

e-FILING REPORT COVER SHEET

REPORT NAME: Annual Affiliated Interest Report

COMPANY NAME: Avista Corp, dba Avista Utilities

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR Pursuant to OAR 860-27-0100
 Statute
 Order
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number:

Key words: Affiliated Interest

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715.



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

May 25, 2017

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem, OR 97301

RE: Annual Affiliated Interest Report pursuant to OAR 860-27-0100

Pursuant to OAR 860-27-0100, the Company has electronically submitted to the Commission its 2016 Affiliate Interest and Subsidiary Transaction Report. This report contains summaries of all transactions or agreements between Avista and its subsidiaries over the preceding year ending December 31, 2016. The Company will provide via overnight mail one copy of its report as it is over 100 pages. Please also find enclosed one original and two copies of Avista Corporation's Confidential Attachments to the Affiliated Interest Report for 2016.

Included within the confidential portion of the report are the financial statements of certain Company subsidiaries. The filed statements are prepared for internal use only and are unaudited. We have also included unaudited financial statements, statement of work and addendum to master software and licensing agreement with one of our affiliates, and a professional services agreements with one of our affiliates that we are requesting to be kept confidential for contractual terms and pricing reasons. Please assure these financial statements and statement of work, and professional services agreements, stamped CONFIDENTIAL, and are treated confidentially in accordance with ORS 192.501 and 192.502.

Please direct any questions on this matter to Jennifer Smith at (509) 495-2098.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", is written over the word "Sincerely,".

Patrick Ehrbar
Senior Manager, Rates and Tariffs
pat.ehrbar@avistacorp.com
enclosure

STATE OF OREGON

AFFILIATED INTEREST REPORT

OF

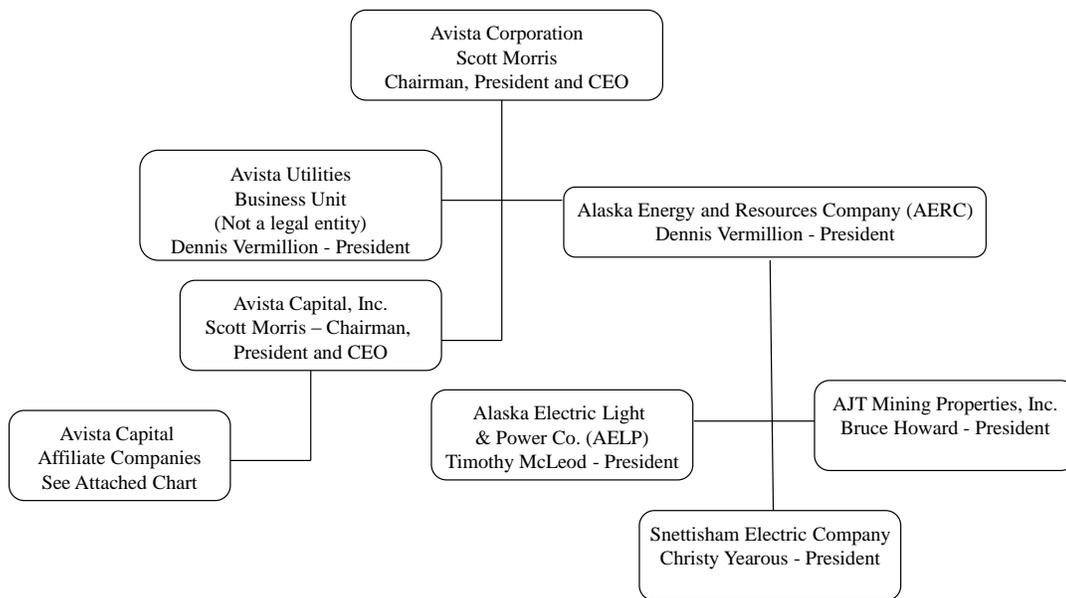
AVISTA CORPORATION

d/b/a AVISTA UTILITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

On May 16, 1991, through Order 91-671, the Public Utility Commission of Oregon approved the sale of the natural gas utility assets and transfer of the allocated service territory of the CP National Corporation to The Washington Water Power Company (WWP). WWP began official operation of these properties on September 30, 1991 under the name of "WP Natural Gas, a division of The Washington Water Power Company." On January 1, 1999, the Company changed its corporate name from The Washington Water Power Company to Avista Corporation (hereinafter Avista or Company). The Company now operates in its utility service territories as Avista Utilities. Total transactions being reported herein are for the twelve-month period ending December 31, 2016.

I. Organizational Chart



Included in **Attachment 1** is additional detail of Avista Capital subsidiaries.

A. Directors and/or Officers

See **Attachment 2** for Officer and Director listings for Avista Corporation and all wholly owned subsidiaries.

B. Ownership Changes:

There were no ownership changes during 2016.

C. Narrative Descriptions

Avista Utilities is a combination utility that provides service to approximately 375,000 electric customers and 335,000 natural gas customers in a 30,000-square-mile area in eastern Washington, northern Idaho, and parts of southern and eastern Oregon, with a population of 1.6 million. The largest community served in the area is Spokane, Washington, which is the location of its main offices.

Descriptions of subsidiaries of Avista Corporation follows:

Avista Capital, Inc., is a wholly owned subsidiary of Avista Corp. and is the parent corporation of Avista Corporation's non-regulated subsidiary investments and operations.¹ As of December 31, 2016, Avista Capital had the following non-utility subsidiary investments:

- **Avista Energy, Inc. and Avista Energy Canada, Ltd.** (100% ownership–Inactive), were energy marketing and resource management companies. On June 30, 2007, Avista completed the sale of the operations of Avista Energy to Coral Energy Holding, L.P., and certain of its subsidiaries, a subsidiary of Shell (Coral).
- **Avista Development, Inc.** (100% ownership-no employees, passive income) was established to manage real estate investments including:
 - * **Steam Plant Square, LLC** (85% ownership) Manages and operates the Steam Plant Square in Spokane, Washington.
 - **Steam Plant Brew Pub, LLC** (100% ownership) Manages and operates the Steam Plant Grill in Spokane, Washington.
 - * **Court Yard Office Center, LP** (100% ownership) Owns and operates commercial office space rentals.
- **Pentzer Corporation** is a wholly owned private investment company that serves as parent of the non-utility businesses listed below (100% ownership-no employees, passive income):
 - * **Advanced Manufacturing and Development, Inc., dba METALfx**, (89.2% ownership), located in Willits, California, is a manufacturer and turnkey assembler of electronic enclosures, parts, and systems primarily for the computer and instrumentation industries. This company is held by **Bay Area Manufacturing, Inc.** (100% ownership)

¹ The only exceptions relate to Avista Receivables, Inc., a special purpose subsidiary formed in connection with the sale of accounts receivable, an entity directly owned by Avista Corp. In addition, Spokane Energy, LLC, was also a special purpose limited liability company formed for the purpose of implementing a long-term capacity contract between Avista Utilities and Portland General Electric Company until its dissolution in 2015. See page 3 for a further description of Spokane Energy, LLC.

- * **Pentzer Venture Holdings II, Inc.** (100% ownership) Holding company for an inactive sewage treatment plant near Spokane Industrial Park.
- * **Avista Northwest Resources, LLC** (100% ownership) was formed for the purpose of holding unregulated investments in the energy industry.
- **Salix, Inc.** (100% ownership) was formed October 8, 2013, for the purpose of exploring business opportunities.

Alaska Energy & Resources Company (AERC), a wholly-owned subsidiary of Avista Corp, based in Juneau, Alaska and its subsidiaries were purchased July 1, 2014.

- **Alaska Electric Light & Power Co. (AEL&P)**, a wholly-owned subsidiary of AERC, which is a vertically integrated electric utility providing electric service to the City and Borough of Juneau, Alaska, and is regulated by the Regulatory Commission of Alaska (RCA).
- **AJT Mining Properties, Inc.**, a wholly-owned subsidiary of AERC which is an inactive mining company holding certain properties.
 - **Snettisham Electric Company**, a non-operating subsidiary of AERC, has the option to purchase the Snettisham project at any time for the principal amount of the bonds outstanding at that time. The Snettisham hydroelectric project is AEL&P's primary generation facility and the main power source for Juneau, supplying approximately two-thirds of the area's electricity.

Descriptions of affiliates of Avista Corporation follows:

As of December 31, 2016, Avista Capital had the following affiliates:

- **Avista Development** (100% ownership by Avista Capital)
- **Pivotal Investment Partners I, L.P.** (30.34% ownership by Avista Northwest Resources, LLC)
- **EnerTech II** (2.24% ownership by Avista Development, Inc.)
- **Woodside IV** (3.56% ownership by Avista Development, Inc.)
- **Kick Start II LLC** (7.69% ownership by Avista Development, Inc.)
- **Matrix Genetics, LLC** (18.22% ownership by Avista Development, Inc.)
- **Trove Predictive Data Analytics, LLC** (32.33% ownership by Avista Development, Inc.)
- **Dragon Jacket, LLC** (5% ownership by Avista Development, Inc.)
- **Toolbox, LLC** (9.52% ownership by Avista Development, Inc.)

- **Spirae** (11.12% ownership by Avista Development, Inc.)
- **Energy Impact Fund** (11.25% ownership by Avista Development, Inc.)
- **Rohinni** (.81% ownership by Avista Development, Inc.)

As of December 31, 2016, Salix had the following affiliates:

- **Plum Energy** (24.80% ownership by Salix, Inc.)

D. Financial Statements

Balance Sheet and Income Statement for affiliates with affiliated operating service transactions in excess of \$25,000 for payments TO and FROM Avista Corporation are included as **Attachment 3**. Please note that Attachment 3 is CONFIDENTIAL PER ORS 192.501 and 192.502.

II. Services Rendered Between Avista Corporation and Affiliates

Description of Services – by Affiliates

SERVICE PAYMENTS BY THE UTILITY TO THE AFFILIATE			
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<u>NAME</u>	<u>ACCOUNT</u>	<u>TOTAL COMPANY</u>	<u>TOTAL OREGON</u>
<u>DESCRIPTION</u>			
Steam Plant Square	107 CWIP (1)(2)	\$22,000	\$1,918
Steam Plant Square	931 Rents (1)(2)	\$74,100	\$3,767
Steam Plant Square	935 Maint of Struct (3)(4)	\$2,000	\$0
Trove Predictive Data Analytics, LLC	165 Prepayments (5)	\$65,220	\$0
Spirae, LLC	107 CWIP (4)	\$200,000	\$0
Cost of Service		(1)	
Margin of Charges Over Costs		(1)	
Assets Allocable to Services		(1)	
Overall Rate of Return		(1)	

Description of Basis for Pricing of Transactions

- (1) Services are provided at cost. Any charges allocated to Oregon are allocated based on the Company's four-factor allocation methodology. (Please refer to Attachment 4 for the allocation factors.)
- (2) The capital investment is a system project that will be used by all ratepayers in all jurisdictions; therefore, Oregon will be allocated the plant cost and associated depreciation expense.
- (3) None of the O&M lease payments were allocated to the Oregon jurisdiction in 2016. See page 8 for further description.

- (4) All of the costs were for electric service, therefore, none were allocated to Oregon.
 (5) All of the costs were for recorded to non-utility, therefore, none were allocated to Oregon.

Description of Services – by Avista Utilities

The following transactions are for electric and natural gas services provided by the Utility to its affiliates at approved tariff rates.

SERVICE PAYMENTS BY THE AFFILIATE TO THE UTILITY			
Avista Development			
ACCOUNT	DESCRIPTION	TOTAL <u>COMPANY</u>	TOTAL <u>OREGON</u>
400 & 1400	Revenue - electric & gas	(1) \$182,112	\$0
(Above accounts are WA electric/gas and do not relate to Oregon)			
Cost of Service		(1)	
Margin of Charges Over Costs		(1)	
Assets Allocable to Services		(1)	
Overall Rate of Return		(1)	

(1) Description of Basis for Pricing

Electricity and natural gas sales are priced according to approved tariffs. See <https://www.avistautilities.com/services/energypricing/Pages/default.aspx> for current tariffs used to price services provided to Avista Development, Inc.

III. Inter-Company Loans

Avista Corp / Avista Capital Note Payable / Receivable

During 2016, Avista Corp. recorded short-term note payable to Avista Capital, Inc. The year-end note payable amount at December 31, 2016 was \$5,634,684. The maximum note payable amount outstanding during the year, due to Avista Capital, was \$21,334,614 at January 31, 2016. Total interest expense in 2016 was \$131,612.

The balances of the short-term notes payable at month-end during 2016 follow:

<u>Accounting</u> <u>Period</u>	<u>Ending Balance</u>
January-16	\$ (21,334,614)
February-16	\$ (20,823,593)
March-16	\$ (20,084,527)
April-16	\$ (9,886,088)
May-16	\$ (9,821,255)
June-16	\$ (6,118,889)
July-16	\$ (5,885,313)
August-16	\$ (5,917,004)
September-16	\$ (5,088,244)
October-16	\$ (4,843,613)
November-16	\$ (3,848,789)
December-16	\$ (5,634,684)

According to the Cash Management Guidelines and Procedures, investment/borrowing rates between Avista Corporation and Avista Capital that were in effect during 2016 were:

- a. Upon receiving appropriate approvals, excess Avista Capital cash may be invested with (loaned to) Avista Corp. at a rate equal to Avista Corp.'s avoided short-term borrowing cost currently estimated at the one-month LIBOR plus 130 basis points (this is the short-term borrowing rate related to Avista Corp.'s credit facility). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.

At times Avista Corp may have no outstanding borrowings under the credit facility. If there are no outstanding borrowings under the credit facility, excess cash should be utilized to pay down borrowings on other short-term borrowing instruments (if any) and the borrowing rate should be adjusted to the avoided short-term borrowing rate applicable to the borrowings that were re-paid.

