



e-FILING REPORT COVER SHEET

COMPANY NAME: Avista Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)
 RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number:

Report is required by: OAR
 Statute ORS 757
 Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other
(For example, federal regulations, or requested by Staff)

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

List Key Words for this report. We use these to improve search results.

Annual Reports for the year ending December 31, 2014 for Avista Corporation; Form 2; Oregon Supplement to Form 2

Send the completed Cover Sheet and the Report in an email addressed to PUC.FilingCenter@state.or.us

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 3930 Fairview Industrial Drive SE, Salem, OR 97302.

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

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



FERC FINANCIAL REPORT

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

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

Exact Legal Name of Respondent (Company)

Avista Corporation

Year/Period of Report

End of 2014/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

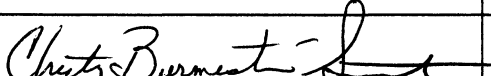
IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation		Year/Period of Report End of <u>2014/Q4</u>	
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 Christy Burmeister-Smith		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 509-495-4256		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/15/2015

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 Christy Burmeister-Smith		12 Title VP, Controller, Prin. Acctg Officer	
13 Signature Christy Burmeister-Smith 		14 Date Signed 04/15/2015	

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

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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List of Schedules (Natural Gas Company)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
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12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		N/A
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
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21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
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32	Other Paid-in Capital	253		
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37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

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List of Schedules (Natural Gas Company) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
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49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		N/A
50	Revenues from Storage Gas of Others	306-307		N/A
51	Other Gas Revenues	308		
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53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		N/A
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		N/A
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58	Miscellaneous General Expenses-Gas	335		
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64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
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67	Gas Storage Projects	512-513		
68	Transmission Lines	514		N/A
69	Transmission System Peak Deliveries	518		N/A
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		N/A
73	System Map	522		N/A
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	<input checked="" type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

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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.

Christy Burmeister-Smith, Vice President and Controller
1411 E Mission Avenue
Spokane, WA 99207

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

State of Washington, Incorporated March 15, 1889

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

Not Applicable

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

Electric service in the states of Washington, Idaho and Montana

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

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

(1) Yes... Enter the date when such independent accountant was initially engaged:

(2) No

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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

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, Inc.	D	Parent company to the Company's subsidiaries.	100	Not used
2	Ecova, Inc.	I	Provides utility bill processing services	80	Not used
3					
4	Avista Development, Inc.	I	Maintains investment portfolio incl. real estate	100	Not used
5	Avista Energy, Inc.	I	Inactive	100	Not used
6	Pentzer Corporation	I	Parent of Bay Area Mfg and Pentzer Venture Hldngs	100	Not used
7	Pentzer Venture Holdings II, Inc.	I	Inactive	100	Not used
8	Bay Area Manufacturing, Inc.	I	Holding co. of AM&D dba MetalFX	100	Not used
9	Advanced Manufacturing & Development	I	Custom mfg of electronic enclosures	83	Not used
10	dba MetalFX	I			Not used
11	Spokane Energy, LLC	D	Owns an electric capacity contract.	100	Not used
12	Avista Capital II	D	Affiliated business trust issued pref trust sec.	100	Not used
13	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	Not used
14	Steam Plant Square, LLC	I	Commercial office and retail leasing	85	Not used
15	Courtyard Office Center, LLC	I	Commercial office and retail leasing	100	Not used
16	Steam Plant Brew Pub, LLC	I	Restaurant operations	85	Not used
17	Salix, Inc.	I	Liquified natural gas operations	100	Not used
18	Alaska Energy and Resources Company	D	Parent company of Alaska operations	100	Not used
19	Alaska Electric Light and Power Company	I	Utility operations based in the City and Borough	100	Not used
20			of Juneau, AK		
21	AJT Mining Properties, Inc.	I	Inactive mining company holding certain properties	100	Not used
22			in the City and Borough of Juneau, AK		
23	Snettisham Electric Company	I	Holds certain rights to purchase the Snettisham	100	Not used
24			Hydroelectric project in the City and Borough of		
25			Juneau, AK		
26					

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FOOTNOTE DATA			

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

Ecova, Inc. was disposed of on June 30, 2014. See Note 4 of the Notes to Financial Statements for further information.

Schedule Page: 103 Line No.: 18 Column: a

This company was acquired on July 1, 2014. See Footnote 3 of the Notes to Financial Statements for further information.

Schedule Page: 103 Line No.: 19 Column: a

This company was acquired on July 1, 2014. See Footnote 3 of the Notes to Financial Statements for further information.

Schedule Page: 103 Line No.: 21 Column: a

This company was acquired on July 1, 2014. See Footnote 3 of the Notes to Financial Statements for further information.

Schedule Page: 103 Line No.: 23 Column: a

This company was acquired on July 1, 2014. See Footnote 3 of the Notes to Financial Statements for further information.

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Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing: 12/04/2014	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. Total: 53897547 By Proxy: 53897447	3. Give the date and place of such meeting: May 8, 2014 Spokane, WA
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date): 12/04/2014			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	60,129,338	60,129,338		
6	TOTAL number of security holders	9,597	9,597		
7	TOTAL votes of security holders listed below	1,739,705	1,739,705		
8	Stanford University, Stanford, CA	485,029	485,029		
9	Computershare Trust Company NA as escrow agent for				
10	Alaska Energy and Resources Company, Canton, MA	451,549	451,549		
11	George Barclay Corbus, Arvada, CO	308,745	308,745		
12	William A. Corbus, Juneau, AK	171,667	171,667		
13	Malcolm A. Menzies, Juneau, AK	101,936	101,936		
14	E. Neil MacKinnon, Juneau, AK	63,170	63,170		
15	Gary Ely, Liberty Lake, WA	56,984	56,984		
16	Niels F. Larsen & Wilhelmine J. Larsen Jt Ten, Juneau, AK	35,369	35,369		
17	Jane N. MacKinnon, Juneau, AK	33,601	33,601		
18	James S. Webb, Goldendale, WA	31,655	31,655		
19					
20					

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FOOTNOTE DATA			

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

To pay the December 15, 2014 dividend.

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Avista Corporation			
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. A merger transaction with Alaska Energy and Resources Company was completed on July 1, 2014. This merger was approved by each of our various Commissions on the following Orders: UTC U-132222 Order 1, IPUC Order 32991, OPUC Order 14-112 and RCA Order U-13-197. Refer to Note 3 of the Notes to Financial Statements for further details regarding this merger transaction.

3. Avista Corp. sold its interest in Ecova, Inc. (Ecova), effective June 30, 2014. Ecova was the primary unregulated subsidiary of Avista Corp. and no Commission authorization was required. Refer to Note 4 of the Notes to Financial Statements for further details regarding this sales transaction.

4. None

5. None

6. Avista Corp. has a committed line of credit with various financial institutions in the total amount of \$400 million. In April 2014, the Company amended this committed line of credit agreement to extend the expiration date to April 2019. The amendment also provides the Company the option to request an extension for an additional one or two years beyond April 2019, provided there is no event of default prior to the requested extension and the requested extension does not cause the remaining term until the expiration date to exceed five years. The amendment did not change the amount of the committed line of credit. The committed line of credit is secured by non-transferable First Mortgage Bonds of the Company issued to the agent bank that would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations

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Important Changes During the Quarter/Year			

under the committed line of credit.

Balances outstanding under the Company's revolving committed line of credit were as follows as of December 31, 2014 and December 31, 2013 (dollars in thousands):

	December 31, 2014	December 31, 2013
Balance outstanding at end of period	\$105,000	\$171,000
Letters of credit outstanding at end of period	\$32,579	\$27,434

In December 2014, Avista Corp. issued \$60.0 million of first mortgage bonds to three institutional investors in a private placement transaction. The first mortgage bonds bear an interest rate of 4.11 percent and mature in 2044. The total net proceeds from the sale of the new bonds were used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes. The debt issuance was approved by regulatory commissions as follows: WUTC (Docket No. U-111176 Order 02) IPUC (Case No. AVU-U-11-01 Order No. 32338) and the OPUC (Docket UF 4269 Order No. 11-334).

7. None

8. Average annual wage increases were 2.3% for non-exempt employees effective February 24, 2014. Average annual wage increases were 3.0% for exempt employees effective February 24, 2014. Officers received average increases of 3.8% effective March 1, 2014. Certain bargaining unit employees received increases of 3.25% effective April 1, 2014.

9. Reference is made to Note 17 of the Notes to Financial Statements.

10. None

11. Reference is made to Note 19 of the Notes to Financial Statements.

12. On February 11, 2014, Rick R. Holley provided notification to the Company that he will not stand for reelection to Avista Corp.'s Board of Directors and he resigned effective February 15, 2014. This is due to the fact that the time requirements for his board service conflicts with his other professional commitments. He has no disagreements with the Company.

On February 13, 2014, Avista Corp.'s Board of Directors took action to reduce the number of board members from 10 to 9, effective February 15, 2014.

On July 8, 2014, Avista Corp.'s Board of Directors decided to increase the number of board members from 9 to 10 and elected Janet D. Widmann to fill the vacancy and serve as a director on the board effective August 2, 2014.

Effective January 2014, Jason R. Thackston was promoted to Senior Vice President. He has been Vice President of Energy Resources since December 2012.

Effective February 2015, Kevin J Christie was promoted to Vice President of Customer Solutions. He had previously held various other management and staff positions with the Company since 2005.

13. Proprietary capital is not less than 30 percent.

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	4,513,148,224	4,280,005,611
3	Construction Work in Progress (107)	200-201	223,330,993	157,258,690
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	4,736,479,217	4,437,264,301
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,573,767,832	1,491,212,830
6	Net Utility Plant (Total of line 4 less 5)		3,162,711,385	2,946,051,471
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		3,162,711,385	2,946,051,471
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)		5,288,635	5,438,891
18	(Less) Accum. Provision for Depreciation and Amortization (122)		194,911	920,905
19	Investments in Associated Companies (123)	222-223	12,047,000	12,047,000
20	Investments in Subsidiary Companies (123.1)	224-225	148,255,851	112,232,104
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	11,525,386	13,980,638
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		11,488,865	10,897,909
28	Long-Term Portion of Derivative Assets (175)		0	853,757
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	19,574,858
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		188,410,826	174,104,252
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		1,535,172	3,949,469
33	Special Deposits (132-134)		6,832,649	19,283,082
34	Working Funds (135)		971,206	864,092
35	Temporary Cash Investments (136)	222-223	15,508,864	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		163,095,696	182,617,384
38	Other Accounts Receivable (143)		5,091,552	8,417,179
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		4,828,572	4,830,036
40	Notes Receivable from Associated Companies (145)		0	5,720,836
41	Accounts Receivable from Associated Companies (146)		401,126	286,696
42	Fuel Stock (151)		4,116,727	3,170,050
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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)		29,419,472	26,655,710
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	28,731,498	13,028,710
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	13,368,084	7,938,050
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		31,080	30,982
57	Rents Receivable (172)		1,740,695	1,360,262
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		614,449	752,953
60	Derivative Instrument Assets (175)		1,524,582	3,875,269
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	853,757
62	Derivative Instrument Assets - Hedges (176)		460,316	33,544,588
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	19,574,858
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		268,614,596	286,236,661
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		12,476,292	12,505,134
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	576,247,558	381,581,939
70	Preliminary Survey and Investigation Charges (Electric)(183)		165,866	875,153
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		28,145	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	11,803,983	13,312,292
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)		17,356,781	19,417,103
78	Accumulated Deferred Income Taxes (190)	234-235	123,261,474	70,239,422
79	Unrecovered Purchased Gas Costs (191)		(3,921,214)	(12,074,780)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		737,418,885	485,856,263
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		4,364,147,768	3,899,240,723

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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	984,400,740	869,342,827
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	(9,520,161)	8,089,025
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	(25,079,123)	(19,561,527)
11	Retained Earnings (215, 215.1, 216)	118-119	507,257,161	413,009,873
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(15,658,553)	(5,918,024)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(7,887,881)	(5,819,930)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,483,670,429	1,298,265,298
16	LONG TERM DEBT			
17	Bonds (221)	256-257	1,436,700,000	1,376,700,000
18	(Less) Reacquired Bonds (222)	256-257	83,700,000	83,700,000
19	Advances from Associated Companies (223)	256-257	51,547,000	51,547,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	186,550	195,433
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	1,308,604	1,482,644
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,403,424,946	1,343,259,789
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		0	4,193,852
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		240,000	240,000
29	Accumulated Provision for Pensions and Benefits (228.3)		189,489,100	122,512,892
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		5,855,845	2,489,686

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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		22,093,166	18,355,040
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		40,857,456	0
34	Asset Retirement Obligations (230)		3,028,391	2,847,207
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		261,563,958	150,638,677
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		105,000,000	171,000,000
39	Accounts Payable (232)		111,077,010	107,675,819
40	Notes Payable to Associated Companies (233)		9,934,843	0
41	Accounts Payable to Associated Companies (234)		714,039	810,911
42	Customer Deposits (235)		4,977,259	3,393,269
43	Taxes Accrued (236)	262-263	(10,725,297)	22,103,801
44	Interest Accrued (237)		13,595,667	13,444,066
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)		50,226	115,213
49	Miscellaneous Current and Accrued Liabilities (242)	268	57,483,998	55,243,462
50	Obligations Under Capital Leases-Current (243)		4,193,852	297,339
51	Derivative Instrument Liabilities (244)		40,138,121	29,230,059
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		22,093,166	18,355,041
53	Derivative Instrument Liabilities - Hedges (245)		48,202,046	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		40,857,456	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		321,691,142	384,958,898
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		1,864,508	1,459,117
58	Accumulated Deferred Investment Tax Credits (255)		12,157,507	12,387,031
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	21,269,740	25,359,333
61	Other Regulatory Liabilities (254)	278	48,834,355	71,742,330
62	Unamortized Gain on Reacquired Debt (257)	260	2,096,044	2,225,581
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		582,721,352	447,100,235
65	Accumulated Deferred Income Taxes - Other (283)		224,853,787	161,844,434
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		893,797,293	722,118,061
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		4,364,147,768	3,899,240,723

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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 column in 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 purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
 12. If any notes appearing in the report to stockholders 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 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 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	1,572,976,141	1,574,987,368	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,034,794,124	1,054,508,447	0	0
5	Maintenance Expenses (402)	317-325	65,573,481	60,947,443	0	0
6	Depreciation Expense (403)	336-338	112,562,200	105,822,752	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	16,874,247	13,800,853	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)		1,871,414	12,986,972	0	0
13	(Less) Regulatory Credits (407.4)		10,536,841	13,582,146	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	93,076,918	88,262,771	0	0
15	Income Taxes-Federal (409.1)	262-263	(55,133,870)	39,972,039	0	0
16	Income Taxes-Other (409.1)	262-263	(1,858,807)	2,066,338	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	135,547,906	31,154,269	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	4,060,583	4,770,686	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(229,524)	(238,869)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,388,579,712	1,391,029,230	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		184,396,429	183,958,138	0	0

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Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	1,015,103,873	1,049,456,902	557,872,268	525,530,466	0	0
3						
4	584,239,618	635,615,026	450,554,506	418,893,421	0	0
5	51,160,378	48,867,669	14,413,103	12,079,774	0	0
6	89,097,411	84,631,445	23,464,789	21,191,307	0	0
7	0	0	0	0	0	0
8	13,008,487	10,778,960	3,865,760	3,021,893	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	1,535,950	12,125,143	335,464	861,829	0	0
13	10,108,656	13,080,536	428,185	501,610	0	0
14	69,580,534	66,342,004	23,496,384	21,920,767	0	0
15	(27,894,913)	31,663,448	(27,238,957)	8,308,591	0	0
16	(716,972)	1,388,109	(1,141,835)	678,229	0	0
17	94,097,395	25,700,222	41,450,511	5,454,047	0	0
18	4,203,362	4,871,648	(142,779)	(100,962)	0	0
19	(195,528)	(199,113)	(33,996)	(39,756)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	859,699,389	899,059,776	528,880,323	491,969,454	0	0
26	155,404,484	150,397,126	28,991,945	33,561,012	0	0

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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)		184,396,429	183,958,138	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)		(17,531)	(13,172)	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		9,837,245	10,644,789	0	0
35	Nonoperating Rental Income (418)		(1,100)	(3,699)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	82,361,715	4,593,239	0	0
37	Interest and Dividend Income (419)		1,845,367	2,432,397	0	0
38	Allowance for Other Funds Used During Construction (419.1)		8,678,360	6,065,628	0	0
39	Miscellaneous Nonoperating Income (421)		0	0	0	0
40	Gain on Disposition of Property (421.1)		290,479	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		83,320,045	2,429,604	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		38,668	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	3,879,397	3,320,437	0	0
46	Life Insurance (426.2)		2,060,570	2,599,896	0	0
47	Penalties (426.3)		(24,718)	109,224	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,679,329	1,605,677	0	0
49	Other Deductions (426.5)		3,295,162	4,366,477	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	10,928,408	12,001,711	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	150,614	172,447	0	0
53	Income Taxes-Federal (409.2)	262-263	(314,356)	(481,927)	0	0
54	Income Taxes-Other (409.2)	262-263	2,579,615	(1,004,519)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(1,467,880)	(1,731,439)	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	6,039,386	5,632,031	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(5,091,393)	(8,677,469)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		77,483,030	(894,638)	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		67,341,170	68,485,495	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	424,830	448,328	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		3,219,369	3,373,538	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	735,498	750,512	0	0
68	Other Interest Expense (431)	340	2,037,957	2,613,463	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		3,911,170	3,675,786	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		69,838,771	71,986,667	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		192,040,688	111,076,833	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		192,040,688	111,076,833	0	0

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Statement of Accumulated Comprehensive Income and Hedging Activities

- Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
- Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
- 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 liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	167,261	(6,867,421)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income	(12,411)			
3	Preceding Quarter/Year to Date Changes in Fair Value	(1,740,705)	2,633,346		
4	Total (lines 2 and 3)	(1,753,116)	2,633,346		
5	Balance of Account 219 at End of Preceding Quarter/Year	(1,585,855)	(4,234,075)		
6	Balance of Account 219 at Beginning of Current Year	(1,585,855)	(4,234,075)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income	460,497			
8	Current Quarter/Year to Date Changes in Fair Value	1,125,358	(3,653,806)		
9	Total (lines 7 and 8)	1,585,855	(3,653,806)		
10	Balance of Account 219 at End of Current Quarter/Year		(7,887,881)		

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Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert 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			(6,700,160)		
2			(12,411)		
3			892,641		
4			880,230	111,076,833	111,957,063
5			(5,819,930)		
6			(5,819,930)		
7			460,497		
8			(2,528,448)		
9			(2,067,951)	192,040,688	189,972,737
10			(7,887,881)		

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Statement of Retained Earnings

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- 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).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- 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.
- 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		403,295,872	376,139,703
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)		(43,925,664)	(8,165,880)
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		109,678,973	106,483,594
7	Appropriations of Retained Earnings (Account 436)			
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)		78,313,788	73,276,102
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		102,252,013	2,114,557
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		492,987,406	403,295,872
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		14,269,755	9,714,001
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		14,269,755	9,714,001
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		507,257,161	413,009,873
21	UNAPPROPRIATED UNDISTRICTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(5,918,024)	(747,337)
23	Equity in Earnings for Year (Credit) (Account 418.1)		82,361,715	4,593,239
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)		(92,102,244)	(9,763,926)
26	Balance-End of Year		(15,658,553)	(5,918,024)

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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)	192,040,688	111,076,833
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	126,986,417	117,173,574
5	Amortization of deferred power and gas costs, debt expense and exchange power	(8,525,668)	(3,144,520)
6	Deferred Income Taxes (Net)	123,968,809	20,846,650
7	Investment Tax Credit Adjustments (Net)	(229,524)	(226,027)
8	Net (Increase) Decrease in Receivables	17,645,850	(30,523,370)
9	Net (Increase) Decrease in Inventory	(19,413,226)	2,417,981
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(40,191,116)	(4,903,140)
12	Net (Increase) Decrease in Other Regulatory Assets	10,925,414	(899,982)
13	Net Increase (Decrease) in Other Regulatory Liabilities	4,616,847	7,774,282
14	(Less) Allowance for Other Funds Used During Construction	8,678,360	6,065,628
15	(Less) Undistributed Earnings from Subsidiary Companies	82,361,715	4,593,239
16	Other (footnote details):		
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	283,517,112	204,052,587
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(323,931,192)	(294,363,192)
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)	(323,931,192)	(294,363,192)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
32	Federal grant payments received	2,529,902	3,409,479
33	Investments in and Advances to Assoc. and Subsidiary Companies		(4,891,325)
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37	Cash paid for acquisition	(4,697,090)	
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

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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	94,098	481,170
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	(373,865)	6,167
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(113,933,769)	(295,357,701)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	60,000,000	90,000,000
54	Preferred Stock		
55	Common Stock	4,059,874	4,609,006
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		
58	Cash received for settlement of interest rate swap agreements	5,429,000	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	69,488,874	94,609,006
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(297,339)	(50,258,586)
63	Preferred Stock		
64	Common Stock	(79,855,898)	
65	Other	(1,403,511)	2,369,386
66	Net Decrease in Short-Term Debt (c)	(66,000,000)	119,000,000
67	Premium paid to repurchase long-term debt		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(78,313,788)	(73,276,102)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(156,381,662)	92,443,704
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	13,201,681	1,138,590
75			
76	Cash and Cash Equivalents at Beginning of Period	4,813,561	3,674,971
77			
78	Cash and Cash Equivalents at End of Period	18,015,242	4,813,561

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FOOTNOTE DATA			

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

Power and natural gas deferrals	1,284,946
Change in special deposits	(16,072,800)
Change in other current assets	7,300,101
Non-cash stock compensation	5,036,659
Cash paid for foreign currency hedges	(30,270)
Allowance for doubtful accounts	4,792,409
Change in other non-current assets and liabilities	(7,470,522)
Write-off of Reardan wind generation assets	2,533,578
Change in Coyote Springs 2 O&M LTSA	(1,376,514)
Prelim survey and investigation costs	(878,414)

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

Power and natural gas deferrals	1,104,752
Change in special deposits	(23,301,320)
Change in other current assets	(5,671,849)
Non-cash stock compensation	6,006,850
Cash paid for foreign currency hedges	20,692
Allowance for doubtful accounts	5,200,000
Change in other non-current assets and liabilities	(15,740,101)
Change in Coyote Springs 2 O&M LTSA	(1,082,230)
Prelim survey and investigation costs	709,287
Tax shortfalls from stock compensation	(513,385)

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

Notes receivable from subsidiaries	15,444,378
Dividends received from subsidiaries	197,000,000

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Avista Corporation			
Notes to Financial Statements			

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

On July 1, 2014, Avista Corp. completed its acquisition of Alaska Energy and Resources Company (AERC), and as of that date, AERC

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is a wholly-owned subsidiary of Avista Corp. The primary subsidiary of AERC is Alaska Electric Light and Power Company (AEL&P), comprising the regulated utility operations in Alaska. The results of AERC for only the final six months of 2014 are included in the overall results of Avista Corp. See Note 3 for information regarding the acquisition of AERC.

Avista Capital, Inc. (Avista Capital), a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies, except Spokane Energy, LLC (Spokane Energy). During the first half of the year, Avista Capital's subsidiaries included Ecova, Inc. (Ecova), which was an 80.2 percent owned subsidiary prior to its disposition on June 30, 2014. Ecova was a provider of energy efficiency and other facility information and cost management programs and services for multi-site customers and utilities throughout North America. See Note 4 for information regarding the disposition of Ecova.

Basis of Reporting

The financial statements include the assets, liabilities, revenues and expenses of the Company and have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). As required by the FERC, the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by U.S. GAAP. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants. In addition, under the requirements of the FERC, there are differences from U.S. GAAP in the presentation of (1) current portion of long-term debt (2) assets and liabilities for cost of removal of assets, (3) assets held for sale, (4) regulatory assets and liabilities, (5) deferred income taxes and (6) comprehensive income.

