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

AVU-G

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

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

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UTILITIES COMMISSION

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 2019/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation	Year/Period of Report End of 2019/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 509-495-2273	This Report Is: (1) [X] An Original (2) [ ] A Resubmission 10 Date of Report *(Mo, Da, Yr)* 04/15/2020

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 04/15/2020

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

List of Schedules (Natural Gas Company)

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

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

List of Schedules (Natural Gas Company) (continued)

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

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

General Information

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

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

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

State of Washington, Incorporated March 15,1889

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

Not Applicable

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

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

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

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Corporations Controlled by Respondent

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

DEFINITIONS

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

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Avista Capital	D	Parent to the Company's subsidiaries	100	Not used
2	Avista Development	I	Investment in Real Estate	100	Not used
3	Pentzer Corporation	I	Parent of Bay Area Mfg and Penture Venture Holdngs	100	Not used
4	Pentzer Venture Holdings II	I	Holding Company-Inactive	100	Not used
5	Bay Area Manufacturing	I	Holding Company	100	Not used
6	Avista Capital II	D	Affiliated business trust issued pref trust Securi	100	Not used
7	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	Not used
8	Steam Plant Square, LLC	I	Commerical office and Retail leasing	100	Not used
9	Courtyard Office Center, LLC	I	Commerical office and Retail leasing	100	Not used
10	Steam Plant Brew Pub, LLC	I	Restaurant Operations	100	Not used
11	Salix, Inc.	I	Liquified Natural Gas Operations	100	Not used
12	Alaska Energy and Resources Company	D	Parent company of Alaska operations	100	Not used
13	Alaska Electric Light and Power Company	I	Utility operations in Juneau	100	Not used
14	AJT Mining Properties, Inc	I	Inactive mining Company holding Certain Properties	100	Not used
15	Snettisham Electric Company	I	Right to Purchase Snetti	100	Not used
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FOOTNOTE DATA

Schedule Page: 103 Line No.: 1 Column: d

Parent company

Schedule Page: 103 Line No.: 2 Column: d

Maintains investment portfolio including real estate.

Schedule Page: 103 Line No.: 3 Column: d

Subsidiary of Avista Capital

Schedule Page: 103 Line No.: 4 Column: d

Subsidiary of Pentzer Corporation

Schedule Page: 103 Line No.: 5 Column: d

Subsidiary of Pentzer Corporation

Schedule Page: 103 Line No.: 6 Column: d

Affiliate of Avista Corporation

Schedule Page: 103 Line No.: 7 Column: d

Subsidiary of Avista Capital

Schedule Page: 103 Line No.: 8 Column: d

Subsidiary of Avista Development

Schedule Page: 103 Line No.: 9 Column: d

Subsidiary of Avista Development

Schedule Page: 103 Line No.: 10 Column: d

Subsidiary of Steam Plant Square, LLC

Schedule Page: 103 Line No.: 11 Column: d

Subsidiary of Avista Capital

Schedule Page: 103 Line No.: 12 Column: d

Subsidiary of Avista Corporation

Schedule Page: 103 Line No.: 13 Column: d

Subsidiary of AERC

Schedule Page: 103 Line No.: 14 Column: d

Subsidiary of AERC

Schedule Page: 103 Line No.: 15 Column: d

Subsidiary of AERC

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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:
11/27/2019	Total: 54964821 By Proxy: 54964821	5/9/2019

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2019 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	67,176,996	67,176,996		
6	TOTAL number of security holders	7,076	7,076		
7	TOTAL votes of security holders listed below	33,210,465	33,210,465		
8					
9	BlackRock; 40 E 52nd Street New York, NY	12,512,357	12,512,357		
10	The Vanguard Group; 100 Vanguard Blvd Malvern PA	7,734,202	7,734,202		
11	Renaissance Technologies LLC; New York, NY	2,382,518	2,382,518		
12	SSGA Funds Management, Inc.; Boston MA	2,306,793	2,306,793		
13	BNY Mellon; Boston, MA	1,867,223	1,867,223		
14	First Sentier Investors IM Ltd.; Barangaroo, AUS	1,449,879	1,449,879		
15	Dimensional Fund Advisors LP; Austin TX	1,343,463	1,343,463		
16	Inesco US; Downers Grove, IL	1,273,032	1,273,032		
17	Acadian Asset Management LLC; Boston, MA	1,190,749	1,190,749		
18	Hotchkis & Wiley Capital Management LLC; Los Angeles, CA	1,150,249	1,150,249		
19					
20					

FOOTNOTE DATA

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

Record Date for dividend payable 12/13/19

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

The holdings are pursuant to Avista's Institutional Investor Contact list provided by Proxy Solicitor DF King & Co., as of December 31, 2019. These investors hold their shares through Cede & Company and are beneficial owners.

Important Changes During the Quarter/Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.
1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. On July 19, 2017, Avista Corp. entered into a definitive merger agreement to become an indirect, wholly-owned subsidiary of Hydro One Limited (Hydro One) in Ontario. On January 23, 2019, this transaction was terminated by mutual agreement between Avista Corp. and Hydro One and certain subsidiaries thereof. As a result, Hydro One paid Avista Corp. a $103 million termination fee. Reference is made to Note 18 of the Notes to Financial Statements for further information.
4. None
5. None
6. Reference is made to Notes 11 and 12 of the Notes to Financial Statements.
7. None
8. Average annual wage increases were 2.9% for non-exempt employees effective March 4, 2019. Average annual wage increases were 3.1% for exempt employees effective March 4, 2019. Officers received average increases of 4.1% effective February 18, 2019. Certain bargaining unit employees received increases of 3.0% effective March 26, 2019.
9. Reference is made to Note 16 of the Notes to Financial Statements.
10. None
11.

2015 Washington General Rate Cases

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

PC Petition for Judicial Review

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

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

On March 6, 2020, the Company received an order from the WUTC that will require it to refund $8.5 million to electric and natural gas customers. The Company will refund $4.9 million to electric customers and $3.6 million to natural gas customers. The Company recorded a customer refund liability of $8.5 million in 2019.

2017 General Rate Cases

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

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

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

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

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

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

TCJA Proceedings

In February 2019, we filed an all-party settlement agreement with the WUTC related to the electric tax benefits associated with the TCJA that were set aside for Colstrip in the 2017 general rate case order (effective May 1, 2018). In the settlement agreement, the parties agreed to utilize $10.9 million of the electric tax benefits to offset costs associated with accelerating the depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life of those units through December 31, 2027. That portion of the settlement agreement was denied. The WUTC has indicated that it will review the TCJA and Colstrip in our 2019 general rate case (discussed below).

2019 General Rate Cases

On March 25, 2020, the Company received an order from the WUTC that approved the partial multi-party settlement agreement that was filed on November 21, 2019.
The approved rates are designed to increase annual base electric revenues by $28.5 million, or 5.7 percent, and annual natural gas base revenues by $8.0 million, or 8.5 percent, effective April 1, 2020. The revenue increases are based on a 9.4 percent return on equity with a common equity ratio of 48.5 percent and a rate of return on rate base of 7.21 percent.

As part of the WUTC order, the Company will return approximately $40 million from the Energy Recovery Mechanism (ERM) rebate to customers over a two-year period. The ERM rebate includes approximately $3 million that was recently disallowed by the Commission for the cost of replacement power during an unplanned outage at the Colstrip generating facility (Colstrip) in 2018. The Commission directed the Company to return a larger portion of the ERM money during the first year to achieve a net-zero billed impact to electric customers.

Included in the WUTC order is the acceleration of depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life through December 31, 2025. The order utilizes certain electric tax benefits associated with the 2018 tax reform to partially offset these increased costs. The order also sets aside $3 million for community transition efforts to mitigate the impacts of the eventual closure of Colstrip, half funded by customers and half funded by Company shareholders.

In addition, a recent order received from the WUTC on the 2015 remand cases requires the Company to refund $8.5 million to electric and natural gas customers. The Company will refund $4.9 million to electric customers and $3.6 million to natural gas customers over a one year period, which will partially offset the increase in base rates.

Lastly, the order includes the extension of electric and natural gas decoupling mechanisms through March 31, 2025.

Idaho General Rate Cases and Other Proceedings

2017 General Rate Cases

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

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

	Electric		Natural Gas	
Effective Date	Revenue	Base	Revenue	Base

		Increase	Rate Increase		Increase	Rate Increase
January 1, 2018	$	12.9	5.2%	$	1.2	2.9%
January 1, 2019	$	4.5	1.8%	$	1.1	2.7%

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

TCJA Proceedings

On May 31, 2018, the IPUC approved an all-party settlement agreement related to the income tax benefits associated with the TCJA. Effective June 1, 2018, current customer rates were reduced to reflect the reduction of the federal income tax rate to 21 percent, and the amortization of the regulatory liability for plant-related excess deferred income taxes. This reduction reduces annual electric rates by $13.7 million (or 5.3 percent reduction to base rates) and natural gas rates by $2.6 million (or 6.1 percent reduction to base rates).

In March 2019, the IPUC approved an all-party settlement agreement related to the electric tax benefits that were set aside for Colstrip in the 2017 general rate case order. In the approved settlement agreement, the parties agreed to utilize approximately $6.4 million ($5.1 million when tax-effected) of the electric tax benefits to offset costs associated with accelerating the depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life of those units through December 31, 2027. The remaining tax benefits of approximately $5.8 million will be returned to customers through a temporary rate reduction over a period of one year beginning on April 1, 2019. The tax benefits being utilized are related to non-plant excess deferred income taxes, and the customer refund liability that was established in 2018 related to the change in federal income tax expense for the period January 1, 2018 to May 31, 2018.

2019 General Rate Case

On October 11, 2019, Avista Corp. and all parties to our electric general rate case reached a settlement agreement that was approved by the IPUC. New rates went into effect on December 1, 2019.

The rates that went into effect are designed to decrease annual base electric revenues by $7.2 million (or 2.8 percent), effective December 1, 2019. The settlement revenue decreases are based on a 9.5 percent ROE with a common equity ratio of 50 percent and a rate of return ROR on rate base of 7.35 percent, which is a continuation of current levels. This outcome is in line with our expectations.

The primary element of the difference in the agreed upon base revenues in the settlement agreement from our original request is that the settlement includes the continued recovery of costs for our wind generation power purchase agreements, which will include Palouse Wind and Rattlesnake Flat, through the PCA mechanism rather than through base rates.

Our original request included an increase of annual electric base revenues of $5.3 million or 2.1 percent, effective January 1, 2020.

The electric request was based on a proposed ROR on rate base of 7.55 percent with a common equity ratio of 50 percent and a 9.9 percent ROE, as well as the inclusion of wind power purchase costs in base rates rather than receiving recovery through the PCA.

Oregon General Rate Cases and Other Proceedings

2019 General Rate Case

On October 9, 2019, the OPUC approved the all-party settlement agreements filed in the third quarter of 2019. New rates went into effect on January 15, 2020.

OPUC approved rates that are designed to increase annual natural gas billed revenues by $3.6 million, or 4.2 percent.

The OPUC's decision reflects a ROR on rate base of 7.24 percent, with a common equity ratio of 50 percent and a 9.4 percent ROE, both of which represent a continuation of existing authorized levels.

In addition, the approved settlement agreements included agreement among the parties to a future independent review of our interest rate hedging practices, with any recommendations based on the results and findings in the final report to be applicable only on a prospective basis and do not apply to any prior interest rate hedging activity.

TCJA Proceedings

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

12. On March 22, 2019, Erik J. Anderson, member of the Board of Directors of Avista Corp., informed the Company that he would not stand for reelection to the Board of Directors for 2019. Mr. Anderson remained with the Board of Directors through the Annual Meeting of Shareholders held on May 9, 2019.

Mr. Anderson chose not to stand for reelection due to other professional commitments. There were no disagreements with the Company that contributed to Mr. Anderson's decision.

On May 10, 2019, Scott L. Morris, Chairman of the Board and Chief Executive Officer of Avista Corp., announced to the Company's board of directors, that he will retire from the Company effective March 1, 2020. Following Mr. Morris' announcement, the Company's board of directors appointed Dennis P. Vermillion Chief Executive Officer effective October 1, 2019. Mr. Morris continued to serve as the Executive Chairman of the board of directors of the Company and then as the non-executive Chairman of the board of directors following his retirement. Mr. Vermillion will continue to serve on the Company's board of directors.

On June 14, 2019, the Board of Directors of Avista Corp. increased the number of board members from 10 to 11, effective November 1, 2019, and elected Jeff L. Philipps to fill the vacancy and serve as a director on the board effective on that date. Mr. Philipps will stand for election to the Board at the next annual meeting of shareholders on May 11, 2020. Mr. Philipps will serve on the Finance Committee and the Environmental, Technology and Operations Committee of the Board.

On August 8, 2019, the Board of Directors named Mark T. Thies, Executive Vice President Chief Financial Officer and

Treasurer of Avista Corp. effective October 1, 2019. Mr. Thies has served as the Company's Senior Vice President CFO and Treasurer since January 1, 2013 and previously served as the Company's Senior Vice President CFO since September 29, 2008.

In August 2019, Karen S. Feltes, Senior Vice President and Chief Human Resources Officer, informed the Board of Directors that she plans to retire effective March 1, 2020.

Effective October 1, 2019, Heather L. Rosentrater has been promoted from Vice President, Energy Delivery to Senior Vice President, Energy Delivery.

Effective October 1, 2019, Kevin J. Christie has been promoted from Vice President, External Affairs and Chief Customer Officer to Senior Vice President, External Affairs and Chief Customer Officer.

Effective January 1, 2020, Marian Durkin moved from Chief Compliance Officer to Chief Legal Officer. She retained her role as the Corporate Secretary. In addition, she informed the Board of Directors that she plans to retire effective August 1, 2020.

Effective January 1, 2020, Greg Hesler has been promoted from Senior Counsel II to Vice President, General Counsel Chief Compliance Officer.

Effective January 1, 2020, Latisha Hill has been promoted from Director of Business and Community Development to Vice President of Community and Economic Vitality.

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	04/15/2020	End of 2019/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	6,385,433,383	6,004,750,680
3	Construction Work in Progress (107)	200-201	157,909,990	156,563,570
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	6,543,343,373	6,161,314,250
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		2,121,893,905	1,991,240,383
6	Net Utility Plant (Total of line 4 less 5)		4,421,449,468	4,170,073,867
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		4,421,449,468	4,170,073,867
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	6,992,076	6,992,076
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		4,340,611	4,474,923
18	(Less) Accum. Provision for Depreciation and Amortization (122)		176,234	140,360
19	Investments in Associated Companies (123)	222-223	11,547,000	11,547,000
20	Investments in Subsidiary Companies (123.1)	224-225	207,105,954	153,523,686
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	77,972	1,711,072
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		22,034,002	18,794,801
28	Long-Term Portion of Derivative Assets (175)		922,948	4,842,426
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		245,852,253	194,753,548
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		3,067,240	4,737,049
33	Special Deposits (132-134)		4,434,090	26,809,063
34	Working Funds (135)		730,965	709,204
35	Temporary Cash Investments (136)	222-223	155,890	136,712
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		153,814,551	157,729,381
38	Other Accounts Receivable (143)		15,726,829	4,618,679
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		2,373,469	5,188,090
40	Notes Receivable from Associated Companies (145)		0	31,659,207
41	Accounts Receivable from Associated Companies (146)		222,671	154,548
42	Fuel Stock (151)		4,148,891	3,982,104
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)		46,558,819	43,166,166
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	14,305,397	11,609,184
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	24,682,259	20,211,526
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		129,823	166,418
57	Rents Receivable (172)		3,609,148	2,516,807
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		193,803	398,132
60	Derivative Instrument Assets (175)		1,780,327	10,394,941
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		922,948	4,842,426
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)		270,264,286	308,968,605
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		13,795,818	13,923,600
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	643,207,368	598,724,109
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	2,313
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		131,978	28,530
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	18,484,386	30,900,539
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)		8,883,822	10,255,271
78	Accumulated Deferred Income Taxes (190)	234-235	177,056,526	187,450,520
79	Unrecovered Purchased Gas Costs (191)		(3,189,401)	(40,713,156)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		858,370,497	800,571,726
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		5,802,928,580	5,481,359,822

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	1,176,498,977	1,110,871,767
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	(10,696,711)	(10,696,711)
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	(44,938,398)	(36,316,031)
11	Retained Earnings (215, 215.1, 216)	118-119	747,158,701	660,984,141
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(13,386,701)	(16,389,107)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(10,258,024)	(7,866,070)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,934,254,640	1,773,220,051
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,904,200,000	1,814,200,000
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	142,133	151,017
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	930,270	1,032,761
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,871,258,863	1,781,165,256
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		65,565,105	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		245,000	245,000
29	Accumulated Provision for Pensions and Benefits (228.3)		212,005,607	222,536,776
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		11,767,158	10,178,645

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		19,684,476	10,300,047
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		20,338,053	18,265,985
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		329,605,399	261,526,453
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		182,300,000	190,000,000
39	Accounts Payable (232)		107,406,813	103,484,597
40	Notes Payable to Associated Companies (233)		14,722,348	0
41	Accounts Payable to Associated Companies (234)		0	7,329
42	Customer Deposits (235)		4,745,573	4,783,254
43	Taxes Accrued (236)	262-263	38,022,918	39,835,469
44	Interest Accrued (237)		15,282,041	15,509,062
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)		168,034	79,542
49	Miscellaneous Current and Accrued Liabilities (242)	268	50,808,479	56,358,807
50	Obligations Under Capital Leases-Current (243)		4,127,561	0
51	Derivative Instrument Liabilities (244)		30,612,670	14,252,910
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		19,684,476	10,300,047
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)		428,511,961	414,010,923
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		2,083,490	2,142,205
58	Accumulated Deferred Investment Tax Credits (255)		30,443,961	29,725,443
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	29,659,558	22,466,066
61	Other Regulatory Liabilities (254)	278	481,207,133	527,440,814
62	Unamortized Gain on Reacquired Debt (257)	260	1,448,359	1,577,896
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		514,870,007	497,875,564
65	Accumulated Deferred Income Taxes - Other (283)		179,585,209	170,209,151
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,239,297,717	1,251,437,139
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		5,802,928,580	5,481,359,822