At times, Avista Corp may have no outstanding cash borrowings on the credit facility or other short-term borrowing facilities. If there are no cash borrowings under any facility, excess cash should be invested at the subsidiary until the funds can be utilized.

- b. Avista Capital may borrow from Avista Corp., subject to board-approved limits, at a rate equal to at least the Prime rate plus 30 basis points. This rate will be reset at such time as the Agent bank on the Avista Corp. credit agreement changes the Prime rate

or the margin is changed per the credit facility pricing grid. If an Alternate Base Rate (as defined in the credit facility) is in effect, the borrowing rate would be adjusted accordingly.

A copy of the updated Cash Management Guidelines and Procedures is provided as **Attachment 5**.

IV. Parent Guaranteed Debt

Avista Corporation does not guarantee any debt of any of its affiliates. See Section V, Non-Service Transactions: Miscellaneous Agreements, page 10.

V. Non-Service Transactions

Description of Avista Corporation Corporate Services

On a regular basis, general office employees of Avista Corporation spend time on corporate service support, such as accounting, federal income tax filing, planning, supplies, postage, legal, graphic services, etc. for subsidiaries. Their time is charged to suspense accounts (Deferred Debit Account No. 186), are loaded for benefits, and then established as a receivable (FERC Account No. 146) when billed to the subsidiary. If other resources are expended during the course of this work, such as travel or consulting services, these costs are also charged to suspense accounts and billed to the subsidiary.

All corporate services provided, and costs incurred, are direct billed to subsidiaries at cost. No additional margin or profit is included and no assets are allocated. Suspense and capture of Avista Corporation employee costs, which are then billed back to the subsidiary at cost, serve to reduce the utility expenses.

OTHER PAYMENTS BY THE AFFILIATE TO THE UTILITY			
ACCOUNT	DESCRIPTION	TOTAL <u>COMPANY</u>	TOTAL <u>OREGON</u>
146	A/R Avista Capital	\$71,622	\$0
146	A/R Avista Development	\$258,222	\$0
146	A/R Avista Energy	\$157,189	\$0
146	A/R Alaska Electric Light & Power	\$714	\$0
146	AR Alaska Energy & Resources Company	(\$100)	\$0
146	A/R Salix	\$1,180,308	\$0
Total		<u>\$1,667,956</u>	<u>\$0</u>

Cost of Service	(1)
Margin of Charges Over Costs	(1)
Assets Allocable to Services	(1)
Overall Rate of Return	(1)

(1) Description of Basis for Pricing

Services are provided at cost.

Description of Avista Capital II (Trust) Expenses

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with principle amount of \$51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II then issued to investors \$50.0 million of Preferred Trust Securities and also issued \$1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased \$10.0 million of the Preferred Trust Securities. In the end, customers are paying for the \$40.0 million (\$51.5 - \$1.5 - \$10.0) of Floating Rate Junior Subordinated Deferrable Interest Debentures (debt). The current interest rate on this debt is 2.062% and matures June 1, 2037. The associated interest charges for the trust carried on Avista's books for 2016 totaled \$817,499 and were recorded in FERC Account No. 427 (interest expense). There are no other costs associated with this trust.

Description of Steam Plant Square, LLC Lease

Avista Utilities leases office space (two leases under separate Multi-Tenant Lease Agreements) from Steam Plant Square, LLC. For the first lease (suite 201/202), Avista Corporation assumed a lease in May 2003 from Avista Capital, Inc. that was renewed May 1, 2010. The basic terms of this lease (i.e. square footage, monthly rents, etc.) remained the same. A copy of the lease agreement was provided in Docket No. UI 306 (Order No. 11-071). The second space was leased in August 2010. A copy of the lease agreement was provided in Docket No. UI 305 (Order No. 11-043). Lease payments in 2016 totaled \$96,102 (\$22,000 recorded in FERC Account No. 107 (CWIP), \$74,100 recorded in FERC Account No. 931 (Rents), and \$2,000 recorded in FERC Account No. 935 (Maint of Struct)), Oregon's share of this expense is \$5,685.

Description of Trove Predictive Data Analytics, LLC

In September 2012, Avista Development, Inc., a wholly-owned subsidiary of Avista loaned funds to GridGlo, Inc., a predictive data science company based in Del Ray, FL. In addition to customary considerations for the secured loan, Avista Development received certain rights to discounted services from GridGlo, the benefit of which was assigned to Avista Utilities.

Avista Utilities and GridGlo subsequently entered into a Master Software License and Services Agreement, effective on June 26, 2013.

GridGlo was unable to repay its loans when due in March 2014. Avista Development, GridGlo and another secured lender entered into a forbearance and temporary funding agreement for the purpose of exploring mutually satisfactory ways to restructure GridGlo in satisfaction of the debts. The parties agreed to a restructuring of GridGlo such that the lenders, joined by another investor, acquired all of the assets and select liabilities of GridGlo via new limited liability corporation named Trove Predictive Data Analytics, LLC (“Trove”). The GridGlo contract with Avista Utilities was among the assets transferred as of the date the transaction closed, October 28, 2014.

Trove is a Predictive Data Science business that develops software applications for the utility industry. The foundation of its technology is the application platform “Sunstone”, which is a predictive data science and analytics platform. It utilizes utility and non-utility data fused with third party data (i.e., demographic, weather, etc) to produce actionable insights into how to improve efficiency in utility operations and customer service.

Since the restructuring transaction on October 28, 2014, Avista Development has made staged equity payments and held Class A equity units in Trove equal to 32.33% on a fully diluted basis as of December 31, 2016.

The rights to discounted services assigned to Avista Utilities upon the restructuring completed October 28, 2014, included a Statement of Work, signed June 17, 2014. This Statement of Work included the development, delivery and integration of a platform related to a load forecasting application.

The terms of this Statement of Work included a fixed fee for the integration of the product in the amount of \$300,000. This work was complete, and expensed, during 2014. Additionally, the agreement included payment of annual fees for maintenance and support for 2015 and 2016 for \$35,000 per year, and third party data access fees in the amount of \$25,000 for January 1, 2014 through June 30, 2015 and July 1, 2015 through December 31, 2016. Please refer to **Attachment 6** for the GridGlo Statement of Work.²

² Prior to October 28, 2014, Avista Development had no ownership in GridGlo or Trove Predictive Data Analytics, LLC, and GridGlo and Trove were therefore not an Affiliate. This information was previously provided in Avista’s Affiliated Interest and Subsidiary Transaction Report for the year ended December 31, 2014.

On October 13, 2016, the Company entered into to an addendum to the Master Software License and Services Agreement (MSLSA), between Avista Corporation and GridGlo, LLC, d/b/a TROVE. Under the terms of the Addendum, Avista has engaged Trove to upgrade the current platform and provide additional training, software development, software upgrades and data science consulting services. The data science consulting services will consist of software development by Trove Data Scientist to develop algorithms with their platform to analyze our data. Under the terms of the Addendum, Trove will configure the ‘Predictive Analytics’ module of TROVE’s Sunstone platform, which includes a Customer Segmentation data. We will utilized Trove professional services for data science consulting services throughout 2017 with a not to exceed of \$75,000. Please refer to **Attachment 9** for the Trove Addendum.

Avista has not yet fully developed the data sets that will be used with the Trove platform to provide these operational efficiencies or benefits to our customers. Until applications are more fully developed, Avista is charging these costs to non-utility.

Description of Spirae, LLC

In April of 2016 Avista Capital, a wholly-owned subsidiary of Avista Corp., and the parent corporation of Avista’s non-regulated subsidiary investments and operations, made an investment in Spirae, resulting in Avista Development’s 10% ownership of Spirae.

Spirae is a technology company that provides software, hardware, and services to connect distributed energy resources to a utility distribution system to maximize customer benefits while ensuring effective operation of the utility distribution system. Spirae was awarded a Professional Services Agreement to deploy their “Wave” product hardware and software, to allow Avista to operate the Turner Energy Storage Project in a microgrid, as well as determine the optimal economic application of that asset.

The offerings of Spirae provide for the effective operation of a microgrid, a subset of a utility distribution system, in the event of a utility system disturbance or isolation from the larger grid. Spirae assists utilities in delivering new services to customers as well as to operate more efficiently. With new Distributed Energy Resources (DER) technologies becoming both technically and financially viable, the ability to manage a dynamic portfolio of distributed resources for utility, customer, and market applications will be critical for both utilities and consumers. This capability improves reliability for customers and improves resiliency of the

grid. Spirae's business focus and business model relate to the development of new products, services, and technologies, and how those items can help integrate DER into the traditional grid.

On September 6, 2016, Avista Corp entered into a Professional Services Agreement with Spirae. Under the terms of the agreement, Spirae will deploy at Avista its "Wave" application for fees not to exceed \$778,000. The Wave application is an enterprise application which is designed to operate distributed energy resources to optimize their economic value. The Wave product is designed to determine both day-ahead and real-time forecasts to derive the operational schedule for the distributed energy resource. Please refer to **Attachment 8** for the Spirae Professional Services Agreement.³ None of the costs from this transaction have been recorded to Oregon, as this is for Electric services only.

Miscellaneous Agreements and Transactions

During 2016 there were no Miscellaneous Agreements or Transactions to report.

VI. Employee Transfers

Avista Corporation no longer provides payroll services to its affiliates and therefore does not track employee transfers between affiliates.

VII. Intra-Company Cost Allocation Procedures

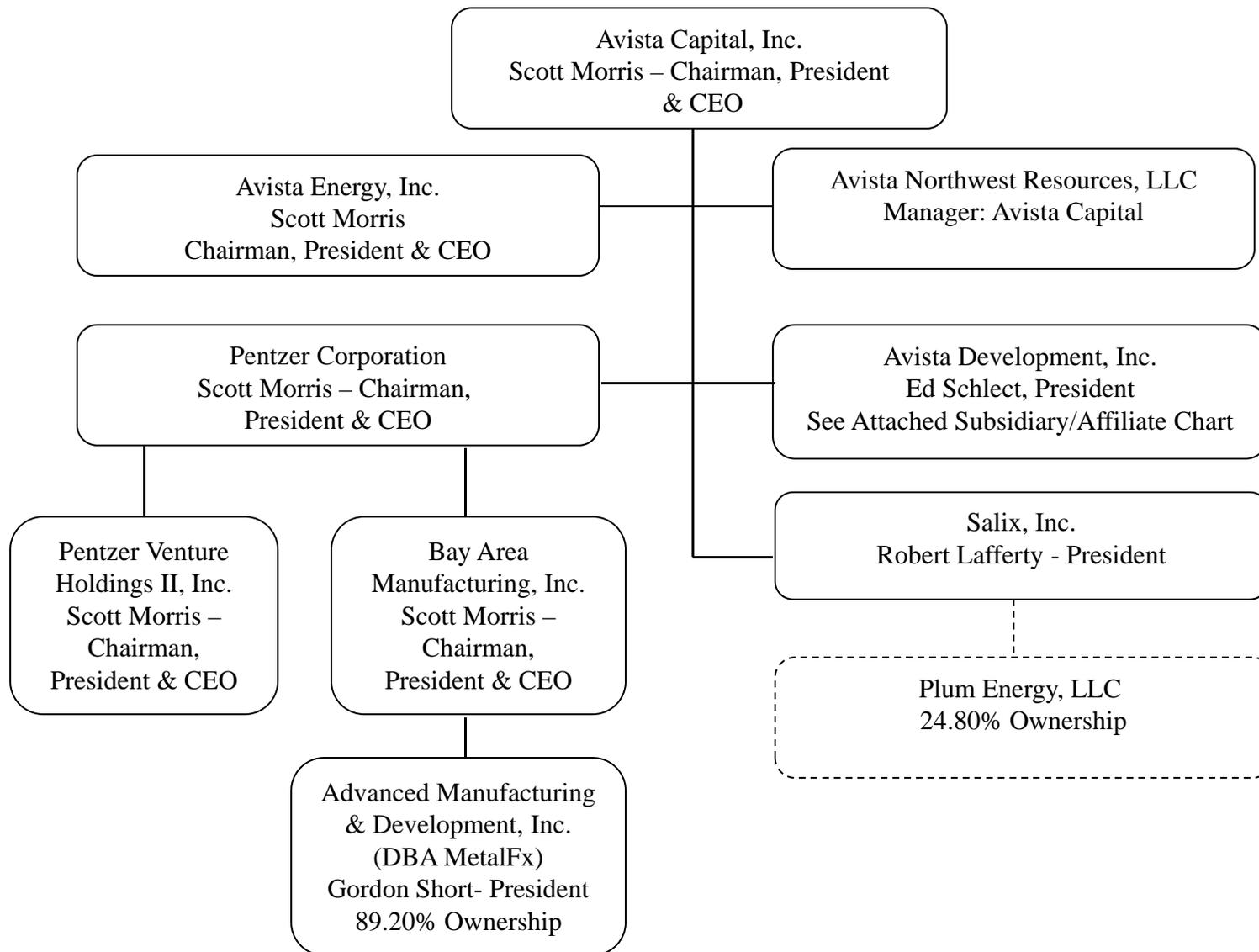
See V. above. Avista Corporation charges all costs incurred by its affiliates directly to the respective affiliate.

VIII. Cost Allocation Manual

Pursuant to OAR 860-027-0048 (6), attached as **Attachment 7** is Avista Corp.'s Cost Allocation Manual.