Use of Estimates

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

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

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

System of Accounts

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

Regulation

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

Operating Revenues

Operating revenues related to the sale of energy are recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. Our estimate of unbilled revenue is based on:

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

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):

	2014	2013
Unbilled accounts receivable	\$ 78,077	\$ 81,059

Advertising Expenses

The Company expenses advertising costs as incurred. Advertising expenses were not a material portion of the Company's operating expenses in 2014 and 2013.

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:

	2014	2013
Ratio of depreciation to average depreciable property	2.97%	2.90%

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

	<u>Avista Corp.</u>
Electric thermal/other production	40
Hydroelectric production	79
Electric transmission	58
Electric distribution	35
Natural gas distribution property	46

Taxes Other Than Income Taxes

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

	2014	2013
Utility taxes	\$ 57,599	\$ 55,565

Allowance for Funds Used During Construction

The Allowance for Funds Used During Construction (AFUDC) represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. As prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and the debt related portion is credited against total interest expense in the Statements of Income. The Company is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a reasonable return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC does not occur until the related utility plant is placed in service and included in rate base. The effective AFUDC rate was the following for the years ended December 31:

	2014	2013
Effective AFUDC rate	7.64%	7.64%

Income Taxes

A deferred income tax asset or liability is determined based on the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's consolidated income tax returns. The deferred income tax expense for the period is equal to the net change in the deferred income tax asset and liability accounts from the beginning to the end of the period. The effect on deferred income taxes from a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax liabilities and regulatory assets are established for income tax benefits flowed through to customers as prescribed by the respective regulatory commissions.

Stock-Based Compensation

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. See Note 16 for further information.

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

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

Utility Plant in Service

The cost of additions to utility plant in service, including an allowance for funds used during construction and replacements of units of property and improvements, is capitalized. The cost of depreciable units of property retired plus the cost of removal less salvage is

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charged to accumulated depreciation.

Derivative Assets and Liabilities

Derivatives are recorded as either assets or liabilities on the Balance Sheets measured at estimated fair value. In certain defined conditions, a derivative may be specifically designated as a hedge for a particular exposure. The accounting for a derivative depends on the intended use of such derivative and the resulting designation.

The UTC and the IPUC issued accounting orders authorizing Avista Corp. to offset energy commodity derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of delivery. The orders provide for Avista Corp. to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Statements of Income. Realized gains or losses are recognized in the periods of delivery, subject to approval for recovery through retail rates. Realized gains and losses, subject to regulatory approval, result in adjustments to retail rates through purchased gas cost adjustments, the ERM in Washington, the PCA mechanism in Idaho, and periodic general rates cases. Regulatory assets are assessed regularly and are probable for 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 agreements, each period Avista Corp. records all mark-to-market gains and losses as assets and liabilities and records offsetting regulatory assets and liabilities, such that there is no income statement impact. This is similar to the treatment of energy commodity derivatives described above. Upon settlement of interest rate swaps, the regulatory asset or liability (included as part of long-term debt) is amortized as a component of interest expense over the term of the associated debt.

Fair Value Measurements

Fair value represents the price that would be received to sell 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 agreements and foreign currency exchange contracts, are reported at estimated fair value on the Balance Sheets. See Note 14 for the Company's fair value disclosures.

Regulatory Deferred Charges and Credits

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

- rates for regulated services are established by or subject to approval by independent third-party regulators,
- the regulated rates are designed to recover the cost of providing the regulated services, and
- in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover costs.

Regulatory accounting practices require that certain costs and/or obligations (such as incurred power and natural gas costs not currently included in rates, but expected to be recovered or refunded in the future) are reflected as deferred charges or credits on the Balance Sheets. These costs and/or obligations are not reflected in the Statements of Income until the period during which matching revenues are recognized. 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

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- precluded from the future deferral of costs not recovered through rates at the time such costs are incurred, even if the Company expected to recover such costs in the future.

See Note 19 for further details of regulatory assets and liabilities.

Investment in Exchange Power-Net

The investment in exchange power represents the Company's previous investment in Washington Public Power Supply System Project 3 (WNP-3), a nuclear project that was terminated prior to completion. Under a settlement agreement with the Bonneville Power Administration in 1985, Avista Corp. began receiving power in 1987, for a 32.5-year period, related to its investment in WNP-3. Through a settlement agreement with the UTC in the Washington jurisdiction, Avista Corp. is amortizing the recoverable portion of its investment in WNP-3 (recorded as investment in exchange power) over a 32.5-year period that began in 1987. For the Idaho jurisdiction, Avista Corp. fully amortized the recoverable portion of its investment in exchange power.

Unamortized Debt Expense

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

Unamortized Loss on Recquired Debt

For the Company's Washington regulatory jurisdiction and for any debt repurchases beginning in 2007 in all jurisdictions, premiums 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 costs are amortized over the life of the new debt. In the Company's other regulatory jurisdictions, premiums 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. These costs are recovered 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. The rate of return on investment is specified in the various hydroelectric licensing agreements for the Clark Fork River and Spokane River. Per section 10(d) of the FPA, the Company must maintain these excess earnings in an appropriated retained earnings account until the termination of the licensing agreements or apply them to reduce the net investment in the licenses of the hydroelectric projects at the discretion of the FERC. The Company typically calculates the earnings in excess of the specified rate of return on an annual basis, usually during the second quarter.

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

	2014	2013
Appropriated retained earnings	\$ 14,270	\$ 9,714

Operating Leases

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from 1 to forty-five years. Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year were not material as of December 31, 2014.

Equity in Earnings of Subsidiaries

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

	2014	2013
Avista Capital	\$ 79,183	\$ 4,593
Alaska Energy and Resources Company	3,179	—
Total equity in earnings of subsidiary companies	<u>\$ 82,362</u>	<u>\$ 4,593</u>

Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies, except Spokane Energy and AERC (and its subsidiaries). Avista Capital's subsidiaries and investments include sheet metal fabrication, venture fund investments, real estate investments and Ecova prior to its disposition on June 30, 2014.

AERC, a wholly-owned subsidiary of Avista Corp. acquired on July 1, 2014, is the parent company to all the Alaska subsidiary companies. The primary subsidiary of AERC is AEL&P, comprising the regulated utility operations in Alaska. Also, AERC owns AJT Mining Properties, Inc., an inactive mining company holding certain properties.

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2014 up to February 25, 2015, the date that Avista Corp.'s U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through April 15, 2015. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Contingencies

The Company has unresolved regulatory, legal and tax issues which have inherently uncertain outcomes. The Company accrues a loss contingency if it is probable that a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. The Company also discloses losses that do not meet these conditions for accrual, if there is a reasonable possibility that a material loss may be incurred. See Note 17 for further discussion of the Company's commitments and contingencies.

NOTE 2. NEW ACCOUNTING STANDARDS

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity identifies the various performance obligations in a contract, allocates the transaction price among the performance obligations and recognizes revenue as the entity satisfies the performance obligations. This ASU is effective for periods beginning after December 15, 2016 and early adoption is not permitted. However, while this ASU is not effective until 2017, it will require retroactive application to all periods presented in the financial statements. As such, at adoption in 2017, amounts in 2015 and 2016 may have to be revised or a cumulative adjustment to opening retained earnings may have to be recorded. The Company is evaluating this standard and cannot, at this time, estimate the potential impact to its future financial condition, results of operations and cash flows.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements - Going Concern (ASC Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The new standard provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year of the date the financial statements are issued. The Company must provide certain disclosures if conditions or events raise substantial doubt about the Company's ability to continue as a going concern. The new standard is effective for periods

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beginning after December 15, 2016; however, early adoption is permitted. The Company evaluated this standard and determined that it will not early adopt this standard. As such, there is no impact to the Company's financial condition, results of operations and cash flows in the current year.

NOTE 3. BUSINESS ACQUISITIONS

Alaska Energy and Resources Company

On July 1, 2014, the Company completed its acquisition of AERC, based in Juneau, Alaska. As of July 1, 2014 AERC is a wholly-owned subsidiary of Avista Corp.

The primary subsidiary of AERC is AEL&P, a regulated utility which provides electric services to 16,394 customers in the City and Borough of Juneau, Alaska. As of December 31, 2014, AEL&P has 59 full-time employees. AEL&P has a firm retail peak load of approximately 68 MW. AEL&P owns four hydroelectric generating facilities, having a total present capacity of 24.7 MW, and has a power purchase commitment for the output of the Snettisham hydroelectric project, having a present capacity of 78 MW, for a total hydroelectric capacity of 102.7 MW. AEL&P is not interconnected to any other electric system. AEL&P also has 93.9 MW of diesel generating capacity to provide back-up service to firm customers when necessary.

In addition to the regulated utility, AERC owns AJT Mining, which is an inactive mining company holding certain properties.

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

In connection with the closing, on July 1, 2014 Avista Corp. issued 4,500,014 new shares of common stock to the shareholders of AERC based on a contractual formula that resulted in a price of \$32.46 per share, reflecting a purchase price of \$170.0 million, plus acquired cash, less outstanding debt and other closing adjustments.

The \$32.46 price per share of Avista Corp. common stock was determined based on the average closing stock price of Avista Corp. common stock for the 10 consecutive trading days immediately preceding, but not including, the trading day prior to July 1, 2014. This value was used solely for determining the number of shares to issue based on the adjusted contract closing price (see reconciliation below). The fair value of the consideration transferred at the closing date was based on the closing stock price of Avista Corp. common stock on July 1, 2014, which was \$33.35 per share.

On October 1, 2014, a working capital adjustment was made in accordance with the agreement and plan of merger which resulted in Avista Corp. issuing an additional 1,427 shares of common stock to the shareholders of AERC. The number of shares issued on October 1, 2014 was based on the same contractual formula described above. The fair value of the new shares issued in October was \$30.71 per share, which was the closing stock price of Avista Corp. common stock on that date.

The contract acquisition price and the fair value of consideration transferred for AERC were as follows (in thousands, except "per share" and number of shares data):

	July 1, 2014
Contract acquisition price (using the calculated \$32.46 per share common stock price)	
Gross contract price	\$ 170,000
Acquired cash	19,704
Acquired debt (excluding capital lease obligation)	(38,832)
Other closing adjustments (including the working capital adjustment)	(58)
Total adjusted contract price	\$ 150,814

Fair value of consideration transferred

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Avista Corp. common stock (4,500,014 shares at \$33.35 per share)	\$	150,075
Avista Corp. common stock (1,427 shares at \$30.71 per share)		44
Cash		4,697
Fair value of total consideration transferred	\$	<u>154,816</u>

The assets acquired and liabilities assumed related to the AERC transaction are not included in the FERC Balance Sheets. The information below is presented for information purposes only. The estimated fair value of assets acquired and liabilities assumed as of July 1, 2014 (after consideration of the working capital adjustment) were as follows (in thousands):

	July 1, 2014
Assets acquired:	
Current Assets:	
Cash	\$ 19,704
Accounts receivable - gross totals \$3,928	3,851
Materials and supplies	2,017
Other current assets	999
Total current assets	<u>26,571</u>
Utility Property:	
Utility plant in service	113,964
Utility property under long-term capital lease	71,007
Construction work in progress	3,440
Total utility property	<u>188,411</u>
Other Non-current Assets:	
Non-utility property	6,660
Electric plant held for future use	3,711
Goodwill	52,730
Other deferred charges and non-current assets	5,368
Total other non-current assets	<u>68,469</u>
Total assets	<u>\$ 283,451</u>
Liabilities Assumed:	
Current Liabilities:	
Accounts payable	\$ 700
Current portion of long-term debt and capital lease obligations	3,773
Other current liabilities	2,902
Total current liabilities	<u>7,375</u>
Long-term debt	37,227
Capital lease obligations	68,840
Other non-current liabilities and deferred credits	15,193
Total liabilities	<u>\$ 128,635</u>
Total net assets acquired	<u>\$ 154,816</u>

The goodwill associated with this acquisition is not deductible for tax purposes.

The majority of AERC's operations are subject to the rate-setting authority of the RCA and are accounted for pursuant to GAAP, including the accounting guidance for regulated operations. The rate-setting and cost recovery provisions currently in place for

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

NOTE 4. DISCONTINUED OPERATIONS

On May 29, 2014, Avista Capital, the non-regulated subsidiary of Avista Corp., entered into a definitive agreement to sell its interest in Ecova to Cofely USA Inc., an indirect subsidiary of GDF SUEZ, a French multinational utility company, and an unrelated party to Avista Corp. The sales transaction was completed on June 30, 2014 for a sales price of \$335.0 million in cash, less the payment of debt and other customary closing adjustments. At the closing of the transaction on June 30, 2014, Ecova became a wholly-owned subsidiary of Cofely USA Inc. and the Company will have no further involvement with Ecova after such date.

The purchase price of \$335.0 million, as adjusted, was divided among the security holders of Ecova, including minority shareholders and option holders, pro rata based on ownership. Approximately \$16.8 million (5 percent of the purchase price) will be held in escrow for 15 months from the closing of the transaction to satisfy certain indemnification obligations under the merger agreement. An additional \$1.0 million is being held in escrow pending resolution of adjustments to working capital, which is expected to be resolved in early 2015.

Avista Capital and Cofely USA Inc. agreed to make an election under Section 338(h)(10) of the Internal Revenue Code (Code) of 1986, as amended, with respect to the purchase and sale of Ecova to allocate the merger consideration among the assets of Ecova deemed to have been acquired in the merger.

When all escrow amounts are released, the sales transaction is expected to provide cash proceeds to Avista Corp., net of debt, payment to option and minority holders, income taxes and transaction expenses, of \$143.5 million (see reconciliation below) and result in a net gain of \$69.7 million. The Company expects to receive the full amount of its portion of the remaining escrow accounts; therefore, these amounts were included in the gain calculation.

The summary of cash proceeds associated with the sales transaction are as follows (in thousands):

Reconciliation of Gross Proceeds

Contract price	\$ 335,000
Closing adjustments	3,914
Gross proceeds from sale (1)	<u>338,914</u>
Cash sold in the transaction	(95,932)
Avista Corp. portion of proceeds held in escrow	(13,079)
Gross proceeds from sale of Ecova, net of cash sold	<u>\$ 229,903</u>

Reconciliation of expected net proceeds

Gross proceeds from sale (1)	\$ 338,914
Repayment of long-term borrowings under committed line of credit	(40,000)
Payment to option holders and redeemable noncontrolling interests	(20,871)
Payment to noncontrolling interests	(54,179)
Transaction expenses withheld from proceeds	(5,390)
Avista Corp. portion of proceeds held in escrow	<u>(13,079)</u>

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Net proceeds to Avista Capital at transaction closing	205,395
Tax payments made in 2014	(74,842)
Estimated tax payments to be made in 2015	(172)
Avista Corp. portion of proceeds held in escrow to be received in the future	13,079
Total net proceeds related to sales transaction	<u>\$ 143,460</u>

(1) Of this total amount, approximately \$16.8 million will be held in escrow for 15 months from the transaction closing date for any indemnity claims and an additional \$1.0 million is being held in escrow pending resolution of adjustments to working capital, which is expected to be resolved in early 2015.

NOTE 5. DERIVATIVES AND RISK MANAGEMENT

Energy Commodity Derivatives

Avista Corp. is exposed to market risks relating to changes in electricity and natural gas commodity prices and certain other fuel prices. Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Avista Corp. utilizes derivative instruments, such as forwards, futures, swaps and options in order to manage the various risks relating to these commodity price exposures. The Company has an energy resources risk policy and control procedures to manage these risks. The Company's Risk Management Committee establishes the Company's energy resources risk policy and monitors compliance. The Risk Management Committee is comprised of certain Company officers and other members of management. The Audit Committee of the Company's Board of Directors periodically reviews and discusses enterprise risk management processes, and it focuses on the Company's material financial and accounting risk exposures and the steps management has undertaken to control them.

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

Avista Corp. makes continuing projections of:

- electric loads at various points in time (ranging from intra-hour to multiple years) based on, among other things, estimates of customer usage and weather, historical data and contract terms, and
- resource availability at these points in time based on, among other things, fuel choices and fuel markets, estimates of streamflows, availability of generating units, historic and forward market information, contract terms, and experience.

On the basis of these projections, the Company makes purchases and sales of electric capacity and energy, fuel for electric generation, and related derivative instruments to match expected resources to expected electric load requirements and reduce exposure to electricity (or fuel) market price changes. Resource optimization involves generating plant dispatch and scheduling available resources and also includes transactions such as:

- purchasing fuel for generation,
- when economical, selling fuel and substituting wholesale electric purchases, and
- other wholesale transactions to capture the value of generation and transmission resources and fuel delivery capacity contracts.

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Avista Corp.'s optimization process includes entering into hedging transactions to manage risks. Transactions include both physical energy contracts and related derivative financial instruments.

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 significant portion of its projected natural gas requirements through forward market transactions and derivative instruments. These transactions may extend as much as four natural gas operating years (November through October) into the future. Avista Corp. also leaves a significant portion of its natural gas supply requirements unhedged for purchase in short-term and spot markets.

Natural gas resource optimization activities include:

- wholesale market sales of surplus natural gas supplies,
- optimization of interstate pipeline transportation capacity not needed to serve daily load, and
- purchases and sales of natural gas to optimize use of storage capacity.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2014 that are expected to be settled in each respective year (in thousands of MWhs and mmBTUs):

Year	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
	Physical (1) MWH	Financial (1) MWH	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWH	Financial (1) MWH	Physical (1) mmBTUs	Financial (1) mmBTUs
2015	522	2,547	21,111	120,780	326	2,951	3,428	99,023
2016	397	1,071	2,505	70,480	287	1,634	910	56,520
2017	397	—	675	24,230	286	290	—	15,420
2018	397	—	—	3,020	286	—	—	—
2019	235	—	—	1,800	158	—	—	—
Thereafter	—	—	—	—	—	—	—	—

(1) Physical transactions represent commodity transactions where Avista Corp. will take delivery of either electricity or natural gas and financial transactions represent derivative instruments with no physical delivery, such as futures, swaps or options.

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

Foreign Currency Exchange Contracts

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 contracts when such commodity transactions are initiated. This risk has not had a material effect on the Company's financial condition, results of operations or cash flows and these differences in cost related to currency fluctuations were included with natural gas supply costs for

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ratemaking. The following table summarizes the foreign currency hedges that the Company has entered into as of December 31 (dollars in thousands):

	2014	2013
Number of contracts	18	23
Notional amount (in United States dollars)	\$ 5,474	\$ 8,631
Notional amount (in Canadian dollars)	6,198	9,191

Interest Rate Swap Agreements

Avista Corp. is affected by fluctuating interest rates related to a portion of its existing debt, and future borrowing requirements. The Finance Committee of the Board of Directors periodically reviews and discusses interest rate risk management processes, and it focuses on the steps management has undertaken to manage it. The Risk Management Committee also reviews the interest risk management plan. Avista Corp. manages interest rate exposure by limiting the variable rate exposures to a percentage of total capitalization. Additionally, interest rate risk is managed by monitoring market conditions when timing the issuance of long-term debt and optional debt redemptions and through the use of fixed rate long-term debt with varying maturities. The Company also hedges a portion of its interest rate risk with financial derivative instruments, which may include interest rate swaps and U.S. Treasury lock agreements. These interest rate swaps and U.S. Treasury lock agreements are considered economic hedges against fluctuations in future cash flows associated with anticipated debt issuances.

The following table summarizes the interest rate swaps that the Company has outstanding as of the balance sheet date indicated below (dollars in thousands):

Balance Sheet Date	Number of Contracts	Notional Amount	Mandatory Cash Settlement Date
December 31, 2014	5	\$ 75,000	2015
	5	95,000	2016
	3	45,000	2017
	9	205,000	2018
December 31, 2013	2	50,000	2014
	2	45,000	2015
	2	40,000	2016
	1	15,000	2017
	4	95,000	2018

In October 2014, the Company cash settled two interest rate swap contracts (notional aggregate amount of \$50.0 million) and received a total of \$5.4 million. The interest rate swap contracts were settled in connection with the pricing of \$60.0 million of Avista Corp. first mortgage bonds that were issued in December 2014 (see Note 12). Upon settlement of interest rate swaps, the regulatory asset or liability (included as part of long-term debt) is amortized as a component of interest expense over the term of the associated debt.

As of December 31, 2014, the fair value of the outstanding interest rate swaps decreased significantly compared to December 31, 2013 (see the table below). The fair value decrease was the result of a net increase in the notional amount of outstanding swap agreements and a decline in market interest rates below the rates that were fixed in the outstanding swaps. The Company enters into interest rate swaps to reduce uncertainty related to the net effective interest cost for future long-term debt. The Company would be required to make cash payments to settle the interest rate swaps if the fixed rates are higher than prevailing market rates at the date of settlement. Conversely, the Company receives cash to settle its interest rate swaps when prevailing market rates at the time of settlement exceed the fixed swap rates.

Summary of Outstanding Derivative Instruments

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Until May 2014, Avista Corp. had a master netting agreement that governed the transactions of multiple affiliated legal entities that were parties to this agreement. This master netting agreement allowed for cross-commodity netting (i.e. netting physical power, physical natural gas, and financial transactions) and cross-affiliate netting for the parties to the agreement. Avista Corp. performed cross-commodity netting for each legal entity that was a party to the master netting agreement for presentation in the Balance Sheets; however, Avista Corp. did not perform cross-affiliate netting because the Company believed that cross-affiliate netting may not be enforceable. Therefore, the requirements for cross-affiliate netting under ASC 210-20-45 were not applicable to Avista Corp. As of December 31, 2013, all derivatives for each affiliated entity under this master netting agreement were in a net liability position; therefore, there was no additional netting which required disclosure for the year 2013. In May 2014, this master netting agreement was terminated and each affiliated legal entity is now under their own separate agreement. As of December 31, 2014, the Company no longer has any agreements that allow cross-affiliate netting. The Company has multiple agreements with a variety of entities that allow for cross-commodity netting under ASC 815-10-45. The amounts recorded on the Balance Sheet as of December 31, 2014 and 2013 for these particular entities 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, 2014 (in thousands):

Derivative	Balance Sheet Location	Fair Value			
		Gross	Gross	Collateral	Net Asset (Liability) in Balance Sheet
Foreign currency contracts	Derivative instrument liabilities –Hedges	\$ 1	\$ (21)	\$ —	\$ (20)
Interest rate contracts	Derivative instrument assets –Hedges	966	(506)	—	460
Interest rate contracts	Derivative instrument liabilities –Hedges	—	(7,325)	—	(7,325)
Interest rate contracts	Long-term portion of derivative liabilities - Hedges	—	(69,737)	28,880	(40,857)
Commodity contracts	Derivative instrument assets current	2,063	(538)	—	1,525
Commodity contracts	Long-term portion of derivative assets	66,421	(97,586)	13,120	(18,045)
Commodity contracts	Long-term portion of derivative liabilities	29,594	(54,077)	2,390	(22,093)
Total derivative instruments recorded on the balance sheet		\$ 99,045	\$ (229,790)	\$ 44,390	\$ (86,355)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2013 (in thousands):

Derivative	Balance Sheet Location	Fair Value			
		Gross	Gross	Collateral	Net Asset (Liability) in Balance Sheet
Foreign currency contracts	Derivative instrument assets –Hedges	\$ 7	\$ (6)	\$ —	\$ 1
Interest rate contracts	Derivative instrument assets –Hedges	13,968	—	—	13,968
Interest rate contracts	Long-term portion of derivative instrument assets -Hedges	19,575	—	—	19,575
Commodity contracts	Derivative instrument assets current	7,416	(4,394)	—	3,022

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Commodity contracts	Long-term portion of derivative assets	7,610	(6,756)	—	854
Commodity contracts	Derivative instrument liabilities current	23,455	(37,306)	2,976	(10,875)
Commodity contracts	Long-term portion of derivative liabilities	17,101	(41,213)	5,756	(18,356)
Total derivative instruments recorded on the balance sheet		<u>\$ 89,132</u>	<u>\$ (89,675)</u>	<u>\$ 8,732</u>	<u>\$ 8,189</u>

Exposure to Demands for Collateral

The Company's derivative contracts often require collateral (in the form of cash or letters of credit) or other credit enhancements, or reductions or terminations of a portion of the contract through cash settlement, in the event of a downgrade in the Company's credit ratings or changes in market prices. In periods of price volatility, the level of exposure can change significantly. As a result, sudden and significant demands may be made against the Company's credit facilities and cash. The Company actively monitors the exposure to possible collateral calls and takes steps to mitigate capital requirements. As of December 31, 2014, the Company had cash deposited as collateral of \$20.6 million and letters of credit of \$14.5 million outstanding related to its energy derivative contracts. The Company also had deposited cash in the amount of \$28.9 million and letters of credit of \$10.9 million as collateral for its interest rate swap derivative contracts. The Balance Sheet at December 31, 2014 reflects the offsetting of \$44.4 million of cash collateral against net derivative positions where a legal right of offset exists. As of December 31, 2013, the Company had cash deposited as collateral of \$26.1 million and letters of credit of \$20.3 million outstanding related to its energy derivative contracts. The Balance Sheet at December 31, 2013 reflects the offsetting of \$8.7 million of cash collateral against net derivative positions where a legal right of offset exists. As of December 31, 2014 and December 31, 2013, the Company did not hold any cash as collateral from counterparties under energy derivative contracts.