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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	1,428,099,066	1,416,798,041	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	818,533,678	804,773,049	0	0
5	Maintenance Expenses (402)	317-325	70,160,821	63,628,892	0	0
6	Depreciation Expense (403)	336-338	163,503,287	146,501,216	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	268,929	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	40,625,925	34,897,443	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)		7,343,187	6,384,995	0	0
13	(Less) Regulatory Credits (407.4)		24,373,462	11,255,061	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	104,229,614	105,935,344	0	0
15	Income Taxes-Federal (409.1)	262-263	1,016,853	21,463,627	0	0
16	Income Taxes-Other (409.1)	262-263	(512,990)	536,050	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	16,095,155	9,917,224	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	3,735,815	836,768	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		718,518	(540,168)	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	850,233	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,193,703,818	1,182,624,052	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		234,395,248	234,173,989	0	0

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	983,483,744	986,405,322	444,615,322	430,392,719	0	0
3						
4	515,395,521	516,698,898	303,138,157	288,074,151	0	0
5	54,542,409	49,735,303	15,618,412	13,893,589	0	0
6	126,679,057	112,612,198	36,824,230	33,889,018	0	0
7	0	268,929	0	0	0	0
8	30,546,857	26,315,338	10,079,068	8,582,105	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	5,890,126	5,030,260	1,453,061	1,354,735	0	0
13	20,930,818	9,688,900	3,442,644	1,566,161	0	0
14	79,246,048	80,790,063	24,983,566	25,145,281	0	0
15	7,445,054	18,711,316	(6,428,201)	2,752,311	0	0
16	(504,880)	433,688	(8,110)	102,362	0	0
17	5,035,837	5,726,144	11,059,318	4,191,080	0	0
18	2,388,896	953,010	1,346,919	(116,242)	0	0
19	546,262	(520,104)	172,256	(20,064)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	850,233	0	0	0	0
25	801,601,624	806,109,403	392,102,194	376,514,649	0	0
26	181,882,120	180,295,919	52,513,128	53,878,070	0	0

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		234,395,248	234,173,989	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)		14,612,589	6,931,684	0	0
35	Nonoperating Rental Income (418)		(31,291)	(31,262)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	13,582,269	2,392,004	0	0
37	Interest and Dividend Income (419)		4,401,266	3,808,319	0	0
38	Allowance for Other Funds Used During Construction (419.1)		(104,311)	4,281,829	0	0
39	Miscellaneous Nonoperating Income (421)		0	0	0	0
40	Gain on Disposition of Property (421.1)		109,159	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		3,344,503	3,519,206	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	13,251	0	0
44	Miscellaneous Amortization (425)		(33,721)	0	0	0
45	Donations (426.1)	340	11,332,979	3,563,420	0	0
46	Life Insurance (426.2)		2,640,044	2,793,863	0	0
47	Penalties (426.3)		21,180	2,053	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,718,553	2,073,702	0	0
49	Other Deductions (426.5)		27,317,212	5,342,674	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	42,996,247	13,788,963	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	311,708	293,278	0	0
53	Income Taxes-Federal (409.2)	262-263	(12,211,539)	(5,085,932)	0	0
54	Income Taxes-Other (409.2)	262-263	(549,429)	(220,461)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(1,887,439)	34,584	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	196,940	231,946	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)		(14,533,639)	(5,210,477)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(25,118,105)	(5,059,280)	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		86,591,406	87,093,842	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	321,206	321,207	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		2,266,507	2,582,801	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	489,554	0	0	0
68	Other Interest Expense (431)	340	8,205,984	6,749,117	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		4,169,531	4,052,495	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		93,696,243	92,685,589	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		115,580,900	136,429,120	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		102,999,990	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		102,999,990	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	26,631,283	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		76,368,707	0	0	0
78	Net Income (Total of lines 71 and 77)		191,949,607	136,429,120	0	0

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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		(8,089,542)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income		(1,742,363)		
3	Preceding Quarter/Year to Date Changes in Fair Value		1,965,835		
4	Total (lines 2 and 3)		223,472		
5	Balance of Account 219 at End of Preceding Quarter/Year		(7,866,070)		
6	Balance of Account 219 at Beginning of Current Year		(7,866,070)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(2,391,954)		
9	Total (lines 7 and 8)		(2,391,954)		
10	Balance of Account 219 at End of Current Quarter/Year		(10,258,024)		

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			(8,089,542)	[redacted]	[redacted]
2			(1,742,363)	[redacted]	[redacted]
3			1,965,835	[redacted]	[redacted]
4			223,472	136,429,120	136,652,592
5			(7,866,070)	[redacted]	[redacted]
6			(7,866,070)	[redacted]	[redacted]
7				[redacted]	[redacted]
8			(2,391,954)	[redacted]	[redacted]
9			(2,391,954)	196,979,195	194,587,241
10			(10,258,024)	[redacted]	[redacted]

Schedule Page: 117 Line No.: 2 Column: c

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

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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		623,531,170	572,281,364
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			1,742,363
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		178,367,338	134,037,116
7	Appropriations of Retained Earnings (Account 436)		(3,725,552)	(5,320,848)
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)		102,772,642	98,046,075
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		10,579,862	18,837,250
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		709,705,728	628,852,018
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		41,178,525	37,452,971
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account		(3,725,552)	(5,320,848)
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		37,452,973	32,132,123
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		747,158,701	660,984,141
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(16,389,107)	56,139
23	Equity in Earnings for Year (Credit) (Account 418.1)		13,582,269	2,392,004
24	(Less) Dividends Received (Debit)		10,000,000	10,000,000
25	Other Changes (Explain)		(579,863)	(8,837,250)
26	Balance-End of Year		(13,386,701)	(16,389,107)

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)	191,949,607	136,429,120
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	202,496,251	179,217,557
5	Amortization of deferred power and gas costs, debt expense and exchange power	(41,704,853)	17,690,809
6	Deferred Income Taxes (Net)	10,274,962	8,882,835
7	Investment Tax Credit Adjustments (Net)	718,518	(540,168)
8	Net (Increase) Decrease in Receivables	(9,860,829)	17,548,393
9	Net (Increase) Decrease in Inventory	(6,255,653)	(4,880,128)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	1,823,471	1,753,920
12	Net (Increase) Decrease in Other Regulatory Assets	(6,065,721)	1,041,677
13	Net Increase (Decrease) in Other Regulatory Liabilities	(5,135,361)	28,600,265
14	(Less) Allowance for Other Funds Used During Construction	6,434,430	6,331,723
15	(Less) Undistributed Earnings from Subsidiary Companies	13,582,269	2,392,004
16	Other (footnote details):	71,865,969	(23,568,891)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	390,089,662	353,451,662
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(439,249,001)	(420,377,970)
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)	(439,249,001)	(420,377,970)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	882,641	559,980
32	Federal and state grant payments received		
33	Investments in and Advances to Assoc. and Subsidiary Companies	(3,693,898)	(19,855,879)
34	Contributions and Advances from Assoc. and Subsidiary Companies	10,000,000	10,000,000
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37	Cash paid for acquisition		
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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		
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	(1,750,738)	(2,002,301)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(433,810,996)	(431,676,170)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	180,000,000	374,621,250
54	Preferred Stock		
55	Common Stock	64,572,145	1,206,734
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		85,000,000
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	244,572,145	460,827,984
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(90,000,000)	(274,902,917)
63	Preferred Stock		
64	Common Stock		
65	Other	(2,007,040)	(8,184,023)
66	Net Decrease in Short-Term Debt (c)	(7,700,000)	
67	Premium paid to repurchase long-term debt		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(102,772,642)	(98,046,075)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	42,092,463	79,694,969
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(1,628,871)	1,470,461
75			
76	Cash and Cash Equivalents at Beginning of Period	5,586,966	4,112,505
77			
78	Cash and Cash Equivalents at End of Period	3,958,095	5,586,966

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

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

Power and natural gas deferrals	4,692,134
Change in special deposits	63,973,598
Change in other current assets	(5,417,123)
Non-cash stock compensation	11,352,863
Other non-current assets and liabilities	10,396,693
Allowance for doubtful accounts	400,000
Cash paid for settlement of interest rate swaps	(13,325,137)
Gain on sale of property and equipment	(109,159)
Other	(97,900)

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

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

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

Minimum tax withholdings for share based compensation	(891,513)
Long-term debt issuance costs	(1,115,527)

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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 the Company's Noxon Rapids generating facility.

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

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

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, (8) operating revenues and resource costs associated with settled energy contracts that are "booked out" (not physically delivered), (9) non-service portion of pension and other postretirement benefit costs and (10) leases.

Use of Estimates

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

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

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

System of Accounts

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

Regulation

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

Depreciation

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

	2019	2018
Avista Corp.		
Ratio of depreciation to average depreciable property	3.28%	3.17%

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

	Avista Corp.
Electric thermal/other production	35
Hydroelectric production	81
Electric transmission	50
Electric distribution	38
Natural gas distribution property	45

Allowance for Funds Used During Construction (AFUDC)

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

The WUTC and IPUC have authorized Avista Corp. to calculate AFUDC using its allowed rate of return. Beginning in 2018, to the extent amounts calculated using this rate exceed the AFUDC amounts calculated using the FERC formula, Avista Corp. capitalizes the excess as a regulatory asset. The regulatory asset associated with plant in service is amortized over the average useful life of Avista Corp.' utility plant which is approximately 30 years. The regulatory asset associated with construction work in progress is not amortized until the plant is placed in service. The OPUC does not allow the Company to capitalize AFUDC that exceeds the FERC calculated rate.

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

	2019	2018
Avista Corp.		
Effective state AFUDC rate	7.39%	7.43%

Reclassification of AFUDC to Comply with Required FERC Regulatory Reporting

During the third quarter of 2019, the FERC completed an audit of Avista Corp. that covered the period January 1, 2015 through December 31, 2018. The FERC indicated that Avista’s method of deferring taxes on AFUDC Equity should be changed from normalization to flow-through. Avista has historically normalized the AFUDC Equity book/tax timing difference by recognizing deferred tax expense with the result of spreading the benefit over the book life of the asset. Under the flow-through method, Avista will no longer recognize deferred tax expense on the AFUDC Equity timing difference and instead recognize a regulatory asset to be reversed over the book life of the asset. The flow-through method does not impact revenue requirement. A regulatory asset was recorded in 2018 for $1.7M to account for this change to the flow-through method on a prospective basis.

Additionally, Avista Corp.'s AFUDC rate, which is prescribed by state regulatory authorities, is different than the FERC approved method for calculating AFUDC. The FERC indicated that the difference in rates should be recorded as a regulatory asset rather than in utility plant. At the conclusion of the audit, the FERC required Avista Corp. to reclassify the excess AFUDC from Net utility plant to Non-current regulatory assets for the period January 1, 2010 (the effective date of the Company's current fixed transmission rates) to the present. As a result, Avista Corp. reclassified approximately $33 million (net of accumulated depreciation) from Net utility plant to Non-current regulatory assets as of December 31, 2019, which represents the cumulative adjustment for 2010 through 2017. The Company recorded the difference in AFUDC rates for 2018 and 2019 as a regulatory asset in the respective periods incurred. The Company did not adjust prior period Consolidated Balances Sheets since the FERC required the adjustment to be reflected on a cumulative basis at the end of the audit and required the AFUDC calculation to be modified on a prospective basis. The Company concluded that the differences were insignificant during each prior period and on a cumulative basis. The adjustment recorded during 2019 had no effect on net income or earnings per share.

Income Taxes

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

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

See Note 9 for discussion of the Tax Cuts and Jobs Act (TCJA) and its impacts on the Company's financial statements, as well as a tabular presentation of all the Company's deferred tax assets and liabilities.

The Company did not incur any penalties on income tax positions in 2019 or 2018. The Company would recognize interest accrued related to income tax positions as interest expense and any penalties incurred as other 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):

	2019	2018
Stock-based compensation expense	$ 11,353	$ 5,367

Income tax benefits	2,384	1,127
Excess tax benefits (expenses) on settled share-based employee payments	(612)	990

Restricted share awards vest in equal thirds each year over 3 years and are payable in Avista Corp. common stock at the end of each year if the service condition is met. In addition to the service condition, for restricted shares granted in 2017, the Company must meet a return on equity target in order for the Chief Executive Officer's restricted shares to vest. Restricted stock is valued at the close of market of the Company's common stock on the grant date.

Total Shareholder Return (TSR) awards are market-based awards and Cumulative Earnings Per Share (CEPS) awards are performance awards. Both types of awards vest after a period of 3 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:

	2019	2018
Restricted Shares		
Shares granted during the year	50,061	40,661
Shares vested during the year	(48,228)	(53,352)
Unvested shares at end of year	93,351	91,998
Unrecognized compensation expense at end of year (in thousands)	$ 2,054	$ 1,964
TSR Awards		
TSR shares granted during the year	99,214	80,724
TSR shares vested during the year	(106,858)	(107,342)
TSR shares earned based on market metrics	—	—
Unvested TSR shares at end of year	178,035	187,172
Unrecognized compensation expense (in thousands)	$ 3,377	$ 3,706
CEPS Awards		

CEPS shares granted during the year	49,609	40,329
CEPS shares vested during the year	(53,454)	(53,699)
CEPS shares earned based on market metrics	106,908	30,102
Unvested CEPS shares at end of year	88,990	93,579
Unrecognized compensation expense (in thousands)	$ 2,401	$ 1,260

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, 2019 and 2018, the Company had recognized cumulative compensation expense and a liability of $0.9 million and $0.3 million, respectively, related to the dividend component on the outstanding and unvested share grants.

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

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

Utility Plant in Service

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

Asset Retirement Obligations (ARO)

The Company records the fair value of a liability for an ARO in the period in which it is incurred. When the liability is initially recorded, the associated costs of the ARO are capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the related capitalized costs are depreciated over the useful life of the related asset. In addition, if there are changes in the estimated timing or estimated costs of the AROs, adjustments are recorded during the period new information becomes available as an increase or decrease to the liability, with the offset recorded to the related long-lived asset. Upon retirement of the asset, the Company either settles the ARO for its recorded amount or recognizes a regulatory asset or liability for the difference, which will be surcharged/refunded to customers through the ratemaking process. The Company records regulatory assets and liabilities for the difference between asset retirement costs currently recovered in rates and AROs recorded since asset retirement costs are recovered through rates charged to customers (see Note 7 for further discussion of the Company's AROs).

Goodwill

Goodwill arising from acquisitions represents the future economic benefit arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company evaluates goodwill for impairment using a fair value to carrying amount comparison (Step 1) for AEL&P. The Company completed its annual evaluation of goodwill for potential impairment as of November 30, 2019 and determined that goodwill was not impaired at that time (carrying value was less than the determined fair value). There were no events or circumstances that changed between November 30, 2019 and December 31, 2019 that would more likely than not reduce the fair values of the reporting units below their carrying amounts. While, the Company does not have any goodwill amounts recorded on its FERC balance sheets, it does have goodwill at its subsidiaries and the amounts for goodwill are reflected in the investment in subsidiary companies.

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

	AEL&P	Other	Accumulated Impairment Losses	Total
Balance as of January 1, 2019	$ 52,426	$ 12,979	$ (7,733)	$ 57,672
Goodwill sold during the year	—	(12,979)	7,733	(5,246)
Balance as of December 31, 2019	$ 52,426	$ —	$ —	$ 52,426

Goodwill sold during the year relates to the sale of METALfx in April 2019. See Note 19 for further discussion. Accumulated impairment losses were attributable to METALfx, which was a part of the other businesses.

Derivative Assets and Liabilities

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

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

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

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

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

Fair Value Measurements

Fair value represents the price that would be received when selling an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Energy commodity derivative assets and liabilities, deferred compensation assets, as well as derivatives related to interest rate swap derivatives and foreign currency exchange derivatives, are reported at estimated fair value on the Balance Sheets. See Note 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 reflected in rates, but expected to be recovered or refunded in the future), are reflected as deferred charges or credits on the Balance Sheets. These costs and/or obligations are not reflected in the Statements of Income until the period during which matching revenues are recognized. The Company also has decoupling revenue deferrals. Decoupling revenue deferrals are recognized in the Statements of Income during the period they occur (i.e. during the period of revenue shortfall or excess due to fluctuations in customer usage), subject to certain limitations, and a regulatory asset/liability is established which will be surcharged or rebated to customers in future periods. GAAP requires that for any alternative regulatory revenue program, like decoupling, the revenue must be expected to be collected from customers within 24 months of the deferral to qualify for recognition in the current period Statement of Income. Any amounts included in the Company's decoupling program that are not expected to be collected from customers within 24 months are not recorded in the financial statements until the period in which revenue recognition criteria are met. This could ultimately result in decoupling revenue that arose during the current year being recognized in a future period.

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

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

Unamortized Debt Expense

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

Unamortized Gain/Loss on Reacquired Debt

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

Appropriated Retained Earnings

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

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

	2019	2018
Appropriated retained earnings	$ 41,179	$ 37,453

Contingencies

The Company has unresolved regulatory, legal and tax issues which have inherently uncertain outcomes. The Company accrues a loss contingency if it is probable that a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. The Company also discloses loss contingencies that do not meet these conditions for accrual, if there is a reasonable possibility that a material loss may be incurred. As of December 31, 2019, 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.