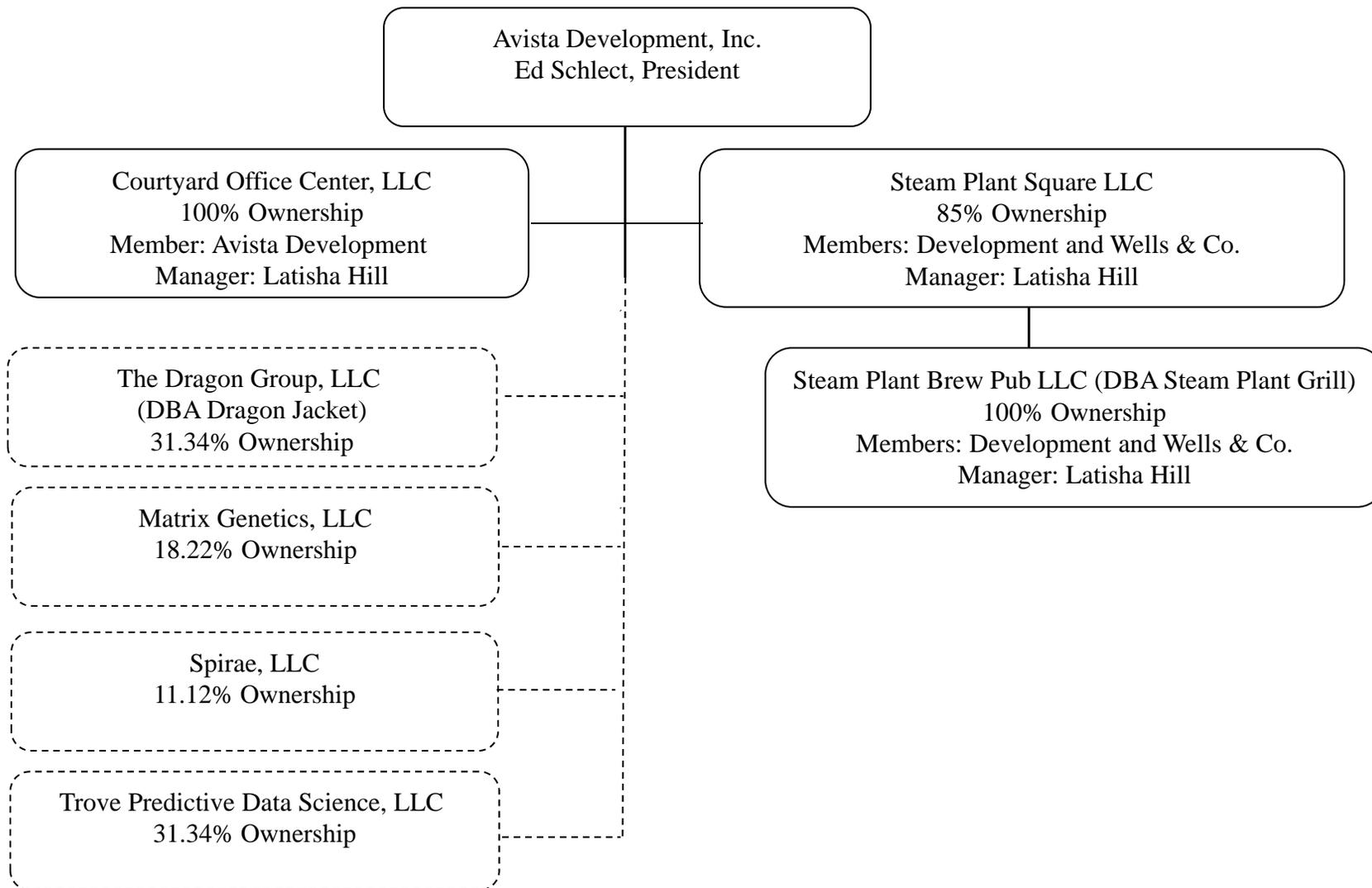
³ Prior to April 2016, Avista Development had no ownership in Spirae, LLC, and Spirae was therefore not an Affiliate.

ATTACHMENT 1



Companies are wholly owned unless otherwise indicated. Companies in dotted lines are affiliates in which we own greater than 5% non-controlling interest. This chart does not include limited partnership investment funds.

Revised 3/15/2017



Companies in dotted lines are affiliates in which we own greater than 5% non-controlling interest. This chart does not include limited partnership investment funds.

Revised 3/15/2017

ATTACHMENT 2



Corporate Secretary Department
Current as of February 3, 2017

Annual Meeting Held in May of Each Year

Directors:

Erik J. Anderson	Scott L. Morris
Kristianne Blake	Marc F. Racicot
Donald C. Burke	Heidi B. Stanley
John F. Kelly	R. John Taylor
Rebecca (Becky) A. Klein	Janet D. Widmann
Scott H. Maw	

Officers:

Scott L. Morris	Chairman of the Board, President & Chief Executive Officer
Mark T. Thies	Senior Vice President, Chief Financial Officer & Treasurer
Marian M. Durkin	Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer
Karen S. Feltes	Senior Vice President & Chief HR Officer
Dennis P. Vermillion	Senior Vice President & Environmental Compliance Officer and President, Avista Utilities
Jason R. Thackston	Senior Vice President, Energy Resources
Kevin J. Christie	Vice President, Customer Solutions
James M. Kensok	Vice President, Chief Information Officer & Chief Security Officer
Ryan L. Krasselt	Vice President, Controller & Principal Accounting Officer
David J. Meyer	Vice President & Chief Counsel for Regulatory & Governmental Affairs
Kelly O. Norwood	Vice President, State & Federal Regulation
Heather L. Rosentrater	Vice President, Energy Delivery
Edward D. Schlect Jr.	Vice President & Chief Strategy Officer
Don M. Falkner	Assistant Treasurer
Patrice K. Gorton	Assistant Treasurer
Susan Y. Fleming	Assistant Corporate Secretary

Corporate Governance/

Nominating Committee

Kristianne Blake
Donald C. Burke
R. John Taylor
John F. Kelly – Chair

**Compensation & Organization
Committee**

John F. Kelly
Rebecca A. Klein
Scott H. Maw
R. John Taylor – Chair

Executive Committee

Kristianne Blake
John F. Kelly
R. John Taylor
Scott L. Morris – Chair

Finance Committee

Scott H. Maw
Marc F. Racicot
Janet D. Widmann
Erik J. Anderson – Chair

Audit Committee

Donald C. Burke (financial expert)
Heidi B. Stanley
Kristianne Blake – Chair

**Environmental, Technology &
Operations Committee**

Erik J. Anderson
Marc F. Racicot
Janet D. Widmann
Rebecca A. Klein – Chair

All Committees are comprised of independent Board members as defined under the rules of the NYSE, with the exception of the Executive Committee (not required to be independent). The Company was formed as The Washington Water Power Company in 1889 and changed its name to Avista Corp. on January 1, 1999.

ADVANCED MANUFACTURING & DEVELOPMENT, INC.

Doing business as METAL_{fx}

(A Subsidiary of Bay Area Manufacturing, Inc.)

(A California Corporation)

200 North Lenore Ave.

Willits, CA 95490

(707) 459-9451

Directors:

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Officers:

Scott L. Morris

Gordon B. Short

Ryan L. Krasselt

Mark T. Thies

Marian M. Durkin

Susan Y. Fleming

Jill Porterfield

Chairman of the Board

President & Chief Executive Officer

Vice President & Treasurer

Senior Vice President & Chief Financial Officer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Corporate Secretary

AJT MINING PROPERTIES, INC.

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tongard Ct.

Juneau, AK 99801

(907) 790-2222

Directors:

Marian M. Durkin

Karen S. Feltes

Mark T. Thies

Dennis P. Vermillion

Officers:

Dennis P. Vermillion Chairman of the Board

Bruce Howard President

Connie Hulbert Treasurer and Assistant Corporate Secretary

Christy Yearous Vice President and Generation Engineer

Debbie Driscoll Corporate Secretary

ALASKA ELECTRIC LIGHT AND POWER COMPANY

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

Directors:

Marian M. Durkin

Karen S. Feltes

Timothy McLeod

Mark T. Thies

Dennis P. Vermillion

Officers:

Dennis P. Vermillion	Chairman of the Board
Timothy McLeod	President
Connie Hulbert	Vice President, Treasurer & Corporate Secretary
Christy Yearous	Vice President, Generation Engineer
Debbie Driscoll	Vice President, Director of Consumer Affairs and Assistant Corporate Secretary
Eric Eriksen	Vice President, Transmission and Distribution Engineer
Rod Ahlbrandt	Vice President, Director of Information Technology and Revenue Metering
Alec Mesdag	Vice President, Director of Energy Services
Catherine Johnson	Assistant Treasurer
Oksana Midgett	Assistant Treasurer, Controller
Bryan Farrell	Assistant Treasurer, Assistant Generation Engineer Mechanical
Darrell Wetherall	Assistant Corporate Secretary, Assistant Transmission and Distribution Engineer
Stuart Stephens	Assistant Corporate Secretary, Assistant Director of Information Technology and Revenue Metering

ALASKA ENERGY AND RESOURCES COMPANY

(A Subsidiary of Avista Corp.)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

Directors:

Marian M. Durkin

Karen S. Feltes

Scott L. Morris

Mark T. Thies

Dennis P. Vermillion

Officers:

Scott L. Morris

Chairman of the Board

Dennis P. Vermillion

President

Timothy McLeod

Vice President

Connie Hulbert

Treasurer

Marian M. Durkin

Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

Debbie Driscoll

Assistant Corporate Secretary

Current as of May 13, 2016

AVISTA CAPITAL, INC.

(A Subsidiary of Avista Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Officers:

Scott L. Morris

Mark T. Thies

Marian M. Durkin

Ryan L. Krasselt

Susan Y. Fleming

Don M. Falkner

Chairman of the Board, President & CEO

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Vice President

Assistant Corporate Secretary

Assistant Treasurer

The Company was formed as Avista Corp. before changing its name to Avista Capital on August 17, 1998.

AVISTA DEVELOPMENT, INC.

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Officers:

Scott L. Morris

Chairman of the Board and CEO

Edward D. Schlect Jr.

President

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Dennis P. Vermillion

Senior Vice President & Environmental Compliance Officer

Latisha Hill

Senior Vice President

Susan Y. Fleming

Assistant Corporate Secretary

Don M. Falkner

Assistant Treasurer

The Company was formed as WP Finance Co. before changing its name to Avista Development. Pentzer Development, Inc. and Washington Irrigation & Development Company merged with and into Avista Development in October 1998.

Current as of May 13, 2016

AVISTA ENERGY, INC.

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane WA 99202

(509) 489-0500

Directors:

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Officers:

Scott L. Morris

Chairman of the Board, President & CEO

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Tracy Van Orden

Controller

Susan Y. Fleming

Assistant Corporate Secretary

Don M. Falkner

Assistant Treasurer

The Company was formed as WWP Resource Services, Inc., before becoming Avista Energy.

AVISTA NORTHWEST RESOURCES, LLC

(An Affiliate of Avista Capital)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Member:

Avista Capital

Officers (Managers):

Scott L. Morris

President & Chief Executive Officer

Mark T. Thies

Senior Vice President & Chief Financial Officer

Ryan L. Krasselt

Vice President & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

Most of our LLC's do not have officers. This particular one was formed with officers as the managers.

Current as of May 13, 2016

BAY AREA MANUFACTURING, INC.

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Marian M. Durkin

Scott L. Morris

Mark T. Thies

Officers:

Scott L. Morris

Mark T. Thies

Marian M. Durkin

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

Current as of August 1, 2016

COURTYARD OFFICE CENTER, LLC

(An Affiliate of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Member:

Avista Development, Inc.

Manager

Latisha Hill

PENTZER CORPORATION

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Scott L. Morris

Mark T. Thies

Jason Thackston

Officers:

Scott L. Morris

Mark T. Thies

Marian M. Durkin

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

PENTZER VENTURE HOLDINGS II

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Scott L. Morris

Mark T. Thies

Jason R. Thackston

Officers:

Scott L. Morris

Mark T. Thies

Marian M. Durkin

Susan Y. Fleming

Don M. Falkner

Chairman, President & Chief Executive Officer

Senior Vice President, Chief Financial Officer & Treasurer

Senior Vice President & Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

SALIX, INC.

(A Subsidiary of Avista Capital)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

Directors:

Marian M. Durkin

Scott L. Morris

Edward D. Schlect Jr

Mark T. Thies

Dennis P. Vermillion

Officers:

Robert J. Lafferty

Mark T. Thies

Marian M. Durkin

Susan Y. Fleming

President

Treasurer

Corporate Secretary

Assistant Corporate Secretary

SNETTISHAM ELECTRIC COMPANY

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 780-2222

Directors:

Eric Eriksen

Timothy McLeod

Jason Thackston

Officers:

Christy Yearous

President

Timothy McLeod

Vice President

Eric Eriksen

Treasurer

Debbie Driscoll

Corporate Secretary

Connie Hulbert

Assistant Corporate Secretary

Current as of August 1, 2016

STEAM PLANT BREW PUB, LLC
Doing Business as Steam Plant Grill
(An Affiliate of Steam Plant Square, LLC)
1411 E. Mission Ave.
Spokane, WA 99202
(509) 489-0500

Members:

Avista Development, Inc.
Wells & Co.

Manager

Latisha Hill

Current as of August 1, 2016

STEAM PLANT SQUARE, LLC
(An Affiliate of Avista Capital, Inc.)
1411 E. Mission Ave.
Spokane, WA 99202
(509) 489-0500

Members:

Avista Development, Inc.
Wells & Co.