Certain of the Company's derivative instruments contain provisions that require the Company to maintain an "investment grade" credit rating from the major credit rating agencies. If the Company's credit ratings were to fall below "investment grade," it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position as of December 31, 2014 was \$12.9 million. If the credit-risk-related contingent features underlying these agreements were triggered on December 31, 2014, the Company could be required to post \$16.2 million of additional collateral to its counterparties. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position as of December 31, 2013 was \$13.3 million. If the credit-risk-related contingent features underlying these agreements had been triggered on December 31, 2013, the Company could have been required to post \$12.6 million of additional collateral to its counterparties.

Credit Risk

Credit risk relates to the potential losses that the Company would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy or make financial settlements. The Company often extends credit to counterparties and customers and is exposed to the risk that it may not be able to collect amounts owed to the Company. Credit risk includes potential counterparty default due to circumstances:

- relating directly to it,
- caused by market price changes, and
- relating to other market participants that have a direct or indirect relationship with such counterparty.

Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits are

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established. Should a counterparty fail to perform, the Company may be required to honor the underlying commitment or to replace existing contracts with contracts at then-current market prices.

The Company enters into bilateral transactions with various counterparties. The Company also trades energy and related derivative instruments through clearinghouse exchanges.

The Company seeks to mitigate bilateral credit risk by:

- entering into bilateral contracts that specify credit terms and protections against default,
- applying credit limits and duration criteria to existing and prospective counterparties,
- actively monitoring current credit exposures,
- asserting our collateral rights with counterparties,
- carrying out transaction settlements timely and effectively, and
- conducting transactions on exchanges with fully collateralized clearing arrangements that significantly reduce counterparty default risk.

The Company's credit policy includes an evaluation of the financial condition of counterparties. Credit risk management includes collateral requirements or other credit enhancements, such as letters of credit or parent company guarantees. The Company enters into various agreements that address credit risks including standardized agreements that allow for the netting or offsetting of positive and negative exposures.

The Company has concentrations of suppliers and customers in the electric and natural gas industries including:

- electric and natural gas utilities,
- electric generators and transmission providers,
- natural gas producers and pipelines,
- financial institutions including commodity clearing exchanges and related parties, and
- energy marketing and trading companies.

In addition, the Company has concentrations of credit risk related to geographic location as it operates in the western United States and western Canada. These concentrations of counterparties and concentrations of geographic location may impact the Company's overall exposure to credit risk because the counterparties may be similarly affected by changes in conditions.

The Company maintains credit support agreements with certain counterparties and margin calls are periodically made and/or received. Margin calls are triggered when exposures exceed contractual limits or when there are changes in a counterparty's creditworthiness. Price movements in electricity and natural gas can generate exposure levels in excess of these contractual limits. Negotiating for collateral in the form of cash, letters of credit, or performance guarantees is common industry practice.

NOTE 6. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, the Colstrip Generating Project (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 were as follows as of December 31

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(dollars in thousands):

	2014	2013
Utility plant in service	\$ 350,518	\$ 349,781
Accumulated depreciation	(239,845)	(239,538)

NOTE 7. ASSET RETIREMENT OBLIGATIONS

The Company records the fair value of a liability for an asset retirement obligation (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. Upon retirement of the asset, the Company either settles the ARO for its recorded amount or incurs a gain or loss. The Company records regulatory assets and liabilities for the difference between asset retirement costs currently recovered in rates and AROs recorded since asset retirement costs are recovered through rates charged to customers. The regulatory assets do not earn a return.

Specifically, the Company has recorded liabilities for future asset retirement obligations to:

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

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

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

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

	2014	2013
Asset retirement obligation at beginning of year	\$ 2,859	\$ 3,168
Liability settled	(41)	(263)
Accretion expense (income)	210	(46)
Asset retirement obligation at end of year	<u>\$ 3,028</u>	<u>\$ 2,859</u>

In addition to the AROs described above, on December 19, 2014, the EPA issued its pre-publication version of a final rule regarding the disposal of coal ash. This rule is expected to be published in the Federal Register in early 2015 and the rule is not effective until six months after it is published in the Federal Register; therefore, the Company does not have a revised legal obligation until the third quarter of 2015 when the rule is effective. The Company will continue to review the potential costs of complying with the new coal ash rule and its impacts on the valuation of the Company's ARO at Colstrip to restore ponds to their original states. The Company cannot currently estimate the cost impact of future regulation. If the Company incurs incremental costs as a result of these regulations, it would seek recovery in customer rates.

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NOTE 8. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a defined benefit pension plan covering the majority of all regular full-time employees at Avista Corp.. 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. 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 \$32.0 million in cash to the pension plan in 2014 and \$44.3 million in 2013. The Company expects to contribute \$12.0 million in cash to the pension plan in 2015.

In October 2013, the Company revised its defined benefit pension plan such that as of January 1, 2014 the plan is closed to non-union employees hired or rehired by the Company on or after January 1, 2014. Actively employed non-union employees that were hired prior to January 1, 2014 and who were at that date covered under the defined benefit pension plan will continue accruing benefits as originally specified in the plan. A new and separate defined contribution 401(k) plan replaced the defined benefit pension plan for non-union employees hired or rehired on or after January 1, 2014. Under the new defined contribution plan, the Company provides a non-elective contribution as a percentage of each employee's pay based on his or her age. This new defined contribution plan is in addition to the existing 401(k) plan in which the Company matches a portion of the pay deferred by each participant. In addition to the changes above, the Company revised the lump sum calculation for non-union participants who retire under the defined benefit pension plan on or after January 1, 2014 to provide retiring employees the election of a lump sum amount equivalent to the present value of the benefits based upon applicable discount rates. In April 2014, the local union in Oregon for the IBEW accepted the above plan changes in the latest collective bargaining agreement, and the plan changes are effective for Oregon union workers hired or rehired on or after April 1, 2014. Employees subject to IBEW local agreements for Washington, Idaho and Montana are not affected by these changes and they continue to be covered by the defined benefit pension plan and are not included in the new defined contribution plan.

For the estimated pension liability and pension costs as of December 31, 2014, the Company adopted the Society of Actuaries' mortality table that was published in 2014 as its base table, which reflects improved longevity of plan participants based on studies of wide populations through 2007 (RP-2014). The Company also adopted a modified form of the Society of Actuaries' MP-2014 mortality improvement scale, which projects improvements to life expectancies after the RP-2014 historic period that ended in 2007. For years subsequent to 2007, the Company reviewed data from other sources, including the Human Mortality Database, maintained by the University of California, Berkley and the Max Planck Institute for Demographic Research, and the Trustee's Report provided by the Social Security Administration. Based on data subsequent to 2007, the mortality improvement scale included in the MP-2014 for the three-year period immediately following its inception (2007) was shown to significantly overstate the actual mortality improvement for those years. As such, the mortality improvement scale the Company adopted assumes a lower rate of improved life expectancy than the MP-2014 scale as published.

The Company also has a Supplemental Executive Retirement Plan (SERP) that provides additional pension benefits to executive officers and certain key employees of the Company. The SERP is intended to provide benefits to individuals whose benefits under the 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):

	2015	2016	2017	2018	2019	Total 2020-2024
Expected benefit payments	\$ 27,938	\$ 29,109	\$ 30,157	\$ 31,407	\$ 32,979	\$ 184,794

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.

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The Company provides certain health care and life insurance benefits for the majority of its retired employees at Avista Corp.. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. In October 2013, the Company revised the health care benefit plan such that beginning on January 1, 2020, the methods for calculating health insurance premiums for non-union retirees under age 65 and active Company employees were revised to establish separate health insurance premiums for each group. In addition, for non-union employees hired or rehired on or after January 1, 2014, upon retirement the Company will provide access to its retiree medical plan, but will no longer contribute towards their medical premiums and each employee would pay the full cost of premiums upon retirement. In April 2014, the local union in Oregon for the IBEW accepted the above plan changes in the latest collective bargaining agreement, and the plan changes are effective for Oregon union workers hired or rehired on or after April 1, 2014.

The Company has a Health Reimbursement Arrangement 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 this plan 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):

	2015	2016	2017	2018	2019	Total 2020-2024
Expected benefit payments	\$ 7,138	\$ 7,487	\$ 7,475	\$ 7,589	\$ 7,767	\$ 36,076

The Company expects to contribute \$7.1 million to other postretirement benefit plans in 2015, representing expected benefit payments to be paid during the year. 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, 2014 and 2013 and the components of net periodic benefit costs for the years ended December 31, 2014 and 2013 (dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2014	2013	2014	2013
Change in benefit obligation:				
Benefit obligation as of beginning of year	\$ 527,004	\$ 584,619	\$ 108,249	\$ 132,541
Service cost	15,757	19,045	1,844	4,144
Interest cost	26,224	23,896	5,226	5,216
Actuarial (gain)/loss	97,128	(78,234)	18,714	(18,017)
Plan change	—	277	—	(10,788)
Transfer of accrued vacation	—	—	437	1,189
Benefits paid	(31,439)	(22,599)	(6,481)	(6,036)
Benefit obligation as of end of year	\$ 634,674	\$ 527,004	\$ 127,989	\$ 108,249
Change in plan assets:				
Fair value of plan assets as of beginning of year	\$ 481,502	\$ 406,061	\$ 29,732	\$ 25,288
Actual return on plan assets	55,974	52,502	1,580	4,444
Employer contributions	32,000	44,263	—	—
Benefits paid	(30,165)	(21,324)	—	—

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Fair value of plan assets as of end of year	\$ 539,311	\$ 481,502	\$ 31,312	\$ 29,732
Funded status	\$ (95,363)	\$ (45,502)	\$ (96,677)	\$ (78,517)
Unrecognized net actuarial loss	175,596	107,043	82,421	56,885
Unrecognized prior service cost	256	278	(10,379)	(707)
Prepaid (accrued) benefit cost	80,489	61,819	(24,635)	(22,339)
Additional liability	(175,852)	(107,321)	(72,042)	(56,178)
Accrued benefit liability	\$ (95,363)	\$ (45,502)	\$ (96,677)	\$ (78,517)
Accumulated pension benefit obligation	\$ 551,615	\$ 464,432	—	—
Accumulated postretirement benefit obligation:				
For retirees			\$ 58,276	\$ 52,384
For fully eligible employees			\$ 31,843	\$ 24,320
For other participants			\$ 37,870	\$ 31,545

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	Pension Benefits		Other Post-retirement Benefits	
	2014	2013	2014	2013
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost	\$ 166	\$ 180	\$ (6,747)	\$ (7,472)
Unrecognized net actuarial loss	114,138	69,578	53,574	43,988
Total	114,304	69,758	46,827	36,516
Less regulatory asset	(106,484)	(64,925)	(46,759)	(37,116)
Accumulated other comprehensive loss (income) for unfunded benefit obligation for pensions and other postretirement benefit plans	\$ 7,820	\$ 4,833	\$ 68	\$ (600)

	Pension Benefits		Other Post-retirement Benefits	
	2014	2013	2014	2013
Weighted average assumptions as of December 31:				
Discount rate for benefit obligation	4.21%	5.10%	4.16%	5.02%
Discount rate for annual expense	5.10%	4.15%	5.02%	4.15%
Expected long-term return on plan assets	6.60%	6.60%	6.40%	6.35%
Rate of compensation increase	4.87%	4.96%		
Medical cost trend pre-age 65 – initial			7.00%	7.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2021	2020
Medical cost trend post-age 65 – initial			7.00%	7.50%
Medical cost trend post-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year post-age 65			2022	2021

	Pension Benefits		Other Post-retirement Benefits	
	2014	2013	2014	2013
Components of net periodic benefit cost:				
Service cost	\$ 15,757	\$ 19,045	\$ 1,844	\$ 4,144
Interest cost	26,224	23,896	5,226	5,216
Expected return on plan assets	(32,131)	(27,671)	(1,903)	(1,606)
Transition obligation recognition	—	—	—	—
Amortization of prior service cost	22	319	(1,116)	(149)
Net loss recognition	4,731	13,199	4,289	5,674
Net periodic benefit cost	\$ 14,603	\$ 28,788	\$ 8,340	\$ 13,279

Plan Assets

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

The Company has contracted with investment consultants who are responsible for managing/monitoring the individual investment

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managers. The investment managers' performance and related individual fund performance is periodically reviewed by an internal benefits committee and by the Finance Committee to monitor compliance with investment policy objectives and strategies.

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

	2014	2013
Equity securities	27%	47%
Debt securities	58%	31%
Real estate	6%	6%
Absolute return	9%	12%
Other	—%	4%

The market-related 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, are fair-valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry). Investments in common/collective trust funds are presented at estimated fair value, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date. The fair value of the closely held investments and partnership interests is based upon the allocated share of the fair value of the underlying assets as well as the allocated share of the undistributed profits and losses, including realized and unrealized gains and losses.

The market-related 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 market-related value of pension plan assets was determined as of December 31, 2014 and 2013.

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, 2014 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ —	\$ 3,138	\$ —	\$ 3,138
Fixed income securities:				
U.S. government issues	19,681	—	—	19,681
Corporate issues	104,959	—	—	104,959
International issues	19,935	—	—	19,935
Municipal issues	2,762	7,788	—	10,550

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Mutual funds:				
Fixed income securities	157,415	8	—	157,423
U.S. equity securities	103,203	—	—	103,203
International equity securities	40,838	—	—	40,838
Absolute return (1)	15,334	—	—	15,334
Common/collective trusts:				
Real estate	—	—	21,303	21,303
Partnership/closely held investments:				
Absolute return (1)	—	—	36,114	36,114
Private equity funds (3)	—	—	73	73
Real estate	—	—	6,760	6,760
Total	<u>\$ 464,127</u>	<u>\$ 10,934</u>	<u>\$ 64,250</u>	<u>\$ 539,311</u>

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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, 2013 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income securities	\$ 86,481	\$ 310	\$ —	\$ 86,791
U.S. equity securities	152,831	—	—	152,831
International equity securities	85,942	—	—	85,942
Absolute return (1)	23,599	—	—	23,599
Common/collective trusts:				
Fixed income securities	—	55,872	—	55,872
Real estate	—	—	19,735	19,735
Partnership/closely held investments:				
Absolute return (1)	—	—	34,151	34,151
Private equity funds (3)	—	—	377	377
Commodities (2)	—	18,331	—	18,331
Real estate	—	—	3,873	3,873
Total	\$ 348,853	\$ 74,513	\$ 58,136	\$ 481,502

- (1) This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income, and (d) market neutral strategies.
- (2) This investment is in derivatives linked to commodity indices to gain exposure to the commodity markets. These positions are fully collateralized with debt securities.
- (3) This category includes private equity funds that invest primarily in U.S. companies.

The table below discloses the summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2014 (dollars in thousands):

	Common/collective trusts		Partnership/closely held investments	
	Real		Absolute	Private equity Real estate
Balance, as of January 1, 2014	\$ 19,735		\$ 34,151	\$ 377
Realized gains	24		—	595
Unrealized gains (losses)	1,097		1,963	(304)
Purchases, net	447		—	2,936
Balance, as of December 31, 2014	\$ 21,303		\$ 36,114	\$ 73

The table below discloses the summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2013 (dollars in thousands):

	Common/collective trusts		Partnership/closely held investments	
	Real estate		Absolute return	Private equity funds Real estate
Balance, as of January 1, 2013	\$ 17,596		\$ 17,755	\$ 660
Realized gains (losses)	—		—	(323)
Unrealized gains (losses)	2,139		2,396	345
Purchases (sales), net	—		14,000	(305)

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Balance, as of December 31, 2013 \$ 19,735 \$ 34,151 \$ 377 \$ 3,873

The market-related value of other postretirement 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 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 or for which market prices do not represent the value at the time of pricing, 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 2014 and 2013.

The market-related value of other postretirement plan assets was determined as of December 31, 2014 and 2013.

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, 2014 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ —	\$ 3	\$ —	\$ 3
Mutual funds:				
Fixed income securities	11,968	—	—	11,968
U.S. equity securities	13,210	—	—	13,210
International equity securities	6,131	—	—	6,131
Total	<u>\$ 31,309</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 31,312</u>

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, 2013 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ —	\$ 4	\$ —	\$ 4
Mutual funds:				
Fixed income securities	11,645	—	—	11,645
U.S. equity securities	11,831	—	—	11,831
International equity securities	6,252	—	—	6,252
Total	<u>\$ 29,728</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 29,732</u>

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, 2014 by \$5.2 million and the service and interest cost by \$0.4 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, 2014 by \$4.1 million and the service and interest cost by \$0.3 million.

401(k) Plans and Executive Deferral Plan

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

2014 2013

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Employer 401(k) matching contributions \$ 6,741 \$ 6,157

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):

	2014	2013
Deferred compensation assets and liabilities	\$ 8,677	\$ 9,170

NOTE 9. ACCOUNTING FOR INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards. As of December 31, 2014, the Company had \$11.3 million of state tax credit carryforwards. State tax credits expire from 2019 to 2028. The Company recognizes the effect of state tax credits generated from utility plant as they are utilized.

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.

The Company and its eligible subsidiaries file consolidated federal income tax returns. The Company also files state income tax returns in certain jurisdictions, including Idaho, Oregon and Montana. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. The Internal Revenue Service (IRS) has completed its examination of all tax years through 2011 and all issues were resolved related to these years. The IRS has not completed an examination of the Company's 2012 and 2013 federal income tax returns. The Company believes that any open tax years for federal or state income taxes will not result in adjustments that would be significant to the financial statements.

The Company did not incur any penalties on income tax positions in 2014 or 2013.

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

	2014	2013
Regulatory assets for deferred income taxes	\$ 100,412	\$ 71,421
Regulatory liabilities for deferred income taxes	14,534	9,203

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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 termination dates of the contracts range from one month to the year 2042. 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):

	2014	2013
Utility power resources	\$ 556,915	\$ 524,810

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

	2015	2016	2017	2018	2019	Thereafter	Total
Power resources	\$ 277,474	\$ 209,255	\$ 144,424	\$ 132,897	\$ 125,332	\$ 860,731	\$ 1,750,113
Natural gas resources	82,884	56,504	57,379	52,936	49,304	455,975	754,982
Total	\$ 360,358	\$ 265,759	\$ 201,803	\$ 185,833	\$ 174,636	\$ 1,316,706	\$ 2,505,095

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

The above future contractual commitments for power resources include fixed contractual amounts related to the Company's contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the fixed contracts obligate Avista Corp. to pay certain minimum amounts whether or not the facilities are operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in utility resource costs in the Statements of Income. The contractual amounts included above consist of Avista Corp.'s share of existing debt service cost and its proportionate share of the variable operating expenses of these projects. The minimum amounts payable under these contracts are based in part on the proportionate share of the debt service requirements of the PUD's revenue bonds for which the Company is indirectly responsible. The Company's total future debt service obligation associated with the revenue bonds outstanding at December 31, 2014 (principal and interest) was \$59.4 million.

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

	2015	2016	2017	2018	2019	Thereafter	Total
Contractual obligations	\$ 29,133	\$ 35,692	\$ 28,189	\$ 25,659	\$ 28,969	\$ 193,734	\$ 341,376

NOTE 11. NOTES PAYABLE

Avista Corp. has a committed line of credit with various financial institutions in the total amount of \$400.0 million. In April 2014, the Company amended this committed line of credit agreement to extend the expiration date to April 2019. The amendment also provides the Company the option to request an extension for an additional one or two years beyond April 2019, provided, 1) there are no default events prior to the requested extension, and 2) the remaining term of agreement, including the requested extension period, does not exceed five years. The amendment did not change the amount of the committed line of credit.

The committed line of credit is secured by non-transferable first mortgage bonds of the Company issued to the agent bank that would

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only become due and payable in the event, and then only to the extent, that the Company 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, 2014, 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):

	2014	2013
Balance outstanding at end of period	\$ 105,000	\$ 171,000
Letters of credit outstanding at end of period	\$ 32,579	\$ 27,434
Average interest rate at end of period	0.93%	1.02%

As of December 31, 2014 and 2013, 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	2014	2013
2016	First Mortgage Bonds	0.84%	\$ 90,000	\$ 90,000
2018	First Mortgage Bonds	5.95%	250,000	250,000
2018	Secured Medium-Term Notes	7.39%-7.45%	22,500	22,500
2019	First Mortgage Bonds	5.45%	90,000	90,000
2020	First Mortgage Bonds	3.89%	52,000	52,000
2022	First Mortgage Bonds	5.13%	250,000	250,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	13,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Secured Pollution Control Bonds (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 (2)	4.11%	60,000	—
2047	First Mortgage Bonds	4.23%	80,000	80,000
	Total secured bonds		1,436,700	1,376,700
	Settled interest rate swaps (3)		(17,541)	(23,560)
	Secured Pollution Control Bonds held by Avista Corporation (1)		(83,700)	(83,700)
	Total long-term debt		\$ 1,335,459	\$ 1,269,440

(1) In December 2010, \$66.7 million and \$17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding

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

- (2) In December 2014, Avista Corp. issued \$60.0 million of first mortgage bonds to three institutional investors in a private placement transaction. The first mortgage bonds bear an interest rate of 4.11 percent and mature in 2044. The total net proceeds from the sale of the new bonds were used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes.
- (3) Upon settlement of interest rate swaps, these are recorded as a regulatory asset or liability and included as part of long-term debt above. They are amortized as a component of interest expense over the life of the associated debt and included as a part of the Company's cost of debt calculation for ratemaking purposes.

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

	2015	2016	2017	2018	2019	Thereafter	Total
Debt maturities	\$ —	\$ 90,000	\$ —	\$ 272,500	\$ 90,000	\$ 952,047	\$ 1,404,547

Substantially all utility properties owned by Avista Corp. are subject to the lien of the Avista Corp.'s mortgage indenture. Under the Mortgage and Deed of Trust securing the Company's First Mortgage Bonds (including Secured Medium-Term Notes), the Company may issue additional First Mortgage Bonds in an aggregate principal amount equal to the sum of: 1) 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 2) an equal principal amount of retired First Mortgage Bonds which have not previously been made the basis of any application under the Mortgage, or 3) deposit of cash. However, the Company may not issue any additional First Mortgage Bonds (with certain exceptions in the case of bonds issued on the basis of retired bonds) unless the Company's "net earnings" (as defined in the Mortgage) for any period of 12 consecutive calendar months out of the preceding 18 calendar months 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, 2014, property additions and retired bonds would have allowed, and the net earnings test would not have prohibited, the issuance of \$1.0 billion in aggregate principal amount of additional first mortgage bonds at Avista Corp.

