Charged Against Book Income	
20		(254,132,226)
21		
22		
23	Equity in Sub Earnings	(6,288,876)
24	Corporate Overhead Unallocated Subs	2,385,355
25		
26	TOTAL	(258,035,747)
27	Federal Tax Net Income	(83,915,464)
28	Show Computation of Tax:	
29	State Tax	379,481
30	Federal Tax Net Income, less state tax	(83,535,983)
31	Federal Tax @ 35%	(29,237,594)
32	Nine Mile ITC	(19,418,459)
33	Prior years true ups and misc adjustments	1,414,639
34	Cabinet Gorge tax credits	(166,884)
35	Total Federal Tax Expense	(47,408,298)

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	03/31/2017	End of 2016/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	806,204	
3	Income Tax 2014	514,866	
4	Income Tax 2015	(18,877,196)	
5	Income Tax (Current)		
6	Prior Retained Earnings (2013)	(483,257)	
7	Prior Retained Earnings (2015)	(1,920,588)	
8	Current Retained Earnings		
9	Total Federal	(19,959,971)	
10			
11	STATE OF WASHINGTON		
12	Property Tax (2014)	(3,344)	
13	Property Tax (2015)	15,559,562	
14	Property Tax (2016)		
15	Excise Tax (2014)	(1)	
16	Excise Tax (2015)	2,706,504	
17	Excise Tax (2016)		
18	Natural Gas Use Tax	537	
19	Municipal Occupation Tax	2,902,651	
20	Community Solar	(105,669)	
21	Sales & Use Tax (2014)	344	
22	Sales & Use Tax (2015)	127,828	
23	Sales & Use Tax (2016)		
24	Total Washington	21,188,412	
25			
26	STATE OF IDAHO:		
27	Income Tax (2013)	41,220	
28	Income Tax (2014)	(142,202)	
29	Income Tax (2015)	(57,305)	
30	Income Tax (2016)		
31	Property Tax (2014)	52,403	
32	Property Tax (2015)	3,557,972	
33	Property Tax (2016)		
34	Sales & Use Tax (2015)	12,784	
35	Sales & Use Tax (2016)		
36	KWH Tax (2015)	24,195	
37	KWH Tax (2016)		
38	Franchise Tax (2015)	1,526,981	
39	Franchise Fee (2016)		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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				806,204	
3	325,206			840,072	
4	1,784,007	(19,013,777)	(1,920,588)		
5	(40,949,517)	4,378,957		(45,328,474)	
6				(483,257)	
7			1,920,588		
8	(3,371,282)			(3,371,282)	
9	(42,211,586)	(14,634,820)		(47,536,737)	
10					
11					
12	(15,470)	(18,813)	1		
13	271,617	15,837,020		(5,841)	
14	16,219,999			16,219,999	
15			1		
16	(7,150)	2,699,353	(1)		
17	26,587,557	22,789,011		3,798,546	
18	3,569	3,452		654	
19	23,115,318	23,095,318	1	2,922,652	
20	(615,995)	(696,151)		(25,513)	
21		344			
22		127,828			
23	1,124,451	967,442		157,008	
24	66,683,896	64,804,804	2	23,067,505	
25					
26					
27		(100,982)	(142,202)		
28	270		141,932		
29	530,100	(215,096)	(687,891)		
30	511,938	500,000		11,938	
31	(52,002)	401			
32		3,557,985		(13)	
33	7,145,215	3,572,839		3,572,375	
34		12,784			
35	360,849	337,305		23,544	
36	824	25,019			
37	414,153	383,274		30,880	
38		1,526,982	1	1	
39	4,440,675	2,951,606		1,489,069	

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	03/31/2017	End of 2016/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	325,206			
4	(5,173,655)			7,356,217
5	(34,563,043)	(5,452,168)		(10,735,729)
6				
7				
8				
9	(39,411,492)	(5,452,168)		(3,379,512)
10				
11				
12	(23,274)	952		6,852
13	626,771	(374,926)		19,772
14	13,357,998	2,826,001		36,355
15				
16	(12,176)	(1,869)		6,895
17	20,023,590	5,499,149		112,573
18	3,569			
19	17,746,956	5,188,440		
20				
21				
22				
23				
24	51,723,434	13,137,747		182,447
25				
26				
27				
28				
29	(65,276)	(16,319)		
30	435,148	76,791		
31	(43,579)	(3,651)		(4,772)
32	4,564			
33	5,694,596	1,470,048		10,575
34				
35				
36	824			
37	414,863			
38				
39	3,352,949	1,064,090		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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				(398,555)	
5				9,801,424	
6					
7					
8				(3,371,282)	
9				6,031,587	
10					
11					
12					
13					
14				(355)	
15					
16					
17				952,245	
18					
19				179,922	
20				(615,995)	
21					
22					
23				1,124,451	
24				1,640,268	
25					
26					
27					
28				270	
29				611,695	
30				(1)	
31					
32				(4,564)	
33				(30,005)	
34					
35				360,849	
36					
37				(710)	
38					
39				23,637	

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	03/31/2017	End of 2016/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	Total Idaho	5,016,048	
2			
3	STATE OF MONTANA		
4	Income Tax (2014)	(74,950)	
5	Income Tax (2015)	(413,607)	
6	Income Tax (2016)		
7	Property Tax (2014)	9,257	
8	Property Tax (2015)	4,233,693	
9	Property Tax (2016)		
10	Colstrip Generation Tax		
11	KWH Tax (2015)	240,112	
12	KWH Tax (2016)		
13	Consumer Council Fee	23	
14	Public Commission Fee	60	
15	Total Montana	3,994,588	
16			
17	STATE OF OREGON		
18	Income Tax (2014)	(100,000)	
19	Income Tax (2015)	(378,037)	
20	Property Tax (2015)	(2,722,849)	
21	Property Tax (2016)		
22	BETC Credit (2010)	(17,483)	
23	BETC Credit (2011)	(29,962)	
24	BETC Credit (2012)	(57,789)	
25	Glendale Regulatory Cr. 2009	(34,911)	
26	Franchise Fee (2015)	920,340	
27	Franchise Fee (2016)		
28	Total Oregon	(2,420,691)	
29			
30	STATE OF CALIFORNIA		
31	Income Tax (2016)		
32	Total California		
33			
34	MISCELLANEOUS STATES:		
35	Income Tax (2013)	1	
36	Income Tax (2014)	28,632	
37	Income Tax (2015)	(646,729)	
38	Total Misc States	(618,096)	
39			