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):

	2019	2018
Avista Capital	$ 6,404	$ (5,660)
AERC	7,178	8,052
Total equity in earnings of subsidiary companies	$ 13,582	$ 2,392

Subsequent Events

See footnote 21 - subsequent events for further details.

NOTE 2. NEW ACCOUNTING STANDARDS

Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)"
ASU No. 2018-01, "Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842"
ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements"

On January 1, 2019, the Company adopted ASU No. 2016-02, which outlines a model for entities to use in accounting for leases and supersedes previous lease accounting guidance, as well as several practical expedients in ASU Nos. 2018-01 and 2018-11.

The Company adopted ASU No. 2016-02 utilizing a modified retrospective adoption method with the "package of three" and hindsight practical expedients offered by the standard. The "package of three" provides for an entity to not reassess at adoption whether any expired or existing contracts are deemed, for accounting purposes, to be or contain leases, the classification of any expired or existing leases, and any initial direct costs for any existing leases. As a result, the Company did not reassess existing or expired contracts under the new lease guidance, and it did not reassess the classification of any existing leases. The Company used the benefit of hindsight in determining both term and impairments associated with any existing leases. Use of this practical expedient has resulted in lease terms that best represent management's expectations with respect to use of the underlying asset but did not result in recognition of any impairment.

The Company elected to adopt ASU No. 2018-01, which allows an entity to exclude from application of Topic 842 all easements executed prior to January 1, 2019. In addition, the Company elected to adopt the "comparatives under 840" practical expedient offered in ASU No. 2018-11, which allows an entity to apply the new lease standard at the adoption date, recognizing any necessary cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption and presenting comparative periods in the financial statements under Accounting Standards Codification (ASC) 840 (previous lease accounting guidance). Adoption of the standard did not result in a cumulative effect adjustment within the Company's financial statements.

As allowed by ASU No. 2016-02, the Company elected not to apply the requirements of the standard to short-term leases, those leases with an initial term of 12 months or less. These leases are not recorded on the balance sheet and are not material to the financial statements.

Adoption of the standard impacted the Company's Balance Sheet through recognition of right-of-use (ROU) assets and lease liabilities for the Company's operating leases. See Note 4 for further information on the Company's leases.

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

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

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

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

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

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

In August 2018, the FASB issued ASU No. 2018-14, which amends ASC 715 to add, remove and/or clarify certain disclosure requirements related to defined benefit pension and other postretirement plans. The additional disclosure requirements are primarily narrative discussion of significant changes in the benefit obligations and plan assets. The removed disclosures are primarily information about accumulated other comprehensive income expected to be recognized over the next year and the effects of changes associated with assumed health care costs. This ASU is effective for periods beginning after December 15, 2021 and early adoption is permitted. The Company is in the process of evaluating this standard; however, it has determined that it will not early adopt this standard as of December 31, 2019.

NOTE 3. REVENUE

ASC 606 defines the core principle of the revenue recognition model is that an entity should identify the various performance obligations in a contract, allocate the transaction price among the performance obligations and recognize revenue when (or as) the entity satisfies each performance obligation.

Utility Revenues

Revenue from Contracts with Customers

General

The majority of Avista Corp.'s revenue is from rate-regulated sales of electricity and natural gas to retail customers, which has two performance obligations, (1) having service available for a specified period (typically a month at a time) and (2) the delivery of energy to customers. The total energy price generally has a fixed component (basic charge) related to having service available and a usage-based component, related to the delivery and consumption of energy. The commodity is sold and/or delivered to and consumed by the customer simultaneously, and the provisions of the relevant utility commission authorization determine the charges the Company may bill the customer. Given that all revenue recognition criteria are met upon the delivery of energy to customers, revenue is recognized immediately.

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

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

Unbilled Revenue from Contracts with Customers

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

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

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

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

	2019	2018
Unbilled accounts receivable	$ 60,560	$ 64,463

Non-Derivative Wholesale Contracts

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

Alternative Revenue Programs (Decoupling)

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

The Company records alternative program revenues under the gross method, which is to amortize the decoupling regulatory asset/liability to the alternative revenue program line item on the Statement of Income as it is collected from or refunded to customers. The cash passing between the Company and the customers is presented in revenue from contracts with customers since it is a portion of the overall tariff paid by customers. This method results in a gross-up to both revenue from contracts with customers and revenue from alternative revenue programs, but has a net zero impact on total revenue. Depending on whether the previous deferral balance being amortized was a regulatory asset or regulatory liability, and depending on the size and direction of the current year deferral of surcharges and/or rebates to customers, it could result in negative alternative revenue program revenue during the year.

Derivative Revenue

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

Other Utility Revenue

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

Other Considerations for Utility Revenues

Contracts with Multiple Performance Obligations

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

Gross Versus Net Presentation

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

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

	2019	2018
Utility-related taxes	$ 59,528	$ 58,730

Significant Judgments and Unsatisfied Performance Obligations

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

The Company has certain capacity arrangements, where the Company has a contractual obligation to provide either electric or natural gas capacity to its customers for a fixed fee. Most of these arrangements are paid for in arrears by the customers and do not result in deferred revenue and only result in receivables from the customers. The Company does have one capacity agreement where the customer makes payments throughout the year and depending on the timing of the customer payments, it can result in an immaterial amount of deferred revenue or a receivable from the customer. As of December 31, 2019, the Company estimates it had unsatisfied capacity performance obligations of $5.9 million, which will be recognized as revenue in future periods as the capacity is provided to the customers. These performance obligations are not reflected in the financial statements, as the Company has not received payment for these services.

Disaggregation of Total Operating Revenue

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

	2019	2018
Avista Corp.		
Revenue from contracts with customers	$ 1,160,853	$ 1,147,935
Derivative revenues	246,355	277,048
Alternative revenue programs	9,614	908
Deferrals and amortizations for rate refunds to customers	1,093	(16,549)
Other utility revenues	10,184	7,456
Total Avista Corp.	1,428,0993	1,416,798

Utility Revenue from Contracts with Customers by Type and Service

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

	2019	2018
ELECTRIC OPERATIONS		
Revenue from contracts with customers		
Residential	$ 369,102	$ 368,753
Commercial and governmental	317,589	314,532
Industrial	114,530	109,846
Public street and highway lighting	7,448	7,539
Total retail revenue	808,669	800,670
Transmission	18,180	17,864
Other revenue from contracts with customers	26,969	27,364
Total revenue from contracts with customers	$ 853,818	$ 845,898

The following table disaggregates revenue from contracts with customers associated with the Company's natural gas operations for the years ended December 31 (dollars in thousands):

	2019	2018
NATURAL GAS OPERATIONS		
Revenue from contracts with customers		
Residential	$ 196,430	$ 194,340
Commercial	92,168	89,341

Industrial and interruptible	5,263	4,753
Total retail revenue	293,861	288,434
Transportation	8,674	9,103
Other revenue from contracts with customers	4,500	4,500
Total revenue from contracts with customers	$ 307,035	$ 302,037

NOTE 4. LEASES

ASC 842, which outlines a model for entities to use in accounting for leases and supersedes previous lease accounting guidance, became effective on January 1, 2019. The core principle of the model is that an entity should recognize the ROU assets and liabilities that arise from leases on the balance sheet and depreciate or amortize the asset and liability over the term of the lease, as well as provide disclosure to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. For regulatory reporting, the FERC provided prescribed accounts for the ROU assets and lease liabilities, with the ROU assets being included in utility plant (FERC account 101) and the lease liabilities being included in capital lease obligations (FERC account 227). These accounts are different than the accounts allowed for in GAAP reporting, which results in a FERC/GAAP difference.

Significant Judgments and Assumptions

The Company determines if an arrangement is a lease, as well as its classification, at its inception.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date of the agreement based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The implicit rate is used when it is readily determinable. The operating lease ROU assets also include any lease payments made and exclude lease incentives, if any, that accrue to the benefit of the lessee.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Any difference between lease expense and cash paid for leased assets is recognized as a regulatory asset or regulatory liability.

Description of Leases

Operating Leases

The Company's most significant operating lease is with the State of Montana associated with submerged land around the Company's hydroelectric facilities in the Clark Fork River basin, which expires in 2046. The terms of this lease are subject to renegotiation, depending on the outcome of ongoing litigation between Montana and NorthWestern Energy. In addition, the State of Montana and Avista Corp. are engaged in litigation regarding lease terms, including how much money, if any, the State of Montana will return to Avista Corp. The Company is currently paying all lease payments to the State of Montana into an escrow account until the litigation is resolved. As such, amounts recorded for this lease are uncertain and amounts may change in the future depending on the outcome of the ongoing litigation. Any reduction in future lease payments or the return of previously paid amounts to Avista Corp. will be included in the future ratemaking process.

In addition to the lease with the State of Montana, the Company also has other operating leases for land associated with its utility operations, as well as communication sites which support network and radio communications within its service territory. The Company's leases have remaining terms of 1 to 74 years. Most of the Company's leases include options to extend the lease term for periods of 5 to 50 years. Options are exercised at the Company's discretion.

Certain of the Company's lease agreements include rental payments which are periodically adjusted over the term of the agreement based on the consumer price index. The Company's lease agreements do not include any material residual value guarantees or material restrictive covenants.

Avista Corp. does not record leases with a term of 12 months or less in the Balance Sheet. Total short-term lease costs for the year ended December 31, 2019 are immaterial.

Leases that Have Not Yet Commenced

In March 2019, the Company signed a PPA with Clearway Energy Group (Clearway) to purchase all of the power generated from the Rattlesnake Flat Wind project in Adams County, Washington. The facility has a nameplate capacity of 144 MW and is expected to generate approximately 50 aMW annually. During negotiations with Clearway, Avista Corp. was involved in the selection of the preferred generation facility type. The PPA is a 20-year agreement with deliveries expected to begin in 2020. The PPA provides Avista Corp. with additional renewable energy, capacity and environmental attributes. Avista Corp. expects to recover the cost of the power purchased through its retail rates. This PPA is considered a lease under ASC 842; however, all of the payments are variable payments based on whether power is generated from the facility. Since all the payments are variable, the Company will not record a lease liability for the agreement, but the expense will be included in resource costs when it becomes operational in 2020.

The components of lease expense were as follows for the year ended December 31, 2019 (dollars in thousands):

	2019
Operating lease cost:	
Fixed lease cost	$ 4,425
Variable lease cost	988
Total operating lease cost	$ 5,413

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2019 (dollars in thousands):

	2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows:	
Operating lease payments	$ 4,375

Supplemental balance sheet information related to leases was as follows for December 31, 2019 (dollars in thousands):

	December 31, 2019
Operating Leases	
Operating lease ROU assets (Utility Plant)	$ 69,746
Obligations under capital lease - current	$ 4,128

Obligations under capital lease - noncurrent		65,565
Total operating lease liabilities	$	69,693

Weighted Average Remaining Lease Term

Operating leases	26.60 years

Weighted Average Discount Rate

Operating leases	3.82%

Maturities of lease liabilities (including principal and interest) were as follows as of December 31, 2019 (dollars in thousands):

	Operating Leases	
2020	$	4,372
2021		4,375
2022		4,383
2023		4,399
2024		4,411
Thereafter		91,654
Total lease payments	$	113,594
Less: imputed interest		(43,901)
Total	$	69,693

Future minimum lease payments (including principal and interest) under Topic 840 as of December 31, 2018 (dollars in thousands):

	Operating Leases	
2019	$	4,995
2020		4,876
2021		4,859
2022		4,782
2023		4,780
Thereafter		102,389
Total lease payments	$	126,681
Less: imputed interest		—
Total	$	126,681

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, swap derivatives and options in order to manage the various risks relating to these commodity price exposures. Avista Corp. has an energy resources risk policy and control procedures to manage these risks.

As part of Avista Corp.'s resource procurement and management operations in the electric business, the Company engages in an ongoing process of resource optimization, which involves the economic selection from available energy resources to serve Avista Corp.'s load obligations and the use of these resources to capture available economic value through wholesale market transactions. These include sales and purchases of electric capacity and energy, fuel for electric generation, and derivative contracts related to capacity, energy and fuel. Such transactions are part of the process of matching resources with load obligations and hedging a portion of the related financial risks. These transactions range from terms of intra-hour up to multiple years.

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

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

The following table presents the underlying energy commodity derivative volumes as of December 31, 2019 that are expected to be delivered in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs
2020	2	442	9,813	78,803	133	1,724	2,984	37,848
2021	—	—	153	25,523	—	246	1,040	13,108
2022	—	—	225	4,725	—	—	—	675

As of December 31, 2019, there are no expected deliveries of energy commodity derivatives after 2022.

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

Purchases	Sales

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

As of December 31, 2018, there were no expected deliveries of energy commodity derivatives after 2021.

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

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

Foreign Currency Exchange Derivatives

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

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

	2019	2018
Number of contracts	20	31
Notional amount (in United States dollars)	$ 5,932	$ 4,018
Notional amount (in Canadian dollars)	7,828	5,386

Interest Rate Swap Derivatives

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

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

Balance Sheet Date	Number of Contracts	Notional Amount	Mandatory Cash Settlement Date
December 31, 2019	7	70,000	2020
	3	35,000	2021
	10	110,000	2022

December 31, 2018	6	70,000	2019
	6	60,000	2020
	2	25,000	2021
	7	80,000	2022

See Note 12 for discussion of the bond purchase agreement and the related settlement of interest rate swaps in connection with the pricing of the bonds in September 2019.

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

Summary of Outstanding Derivative Instruments

The amounts recorded on the Balance Sheet as of December 31, 2019 and December 31, 2018 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, 2019 (in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) on Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument assets current	$ 97	$ —	$ —	$ 97
Interest rate swap derivatives				
Derivative instrument assets current	589	—	—	589
Derivative instrument liabilities current	238	(9,379)	1,316	(7,825)
Long-term portion of derivative liabilities	725	(24,677)	5,454	(18,498)
Energy commodity derivatives				
Derivative instrument assets current	416	(245)	—	171
Long-term portion of derivative assets	6,369	(5,446)	—	923
Derivative instrument liabilities current	34,760	(41,241)	3,378	(3,103)
Long-term portion of derivative liabilities	28	(1,215)	—	(1,187)
Total derivative instruments recorded on the balance sheet	$ 43,222	$ (82,203)	$ 10,148	$ (28,833)

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

	Fair Value			
Derivative and Balance Sheet Location	Gross	Gross	Collateral	Net Asset (Liability) on Balance

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

Exposure to Demands for Collateral

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

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

	2019	2018
Energy commodity derivatives		
Cash collateral posted	$ 7,812	$ 78,025
Letters of credit outstanding	17,400	6,500
Balance sheet offsetting (cash collateral against net derivative positions)	3,378	51,217
Interest rate swap derivatives		
Cash collateral posted	6,770	530
Balance sheet offsetting (cash collateral against net derivative positions)	6,770	530

There were no letters of credit outstanding related to interest rate swap derivatives as of December 31, 2019 and December 31, 2018.

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

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

	2019	2018

Energy commodity derivatives		
Liabilities with credit-risk-related contingent features	$ 814	$ 2,193
Additional collateral to post	814	2,193
Interest rate swap derivatives		
Liabilities with credit-risk-related contingent features	34,056	7,831
Additional collateral to post	26,912	6,579

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):

	2019	2018
Utility plant in service	$ 387,860	$ 384,431
Accumulated depreciation	(268,637)	(261,997)

See Note 7 for further discussion of AROs.

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

NOTE 7. ASSET RETIREMENT OBLIGATIONS

The Company has recorded liabilities for future AROs to:

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

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

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

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

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

In addition to the above, under a 2018 Administrative Order on Consent and ongoing negotiations with the Montana Department of Ecological Quality, the owners of Colstrip are required to provide financial assurance, primarily in the form of surety bonds, to secure each owner's pro-rata share of various anticipated closure and remediation of the ash ponds and coal holding areas. The amount of financial assurance required of each owner may, like the ARO, vary substantially due to the uncertainty and evolving nature of anticipated closure and remediation activities, and as those activities are completed over time.

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

	2019	2018
Asset retirement obligation at beginning of year	$ 18,266	$ 17,482
Liabilities incurred	2,699	—
Liabilities settled	(1,503)	(66)
Accretion expense	876	850
Asset retirement obligation at end of year	$ 20,338	$ 18,266

NOTE 8. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

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

Avista Corp.

The Company has a defined benefit pension plan covering the majority of all regular full-time employees at Avista Corp. that were hired prior to January 1, 2014. Individual benefits under this plan are based upon the employee's years of service, date of hire and average compensation as specified in the plan. Non-union employees hired on or after January 1, 2014 participate in a defined contribution 401(k) plan in lieu of a defined benefit pension plan. The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company contributed $22.0 million in cash to the pension plan in 2019 and 2018. The Company expects to contribute $22.0 million in cash to the pension plan in 2020.