See Note 11 for information regarding first mortgage bonds issued to secure the Company's obligations under its committed line of credit agreement.

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:

	2014	2013
Low distribution rate	1.10%	1.11%
High distribution rate	1.11%	1.19%
Distribution rate at the end of the year	1.11%	1.11%

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Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued \$1.5 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

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, 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):

	2014		2013	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds (Level 2)	\$ 951,000	\$ 1,118,972	\$ 951,000	\$ 1,054,512

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Bonds (Level 3)	402,000	432,728	342,000	329,581
Advances from associated companies (Level 3)	51,547	38,582	51,547	37,114

These estimates of fair value were primarily based on available market information, which generally consists of estimated market prices from third party brokers for debt with similar risk and terms. The price ranges obtained from the third party brokers consisted of par values of 74.85 to 131.21, where a par value of 100.00 represents the carrying value recorded on the Balance Sheets.

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, 2014 and 2013 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, 2014					
Assets:					
Energy commodity derivatives	\$ —	\$ 96,729	\$ —	\$ (95,204)	\$ 1,525
Level 3 energy commodity derivatives:					
Natural gas exchange agreements	—	—	1,349	(1,349)	—
Foreign currency derivatives	—	1	—	(1)	—
Interest rate swaps	—	966	—	(506)	460
Deferred compensation assets:					
Fixed income securities (2)	1,793	—	—	—	1,793
Equity securities (2)	6,074	—	—	—	6,074
Total	\$ 7,867	\$ 97,696	\$ 1,349	\$ (97,060)	\$ 9,852
Liabilities:					
Energy commodity derivatives	\$ —	\$ 127,094	\$ —	\$ (110,714)	\$ 16,380
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	1,384	(1,349)	35
Power exchange agreement	—	—	23,299	—	23,299
Power option agreement	—	—	424	—	424
Interest rate swaps	—	77,568	—	(29,386)	48,182
Foreign currency derivatives	—	21	—	(1)	20
Total	\$ —	\$ 204,683	\$ 25,107	\$ (141,450)	\$ 88,340

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	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2013					
Assets:					
Energy commodity derivatives	\$ —	\$ 55,243	\$ —	\$ (51,367)	\$ 3,876
Level 3 energy commodity derivatives:					
Power exchange agreement	—	—	339	(339)	—
Foreign currency derivatives	—	7	—	(6)	1
Interest rate swaps	—	33,543	—	—	33,543
Deferred compensation assets:					
Fixed income securities (2)	1,960	—	—	—	1,960
Equity securities (2)	6,470	—	—	—	6,470
Total	\$ 8,430	\$ 88,793	\$ 339	\$ (51,712)	\$ 45,850
Liabilities:					
Energy commodity derivatives	\$ —	\$ 72,895	\$ —	\$ (60,099)	\$ 12,796
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	1,219	—	1,219
Power exchange agreement	—	—	14,780	(339)	14,441
Power option agreement	—	—	775	—	775
Foreign currency derivatives	—	6	—	(6)	—
Total	\$ —	\$ 72,901	\$ 16,774	\$ (60,444)	\$ 29,231

(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.

Avista Corp. enters into forward contracts to purchase or sell a specified amount of energy at a specified time, or during a specified period, in the future. These contracts are entered into as part of Avista Corp.'s management of loads and resources and certain contracts are considered derivative instruments. The difference between the amount of derivative assets and liabilities disclosed in respective levels and the amount of derivative assets and liabilities disclosed on the Balance Sheets is due to netting arrangements with certain counterparties. The Company uses quoted market prices and forward price curves to estimate the fair value of utility derivative commodity instruments included in Level 2. In particular, electric derivative valuations are performed using broker quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange (NYMEX) pricing for similar instruments, adjusted for basin differences, using broker quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2.

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 \$0.8 million as of December 31, 2014 and \$0.7 million as of December 31, 2013.

Level 3 Fair Value

For the power exchange agreement, the Company compares the Level 2 brokered quotes and forward price curves described above to an internally developed forward price which is based on the average operating and maintenance (O&M) charges from four surrogate nuclear power plants around the country for the current year. Because the nuclear power plant O&M charges are only known for one

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year, all forward years are estimated assuming an annual escalation. In addition to the forward price being estimated using unobservable inputs, the Company also estimates the volumes of the transactions that will take place in the future based on historical average transaction volumes per delivery year (November to April). Significant increases or decreases in any of these inputs in isolation would result in a significantly higher or lower fair value measurement. Generally, a change in the current year O&M charges for the surrogate plants is accompanied by a directionally similar change in O&M charges in future years. There is generally not a correlation between external market prices and the O&M charges used to develop the internal forward price.

For the power commodity option agreement, the Company uses the Black-Scholes-Merton valuation model to estimate the fair value, and this model includes significant inputs not observable or corroborated in the market. These inputs include 1) the strike price (which is an internally derived price based on a combination of generation plant heat rate factors, natural gas market pricing, delivery and other O&M charges, 2) estimated delivery volumes for years beyond 2015, and 3) volatility rates for periods beyond December 2017. Significant increases or decreases in any of these inputs in isolation would result in a significantly higher or lower fair value measurement. Generally, changes in overall commodity market prices and volatility rates are accompanied by directionally similar changes in the strike price and volatility assumptions used in the calculation.

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

The following table presents the quantitative information which was used to estimate the fair values of the Level 3 assets and liabilities above as of December 31, 2014 (dollars in thousands):

	Fair Value (Net) at December 31, 2014	Valuation Technique	Unobservable Input	Range
Power exchange agreement	\$ (23,299)	Surrogate facility pricing	O&M charges	\$30.66-\$55.56/MWh (1)
			Escalation factor	3% - 2015 to 2019
			Transaction volumes	184,077 - 397,116 MWWhs
Power option agreement	(424)	Black-Scholes-Merton	Strike price	\$41.20/MWh - 2015
			Delivery volumes	\$64.09/MWh - 2019
			Volatility rates	157,517 - 287,147 MWWhs
Natural gas exchange agreement	(35)	Internally derived weighted average cost of gas	Forward purchase prices	0.20 (2)
			Forward sales prices	\$2.32 - \$2.57/mmBTU
			Purchase volumes	\$2.56 - \$3.53/mmBTU
			Sales volumes	280,000 - 310,000 mmBTUs
				279,990 - 365,118 mmBTUs

(1) The average O&M charges for the delivery year beginning in November 2014 were \$42.90 per MWh. For ratemaking purposes the average O&M charges to be included for recovery in retail rates vary slightly between regulatory jurisdictions. The average O&M

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charges for the delivery year beginning in 2014 were \$43.11 for Washington and \$42.90 for Idaho.

(2) The estimated volatility rate of 0.20 is compared to actual quoted volatility rates of 0.45 for 2015 to 0.21 in December 2017.

Avista Corp.'s risk management team and accounting team are responsible for developing the valuation methods described above and both groups report to the Chief Financial Officer. The valuation methods, significant inputs and resulting fair values described above are reviewed on at least a quarterly basis by the risk management team and the accounting team to ensure they provide a reasonable estimate of fair value each reporting period.

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

	Natural Gas Exchange Agreement	Power Exchange Agreement	Power Option	Total
Year ended December 31, 2014:				
Balance as of January 1, 2014	\$ (1,219)	\$ (14,441)	\$ (775)	\$ (16,435)
Total gains or losses (realized/unrealized):				
Included in net income	—	—	—	—
Included in other comprehensive income	—	—	—	—
Included in regulatory assets/liabilities (1)	3,873	(10,002)	351	(5,778)
Purchases	—	—	—	—
Issuance	—	—	—	—
Settlements	(2,689)	1,144	—	(1,545)
Transfers to/from other categories	—	—	—	—
Ending balance as of December 31, 2014	<u>\$ (35)</u>	<u>\$ (23,299)</u>	<u>\$ (424)</u>	<u>\$ (23,758)</u>
Year ended December 31, 2013:				
Balance as of January 1, 2013	\$ (2,379)	\$ (18,692)	\$ (1,480)	\$ (22,551)
Total gains or losses (realized/unrealized):				
Included in net income	—	—	—	—
Included in other comprehensive income	—	—	—	—
Included in regulatory assets/liabilities (1)	2,298	1,017	705	4,020
Purchases	—	—	—	—
Issuance	—	—	—	—
Settlements	(1,138)	3,234	—	2,096
Transfers from other categories	—	—	—	—
Ending balance as of December 31, 2013	<u>\$ (1,219)</u>	<u>\$ (14,441)</u>	<u>\$ (775)</u>	<u>\$ (16,435)</u>

- (1) The UTC and the IPUC issued accounting orders authorizing Avista Corp. to offset 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. The orders provide for Avista Corp. to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Statements of Income. Realized gains or losses are recognized in the period of delivery, subject to approval for recovery through retail rates. Realized gains and losses, subject to regulatory approval, result in adjustments to retail rates through purchased gas cost adjustments, the ERM in Washington, the PCA mechanism in Idaho, and periodic general rates cases.

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NOTE 15. COMMON STOCK

The Company has a Direct Stock Purchase and Dividend Reinvestment Plan under which the Company's shareholders may automatically reinvest their dividends and make optional cash payments for the purchase of the Company's common stock at current market value.

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. After the initial year, the OPUC does not permit one-time or special dividends from AERC to Avista Corp. and does not permit Avista Corp.'s total equity to total capitalization to be less than 40 percent, without approval from the OPUC. However, the OPUC approval does allow for regular distributions of AERC earnings to Avista Corp. as long as AERC remains sufficiently capitalized and insured.

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

	2014	2013
Dividends paid per common share	\$ 1.27	\$ 1.22

Under the covenant applicable to the Company's committed line of credit agreement, which does not permit the ratio of "consolidated total debt" to "consolidated total capitalization" to be greater than 65 percent at any time, the amount of retained earnings available for dividends at December 31, 2014 was limited to approximately \$295.0 million.

Under the requirements of the OPUC approval of the AERC acquisition as outlined above, the amount available for dividends at December 31, 2014 was limited to approximately \$145.0 million.

In August 2012, the Company entered into two sales agency agreements under which the Company may sell up to 2,726,390 shares of its common stock from time to time. There were no shares issued under these agreements during 2014 and 2013 and as of December 31, 2014, the Company had 1,795,199 shares available to be issued under these agreements.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2014 and 2013.

Stock Repurchase Programs

On June 13, 2014, Avista Corp.'s Board of Directors approved a program to repurchase up to 4 million shares of the Company's outstanding common stock, assuming the closure of the Ecova transaction (2014 program). Repurchases of common stock under this program commenced on July 7, 2014 and the program expired on December 31, 2014. Repurchases were made in the open market or in privately negotiated transactions. Through December 31, 2014, the Company repurchased 2,529,615 shares at a total cost of \$79.9 million and an average cost of \$31.57 per share. The Company did not make any repurchases under this program subsequent to October 2014. All repurchased shares reverted to the status of authorized but unissued shares.

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On December 16, 2014, Avista Corp.'s Board of Directors approved the repurchase of up to 800,000 shares of the Company's outstanding common stock, commencing on January 2, 2015, and continuing through March 31, 2015 (first quarter 2015 program). The number of shares repurchased through the first quarter 2015 program is in addition to the number of shares repurchased under the 2014 program, which expired on December 31, 2014. The parameters of the first quarter 2015 program are consistent with the parameters of the 2014 program. All repurchased shares, if any, will revert to the status of authorized but unissued shares.

NOTE 16. STOCK COMPENSATION PLANS

Avista Corp.

1998 Plan

In 1998, the Company adopted, and shareholders approved, the Long-Term Incentive Plan (1998 Plan). Under the 1998 Plan, certain key employees, officers and non-employee directors of the Company and its subsidiaries may be granted stock options, stock appreciation rights, stock awards (including restricted stock) and other stock-based awards and dividend equivalent rights. The Company has available a maximum of 4.5 million shares of its common stock for grant under the 1998 Plan. As of December 31, 2014, 0.4 million shares were remaining for grant under this plan.

2000 Plan

In 2000, the Company adopted a Non-Officer Employee Long-Term Incentive Plan (2000 Plan), which was not required to be approved by shareholders. The provisions of the 2000 Plan are essentially the same as those under the 1998 Plan, except for the exclusion of non-employee directors and executive officers of the Company. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 2000 Plan. However, the Company currently does not plan to issue any further options or securities under the 2000 Plan. As of December 31, 2014, 1.9 million shares were remaining for grant under this plan.

Stock Compensation

The Company records compensation cost relating to share-based payment transactions in the financial statements based on the fair value of the equity or liability instruments issued. 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):

	2014	2013
Stock-based compensation expense	\$ 6,007	\$ 5,037
Income tax benefits	2,102	1,763

Stock Options

There are no longer any stock options outstanding as of December 31, 2014 and the Company does not have any plans to issue additional stock options in the near future.

The following summarizes stock options activity under the 1998 Plan and the 2000 Plan for the year ended December 31, 2013:

	2013
Number of shares under stock options:	
Options outstanding at beginning of year	3,000
Options granted	—
Options exercised	(3,000)
Options canceled	—

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Options outstanding and exercisable at end of year	—
Weighted average exercise price:	
Options exercised	\$ 12.41
Options canceled	\$ —
Options outstanding and exercisable at end of year	\$ —
Cash received from options exercised (in thousands)	\$ 37
Intrinsic value of options exercised (in thousands)	\$ 40
Intrinsic value of options outstanding (in thousands)	\$ —

Restricted Shares

Restricted share awards vest in equal thirds each year over a three-year period and are payable in Avista Corp. common stock at the end of each year if the service condition is met. In addition to the service condition, the Company must meet a return on equity target in order for the CEO's restricted shares to vest. During the vesting period, employees are entitled to dividend equivalents which are paid when dividends on the Company's common stock are declared. Restricted stock is valued at the close of market of the Company's common stock on the grant date. The weighted average remaining vesting period for the Company's restricted shares outstanding as of December 31, 2014 was 0.7 years.

The following table summarizes restricted stock activity for the years ended December 31:

	2014	2013
Unvested shares at beginning of year	104,416	117,118
Shares granted	62,075	44,556
Shares canceled	(1,550)	(1,802)
Shares vested	(52,899)	(55,456)
Unvested shares at end of year	112,042	104,416
Weighted average fair value at grant date	\$ 28.37	\$ 26.04
Unrecognized compensation expense at end of year (in thousands)	\$ 1,349	\$ 1,199
Intrinsic value, unvested shares at end of year (in thousands)	\$ 3,961	\$ 2,943
Intrinsic value, shares vested during the year (in thousands)	\$ 1,473	\$ 1,363

Performance and Market-Based Awards

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

Both types of awards entitle the grantee to shares of Avista Corp. common stock or cash payable once the service condition is satisfied and provided that the market or performance conditions are achieved. All TSR awards granted have two conditions, the service condition of three years and a market-based condition, which is the Company's TSR performance over a three-year period as compared against other utilities. CEPS awards began in 2014 and they also have two conditions, the service condition of three years and a performance condition, which is the Company's CEPS performance over a three-year period. CEPS is a performance condition based

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solely on internal metrics and it is used to determine whether an award vests or not. The level of payout for both the TSR and CEPS awards is based on the level of attainment of the market and performance conditions, respectively.

TSR awards are equity awards with a market-based condition, which results in the compensation cost for these awards being recognized over the requisite service period, provided that the requisite service period is rendered, regardless of when, if ever, the market condition is satisfied. CEPS awards are equity awards with a performance condition based solely on internal Company metrics; therefore, compensation cost for these awards is recognized over the requisite service period, provided that the requisite service period is rendered. However, if the CEPS performance metric is not met, all compensation cost for these awards is reversed as these awards are not considered vested.

The Company measures (at the grant date) the estimated fair value of the shares awarded. The fair value of each TSR award was 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. Expected volatility was based on the historical volatility of Avista Corp. common stock over a three-year period. The expected term of the TSR awards is three years based on the performance cycle. The risk-free interest rate was based on the U.S. Treasury yield at the time of grant. The compensation expense on these awards will only be adjusted for changes in forfeitures.

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 combined fair value of the equity and dividend components of CEPS awards is equal to the share price of Avista Corp. common stock on the date of grant.

The following summarizes the weighted average assumptions used to determine the fair value of TSR and CEPS awards and related compensation expense as well as the resulting estimated fair value of awards granted:

	2014	2013
TSR assumptions		
Risk-free interest rate	0.7%	0.4%
Expected life, in years	3	3
Expected volatility	17.9%	19.1%
Dividend yield	4.5%	4.6%
Weighted average grant date fair value (per share)	\$ 24.64	\$ 23.30
CEPS assumptions		
Weighted average share price on date of grant	\$ 28.09	\$ —
Annual dividends per share	1.22	—
Risk-free interest rate	0.7%	—
Weighted average grant date fair value of equity component (per share)	\$ 24.48	\$ —

The weighted average grant date fair value above for TSR awards includes both the equity component and dividend equivalent rights.

The following summarizes TSR and CEPS share activity:

	2014	2013
TSR Awards		
Opening balance of unvested TSR shares	344,684	359,700
TSR shares granted	117,550	175,000
TSR shares canceled	(6,816)	(13,298)
TSR shares vested	(167,584)	(176,718)

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Ending balance of unvested TSR shares	287,834	344,684
Intrinsic value of unvested performance shares (in thousands)	\$ 10,175	\$ 9,717
Unrecognized compensation expense (in thousands)	\$ 2,833	\$ 3,651
CEPS Awards		
Opening balance of unvested CEPS shares	—	—
CEPS shares granted	59,025	—
CEPS shares canceled	(1,008)	—
CEPS shares vested	—	—
Ending balance of unvested CEPS shares	58,017	—
Intrinsic value of unvested performance shares (in thousands)	\$ 2,051	\$ —
Unrecognized compensation expense (in thousands)	\$ 1,577	\$ —

The weighted average remaining vesting period for the Company's TSR shares outstanding as of December 31, 2014 was 1.4 years. The weighted average remaining vesting period for the Company's CEPS shares outstanding as of December 31, 2014 was 2 years. Unrecognized compensation expense as of December 31, 2014 includes only the amount attributable to the equity portion of the awards and will be recognized during 2015 and 2016.

The following summarizes the impact of the market condition on the TSR shares that met the service vesting condition (no CEPS awards vested in 2014):

	2014	2013
TSR shares vested based on service condition	167,584	176,718
Impact of market condition on shares vested	(70,385)	(176,718)
Shares of common stock earned	97,199	—
Intrinsic value of common stock earned (in thousands)	\$ 3,436	\$ —

Shares earned under this plan are distributed to participants in the quarter following vesting.

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, 2014 and 2013, the Company had recognized cumulative compensation expense and a liability of \$1.3 million and \$0.9 million, respectively, related to the dividend component on the outstanding and unvested share grants.

NOTE 17. 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.

Federal Energy Regulatory Commission Inquiry

In April 2004, the Federal Energy Regulatory Commission (FERC) approved the contested Agreement in Resolution of Section 206

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Proceeding (Agreement in Resolution) which stated that there was: (1) no evidence that any executives or employees of Avista Corp. or Avista Energy knowingly engaged in or facilitated any improper trading strategy during 2000 and 2001; (2) no evidence that Avista Corp. or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; and (3) no finding that Avista Corp. or Avista Energy withheld relevant information from the FERC's inquiry into the western energy markets for 2000 and 2001 (Trading Investigation). In May 2004, the FERC provided notice that Avista Energy was no longer subject to an investigation reviewing certain bids above \$250 per MW in energy markets operated by the California Independent System Operator (CalISO) and the California Power Exchange (CalPX)(Bidding Investigation). Appeals of the FERC's decisions are pending before the United States Court of Appeals for the Ninth Circuit (Ninth Circuit).

On March 7, 2014, Avista Corp. and Avista Energy filed at FERC a settlement with Pacific Gas & Electric (PG&E), Southern California Edison, San Diego Gas & Electric, the California Attorney General (AG), the California Department of Water Resources (CERS), and the California Public Utilities Commission (together, the "California Parties") that resolves both the Trading Investigation and the Bidding Investigation. The settlement was approved by the FERC and is final so there is no longer any potential liability.

California Refund Proceeding

In July 2001, the FERC ordered an evidentiary hearing to determine the amount of refunds due to California energy buyers for purchases made in the spot markets operated by the CalISO and the CalPX during the period from October 2, 2000 to June 20, 2001 (Refund Period). Petitions for review of the FERC's decisions are still pending in the Ninth Circuit. In August 2006, the Ninth Circuit remanded to the FERC its decision not to consider a Federal Power Act (FPA) section 309 remedy for tariff violations prior to October 2, 2000. During the FERC hearing on the remand in 2012, the Presiding Administrative Law Judge (ALJ) issued a partial initial decision granting Avista Corp.'s motion for summary disposition. On November 2, 2012, the FERC issued an order affirming the partial initial decision and dismissing Avista Corp. from the proceeding. On February 15, 2013, the ALJ issued an Initial Decision that may have subjected Avista Energy to additional refund liability.

On March 7, 2014, Avista Corp., Avista Energy and the California Parties filed a settlement at the FERC that fully resolved these matters. Because Avista Energy had not been paid for all of its sales during the Refund Period, substantial funds have been held in escrow accounts pending resolution of this proceeding. The settlement returned \$15.0 million of Avista Energy's receivable to Avista Energy, with the balance of the Avista Energy receivable flowing to the purchasers associated with the hourly transactions at issue. The settlement funds were received on June 23, 2014 and recorded as a reduction to other operating expenses within the non-utility operating expenses section of the Statements of Income. There is no admission of wrongdoing on the part of the settling parties and no part of the refund payment by Avista Energy constitutes a fine or a penalty. The settlement resolves all claims for alleged overcharges in the California Refund Proceeding, and in the Pacific Northwest Refund Proceeding (for sales made to CERS). The settlement also includes settlement of the Trading Investigation, the Bidding Investigation and the California Attorney General Complaint (the "Lockyer Complaint"). The settlement was approved by the FERC and is final so there is no longer any potential liability.

California Attorney General Complaint (the "Lockyer Complaint")

In May 2002, the FERC dismissed a complaint filed in March 2002 by the California AG that alleged violations of the FPA by the FERC and all sellers (including Avista Corp. and its subsidiaries) of electric power and energy into California. The complaint alleged that the FERC's implementation of market-based rate authority was flawed and, as a result, individual sellers should refund the difference between the rate charged and a just and reasonable rate. In May 2002, the FERC issued an order dismissing the complaint. In September 2004, the Ninth Circuit upheld the FERC's market-based rate authority, but held that the FERC erred in ruling that it lacked authority to order refunds for violations of its reporting requirement. The Court remanded the case for further proceedings, which ultimately resulted in summary disposition at the FERC in favor of Avista Corp. and Avista Energy. The proceeding is now before the Ninth Circuit.

On March 7, 2014, Avista Corp., Avista Energy and the California Parties filed a settlement at the FERC that resolves this matter. The

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settlement was approved by the FERC and is final so there is no longer any potential liability.

Pacific Northwest Refund Proceeding

In July 2001, the Federal Energy Regulatory Commission ("FERC" or "Commission") initiated a preliminary evidentiary hearing to develop a factual record as to whether prices for spot market sales of wholesale energy in the Pacific Northwest between December 25, 2000 and June 20, 2001 were just and reasonable. In June 2003, the FERC terminated the Pacific Northwest refund proceedings, after finding that the equities do not justify the imposition of refunds. In August 2007, the Ninth Circuit found that the FERC had failed to take into account new evidence of market manipulation and that such failure was arbitrary and capricious and, accordingly, remanded the case to the FERC, stating that the FERC's findings must be reevaluated in light of the new evidence. The Ninth Circuit expressly declined to direct the FERC to grant refunds. On October 3, 2011, the FERC issued an Order on Remand. On April 5, 2013, the FERC issued an Order on Rehearing expanding the temporal scope of the proceeding to permit parties to submit evidence on transactions during the period from January 1, 2000 through and including June 20, 2001. The Order on Remand established an evidentiary, trial-type hearing before an ALJ, and reopened the record to permit parties to present evidence of unlawful market activity. The Order on Remand stated that parties seeking refunds must submit evidence demonstrating that specific unlawful market activity occurred, and must demonstrate that such activity directly affected negotiations with respect to the specific contract rate about which they complain. Simply alleging a general link between the dysfunctional spot market in California and the Pacific Northwest spot market would not be sufficient to establish a causal connection between a particular seller's alleged unlawful activities and the specific contract negotiations at issue. The hearing was conducted in August through October 2013. The City of Seattle, Washington (Seattle) and the California AG (on behalf of CERS) filed petitions for review of FERC's Order on Remand in the 9th Circuit Court of Appeals, which petitions were stayed pending completion of the FERC proceeding.