Manager

Latisha Hill

CONFIDENTIAL

ATTACHMENT 3

REDACTED



Subsidiary Balance Sheets
December 31, 2016

	AVISTA CAPITAL	PENZER CORP.	AVISTA DEVELOPMENT	AVISTA ENERGY	NORTHWEST RESOURCES, LLC	SALIX INC.
ASSETS						
Cash and cash equivalents						
Accounts receivable						
Prepaid expenses						
Property, plant, and equipment						
Intangible assets						
Goodwill						
Other assets						
LIABILITIES						
Accounts payable						
Accrued liabilities						
Debt						
Other liabilities						
EQUITY						
Common stock						
Retained earnings						
Other equity						

MetaIrx
Balance Sheet
Fiscal Year 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Assets												
Current Assets												
Cash												
Accounts Receivable												
Inventory												
Prepaid Expenses												
Other Current Assets												
Non-Current Assets												
Property, Plant & Equipment												
Intangible Assets												
Other Non-Current Assets												
Liabilities												
Current Liabilities												
Accounts Payable												
Accrued Expenses												
Deferred Revenue												
Other Current Liabilities												
Non-Current Liabilities												
Long-Term Debt												
Other Non-Current Liabilities												
Equity												
Common Stock												
Retained Earnings												
Other Equity												

CONFIDENTIAL
CONFIDENTIAL



Balance Sheets
December 31, 2016

Cash and Cash Equivalents:

	AVISTA CAPITAL	PENZER CORP.	AVISTA DEVELOPMENT	AVISTA ENERGY	NORTHWEST RESOURCES, LLC	SALIX INC.
Cash and Cash Equivalents	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts Receivable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid Expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Property, Plant, and Equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Goodwill	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intangible Assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other Assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accounts Payable	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued Liabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred Revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other Liabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Assets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Liabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Equity	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

ATTACHMENT 4

RESULTS OF OPERATIONS
ELECTRIC ALLOCATION PERCENTAGES
For Twelve Months Ended December 31, 2016
Average of Monthly Averages Basis

Report ID:
E-ALL-12A

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho
1	Input	Production/Transmission Ratio	01-01-2016 thru 12-31-2016	100.000%	65.730%	34.270%
2	Input	Number of Customers - AMA Percent	01-01-2016 thru 12-31-2016	374,507 100.000%	245,916 65.664%	128,591 34.336%
3	E-OPS	Direct Distribution Operating Expense Percent	01-01-2016 thru 12-31-2016	23,251,240 100.000%	15,470,596 66.537%	7,780,644 33.463%
	Input	Jurisdictional 4-Factor Ratio	01-01-2016 thru 12-31-2016			
		Direct O & M Accts 500 - 598		19,878,625	13,041,456	6,837,169
		Direct O & M Accts 901 - 935		27,163,365	19,773,487	7,389,878
		Total		47,041,990	32,814,943	14,227,047
		Percentage		100.000%	69.757%	30.243%
		Direct Labor Accts 500 - 598		13,100,158	8,869,997	4,230,161
		Direct Labor Accts 901 - 935		6,332,021	4,979,448	1,352,573
		Total		19,432,179	13,849,445	5,582,734
		Percentage		100.000%	71.271%	28.729%
		Number of Customers		377,285	247,777	129,508
		Percentage		100.000%	65.674%	34.326%
		Net Direct Plant		1,072,965,542	712,213,744	360,751,798
		Percentage		100.000%	66.378%	33.622%
4		Total Percentages Percent		400.000% 100.000%	273.079% 68.270%	126.921% 31.730%

RESULTS OF OPERATIONS
ELECTRIC ALLOCATION PERCENTAGES
For Twelve Months Ended December 31, 2016
Average of Monthly Averages Basis

Report ID:
E-ALL-12A

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
			01-01-2015 thru 12-31-2015	Total	Electric	Gas North	Oregon Gas
Input		Elec/Gas North/Oregon 4-Factor		68,870,162	57,859,575	7,660,811	3,349,776
		Direct O & M Accts 500 - 894		40,470,171	30,725,388	6,803,561	2,941,222
		Direct O & M Accts 901 - 935		5,203,836	3,701,516	1,502,320	0
		Direct O & M Accts 901 - 905 Utility 9 Only		0	0	0	0
		Adjustments		114,544,169	92,286,479	15,966,692	6,290,998
Total				100.000%	80.569%	13.939%	5.492%
Percentage							
		Direct Labor Accts 500 - 894		71,533,714	54,197,331	12,273,957	5,062,426
		Direct Labor Accts 901 - 935		5,276,902	3,297,361	193,627	1,785,914
		Direct Labor Accts 901 - 905 Utility 9 Only		10,808,995	7,263,025	3,545,970	0
Total				87,619,611	64,757,717	16,013,554	6,848,340
Percentage				100.000%	73.908%	18.276%	7.816%
		Number of Customers at		709,694	374,962	235,378	99,354
Percentage				100.000%	52.834%	33.166%	14.000%
		Net Direct Plant		2,961,417,554	2,309,776,654	427,886,508	223,754,392
Percentage				100.000%	77.995%	14.449%	7.556%
Total Percentages				400.000%	285.306%	79.830%	34.863%
Average (CD AA)				100.000%	71.326%	19.958%	8.716%

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RESULTS OF OPERATIONS
ELECTRIC ALLOCATION PERCENTAGES
For Twelve Months Ended December 31, 2016
Average of Monthly Averages Basis

Report ID:
E-ALL-12A

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
			01-01-2015 thru 12-31-2015	Total	Electric	Gas North	Oregon Gas
Input		Gas North/Oregon 4-Factor		10,455,835	0	7,274,832	3,181,003
		Direct O & M Accts 500 - 894		9,194,411	0	6,419,305	2,775,106
		Direct O & M Accts 901 - 935		1,502,320	0	1,502,320	0
		Direct O & M Accts 901 - 905 Utility 9 Only		21,152,566	0	15,196,457	5,956,109
		Total		100.000%	0.000%	71.842%	28.158%
		Percentage					
		Direct Labor Accts 500 - 894		12,747,846	0	9,025,326	3,722,520
		Direct Labor Accts 901 - 935		1,617,630	0	158,227	1,459,403
		Direct Labor Accts 901 - 905 Utility 9 Only		3,545,970	0	3,545,970	0
		Total		17,911,446	0	12,729,523	5,181,923
		Percentage		100.000%	0.000%	71.069%	28.931%
		Number of Customers at		334,732	0	235,378	99,354
		Percentage		100.000%	0.000%	70.318%	29.682%
		Net Direct Plant		642,075,757	0	419,325,758	222,749,999
		Percentage		100.000%	0.000%	65.308%	34.692%
		Total Percentages		400.000%	0.000%	278.538%	121.462%
		Average (GD AA)		100.000%	0.000%	69.634%	30.366%

RESULTS OF OPERATIONS
ELECTRIC ALLOCATION PERCENTAGES
For Twelve Months Ended December 31, 2016
Average of Monthly Averages Basis

Report ID:
E-ALL-12A

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
		Input	01-01-2015 thru 12-31-2015	Total	Electric	Gas North	Oregon Gas
		Elec/Gas North 4-Factor		65,517,641	57,859,575	7,658,066	0
		Direct O & M Accts 500 - 894		37,524,901	30,725,388	6,799,513	0
		Direct O & M Accts 901 - 935		0	0	0	0
		Adjustments		103,042,542	88,584,963	14,457,579	0
		Total		100.000%	85.969%	14.031%	0.000%
		Percentage					
		Direct Labor Accts 500 - 894		66,392,511	54,197,331	12,195,180	0
		Direct Labor Accts 901 - 935		3,705,603	3,297,361	408,242	0
		Total		70,098,114	57,494,692	12,603,422	0
		Percentage		100.000%	82.020%	17.980%	0.000%
		Number of Customers at		610,340	374,962	235,378	0
		Percentage		100.000%	61.435%	38.565%	0.000%
		Net Direct Plant		2,706,279,542	2,286,953,784	419,325,758	0
		Percentage		100.000%	84.505%	15.495%	0.000%
		Total Percentages		400.000%	313.930%	86.070%	0.000%
9		Average (CD AN/ID/WA)		100.000%	78.482%	21.518%	0.000%
10	E-PLT	Net Electric Distribution Plant - AMA	12-01-2015 thru 12-31-2016	1,023,558,708	675,072,411	348,486,297	
		Percent		100.000%	65.953%	34.047%	
11		Book Depreciation	01-01-2016 thru 12-31-2016	101,849,867	66,335,712	35,514,155	
		Percent		100.000%	65.131%	34.869%	

RESULTS OF OPERATIONS
ELECTRIC ALLOCATION PERCENTAGES
 For Twelve Months Ended December 31, 2016
 Average of Monthly Averages Basis

Report ID:
E-ALL-12A

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho
12		Net Electric Plant (before DFIT) - AMA Percent	12-01-2015 thru 12-31-2016	2,619,856,983 100.000%	1,729,585,131 66.018%	890,271,852 33.982%
13	E-PLT	Net Electric General Plant - AMA Percent	12-01-2015 thru 12-31-2016	230,327,259 100.000%	153,460,246 66.627%	76,867,013 33.373%
14		Net Allocated Schedule M's - AMA Percent	01-01-2016 thru 12-31-2016	-258,361,891 100.000%	-167,289,500 64.750%	-91,072,391 35.250%
99	Input	Not Allocated		0.000%	0.000%	0.000%

ATTACHMENT 5

Avista Corp. Cash Management Guidelines and Procedures

In order to efficiently manage cash at the corporate and subsidiary levels, minimize borrowing costs and maximize investment returns, the following procedures should be followed regarding cash management activity between Avista Corp, Avista Capital and Avista Capital Subsidiaries (excluding Advantage IQ who manages their cash in accordance with their cash management investment guidelines):

I. Investment/Borrowing Policies

All excess subsidiary company cash will be managed at the Avista Corp. level. Cash will be transferred to the subsidiaries through Avista Capital to cover payables according to the guidelines set below. (Note: A Master Promissory Note in effect for any Subsidiary will supercede these guidelines.)

1. Avista Capital may maintain a money market account with a maximum balance of \$1,000,000. This account may be used to fund subsidiary payables. Avista Capital cash balances over \$1,000,000 and up to the outstanding loan balance will be transferred to Avista Corp as a payment against the outstanding borrowings on the loan between Avista Corp and Avista Capital.
2. Avista Capital may borrow from Avista Corp. to cover subsidiary company cash needs in accordance with board-approved limits. Avista Capital may loan excess funds to Avista Corp upon receipt of appropriate approvals. Regulatory restrictions should be considered prior to transferring funds between the utility and non-regulated subsidiaries. The current guidance in Washington is WAC 480-100-244 and in Oregon it is Order No. 07-297.
3. Unless specifically stated in a master promissory note, all loans between companies are unsecured.
4. Subsidiaries with cash deficits may borrow from Avista Capital. Borrowings will be in accordance with each company's board-approved limits. Subsidiaries will repay or loan excess funds to Avista Capital.
5. Investment/Borrowing Rates Between Avista Corp. and Avista Capital:
 - a) Upon receiving appropriate approvals, excess Avista Capital cash may be invested with (loaned to) Avista Corp. at a rate equal to Avista Corp.'s avoided short-term borrowing cost currently estimated at the one-month LIBOR plus 130 basis points (this is the short-term borrowing rate related to Avista Corp.'s credit facility). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.

At times Avista Corp may have no outstanding borrowings under the credit facility. If there are no outstanding borrowings under the credit facility, excess cash should be utilized to pay down borrowings on other short-term borrowing instruments (if any) and the borrowing rate should be adjusted to the avoided short-term borrowing rate applicable to the borrowings that were re-paid.

At times, Avista Corp may have no outstanding cash borrowings on the credit facility or other short-term borrowing facilities. If there are no cash borrowings under any facility, excess cash should be invested at the subsidiary until the funds can be utilized.

- b) Avista Capital may borrow from Avista Corp., subject to board-approved limits, at a rate equal to at least the Prime rate plus 30 basis points. This rate will be reset at such time as the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the

credit facility pricing grid. If an Alternate Base Rate (as defined in the credit facility) is in effect, the borrowing rate would be adjusted accordingly.

6. Investment/Borrowing Rates Between Avista Capital and Subsidiary Companies:
Subsidiaries of Avista Capital which are wholly-owned and are not expected to seek outside investors within the next two years will not be charged interest on borrowings or receive interest on invested funds with Avista Capital. The following interest rate guidelines apply to all other subsidiaries:
 - a) Subsidiary companies will borrow from Avista Capital at a rate equal to at least the Prime rate plus 30 basis points. This rate will be reset at such time as the Prime rate is changed by the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the credit facility pricing grid. If an Alternate Base Rate (as defined in the credit facility) is in effect, the borrowing rate would be adjusted accordingly.
 - b) Subsidiary company cash invested with (loaned to) Avista Capital will be at a rate equal to Avista Corp.'s avoided short-term borrowing cost, currently estimated at the one-month LIBOR plus 130 basis points. The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.
7. The Avista Corp. subsidiary accountant will maintain daily interest schedules of all borrowings and repayments between all subsidiary companies. Documentation will include the date and amount of the borrowing or repayment, the maturity date, if any, the applicable interest rate, and daily balances of all outstanding loans.

II. Subsidiary Cash Management Guidelines

1. Cash Balances
Subsidiary companies will keep a maximum of \$50,000 cash balance per book in their checking accounts at any time. Accurate up-to-date "checkbook" balances must be maintained and deposit information should be updated when funds are received. This information is available currently via Wells Fargo Commercial Electronic Office reports or through the Cash Manager for Avista Corp. Excess balances resulting from large deposits should be transferred to Avista Capital for investment or to pay down loan balances. Transfers of excess cash to Avista Capital may be incorporated in the weekly funding request for payables. Please contact the Avista Corp. Subsidiary Accountant for details.
2. Accounts Payable Check Runs
Subsidiaries should normally plan to do one check run per week. Manual checks outside of the check run are discouraged except in emergency situations. To receive maximum float on our funds, checks should be mailed on Friday.
3. Funding Requests from Avista Capital
Estimated funding requests must be submitted by email to the Subsidiary Accountant by 3:00 pm Friday for funding the following Monday. (Please cc: to the Avista Corp. Cash Manager) The funding request should indicate what expenses are included in the request for funding.
Actual funding requests (based on that estimate) for check runs must be received by 9:00 am on Monday for checks mailed on the prior working day. Funding requests should be submitted by e-mail to the Subsidiary Accountant at Avista Corp. Voucher must be signed by an authorized subsidiary representative. Funds will not be transferred without proper signatures.