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	13,352,022	12,552,117	(688,160)	5,127,794	
2					
3					
4	233,684	(74,950)	(233,684)		
5	(11,057)		119,714	(304,950)	
6	118,720			118,720	
7	(9,257)				
8	(422,070)	3,811,623			
9	9,750,999	4,886,505		4,864,493	
10	3,686	3,686			
11		240,112			
12	1,079,381	804,965		274,416	
13	(3)	45	36	11	
14	112	93	(36)	43	
15	10,744,195	9,672,079	(113,970)	4,952,733	
16					
17					
18		(100,000)			
19	378,036		2	1	
20	2,722,849				
21	2,854,826	5,709,653		(2,854,826)	
22				(17,483)	
23				(29,962)	
24				(57,789)	
25				(34,911)	
26	(338)	920,001			
27	3,448,708	2,519,669		929,039	
28	9,404,081	9,049,323	2	(2,065,931)	
29					
30					
31		1,600		(1,600)	
32		1,600		(1,600)	
33					
34					
35			(1)		
36				28,632	
37	(155,403)		802,132		
38	(155,403)		802,131	28,632	
39					

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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.	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	9,794,089	2,590,959		5,803
2				
3				
4				
5	(11,057)			
6	118,720			
7	(9,257)			
8	(422,070)			
9	9,750,999			
10	3,686			
11				
12	1,079,381			
13	(3)			
14	112			
15	10,510,511			
16				
17				
18				
19	(781)	(2,342)		
20	1,358,912	1,363,937		
21	1,262,754	1,592,072		
22				
23				
24				
25				
26				
27		3,421,688		
28	2,620,885	6,375,355		
29				
30				
31				
32				
33				
34				
35				
36				
37				(155,403)
38				(155,403)
39				

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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				961,171	
2					
3					
4				233,684	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15				233,684	
16					
17					
18					
19				381,159	
20					
21					
22					
23					
24					
25					
26				(338)	
27				27,020	
28				407,841	
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	COUNTY & MUNICIPAL		
2	WA Renewable Energy	(561)	
3	Vehicle Excise Tax 2015	(13,850)	
4	Misc.	939	
5	Total County	(13,472)	
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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39			
	TOTAL	7,186,818	

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	03/31/2017	End of 2016/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					
2	(544,804)	(539,726)		(5,638)	
3	13,850				
4	58,508	57,495	(3)	1,949	
5	(472,446)	(482,231)	(3)	(3,689)	
6					
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39					
TOTAL	57,344,759	80,962,872	2	(16,431,293)	

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	03/31/2017	End of 2016/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.	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				561
3				
4				3,304
5				3,865
6				
7				
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9				
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39				
TOTAL	35,237,427	16,651,893		(3,342,800)

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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				(545,365)	
3				13,850	
4				55,204	
5				(476,311)	
6					
7					
8					
9					
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TOTAL				8,798,240	

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	03/31/2017	End of 2016/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	242050- Margin Call Deposit	2,270,000
2	242060- Forest Use Permits	3,022,955
3	242300- FERC Admin Fee Acc	500,000
4	242310-FERC Elec Admin Chg	141,667
5	242375- MT Lease Payments	4,618,600
6	242700-Payroll EQLZTN	19,394,131
7	242770-Low Income Energy Assit	2,463,360
8	242780- Avista Grants Eng Sustain	35,437
9	242790- Mobius	50,000
10	242830- Workers Comp Liability	1,212,812
11	242910-Accts payable Expense Accrual	3,034,342
12	242999- Current Portion Benefit Liability	10,993,908
13	Misc Liabilities	10,330,879
14		
15		
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19		2
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45	**Total**	**58,068,093**

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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 (253028)	1,125,000				1,125,000
2	Rathdrum Refund (253120)	138,110	550	33,822		104,288
3	NE Tank Spill (253130)	3,230				3,230
4	Bills Pole Rentals (253140)	184,401	454	21,459		162,942
5	CR-CS2 GE LTSA (253150)					
6	Credit Resource Actg					
7	DOC EECE Grant	17,918			7,910	25,828
8	Defer Comp Retired Execs (253900)					
9	Defer Comp Active Execs (253910)	8,093,780	426	410,580		7,683,200
10	Executive Incent Plan (253920)	140,000				140,000
11	Unbilled Revenue (253990)	848,734			1,249,835	2,098,569
12	WA Energy Recovery Mechanism	11,535,183	186	8,192,200		3,342,983
13	Misc Deferred Credits	2,773,438	407	2,573,455		199,983
14	REC Deferral					
15	Kettle Falls Diesel Leak	236,135			139,960	376,095
16	Energy Commodity (253020)	14,694,374	124	14,694,374		
17						
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45	**Total**	**39,790,303**		**25,925,890**	**1,397,705**	**15,262,118**