On July 11, 2012 and March 28, 2013, Avista Energy and Avista Corp. filed settlements of all issues in this docket with regard to the claims made by the City of Tacoma and the California AG (on behalf of CERS). The FERC approved the settlements and they are final. The remaining direct claimant against Avista Corp. and Avista Energy in this proceeding is Seattle.

With regard to the Seattle claims, on March 28, 2014, the Presiding ALJ issued her Initial Decision finding that: 1) Seattle failed to demonstrate that either Avista Corp. or Avista Energy engaged in unlawful market activity and also failed to identify any specific contracts at issue; 2) Seattle failed to demonstrate that contracts with either Avista Corp. or Avista Energy imposed an excessive burden on consumers or seriously harmed the public interest; and that 3) Seattle failed to demonstrate that either Avista Corp. or Avista Energy engaged in any specific violations of substantive provisions of the Federal Power Act or any filed tariffs or rate schedules. Accordingly, the ALJ denied all of Seattle's claims under both section 206 and section 309 of the Federal Power Act. Briefs on and opposing exceptions have been filed and the Initial Decision is pending before the FERC.

The 9th Circuit by Order dated February 17, 2015 issued on its own motion, lifted the stay of the 2013 interlocutory petitions for review of the FERC Order on Remand and established a briefing schedule for those petitions, including Seattle's petition challenging the scope of the Remand Order. Any decision by the 9th Circuit adverse to the Company could only result in a further remand to FERC to conduct further proceedings, the scope of which cannot be predicted at this time. The Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows.

Sierra Club and Montana Environmental Information Center Complaint Against the Owners of Colstrip

On March 6, 2013, the Sierra Club and Montana Environmental Information Center (MEIC) (collectively "Plaintiffs"), filed a Complaint in the United States District Court for the District of Montana, Billings Division, against the Owners of the Colstrip Generating Project ("Colstrip"). Avista Corp. owns a 15 percent interest in Units 3 & 4 of Colstrip. The other Colstrip co-Owners are PPL Montana, Puget Sound Energy, Portland General Electric Company, NorthWestern Energy and PacifiCorp. The Complaint alleges certain violations of the Clean Air Act, including the New Source Review, Title V and opacity requirements. The Plaintiffs

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request that the Court grant injunctive and declaratory relief, impose civil penalties, require a beneficial environmental project in the areas affected by the alleged air pollution and require payment of Plaintiffs' costs of litigation and attorney fees.

On September 12, 2013, the Plaintiffs filed Plaintiffs' First Motion for Partial Summary Judgment on the Applicable Method for Calculating Emission Increases from Modifications Made to Colstrip.

On September 27, 2013, the Plaintiffs filed an Amended Complaint. The Amended Complaint withdrew from the original Complaint fifteen claims related to seven pre-January 1, 2001 Colstrip maintenance projects, upgrade projects and work projects and claims alleging violations of Title V and opacity requirements. The Amended Complaint alleges certain violations of the Clean Air Act and the New Source Review and adds claims with respect to post-January 1, 2001 Colstrip projects. The Plaintiffs request that the Court grant injunctive and declaratory relief, order remediation of alleged environmental damage, impose civil penalties, require a beneficial environmental project in the areas affected by the alleged air pollution and require payment of Plaintiffs' costs of litigation and attorney fees. The Colstrip Owners filed a Motion to Dismiss, seeking dismissal of all of Plaintiffs' claims contained in the Amended Complaint.

On May 22, 2014, the Magistrate Judge filed his Findings and Recommendations as to the motions and recommended that 1) the Colstrip Owners' Motion to Dismiss be granted as to the Plaintiffs' Best Available Control Technology claims and the injunctive relief sought regarding two of the claims, but denied the Motion in all other respects; and 2) the Plaintiffs' Motion for Partial Summary Judgment be denied. Plaintiffs' filed Objections to Findings and Recommendations of Magistrate Judge and the Colstrip Owners filed their response to Plaintiffs' objections.

On August 27, 2014, the Plaintiffs filed a Second Amended Complaint. The Second Amended Complaint withdraws from the Amended Complaint five claims and adds one new claim. The Second Amended Complaint alleges certain violations of the Clean Air Act and the New Source Review. The Plaintiffs request that the Court grant injunctive and declaratory relief, order remediation of alleged environmental damages, impose civil penalties, require a beneficial environmental project in the areas affected by the alleged air pollution and require payment of Plaintiffs' costs of litigation and attorney fees.

The Court has set the trial date for November 2015.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to uncertainties concerning this matter, Avista Corp. cannot estimate the outcome or determine whether it would have a material impact on the Company.

Spokane River Licensing

The Company owns and operates six hydroelectric plants on the Spokane River. Five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street, and Post Falls) are regulated under one 50-year FERC license issued in June 2009 and are referred to as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The license incorporated the 4(e) conditions that were included in the December 2008 Settlement Agreement with the United States Department of Interior and the Coeur d'Alene Tribe, as well as the mandatory conditions that were agreed to in the Idaho 401 Water Quality Certifications and in the amended Washington 401 Water Quality Certification.

As part of the Settlement Agreement with the Washington Department of Ecology (Ecology), the Company has participated in the Total Maximum Daily Load (TMDL) process for the Spokane River and Lake Spokane, the reservoir created by Long Lake Dam. On May 20, 2010, the EPA approved the TMDL and on May 27, 2010, Ecology filed an amended 401 Water Quality Certification with the FERC for inclusion into the license. The amended 401 Water Quality Certification includes the Company's level of responsibility, as defined in the TMDL, for low dissolved oxygen levels in Lake Spokane. The Company submitted a draft Water Quality Attainment Plan for Dissolved Oxygen to Ecology in May 2012 and this was approved by Ecology in September 2012. This plan was subsequently approved by the FERC. The Company began implementing this plan in 2013, and management believes costs will not be material. On July 16, 2010, the City of Post Falls and the Hayden Area Regional Sewer Board filed an appeal with the United States District Court

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for the District of Idaho with respect to the EPA's approval of the TMDL. The Company, the City of Coeur d'Alene, Kaiser Aluminum and the Spokane River Keeper subsequently moved to intervene in the appeal. In September 2011, the EPA issued a stay to the litigation that will be in effect until either the permits are issued and all appeals and challenges are complete or the court lifts the stay. On February 19, 2015, the Court dismissed the case as stipulated to by all parties.

During 2013, through a collaborative process with key stakeholders, a decision was reached to not move forward with a specific capital project to add oxygen to Lake Spokane. At the time of such decision, the Company had expended \$1.3 million on the discontinued project. The Company obtained regulatory Orders from the UTC and IPUC during the second half of 2013, allowing regulatory treatment of the costs from the discontinued project.

The UTC and IPUC approved the recovery of licensing costs through the general rate case settlements in 2009. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to implementing the license for the Spokane River Project.

Cabinet Gorge Total Dissolved Gas Abatement Plan

Dissolved atmospheric gas levels in the Clark Fork River exceed state of Idaho and federal water quality standards downstream of the Cabinet Gorge Hydroelectric Generating Project (Cabinet Gorge) during periods when excess river flows must be diverted over the spillway. Under the terms of the Clark Fork Settlement Agreement as incorporated in Avista Corp.'s FERC license for the Clark Fork Project, Avista Corp. has worked in consultation with agencies, tribes and other stakeholders to address this issue. In the second quarter of 2011, the Company completed preliminary feasibility assessments for several alternative abatement measures. In 2012, Avista Corp., with the approval of the Clark Fork Management Committee (created under the Clark Fork Settlement Agreement), moved forward to test one of the alternatives by constructing a spill crest modification on a single spill gate. Based on testing in 2013, the modification appears to provide significant Total Dissolved Gas reduction. Ongoing design improvements have been made, and the Company expects to continue spill crest modifications over the next several years, in ongoing consultation with key stakeholders. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

Fish Passage at Cabinet Gorge and Noxon Rapids

In 1999, the United States Fish and Wildlife Service (USFWS) listed bull trout as threatened under the Endangered Species Act. The Clark Fork Settlement Agreement describes programs intended to help restore bull trout populations in the project area. Using the concept of adaptive management and working closely with the USFWS, the Company evaluated the feasibility of fish passage at Cabinet Gorge and Noxon Rapids. The results of these studies led, in part, to the decision to move forward with development of permanent facilities, among other bull trout enhancement efforts. Fishway designs for Cabinet Gorge are still being finalized. Construction cost estimates and schedules will be developed after several remaining issues are resolved, related to Montana's approval of fish transport from Idaho and expected minimum discharge requirements. Fishway design for Noxon Rapids has also been initiated, and is still in early stages.

In January 2010, the USFWS revised its 2005 designation of critical habitat for the bull trout to include the lower Clark Fork River as critical habitat. The Company believes its ongoing efforts through the Clark Fork Settlement Agreement continue to effectively address issues related to bull trout. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to fish passage at Cabinet Gorge and Noxon Rapids.

Kettle Falls Generation Station - Diesel Spill Investigation and Remediation

In December 2013, the Company's operations staff at the Kettle Falls Generation Station discovered that approximately 10,000 gallons of diesel fuel had leaked underground from the piping system used to fuel heavy equipment. Avista Corp. made all proper agency notifications and worked closely with Ecology during the spill response and investigation phase. The Company installed ground water monitoring wells and there is no indication that ground or surface water is threatened by the spill.

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There is no indication that Ecology is considering any enforcement action and the Company initiated a voluntary cleanup action with the installation of a recovery system.

As of December 31, 2014, the Company has recorded an estimated remediation liability and the Company will continue to monitor the remediation activities and will adjust any estimated remediation liability if necessary as new information is obtained. The Company does not expect that this matter will have a material effect on its financial condition, results of operations or cash flows.

Collective Bargaining Agreements

The Company's collective bargaining agreements with the IBEW represents approximately 45 percent of all of Avista Corp.'s employees. The agreement with the local union in Washington and Idaho representing the majority (approximately 90 percent) of the Avista Corp.'s bargaining unit employees expired in March 2014. A new two-year agreement with this group was approved in January 2015 and has an expiration of March 2016. A new three-year agreement in Oregon, which covers approximately 50 employees, was approved in April 2014.

Other Contingencies

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

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

The Company has potential liabilities under the Endangered Species Act for species of fish 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 this issue.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. The state of Montana is examining the status of all water right claims within state boundaries. 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. In addition, the state of Washington has indicated an interest in initiating adjudication for the Spokane River basin in the next several years. The Company is and will continue to be a participant in these 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.

NOTE 18. INFORMATION SERVICES CONTRACTS

The Company has information services contracts that expire at various times through 2017. The largest of these contracts provides for increases due to changes in the cost of living index and further provides flexibility in the annual obligation from year-to-year. Total

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payments under these contracts were as follows for the years ended December 31 (dollars in thousands):

	2014	2013
Information service contract payments	\$ 13,022	\$ 12,647

The majority of the costs are included in other operating expenses in the Statements of Income. The following table details minimum future contractual commitments for these agreements (dollars in thousands):

	2015	2016	2017	2018	2019	Thereafter	Total
Contractual obligations	\$ 9,047	\$ 9,141	\$ 9,237	\$ —	\$ —	\$ —	\$ 27,425

NOTE 19. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

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

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

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with UTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for Washington customers. Total net deferred power costs under the ERM were a liability of \$14.2 million as of December 31, 2014, and these deferred power cost balances represent amounts due to customers. As part of the approved Washington general rate case settlement in December 2012, during 2013 there was a one-year credit designed to return to customers \$4.4 million from the existing ERM deferral balance which reduced the net average electric rate increase impact to customers in 2013. Additionally, during 2014 there was a one-year credit designed to return \$9.0 million to electric customers from the ERM deferral balance, so the net average electric rate increase impact to customers effective January 1, 2014 was also reduced. The credits to customers from the ERM balances do not impact the Company's net income.

Under the ERM, the Company absorbs the cost or receives the benefit from the initial amount of power supply costs in excess of or below the level in retail rates, which is referred to as the deadband. The annual (calendar year) deadband amount is \$4.0 million. The Company will incur the cost of, or receive the benefit from, 100 percent of this initial power supply cost variance. The Company shares annual power supply cost variances between \$4.0 million and \$10.0 million with customers. There is a 50 percent customers/50 percent Company sharing ratio when actual power supply expenses are higher (surcharge to customers) than the amount included in base retail rates within this band. There is a 75 percent customers/25 percent Company sharing ratio when actual power supply expenses are lower (rebate to customers) than the amount included in base retail rates within this band. To the extent that the annual power supply cost variance from the amount included in base rates exceeds \$10.0 million, there is a 90 percent customers/10 percent Company share ratio of the cost variance.

The following is a summary of the ERM:

Deferred for Future Surcharge or Rebate	Expense or Benefit
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Annual Power Supply Cost Variability	to Customers	
within +/- \$0 to \$4 million (deadband)	0%	100%
higher by \$4 million to \$10 million	50%	50%
lower by \$4 million to \$10 million	75%	25%
higher or lower by over \$10 million	90%	10%

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. These annual October 1 rate adjustments recover or rebate power costs deferred during the preceding July-June twelve-month period. Total net power supply costs deferred under the PCA mechanism were a regulatory asset of \$8.3 million as of December 31, 2014 compared to a regulatory asset of \$5.1 million as of December 31, 2013.

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. These annual PGA filings in Washington and Idaho provide for the deferral, and recovery or refund, of 100 percent of the difference between actual and estimated commodity and pipeline transportation costs, subject to applicable regulatory review. The annual PGA filing in Oregon provides for deferral, and recovery or refund, of 100 percent of the difference between actual and estimated pipeline transportation costs and commodity costs that are fixed through hedge transactions. Commodity costs that are not hedged for Oregon customers are subject to a sharing mechanism whereby Avista Corp. defers, and recovers or refunds, 90 percent of the difference between these actual and estimated costs. Total net deferred natural gas costs to be refunded to customers were a liability of \$3.9 million as of December 31, 2014 compared to a liability of \$12.1 million as of December 31, 2013.

Washington General Rate Cases

2012 General Rate Cases

In December 2012, the UTC approved a settlement agreement in the Company's electric and natural gas general rate cases filed in April 2012. The settlement, effective January 1, 2013, provided that base rates for Washington electric customers increased by an overall 3.0 percent (designed to increase annual revenues by \$13.6 million), and base rates for Washington natural gas customers increased by an overall 3.6 percent (designed to increase annual revenues by \$5.3 million). Under the settlement, there was a one-year credit designed to return \$4.4 million to electric customers from the ERM deferral balance so the net average electric rate increase impact to the Company's customers in 2013 was 2.0 percent. The credit to customers from the ERM balance did not impact the Company's earnings.

The approved settlement also provided that, effective January 1, 2014, base rates increased for Washington electric customers by an overall 3.0 percent (designed to increase annual revenues by \$14.0 million), and for Washington natural gas customers by an overall 0.9 percent (designed to increase annual revenues by \$1.4 million). The settlement provided for a one-year credit designed to return \$9.0 million to electric customers from the ERM deferral balance, so the net average electric rate increase to customers effective January 1, 2014 was 2.0 percent. The credit to customers from the ERM balance did not impact the Company's earnings. The ERM balance as of December 31, 2014 was a liability of \$14.2 million.

The settlement agreement provided for an authorized return on equity of 9.8 percent and an equity ratio of 47.0 percent, resulting in an overall rate of return on rate base of 7.64 percent.

The December 2012 UTC Order approving the settlement agreement included certain conditions.

(1) The new retail rates that became effective on January 1, 2014 were temporary rates, and on January 1, 2015, electric and

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natural gas base rates were scheduled to revert back to 2013 levels absent any intervening action from the UTC. The original settlement agreement had a provision that the Company would not file a general rate case in Washington seeking new rates to take effect before January 1, 2015. In November 2014, the UTC approved a settlement agreement to the Company's Washington general rate cases which were originally filed in February 2014 with rates effective on January 1, 2015 (see further discussion below).

- (2) In its Order, the UTC found that much of the approved base rate increase was justified by the planned capital expenditures necessary to upgrade and maintain the Company's utility facilities. If these capital projects are not completed to a level that was contemplated in the settlement agreement, this could result in base rates which are considered too high by the UTC. The Company is required to file capital expenditure progress reports with the UTC on a periodic basis so that the UTC can monitor the capital expenditures and ensure they are in line with those contemplated in the settlement agreement. Total utility capital expenditures among all jurisdictions were \$294.4 million and \$323.9 million for 2013 and 2014 respectively. The Company expects utility capital expenditures to be about \$375 million for 2015 and \$350 million in 2016, which are above the capital expenditures contemplated in the settlement agreement.

2014 General Rate Cases

In November 2014, the UTC approved an all-party settlement agreement related to the Company's electric and natural gas general rate cases filed in February 2014 and new rates became effective on January 1, 2015. The settlement is designed to increase annual electric base revenues by \$12.3 million, or 2.5 percent, inclusive of a \$5.3 million power supply update as required in the settlement agreement (explained below). The settlement is designed to increase annual natural gas base revenues by \$8.5 million, or 5.6 percent.

Expiring and New Rebates and ERM

The parties agreed in the settlement that a credit of \$8.3 million (including the \$5.3 million power supply update) from the ERM deferral balance will be returned to electric customers to help offset the 2015 rate increase. This ERM balance represents lower net power supply costs in recent years than the costs embedded in base retail rates, which are being returned to customers in the form of a rebate. This rebate will not increase or decrease the Company's net income. Total net deferred power costs under the ERM were a liability of \$14.2 million as of December 31, 2014, compared to a liability of \$17.9 million as of December 31, 2013, and these deferred power cost balances represent amounts due to customers.

In addition, the Company's electric customers were receiving benefits from two rebates that expired at the end of 2014 and which reduced monthly energy bills by 2.8 percent during 2014. The parties agreed in the settlement that the Company will provide a rebate to customers of \$8.6 million over an 18 month period related to the sale of renewable energy credits, which will partially replace the expiring rebates and reduce customers' monthly bills by 1.2 percent, beginning January 1, 2015. The net effect of the expiring rebates and the new rebate will result in an increase of approximately 1.6 percent beginning January 1, 2015. These rebates are passed through to customers and do not increase or decrease the Company's net income.

The overall change in customer billing rates from the approved settlement agreement, including the expiring and new rebates, is 2.5 percent for electric customers and 5.6 percent for natural gas customers effective January 1, 2015.

Power Supply Update and Customer Information and Work Management Systems Deferral

The settlement agreement included a provision that required the Company to update base power supply costs on November 1, 2014. This update to power supply costs was reflected in the overall electric revenue increase effective January 1, 2015, and reset the base power supply costs for the ERM calculations effective January 1, 2015. The amount of the updated power supply costs was a \$5.3 million increase. The increase to customers from the power supply update was offset with the available ERM deferral balance for the calendar year 2015. The use of the ERM deferral balance for the offset will not increase or decrease the Company's net income.

The parties also agreed that the natural gas revenue requirement associated with the Company's investment in the Customer

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Information and Work Management Systems capital project (Project Compass) for 2015 will be deferred for regulatory purposes for recovery in retail rates through a future general rate case, based on the actual costs of the project at the time it goes into service. Project Compass went into service in February 2015. The future recovery of these costs and return on investment, estimated to be \$2.0 million on a pre-tax basis, will be recognized in the future recovery period.

Decoupling

The parties agreed that the Company will implement electric and natural gas decoupling mechanisms for a five-year period beginning January 1, 2015. Decoupling is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. The Company's actual revenue, based on kilowatt hour and therm sales will vary, up or down, from the level established in a general rate case. This could be due to changes in weather, conservation or the economy. Per the terms of the settlement agreement and the decoupling mechanisms included therein, generally, electric and natural gas revenues will be adjusted each month to be based on the number of customers, rather than kilowatt hour and therm sales. The difference between revenues based on sales, and revenues based on the number of customers will be deferred and either surcharged or rebated to customers beginning in the following year. Electric and natural gas decoupling surcharge rate adjustments to customers are limited to 3 percent on an annual basis, with any remaining surcharge balance carried forward for recovery in a future period. There is no limit on the level of rebate rate adjustments.

The decoupling mechanisms each include an after-the-fact earnings test. At the end of each calendar year, separate electric and natural gas earnings calculations will be made for the prior calendar year. These earnings tests will reflect actual decoupled revenues, normalized power supply costs, and other normalizing adjustments.

- If there is a decoupling rebate balance for the prior year and Avista Corp. earns in excess of a 7.32 percent rate of return (ROR), the rebate to customers would be increased by 50 percent of the earnings in excess of the 7.32 percent ROR.
- If there is a decoupling rebate balance for the prior year and Avista Corp. earns a 7.32 percent ROR or less, only the base amount of the rebate to customers would be made.
- If there is a decoupling surcharge balance for the prior year and Avista Corp. earns in excess of a 7.32 percent ROR, the surcharge to customers would be reduced by 50 percent of the earnings in excess of the 7.32 percent ROR (or eliminated).
- If there is a decoupling surcharge balance for the prior year and Avista Corp. earns a 7.32 percent ROR or less, the base amount of the surcharge to customers would be made.

Original Request

The Company's original request filed with the UTC in February 2014 included a base electric rate increase of 3.8 percent (designed to increase annual electric revenues by \$18.2 million). The Company also requested a base natural gas rate increase of 8.1 percent (designed to increase annual natural gas revenues by \$12.1 million). Specific capital structure ratios and the cost of capital components were not agreed to in the settlement agreement, and the revenue increases in the settlement were not tied to the 7.32 percent ROR referenced above. The electric and natural gas revenue increases were negotiated numbers, with each party using its own set of assumptions underlying its agreement to the revenue increases. The parties agreed that the 7.32 percent ROR will be used to calculate the Allowance for Funds Used During Construction (AFUDC) and other purposes.

2015 General Rate Cases

In February 2015, the Company filed electric and natural gas general rates cases with the UTC. The Company has requested an overall increase in base electric rates of 6.6 percent (designed to increase annual electric revenues by \$33.2 million) and an overall increase in base natural gas rates of 7.0 percent (designed to increase annual natural gas revenues by \$12.0 million). The Company's requests are based on a proposed ROR on rate base of 7.46 percent with a common equity ratio of 48 percent and a 9.9 percent return on equity.

The major driver of these general rate case requests is to recover the costs associated with the ongoing need to maintain, replace and

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invest in the Company's facilities and equipment. Several significant capital investments the Company has made and is currently making, that are included in the filing are:

- the ongoing and multi-year redevelopment of the Little Falls Powerhouse on the Spokane River,
- the continuing rehabilitation of the Nine Mile Powerhouse on the Spokane River,
- information technology upgrades that include the replacement of the Company's customer information and work management systems (which were implemented in February 2015),
- the ongoing project to systematically replace portions of Aldyl-A natural gas distribution pipe, and
- technology investments for deploying Advanced Metering Infrastructure in Washington, including installation of advanced meters, beginning in 2016.

The UTC has up to 11 months to review the filings and issue a decision.