Please note: For funding requests over \$2 million, please notify the Avista Corp. cash manager of the due date as far in advance as possible.
4. Emergency Checks Due Before Next Check Run

Checks written outside of the normal check run should be funded one business day after they are mailed, or the same day as written if hand delivered. If funding for these checks is required from Avista Capital, the request for funds must be made by telephone to the Subsidiary Accountant, followed by a fax/e-mail request received by 3:00 p.m. the day before the funds transfer. Funding requests must be signed by an authorized subsidiary representative. Same day transfer of funds over \$50,000 may be accommodated but cannot be guaranteed. Please contact Subsidiary Accountant or Cash Manager for availability of same day funds.

5. Wire Transfers

Amounts payable over \$500,000 should be paid by electronic transfer on the due date. The Voucher request for wire payment and funding request (if needed) should be received by the Subsidiary Accountant by 3:00 p.m. on the day prior to the due date. These wire transfer amounts should be included in the weekly advance estimates due at 3:00 on Friday. (See item 3 above.) Voucher requests for wire transfers must be accompanied by an approved cash approval request.

All funding requests from subsidiaries, whose accounting function is not done at the corporate offices, must be approved by an authorized person at the subsidiary.

6. Intercompany payments

Intercompany payments between Avista Corp, Avista Capital and all Subsidiaries should be made electronically. This includes payments for work orders, payroll and taxes.

These cash management guidelines and procedures will be reviewed at least annually, and at the time the Avista Corp. bank credit agreement is renewed.

Approved:

By: _____

Treasurer – Avista Corp.