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

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

	2020	2021	2022	2023	2024	Total 2025-2029
Expected benefit payments	$ 39,647	$ 40,080	$ 40,652	$ 40,729	$ 41,767	$ 217,899

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):

	2020	2021	2022	2023	2024	Total 2025-2029
Expected benefit payments	$ 6,442	$ 6,782	$ 6,965	$ 7,088	$ 7,244	$ 38,305

The Company expects to contribute $6.7 million to other postretirement benefit plans in 2020, 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, 2019 and 2018 and the components of net periodic benefit costs for the years ended December 31, 2019 and 2018 (dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2019	2018	2019	2018
Change in benefit obligation:				
Benefit obligation as of beginning of year	$ 671,629	$ 716,561	$ 134,053	$ 132,947
Service cost	19,755	21,614	3,006	3,188
Interest cost	28,417	26,096	5,598	4,831
Actuarial (gain)/loss	57,829	(48,641)	23,344	(610)
Benefits paid	(35,248)	(44,001)	(6,705)	(6,303)
Benefit obligation as of end of year	$ 742,382	$ 671,629	$ 159,296	$ 134,053

Change in plan assets:				
Fair value of plan assets as of beginning of year	$ 544,051	$ 605,652	$ 36,852	$ 37,953
Actual return on plan assets	109,942	(40,954)	8,001	(1,101)
Employer contributions	22,000	22,000	—	—
Benefits paid	(33,930)	(42,647)	—	—
Fair value of plan assets as of end of year	$ 642,063	$ 544,051	$ 44,853	$ 36,852
Funded status	$ (100,319)	$ (127,578)	$ (114,443)	$ (97,201)
Amounts recognized in the Balance Sheets:				
Current liabilities	$ (1,602)	$ (1,477)	$ (640)	$ (580)
Non-current liabilities	(98,717)	(126,101)	(113,803)	(96,621)
Net amount recognized	$ (100,319)	$ (127,578)	$ (114,443)	$ (97,201)
Accumulated pension benefit obligation	$ 644,004	$ 586,398	—	—
Accumulated postretirement benefit obligation:				
For retirees			$ 72,816	$ 63,796
For fully eligible employees			$ 34,545	$ 29,902
For other participants			$ 51,935	$ 40,355
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost	$ 2,105	$ 2,308	$ (4,400)	$ (5,230)
Unrecognized net actuarial loss	114,368	138,516	63,101	52,441
Total	116,473	140,824	58,701	47,211
Less regulatory asset	(107,395)	(133,237)	(57,520)	(46,932)
Accumulated other comprehensive loss for unfunded benefit obligation for pensions and other postretirement benefit plans	$ 9,078	$ 7,587	$ 1,181	$ 279

	Pension Benefits		Other Post-retirement Benefits	
	2019	2018	2019	2018
Weighted-average assumptions as of December 31:				
Discount rate for benefit obligation	3.85%	4.31%	3.89%	4.32%
Discount rate for annual expense	4.31%	3.71%	4.32%	3.72%
Expected long-term return on plan assets	5.90%	5.50%	5.70%	5.20%
Rate of compensation increase	4.66%	4.67%		
Medical cost trend pre-age 65 – initial			5.75%	6.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2023	2023
Medical cost trend post-age 65 – initial			6.50%	6.25%
Medical cost trend post-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year post-age 65			2026	2024

	Pension Benefits		Other Post-retirement Benefits	
	2019	2018	2019	2018
Components of net periodic benefit cost:				
Service cost (a)	$ 19,755	$ 21,614	$ 3,006	$ 3,188
Interest cost	28,417	26,096	5,598	4,831
Expected return on plan assets	(31,763)	(33,018)	(2,101)	(1,973)
Amortization of prior service cost	257	257	(981)	(1,089)
Net loss recognition	10,216	7,879	4,013	4,232
Net periodic benefit cost	$ 26,882	$ 22,828	$ 9,535	$ 9,189

(a) Total service costs in the table above are recorded to the same accounts as labor expense. Labor and benefits expense is recorded to various projects based on whether the work is a capital project or an operating expense. Approximately

40 percent of all labor and benefits is capitalized to utility property and 60 percent is expensed to utility other operating expenses.

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, 2019 by $13.9 million and the service and interest cost by $0.8 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, 2019 by $10.7 million and the service and interest cost by $0.6 million.

Plan Assets

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

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

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

	2019	2018
Equity securities	35%	37%
Debt securities	49%	45%
Real estate	7%	8%
Absolute return	9%	10%

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

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

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

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

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

The fair value of pension plan assets was determined as of December 31, 2019 and 2018.

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, 2019 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$ 2,852	$ —	$ 2,852
Fixed income securities:				
U.S. government issues	—	37,297	—	37,297
Corporate issues	—	207,222	—	207,222
International issues	—	35,836	—	35,836
Municipal issues	—	23,539	—	23,539
Mutual funds:				
U.S. equity securities	173,568	—	—	173,568
International equity securities	46,416	—	—	46,416
Absolute return (1)	16,720	—	—	16,720
Plan assets measured at NAV (not subject to hierarchy disclosure)				

Common/collective trusts:				
Real estate	—	—	—	31,473
Partnership/closely held investments:				
Absolute return (1)	—	—	—	59,260
Real estate	—	—	—	7,880
Total	$ 236,704	$ 306,746	$ —	$ 642,063

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, 2018 at fair value (dollars in thousands):

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

(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.

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 2019 and 2018.

The fair value of other postretirement plan assets was determined as of December 31, 2019 and 2018.

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, 2019 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual funds (1)	$ 44,853	$ —	$ —	$ 44,853

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, 2018 at fair value (dollars in thousands):

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

(1) The balanced index fund for 2019 and 2018 is a single mutual fund that includes a percentage of U.S. equity and fixed income securities and International equity and fixed income securities.

401(k) Plans and Executive Deferral Plan

Avista Corp. has a salary deferral 401(k) plan 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):

	2019	2018
Employer 401(k) matching contributions	$ 10,362	$ 10,044

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):

	2019	2018
Deferred compensation assets and liabilities	$ 8,948	$ 8,400

NOTE 9. ACCOUNTING FOR INCOME TAXES

Federal Income Tax Law Changes

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

- A permanent reduction in the statutory corporate tax rate from 35 percent to 21 percent, beginning with tax years after 2017;
- Statutory provisions requiring that excess deferred taxes associated with public utility property be normalized using the Average Rate Assumption Method (ARAM) or the Reverse South Georgia Method for determining the timing of the return of excess deferred taxes to customers. Excess deferred taxes result from revaluing deferred tax assets and liabilities based on

the newly enacted tax rate instead of the previous tax rate, which, for most rate-regulated utilities like Avista Corp., results in a net benefit to customers that will be deferred as a regulatory liability and passed through to customers over future periods;

- Repeal of the corporate alternative minimum tax (AMT);
- Bonus depreciation (expensing of capital investment on an accelerated basis) was removed as a deduction for property predominantly used in certain rate-regulated businesses (like Avista Corp.), but is still allowed for the Company's non-regulated businesses; and
- NOL carryback deductions were eliminated, but carryforward deductions are allowed indefinitely with some annual limitations versus the previous 20-year limitation.

As a result of the TCJA and its reduction of the corporate income tax rate from 35 percent to 21 percent (among many other changes in the law), the Company recorded a regulatory liability associated with the revaluing of its deferred income tax assets and liabilities to the new corporate tax rate. The total net amount of the regulatory liability for excess deferred income taxes associated with the TCJA is $409.5 million as of December 31, 2019, compared to $429.3 million as of December 31, 2018, which reflects the amounts to be refunded to customers through the regulatory process. The Avista Corp. amounts related to utility plant commenced being returned to customers in 2018 and the Company expects they will be returned to customers over a period of approximately 36 years using the ARAM. The return of the regulatory liability attributable to non-plant excess deferred taxes has begun through tariffs or other regulatory mechanisms or proceedings.

Because most of the provisions of the TCJA were effective as of January 1, 2018 but customers' rates included a 35 percent corporate tax rate built in from prior general rate cases, the Company began accruing for a refund to customers for the change in federal income tax expense beginning January 1, 2018 forward. For Washington and Idaho, this accrual was recorded until all benefits prior to a permanent rate change were properly captured through the deferral process. For Oregon, this accrual was recorded through 2019 with new customer rates effective January 15, 2020. Refunds have begun to Washington, Idaho, and Oregon customers through tariffs or other regulatory mechanisms or proceedings.

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

	Protected			Unprotected			Total		
	Washington	Idaho	Oregon	Washington	Idaho	Oregon	Washington	Idaho	Oregon
As of December 31, 2019									
Deferred tax assets	58,068	25,576	8,181	2,530	—	26	60,598	25,576	8,207
Regulatory liabilities	251,921	110,958	35,491	10,978	—	112	262,899	110,958	35,603
As of December 31, 2018									
Deferred tax assets	59,201	26,657	8,820	2,725	1,465	71	61,926	28,122	8,891
Regulatory liabilities	256,837	115,647	38,265	11,824	6,409	306	268,661	122,056	38,571

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

Excess accumulated deferred income taxes were amortized in the Statement of Income as follows for the years ended December 31 (in thousands):

	Protected			Unprotected			Total		
	Washington	Idaho	Oregon	Washington	Idaho	Oregon	Washington	Idaho	Oregon
2019									
Provision for deferred income taxes	(6,024)	(2,653)	(849)	(651)	(4,890)	(149)	(6,675)	(7,543)	(998)
2018									
Provision for deferred income taxes	(5,334)	(2,426)	(496)	(339)	290	—	(5,673)	(2,136)	(496)

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

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards.

The realization of deferred income tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred income tax assets and determined it is more likely than not that deferred income tax assets will be realized.

As of December 31, 2019, the Company had $22.3 million of state tax credit carryforwards. Of the total amount, the Company believes that it is more likely than not that it will only be able to utilize $6.0 million of the state tax credits. As such, the Company has recorded a valuation allowance of $16.3 million against the state tax credit carryforwards and reflected the net amount of $6.0 million as an asset as of December 31, 2019. State tax credits expire from 2020 to 2033.

Status of Internal Revenue Service (IRS) and State Examinations

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. All tax years after 2016 are open for an IRS tax examination.

The Idaho State Tax Commission is currently reviewing tax years 2014 through 2017. The statute of limitations for Montana and Oregon to review 2015 and earlier tax years has expired.

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

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):

	2019	2018
Utility power resources	$ 376,769	$ 357,656

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

	2020	2021	2022	2023	2024	Thereafter	Total
Power resources	$ 178,546	$ 180,417	$ 179,020	$ 179,640	$ 157,620	$ 1,172,072	$ 2,047,315
Natural gas resources	68,232	50,062	43,577	39,493	36,640	274,302	512,306
Total	$ 246,778	$ 230,479	$ 222,597	$ 219,133	$ 194,260	$ 1,446,374	$ 2,559,621

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

The above future contractual commitments for power resources include fixed contractual amounts related to the Company's contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the fixed contracts obligate Avista Corp. to pay certain minimum amounts whether or not the facilities are operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in utility resource costs in the Statements of Income. The contractual amounts included above consist of Avista Corp.' 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, 2019 (principal and interest) was $67.2 million.

In addition, Avista Corp. has operating agreements, settlements and other contractual obligations related to its generating facilities and transmission and distribution services. The expenses associated with these agreements are reflected as other operating expenses in the Statements of Income. The following table details future contractual commitments under these agreements (dollars in thousands):

	2020	2021	2022	2023	2024	Thereafter	Total
Contractual obligations	$ 33,116	$ 34,081	$ 24,645	$ 25,190	$ 28,585	$ 191,873	$ 337,490

NOTE 11. NOTES PAYABLE

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

The committed line of credit agreement contains customary covenants and default provisions. The credit agreement has a covenant which does not permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at any time. As of December 31, 2019, 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):

	2019	2018
Balance outstanding at end of period	$ 182,300	$ 190,000
Letters of credit outstanding at end of period	$ 21,473	$ 10,503
Average interest rate at end of period	2.64%	3.18%

As of December 31, 2019 and 2018, 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	2019	2018
Avista Corp. Secured Long-Term Debt				
2019	First Mortgage Bonds	5.45%	—	90,000
2020	First Mortgage Bonds	3.89%	52,000	52,000
2022	First Mortgage Bonds	5.13%	250,000	250,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	13,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Secured Pollution Control Bonds (1)	(1)	66,700	66,700
2034	Secured Pollution Control Bonds (1)	(1)	17,000	17,000
2035	First Mortgage Bonds	6.25%	150,000	150,000
2037	First Mortgage Bonds	5.70%	150,000	150,000
2040	First Mortgage Bonds	5.55%	35,000	35,000
2041	First Mortgage Bonds	4.45%	85,000	85,000
2044	First Mortgage Bonds	4.11%	60,000	60,000
2045	First Mortgage Bonds	4.37%	100,000	100,000
2047	First Mortgage Bonds	4.23%	80,000	80,000
2047	First Mortgage Bonds	3.91%	90,000	90,000
2048	First Mortgage Bonds	4.35%	375,000	375,000
2049	First Mortgage Bonds (2)	3.43%	180,000	—
2051	First Mortgage Bonds	3.54%	175,000	175,000
	Total Avista Corp. secured bonds		1,904,200	1,814,200
	Secured Pollution Control Bonds held by Avista Corporation (1)		(83,700)	(83,700)
	Total long-term debt		$ 1,820,500	$ 1,730,500

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

Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheets.

(2) In November 2019, the Company issued and sold $180.0 million of 3.43 percent first mortgage bonds due in 2049 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 maturing long-term debt of $90.0 million, repay a portion of the outstanding balance under Avista Corp.'s $400.0 million committed line of credit and for other general corporate purposes. In connection with the issuance and sale of the first mortgage bonds, the Company cash settled six interest rate swap derivatives (notional aggregate amount of $70.0 million) and paid a net amount of $13.3 million. See note 5 for a discussion of interest rate swap derivatives.

The following table details future long-term debt maturities including long-term debt to affiliated trusts (see Note 13) (dollars in thousands):

	2020	2021	2022	2023	2024	Thereafter	Total
Debt maturities	$ 52,000	$ —	$ 250,000	$ 13,500	$ 15,000	$ 1,541,547	$ 1,872,047

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

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

Avista Corp. may not issue any additional first mortgage bonds (with certain exceptions in the case of bonds issued on the basis of retired bonds) unless it has “net earnings” (as defined in the Mortgage) for any period of 12 consecutive calendar months out of the preceding 18 calendar months that were at least twice the annual interest requirements on all mortgage securities at the time outstanding, including the first mortgage bonds to be issued, and on all indebtedness of prior rank. As of December 31, 2019, property additions and retired bonds would have allowed, and the net earnings test would not have prohibited, the issuance of $1.5 billion in an 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:

	2019	2018
Low distribution rate	2.79%	2.36%
High distribution rate	3.61%	3.61%
Distribution rate at the end of the year	2.79%	3.61%

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

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

NOTE 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):

	2019		2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Long-term debt (Level 2)	$ 963,500	$ 1,124,649	$ 1,053,500	$ 1,142,292

Long-term debt (Level 3)	857,000	946,674	677,000	645,523
Long-term debt to affiliated trusts (Level 3)	51,547	41,238	51,547	38,145

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 80.00 to 134.11, 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, 2019 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, 2019					
Assets:					
Energy commodity derivatives	$ —	$ 41,546	$ —	$ (40,452)	$ 1,094
Level 3 energy commodity derivatives:					
Natural gas exchange agreements	—	—	27	(27)	—
Foreign currency exchange derivatives	—	97	—	—	97
Interest rate swap derivatives	—	1,552	—	(963)	589
Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	2,232	—	—	—	2,232
Equity securities	6,271	—	—	—	6,271
Total	$ 8,503	$ 43,195	$ 27	$ (41,442)	$ 10,283
Liabilities:					
Energy commodity derivatives	$ —	$ 45,144	$ —	$ (43,830)	$ 1,314
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	3,003	(27)	2,976
Interest rate swap derivatives	—	34,056	—	(7,733)	26,323
Total	$ —	$ 79,200	$ 3,003	$ (51,590)	$ 30,613

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

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

(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 energy commodity derivative instruments included in Level 2. In particular, electric derivative valuations are performed using market quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange pricing for similar instruments, adjusted for basin differences, using market quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2.

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

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

Deferred compensation assets and liabilities represent funds held by the Company in a Rabbi Trust for an executive deferral plan. These funds consist of actively traded equity and bond funds with quoted prices in active markets. The balance disclosed in the table above excludes cash and cash equivalents of $0.4 million as of December 31, 2019 and $0.5 million as of December 31, 2018.

Level 3 Fair Value

Under the power exchange agreement, which expired on June 30, 2019, the Company purchased power at a price that was 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 estimated the difference between the purchase price based on the future O&M charges and forward prices for energy. The Company compared the Level 2 brokered quotes and forward price curves described above to an internally developed forward price which was based on the average O&M charges from the three surrogate nuclear power plants for the current year. The Company estimated the volumes of the transactions that would take place in the future based on historical average transaction volumes per delivery year (November to April). Significant increases or decreases in any of these inputs in isolation would result in a significantly higher or lower fair value measurement.

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

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, 2019 (dollars in thousands):

	Fair Value (Net) at December 31, 2019	Valuation Technique	Unobservable Input	Range
Natural gas exchange	(2,976)	Internally derived	Forward purchase prices	$1.49 - $2.38/mmBTU
agreement		weighted-average	Forward sales prices	$1.60 - $3.80/mmBTU
		cost of gas	Purchase volumes	50,000 - 310,000 mmBTUs
			Sales volumes	60,000 - 310,000 mmBTUs

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

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

	Natural Gas Exchange Agreement	Power Exchange Agreement	Total
Year ended December 31, 2019:			
Balance as of January 1, 2019	$ (2,774)	$ (2,488)	$ (5,262)
Total gains or (losses) (realized/unrealized):			
Included in regulatory assets/liabilities (1)	8,175	435	8,610
Settlements	(8,377)	2,053	(6,324)
Ending balance as of December 31, 2019 (2)	$ (2,976)	$ —	$ (2,976)
Year ended December 31, 2018:			
Balance as of January 1, 2018	$ (3,164)	$ (13,245)	$ (16,409)
Total gains or (losses) (realized/unrealized):			
Included in regulatory assets/liabilities (1)	326	5,027	5,353
Settlements	64	5,730	5,794
Ending balance as of December 31, 2018 (2)	$ (2,774)	$ (2,488)	$ (5,262)

(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 35 percent common equity (inclusive of short-term debt). This limitation may be revised upon request by the Company with approval from the OPUC.