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	03/31/2017	End of 2016/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	443,772,673	59,131,206	
3	Gas	135,611,950	18,297,477	
4	Other (Define) (footnote details)	67,485,743	6,863,072	
5	Total (Enter Total of lines 2 thru 4)	646,870,366	84,291,755	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	646,870,366	84,291,755	
8	Classification of TOTAL			
9	Federal Income Tax	630,447,007	84,291,755	
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							502,903,879
3							153,909,427
4							74,348,815
5							731,162,121
6							
7							731,162,121
8							
9							714,738,762
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	03/31/2017	End of 2016/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	16,367,410	1,760,464	
3	Gas	(3,286,746)	14,626	
4	Other (Define) (footnote details)	214,729,975	16,799,765	
5	Total (Total of lines 2 thru 4)	227,810,639	18,574,855	
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	227,810,639	18,574,855	
8	Classification of TOTAL			
9	Federal Income Tax	227,810,639	18,574,855	
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				(737,482)			17,390,392
3				(16,669)			(3,288,789)
4				(4,602,839)			226,926,901
5				(5,356,990)			241,028,504
6	5,429,247						5,429,247
7	5,429,247			(5,356,990)			246,457,751
8							
9	5,429,247			(5,356,990)			246,457,751
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	03/31/2017	End of 2016/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 (254005)	11,288,009	190	2,093,606			9,194,403
2	Oregon BETC (254010)	1,099,872	190	88,443			1,011,429
3	Settled Int Rate Swaps (254090)	14,271,547	428	1,829,707			12,441,840
4	Unsettled Int Rate Swaps (254100)	22,687				8,726,868	8,749,555
5	FAS 109 Invest Credit (254180)	47,712	190	13,551			34,161
6	Nez Perce (254220)	616,340	557	22,008			594,332
7	Idaho Earnings Test (254229)	760,068				2,936,805	3,696,873
8	Decoupling Rebate					2,404,916	2,404,916
9	BPA Res Exchange (254345)	428,624				239,001	667,625
10	Other Regulatory Liabilities	1,841,650	190	27,105			1,814,545
11	WA ERM	6,457,271				11,490,399	17,947,670
12	ID PCA	754,958				1,482,439	2,237,397
13	Roseburg/Medford	8,729	182	8,729			
14	Deferred Federal ITC	3,379,017	190	62,400		13,628,905	16,945,522
15							
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44							
45	**Total**	**40,976,484**		**4,145,549**	**0**	**40,909,333**	**77,740,268**

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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	03/31/2017	End of 2016/Q4

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:				

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/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	195,275,153	193,825,126	195,275,153	193,825,126	18,656,462	17,661,330
2	98,504,799	103,325,365	98,504,799	103,325,365	12,361,947	11,767,225
3						
4	154,435,624	208,128,979	154,435,624	208,128,978	69,373,309	83,131,135
5	288,085	281,994	288,085	281,994	37,818	33,451
6						
7						
8	139,015	80,331	139,015	80,331		
9						
10						
11	8,338,713	7,988,080	8,338,713	7,988,080	18,047,825	16,723,353
12						
13						
14						
15						
16	3,293	3,211	3,293	3,211		
17						
18	17,100,272	10,770,592	17,100,272	10,770,593		
19	474,084,954	524,403,678	474,084,954	524,403,678		
20	2,767,455		2,767,455			
21	471,317,499	524,403,678	471,317,499	524,403,678		

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	03/31/2017	End of 2016/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	291,066
13	Deferred Exchange Revenue	4,500,000
14	Decoupling Deferred Revenue	12,309,206
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	Total	**17,100,272**

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

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/Q4

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

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	247,457,293	319,282,550
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	(1,814)	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	(12,157,352)	(13,720,762)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	259,612,831	333,003,312
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

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	03/31/2017	End of 2016/Q4

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	22,932,919	45,198,194
87	(Less) 808.2 Gas Delivered to Storage-Credit	18,187,452	29,241,184
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	566,023	446,368
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)	566,023	446,368
95	813 Other Gas Supply Expenses	2,072,264	1,750,521
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	265,864,539	350,264,475
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	265,864,539	350,264,475
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	16,127	13,588
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	705,893	677,721
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	722,020	691,309

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/Q4

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	804,745	648,898
124	TOTAL Maintenance (Total of lines 116 thru 123)	804,745	648,898
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	1,526,765	1,340,207
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

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	03/31/2017	End of 2016/Q4

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)	1,526,765	1,340,207

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	2,394,089	2,335,426
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

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	03/31/2017	End of 2016/Q4

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	6,223,508	5,809,786
209	875 Measuring and Regulating Station Expenses-General	214,642	192,859
210	876 Measuring and Regulating Station Expenses-Industrial	10,564	8,087
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	137,442	131,087
212	878 Meter and House Regulator Expenses	1,339,147	1,069,806
213	879 Customer Installations Expenses	3,147,738	3,226,050
214	880 Other Expenses	3,417,541	3,026,742
215	881 Rents	61,234	57,176
216	TOTAL Operation (Total of lines 204 thru 215)	16,945,905	15,857,019
217	Maintenance		
218	885 Maintenance Supervision and Engineering	330,676	179,467
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,564,071	2,552,162
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	485,016	531,220
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	281,286	240,023
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	102,696	118,017
225	892 Maintenance of Services	3,508,248	2,688,703
226	893 Maintenance of Meters and House Regulators	2,491,230	2,739,937
227	894 Maintenance of Other Equipment	432,383	349,692
228	TOTAL Maintenance (Total of lines 218 thru 227)	10,195,606	9,399,221
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	27,141,511	25,256,240
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	307,187	310,965
233	902 Meter Reading Expenses	2,334,815	2,232,796
234	903 Customer Records and Collection Expenses	8,757,532	7,748,363

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	2,829,960	2,708,708
236	905 Miscellaneous Customer Accounts Expenses	218,799	234,815
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	14,448,293	13,235,647
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	11,349,685	7,622,111
242	909 Informational and Instructional Expenses	1,037,214	886,365
243	910 Miscellaneous Customer Service and Informational Expenses	210,950	95,402
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	12,597,849	8,603,878
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	293	0
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	293	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	13,045,177	12,117,128
255	921 Office Supplies and Expenses	1,701,627	1,634,570
256	(Less) 922 Administrative Expenses Transferred-Credit	19,751	18,378
257	923 Outside Services Employed	2,889,143	3,629,636
258	924 Property Insurance	456,130	467,995
259	925 Injuries and Damages	1,284,519	1,353,757
260	926 Employee Pensions and Benefits	591,155	671,836
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	2,251,001	2,481,480
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	0	878
265	930.2Miscellaneous General Expenses	1,674,151	1,662,443
266	931 Rents	394,123	353,710
267	TOTAL Operation (Total of lines 254 thru 266)	24,267,275	24,355,055
268	Maintenance		
269	932 Maintenance of General Plant	4,163,915	3,826,155
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	28,431,190	28,181,210
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	350,010,440	426,881,657

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	03/31/2017	End of 2016/Q4

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		1,301,506	0		
2	811 Gas Used for Products Extraction - Credit		3,192,085	566,023		
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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24						
25	**Total**		4,493,591	566,023		

FOOTNOTE DATA

Schedule Page: 331 Line No.: 1 Column: d

Dollar value related to compressor fuel are not separately recorded. These dollars are included in total gas purchase costs.