Idaho General Rate Cases

2012 General Rate Cases

In March 2013, the IPUC approved a settlement agreement in the Company's electric and natural gas general rate cases filed in October 2012. As agreed to in the settlement, new rates were implemented in two phases: April 1, 2013 and October 1, 2013. Effective April 1, 2013, base rates increased for the Company's Idaho natural gas customers by an overall 4.9 percent (designed to increase annual revenues by \$3.1 million). There was no change in base electric rates on April 1, 2013. However, the settlement agreement provided for the recovery of the costs of the Palouse Wind Project, subject to the 90 percent customers/10 percent Company sharing ratio, through the PCA mechanism until these costs are reflected in base retail rates in the next general rate case.

The settlement also provided that, effective October 1, 2013, base rates increased for Idaho natural gas customers by an overall 2.0 percent (designed to increase annual revenues by \$1.3 million). A credit resulting from deferred natural gas costs of \$1.6 million was returned to the Company's Idaho natural gas customers from October 1, 2013 through December 31, 2014, so the net annual average natural gas rate increase to natural gas customers effective October 1, 2013 was 0.3 percent.

Further, the settlement provided that, effective October 1, 2013, base rates increased for Idaho electric customers by an overall 3.1 percent (designed to increase annual revenues by \$7.8 million). A \$3.9 million credit resulting from a payment to be made to Avista Corp. by the Bonneville Power Administration relating to its prior use of Avista Corp.'s transmission system was returned to Idaho electric customers from October 1, 2013 through December 31, 2014, so the net annual average electric rate increase to electric customers effective October 1, 2013 was 1.9 percent.

The \$1.6 million credit to Idaho natural gas customers and the \$3.9 million credit to Idaho electric customers did not impact the Company's net income.

The settlement agreement provided for an authorized return on equity of 9.8 percent and an equity ratio of 50.0 percent.

The settlement also included an after-the-fact earnings test for 2013 and 2014, such that if Avista Corp., on a consolidated basis for electric and natural gas operations in Idaho, earns more than a 9.8 percent return on equity, Avista Corp. will share with customers 50 percent of any earnings above the 9.8 percent. In 2013, the Company's returns exceeded this level and \$3.9 million was deferred for future ratemaking treatment for Idaho electric customers and \$0.4 million for Idaho natural gas customers. Of the electric deferral amount, \$2.0 million was recorded in 2013 and \$1.9 million was recorded in the first quarter of 2014 based on a revision of the allocation of costs between Idaho and Washington for regulatory purposes. The ratemaking treatment for these deferrals is addressed in the 2014 rate plan extension request explained below.

In 2014, the Company's returns exceeded a 9.8 percent return on equity and the Company deferred for future ratemaking treatment

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\$7.5 million (including the \$1.9 million related to 2013 that was recorded in 2014) for Idaho electric customers and \$0.2 million for Idaho natural gas customers. The period over which these amounts will be returned to customers has not yet been determined by the IPUC.

2014 Rate Plan Extension

The Company did not file new general rate cases in Idaho in 2014, instead, it developed an extension to the 2013 and 2014 rate plan and reached a settlement agreement with all interested parties.

In September 2014, the IPUC approved the settlement, which reflects agreement among all interested parties, for a one-year extension to the current rate plan, which was set to expire on December 31, 2014. Under the approved extension, base retail rates will remain unchanged through December 31, 2015.

The settlement will provide an estimated \$3.7 million increase in pre-tax income by reducing planned expenses in 2015 for Idaho operations, resulting from:

- the delay of the beginning of the amortization of the 2013 previously deferred operations and maintenance costs pertaining to the Colstrip and Coyote Springs 2 thermal generating facilities from 2015 to 2016, and
- deferred accounting, for later review and recovery, of the majority of the costs associated with Project Compass, which was implemented in February 2015.

The settlement agreement establishes an ROE deadband between the currently authorized ROE of 9.8 percent and a 9.5 percent ROE. Under the settlement agreement, the Company will be allowed to use any 2014 Idaho after-the-fact earnings test deferral (described above under "2012 General Rate Cases") to support an actual earned ROE in 2015 up to 9.5 percent. For 2014, the Company deferred a total of \$7.7 million for the 2014 after-the-fact earnings test, which includes the \$1.9 million recorded in 2014 related to the 2013 earnings test. During 2015, if the Company earns more than the 9.8 percent ROE, 50 percent of the earnings above 9.8 percent will be shared with customers through future ratemaking.

As part of the settlement, the Company agreed not to file a general rate case in 2014, and would file no earlier than May 31, 2015 for new electric or natural gas base retail rates to become effective on or after January 1, 2016. In addition, the settlement replaced two rebates, which expired on January 1, 2015, that were reducing customers' monthly energy bills by 1.3 percent for electric and 1.7 percent for natural gas. The rebates were replaced for a one-year period, through December 31, 2015, using existing deferral balances due to customers, which will have no impact on the Company's net income. This provision does not preclude the filing of other rate adjustments such as the PGA.

Oregon General Rate Cases

2013 General Rate Case

In January 2014, the OPUC approved a settlement agreement to the Company's natural gas general rate case (originally filed in August 2013). As agreed to in the settlement, new rates were implemented in two phases: February 1, 2014 and November 1, 2014. Effective February 1, 2014, rates increased for Oregon natural gas customers on a billed basis by an overall 4.4 percent (designed to increase annual revenues by \$3.8 million). Effective November 1, 2014, rates for Oregon natural gas customers were to increase on a billed basis by an overall 1.6 percent (designed to increase annual revenues by \$1.4 million).

The billed rate increase on November 1, 2014 was dependent upon the completion of Project Compass and the actual costs incurred through September 30, 2014, and the actual costs incurred through June 30, 2014 related to the Company's Aldyl A distribution pipeline replacement program. As noted elsewhere, Project Compass was completed in February 2015. The November 1, 2014 rate increase was reduced from \$1.4 million to \$0.3 million due to the delay of Project Compass.

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The approved settlement agreement provides for an overall authorized rate of return of 7.47 percent, with a common equity ratio of 48 percent and a 9.65 percent return on equity.

2014 General Rate Case

In January 2015, the Company filed an all-party settlement agreement with the OPUC related to the Company's natural gas general rate case, which was originally filed in September 2014. The settlement agreement was designed to increase base natural gas revenues by 6.1 percent or \$6.1 million. This base rate increase was offset by \$0.3 million for a separate rate adjustment that the Company is already receiving from customers and it was offset by a \$0.8 million credit to customers related to having an early implementation date for the revenue increase (prior to the full 10 months allowed in Oregon for the OPUC to make a decision on the case and new rates to take effect). The net increase to the Company after the two offsets was \$5.0 million. The parties to the settlement agreement had requested a decision from the OPUC prior to March 1, 2015, such that new retail rates could be effective on March 1, 2015.

This settlement agreement provided for an overall authorized rate of return of 7.52 percent with a common equity ratio of 51 percent and a 9.5 percent return on equity.

The original request was for an overall increase in base natural gas rates of 9.3 percent (designed to increase annual natural gas revenues by \$9.1 million) and it was based on a proposed rate of return of 7.77 percent with a common equity ratio of 51 percent and a 9.9 percent return on equity.

On February 23, 2015, the OPUC issued an order rejecting the all-party settlement agreement filed with the OPUC by the parties on January 21, 2015. The OPUC expressed concerns related to three issues: 1) the proposed early rate implementation credit; 2) the combination of proposed rate increases and rate decreases across the customer classes (rate spread); and 3) the customer count tracking mechanism. With regard to the early rate implementation credit, the order stated, among other things, that there was no evidence in the record that explains the derivation of the rate credit amount, or why the credit would be applied to all customer classes. On rate spread, the OPUC's order expressed concern about proposed increases to rates for some customer classes, and decreases for other customer classes, absent more compelling evidence. And finally, the OPUC expressed concern that the customer count tracking mechanism is contrary to standard ratemaking.

The OPUC's order directed the Administrative Law Judge to convene a prehearing conference to schedule further proceedings in a manner that will allow for the timely completion of the case. The OPUC's order also encouraged the parties to come back with a partial stipulation that encompasses these issues. Furthermore, the OPUC stated that its order does not preclude the parties from reaching a global settlement of all issues that addresses the concerns identified by the OPUC.

Bonneville Power Administration Reimbursement and Reardan Wind Generation Project

In May 2013, the UTC approved the Company's Petition for an order authorizing certain accounting and ratemaking treatment related to two issues. The first issue relates to transmission revenues associated with a settlement between Avista Corp. and the BPA, whereby the BPA reimbursed the Company \$11.7 million for Bonneville's past use of Avista Corp.'s transmission system. The second issue relates to \$4.3 million of costs the Company incurred over the past several years for the development of a wind generation project site near Reardan, Washington, which has been terminated. The UTC authorized the Company to retain \$7.6 million of the BPA settlement payment, representing the entire portion of the settlement allocable to the Washington business. However, this amount was deemed to first reimburse the Company for the \$2.5 million of Reardan project costs that were allocable to the Washington business, leaving \$5.1 million to be retained for the benefit of shareholders.

The BPA agreed to pay \$3.2 million annually for the future use of Avista Corp.'s transmission system. The Company separately tracked and deferred for the customers' benefit, the Washington portion of these revenue payments in 2013 and 2014 (\$2.1 million annually). The Company implemented a one-year \$4.2 million rate decrease for customers effective January 1, 2014 to partially offset the electric general rate increase effective January 1, 2014. To the extent actual revenues from the BPA in 2013 and 2014 differ from

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those refunded to customers in 2014, the difference will be added to or subtracted from the ERM balance. In Idaho, under the terms of the approved rate case settlement, 90 percent of the portion of the BPA settlement allocable to the Idaho business (\$4.1 million) was credited back to customers over 15 months, beginning October 2013, and the Company is amortizing the Idaho portion of Reardan costs (\$1.7 million) over a two-year period, beginning April 2013.

NOTE 20. SUPPLEMENTAL CASH FLOW INFORMATION (in thousands):

	2014	2013
Cash paid for interest	\$69,693	\$70,444
Cash paid for income taxes	\$41,154	\$42,497

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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)	4,501,741,499
4	Property Under Capital Leases	6,442,349
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	4,508,183,848
9	Leased to Others	
10	Held for Future Use	4,964,376
11	Construction Work in Progress	223,330,993
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	4,736,479,217
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,573,767,832
15	Net Utility Plant (Total of lines 13 and 14)	3,162,711,385
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,531,197,363
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	42,570,469
22	TOTAL In Service (Total of lines 18 thru 21)	1,573,767,832
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,573,767,832

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

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	3,325,688,469	889,870,069		286,182,961
4		858,864		5,583,485
5				
6				
7				
8	3,325,688,469	890,728,933		291,766,446
9				
10	4,773,791	190,585		
11	112,974,359	11,625,968		98,730,666
12				
13	3,443,436,619	902,545,486		390,497,112
14	1,196,318,690	298,791,678		78,657,464
15	2,247,117,929	603,753,808		311,839,648
16				
17				
18	1,181,974,217	296,850,488		52,372,658
19				
20				
21	14,344,473	1,941,190		26,284,806
22	1,196,318,690	298,791,678		78,657,464
23				
24				
25				
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27				
28				
29				
30				
31				
32				
33	1,196,318,690	298,791,678		78,657,464

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106)

- Report below the original cost of gas plant in service according to the prescribed accounts.
- 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.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- 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	3,745,299	540,214
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	3,745,299	540,214
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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

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

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

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

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4	214,892			4,070,621
5	214,892			4,070,621
6				
7				
8				
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	7,628	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	7,628	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	407,111	
45	350.2 Rights-of-Way	59,812	
46	351 Structures and Improvements	1,537,105	145,585
47	352 Wells	13,535,439	145,585
48	352.1 Storage Leaseholds and Rights	254,354	
49	352.2 Reservoirs	1,667,492	
50	352.3 Non-recoverable Natural Gas	5,810,311	
51	353 Lines	1,106,781	
52	354 Compressor Station Equipment	14,511,062	145,585
53	355 Other Equipment	314,043	145,585
54	356 Purification Equipment	403,712	
55	357 Other Equipment	1,640,767	145,585
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	41,247,989	727,925
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		

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				7,628
41				7,628
42				
43				
44				407,111
45				59,812
46				1,682,690
47				13,681,024
48				254,354
49				1,667,492
50				5,810,311
51				1,106,781
52				14,656,647
53	1,443			458,185
54				403,712
55	11,366			1,774,986
56				
57	12,809			41,963,105
58				
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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)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	41,247,989	727,925
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	780,729	75,006
95	375 Structures and Improvements	1,141,789	16,204
96	376 Mains	409,791,253	18,075,372
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	9,863,765	467,543
99	379 Measuring and Regulating Station Equipment-City Gate	7,503,298	390,972
100	380 Services	226,710,782	29,405,297
101	381 Meters	101,655,044	4,048,526
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	4,406,009	282,386
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)	761,853,208	52,761,306
110	GENERAL PLANT		
111	389 Land and Land Rights	1,181,407	
112	390 Structures and Improvements	5,759,022	227,494
113	391 Office Furniture and Equipment	476,825	155,203
114	392 Transportation Equipment	11,131,766	1,580,708
115	393 Stores Equipment	141,498	
116	394 Tools, Shop, and Garage Equipment	5,097,321	979,671
117	395 Laboratory Equipment	360,271	246,667
118	396 Power Operated Equipment	4,653,823	(337,770)
119	397 Communication Equipment	3,124,201	355,593
120	398 Miscellaneous Equipment	2,367	
121	Subtotal (Enter Total of lines 111 thru 120)	31,928,501	3,207,566
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)	31,928,501	3,207,566
125	TOTAL (Accounts 101 and 106)	838,782,625	57,237,011
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)	838,782,625	57,237,011

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	12,809			41,963,105
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94			(418)	855,317
95	22,428			1,135,565
96	1,969,012			425,897,613
97				
98	132,190			10,199,118
99	13,512			7,880,758
100	629,163			255,486,916
101	1,551,381			104,152,189
102				
103				
104				
105				4,688,395
106				
107				539
108				
109	4,317,686		(418)	810,296,410
110				
111			145,622	1,327,029
112	79,195		(145,622)	5,761,699
113	7,388			624,640
114	459,385			12,253,089
115				141,498
116	121,448			5,955,544
117	76,354			530,584
118				4,316,053
119	1,128			3,478,666
120				2,367
121	744,898			34,391,169
122				
123				
124	744,898			34,391,169
125	5,290,285		(418)	890,728,933
126				
127				
128				
129	5,290,285		(418)	890,728,933

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Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.

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

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Gas Distribution Mains and Services	03/01/2007		159,823
2	located in Coeur d'Alene, Idaho			
3	Gas Distribution Mains and Services	07/01/2011		30,762
4	located in Coeur d'Alene, Idaho			
5				
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44				
45	Total			190,585

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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	Construct Chase Rd Gate Stn Post Falls ID	5,978,351	
2	Gas Revenue Blanket	1,127,068	
3	Minor Projects under \$1,000,000	4,520,549	66,320,000
4			
5	Notes:		
6	Estimated additional cost amounts represent a five year		
7	budget total.		
8			
9			
10			
11			
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45	Total	11,625,968	66,320,000

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General Description of Construction Overhead Procedure			

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

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

- Construction Overhead North Gas
- Construction Overhead South Gas

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

Allowance for funds used during construction is calculated system wide using a rate that is equivalent to the allowed rate of return approved in the latest rate order from the company's primary state commission (Washington state). For 2014 Avista used a rate of 7.64% which is the allowed Rate of Return contained in the Washington Utilities and Transportation Commission Final Order 09 dated December 26, 2012 for consolidated Dockets UE-120436 and UG-120437.

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General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

- 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.
- Identify, in a footnote, the specific entity used as the source for the capital structure figures.
- 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 Ratio (percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D		d
(4)	Preferred Stock	P		p
(5)	Common Equity	C		c
(6)	Total Capitalization			
(7)	Average Construction Work In Progress Balance	W		

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

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

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds -	3.05
b. Rate for Other Funds -	4.59

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

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

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	281,451,295	281,451,295		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	19,095,624	19,095,624		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	1,624,192	1,624,192		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	31,582	31,582		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	20,751,398	20,751,398		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(5,032,674)	(5,032,674)		
13	Cost of Removal	(498,333)	(498,333)		
14	Salvage (Credit)				
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,531,007)	(5,531,007)		
16	Other Debit or Credit Items (Describe) (footnote details):	178,802			
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	296,850,488	296,850,488		
	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	14,104,079	14,104,079		
25	Other Storage Plant				
26	Base Load LNG Terminating and Processing Plant				
27	Transmission				
28	Distribution	269,810,879	269,810,879		
29	General	12,935,530	12,935,530		
30	TOTAL (Total of lines 21 thru 29)	296,850,488	296,850,488		

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FOOTNOTE DATA			

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

Includes:

Removal Work in Progress \$168,370
Transfer \$10,432

Schedule Page: 219 Line No.: 8 Column: c

Includes:

Reverse 12/31/2013 Ending Balance miscellaneous adjustment of \$-31,582

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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				13,028,710			20,020,786
2	Gas Delivered to Storage					38,924,873			38,924,873
3	Gas Withdrawn from					23,222,085			23,222,085
4	Other Debits and Credits								
5	Balance at End of Year	6,992,076				28,731,498			35,723,574
6	Dth	1,253,060				7,379,592			8,632,652
7	Amount Per Dth	5.5800				3.8934			4.1382

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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)	*	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)
		(b)		
1	Investment in Spokane Energy (123000)		500,000	
2	Investment in Avista Capital II (123010)		11,547,000	
3	Other Investment - WZN Loans Sandpoint (124350)		61,177	
4	Other Investment - Coli Cash Value (124600)		16,195,138	
5	Other Investment - Coli Borrowings (124610)		(16,195,138)	
6	Other Investment - WZN Loans Oregon (124680)		36,346	
7	Other Investment - WNP3 Exchange Power (124900)		79,626,000	
8	Other Investment - AMT WNP3 Exchange (124930)		(65,742,885)	
9	Temp Cash Investments (136000)			
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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			500,000		
2			11,547,000		
3			61,177		
4	(1,682,616)		17,877,754		
5	1,682,616		(17,877,754)		
6	5,221		31,125		
7			79,626,000		
8	2,450,031		(68,192,916)		
9	(15,508,864)		15,508,864		
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Investments in Subsidiary Companies (Account 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- 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).
 - Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - 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.
- 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	Avista Capital - Common Stock	01/01/1997		206,225,548
2	Avista Capital - Equity in Earnings			(98,061,002)
3	OCI Investment in Subs			(1,585,855)
4	Avista Capital - Other Changes in Net Investment			5,653,413
5	Alaska - Equity in Earnings			
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40	TOTAL Cost of Account 123.1 \$		TOTAL	112,232,104

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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		86,577	206,138,971	
2	79,182,513	130,000,213	(148,878,702)	
3		(1,585,855)		
4		5,653,413		
5	3,179,202	(87,816,380)	90,995,582	
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40	82,361,715	46,337,968	148,255,851	

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 224 Line No.: 5 Column: f

\$87,816,380 revenue from Alaska consists of:

(\$67,000,000) Dividends received

\$154,816,380 Acquisition Costs

Total shares issued 4,501,441

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	1,572,436
2	Prepaid Rents	10,740
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	11,784,908
6	TOTAL	13,368,084

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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	Reg Asset Post Ret Liab	156,984,296	78,773,807				235,758,103
2	Reg Asset FAS 109 Utility Plant	62,885,005		283	18,111,883		44,773,122
3	Reg Asset Lancaster Gneration	2,606,667		407	1,360,000		1,246,667
4	Reg Asset FAS 109 DSIT Non Plant	1,257,594	46,765,187				48,022,781
5	Reg Asset FAS 109 DFIT State Tax	3,182,069	1,056,543				4,238,612
6	Reg Asset FAS 109 WNP3	4,178,855		283	737,482		3,441,373
7	Reg Asset Spokane River Relicense	543,626		407	78,736		464,890
8	Reg Asset Spokane River PM&E	502,574		557	73,312		429,262
9	Reg Asset Lake CDA Fund	9,226,534		407	211,065		9,015,469
10	Reg Asset Lake CDA IPA Fund	2,000,000					2,000,000
11	Reg Asset Spokane River TDG	468,893					468,893
12	Reg Asset Decouplings surcharge	7,566		242	2,106		5,460
13	Reg Asset Lake CDA DEF Costs	1,310,141		407	32,719		1,277,422
14	Reg Asset BPA Residential Exchange	1,105,802		283	1,105,802		
15	Reg Asset CNC Transmission	230,632		407	230,632		
16	DEF CS2 & Colsrip	5,813,051		407	8,738		5,804,313
17	Lidar O&M Reg DEF	67,365		407	67,365		
18	Reardan Wind Generation	852,642		407	682,113		170,529
19	ID Wind Gen AFUDC	230,858		407	184,687		46,171
20	Reg Asset Wartisila Units	414,029		407	260,873		153,156
21	MTM St Regulatory Asset	10,829,415	18,810,959				29,640,374
22	MTM Lt Regulatory Asset	23,257,565	1,225,610				24,483,175
23	Reg Asset FAS 143	2,110,232	191,021				2,301,253
24	Reg Asset AN CDA	35,400,262		407	884,086		34,516,176
25	Reg Asset WA CDA	1,052,152		407	152,118		900,034
26	Reg Asset Workers Comp	2,486,931		407	292,588		2,194,343
27	CS2 Lev Ret	408,999		407	408,999		
28	Reg Asset ID PCA Def 2	5,065,235	6,211,802	557	5,065,235		6,211,802
29	Reg Asset ID PCA Def 3		2,078,991	557			2,078,991
30	Spokane River TDG	871,184					871,184
31	Interest Rate Swap Asset	36,525,856			2,561,321		33,964,535
32	DSM Asset	9,576,204	4,603,418	407	9,576,207		4,603,415
33	SWAPS On FMBS		77,062,517	407			77,062,517
34	Misc Reg Assets	129,705	103,536		129,705		103,536
35							
36							
37							
38							
39							
40	Total	381,581,939	236,883,391		42,217,772	0	576,247,558

Miscellaneous Deferred Debits (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1						
2	Colstrip Common Fac.	1,110,999		406		1,110,999
3	Regulatory Asset-Mt Lease Pymt	991,881		540	360,684	631,197
4	Regulatory Asset-Mt Lease Pymt	2,029,848		540	676,632	1,353,216
5	Colstrip Common Fac.	2,355,642				2,355,642
6	Prepaid Airplane Lease LT	171,693		931	147,165	24,528
7	Misc DD- Airplane Lease	81,591			59,899	21,692
8	Plant Alloc of Clearing Jrl	3,064,335	466,007			3,530,342
9	Misc Posting Suspense	33,635	9,502	var		43,137
10	Renewable Energy-Cert Fees	115,250		557	47,562	67,688
11	Nez Perce Settlement	155,537		557	5,212	150,325
12	Reg Asset ID-Lake CDA	209,081		506	30,975	178,106
13	Credit Union Labor & Exp	38,795			2,321	36,474
14	Misc Work Orders <\$50,000	147,095		var	256,317	(109,222)
15	Subsidiary Billings	199,887	233,721	var		433,608
16	"Null" Projects directly to 186	1,353			1,353	
17	Regulatory Assets Consv	1,712,608	165,627			1,878,235
18	Noxon 230 KV Sub permits	107,860			107,860	
19	Optional Wind Power	(175,295)		909	39,761	(215,056)
20	Gas Telemetry equip	59,051			52,548	6,503
21	Misc deffered debits/Res Acct	901,446			676,085	225,361
22	Mutual Aid Response PGE		81,208			81,208
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39	Miscellaneous Work in Progress					
40	Total	13,312,292	956,065		2,464,374	11,803,983

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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	Changes During Year
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	5,183,280	(3,525,531)	291,886
3	Gas	991,860	58,213	(98,841)
4	Other (Define) (footnote details)	64,064,282	(29,633,458)	1,953,937
5	Total (Total of lines 2 thru 4)	70,239,422	(33,100,776)	2,146,982
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	70,239,422	(33,100,776)	2,146,982
8	Classification of TOTAL			
9	Federal Income Tax	70,239,422	(33,100,776)	2,146,982
10	State Income Tax			
11	Local Income Tax			

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	
1							
2	115,715						8,884,982
3						312,838	1,147,644
4	1,256,774	299,863				18,534,082	113,228,848
5	1,372,489	299,863				18,846,920	123,261,474
6							
7	1,372,489	299,863				18,846,920	123,261,474
8							
9	1,372,489	299,863				18,846,920	123,261,474
10							
11							

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Capital Stock (Accounts 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Acct. 201 - Common Stock Issued:			
2	No Par Value	200,000,000		
3	Restriced shares			
4	TOTAL Common	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	Total Preferred	10,000,000		
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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	62,243,374	984,400,740				
3					112,042.00	3,178,632.00
4	62,243,374	984,400,740			112,042.00	3,178,632.00
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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 250 Line No.: 2 Column: a

During 2014, the Company executed a stock repurchase program. Through 12/31/14, the Company repurchased 2,529,615 shares. All repurchased shares under the program were retired and reverted to the status of authorized, but unissued shares. The amounts in account 214 applicable to the retired shares were written off due to the stock repurchase.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Other Paid-In Capital (Accounts 208-211)

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

- (a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
- (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Equity transactions of subsidiaries	(9,520,161)
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40	Total	(9,520,161)

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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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12		
13		
14		
TOTAL		

CAPITAL STOCK EXPENSE (ACCOUNT 214)

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

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Common stock- no par	(25,079,123)
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18		
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TOTAL		(25,079,123)

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Beginning Balance	\$	(19,561,527)
Issuance of Common Stock	\$	493,330
Repurchase and Retirement of Common Stock	\$	900,721
Tax Benefit-Options Exercised	\$	406,364
Excess Tax Benefits on stock compensation	\$	357,913
Stock Compensation Accrual	\$	(7,675,922)
Ending Balance	\$	<u>(25,079,123)</u>

During 2014, the Company executed a stock repurchase program. Through 12/31/14, the Company repurchased 2,529,615 shares. All repurchased shares under the program were retired and reverted to the status of authorized, but unissued shares. The amounts in account 214 applicable to the retired shares were written off due to the stock repurchase.