The requirements of the OPUC approval of the AERC acquisition are the most restrictive. Under the OPUC restriction, the amount available for dividends at December 31, 2019 was limited to $293.9 million.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2019 and 2018.

Equity Issuances

The Company issued equity in 2019 for total net proceeds of $64.6 million. Most of these issuances came through the Company's four separate sales agency agreements under which the sales agents may offer and sell new shares of common stock from time to time. These agreements provide for the offering of a maximum of 4.6 million shares, of which approximately 3.2 million remain unissued as of December 31, 2019. In 2019, 1.4 million shares were issued under these agreements resulting in total net proceeds of $63.6 million. Subject to the satisfaction of customary conditions (including any required regulatory approvals), the Company has the right to increase the maximum number of shares that may be offered under these agreements. These agreements expire on February 29, 2020. The Company expects to negotiate and enter into new sales agency agreements in the second quarter of 2020.

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.

Collective Bargaining Agreements

The Company's collective bargaining agreements with the IBEW represent approximately 45 percent of all of Avista Corp.' employees. A three-year agreement with the local union in Washington and Idaho representing the majority (approximately 90 percent) of the Avista Corp.' bargaining unit employees will expire in March 2021. A three-year agreement in Oregon, which covers approximately 50 employees will also expire on April 1, 2020.

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

Legal Proceedings Related to the Terminated Acquisition by Hydro One

See Note 18 for information regarding the termination of the proposed acquisition of the Company by Hydro One.

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

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

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

The complaint generally alleged that the members of the Board of Directors of Avista Corp. breached their fiduciary duties by, among other things, conducting an allegedly inadequate sale process and agreeing to the acquisition at a price that allegedly undervalued Avista Corporation, and that Hydro One Limited, Olympus Holding Corp., and Olympus Corp. aided and abetted those purported breaches of duty. The complaint sought various remedies, including monetary damages, attorneys' fees and expenses. Subsequent to the termination of the proposed acquisition in January 2019, the complaint was voluntarily dismissed by the plaintiffs.

Boyds Fire (State of Washington Department of Natural Resources v. Avista)

On August 19, 2019, the Company was served with a complaint filed by the State of Washington Department of Natural Resources, seeking recovery of fire suppression costs and related expenses incurred in connection with a wildfire that occurred in Ferry County, Washington in August 2018. Specifically, the complaint alleges that the fire, which became known as the "Boyds Fire," was caused by a dead ponderosa pine tree falling into an overhead distribution line, and that Avista Corp. was negligent in failing to identify and remove it before the tree came into contact with the line. Avista Corp. disputes that the tree in question was the cause of the fire, and that it was negligent in failing to identify and remove it. The case is in the early stages of discovery and the plaintiff has not yet provided a statement specifying damages. Because the resolution of this claim remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability, nor is it possible for the Company to estimate the impact of any outcome at this time. The Company intends to vigorously defend itself in the litigation.

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

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

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with WUTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for Washington customers and defer these differences (over the $4.0 million deadband and sharing bands) for future surcharge or rebate to customers. For 2019, the Company recognized a pre-tax benefit of $4.4 million under the ERM in Washington compared to a benefit of $6.1 million for 2018. Total net deferred power costs under the ERM were a liability of $40.0 million as of December 31, 2019 and a liability of $34.4 million as of December 31, 2018. These deferred power cost balances represent amounts due to customers. Pursuant to WUTC requirements, should the cumulative deferral balance exceed $30 million in the rebate or surcharge direction, the Company must make a filing with the WUTC to adjust customer rates to either return the balance to customers or recover the balance from customers. Avista Corp. makes an annual filing on, or before, April 1 of each year to provide the opportunity for the WUTC staff and other interested parties to review the prudence of, and audit, the ERM deferred power cost transactions for the prior calendar year.

The cumulative rebate balance exceeds $30 million and as a result, the Company's 2019 filing contained a proposed rate refund, effective July 1, 2019 over a three-year period. Subsequent to this filing, the WUTC approved the ERM rebate over a two-year period.

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 an asset of $0.3 million as of December 31, 2019 and a liability of $7.6 million as of December 31, 2018. Deferred power cost assets represent amounts due from customers and liabilities represent amounts due to customers.

Natural Gas Cost Deferrals and Recovery Mechanisms

Avista Corp. files a PGA in all three states it serves to adjust natural gas rates for: 1) estimated commodity and pipeline transportation costs to serve natural gas customers for the coming year, and 2) the difference between actual and estimated commodity and transportation costs for the prior year. Total net deferred natural gas costs to be refunded to customers were a liability of $3.2 million as of December 31, 2019 and a liability of $40.7 million as of December 31, 2018. These balances represent amounts due to customers.

Decoupling and Earnings Sharing Mechanisms

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

Washington Decoupling and Earnings Sharing

In Washington, the WUTC approved the Company's decoupling mechanisms for electric and natural gas for a five-year period beginning January 1, 2015. In March 2020, th WUTC extended the electric and natural gas decoupling mechanisms through March 31, 2025. Electric and natural gas decoupling surcharge rate adjustments to customers are limited to a 3 percent increase on an annual basis, with any remaining surcharge balance carried forward for recovery in a future period. There is no limit on the level of rebate rate adjustments.

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

Idaho FCA and Earnings Sharing Mechanisms

In Idaho, the IPUC approved the implementation of FCAs for electric and natural gas (similar in operation and effect to the Washington decoupling mechanisms) for an initial term of three years, beginning January 1, 2016. During the first quarter of 2018, the FCA in Idaho was extended for a one-year term through December 31, 2019. On December 13, 2019, the IPUC approved an extension of the FCAs through March 31, 2025.

Oregon Decoupling Mechanism

In February 2016, the OPUC approved the implementation of a decoupling mechanism for natural gas, similar to the Washington and Idaho mechanisms described above. The decoupling mechanism became effective on March 1, 2016. There will be an opportunity for interested parties to review the mechanism and recommend changes, if any, by September 2019. Changes related to deferral interest rates were recommended by the parties in Avista Corp.'s 2019 general rate case and were implemented effective January 15, 2020. In Oregon, an earnings review is conducted on an annual basis. In the annual earnings review, if the Company earns more than 100 basis points above its allowed ROE, one-third of the earnings above the 100 basis points would be deferred and later returned to customers. The earnings review is separate from the decoupling mechanism and was in place prior to decoupling. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

Cumulative Decoupling and Earnings Sharing Mechanism Balances

As of December 31, 2019 and December 31, 2018, the Company had the following cumulative balances outstanding related to decoupling and earnings sharing mechanisms in its various jurisdictions (dollars in thousands):

	December 31, 2019	December 31, 2018
Washington		
Decoupling surcharge	$ 22,440	$ 12,671
Provision for earnings sharing rebate	—	(693)
Idaho		
Decoupling surcharge	$ 2,549	$ 2,150
Provision for earnings sharing rebate	(686)	(774)
Oregon		
Decoupling rebate	$ (739)	$ (898)
Provision for earnings sharing rebate	—	—

NOTE 18. TERMINATION OF PROPOSED ACQUISITION BY HYDRO ONE

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

Termination of the Merger Agreement

Due to the denial of the proposed merger by certain of the Company's regulatory commissions, on January 23, 2019, Avista Corp., Hydro One and certain subsidiaries thereof, entered into a Termination Agreement indicating their mutual agreement to terminate the Merger Agreement, effective immediately. Pursuant to the terms of the Termination Agreement, Hydro One paid Avista Corp. a $103 million termination fee on January 24, 2019. The termination fee was used for reimbursing the Company's transaction costs incurred from 2017 to 2019. The balance of the termination fee remaining after payment of 2019 transaction costs and applicable income taxes was used for general corporate purposes and reduced the Company's need for external financing. The 2019 costs totaled $19.7 million pre-tax and included financial advisers' fees, legal fees, consulting fees and employee time.

Other Information Related to the Terminated Acquisition

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

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

See Note 16 for discussion of shareholder lawsuits filed against the Company, the Company’s directors, Hydro One, Olympus Holding Corp., and Olympus Corp. in relation to the Merger Agreement and the proposed acquisition.

NOTE 19. SALE OF METALfx

In April 2019, Bay Area Manufacturing, Inc., a non-regulated subsidiary of Avista Corp., entered into a definitive agreement to sell its interest in METALfx to an independent third party. The transaction was a stock sale for a total cash purchase price of $17.5 million, plus cash on-hand, subject to customary closing adjustments. The transaction closed on April 18, 2019, and as of that date the Company has no further involvement with METALfx.

The purchase price of $17.5 million, as adjusted, was divided among the security holders of METALfx, including the minority shareholder, pro-rata based on ownership (Avista Corp. owned 89.2 percent of the equity of METALfx). As required under the purchase agreement, $1.2 million (7 percent of the purchase price) will be held in escrow for 24 months from the closing of the transaction to satisfy certain indemnification obligations.

When all escrow amounts are released, the sales transaction is expected to provide cash proceeds to Avista Corp., net of payments to the minority holder, contractually obligated compensation payments and other transaction expenses, of $16.5 million and result in a net gain after-tax of $3.3 million. The Company expects to receive the full amount of its portion of the escrow accounts; therefore, the full amounts are included in the gain calculation.

NOTE 20. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2019	2018
Cash paid for interest	$ 92,681	$ 90,394
Cash paid for income taxes	26,164	16,576
Cash received for income tax refunds	(589)	(3,025)

NOTE 21. SUBSEQUENT EVENTS

The Company as evaluated its subsequent events as of April 14th, 2020.

2015 Washington General Rate Cases

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

PC Petition for Judicial Review

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

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

On March 6, 2020, the Company received an order from the WUTC that will require it to refund $8.5 million to electric and natural gas customers. The Company will refund $4.9 million to electric customers and $3.6 million to natural gas customers. The Company recorded a customer refund liability of $8.5 million in 2019.

Colstrip Units 3 & 4 Outage and Replacement Power Costs

In 2019, the Company filed a case with the WUTC to recover costs associated with an unplanned power outage at Colstrip Units 3 and 4. The primary issue is related to the cost of replacement power incurred in July and August 2018 due to a forced outage at Colstrip Units 3 & 4. That outage occurred due to the plant exceeding certain air quality standards. In testimony filed by WUTC Staff and Public Counsel on January 10, 2020, the parties recommend the WUTC disallow $3.3 million in replacement power costs. Avista Corp. filed testimony on January 23, 2020, and provided support for no disallowance, but if the WUTC believes a disallowance is appropriate, the level of disallowance would be $2.4 million.

On March 20, 2020, the Company received an order from the WUTC related to costs associated with a an unplanned outage of Colstrip Units 3 and 4 in 2018. In its order, the WUTC disallowed approximately $3 million for the cost of replacement power during the unplanned outage.

2019 Washington General Rate Cases

On March 25, 2020, the Company received an order from the WUTC that approved the partial multi-party settlement agreement that was filed on November 21, 2019. The approved rates are designed to increase annual base electric revenues by $28.5 million, or 5.7 percent, and annual natural gas base revenues by $8.0 million, or 8.5 percent, effective April 1, 2020. The revenue increases are based on a 9.4 percent return on equity with a common equity ratio of 48.5 percent and a rate of return on rate base of 7.21 percent.

As part of the WUTC order, the Company will return approximately $40 million from the ERM rebate to customers over a two-year period. The ERM rebate includes approximately $3 million that was recently disallowed by the Commission for the cost of replacement power during an unplanned outage at the Colstrip generating facility in 2018. The Commission directed the Company to return a larger portion of the ERM money during the first year to achieve a net-zero billed impact to electric customers.

Included in the WUTC order is the acceleration of depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life through December 31, 2025. The order utilizes certain electric tax benefits associated with the 2018 tax reform to partially offset these increased costs. The order also sets aside $3 million for community transition efforts to mitigate the impacts of the eventual closure of Colstrip, half funded by customers and half funded by Company shareholders.

In addition, a recent order received from the WUTC on the 2015 remand cases requires the Company to refund $8.5 million to electric and natural gas customers. The Company will refund $4.9 million to electric customers and $3.6 million to natural gas customers over a one year period, which will partially offset the increase in base rates.

Lastly, the order includes the extension of electric and natural gas decoupling mechanisms through March 31, 2025.

Credit Agreement

On April 6, 2020, the Company entered into a Credit Agreement with U.S. Bank National Association, as Lender and Administrative Agent, and CoBank, ACB, as Lender in the amount of $100 million with a maturity date of April 5, 2021. Loans under this agreement are unsecured and will have a variable annual interest rate determined by either the Eurodollar rate or the Alternative Base Rate depending on the type of loan selected by Avista Corp.

The Credit Agreement contains customary covenants and default provisions, including a covenant not to permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at any time.

The Company has borrowed the entire $100 million available under this agreement, which is expected to be used to provide additional liquidity and for general corporate purposes.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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)	6,302,457,210
4	Property Under Capital Leases	69,745,591
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	6,372,202,801
9	Leased to Others	
10	Held for Future Use	12,951,318
11	Construction Work in Progress	157,909,990
12	Acquisition Adjustments	279,264
13	TOTAL Utility Plant (Total of lines 8 thru 12)	6,543,343,373
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	2,121,893,905
15	Net Utility Plant (Total of lines 13 and 14)	4,421,449,468
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,995,071,690
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	126,822,215
22	TOTAL In Service (Total of lines 18 thru 21)	2,121,893,905
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)	2,121,893,905

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	4,320,051,737	1,330,407,424		651,998,049
4				69,745,591
5				
6				
7				
8	4,320,051,737	1,330,407,424		721,743,640
9				
10	12,045,797	190,585		714,936
11	130,627,836	2,416,941		24,865,213
12	279,264			
13	4,463,004,634	1,333,014,950		747,323,789
14	1,528,306,319	395,724,780		197,862,806
15	2,934,698,315	937,290,170		549,460,983
16				
17				
18	1,503,624,342	394,754,186		96,693,162
19				
20				
21	24,681,977	970,594		101,169,644
22	1,528,306,319	395,724,780		197,862,806
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	1,528,306,319	395,724,780		197,862,806

Schedule Page: 200 Line No.: 4 Column: f

ROU Asset - $69,745,591

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	2,916,864	29,484
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	2,916,864	29,484
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		

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	133,461		(48,120)	2,764,767
5	133,461		(48,120)	2,764,767
6				
7				
8				
9				
10				
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	7,628	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	7,628	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	1,306,601	6,915
45	350.2 Rights-of-Way	59,812	6,930
46	351 Structures and Improvements	2,878,228	(1,251,680)
47	352 Wells	14,891,527	3,111,049
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs	1,667,492	
50	352.3 Non-recoverable Natural Gas	5,810,311	
51	353 Lines	1,106,781	1,123,741
52	354 Compressor Station Equipment	15,848,475	1,396,042
53	355 Other Equipment	1,655,168	(886,083)
54	356 Purification Equipment	403,712	156,536
55	357 Other Equipment	2,936,843	(1,176,554)
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	48,564,950	2,486,896
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		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/Q4

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				7,628
41				7,628
42				
43				
44				1,313,516
45				66,742
46				1,626,548
47				18,002,576
48				
49				1,667,492
50				5,810,311
51				2,230,522
52				17,244,517
53				769,085
54				560,248
55				1,760,289
56				
57				51,051,846
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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,	48,564,950	2,486,896
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	1,179,375	342,042
95	375 Structures and Improvements	1,803,020	189,576
96	376 Mains	597,220,229	43,984,075
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	11,967,781	457,917
99	379 Measuring and Regulating Station Equipment-City Gate	8,721,669	752,668
100	380 Services	369,619,102	28,254,676
101	381 Meters	128,537,042	22,232,871
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	5,789,070	444,523
106	386 Other Property on Customers' Premises		
107	387 Other Equipment	539	
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	1,124,837,827	96,658,348
110	GENERAL PLANT		
111	389 Land and Land Rights	3,607,121	314,706
112	390 Structures and Improvements	23,042,842	6,756,333
113	391 Office Furniture and Equipment	1,186,531	294,645
114	392 Transportation Equipment	17,710,955	751,277
115	393 Stores Equipment	112,801	
116	394 Tools, Shop, and Garage Equipment	8,170,189	746,384
117	395 Laboratory Equipment	324,175	94,377
118	396 Power Operated Equipment	4,096,408	103,586
119	397 Communication Equipment	3,714,172	88,864
120	398 Miscellaneous Equipment	2,367	
121	Subtotal (Enter Total of lines 111 thru 120)	61,967,561	9,150,172
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)	61,967,561	9,150,172
125	TOTAL (Accounts 101 and 106)	1,238,294,830	108,324,900
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	1,238,294,830	108,324,900

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				51,051,846
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89				
90				
91				
92				
93				
94			(5)	1,521,412
95	3,034		(15,283)	1,974,279
96	6,719,231		(1,087,775)	633,397,298
97				
98	65,092		(92,457)	12,268,149
99	40,709		(198,572)	9,235,056
100	553,346		(86,422)	397,234,010
101	5,113,418		(48,981)	145,607,514
102				
103				
104				
105	14,293		(65,248)	6,154,052
106				
107				539
108				
109	12,509,123		(1,594,743)	1,207,392,309
110				
111				3,921,827
112			(57,342)	29,741,833
113	195,394		(17,798)	1,267,984
114	398,679		(30,652)	18,032,901
115				112,801
116	131,060		(10,233)	8,775,280
117	5,272		(421)	412,859
118				4,199,994
119	1,045,197		(34,811)	2,723,028
120				2,367
121	1,775,602		(151,257)	69,190,874
122				
123				
124	1,775,602		(151,257)	69,190,874
125	14,418,186		(1,794,120)	1,330,407,424
126				
127				
128				
129	14,418,186		(1,794,120)	1,330,407,424