ATTACHMENT 6

REDACTED

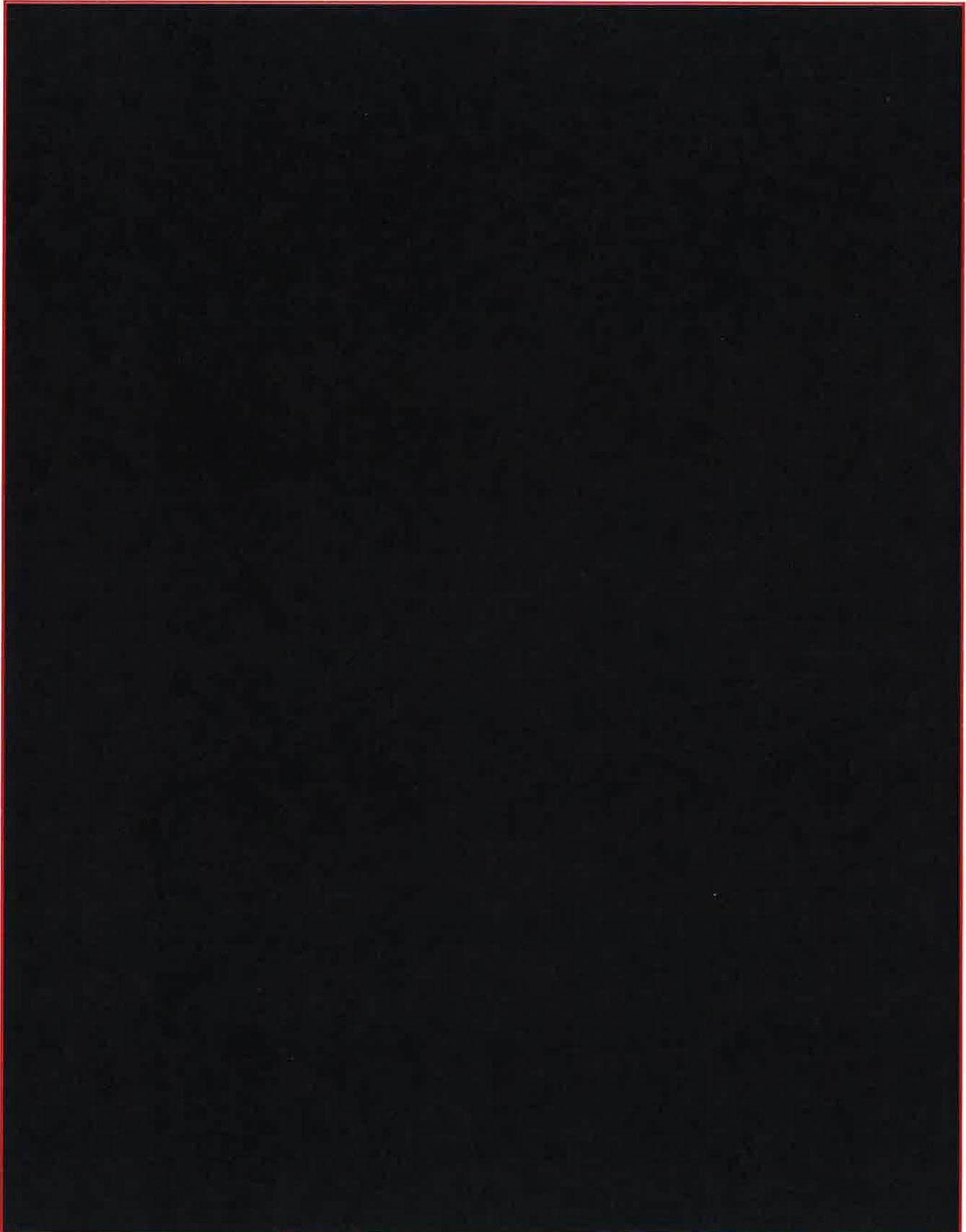
**STATEMENT OF WORK TO THE
MASTER SOFTWARE LICENSE AND SERVICES AGREEMENT**

Originally Signed: June 26, 2013

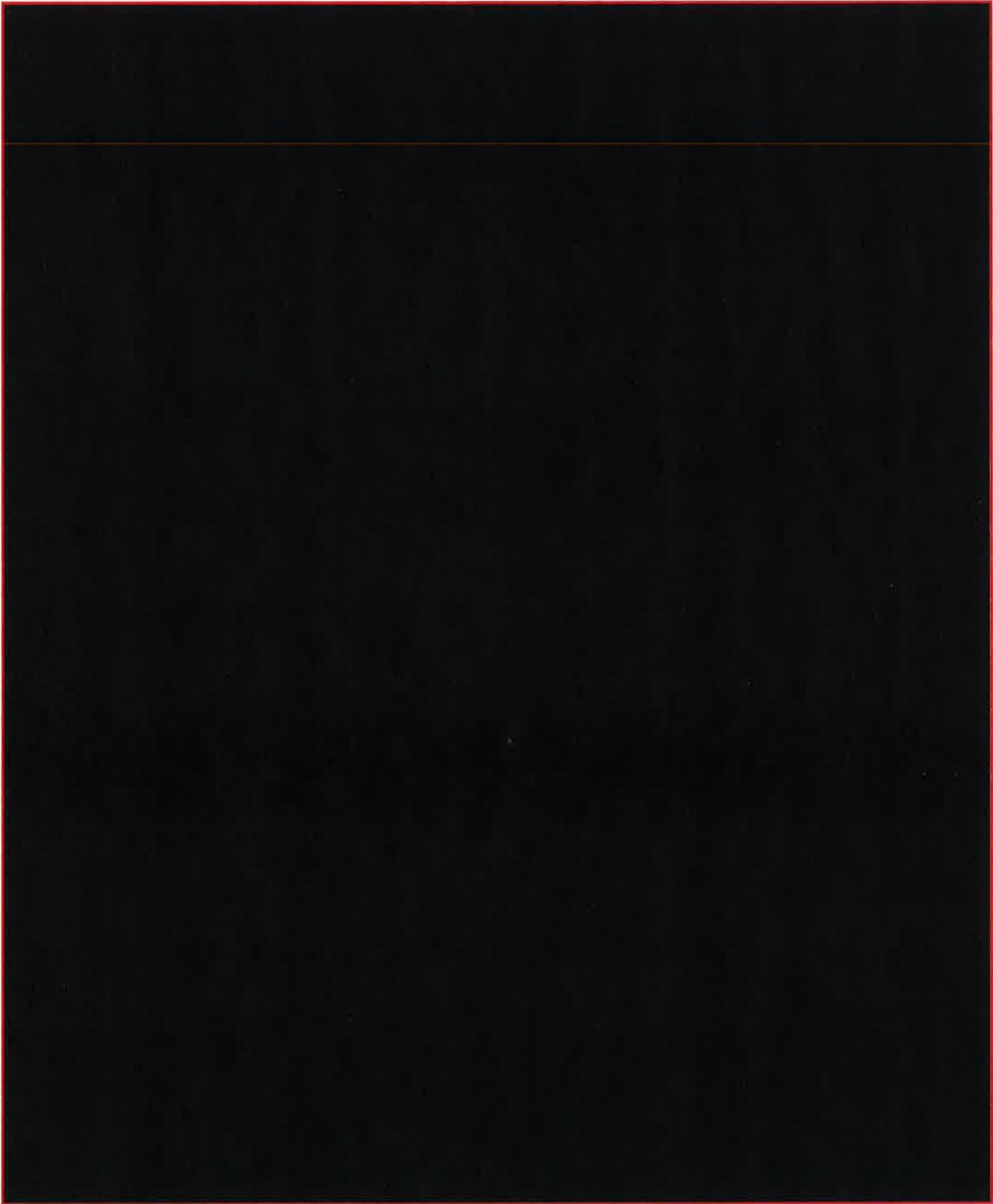
Revised and Restated: April __, 2014

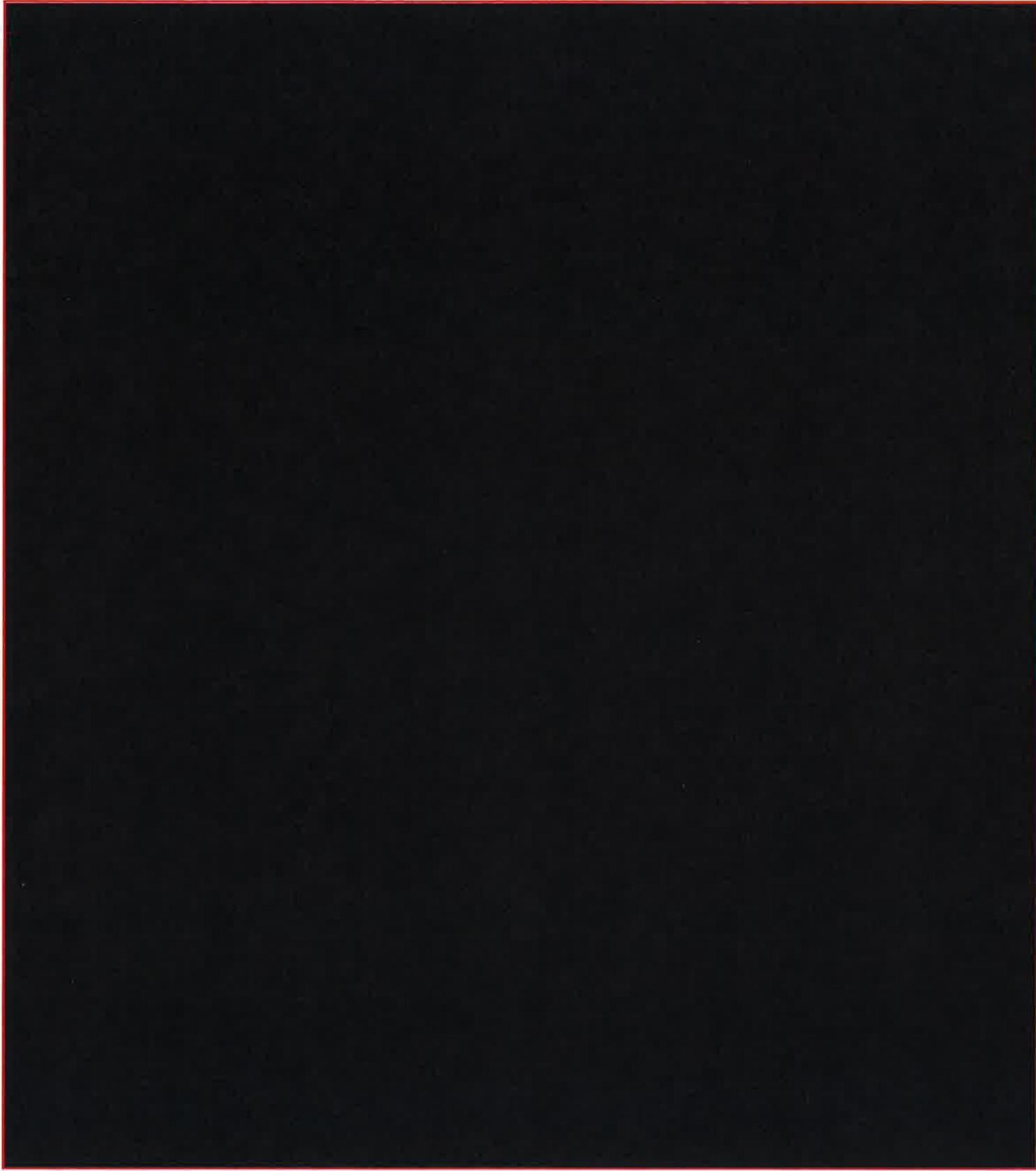


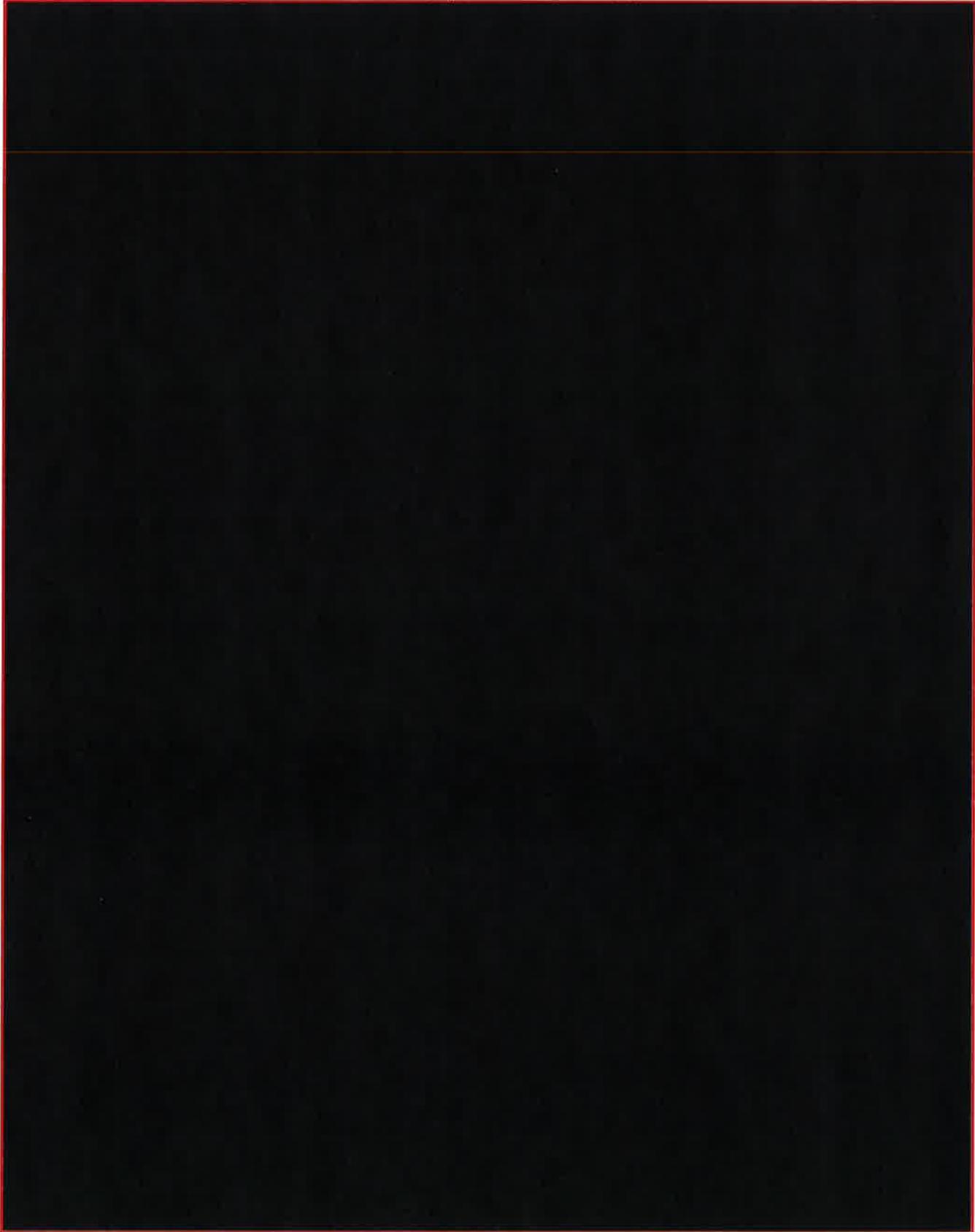
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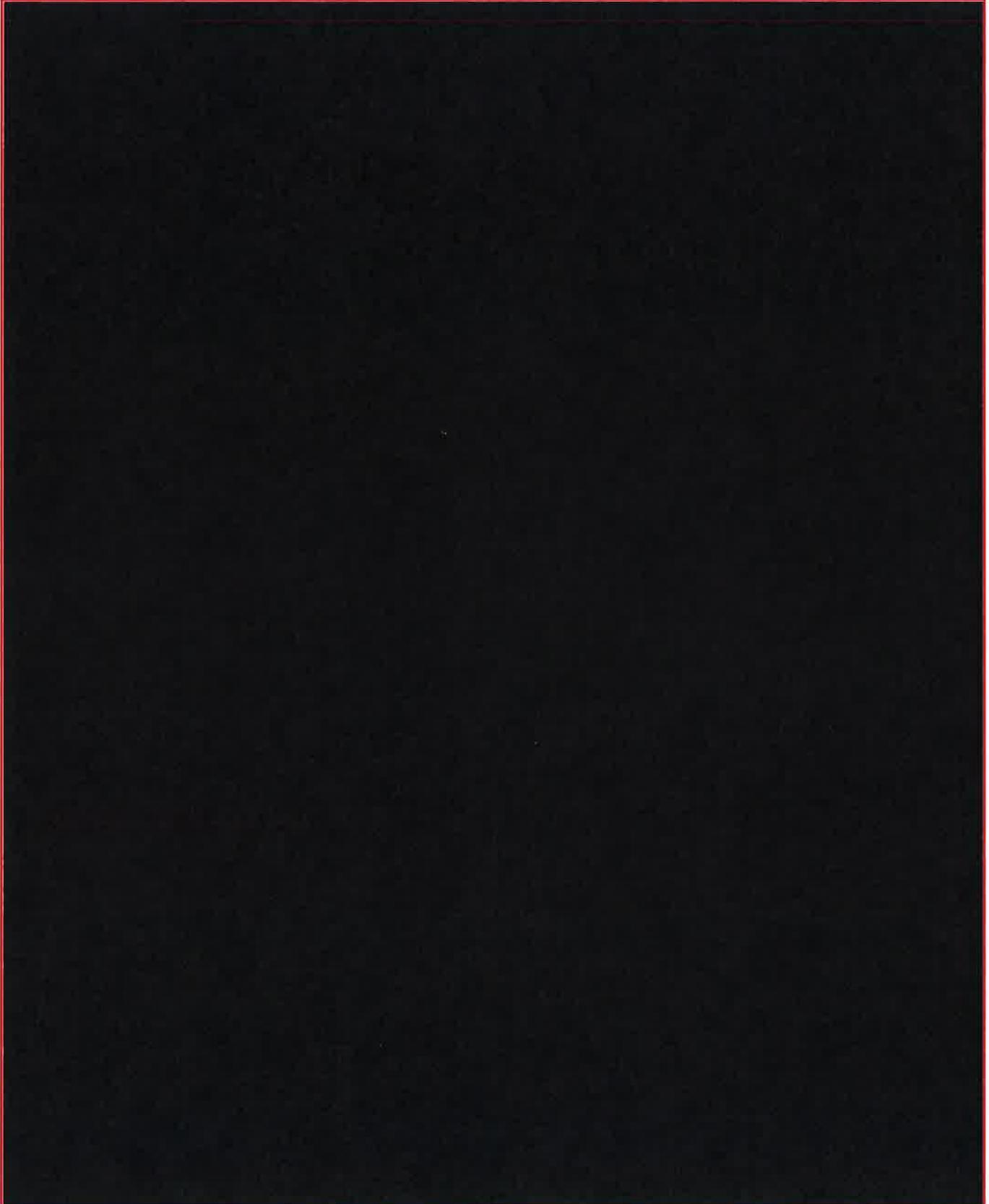


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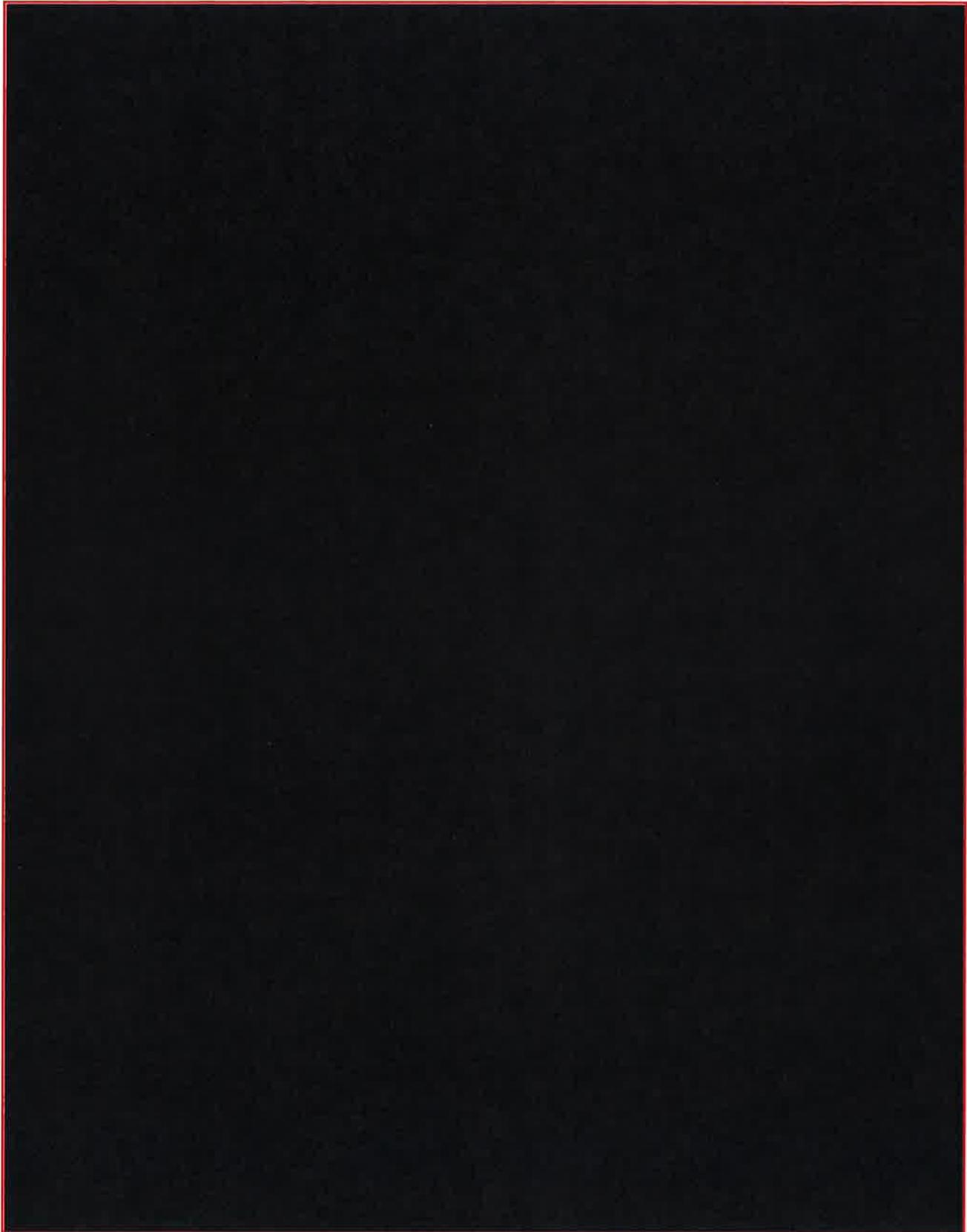