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

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

In December 2014, Avista Corp. issued \$60.0 million of first mortgage bonds to three institutional investors in a private placement transaction. The first mortgage bonds bear an interest rate of 4.11 percent and mature in 2044. The total net proceeds from the sale of the new bonds were used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes.

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

1. Order of the Washington Utilities and Transportation Commission entered July 13, 2011, as amended on August 24, 2011 in Docket No. U-111176;
2. Order of the Idaho Public Utilities Commission, Order No. 32338, entered August 25, 2011;
3. Order of the Public Utility Commission of Oregon, Order No. 11334, entered August 26, 2011;

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

In 2014, we issued \$154.2 million (net of issuance costs) of common stock, which includes \$150.1 million associated with the acquisition of AERC and the remainder under the dividend reinvestment and direct stock purchase plan, and employee plans.

The new issuance is based on the following commission orders:

1. Order of the Washington Utilities and Transportation Commission, Order No. 1, entered December 12, 2013 in Docket No. UE-132218, UG-132219, and U-132222 ;
2. Order of the Idaho Public Utilities Commission, Order No. 32991, entered March 5, 2014;
3. Order of the Public Utility Commission of Oregon, Order No. 14112, entered April 1, 2014;

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

During 2014, the Company executed a stock repurchase program. Through 12/31/14, the Company repurchased 2,529,615 shares. All repurchased shares under the program were retired and reverted to the status of authorized, but unissued shares. The amounts in account 214 applicable to the retired shares were written off due to the stock repurchase.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

- 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.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- 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.
- 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 05/05/202	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 - 7.39% DUE 5/11/2018	05/11/1993	05/11/2018	7,000,000
4	FMBS - SERIES A - 7.45% DUE 6/11/2018	06/09/1993	06/11/2018	15,500,000
5	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
6	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
7	FMBS - 6.37% SERIES C	06/19/1998	06/19/2028	25,000,000
8	FMBS - 5.45% SERIES	11/18/2004	12/01/2019	90,000,000
9	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
10	FMBS - 5.70% SERIES	12/15/2006	01/01/2037	150,000,000
11	FMBS - 5.95% SERIES	04/02/2008	06/01/2018	250,000,000
12	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
13	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000
14	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000
15	FMBS - 3.89% SERIES	12/20/2010	12/20/2020	52,000,000
16	FMBS - 5.55% SERIES	12/20/2010	12/20/2040	35,000,000
17	4.45% SERIES DUE 12-14-2041	12/14/2011	12/14/2041	85,000,000
18	4.23% SERIES DUE 11-29-2047	11/30/2012	11/29/2047	80,000,000
19	FMBS-0.84% SERIES	08/14/2013	08/14/2016	90,000,000
20	FMBS-4.11% SERIES	12/18/2014	12/01/2044	60,000,000
21				
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40	TOTAL			1,488,247,000

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	414,450			
2	7.540	75,400			
3	7.390	517,300			
4	7.450	1,154,750			
5	7.180	502,600			
6	1.120	449,576			
7	6.370	1,592,500			
8	5.450	4,905,000			
9	6.250	9,375,000			
10	5.700	8,550,000			
11	5.950	14,875,000			
12	5.125	12,812,500			
13	0.271	180,510	66,700,000		
14	0.271	46,007	17,000,000		
15	3.890	2,022,800			
16	5.550	1,942,500			
17	4.450	3,782,500			
18	4.230	3,384,000			
19	0.840	756,000			
20	4.110	89,050			
21					
22					
23					
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40		67,427,443	83,700,000		

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 6 Column: f

Upon issuance Avista Capital II issued \$1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased \$10.0 million of these Preferred Trust Securities. The interest for the year disclosed in the column (i) reflects the net amount owed to third parties.

Schedule Page: 256 Line No.: 6 Column: a

Upon issuance Avista Capital II issued \$1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased \$10.0 million of these Preferred Trust Securities. The interest for the year disclosed in the column (i) reflects the net amount owed to third parties.

Schedule Page: 256 Line No.: 13 Column: a

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

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

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

Schedule Page: 256 Line No.: 20 Column: a

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

1. Order of the Washington Utilities and Transportation Commission entered July 13, 2011, as amended on August 24, 2011 in Docket No. U-111176;
 2. Order of the Idaho Public Utilities Commission, Order No. 32338, entered August 25, 2011;
 3. Order of the Public Utility Commission of Oregon, Order No. 11334, entered August 26, 2011;
- Order of the Public Service Commission of the State of Montana, Default Order No. 4535

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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)	Date To (e)
1	FMBS - SERIES A - 7.53% DUE 05/05/2023	5,500,000	42,712	05/06/1993	05/05/2023
2	FMBS - SERIES A - 7.54% DUE 5/05/2023	1,000,000	7,766	05/07/1993	05/05/2023
3	FMBS - SERIES A - 7.39% DUE 5/11/2018	7,000,000	54,364	05/11/1993	05/11/2018
4	FMBS - SERIES A - 7.45% DUE 6/11/2018	15,500,000	170,597	06/09/1993	06/11/2018
5	FMBS - SERIES A - 7.18% DUE 8/11/2023	7,000,000	54,364	08/12/1993	08/11/2023
6	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRs)	51,547,000	1,296,086	06/03/1197	06/01/2037
7	FMBS - 6.37% SERIES C	25,000,000	158,304	06/19/1998	06/19/2028
8	FMBS - 5.45% SERIES	90,000,000	1,432,081	11/18/2004	12/01/2019
9	FMBS - 6.25% SERIES	150,000,000	2,180,435	11/17/2005	12/01/2035
10	FMBS - 5.70% SERIES	150,000,000	4,924,304	12/15/2006	07/01/2037
11	FMBS - 5.95% SERIES	250,000,000	3,081,419	04/02/2008	06/01/2018
12	FMBS - 5.125% SERIES	250,000,000	2,859,788	09/22/2009	04/01/2022
13	FMBS - 3.89% SERIES	52,000,000	385,129	12/20/2010	12/20/2020
14	FMBS - 5.55% SERIES	35,000,000	258,834	12/20/2010	12/20/2040
15	Short-Term Credit Facility		3,959,449	12/14/2011	02/10/2017
16	4.45% SERIES DUE 12-14-2041	85,000,000	692,833	12/14/2011	12/14/2041
17	4.23% SERIES DUE 11-29-2047	80,000,000	730,833	11/30/2012	11/29/2047
18	0.84% Series Due 08-14-2016	90,000,000	515,369	08/14/2013	08/14/2016
19	4.11% Seires Due 12-1-2044	60,000,000	381,512	12/18/2014	12/01/2044
20	Rathrum 2005		71,646	09/30/2005	12/01/2035
21	Debt Strategies		56,760	08/01/2035	08/01/2005
22	WKSJ Shelf Registration Statement		16,064	03/01/2013	03/01/2018
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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	13,407		1,424	11,983
2	2,438		259	2,179
3	9,604		2,175	7,429
4	30,708		6,824	23,884
5	17,517		1,812	15,705
6	329,348		14,015	315,333
7	76,513		5,277	71,236
8	536,324		98,947	437,377
9	1,596,516		72,569	1,523,947
10	3,797,663		161,032	3,636,631
11	1,338,649		303,090	1,035,559
12	1,896,338		227,561	1,668,777
13	268,355	1,790	38,430	231,715
14	232,958		8,628	224,330
15	1,759,415	1,088,198	537,777	2,309,836
16	646,910		23,104	623,806
17	708,387		20,886	687,501
18	461,616	3,230	174,252	290,594
19		381,512		381,512
20	52,107		2,368	49,739
21	1,133		541	592
22	13,547		3,671	9,876
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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 258 Line No.: 19 Column: c

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

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

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired 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 Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Recquired (b)	Principal of Debt Recquired (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)	(1,050,724)	(871,755)
2	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	12/18/2000	10,000,000	1,769,125	1,142,814	1,094,011
3	Misc 2002 Repurchase	12/31/2002	10,000,000	2,228,153	724,943	672,851
4	Misc 2003 Repurchase	12/31/2003	25,330,000	1,368,612	79,713	106,861
5	Misc 2004 Repurchase	12/31/2004	36,590,000	(7,244,895)	(1,524,021)	(1,083,632)
6	Misc 2005 Repurchase	12/31/2005	26,000,000	(1,700,371)	(786,586)	(687,945)
7	Misc 2006 Repurchase	12/31/2006	6,875,000	(483,582)	(64,663)	(48,698)
8	Misc 2008 Repurchase Costs	12/31/2008		43,132	27,096	24,400
9	AVA Capital Trust III (2022)	04/01/2009	60,000,000	(2,875,817)	(1,910,621)	(1,681,347)
10	COLSTRIP 2010A PCRBs DUE 2032	12/14/2010	66,700,000	(3,709,174)	(2,931,743)	(2,776,075)
11	COLSTRIP 2010B PCRBs DUE 2034	12/14/2010	17,000,000	(1,916,297)	(1,666,957)	(1,584,463)
12	FMBS - 7.25% SERIES (2040)	12/20/2010	30,000,000	(6,273,664)	(4,391,565)	(3,764,199)
13	FMBS - 6.125% SERIES (2020)	12/20/2010	45,000,000	(5,263,822)	(4,737,439)	(4,561,979)
14	KETTLE FALLS P C REV BONDS DUE 14 (2047)	06/28/2012	4,100,000	(105,020)	(101,770)	(98,769)
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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)	192,040,688
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		(149,986,684)
6		
7		
8	TOTAL	(149,986,684)
9	Deductions Recorded on Books Not Deducted for Return	
10		146,365,191
11		
12		
13	TOTAL	146,365,191
14	Income Recorded on Books Not Included in Return	
15		7,183,319
16		
17		
18	TOTAL	7,183,319
19	Deductions on Return Not Charged Against Book Income	
20		(252,358,072)
21		
22		
23		
24		
25		
26	TOTAL	(252,358,072)
27	Federal Tax Net Income	(69,292,404)
28	Show Computation of Tax:	
29	Federal Tax Net Income	
30	State Tax @2%, less Idaho ITC	(1,858,807)
31	Federal Tax Net Income, Less State Tax	(71,151,211)
32	Federal Tax @35%	(24,902,924)
33	Prior Year True Ups	(29,198,415)
34	Cabinet Gorge Tax Credits	(185,265)
35	Total Federal Tax Expense	(54,286,604)

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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)	Balance at	Balance at
		Taxes Accrued	Prepaid Taxes
	(a)	(b)	(c)
1	FEDERAL:		
2	Income Tax 2010	162,519	
3	Income Tax 2011	2,697,260	
4	Income Tax 2012	2,014,544	
5	Income Tax 2013	(3,666,967)	
6	Income Tax (Current)		
7	Prior Retained Earnings (2010)	(1,392,677)	
8	Prior Retained Earnings (2011)	(2,070,474)	
9	Prior Retained Earnings (2012)	(2,124,050)	
10	Prior Retained Earnings (2013)	(483,257)	
11	Current Retained Earnings		
12	Total Federal	(4,863,102)	
13			
14	STATE OF WASHINGTON		
15	Property Tax (2012)	405	
16	Property Tax (2013)	12,098,968	
17	Property Tax (2014)		
18	Excise Tax (2010)	(22,495)	
19	Excise Tax (2013)	2,862,373	
20	Excise Tax (2014)		
21	Natural Gas Use Tax	9,107	
22	Municipal Occupation Tax	3,052,429	
23	Sales & Use Tax (2012)	(10,661)	
24	Sales & Use Tax (2013)	103,048	
25	Sales & Use Tax (2014)		
26	Total Washington	18,093,174	
27			
28	STATE OF IDAHO:		
29	Income Tax (2013)	(63,461)	
30	Income Tax (2014)		
31	Property Tax (2012)	352,996	
32	Property Tax (2013)	3,319,617	
33	Property Tax (2014)		
34	Sales & Use Tax (2013)	4,043	
35	Sales & Use Tax (2014)		
36	KWH Tax (2012)	1	
37	KWH Tax (2013)	19,184	
38	KWH Tax (2014)		
39	Franchise Tax (2013)	1,573,957	

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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	89,714	(2,219,209)	(1,392,677)	1,078,764	
3		661,662	(2,070,474)	(34,876)	
4				2,014,544	
5				(3,666,967)	
6	(58,137,587)	(23,335,818)	470,244	(34,331,525)	
7			1,392,677		
8			2,070,474		
9				(2,124,050)	
10				(483,257)	
11			(470,244)	(470,244)	
12	(58,047,873)	(24,893,365)		(38,017,611)	
13					
14					
15	(405)				
16	(96,763)	12,002,205			
17	14,264,301			14,264,301	
18				(22,495)	
19	(19,365)	2,843,932	924		
20	25,985,628	23,217,121		2,768,507	
21	5,250	4,600	(8,348)	1,409	
22	23,805,376	23,904,238		2,953,568	
23		(10,661)			
24		103,365	318	1	
25	907,515	834,948	(317)	72,250	
26	64,851,537	62,899,748	(7,423)	20,037,541	
27					
28					
29	104,681			41,220	
30	294,500	181,220		113,280	
31	(352,996)				
32	(13,235)	3,307,101		(719)	
33	6,783,896	3,386,321		3,397,575	
34		4,043			
35	169,667	164,050		5,617	
36				1	
37	(134)	19,050			
38	438,004	410,861		27,143	
39		1,577,085		(3,128)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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				89,714
3				
4				
5				
6	(5,279,512)	(18,131,254)		(32,895,113)
7				
8				
9				
10				
11				
12	(5,279,512)	(18,131,254)		(32,805,399)
13				
14				
15	(405)			
16	(148,364)	32,352		19,595
17	11,286,939	2,941,362		36,000
18				
19	(21,453)	(3,248)		5,336
20	19,708,537	6,203,448		73,645
21	5,250			
22	17,690,449	6,009,596		
23				
24				
25				
26	48,520,953	15,183,510		134,576
27				
28				
29	83,745	20,936		
30	377,935	(83,435)		
31	(350,376)			(2,620)
32	(13,235)			
33	5,483,117	1,336,720		15,004
34				
35				
36				
37	(134)			
38	438,652			
39				

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6				(1,831,708)	
7					
8					
9					
10					
11					
12				(1,831,708)	
13					
14					
15					
16				(346)	
17					
18					
19					
20				(2)	
21					
22				105,331	
23					
24					
25				907,515	
26				1,012,498	
27					
28					
29					
30					
31					
32					
33				(50,945)	
34					
35				169,667	
36					
37					
38				(648)	
39					

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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	Franchise Tax (2014)		
2	Total Idaho	5,206,337	
3			
4	STATE OF MONTANA		
5	Income Tax (2011 & Prior)		
6	Income Tax (2012)	(68,011)	
7	Income Tax (2013)	183,678	
8	Income Tax (2014)		
9	Property Tax (2012)	431	
10	Property Tax (2013)	4,071,297	
11	Property Tax (2014)		
12	Colstrip Generatin Tax		
13	KWH Tax (2013)	166,901	
14	KWH Tax (2014)		
15	Consumer Council Tax	11	
16	Public Commission Tax	43	
17	Total Montana	4,354,350	
18			
19	STATE OF OREGON		
20	Income Tax (2012)	(25,001)	
21	Income Tax (2013)	786,066	
22	Income Tax (2014)		
23	Property Tax (2013)	(2,086,107)	
24	Property Tax (2014)		
25	BETC Credit (2010)	(17,483)	
26	BETC Credit (2011)	(29,962)	
27	BETC Credit (2012)	(57,789)	
28	Glendate Regulatory Cr. 2009	(34,911)	
29	Franchise Tax (2010)	513	
30	Franchise Tax (2012)	24,531	
31	Franchise Tax (2013)	889,814	
32	Franchise Tax (2014)		
33	Total Oregon	(550,329)	
34			
35	STATE OF CALIFORNIA		
36	Income Tax (2011)	(800)	
37	Income Tax (2013)	(1,600)	
38	Income Tax (2014)		
39	Total California	(2,400)	

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	4,676,179	3,025,490		1,650,689	
2	12,100,562	12,075,221		5,231,678	
3					
4					
5		(22,865)		22,865	
6		(68,011)			
7	(469,605)	(408,543)	(122,616)		
8	(348,731)	75,000		(423,731)	
9	(431)				
10		4,071,297			
11	8,465,757	4,239,318		4,226,439	
12	1,538	1,538			
13		166,901			
14	1,175,493	912,013		263,479	
15	48	50		9	
16	165	190	1	19	
17	8,824,234	8,966,888	(122,615)	4,089,080	
18					
19					
20		(125,000)		99,999	
21	(886,067)	(100,000)	1		
22	(555,185)	100,000		(655,185)	
23			(1)	(2,086,108)	
24	4,829,077	4,915,625		(86,548)	
25				(17,483)	
26				(29,962)	
27				(57,789)	
28				(34,911)	
29	(513)				
30		24,258	(273)		
31		889,921	107		
32	3,358,313	2,582,151	166	776,328	
33	6,745,625	8,286,955		(2,091,659)	
34					
35					
36				(800)	
37	1,600				
38		1,600		(1,600)	
39	1,600	1,600		(2,400)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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	3,368,298	1,297,418		
2	9,388,002	2,571,639		12,384
3				
4				
5				
6				
7	(469,605)			
8	(348,731)			
9	(431)			
10				
11	8,465,757			
12	1,538			
13				
14	1,175,493			
15	48			
16	165			
17	8,824,234			
18				
19				
20				
21	(221,517)	(664,550)		
22	(138,799)	(416,386)		
23				
24	2,490,689	2,338,388		
25				
26				
27				
28				
29		(513)		
30				
31				
32		3,340,860		
33	2,130,373	4,597,799		
34				
35				
36				
37		1,600		
38				
39		1,600		

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				10,463	
2				128,537	
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32				17,453	
33				17,453	
34					
35					
36					
37					
38					
39					

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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			
2	MISCELLANEOUS STATES:		
3	Income Tax (2012)		
4	Income Tax (2013)	(122,613)	
5	Income Tax (2014)		
6	Total Misc States	(122,613)	
7			
8	COUNTY & MUNICIPAL		
9	WA Renewable Energy	(561)	
10	Misc.	(11,055)	
11	Total County	(11,616)	
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
TOTAL		22,103,801	

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3					
4			122,614	1	
5	28,632			28,632	
6	28,632		122,614	28,633	
7					
8					
9	(228,689)	(228,689)		(561)	
10	76,066	72,434	7,421	2	
11	(152,623)	(156,255)	7,421	(559)	
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	34,351,694	67,180,792	(3)	(10,725,297)	

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				3,654
11				3,654
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL	63,584,050	4,223,294		(32,654,785)

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5				28,632	
6				28,632	
7					
8					
9				(228,689)	
10				72,412	
11				(156,277)	
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL				(800,865)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Miscellaneous Current and Accrued Liabilities (Account 242)

- Describe and report the amount of other current and accrued liabilities at the end of year.
- 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	470,000
2	Forest use Permits	3,469,667
3	Settlement Payable	580,000
4	Mirabeau Accrued Rent	25,158
5	Clearing Accounts	1,602,856
6	FERC Admin Fee Acc	700,000
7	FERC Elec Admin Charge	135,136
8	Mt Lease Payments	4,622,400
9	Misc Non Mon Pwr exchange	1,531
10	Prepayments	325,253
11	Payroll EQLZTN	18,265,026
12	Low Income Assist	2,629,937
13	Avista Grants Eng Sustain WSU	63,986
14	Mobius	150,000
15	Worker's Comp Liability	2,194,343
16	Customer Accounts	8,258,144
17	Acct Payable Expense Accruals	1,016,858
18	Accrued Expenses Subs	3,318,922
19	Current Portion- Benefit Liability	6,147,423
20	Cash Overdraft	3,507,358
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	57,483,998

Other Deferred Credits (Account 253)

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

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Defer Gas Exchange (253028)	1,500,000		375,010		1,124,990
2	Rathdrum Refund (253120)	205,754		33,822		171,932
3	NE Tank Spill (253130)	16,782			9,746	26,528
4	Bills Pole Rentals (253140)	296,339			15,301	311,640
5	CR-CS2 GE LTSA (253150)	2,003,140		838,472		1,164,668
6	Credit Resource Actg	901,446		676,085		225,361
7	DOC EECE Grant	271,380		94,098		177,282
8	Defer Comp Retired Execs (253900)	36,255		25,926		10,329
9	Defer Comp Active Execs (253910)	9,170,452		493,566		8,676,886
10	Executive Incent Plan (253920)	140,000				140,000
11	Unbilled Revenue (253990)	1,048,274		374,016		674,258
12	WA Energy Recovery Mechanism	8,024,194		8,024,194	4,224,011	4,224,011
13	Misc Deferred Credits	138,369		138,369	3,677,156	3,677,156
14	REC Deferral	1,606,948		1,606,948		
15	Kettle Falls Diesel Leak				664,699	664,699
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	Total	25,359,333		12,680,506	8,590,913	21,269,740

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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	298,124,105	91,710,027	
3	Gas	104,243,017	37,166,301	
4	Other (Define) (footnote details)	44,733,113	6,744,789	
5	Total (Enter Total of lines 2 thru 4)	447,100,235	135,621,117	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	447,100,235	135,621,117	
8	Classification of TOTAL			
9	Federal Income Tax	436,033,912	131,984,301	
10	State Income Tax	11,066,323	3,636,816	
11	Local Income Tax			

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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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							389,834,132
3							141,409,318
4							51,477,902
5							582,721,352
6							
7							582,721,352
8							
9							568,018,213
10							14,703,139
11							

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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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	19,241,501	(2,526,001)	
3	Gas	(3,856,614)	3,085,379	
4	Other (Define) (footnote details)	146,459,547	(3,061,139)	
5	Total (Total of lines 2 thru 4)	161,844,434	(2,501,761)	
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru 6)	161,844,434	(2,501,761)	
8	Classification of TOTAL			
9	Federal Income Tax	161,844,434	(2,501,761)	
10	State Income Tax			
11	Local Income Tax			