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/Q4

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	12/31/2026	190,585
2	located in Coeur d'Alene, Idaho			
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44				
45	**Total**	[redacted]		**190,585**

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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	Minor Projects under $1,000,000:		
2	Gas Revenue Blanket	488,630	805,737
3	Regulator Reliable - Blanket	411,570	635,030
4	Gas Reinforce-Minor Blanket	312,457	4,112
5	Legal & Compliance Technology	214,342	204,336
6	Transportation Equip	149,352	10,638
7	Gas Distribution Non-Revenue Blanket	157,607	(103,853)
8	Cheney HP Reinforcement	119,702	4,585,671
9	Structures & Improv	101,521	(50,619)
10	Cathodic Protection-Minor Blanket	87,360	101,109
11	Gas Replace-St&Hwy	83,025	1,385,654
12	Rathdrum Prairie HP Gas Reinforcement	65,742	2,461,386
13	Gas Telemetry	66,957	97,823
14	Environmental Control & Monitoring Systems	55,331	(29,365)
15	Gas Op Qual - Tooling, Vehicles and Material	33,108	26,397
16	NSC Greene St HP Gas Main	30,548	2,768,679
17	Dollar Rd Service Center Addition and Remodel	26,793	23,027,529
18	Tools Lab & Shop Equipment	26,134	(1,795)
19	Gas ERT Minor Blanket	10,943	14,500
20	Facilities and Storage Locations Security	8,454	126,822
21	Gas Regulators Minor Blanket	6,190	(1,538)
22	Immaterial Difference (GD.WA)	2,082	
23	Facilities Driven Technology Improvements	1,342	14,815
24	Replace Deteriorating Gas System	709	24,273
25	Washington AMI	63	2,999,935
26	Accrual adjustment to all service/jurisd for GD	(43,021)	
27			
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45	**Total**	**2,416,941**	**39,107,276**

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) X An Original (2) __ A Resubmission	04/15/2020	2019/Q4

General Description of Construction Overhead Procedure

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

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

Construction Overhead North Gas

Construction Overhead South Gas

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

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

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

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

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S 171,206,000		
	(2) Short-Term Interest			s 2.94
	(3) Long-Term Debt	D 1,770,500,000	49.87	d 5.32
	(4) Preferred Stock	P		p
	(5) Common Equity	C 1,779,475,228	50.13	c 9.50
	(6) Total Capitalization	3,549,975,228	100.00	
	(7) Average Construction Work In Progress Balance	W 162,445,000		

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] 2.94

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 -

b. Rate for Other Funds -

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	377,778,951	377,778,951		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	29,562,694	29,562,694		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	1,435,448	1,435,448		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	30,998,142	30,998,142		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(14,284,725)	(14,284,725)		
13	Cost of Removal	(302,143)	(302,143)		
14	Salvage (Credit)	(15,495)	(15,495)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(14,571,373)	(14,571,373)		
16	Other Debit or Credit Items (Describe) (footnote details):	548,466	548,466		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	394,754,186	394,754,186		
	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	18,443,132	18,443,132		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	354,875,726	354,875,726		
29	General	21,435,328	21,435,328		
30	TOTAL (Total of lines 21 thru 29)	394,754,186	394,754,186		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

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

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	6,992,076				11,609,184			18,601,260
2	Gas Delivered to Storage					35,303,621			35,303,621
3	Gas Withdrawn from					32,607,408			32,607,408
4	Other Debits and Credits								
5	Balance at End of Year	6,992,076				14,305,397			21,297,473
6	Dth	1,253,060				7,094,798			8,347,858
7	Amount Per Dth	5.5800				2.0163			2.5513

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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)		26,221,702	
5	Other Investment - Coli Borrowings (124610)		(26,221,702)	
6	Other Investment - WZN Loans Oregon (124680)		18,755	
7	Other Investment - WNP3 Exchange Power (124900)		79,626,000	
8	Other Investment - AMT WNP3 Exchange (124930)		(77,993,039)	
9	Temp Cash Investments (136000)		136,713	
10	Energy Commodity Contract (124020)			
11	Other Investment-Non Afficilated LT Note Rec (124820)			
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Investments (Account 123, 124, and 136) (continued)

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

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

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2			11,547,000		
3			59,355		
4	(2,554,533)		28,776,235		
5	2,554,533		(28,776,235)		
6	139		18,616		
7	79,626,000				
8	(77,993,039)				
9	(19,178)		155,891		
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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			(159,248,496)
3	Investment in AERC	07/01/2014		89,816,380
4	AERC- Equity in Earnings			16,816,830
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40	**TOTAL Cost of Account 123.1 $**		**TOTAL**	153,523,685

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

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

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1		(50,000,000)	256,138,971	
2	6,404,043		(152,844,453)	
3			89,816,380	
4	7,178,226	10,000,000	13,995,056	
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40	13,582,269	(40,000,000)	207,105,954	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	747,680
2	Prepaid Rents	
3	Prepaid Taxes	3,759,647
4	Prepaid Interest	
5	Miscellaneous Prepayments	20,174,932
6	TOTAL	24,682,259

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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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	9,687,444	1,264,114	407	606,842		10,344,716
2	Reg Asset Post Ret Liab	230,641,437	3,403,831	228, 283	23,244,061		210,801,207
3	Regulatory Asset FAS109 Utility Plant	81,340,941	3,207,946	283	1,192,953		83,355,934
4	Regulatory Asset FAS109 DSIT Non Plant	1,420,897	1,682,091	283	79,787		3,023,201
5	Regulatory Asset FAS109 WNP3	107,699		283	107,699		
6	Regulatory Asset-Spokane River Relicense	403,183		407, 537	269,272		133,911
7	Regulatory Asset-Lake CDA Settlement - Varies	42,589,145		407	1,279,988		41,309,157
8	Reg Assets-Decouplings Surcharge	1,776,570	23,550,873	182	6,000,822		19,326,621
9	Reg Asset - Colstrip		4,945,687				4,945,687
10	Commodity MTM ST & LT Regulatory Asset	58,294,063		244, 175	51,720,475		6,573,588
11	Regulatory Assset FAS 143 Asset Retirement Obligation	4,690,533	653,201	182	3,543,528		1,800,206
12	Regulatory Asset Workers Comp	634,064	612,173	242	119,941		1,126,296
13	Interest Rate Swap Asset	133,853,505	397,270,942	244, 175	362,530,376		168,594,071
14	DSM Asset	19,674,074	49,213,659	242	56,717,534		12,170,199
15	Deferred ITC	4,052,923		283, 410	70,968		3,981,955
16	Regulatory Asset MDM System	4,030,155	9,396,022	431	31,356		13,394,821
17	Regulatory Asset BPA Residential Exchange	90,430	1,421,535	254, 407	185,080		1,326,885
18	Regulatory Asset FISERV	1,930,519	1,739,188	805	75,672		3,594,035
19	Regulatory Asset- AFUDC (PIC, WIP) & Equity DFIT	3,506,418	42,079,953	108,282	1,492,712		44,093,659
20	Regulatory Asset ID PCA Deferral - 1 year		256,594				256,594
21	Existing Meters/ERTS Retirement Def		13,052,304				13,052,304
22	Other Regulatory Assets	109	2,212				2,321
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40	**Total**	598,724,109	553,752,325		509,269,066	0	643,207,368

Schedule Page: 232 Line No.: 1 Column: a
Residential Schedule 101 customers who receive a natural gas line extension as part of conversion to natural gas from another fuel source. Amortization for a period of 3 years on the excess allowance exceeding the cost of the line extension.

Schedule Page: 232 Line No.: 2 Column: a
Recognition of the overfunded and underfunded status of a defined benefit postretirement plan based on ASC 715 for financial reporting.

Schedule Page: 232 Line No.: 3 Column: a
Amortized over remaining book life of pre-1986 vintage assets. Amortization amount varies yearly.

Schedule Page: 232 Line No.: 6 Column: a
Amortization for TDG Idaho ended on December 2019. Spokane River relicensing amortization costs will end on 11/30/2020.

Schedule Page: 232 Line No.: 7 Column: a
Washington Docket UE-080416 & Idaho Order AVU-E-08-01. Amortization thru 2059.

Schedule Page: 232 Line No.: 8 Column: a
Decoupling revenue deferrals are recognized during the period they occur, subject to certain limitations. Revenue is expected to be collected within 24 months of the deferral.

Schedule Page: 232 Line No.: 9 Column: a
For Washington Electric, we are currently deferring ARO expenses. Amortization period to be determined. For Idaho Electric, amortization is for 34 years as per Order 34276, AVU-E-18-03.

Schedule Page: 232 Line No.: 10 Column: a
Washington Docket# UE-002066 and Idaho Order# 28648.

Schedule Page: 232 Line No.: 11 Column: a
Reclass of Regulatory Assets related to Colstrip to state jurisdictions.

Schedule Page: 232 Line No.: 12 Column: a
Quarterly adjustments to workers comp reserve for current unpaid claims.

Schedule Page: 232 Line No.: 13 Column: a
Settled swaps are amortized over the life of the associated debt.

Schedule Page: 232 Line No.: 14 Column: a
Amortization period varies depending on timing of transactions.

Schedule Page: 232 Line No.: 15 Column: a
Amortization period varies depending on underlying transactions.

Schedule Page: 232 Line No.: 16 Column: a
Washington Docket Nos. UE-180418, UG-180419

Schedule Page: 232 Line No.: 17 Column: a
Avista is a participant in the Residential Exchange Program with Bonnevile Power Administration. Customers served under Schedules 1, 12, 22, 32 and 48 are given a rate adjustment based on Schedule 59 for Washington and Idaho. Amortization is based on customer usage.

Schedule Page: 232 Line No.: 18 Column: a
Idaho Order# 33494, Docket Nos. AVU-E-16-01 and Stipulation and Settlement Docket# AVU-E-19-04

Schedule Page: 232 Line No.: 19 Column: a
Deferring the difference between FERC formula and State approved AFUDC rates primarily from 2010-2017.

Schedule Page: 232 Line No.: 21 Column: a
Washington Docket Nos. UE-180418 and UG-180419. Amortization period to be determined.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Miscellaneous Deferred Debits (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1						
2	Colstrip Common Facility	1,110,999				1,110,999
3	Colstrip Common Facility	2,355,642				2,355,642
4	Plant Alloc of Clearing Journal	3,696,701	1,119,286			4,815,987
5	Intercompany Clearing		8,132			8,132
6	Misc. Deferred Debits (AN)	470,493	26,488			496,981
7	Misc. Deferred Debits (WA)		540,265			540,265
8	Reg Asset - Decoupling Deferred	21,001,564		VAR	12,449,795	8,551,769
9	Deferred Proj Compass - ID 4 yr	836,724		407	836,724	
10	Reg Asset ID-Lake CDA 10 yr amt	54,206		506	30,975	23,231
11	Conservation Project Programs		46,298			46,298
12	Nez Perce Settlement	129,501		557	5,188	124,313
13	Subsidiary Billings	522,220		VAR	499,633	22,587
14	Misc. Work Orders <$40,000	757,584		VAR	446,807	310,777
15	Aurora Solar Project #59	67,956	989			68,945
16	Build Farm Taps	60,951		VAR	6,156	54,795
17	Clarkston Hts Solar Project#60	84,080	26,187			110,267
18	Credit Union Labor & Expenses	96,382		VAR	36,639	59,743
19	Optional Wind Power	(83,782)	17,737			(66,045)
20	Smart Hoist Suspense		76,518			76,518
21	Timber Harvest Revenue	(260,682)	33,864			(226,818)
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39	Miscellaneous Work in Progress					
40	**Total**	30,900,539	1,895,764		14,311,917	18,484,386

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	14,294,336	(3,094,028)	897,420
3	Gas	3,071,820	400,638	1,250,052
4	Other (Define) (footnote details)	170,084,364	315,420	329,230
5	Total (Total of lines 2 thru 4)	187,450,520	(2,377,970)	2,476,702
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	187,450,520	(2,377,970)	2,476,702
8	Classification of TOTAL			
9	Federal Income Tax	187,450,520	(2,377,970)	2,476,702
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	(303,640)					1,920,914	20,510,338
3	(54,850)			184,970			3,791,114
4	(1,506,852)	196,940		19,046,892			152,755,074
5	(1,865,342)	196,940		19,231,862		1,920,914	177,056,526
6							
7	(1,865,342)	196,940		19,231,862		1,920,914	177,056,526
8							
9	(1,865,342)	196,940		19,231,862		1,920,914	177,056,526
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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		200,000,000		
3	Restriced shares			
4	TOTAL Common	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	Total Preferred	10,000,000		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	67,176,996	1,176,498,977			93,351.00	3,824,590.00
3						
4	67,176,996	1,176,498,977			93,351.00	3,824,590.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Other Paid-In Capital (Accounts 208-211)

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

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

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

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

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

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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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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	(44,938,398)
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	TOTAL	(44,938,398)

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 November 2019, the Company issued and sold $180.0 million of 3.43 percent first mortgage bonds due in 2049 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 maturing long-term debt of $90.0 million, repay a portion of the outstanding balance under Avista Corp.'s $400.0 million committed line of credit and for other general corporate purposes. In connection with the issuance and sale of the first mortgage bonds, the Company cash settled six interest rate swap derivatives (notional aggregate amount of $70.0 million) and paid a net amount of $13.3 million. See note 7 for a discussion of interest rate swap derivatives.

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

1. Order of the Washington Utilities and Transportation Commission in Docket No. 171210 entered January 11, 2018;
2. Order of the Idaho Public Utilities Commission, Order No. 33978 entered January 30, 2018;
3. Order of the Public Utility Commission of Oregon, Order No. 19-249, entered July 30, 2019;

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

We issued equity in 2019 for total net proceeds of $64.6 million. Most of these issuances came through our four separate sales agency agreements under which the sales agents may offer and sell new shares of our common stock from time to time. These agreements provide for the offering of a maximum of 4.6 million shares, of which approximately 3.2 million remain unissued as of December 31, 2019. In 2019, 1.4 million shares were issued under these agreements resulting in total net proceeds of $63.6 million. Subject to the satisfaction of customary conditions (including any required regulatory approvals), we have the right to increase the maximum number of shares that may be offered under these agreements. These agreements expire on February 29, 2020. We expect to negotiate and enter into new sales agency agreements in the second quarter of 2020.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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 5/05/2023	05/07/1993	05/05/2023	1,000,000
3	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
4	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
5	FMBS - 6.37% SERIES C	06/19/1998	06/19/2028	25,000,000
6	FMBS - 5.45% SERIES	11/18/2004	12/01/2019	90,000,000
7	Discount- FMBS - 5.45% SERIES			
8	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
9	Discount- FMBS - 6.25% SERIES			
10	FMBS - 5.70% SERIES	12/15/2006	07/01/2037	150,000,000
11	Discount- FMBS - 5.70% SERIES			
12	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
13	Discount- FMBS - 5.125% SERIES			
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
23	FMBS 3.91% SERIES	12/14/2017	12/01/2047	90,000,000
24	FMBS 4.35% SERIES	05/22/2018	06/01/2048	375,000,000
25	FMBS 3.43% SERIES	11/26/2019	12/01/2049	180,000,000
26				
27				
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36				
37				
38				
39				
40	**TOTAL**			2,045,747,000

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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	7.180	502,600			
4	2.788	1,342,492			
5	6.370	1,592,500			
6	5.450	4,496,250			
7					
8	6.250	9,375,000			
9					
10	5.700	8,550,000			
11					
12	5.125	12,812,500			
13					
14	1.770	1,109,577			
15	1.770	282,833			
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	6,195,000			
23	3.910	3,519,000			
24	4.350	16,312,500			
25	3.430	600,250			
26					
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39					
40		85,147,852			

Schedule Page: 256 Line No.: 3 Column: a

Upon Issuance Avista Capital II issued 1.5 million of common trust securties to the Company. In December 2000, the Company purchased 10.0 million of these preferred Trust Securities. The interst 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.

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

The Company reacquired this debt in 2010. These bonds have not been retired or canceled.