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	03/31/2017	End of 2016/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	866,194
3	Labor Loading	797,340
4	Other Expenses (Professional Services, Travel, Transportation, Office Supplies, Training)	201,093
5		
6	Regulatory Affairs	
7	Labor	33,404
8	Labor Loading	31,703
9	Other Expenses (Travel, Transportation, Gas Technology Institute Payments)	142,529
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25	**Total**	2,072,263

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.	298,630
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	163,193
4	Community Relations	32,248
5	Director Expenses	282,944
6	Education and information	19,663
7	Rating Agency Fees	73,119
8	Aircraft operation and fees	73,199
9	Misc Vendors >5k	314,799
10	Misc Vendors <5k	416,356
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25	**Total**	1,674,151

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	03/31/2017	End of 2016/Q4

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				227
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	824,853			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	21,348,622			
10	General plant	792,557			
11	Common plant-gas	5,486,054			5,728
12	TOTAL	28,452,086			5,955

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	03/31/2017	End of 2016/Q4

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	362,505		362,732	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			824,853	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			21,348,622	Distribution plant
10	110,171		902,728	General plant
11	5,969,207		11,460,989	Common plant-gas
12	6,441,883		34,899,924	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	03/31/2017	End of 2016/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)		
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11			
12			
13			
14			
15			

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	03/31/2017	End of 2016/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	Donations 426.10	2,837,164
2	Total 426.1	2,837,164
3	Life Insurance 426.2	
4	Officers Life	160,479
5	SERP	2,286,064
6	Items under $250,000	142,615
7	Total 426.2	2,589,158
8	Penalties 426.3	(64,095)
9	Total 426.3	(64,095)
10	Expenditures for Certain Civic, Political 426.4	1,788,417
11	Total 426.4	1,788,417
12	Other Deductions 426.5	
13	Executive Deferred Compensation	372,180
14	Pump Schedule Refund	285,000
15	Items under $250,000	1,258,058
16	Total 426.5	1,915,238
17	Interest on Debt to Assoc Companies 430	
18	Avista Capital II	634,432
19	Avista Capital Inc	131,957
20	Total 430	766,389
21	Other Interest Expense 431	
22	Interest on electric deferrals	625,432
23	Interest on natural gas deferrrals	879,016
24	Interest on committed line of credit	2,588,401
25	Other	293,181
26	Total 431	4,386,030
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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	03/31/2017	End of 2016/Q4

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	2,246,103	(106,164)	2,139,939	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	1,032,055	1,236,417	2,268,472	
8					
9	Includes annual fee and various other natural gas dockets	304,371	334,817	639,188	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	471,762	340,209	811,971	
13					
14	Includes annual fee and various other natural gas dockets	116,264	98,220	214,484	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	562,683	448,061	1,010,744	
18					
19	Not directly assigned electric		948,166	948,166	
20	Not directly assigned natural gas		386,585	386,585	
21					
22					
23					
24					
25	**Total**	4,733,238	3,686,311	8,419,549	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/Q4

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	2,139,939				
5							
6							
7	Electric	928	2,268,472				
8							
9	Gas	928	639,188				
10							
11							
12	Electric	928	811,971				
13							
14	Gas	928	214,484				
15							
16							
17	Gas	928	1,010,744				
18							
19	Electric	928	948,166				
20	Gas	928	386,585				
21							
22							
23							
24							
25			8,419,549				

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	03/31/2017	End of 2016/Q4

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	
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	
4	Post- employment benefit plans	
5	Other (Specify)	
6	A& G Common Training	561,961
7	Benefits Admin	29,194
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	Total	**591,155**

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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	03/31/2017	End of 2016/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	11,358,057		11,930,143	23,288,200
4	Transmission	3,220,245			3,220,245
5	Distribution	8,375,670			8,375,670
6	Customer Accounts	7,757,556			7,757,556
7	Customer Service and Informational	630,144			630,144
8	Sales				
9	Administrative and General	19,342,684			19,342,684
10	TOTAL Operation (Total of lines 3 thru 9)	50,684,356		11,930,143	62,614,499
11	Maintenance				
12	Production	3,887,678			3,887,678
13	Transmission	1,311,928			1,311,928
14	Distribution	3,397,070			3,397,070
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)	8,596,676			8,596,676
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	15,245,735		11,930,143	27,175,878
19	Transmission (Total of lines 4 and 13)	4,532,173			4,532,173
20	Distribution (Total of lines 5 and 14)	11,772,740			11,772,740
21	Customer Accounts (line 6)	7,757,556			7,757,556
22	Customer Service and Informational (line 7)	630,144			630,144
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	19,342,684			19,342,684
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	59,281,032		11,930,143	71,211,175
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	898,675			898,675
31	Storage, LNG Terminaling and Processing	7,675			7,675
32	Transmission				
33	Distribution	5,389,950			5,389,950
34	Customer Accounts	8,470,701			8,470,701
35	Customer Service and Informational	387,720			387,720
36	Sales				
37	Administrative and General	24,859,969			24,859,969
38	TOTAL Operation (Total of lines 28 thru 37)	40,014,690			40,014,690
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	1,210,230			1,210,230
45	Distribution	3,426,536			3,426,536