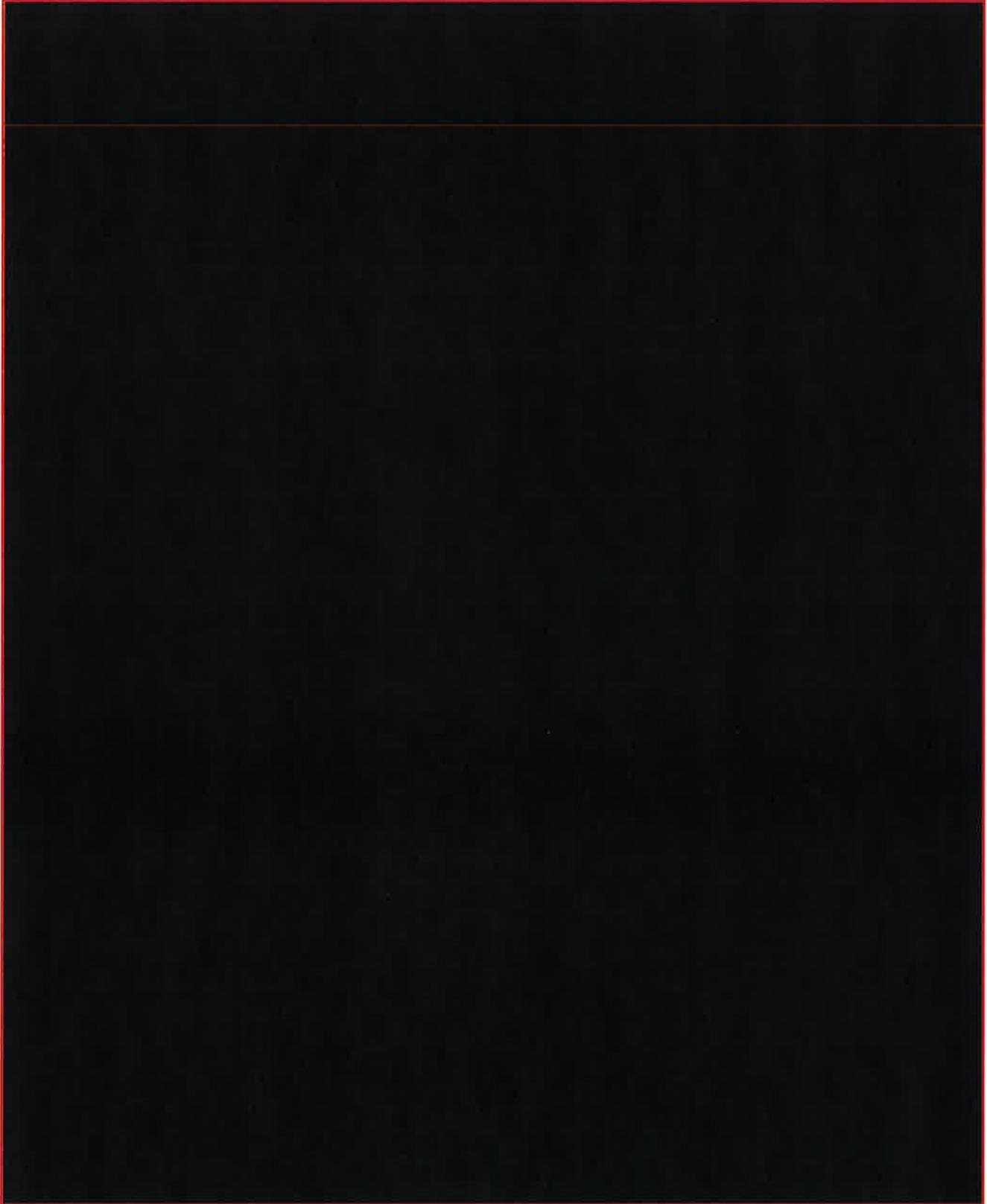


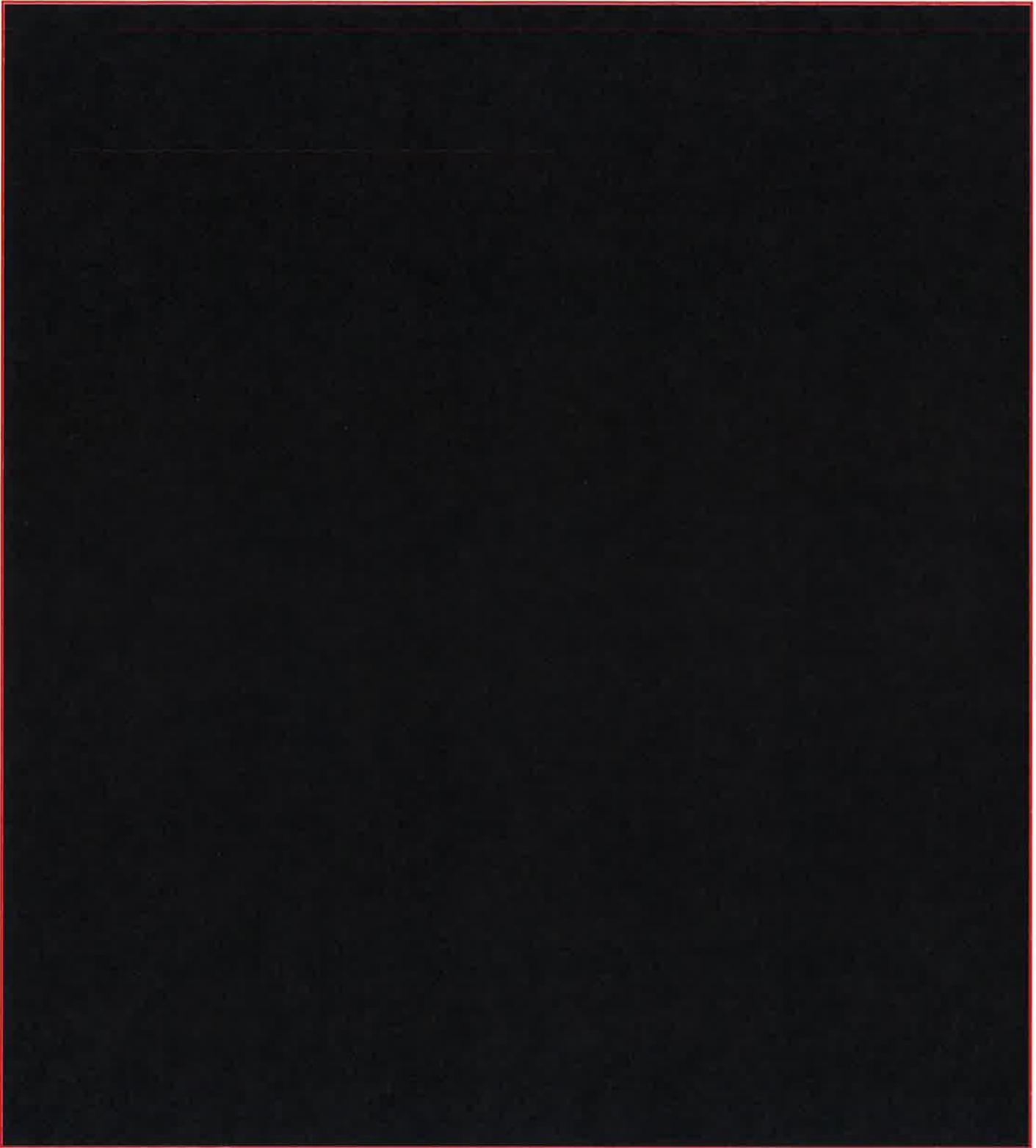


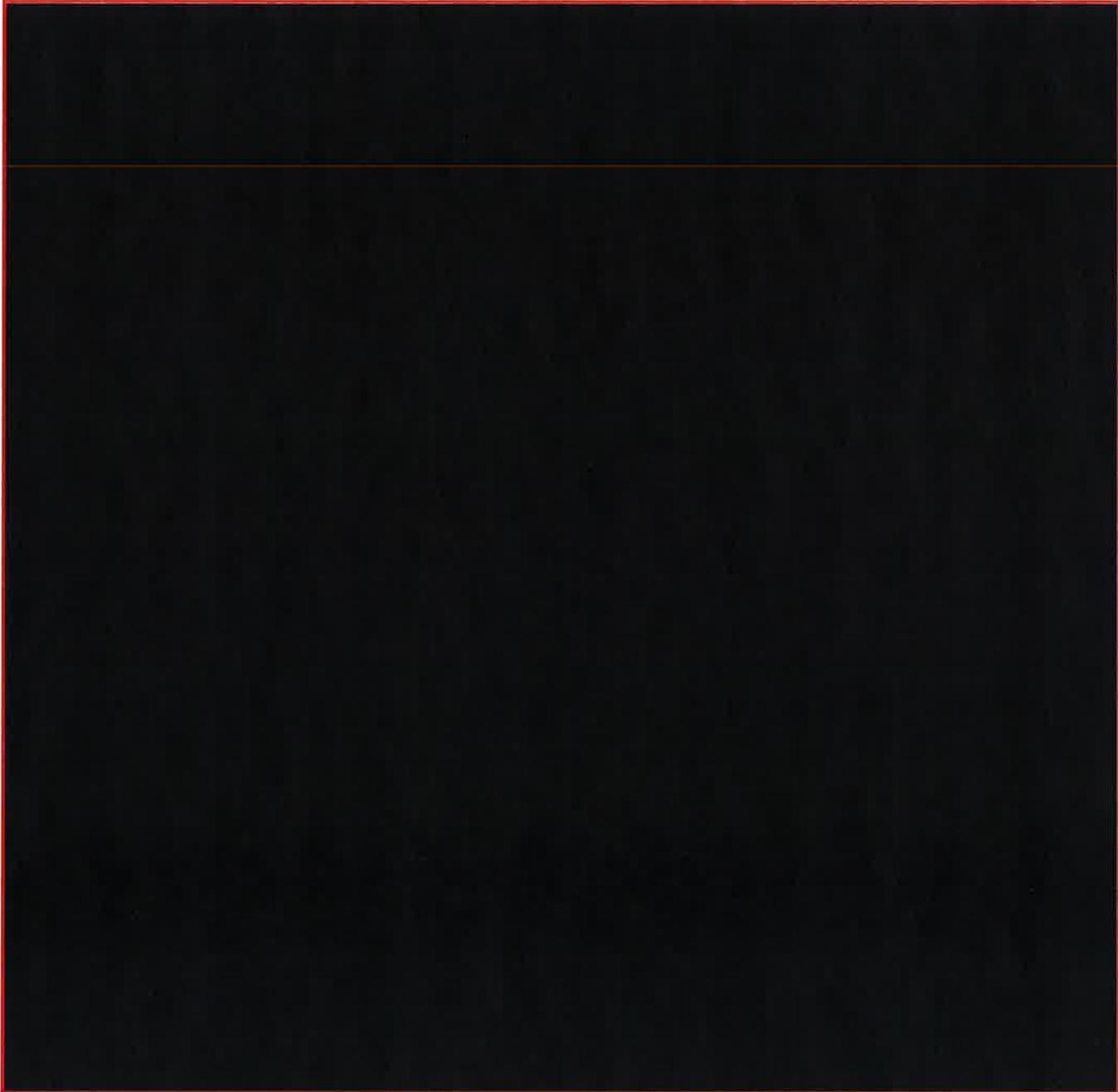


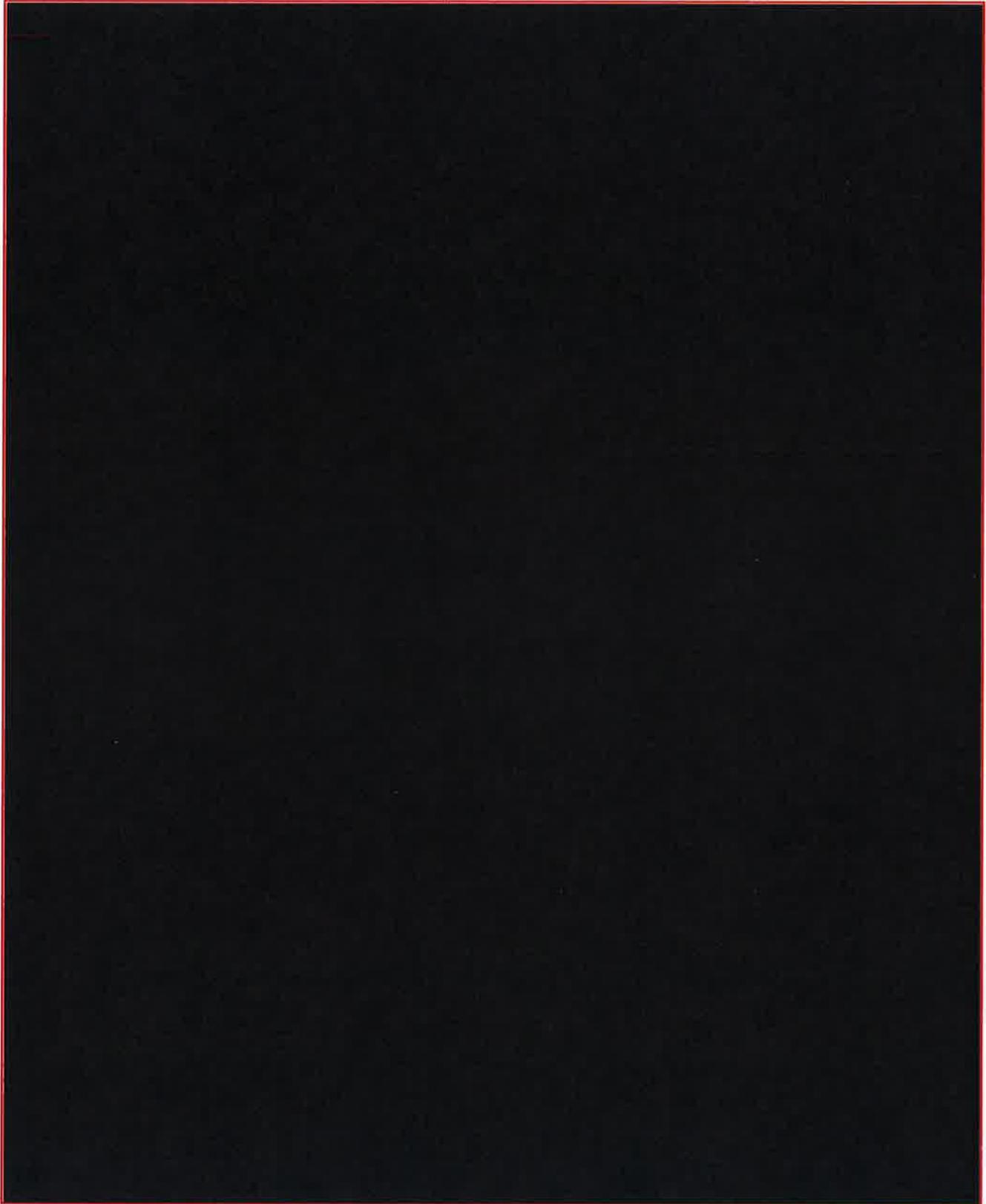




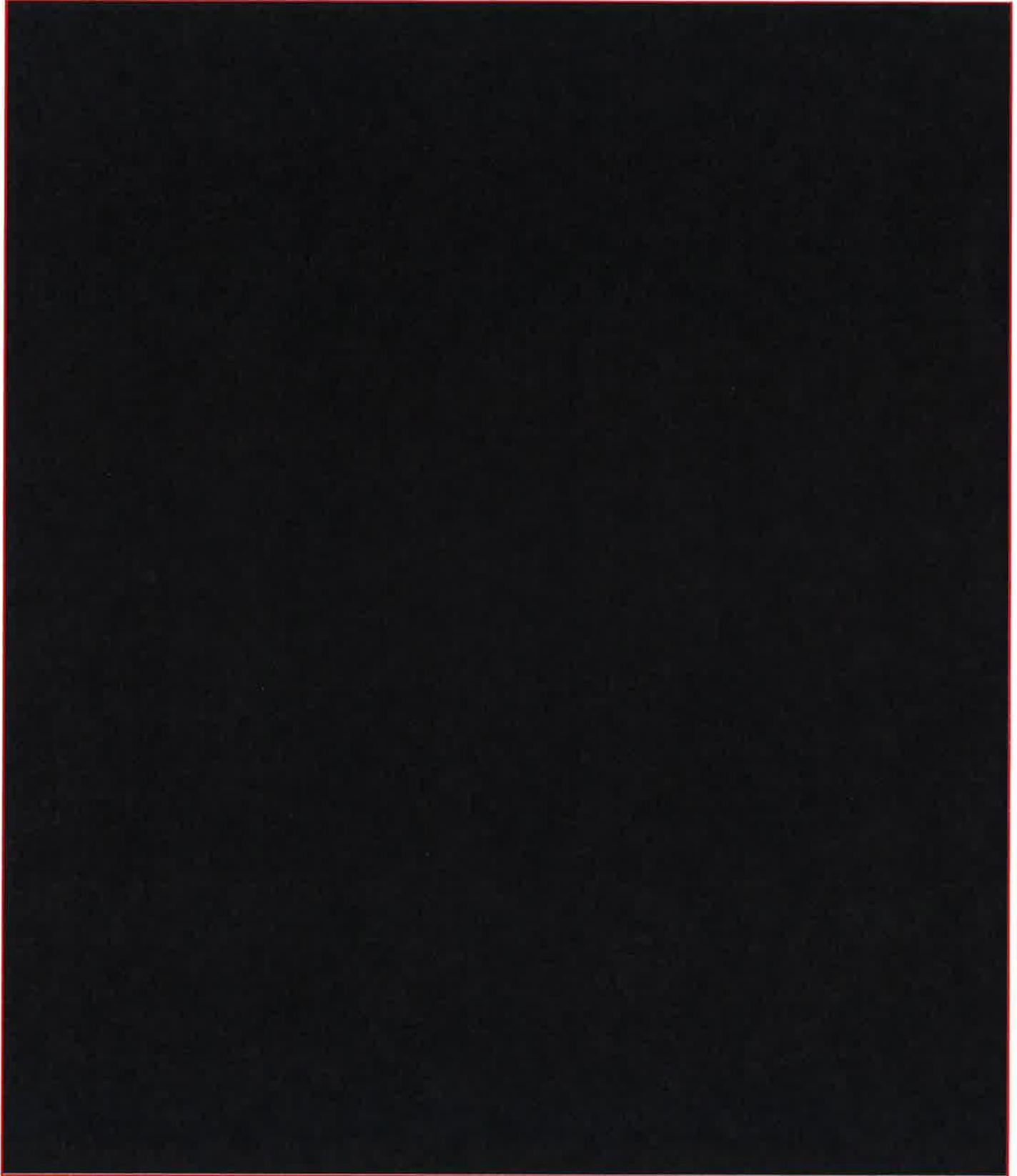




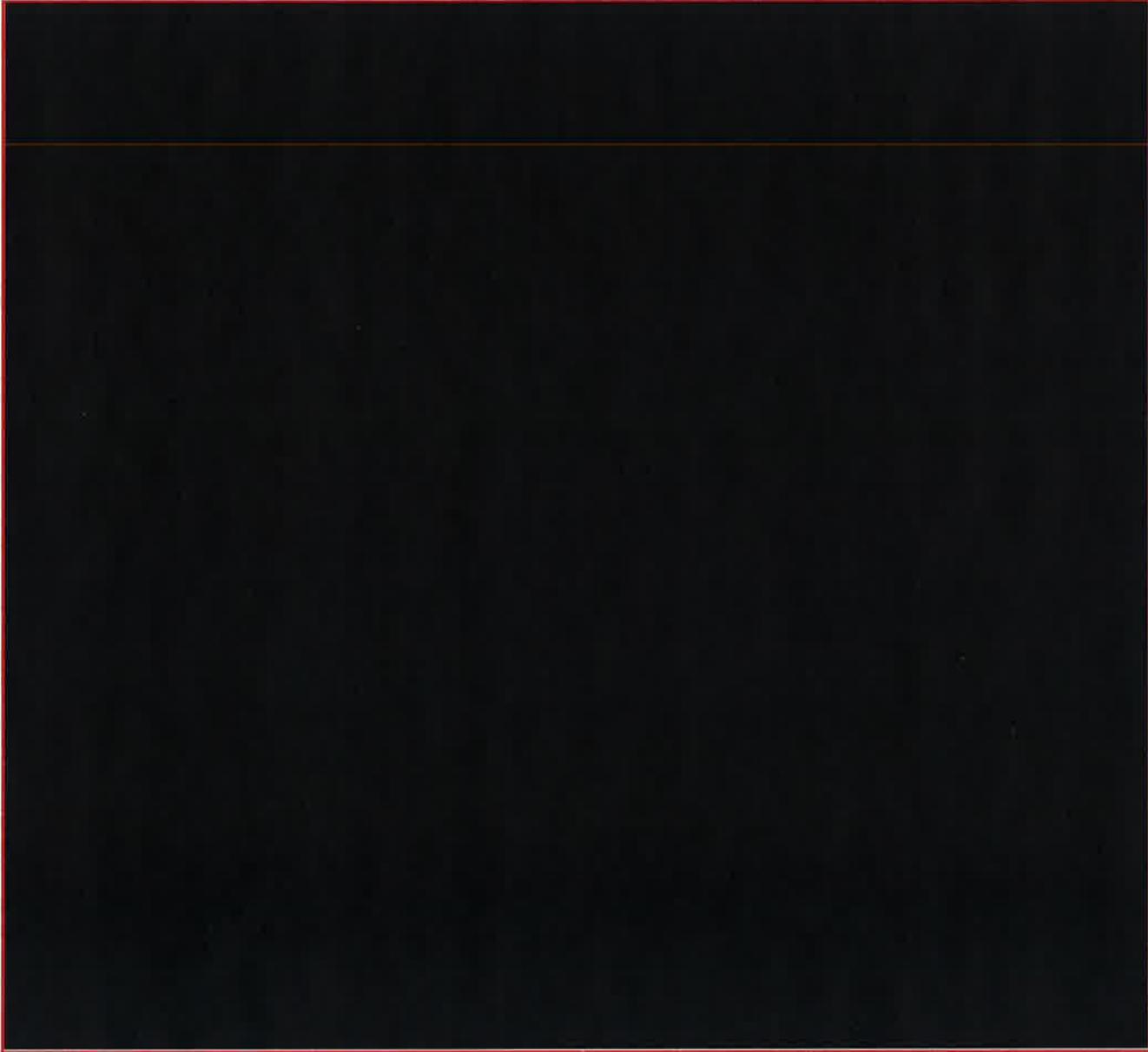


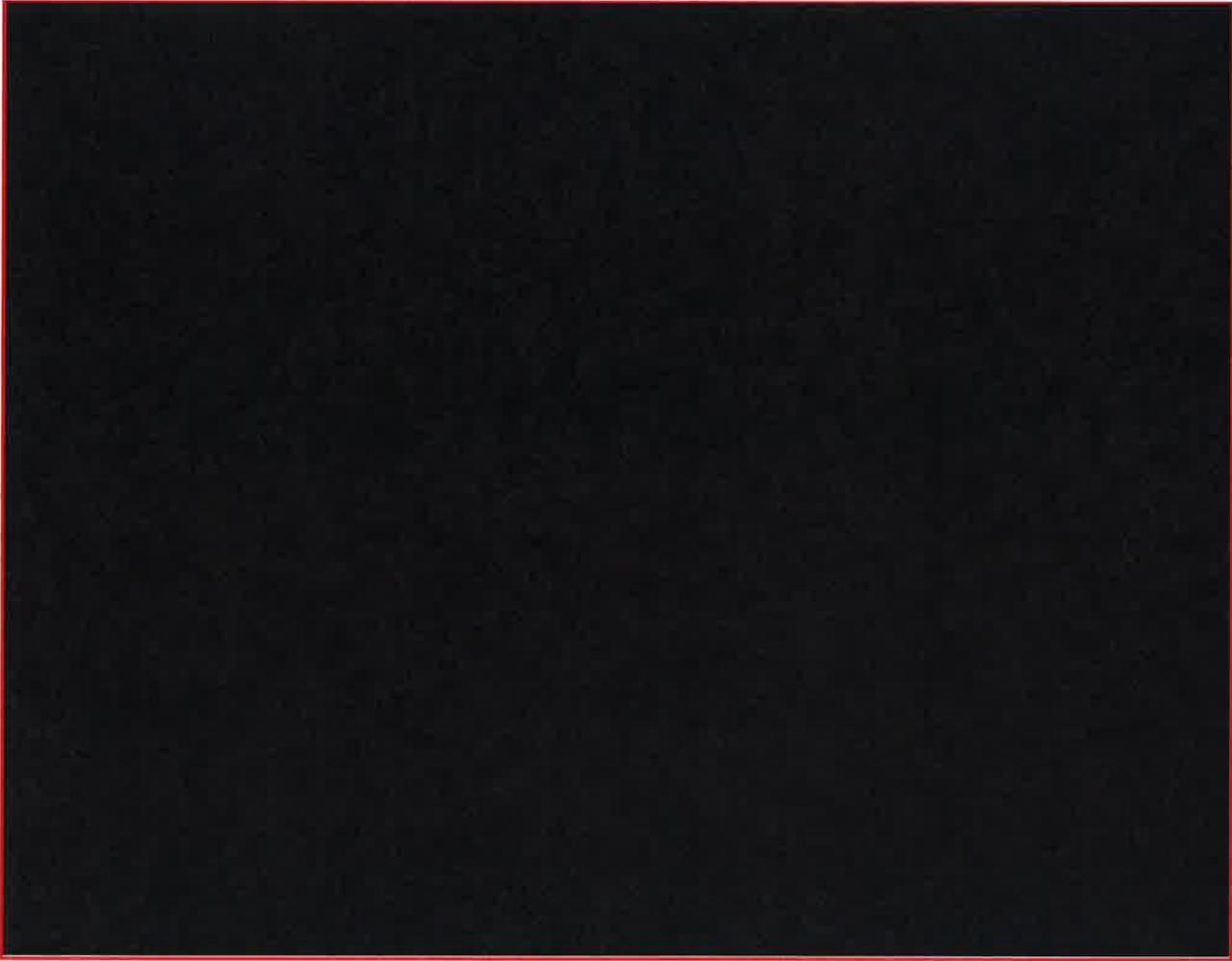






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COST ALLOCATION MANUAL
OF
AVISTA CORPORATION
d/b/a AVISTA UTILITIES

Avista Corp. dba Avista Utilities
Cost Allocation Manual
For the year 2016

This report is provided pursuant to OAR 860-027-0048, Section 5.

I.) Overview/Introduction

The purpose of Avista Utilities Cost Allocation Manual is to describe the methodologies for allocating direct, indirect and shared service costs between the Utility and its nonregulated affiliated activities.

All corporate support provided and costs incurred, including labor costs loaded for benefits, are billed directly to affiliates at cost. No allocation of expenses occurs.

II.) Narrative Description of Avista's Nonregulated Activities and Affiliates

a. List of utility Non-Regulated Activities:

Not applicable.

b. List of utility Affiliates & Subsidiaries that meet the requirements of ORS 757.15:

Please see the Oregon Affiliated Interest Report filed with the Oregon Commission on or before June 1 annually, Section I.C., pages 2-4.

III.) Description of Methods for Calculation and Allocation of Costs

a. Service Transactions

Electricity and natural gas sales are priced according to approved tariffs. See <http://www.avistautilities.com/services/pages/default.aspx> for current tariffs used to price services provided (Schedules 11, 48 and 10).

b. Non-Service Transactions

Avista Corporation Corporate Support –

On a regular basis, general office employees, of Avista Corporation spend time on corporate service support, such as accounting, federal income tax filing, planning, graphic services, etc. for affiliates. Their time is charged directly to suspense accounts (Deferred Debit 186), loaded for benefits and then established as a receivable (Account 146) when billed to the affiliate. If other resources are expended during the course of this work such as travel or consulting services, these costs are also charged to suspense accounts and billed to the affiliate.