Schedule Page: 256 Line No.: 25 Column: a

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

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

2. Order of the Idaho Public Utilities Commission ,Order No. 33978 entered January 30, 2018;

3. Order of the Public Utility Commission of Oregon, Order No. 19-249, entered July 30, 2019

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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 - 7.18% DUE 8/11/2023	7,000,000	54,364	08/12/1993	08/11/2023
4	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	51,547,000	1,296,086	06/03/1197	06/01/2037
5	FMBS - 6.37% SERIES C	25,000,000	158,304	06/19/1998	06/19/2028
6	FMBS - 5.45% SERIES	90,000,000	1,432,081	11/18/2004	12/01/2019
7	FMBS - 6.25% SERIES	150,000,000	2,180,435	11/17/2005	12/01/2035
8	FMBS - 5.70% SERIES	150,000,000	4,924,304	12/15/2006	07/01/2037
9	FMBS - 5.125% SERIES	250,000,000	2,859,788	09/22/2009	04/01/2022
10	FMBS - 3.89% SERIES	52,000,000	385,129	12/20/2010	12/20/2020
11	FMBS - 5.55% SERIES	35,000,000	258,834	12/20/2010	12/20/2040
12	Short-Term Credit Facility		5,070,271	12/14/2011	04/18/2019
13	4.45% SERIES DUE 12-14-2041	85,000,000	692,833	12/14/2011	12/14/2041
14	4.23% SERIES DUE 11-29-2047	80,000,000	730,833	11/30/2012	11/29/2047
15	4.11% Seires Due 12-1-2044	60,000,000	428,205	12/18/2014	12/01/2044
16	4.37% Series Due 12-1-2045	100,000,000	590,761	12/16/2015	12/01/2045
17	3.54% Series Due 12-1-2051	175,000,000	1,042,569	12/15/2016	12/01/2051
18	3.91% Series Due 12-1-2047	90,000,000	552,539	12/14/2017	12/01/2047
19	4.35% Series due 6-1-2048	375,000,000	4,625,198	06/01/2018	06/01/2048
20	3.43% Series Due 12-1-2049	180,000,000	1,113,113	12/01/2019	12/01/2049
21	Rathrum 2005		71,646	09/30/2005	12/01/2035
22	Debt Strategies		858	08/01/2005	08/01/2035
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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	6,287		1,424	4,863
2	1,143		259	884
3	8,457		1,812	6,645
4	259,273		14,015	245,258
5	50,130		5,277	44,853
6	85,961		85,961	
7	1,233,671		72,569	1,161,102
8	2,992,503		161,032	2,831,471
9	758,533		227,561	530,972
10	77,239		38,619	38,620
11	189,817		8,628	181,189
12	1,013,440		434,332	579,108
13	531,390		23,104	508,286
14	603,957		20,886	583,071
15	371,337		14,282	357,055
16	531,941		19,702	512,239
17	983,196		29,794	953,402
18	534,253		18,423	515,830
19	4,536,022		153,764	4,382,258
20		1,111,577	1,543	1,110,034
21	40,266		2,368	37,898
22	476		29	447
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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)	(227,340)	(183,104)
2	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	12/18/2000		1,769,125	898,797	849,993
3	Misc 2002 Repurchase	12/31/2002		2,228,153	464,484	412,393
4	Misc 2003 Repurchase	12/31/2003		315,274	78,860	71,860
5						
6	Misc 2005 Repurchase	12/31/2005		(1,700,371)	(532,018)	(497,013)
7						
8	Misc 2008 Repurchase Costs	12/31/2008		43,132	13,617	10,922
9	AVA Capital Trust III (2022)	04/01/2009		(2,875,817)	(764,248)	(534,974)
10	COLSTRIP 2010A PCRBs DUE 2032	12/14/2010		(3,709,174)	(2,153,404)	(1,997,737)
11	COLSTRIP 2010B PCRBs DUE 2034	12/14/2010		(1,916,297)	(1,254,488)	(1,171,994)
12	FMBS - 7.25% SERIES (2040)	12/20/2010		(5,263,822)	(3,860,136)	(3,684,675)
13	FMBS - 6.125% SERIES (2020)	12/20/2010		(6,273,664)	(1,254,733)	(627,366)
14	KETTLE FALLS P C REV BONDS DUE 14 (2047)	06/28/2012		(105,020)	(86,767)	(83,766)
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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)	191,949,607
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		8,218,407
6		
7		
8	TOTAL	8,218,407
9	Deductions Recorded on Books Not Deducted for Return	
10		264,780,968
11	Federal Income Tax Expense	23,748,485
12	State Income Tax Expense Adj	671,886
13	TOTAL	289,201,339
14	Income Recorded on Books Not Included in Return	
15		(16,761,381)
16		
17		
18	TOTAL	(16,761,381)
19	Deductions on Return Not Charged Against Book Income	
20		(392,739,644)
21		
22		
23	Equity in Sub Earnings	(13,582,269)
24	Corporate Overhead Unallocated Subs	734,005
25		
26	TOTAL	(405,587,908)
27	Federal Tax Net Income	67,020,064
28	Show Computation of Tax:	
29		
30	Federal Tax at 21%	14,074,213
31		
32	Prior Year True Ups	89,757
33		
34	Total Federal Tax Expense	14,163,970
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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 2014	247,648	
3	Income Tax 2016	(520,411)	
4	Income Tax (2017)		
5	Income Tax (2018)	3,137,410	
6	Income Tax (Current)		
7	Prior Retained Earnings		
8	Current Retained Earnings		
9	Total Federal	2,864,647	
10			
11	STATE OF WASHINGTON		
12	Property Tax (2018)	18,657,279	
13	Property Tax (2019)		
14	Excise Tax (2016)	892,951	
15	Excise Tax (2018)	2,615,663	
16	Excise Tax (2019)		
17	Natural Gas Use Tax	496	
18	Municipal Occupation Tax	2,802,731	
19	Community Solar	(22,706)	
20	Sales & Use Tax (2018)	92,145	
21	Sales & Use Tax (2019)		
22	Total Washington	25,038,559	
23			
24	STATE OF IDAHO:		
25	Income Tax (2018)	133,757	
26	Income Tax (2019)		
27	Property Tax (2018)	3,983,497	25,046
28	Property Tax (2019)		
29	Sales & Use Tax (2018)	4,093	
30	Sales & Use Tax (2019)		
31	KWH Tax (2018)	31,827	
32	KWH Tax (2019)		
33	Franchise Tax (2017)	(1)	
34	Franchise Tax (2018)	1,019,285	
35	Franchise Tax (2019)		
36	Total Idaho	5,172,458	25,046
37			
38	STATE OF MONTANA		
39	Income Tax (2018)	3,640	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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					247,648
3					(520,411)
4	(104,399)	(622,137)			(104,399)
5	(668,591)	4,343,261	1		(1,252,305)
6	14,258,252	20,801,640			(6,543,388)
7					
8					
9	13,485,262	24,522,764	1		(8,172,855)
10					
11					
12	(2,265,643)	16,386,052		5,584	
13	18,740,467			18,740,467	
14				892,951	
15	42,618	2,658,281			
16	27,166,921	24,251,919		2,915,002	
17	3,211	3,216	(1)	490	
18	24,214,721	23,887,401		3,130,051	
19	(607,289)	(598,266)		(31,729)	
20		89,476		2,669	
21	1,416,689	1,130,161		286,528	
22	68,711,695	67,808,240	(1)	25,942,013	
23					
24					
25	14,064	147,821			
26	10,384	330,000			(319,616)
27	50	3,983,547			
28	7,685,062	3,867,706		3,817,356	
29		4,093			
30	135,001	125,660		9,341	
31	(3,875)	27,952			
32	372,268	345,991		26,277	
33			1		
34		1,019,264		21	
35	4,662,921	3,559,640		1,103,281	
36	12,875,875	13,411,674	1	4,956,276	(319,616)
37					
38					
39	2,175	5,815			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

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

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				(400,694)
5	5,573			484,878
6	7,388,769	(6,449,342)		(8,423,775)
7				
8				
9	7,394,342	(6,449,342)		(8,339,591)
10				
11				
12	(1,863,845)	(478,519)		74,881
13	14,808,462	3,843,996		88,009
14				
15	33,109	(949)		10,458
16	21,424,963	5,653,185		88,774
17	3,211			
18	18,880,001	5,242,186		
19				
20				
21				
22	53,285,901	14,259,899		262,122
23				
24				
25	11,954	2,110		
26	(483,678)	(85,355)		(131,297)
27	50			
28	6,017,580	1,655,639		50,181
29				
30				
31	(3,875)			
32	373,583			
33				
34				
35	3,543,617	1,126,190		
36	9,459,231	2,698,584		(81,116)
37				
38				
39	2,175			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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				296,295	
5				(1,159,042)	
6	21,404,419			338,181	
7					
8					
9	21,404,419			(524,566)	
10					
11					
12				1,839	
13					
14					
15					
16					
17					
18				92,534	
19				(607,289)	
20					
21				1,416,689	
22				903,773	
23					
24					
25					1.46
26	710,714				1.46
27					
28				(38,338)	
29					
30				135,001	
31					
32				(1,315)	
33					
34					
35				(6,886)	
36	710,714			88,462	
37					
38					
39					0.37

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Income Tax (2019)		
2	Property Tax (2018)	5,567,637	
3	Property Tax (2019)		
4	Colstrip Generation Tax		
5	KWH Tax (2018)	247,559	
6	KWH Tax (2019)		
7	Consumer Council Fee	60	
8	Public Commission Fee	19	
9	Total Montana	5,818,915	
10			
11	STATE OF OREGON		
12	Income Tax (2019)		
13	Property Tax (2018)		3,952,413
14	Property Tax (2019)		
15	Franchise Tax (2018)	955,373	
16	Franchise Tax (2019)		
17	Total Oregon	955,373	3,952,413
18			
19	STATE OF CALIFORNIA		
20	Income Tax (2019)		
21	Total California		
22			
23	MISCELLANEOUS STATES:		
24	Income Tax (2017)	1	
25	Income Tax (2019)		
26	Total Misc States	1	
27			
28	MISCELLANEOUS OTHER		
29	CTR Credit for 2019		
30	Misc/Distribution	25,046	
31	Timber Excise Tax		
32	WA Renewable Energy	(42,537)	
33	Thermal Fuel Tax	3,007	
34	Total County	(14,484)	
35			
36			
37			
38			
39			
	TOTAL	39,835,469	3,977,459

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

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	235,666	360,000			(124,334)
2		5,567,637			
3	11,552,453	5,784,643	1	5,767,811	
4	2,863	2,863			
5		247,559			
6	1,080,780	854,170		226,610	
7	(18)	27		15	
8	118	86		51	
9	12,874,037	12,822,800	1	5,994,487	(124,334)
10					
11					
12	100,000	100,000			
13	3,952,413				
14	3,759,492	7,519,140	1		(3,759,647)
15		911,958	(1)	43,414	
16	3,637,043	2,590,653		1,046,390	
17	11,448,948	11,121,751		1,089,804	(3,759,647)
18					
19					
20	1,600	1,600			
21	1,600	1,600			
22					
23					
24			(1)		
25	460	2,050			(1,590)
26	460	2,050	(1)		(1,590)
27					
28					
29	(1,553)	(1,553)			
30	31,320	(1,839)	(25,047)	33,158	
31					
32	(1,824,133)	(1,841,624)	25,046		
33	69,927	65,754		7,180	
34	(1,724,439)	(1,779,262)	(1)	40,338	
35					
36					
37					
38					
39					
TOTAL	117,673,438	127,911,617		38,022,918	(12,378,042)

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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	(60,656)			(67,147)
2				
3	11,552,453			
4	2,863			
5				
6	1,080,780			
7	(18)			
8	118			
9	12,577,715			(67,147)
10				
11				
12	25,000	75,000		
13				
14	3,392,995	4,318,910		
15				
16	1	3,622,928		
17	3,417,996	8,016,838		
18				
19				
20				1,600
21				1,600
22				
23				
24				
25				460
26				460
27				
28				
29				(1,553)
30				959
31				
32				
33				(1)
34				(595)
35				
36				
37				
38				
39				
TOTAL	86,135,185	18,525,979		(8,224,267)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	363,470			(1)	0.37
2					
3					
4					
5					
6					
7					
8					
9	363,470			(1)	
10					
11					
12					0.75
13					0.75
14					
15					
16				14,114	
17				14,114	
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30				30,361	
31					
32				(1,824,133)	
33				69,928	
34				(1,723,844)	
35					
36					
37					
38					
39					
TOTAL	22,478,603			(1,242,062)	

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

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

Line No.	Item (a)	Balance at End of Year (b)
1	MARGIN CALL DEPOSIT	1,245,000
2	FOREST USE PERMITS	2,586,900
3	ST LEASE ACCRUAL	2,583
4	FERC ADMIN FEE ACC	550,000
5	FERC ELECT ADMIN CHG	114,657
6	MT LEASE PAYMENTS	4,983,557
7	MT INVASIVE SPECIES FEE	402,527
8	DSM TARIFF RIDER	(2,379,623)
9	PAID TIME OFF	21,990,274
10	LOW INCOME ENERGY ASSIST	2,401,864
11	AVISTA GRANTS ENG SUSTAIN WSU	22,272
12	WORKERS COMP LIABILITY	1,126,296
13	ACCTS PAYABLE INVENTORY ACCRUALS	(885,217)
14	ACCTS PAYABLE EXPENSE ACCRUAL	862,975
15	CURRENT PORTION BENEFIT LIABILITY	8,825,770
16	CLEARING ACCOUNTS	350,890
17	PREPAYMENTS	175,352
18	CUSTOMER ACCOUNTS	8,432,402
19		
20		
21		
22		
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44		
45	**Total**	**50,808,479**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	Deferred Gas Exchange - 1 year	1,125,000				1,125,000
2	Kettle Falls Diesel Leak	112,441	514, 545	319,835	504,472	297,078
3	Bills Pole Rentals	184,035	172	591,655	600,725	193,105
4	Defer Comp Active Execs	8,400,357	128	1,063,486	1,610,808	8,947,679
5	Executive Incent Plan	140,000				140,000
6	Unbilled Revenue	1,580,426	908	336,456		1,243,970
7	WA Energy Recovery Mechanism	9,696,264	Various		4,458,218	14,154,482
8	Misc Deferred Credits	130,806	186, 550	122,858	23,418	31,366
9	Decoupling Deferred Credits	244,984	182	11,791,840	15,073,734	3,526,878
10	WA REC	851,753	186	851,753		
11						
12						
13						
14						
15						
16						
17						
18						
19						
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42						
43						
44						
45	**Total**	22,466,066		15,077,883	22,271,375	29,659,558

Schedule Page: 269 Line No.: 1 Column: a

FortisBC and Avista exchange volumes of gas on a firm delivery basis during different time periods. Amortization is recorded monthly every year. This contract ends April 15, 2021.

Schedule Page: 269 Line No.: 2 Column: a

Kettle Falls Generation station underground fuel leak. Continuing remidiation liability is recorded.

Schedule Page: 269 Line No.: 7 Column: a

The Washington Energy Recovery Mechanism (ERM) allows Avista to periodically increase or decrease electric rates. This accounting method tracks differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base rates.

Schedule Page: 269 Line No.: 9 Column: a

Washington Decoupling for electric and natural gas for a 5 year period beginning January 1, 2015. Idaho approved for an initial term of 3 years beginning January 1, 2016, but extended thru March 31, 2025. Oregon approved similar to Washington and Idaho beginning March 1, 2016.

Decoupling revenue deferrals are recognized during the period they occur, subject to certain limitations. Revenue is expected to be collected within 24 months of the deferral.

Schedule Page: 269 Line No.: 10 Column: a

Washington Docket# UE-170485, 2 year plan

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	327,565,981	6,320,794	
3	Gas	79,958,638	2,688,056	
4	Other (Define) (footnote details)	90,350,945	(2,489,467)	
5	Total (Enter Total of lines 2 thru 4)	497,875,564	6,519,383	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	497,875,564	6,519,383	
8	Classification of TOTAL			
9	Federal Income Tax	497,875,564	6,519,383	
10	State Income Tax			
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				5,322,775			339,209,550
3				4,202,817			86,849,511
4				949,468			88,810,946
5				10,475,060			514,870,007
6							
7				10,475,060			514,870,007
8							
9				10,475,060			514,870,007
10							
11							

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	3,996,661	7,685,588	1,259,112
3	Gas	(6,680,910)	9,126,454	
4	Other (Define) (footnote details)	172,893,400	831,706	
5	Total (Total of lines 2 thru 4)	170,209,151	17,643,748	1,259,112
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	170,209,151	17,643,748	1,259,112
8	Classification of TOTAL			
9	Federal Income Tax	170,209,151	17,643,748	1,259,112
10	State Income Tax			
11	Local Income Tax			

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/Q4

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	(40,538)			3,010,503			13,393,102
3	(55,684)					4,764	2,385,096
4	74,125					9,992,220	163,807,011
5	(22,097)			3,010,503		9,996,984	179,585,209
6							
7	(22,097)			3,010,503		9,996,984	179,585,209
8							
9	(22,097)			3,010,503		9,996,984	179,585,209
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	6,245,251	190	1,396,668		342,447	5,191,030
2	Oregon BETC Credit	1,111,427					1,111,427
3	Interest Rate Swaps	28,078,514	427, 175	10,990,229			17,088,285
4	Nez Perce	550,316	557	22,008			528,308
5	Idaho Earnings Test	773,984	191	87,014			686,970
6	Decoupling Rebate	8,609,963	182	9,136,730		628,138	101,371
7	WA ERM	24,748,354	Various			1,054,440	25,802,794
8	ID PCA - 1 year	7,559,909	182, 557	7,833,916		274,007	
9	Deferred Federal ITC - Varies	8,105,848	190	141,936			7,963,912
10	Plant Excess Deferred	410,749,394	410	12,378,938			398,370,456
11	Non Plant Excess Deferred	18,538,128	410	7,448,495			11,089,633
12	Reg Liability MDM System	305,126				284,603	589,729
13	AFUDC Equity Tax Deferral	1,692,177				571,460	2,263,637
14	Exist Meters/ERTS Excess Depr Deferred	188,620				763,783	952,403
15	DSM Tariff Rider	284,139				10,394	294,533
16	Low Income Energy Assistance	1,343,384	242, 908	9,249,947		10,308,427	2,401,864
17	Deferred CS2 & Colstrip O&M	658,833	182	261,474			397,359
18	Reg Liability-Tax Reform Amortization - 1 year	6,449,651	407	11,930,324		9,829,408	4,348,735
19	Reg Liability-Energy Efficiency Assistance					1,532,183	1,532,183
20	Other Regulatory Liabilities - Varies	1,447,796	190	955,292			492,504
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45	**Total**	527,440,814		71,832,971	0	25,599,290	481,207,133

Schedule Page: 278 Line No.: 1 Column: a
Not amortized

Schedule Page: 278 Line No.: 2 Column: a
Not amortized.