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			8,894,311	8,894,311
47	TOTAL Maintenance (Total of lines 40 thru 46)	4,636,766		8,894,311	13,531,077
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)	898,675			898,675
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	7,675			7,675
54	Transmission (Total of lines 32 and 44)	1,210,230			1,210,230
55	Distribution (Total of lines 33 and 45)	8,816,486			8,816,486
56	Customer Accounts (Total of line 34)	8,470,701			8,470,701
57	Customer Service and Informational (Total of line 35)	387,720			387,720
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	24,859,969		8,894,311	33,754,280
60	Total Operation and Maintenance (Total of lines 50 thru 59)	44,651,456		8,894,311	53,545,767
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	103,932,488		20,824,454	124,756,942
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	38,997,474		11,373,996	50,371,470
67	Gas Plant	13,947,088		10,382,141	24,329,229
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	52,944,562		21,756,137	74,700,699
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,293,857		452,706	2,746,563
72	Gas Plant	250,212		49,380	299,592
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,544,069		502,086	3,046,155
75	Other Accounts	43,345,354		(38,595,743)	4,749,611
76	TOTAL Other Accounts	43,345,354		(38,595,743)	4,749,611
77	TOTAL SALARIES AND WAGES	202,766,473		4,486,934	207,253,407

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	03/31/2017	End of 2016/Q4

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	ABB Ent Software	286,207
2	Baker Construction	1,313,478
3	Black & Veatch	301,823
4	Cirrlus Design	342,316
5	Coeur D Alene Tribe	795,606
6	Common Wealth Associates	570,634
7	Connective DX	1,215,896
8	Evco sound & Electronics	456,604
9	garco construciton	438,551
10	General Electric	279,444
11	Green Mountain	285,800
12	H2E	300,803
13	Hanna and Associates	508,972
14	HRD Engineering	259,272
15	HRD	253,391
16	Historical research associates	349,977
17	Idaho Dept of Fish and Game	275,463
18	International Line Builders	303,582
19	Itron	524,585
20	Klundt Hosmer Design	291,388
21	Land Expressions	380,827
22	Landau Associates	429,504
23	Max J Kuney Co	948,375
24	McKinistry Essention LLC	1,296,756
25	McMillion	7,426,253
26	MWH Americas	285,210
27	Peak Reliabity	680,429
28	Power Plan	546,342
29	Russel Electrical	290,795
30	Sapere Consulting	1,218,032
31	strata	411,927
32	TD&H Engineerin	366,470
33	Telvent USA	426,512
34	Tilton Excavating	269,464
35	Triniti Consulting	4,380,776

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	03/31/2017	End of 2016/Q4

Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	URS Energy	2,461,744
2	US Forest Service	260,236
3	Western Electricity	455,395
4	Other	24,293,235
5	Total	56,182,074
6		
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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	03/31/2017	End of 2016/Q4

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	98,100
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Corporate Supprt	Salix	146000	759,855
22	Corporate Support	Avista Development	146000	346,058
23	Other	Courtyard Office Center	146000	56,627
24	Other	Steam Plant Square	146000	87,574
25	Other	Avista Capital	146000	59,632
26	Other	AELP	146000	34,015
27	Other	AJT	146000	13,070
28	Other	Steam Plant Brew Pub		123,754
29				
30				
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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	211,243		211,243
3	February	62,679		62,679
4	March	287,737		287,737
5	April	1,899,575		1,899,575
6	May	2,725,325		2,725,325
7	June	1,814,804		1,814,804
8	July	831,005		831,005
9	August	1,038,563		1,038,563
10	September	1,428,810		1,428,810
11	October	94,778		94,778
12	November	420,930		420,930
13	December	155,278		155,278
14	TOTAL (Total of lines 2 thru 13)	10,970,727		10,970,727
15	Gas Withdrawn from Storage			
16	January	1,473,440		1,473,440
17	February	3,537,202		3,537,202
18	March	500,805		500,805
19	April	403,198		403,198
20	May	267,406		267,406
21	June	410,156		410,156
22	July	623,405		623,405
23	August	50,330		50,330
24	September	3,457		3,457
25	October	338,137		338,137
26	November	470,258		470,258
27	December	3,720,538		3,720,538
28	TOTAL (Total of lines 16 thru 27)	11,798,332		11,798,332

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	03/31/2017	End of 2016/Q4

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	54
6	Number of Observation Wells	48
7	Maximum Days' Withdrawal from Storage	206,531
8	Date of Maximum Days' Withdrawal	12/08/2016
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	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Avista Corporation	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 03/31/2017	2016/Q4

FOOTNOTE DATA

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

Mcf converted to Dth using a factor of 1.04

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2017	Year/Period of Report End of 2016/Q4

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	38,486,577	
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	52,000	6,190,186	
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623	0	
11		Storage Field			
12		Oregon Supply			
13					
14	Rock Springs, Wyoming	Underground Natural Gas	186,125	0	
15		Storage Field			
16		Washington & Idaho Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	63,875	0	
19		Storage Field			
20		Oregon Supply			
21					
22					
23					
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Schedule Page: 519 Line No.: 10 Column: d

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: d

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: d

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	03/31/2017	End of 2016/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 (d)
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		101,013,255	26,060,155
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	17,837,701	4,871,645
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		
10	Gas Received as Imbalances (Account 806)	328	(64,831)	(55,666)
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		782,618	3,800,122
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)		119,568,743	34,676,256
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		100,429,536	29,258,222
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	17,837,701	4,871,645
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	1,301,506	546,389
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		119,568,743	34,676,256
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)		119,568,743	34,676,256

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UTILITIES COMMISSION

Avista Corp.