All corporate support provided, and costs incurred, are billed to affiliates at cost. No additional margin or profit is included and no assets are allocated. Suspense and capture of Avista Corporation employee costs, which are then billed back to the affiliates at cost, serve to reduce the expenses that must be borne by the utility.

IV.) **Labor Allocation Methods**

a. **Payroll Loadings and Overheads**

The Company's payroll loadings and overhead billing rates are reviewed monthly and adjusted as necessary, to reflect changes in costs and usage. The following rates are the 2017 Budgeted rates.

DESCRIPTION	2017 BUDGET RATES
Labor Related:	
Payroll Benefits	62.88%
Paid Time Off	16.00%
Payroll Taxes	8.25%

b. **Service Provider and Administrative Allocations**

As described in section III.) b. above, all corporate support provided, and costs incurred, are direct billed to affiliates at cost. No allocations occur.

V.) **Organization Chart**

Please see the Oregon Affiliated Interest Report filed with the Oregon Commission on or before June 1 annually, Section I., page 1. A full size (8 ½ x 11) copy is also provided as Attachment 1 to that report.

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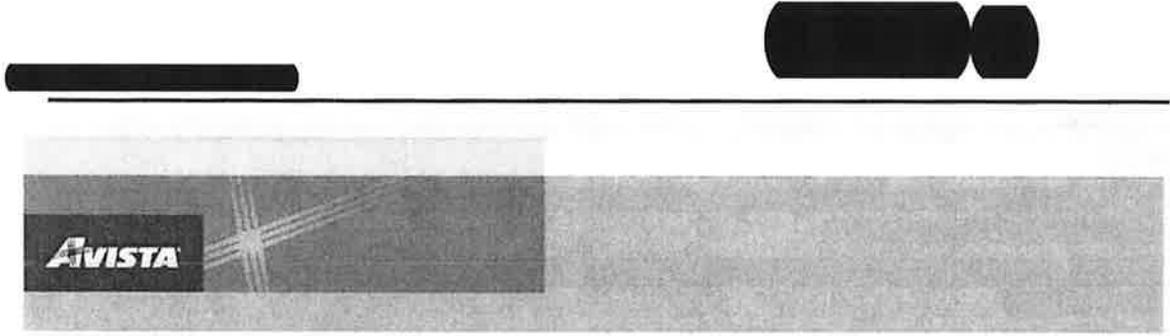
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ATTACHMENT 9
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Avista Corporation
East 1411 Mission Ave.
Spokane, WA 99202



Addendum No. 2
to
Avista Contract No. R-39421
Master Software License and Services Agreement
between
Avista Corporation (“Avista”)
and
TROVE Predictive Data Science, LLC (“Contractor”)

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Avista Corporation
East 1411 Mission Ave.
Spokane, WA 99202



Addendum No. 2
Appendix D

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Addendum No. 2
Avista Contract No. R-39421