Schedule Page: 278 Line No.: 3 Column: a
Mark-to-Market gains and losses for interest rate swap derivatives. Upon settlement, amortization of Regulatory Assets and Liabilitiesas a component of interest expense over the term of the associated debt.

Schedule Page: 278 Line No.: 6 Column: a
Decoupling rebates are recognized during the period they occur, subject to certain limitations. Rebates are returned to customers within 24 months of the deferral.

Schedule Page: 278 Line No.: 7 Column: a
The Washington Energy Recovery Mechanism allows Avista to periodically increase or decrease electric rates. this accounting method tracks differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base rates. Avista files yearly on or before April 1 for prudence review by the commission.

Schedule Page: 278 Line No.: 8 Column: a
Avista defers 90 percent of the difference between actualnet power supply expenses and the amount included in base retail ratesfor Idaho customers. Rate adjustments for rebate or surcharge are effective October 1.

Schedule Page: 278 Line No.: 9 Column: a
Noxon ITC - 65 year amortization, ends 2077
Community Solar ITC - 20 year amortization, ends 2035
Nine Mile ITC - 65 year amortization, ends 2080

Schedule Page: 278 Line No.: 10 Column: a
Amortized over remaining book likeof plant, estimated 36 years.

Schedule Page: 278 Line No.: 11 Column: a
Washington Gas and Oregon Gas costs are amortized over 1 year. Idaho Electric was offset against Colstrip excess depreciation impacts from Docket# AVU-E-18-03 Order No. 34276.

Schedule Page: 278 Line No.: 13 Column: a
Amortization period not yet determined in all jurisdictions. Idaho Electric Settlement AVU-E-19-04 ordered a transfer to account 254320 for Idaho portion.

Schedule Page: 278 Line No.: 14 Column: a
Washington Docket Nos. UE-180418 and UG-180419

Schedule Page: 278 Line No.: 16 Column: a
Washington Docket# UE-190912, UG-190920, Idaho Docket# AVU-E-18-12, AVU-G-18-08, Oregon RG 81, Docket No. ADV 1063 (Advice No. 19-10-G)

Schedule Page: 278 Line No.: 18 Column: a
Washington Docket Nos. UE-170485, UG-170486, Oregon Advice# ADV 923/19-01-G (Schedule 474),
Idaho Case# GNR-U-19-01

Schedule Page: 278 Line No.: 19 Column: a
Avista's contribution in the Energy Assistance Fund as per Idaho Settlement Stipulation Case# AVU-E-19-04 (Page 10, 16 a.11).

Schedule Page: 278 Line No.: 20 Column: a
FAS 109 ITC - 18 year amortization, ends 2020

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2020	Year/Period of Report End of 2019/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:				

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	196,429,738	194,340,048	196,429,738	194,340,048	23,123,796	20,834,449
2	97,431,048	94,094,869	97,431,048	94,094,869	15,592,762	13,622,087
3						
4	136,305,522	137,700,616	136,305,522	137,700,616	59,875,983	51,383,498
5	253,068	271,572	253,068	271,572	42,081	41,215
6						
7						
8	106,672	116,985	106,672	116,985		
9						
10						
11	8,673,782	9,102,582	8,673,782	9,102,582	19,542,094	18,184,474
12						
13						
14						
15						
16	2,751	2,678	2,751	2,678		
17						
18	7,228,294	1,022,412	7,228,294	1,022,412		
19	446,430,875	436,651,762	446,430,875	436,651,762		
20	1,815,553	6,764,411	1,815,553	6,764,411		
21	444,615,322	429,887,351	444,615,322	429,887,351		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	1,813,397
13	Deferred Exchange Revenue	4,500,000
14	Decoupling Deferred Revenue	914,897
15		
16		
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	Total	**7,228,294**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

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

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	266,160,172	214,502,540
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	37,730,182	(898,476)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	228,429,990	215,401,016
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

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	32,607,408	19,408,914
87	(Less) 808.2 Gas Delivered to Storage-Credit	35,303,621	19,279,491
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	699,291	1,448,821
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)	699,291	1,448,821
95	813 Other Gas Supply Expenses	1,553,513	1,597,405
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	226,587,999	215,679,023
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	226,587,999	215,679,023
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	15,735	15,179
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	772,251	877,951
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	787,986	893,130

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	2,239,715	1,554,613
124	TOTAL Maintenance (Total of lines 116 thru 123)	2,239,715	1,554,613
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	3,027,701	2,447,743
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

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)	3,027,701	2,447,743

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	2,571,709	2,133,710
205	871 Distribution Load Dispatching	0	0
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	6,006,761	5,760,059
209	875 Measuring and Regulating Station Expenses-General	202,120	195,295
210	876 Measuring and Regulating Station Expenses-Industrial	9,837	22,023
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	79,264	96,654
212	878 Meter and House Regulator Expenses	850,056	697,101
213	879 Customer Installations Expenses	3,312,750	2,648,771
214	880 Other Expenses	3,505,475	3,259,800
215	881 Rents	52,175	60,361
216	TOTAL Operation (Total of lines 204 thru 215)	16,590,147	14,873,774
217	Maintenance		
218	885 Maintenance Supervision and Engineering	220,749	233,303
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,283,909	2,356,740
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	606,305	569,260
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	57,433	103,774
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	129,459	80,624
225	892 Maintenance of Services	2,113,144	1,664,336
226	893 Maintenance of Meters and House Regulators	2,623,297	2,143,842
227	894 Maintenance of Other Equipment	414,110	607,116
228	TOTAL Maintenance (Total of lines 218 thru 227)	8,448,406	7,758,995
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	25,038,553	22,632,769
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	137,648	139,050
233	902 Meter Reading Expenses	1,771,096	1,910,839
234	903 Customer Records and Collection Expenses	8,318,773	8,035,197

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	191,192	1,856,595
236	905 Miscellaneous Customer Accounts Expenses	174,009	241,665
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	10,592,718	12,183,346
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	13,934,510	10,689,454
242	909 Informational and Instructional Expenses	1,239,099	1,180,742
243	910 Miscellaneous Customer Service and Informational Expenses	241,254	324,966
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	15,414,863	12,195,162
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	259	346
249	913 Advertising Expenses	0	1,040
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	259	1,386
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	10,145,930	10,540,964
255	921 Office Supplies and Expenses	1,870,409	1,899,662
256	(Less) 922 Administrative Expenses Transferred-Credit	17,719	19,674
257	923 Outside Services Employed	3,805,281	3,740,550
258	924 Property Insurance	489,741	448,289
259	925 Injuries and Damages	1,613,044	1,607,878
260	926 Employee Pensions and Benefits	11,308,297	10,522,259
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,959,465	1,785,080
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	0	0
265	930.2Miscellaneous General Expenses	1,857,212	1,557,349
266	931 Rents	132,525	165,973
267	TOTAL Operation (Total of lines 254 thru 266)	33,164,185	32,248,330
268	Maintenance		
269	932 Maintenance of General Plant	4,930,291	4,579,981
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	38,094,476	36,828,311
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	318,756,569	301,967,740

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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		3,025,727			
2	811 Gas Used for Products Extraction - Credit		2,499,937	699,291		
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
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25	**Total**		5,525,664	699,291		

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	882,578
3	Labor Loading	296,193
4	Other Expenses (Professional Services, Travel, Transporation, Office Supplies, Training)	176,595
5		
6	Regulatory Affairs	
7	Labor	13,011
8	Labor Loading	4,868
9	Other Expenses (Travel, Transporation, Gas Technology Institute Payments)	180,268
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24		
25	**Total**	1,553,513

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.	142,060
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	150,092
4	Other expenses	
5	Community Relations	110,092
6	Director Expenses	175,955
7	Education & Informaion	12,325
8	Rating Agency Fees	62,522
9	Aircraft Operation and fee	159,237
10	Misc Vendors > 5000	599,130
11	Misc Vendors < 5000	504,543
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25	**Total**	1,915,956

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	834,251			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	26,992,306			
10	General plant	1,736,137			
11	Common plant-gas	7,261,536			
12	TOTAL	36,824,230			

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

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

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

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

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	177,080		177,080	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			834,251	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			26,992,306	Distribution plant
10			1,736,137	General plant
11	9,901,988		17,163,524	Common plant-gas
12	10,079,068		46,903,298	TOTAL

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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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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	ACCT. 425.00 MISCELLANEOUS AMORIZATIONS	
2	Items Under $250,000	(33,721)
3	Total 425.0	(33,721)
4	ACCT 426.10 DONATIONS	
5	Avista Foundation	6,850,000
6	WSU	250,000
7	Urbanova	250,000
8	Items Under $250,000	3,982,979
9	Total 426.10	11,332,979
10	ACCT 426.2 LIFE INSURANCE	
11	Officers LIfe	156,937
12	SERP	2,196,129
13	Items Under $250,000	286,978
14	Total 426.2	2,640,044
15	ACCT 426.3 PENALTIES	
16	Items Under $250,000	21,180
17	Total 426.3	21,180
18	ACCT 426.4 EXPENDITURES FOR CERTAIN CIVIL,POLITICAL & RELATED ACTIVITIES	
19	Items Under $250,000	1,718,553
20	Total 426.4	1,718,553
21	ACCT 426.5 OTHER DEDUCTIONS	
22	Executive Deferred Comp	913,337
23	DSM Idaho Electric	297,867
24	Gibson Dunn & Crutcher LLP	828,211
25	Merrill Lynch Pierce & Fenner	18,737,116
26	Items Under $250,000	3,594,081
27	Total 426.5	24,370,612
28	Avista Capital II	1,342,492
29	Total 427.6	1,342,492
30	ACCT 430.0 INTEREST ON DEBT TO ASSOC. COMPANIES	489,554
31	Total 430.0	489,554
32	ACCT 431.0 OTHER INTEREST EXPENSE	
33	Interest on electric deferrals	2,345,484
34	Interest on gas deferrals	943,997
35	Interest on committed line of credit	5,336,331

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	Other	(419,827)
2	Total 431.0	8,205,985
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	2,596,139	32,603	2,628,742	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	1,087,170	1,034,748	2,121,918	
8					
9	Includes annual fee and various other natural gas dockets	291,397	279,668	571,065	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	663,458	448,538	1,111,996	
13					
14	Includes annual fee and various other natural gas dockets	154,795	89,959	244,754	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	541,152	348,782	889,934	
18					
19	Not directly assigned electric		518,188	518,188	
20	Not directly assigned natural gas		253,712	253,712	
21					
22					
23					
24					
25	**Total**	5,334,111	3,006,198	8,340,309	

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	2,628,742				
5							
6							
7	Electric	928	2,121,918				
8							
9	Gas	928	571,065				
10							
11							
12	Electric	928	1,111,996				
13							
14	Gas	928	244,754				
15							
16							
17	Gas	928	889,934				
18							
19	Electric	928	518,188				
20	Gas	928	253,712				
21							
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23							
24							
25			8,340,309				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	24,830,035
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	9,037,493
4	Post- employment benefit plans	
5	Other (Specify)	1,250,610
6	Health insurance and Benefits	24,950,328
7	401(K) Savings Plan	10,361,513
8	Employee Education	2,168,312
9	Allocated to Capital and other expense accounts	(61,289,994)
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	Total	**11,308,297**

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	13,119,472			13,119,472
4	Transmission	4,128,801			4,128,801
5	Distribution	9,754,373			9,754,373
6	Customer Accounts	7,471,488			7,471,488
7	Customer Service and Informational	599,173			599,173
8	Sales				
9	Administrative and General	22,278,296			22,278,296
10	TOTAL Operation (Total of lines 3 thru 9)	57,351,603			57,351,603
11	Maintenance				
12	Production	5,163,196			5,163,196
13	Transmission	1,020,436			1,020,436
14	Distribution	3,999,308			3,999,308
15	Administrative and General			19,640,993	19,640,993
16	TOTAL Maintenance (Total of lines 12 thru 15)	10,182,940		19,640,993	29,823,933
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	18,282,668			18,282,668
19	Transmission (Total of lines 4 and 13)	5,149,237			5,149,237
20	Distribution (Total of lines 5 and 14)	13,753,681			13,753,681
21	Customer Accounts (line 6)	7,471,488			7,471,488
22	Customer Service and Informational (line 7)	599,173			599,173
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	22,278,296		19,640,993	41,919,289
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	67,534,543		19,640,993	87,175,536
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	895,589			895,589
31	Storage, LNG Terminaling and Processing	9,947			9,947
32	Transmission				
33	Distribution	6,249,270			6,249,270
34	Customer Accounts	3,259,054			3,259,054
35	Customer Service and Informational	342,792			342,792
36	Sales				
37	Administrative and General	8,958,668		7,060,487	16,019,155
38	TOTAL Operation (Total of lines 28 thru 37)	19,715,320		7,060,487	26,775,807
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	1,787,888			1,787,888
45	Distribution	3,242,057			3,242,057

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				
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,029,945			5,029,945
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)	895,589			895,589
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	9,947			9,947
54	Transmission (Total of lines 32 and 44)	1,787,888			1,787,888
55	Distribution (Total of lines 33 and 45)	9,491,327			9,491,327
56	Customer Accounts (Total of line 34)	3,259,054			3,259,054
57	Customer Service and Informational (Total of line 35)	342,792			342,792
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	8,958,668		7,060,487	16,019,155
60	Total Operation and Maintenance (Total of lines 50 thru 59)	24,745,265		7,060,487	31,805,752
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	92,279,808		26,701,480	118,981,288
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	43,013,400		13,479,982	56,493,382
67	Gas Plant	11,563,912		4,571,235	16,135,147
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	54,577,312		18,051,217	72,628,529
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,960,333		504,622	2,464,955
72	Gas Plant	473,307		121,837	595,144
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,433,640		626,459	3,060,099
75	Other Accounts (Specify) (footnote details)	48,876,853		(45,379,156)	3,497,697
76	TOTAL Other Accounts	48,876,853		(45,379,156)	3,497,697
77	TOTAL SALARIES AND WAGES	198,167,613			198,167,613

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	MERRILL LYNCH	18,737,116
2	SBW CONSULTING	4,406,010
3	HEATH CONSULTANTS INCORPORATED	2,028,049
4	DELIOTTE & TOUCHE LLP	1,999,948
5	CLEARESULT CONSULTING	1,751,215
6	HANNA & ASSOCIATES	1,663,638
7	GIBSON DUNN & CRUTCHER	1,081,713
8	CN UTILITY CONSULTING	760,844
9	HELVETICKA INC	681,308
10	UTILICAST LLC	533,597
11	CHAPER & VERSE	412,583
12	SECURITAS SECURITY SERVICES	409,535
13	AVCO CONSULTING	385,270
14	SCHNABEL ENGINEERING	348,783
15	RW LYALL & COMPANY	313,338
16	TILTON & EXCAVATION	297,382
17	GENERAL ELECTRIC INTERNATIONAL	295,311
18	DAVIS WRIGHT TREMAINE	281,689
19	MCGRIFF SEIBELS & WILLIAMS INC	267,239
20	Subtotal	36,654,568
21	Other	14,948,968
22	Total	51,603,536
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	106,500
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19				
20	Goods or Services Provided for Affiliated Company			
21	Corporate Support	Salix	146000	261,360
22	Corporate Support	Avista Development	146000	281,610
23	Other	Avista Capital	146000	103,015
24	Other	AELP	146000	22,484
25	Other	AJT Mining	146000	9,074
26	Other	Steam Plant Square	146000	66,691
27	Other	Court Yard Office Center	146000	16,769
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/Q4

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	134,574		134,574
3	February	251,542		251,542
4	March	474,227		474,227
5	April	1,549,606		1,549,606
6	May	3,497,474		3,497,474
7	June	2,194,805		2,194,805
8	July	650,529		650,529
9	August	187,812		187,812
10	September	1,132,979		1,132,979
11	October	63,944		63,944
12	November	940,488		940,488
13	December	864,982		864,982
14	TOTAL (Total of lines 2 thru 13)	11,942,962		11,942,962
15	Gas Withdrawn from Storage			
16	January	2,757,033		2,757,033
17	February	2,250,769		2,250,769
18	March	972,140		972,140
19	April	71,020		71,020
20	May	2,059		2,059
21	June	342,087		342,087
22	July	343,177		343,177
23	August	1,015,698		1,015,698
24	September	6,680		6,680
25	October	477,938		477,938
26	November	1,735,487		1,735,487
27	December	1,259,683		1,259,683
28	TOTAL (Total of lines 16 thru 27)	11,233,771		11,233,771

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	04/15/2020	End of 2019/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	50
6	Number of Observation Wells	32
7	Maximum Days' Withdrawal from Storage	76,614
8	Date of Maximum Days' Withdrawal	02/04/2019
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

FOOTNOTE DATA

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

Mcf conveted to Dth using a factor of 1.04

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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	44,237,871	Yes
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	52,000	6,813,975	Yes
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623		Yes
11		Storage Field			
12		Oregon Supply			
13					
14	Rock Springs, Wyoming	Underground Natural Gas			Yes
15		Storage Field			
16		Washington & Idaho Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas			Yes
19		Storage Field			
20		Oregon Supply			
21					
22					
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FOOTNOTE DATA

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

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

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

Avista does not have firm rights but have interruptible access.

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

Avista does not have firm rights but have interruptible access.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2020	End of 2019/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)		101,627,285	27,143,640
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	19,542,094	5,540,091
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	13,758	(10,652)
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		(771,411)	1,547,505
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)		120,411,726	34,220,584
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		98,634,623	27,949,690
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	18,751,376	5,206,341
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	3,025,727	1,064,553
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		120,411,726	34,220,584
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)		120,411,726	34,220,584