2016

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 3/31/2017	End of 2016 / 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 page

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	422,538,944	438,862,993
3	Operating Expenses			
4	Operation Expenses (401)	317-325	242,634,836	281,095,939
5	Maintenance Expenses (402)	317-325	21,529,102	19,716,011
6	Depreciation Expense (403)	336-338	41,899,969	39,168,371
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	-	-
8	Amortization & Depletion of Utility Plant (404-405)	336-338	6,813,051	5,806,994
9	Amortization of Utility Plant Acquisition Adjustment (406)	336-338	(130,829)	67,304
10	Amort. of Property Losses, Unrecov Plant and Regulatory Study Costs (407)		-	-
11	Amortization of Conversion Expenses (407)		-	-
12	Regulatory Debits (407.3)		201,332	(1,905,433)
13	(Less) Regulatory Credits (407.4)		(1,069,637)	(6,951,798)
14	Taxes Other Than Income Taxes (408.1)	262-263	17,246,129	17,489,467
15	Income Taxes - Federal (409.1)	262-263	(16,777,837)	2,975,069
16	- Other (409.1)	262-263	-	-
17	Provision for Deferred Income Taxes (410.1)	234-235	42,055,195	18,662,907
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234-235	-	-
19	Investment Tax Credit Adjustment - Net (411.4)		(177,062)	(77,379)
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)		354,224,249	376,047,452
26	Net Utility Operating Income (Total line 2 less 25)		68,314,695	62,815,541

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 3/31/2017	End of 2016 / Q4

STATEMENT OF UTILITY OPERATING INCOME - IDAHO

Instructions

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 (e)	Prior Year (f)	Current Year (g)	Prior Year (h)	Current Year (i)	Prior Year (j)	
						1
327,785,819	331,496,092	94,753,125	107,366,901			2
						3
175,575,735	195,429,218	67,059,101	85,666,721			4
17,939,683	16,712,494	3,589,419	3,003,517			5
35,446,852	33,285,897	6,453,117	5,882,474			6
-	-	-	-			7
5,493,620	4,756,344	1,319,431	1,050,650			8
67,304	67,304	(198,133)	-			9
-	-	-	-			10
-	-	-	-			11
33,196	(875,823)	168,136	(1,029,610)			12
(1,069,637)	(6,279,256)	-	(672,542)			13
14,563,595	14,785,601	2,682,534	2,703,866			14
(15,820,013)	3,447,734	(957,824)	(472,665)			15
-	-	-	-			16
37,444,693	15,094,760	4,610,502	3,568,147			17
-	-	-	-			18
(169,388)	(67,203)	(7,674)	(10,176)			19
-	-	-	-			20
-	-	-	-			21
-	-	-	-			22
-	-	-	-			23
-	-	-	-			24
269,505,640	276,357,070	84,718,609	99,690,382	-	-	25
58,280,179	55,139,022	10,034,516	7,676,519	-	-	26

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)	1,668,908,657	1,304,963,369
4	Property Under Capital Leases	166,781	91,823
5	Plant Purchased or Sold	-	-
6	Completed Construction not Classified	-	-
7	Experimental Plant Unclassified	-	-
8	Total (Total lines 3 through 7)	1,669,075,438	1,305,055,192
9	Leased to Others	-	-
10	Held for Future Use	352,937	162,352
11	Construction Work in Progress	27,500,416	26,776,014
12	Acquisition Adjustments	-	
13	Total Utility Plant (Total lines 8 through 12)	1,696,928,791	1,331,993,558
14	Accumulated Provision for Depreciation, Amortization, and Depletion	582,567,602	469,712,385
15	Net Utility Plant (Line 13 less line 14)	1,114,361,189	862,281,173
16	Detail of Accumulated Provision for Depreciation, Amortization, and Depletion		
17	In Service		
18	Depreciation	564,438,471	465,274,982
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	18,129,131	4,437,403
22	Total (Total lines 18 through 21)	582,567,602	469,712,385
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)	582,567,602	469,712,385

Name of Respondent **Avista Corporation**	This Report is: [X] An Original [ ] A Resubmission	Date of Report *mm/dd/yyyy* 3/31/2017	Year / Period of Report End of 2016 / 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
224,078,244	-	-	-	139,867,044	3
74,958	-	-	-	-	4
-	-	-	-	-	5
-	-	-	-	-	6
-	-	-	-	-	7
224,153,202	-	-	-	139,867,044	8
-	-	-	-	-	9
190,585	-	-	-	-	10
724,402	-	-	-	-	11
-	-	-	-	-	12
225,068,189	-	-	-	139,867,044	13
75,993,123	-	-	-	36,862,094	14
149,075,066	-	-	-	103,004,950	15
					16
					17
75,678,555	-	-	-	23,484,934	18
-	-	-	-	-	19
-	-	-	-	-	20
314,568	-	-	-	13,377,160	21
75,993,123	-	-	-	36,862,094	22
					23
-	-	-	-	-	24
-	-	-	-	-	25
-	-	-	-	-	26
					27
-	-	-	-	-	28
-	-	-	-	-	29
-	-	-	-	-	30
-	-	-	-	-	31
-	-	-	-	-	32
75,993,123	-	-	-	36,862,094	33

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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	1,098,537	(5,919)
5	TOTAL Intangible Plant (Total of lines 2, 3, and 4)	1,098,537	(5,919)
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 3/31/2017	End of 2016 / 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
123,383	67,670	-	1,036,905		4
123,383	67,670	-	1,036,905		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 3/31/2017	End of 2016 / 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	119,412	-
45	350.2 Rights-of-Way	17,549	-
46	351 Structures and Improvements	538,942	1,469
47	352 Wells	3,802,372	1,469
48	352.1 Storage Leaseholds and Rights	74,628	-
49	352.2 Reservoirs	59,657	-
50	352.3 Non-recoverable Natural Gas	1,572,533	-
51	353 Lines	306,450	-
52	354 Compressor Station Equipment	3,509,181	1,469
53	355 Other Equipment	185,181	1,469
54	356 Purification Equipment	118,449	-
55	357 Other Equipment	569,458	1,469
56	358 Asset Retirement Costs for Underground Storage Plant	-	-
57	TOTAL Underground Storage Plant	10,873,812	7,345
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 **Avista Corporation**	This Report is: [X] An Original [ ] A Resubmission	Date of Report *mm/dd/yyyy* 3/31/2017	Year / Period of Report End of 2016 / 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
-	217,077	-	336,489		44
-	78	-	17,627		45
-	52,811	-	593,222		46
-	17,365	-	3,821,206		47
-	330	-	74,958		48
-	264	-	59,921		49
-	6,968	-	1,579,501		50
-	1,357	-	307,807		51
-	65,971	-	3,576,621		52
-	51,243	-	237,893		53
-	525	-	118,974		54
-	48,621	-	619,548		55
-	-	-	-		56
-	462,610	-	11,343,767		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	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)	10,873,812	7,345
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	87,803	-
95	375 Structures and Improvements	364,212	527
96	376 Mains	98,707,859	6,817,640
97	377 Compressor Station Equipment	-	-
98	378 Measuring and Regulating Station Equipment-General	2,234,836	28,547
99	379 Measuring and Regulating Station Equipment-City Gate	4,351,667	125,009
100	380 Services	62,254,631	6,617,727
101	381 Meters	23,144,925	400,217
102	382 Meter Installations	-	-
103	383 House Regulators	-	-
104	384 House Regulator Installations	-	-
105	385 Industrial Measuring and Regulating Station Equipment	769,996	-
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)	191,915,929	13,989,667
110	GENERAL PLANT		
111	389 Land and Land Rights	-	-
112	390 Structures and Improvements	-	-
113	391 Office Furniture and Equipment	121,078	5,919
114	392 Transportation Equipment	2,792,577	365,507
115	393 Stores Equipment	-	-
116	394 Tools, Shop, and Garage Equipment	959,196	218,825
117	395 Laboratory Equipment	83,767	-
118	396 Power Operated Equipment	1,120,443	148,016
119	397 Communication Equipment	741,733	-
120	398 Miscellaneous Equipment	-	-
121	Subtotal (Total of Lines 111 through 120)	5,818,794	738,267
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)	5,818,794	738,267
125	TOTAL (Accounts 101 and 106)	209,707,072	14,729,360
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)	209,707,072	14,729,360

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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.
-	462,610	-	11,343,767		81
					82
-	-	-	-		83
-	-	-	-		84
-	-	-	-		85
-	-	-	-		86
-	-	-	-		87
-	-	-	-		88
-	-	-	-		89
-	-	-	-		90
-	-	-	-		91
-	-	-	-		92
					93
-	2	-	87,805		94
-	-	-	364,739		95
19,672	4,874	-	105,510,701		96
-	-	-	-		97
1,934	247	-	2,261,696		98
31,666	-	58,297	4,503,307		99
46,472	-	-	68,825,886		100
-	-	-	23,545,142		101
-	-	-	-		102
-	-	-	-		103
-	-	-	-		104
-	(1)	-	769,995		105
-	-	-	-		106
-	-	-	-		107
-	-	-	-		108
99,744	5,122	58,297	205,869,271		109
					110
-	-	-	-		111
-	-	-	-		112
9,708	11,920	-	129,209		113
175,980	30,560	(144,170)	2,868,494		114
-	-	-	-		115
30,978	(10,220)	-	1,136,823		116
23,677	13,923	-	74,013		117
178,643	18,110	(113,443)	994,483		118
-	17,061	(58,557)	700,237		119
-	-	-	-		120
418,986	81,354	(316,170)	5,903,259		121
-	-	-	-		122
-	-	-	-		123
418,986	81,354	(316,170)	5,903,259		124
642,113	616,756	(257,873)	224,153,202		125
-	-	-	-		126
-	-	-	-		127
-	-	-	-		128
642,113	616,756	(257,873)	224,153,202		129

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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* 3/31/2017	End of 2016 / Q4

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				7,550,646			9,323,124
2	Gas delivered to storage	-				5,434,910			5,434,910
3	Gas withdrawn from storage	-				6,479,654			6,479,654
4	Other debits and credits	-				-			-
5	Balance at end of year	1,772,478	-	-	-	6,505,902	-	-	8,278,380
6	Dth	317,648				3,760,637			4,078,285
7	Amount per Dth	5.58				1.73			2.03

(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.

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 3/31/2017	End of 2016 / Q4

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	-	-	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End o 2016 / Q4

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)	
41,491,093	40,281,230	41,491,093	40,281,230	4,543,723	4,200,673	1
19,653,995	21,156,972	19,653,995	21,156,972	2,824,894	2,740,469	2
-	-	-	-	-	-	3
29,343,836	43,924,530	29,343,836	43,924,530	13,454,785	17,692,494	4
29,913	35,335	29,913	35,335	4,141	4,410	5
-	-	-	-			6
-	-	-	-			7
10,056	5,892	10,056	5,892			8
-	-	-	-	-	-	9
-	-	-	-	-	-	10
494,874	435,048	494,874	435,048	5,584,501	4,450,678	11
-	-	-	-	-	-	12
-	-	-	-			13
-	-	-	-			14
-	-	-	-			15
-	-	-	-			16
-	-	-	-			17
3,729,358	1,527,894	3,729,358	1,527,894			18
94,753,125	107,366,901	94,753,125	107,366,901			19
-	-	-	-			20
94,753,125	107,366,901	94,753,125	107,366,901			21

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

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 3/31/2017	End of 2016 / 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)
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)	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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)	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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	52,495,820	70,619,764
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)	52,495,820	70,619,764
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	1,044,744	3,861,400
85	TOTAL Purchased Gas Expenses (Total of lines 80 through 84)	1,044,744	3,861,400

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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	(131,255)	(100,430)
93	812 Gas Used for Other Utility Operations-Credit	-	-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 through 93)	(131,255)	(100,430)
95	813 Other Gas Supply Expenses	455,427	379,006
96	TOTAL Other Gas Supply Expenses (Total of lines 77, 78, 85, 86 through 89, 94, 95)	53,864,736	74,759,740
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	53,864,736	74,759,740
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	4,753	3,987
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	187,952	179,655
112	825 Storage Well Royalties	-	-
113	826 Rents	-	-
114	TOTAL Operation (Total of lines 101 through 113)	192,705	183,642

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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	214,273	172,014
124	TOTAL Maintenance (Total of lines 116 through 123)	214,273	172,014
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	406,978	355,656
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)	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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)	406,978	355,656

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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)
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	472,647	407,611
205	871 Distribution Load Dispatching	-	-
206	872 Compressor Station Labor and Expenses	-	-
207	873 Compressor Station Fuel and Power	-	-

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	*mm/dd/yyyy* 3/31/2017	End of 2016 / 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)
208	874 Mains and Services Expenses	1,298,273	929,926
209	875 Measuring and Regulating Station Expenses-General	32,387	39,681
210	876 Measuring and Regulating Station Expenses-Industrial	2,088	1,205
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	58,353	72,254
212	878 Meter and House Regulator Expenses	224,092	167,592
213	879 Customer Installations Expenses	823,546	845,023
214	880 Other Expenses	683,725	555,450
215	881 Rents	14,331	10,516
216	TOTAL Operation (Total of lines 204 through 215)	3,609,442	3,029,258
217	Maintenance		
218	885 Maintenance Supervision and Engineering	89,956	55,617
219	886 Maintenance of Structures and Improvements	-	-
220	887 Maintenance of Mains	405,932	365,872
221	888 Maintenance of Compressor Station Equipment	-	-
222	889 Maintenance of Measuring and Regulating Station Equipment-General	78,169	62,927
223	890 Maintenance of Measuring and Regulating Station Equipment-Industrial	65,092	93,850
224	891 Maintenance of Meas. and Reg. Station Equipment-City Gate Check Station	48,979	63,901
225	892 Maintenance of Services	1,075,201	668,326
226	893 Maintenance of Meters and House Regulators	685,032	721,823
227	894 Maintenance of Other Equipment	70,986	54,610
228	TOTAL Maintenance (Total of lines 218 through 227)	2,519,347	2,086,926
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	6,128,789	5,116,184
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	71,954	75,163
233	902 Meter Reading Expenses	230,955	226,450
234	903 Customer Records and Collection Expenses	1,984,758	1,822,871

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / 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	673,323	641,673
236	905 Miscellaneous Customer Accounts Expenses	52,058	55,626
237	TOTAL Customer Accounts Expenses (Total of lines 232 through 236)	3,013,048	2,821,783
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	-	-
241	908 Customer Assistance Expenses	1,254,619	137,617
242	909 Informational and Instructional Expenses	234,435	182,155
243	910 Miscellaneous Customer Service and Informational Expenses	50,191	22,600
244	TOTAL Customer Service and Informational Expenses (Total of lines 240 through 243)	1,539,245	342,372
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	2,707,331	2,344,626
255	921 Office Supplies and Expenses	348,142	306,482
256	922 (Less) Administrative Expenses Transferred-Credit	(5,869)	(5,054)
257	923 Outside Services Employed	586,793	691,808
258	924 Property Insurance	94,334	89,331
259	925 Injuries and Damages	265,499	258,446
260	926 Employee Pensions and Benefits	115,920	128,010
261	927 Franchise Requirements	-	-
262	928 Regulatory Commission Expenses	294,735	323,403
263	929 (Less) Duplicate Charges-Credit	-	-
264	930.1 General Advertising Expenses	347,704	322,322
265	930.2 Miscellaneous General Expenses	-	-
266	931 Rents	85,336	70,552
267	TOTAL Operation (Total of lines 254 through 266)	4,839,925	4,529,926
268	Maintenance		
269	932 Maintenance of General Plant	855,799	744,577
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	5,695,724	5,274,503
271	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, 270)	70,648,520	88,670,238

Name of Respondent	This Report is:	Date of Report	Year / Period of Report
Avista Corporation	[X] An Original [ ] A Resubmission	mm/dd/yyyy 3/31/2017	End of 2016 / Q4

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* 3/31/2017	End of 2016 / 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"	1,759,613	-	1,584	1,758,029
2	Steel Wrapped	2" to 4"	621,403	-	2,217	619,186
3	Steel Wrapped	4" to 8"	411,629	-	-	411,629
4	Steel Wrapped	8" to 12"	12,197	-	-	12,197
5	Steel Wrapped	Over 12"	-	-	-	-
6						-
7						-
8	Plastic	Less than 2"	5,582,966	87,543	-	5,670,509
9	Plastic	2" to 4"	1,495,138	12,408	-	1,507,546
10	Plastic	4" to 8"	623,198	8,554	-	631,752
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 **Avista Corporation**	This Report is: [X] An Original [ ] A Resubmission	Date of Report *mm/dd/yyyy* 3/31/2017	Year / Period of Report End of 2016 / 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	11,433	11	-	11,444	(1)
2	Steel Wrapped	1" to 2"	191	-	1	190	(1)
3	Steel Wrapped	2" to 4"	6	-	-	6	(1)
4	Steel Wrapped	4" to 8"	1	-	-	1	(1)
5	Steel Wrapped	Over 8"	-	-	-	-	(1)
6	Steel Wrapped	Unknown	379	-	44	335	(1)
7							
8	Plastic	1" or Less	60,308	2,302	-	62,610	(1)
9	Plastic	1" to 2"	267	4	-	271	(1)
10	Plastic	2" to 4"	11	-	1	10	(1)
11	Plastic	4" to 8"	3	1	-	4	(1)
12	Plastic	Over 8"	-	-	-	-	(1)
13	Plastic	Unknown	2,130	-	71	2,059	(1)
14							
15	Other	Unknown	22	-	11	11	(1)
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
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32							
33							
34							
35							
36							
37							
38							
39							
40							

(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* 3/31/2017	End of 2016 / 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 3/31/2017	End of 2016 / 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	79,407	3,676	2,624	80,459
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 3/31/2017	End of 2016 / 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)		21,098,503	
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	5,584,501	
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	17,846	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	-	
11	Other Gas Withdrawn from Storage (Explain)		229,450	
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)		26,930,300	
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		20,846,758	
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	5,584,501	
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	499,041	
27	Other Deliveries (Specify) (footnote details)		-	
28	Total Deliveries (Total of lines 17 through 27)		26,930,300	
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)		26,930,300	

(1) Represents net gas withdrawals and injections.