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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	1,128,945					500,852	17,343,593
3						(62,407)	(708,828)
4		5,739,597				(70,560,211)	208,219,022
5	1,128,945	5,739,597				(70,121,766)	224,853,787
6							
7	1,128,945	5,739,597				(70,121,766)	224,853,787
8							
9	1,128,945	5,739,597				(70,121,766)	224,853,787
10							
11							

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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	5,409,558				5,052,481	10,462,039
2	Oregon BETC Credit	500,000				331,138	831,138
3	Noxon, ITC	3,293,863	190	52,632			3,241,231
4	Settled Int Rate Swaps	12,965,590				3,457,962	16,423,552
5	Unsettled Int Rate Swaps	33,543,258	176	33,082,942			460,316
6	Oregon Commercial Fee			1,942		1,942	
7	FAS109 Invest Credit	82,200	190	18,300			63,900
8	Nez Perce	660,356	557	22,008			638,348
9	Idaho Earnings Test					4,275,418	4,275,418
10	Oregon Senate Bill		407	73,357		73,357	
11	Decoupling Rebate	2,279	407	2,279			
12	BPA Parallel Cap	5,397,106	407	4,588,970			808,136
13	BPA RES Exch		407			1,659,457	1,659,457
14	Unrealized Currency Exchange		143	28,237		28,237	
15	Idaho PCA	9,879,394		9,879,394		9,962,091	9,962,091
16	Roseburg/Medford	8,726		8,726		8,729	8,729
17							
18							
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42							
43							
44							
45	Total	71,742,330		47,758,787	0	24,850,812	48,834,355

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Gas Operating Revenues					
<p>1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.</p> <p>2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.</p> <p>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.</p>					
Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

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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	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	203,373,340	206,329,739	203,373,340	206,329,739	19,017,094	20,471,146
2	110,129,154	108,505,217	110,129,154	108,505,217	12,742,856	13,311,914
3						
4	230,997,169	196,375,408	230,997,169	196,375,408	56,068,962	53,792,387
5	337,273	313,297	337,273	313,297	41,051	41,763
6						
7						
8	188,455	176,451	188,455	176,451		
9						
10						
11	7,735,097	7,576,118	7,735,097	7,576,118	16,231,147	15,997,643
12						
13						
14						
15						
16	3,132	3,068	3,132	3,068		
17						
18	5,329,746	6,693,017	5,329,746	6,693,017		
19	558,093,366	525,972,315	558,093,366	525,972,315		
20	221,098	441,849	221,098	441,849		
21	557,872,268	525,530,466	557,872,268	525,530,466		

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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	426,589
13	Deferred Exchange Revenue	4,875,000
14	DSM Lost Margin (Oregon)	28,157
15		
16		
17		
18		
19		
20		
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	Total	5,329,746

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Gas Operation and Maintenance Expenses

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

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Gas Operation and Maintenance Expenses(continued)

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

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	416,037,120	350,342,545
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	8,065,460	(4,784,160)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	407,971,660	355,126,705
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	23,222,085	33,596,700
87	(Less) 808.2 Gas Delivered to Storage-Credit	38,924,873	29,349,123
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	1,602,046	1,386,785
93	812 Gas Used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,602,046	1,386,785
95	813 Other Gas Supply Expenses	1,634,458	1,825,650
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	392,301,284	359,813,147
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	392,301,284	359,813,147
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	9,776	25,291
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	723,454	695,512
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	733,230	720,803

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	661,095	568,328
124	TOTAL Maintenance (Total of lines 116 thru 123)	661,095	568,328
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	1,394,325	1,289,131
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	1,394,325	1,289,131

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,231,329	2,332,982
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

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	5,050,253	4,827,520
209	875 Measuring and Regulating Station Expenses-General	227,487	371,938
210	876 Measuring and Regulating Station Expenses-Industrial	6,093	3,335
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	168,066	194,405
212	878 Meter and House Regulator Expenses	821,734	1,621,726
213	879 Customer Installations Expenses	2,770,677	3,122,752
214	880 Other Expenses	2,956,344	2,889,859
215	881 Rents	50,086	45,023
216	TOTAL Operation (Total of lines 204 thru 215)	14,282,069	15,409,540
217	Maintenance		
218	885 Maintenance Supervision and Engineering	202,495	216,205
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	3,689,559	2,860,335
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	408,967	389,211
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	306,081	275,635
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	86,733	103,580
225	892 Maintenance of Services	2,624,504	2,081,398
226	893 Maintenance of Meters and House Regulators	2,473,195	2,099,190
227	894 Maintenance of Other Equipment	359,692	334,533
228	TOTAL Maintenance (Total of lines 218 thru 227)	10,151,226	8,360,087
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	24,433,295	23,769,627
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	288,098	315,307
233	902 Meter Reading Expenses	2,032,328	2,255,275
234	903 Customer Records and Collection Expenses	7,431,401	7,922,945

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	2,448,316	2,257,721	
236	905 Miscellaneous Customer Accounts Expenses	175,445	211,704	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	12,375,588	12,962,952	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	7,161,608	7,755,993	
242	909 Informational and Instructional Expenses	920,194	1,023,410	
243	910 Miscellaneous Customer Service and Informational Expenses	158,451	179,059	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	8,240,253	8,958,462	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	0	4,797	
249	913 Advertising Expenses	0	0	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	4,797	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	9,505,163	9,156,633	
255	921 Office Supplies and Expenses	1,766,312	1,535,967	
256	(Less) 922 Administrative Expenses Transferred-Credit	20,731	17,301	
257	923 Outside Services Employed	4,655,459	3,903,981	
258	924 Property Insurance	485,783	471,875	
259	925 Injuries and Damages	1,641,068	1,759,255	
260	926 Employee Pensions and Benefits	719,807	345,783	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	2,081,530	2,257,020	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1General Advertising Expenses	73	31	
265	930.2Miscellaneous General Expenses	1,485,418	1,321,552	
266	931 Rents	302,200	288,924	
267	TOTAL Operation (Total of lines 254 thru 266)	22,622,082	21,023,720	
268	Maintenance			
269	932 Maintenance of General Plant	3,600,782	3,151,359	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	26,222,864	24,175,079	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	464,967,609	430,973,195	

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	804	1,523,234	0		
2	811 Gas Used for Products Extraction - Credit	811	2,373,781	1,602,046		
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.)					
6						
7						
8						
9						
10						
11						
12						
13						
14						
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16						
17						
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19						
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21						
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23						
24						
25	Total		3,897,015	1,602,046		

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

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

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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	685,888
3	Labor Loading	571,651
4	Other Expenses (Professional Services, Travel, Office Supplies, Training)	136,651
5		
6	Regulatory Affairs	
7	Labor	48,865
8	Labor Loading	43,454
9	Other Expenses (Travel, Transportation, Gas Technology Institute Payments)	147,949
10		
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12		
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25	Total	1,634,458

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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.	339,772
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	120,872
4	Other expenses	
5	Community relations	11,539
6	Director expenses	351,248
7	Educational and information	20,933
8	Rating agency fees	66,751
9	Aircraft operations and fees	61,291
10	Other miscellaneous general expenses	513,012
11		
12		
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24		
25	Total	1,485,418

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FOOTNOTE DATA			

Schedule Page: 335 Line No.: 10 Column: a

Other expenses, detail (vendors paid less than \$5,000 grouped):

Vendor	Purpose	Amount
Various vendors < \$5,000	Miscellaneous	\$ 238,441
Baker Bots LLP	Misc.	\$ 37,500
Citibank	Misc.	\$ 4,598
Citibank NA	Misc.	\$ 16,163
Corp credit card	Misc.	\$ 41,768
E Source Companies LLC	Misc.	\$ 2,081
Enterprise Rent a Car	Misc.	\$ 1,609
ET Environmental Inc.	Misc.	\$ 12,841
Hanna & Associates Inc.	Professional services	\$ 61,395
Intelliresponse System Inc.	Misc.	\$ 22,537
Klundt Hosmer Design	Prof. svcs.	\$ 6,722
Marketwire Inc.	Misc.	\$ 2,965
Newsdata Corporation	Misc.	\$ 6,866
Olsten	Workforce contract	\$ 9,265
Raidious LLC	Misc.	\$ 5,468
Sarah Dennison Leonard	Misc.	\$ 1,579
Thackston, Jason R.	Employee misc expenses	\$ 3,900
The Bank of New York Mellon	Misc.	\$ 2,526
The Coeur d'Alene	Misc.	\$ 4,339
The Davenport Hotel	Misc.	\$ 3,796
Union Bank of California	Misc.	\$ 14,929
Wilmington Trust Company	Misc.	\$ 1,436
Wurts & Associates Inc.	Misc.	\$ 10,288

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

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

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				227
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	681,429			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	17,677,004			
10	General plant	737,191			2,355
11	Common plant-gas	4,369,165			8,284
12	TOTAL	23,464,789			10,866

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

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

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

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

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	481,246		481,473	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			681,429	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			17,677,004	Distribution plant
10			739,546	General plant
11	3,373,648		7,751,097	Common plant-gas
12	3,854,894		27,330,549	TOTAL

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

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

Section B. Factors Used in Estimating Depreciation Charges

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

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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 AMORTIZATIONS	
2	Items Under \$250,000	
3	Total - 425.00	
4	Acct. 426.10 - DONATIONS	
5	Land Expressions - Huntington Park Renovation Donation to City of Spokane	675,154
6	Items Under \$250,000	3,204,243
7	Total 426.10	3,879,397
8	Acct. 426.20 - LIFE INSURANCE	
9	Officers Life	47,321
10	SERP	2,144,885
11	Items Under \$250,000	(131,636)
12	Total 426.20	2,060,570
13	Acct. 426.30 - PENALTIES	
14	Items Under \$250,000	(24,718)
15	Total 426.30	(24,718)
16	Acct. 426.40 - EXPENDITURES FOR CERTAIN CIVIC, POLITICAL, AND RELATED ACTIVITIES	
17	Items Under \$250,000	1,679,329
18	Total 426.40	1,679,329
19	Acct. 426.50 - OTHER DEDUCTIONS	
20	Executive Deferred Compensation	755,367
21	UBS Securities LLP - Advisory Services for Acquisition of Alaska Energy and Resy	433,160
22	Helveticka, Inc. - Marketing Services	317,705
23	Items Under \$250,000	1,788,930
24	Total 426.50	3,295,162
25	Acct. 430.00 - INTEREST ON DEBT TO ASSOC. COMPANIES	
26	Avista Capital II (long-term debt) (variable rate ranged from 1.10 to 1.11 %)	449,651
27	Avista Capital, Inc.	285,847
28	Total 430.00	735,498
29	Acct. 431.00 - OTHER INTEREST EXPENSE	
30	Interest on electric deferrals	599,935
31	Interest on natural gas deferrals	169,520
32	Interest on committed line of credit	1,005,868
33	Other	262,634
34	Total 431.00	2,037,957
35		

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Regulatory Commission Expenses (Account 928)

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

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	Charges include annual fee and license fee				
3	for the Spokane River Project, the Cabinet				
4	Gorge Project and Noxon Rapids Project	2,156,360	472,828	2,629,188	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	997,195	909,098	1,906,293	
8					
9	Includes annual fee and various other natural gas dockets	314,536	282,397	596,933	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	590,379	244,404	834,783	
13					
14	Includes annual fee and various other natural gas dockets	161,525	71,788	233,313	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	549,812	415,815	965,627	
18					
19	Not directly assigned electric		710,928	710,928	
20	Not directly assigned natural gas		285,657	285,657	
21					
22					
23					
24					
25	Total	4,769,807	3,392,915	8,162,722	

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	2,629,188				
5							
6							
7	Electric	928	1,906,293				
8							
9	Gas	928	596,933				
10							
11							
12	Electric	928	834,783				
13							
14	Gas	928	233,313				
15							
16							
17	Gas	928	965,627				
18							
19	Electric	928	710,928				
20	Gas	928	285,657				
21							
22							
23							
24							
25			8,162,722				

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	719,807
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	
4	Post-employment benefit plans	
5	Other (Specify)	
6		
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	Total	719,807

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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	10,113,212			10,113,212
4	Transmission	2,951,554			2,951,554
5	Distribution	7,946,431			7,946,431
6	Customer Accounts	6,799,031			6,799,031
7	Customer Service and Informational	670,845			670,845
8	Sales				
9	Administrative and General	15,754,826			15,754,826
10	TOTAL Operation (Total of lines 3 thru 9)	44,235,899			44,235,899
11	Maintenance				
12	Production	3,442,184			3,442,184
13	Transmission	1,139,156			1,139,156
14	Distribution	4,148,919			4,148,919
15	Administrative and General			13,477,288	13,477,288
16	TOTAL Maintenance (Total of lines 12 thru 15)	8,730,259		13,477,288	22,207,547
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	13,555,396			13,555,396
19	Transmission (Total of lines 4 and 13)	4,090,710			4,090,710
20	Distribution (Total of lines 5 and 14)	12,095,350			12,095,350
21	Customer Accounts (line 6)	6,799,031			6,799,031
22	Customer Service and Informational (line 7)	670,845			670,845
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	15,754,826		13,477,288	29,232,114
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	52,966,158		13,477,288	66,443,446
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	734,753			734,753
31	Storage, LNG Terminaling and Processing	3,573			3,573
32	Transmission				
33	Distribution	4,754,140			4,754,140
34	Customer Accounts	2,746,083			2,746,083
35	Customer Service and Informational	313,752			313,752
36	Sales				
37	Administrative and General	5,981,587			5,981,587
38	TOTAL Operation (Total of lines 28 thru 37)	14,533,888			14,533,888
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	1,084,690			1,084,690
45	Distribution	3,472,268			3,472,268

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Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General			4,847,565	4,847,565
47	TOTAL Maintenance (Total of lines 40 thru 46)	4,556,958		4,847,565	9,404,523
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)	734,753			734,753
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	3,573			3,573
54	Transmission (Total of lines 32 and 44)	1,084,690			1,084,690
55	Distribution (Total of lines 33 and 45)	8,226,408			8,226,408
56	Customer Accounts (Total of line 34)	2,746,083			2,746,083
57	Customer Service and Informational (Total of line 35)	313,752			313,752
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	5,981,587		4,847,565	10,829,152
60	Total Operation and Maintenance (Total of lines 50 thru 59)	19,090,846		4,847,565	23,938,411
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	72,057,004		18,324,853	90,381,857
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	25,103,214		11,855,092	36,958,306
67	Gas Plant	5,564,967		3,639,262	9,204,229
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	30,668,181		15,494,354	46,162,535
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,759,115		439,344	2,198,459
72	Gas Plant	109,173		27,267	136,440
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	1,868,288		466,611	2,334,899
75	Other Accounts (Specify) (footnote details)	41,119,277		(34,285,815)	
76	TOTAL Other Accounts	41,119,277		(34,285,815)	6,833,462
77	TOTAL SALARIES AND WAGES	145,712,750		3	145,712,753

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 75 Column: e

Other accounts (specify):			
Stores expense (163)	1,990,544	(1,990,544)	0
Unamortized debt expense (181)	0		0
Regulatory assets (182)	0		0
Preliminary survey and investigation (183)	2,545		2,545
Small tools expense (184)	3,409,889	(3,409,889)	0
Miscellaneous deferred debits (186)	2,518,814		2,518,814
Capital stock expense (214)	0		0
Merchandising expenses (416)	0		0
Non-operating expenses (417)	1,473,036		1,473,036
Expenditures of certain civic, political and related activities (426)	937,340		937,340
Employee incentive plan (232380)	11,880,540	(11,880,540)	0
DSM tariff rider and payroll equalization liability (242600, 242700)	18,779,293	(17,004,842)	1,774,451
Incentive / stock compensation (238000)	127,276		127,276
TOTAL Other Accounts	41,119,277	(34,285,815)	6,833,462

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	AECOM TECHNICAL SERVICES INC	299,845
2	ALDEN RESEARCH LABORATORY INC	362,754
3	BAKER CONSTRUCTION & DEVELOPMENT INC	575,000
4	BLACK & VEATCH CORPORATION	644,345
5	CIRRUS DESIGN	315,785
6	COEUR D ALENE TRIBE	730,117
7	COLUMBIA GRID	322,708
8	DAVIS WRIGHT TREMAINE LLP	512,805
9	DINERO SOLUTIONS LLC	561,684
10	DUCKS UNLIMITED	3,119,302
11	ERNST & YOUNG LLP	3,747,281
12	ET ENVIRONMENTAL INC	912,175
13	FIVE POINT PARTNERS LLC	3,326,765
14	GILLESPIE PRUDHON & ASSOCIATES INC	254,908
15	GOLDER ASSOCIATES INC	278,921
16	HELVETICKA INC	377,188
17	HICKEY BROTHERS RESEARCH LLC	289,505
18	HP ENTERPRISE SERVICES	1,762,429
19	IBM CORPORATION	5,181,260
20	IDAHO DEPT OF FISH & GAME	262,743
21	INTELLITECT	680,647
22	KLUNDT HOSMER DESIGN	418,640
23	LAND EXPRESSIONS	1,654,476
24	LANDAU ASSOCIATES	516,743
25	MAX J KUNEY COMPANY	563,189
26	MCKINSTRY ESSENTION INC	3,065,883
27	MOSAIC COMPANY	1,448,533
28	MWH AMERICAS INC	282,025
29	NEAL STRUCTURAL REPAIR LLC	1,437,896
30	NORTHWEST HYDRAULIC CONSULTANTS LTD	285,900
31	NORTHWEST POWER POOL	267,969
32	ON RAMP WIRELESS	273,250
33	OPOWER INC	279,887
34	PAINE HAMBLEN LLP	772,227
35	OTHER	20,533,247

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Transactions with Associated (Affiliated) Companies

- 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.
- Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
- Total under a description "Total", the total of all of the aforementioned goods and services.
- 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, LLC	931000	149,304
3	Other	Spokane Energy LLC	456000	51,175
4	TOTAL			200,479
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	Corporate Service Support	Salix Inc.	146000	794,279
22	Other	Alaska Inc.	146000	110,121
23	Other	Avista Development Inc	146000	228,289
24	Other	Avista Capital Inc.	146000	107,661
25	Other	Avista Energy Inc.	146000	42,910
26	TOTAL			1,283,260
27				
28				
29				
30				
31				
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39				
40				

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Gas Storage Projects

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

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May	1,938,598		1,938,598
7	June	1,160,794		1,160,794
8	July	1,649,683		1,649,683
9	August	2,345,391		2,345,391
10	September	1,250,097		1,250,097
11	October	194,507		194,507
12	November	650,868		650,868
13	December	701,545		701,545
14	TOTAL (Total of lines 2 thru 13)	9,891,483		9,891,483
15	Gas Withdrawn from Storage			
16	January	1,182,256		1,182,256
17	February	2,486,824		2,486,824
18	March	625,788		625,788
19	April	1,741		1,741
20	May			
21	June	1,263		1,263
22	July	2,046		2,046
23	August	1,404		1,404
24	September	32,588		32,588
25	October	3,560		3,560
26	November	939,473		939,473
27	December	1,537,239		1,537,239
28	TOTAL (Total of lines 16 thru 27)	6,814,182		6,814,182

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Gas Storage Projects

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

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	8,528,000
2	Cushion Gas (Including Native Gas)	7,730,668
3	Total Gas in Reservoir (Total of line 1 and 2)	16,258,668
4	Certificated Storage Capacity	16,258,668
5	Number of Injection - Withdrawal Wells	54
6	Number of Observation Wells	48
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	02/06/2014
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/15/2015	2014/Q4
FOOTNOTE DATA			

Schedule Page: 513 Line No.: 7 Column: b
Mcf converted to Dth using factor of 1.04

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of <u>2014/Q4</u>
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Auxiliary Peaking Facilities

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

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1					
2	Chehalis, Washington	Underground Natural Gas	358,800	36,052,765	Yes
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	39,867	5,910,342	Yes
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623	()	No
11		Storage Field			
12		Oregon Supply			
13					
14	Rock Springs, Wyoming	Underground Natural Gas	186,125	()	No
15		Storage Field			
16		Washington & Idaho Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	63,875	()	No
19		Storage Field			
20		Oregon Supply			
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

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

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

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

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

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

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2015	Year/Period of Report End of 2014/Q4
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Gas Account - Natural Gas

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

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		92,463,861	26,721,124
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	16,231,147	4,358,505
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	12,039	11,649
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		(3,082,702)	956,133
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		105,624,345	32,047,411
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		87,869,964	27,137,213
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	16,231,147	4,358,505
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509	1,523,234	551,693
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		105,624,345	32,047,411
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For			
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		105,624,345	32,047,411

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - STATEMENT OF OPERATING INCOME FOR THE YEAR

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	2	\$201,089,425	\$188,283,342
3	Operating Expenses			
4	Operation Expenses (401)	4 - 9	172,468,482	157,283,750
5	Maintenance Expenses (402)	4 - 9	4,360,775	3,535,175
6	Depreciation Expense (403)	10	6,642,978	5,507,675
7	Amort. & Depl. of Utility Plant (404-405)	10	1,193,976	898,469
8	Amort. of Utility Plant Acq. Adj. (406)(See Note 1)	10		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Senate Bill 408 (407330/407408/407431)		(1,458)	(1,429)
11	Reg Credit Roseburg/Medford Deferral (407421)		0	273,740
12	Taxes Other Than Income Taxes (408.1)	11	5,742,604	5,636,978
13	Income Taxes - Federal (409.1)	12	(8,530,230)	986,327
14	- Other (409.1)	13	(416,386)	664,550
15	Provision for Deferred Income Taxes (410.1) (410.2)	14 - 21	11,297,751	2,878,288
16	(Less) Prov. for Def. Inc. Taxes-Cr. (411.1)	14 - 21	20,668	46,624
17	Investment Tax Credit Adj. - Net (411.4)	22		
18	(Less) Gains from Disp. of Utility Plant (411.7)			
19	Losses from Disp. of Utility Plant (411.7)			
20	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 18)		192,737,824	177,616,899
21	Net Utility Operating Income Enter Total of Line 2 less Line 19		\$8,351,601	\$10,666,443

Note 1: Amortization of Gas Plant Acquisition Adjustment was charged to Account 425, Miscellaneous Amortization, classified as Other Income and Income Deductions.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, Y, D) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - GAS OPERATING REVENUES (Account 400)

Line No.	Title of Account (a)	OPERATING REVENUES		THERMS OF GAS SOLD		AVG. NO. OF GAS CUST. PER MO.		Line No.
		Current Year (b)	Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)	
1	GAS SERVICE REVENUES							1
2	(480) Residential Sales	53,046,117	61,502,608	42,042,810 **	51,206,313	85,798	85,145	2
3	(481) Commercial and Industrial Sales							3
4	Small (or Comm.) (See Instr. 6)	28,182,955	31,768,007	29,705,082 **	33,926,258	11,336	11,247	4
5	Large (or Ind.) (See Instr. 6)	1,057,007	928,029	1,708,752 **	1,673,828	41	42	5
6	(482) Other Sales to Public Authorities							6
7	(484) Interdepartmental Sales	16,308	14,751	15,978	14,215	11	10	7
8	TOTAL Sales to Ultimate Consumers	82,302,387 *	94,213,395	73,472,622 **	86,820,614	97,186	96,444	8
9	(483) Sales for Resale	115,399,902	90,624,357	274,168,380	251,293,200			9
10	TOTAL Nat. Gas Service Revenues	197,702,289	184,837,752	347,641,002	338,113,814	97,186	96,444	10
11	Revenues from Manufactured Gas			0	-	-	-	11
12	TOTAL Gas Service Revenues	197,702,289	184,837,752					12
13	OTHER OPERATING REVENUES							13
14	(485) Intracompany Transfers							14
15	(487) Forfeited Discounts							15
16	(488) Misc. Service Revenues	165,698	151,862					16
17	(489) Rev. from Trans. of Gas of Others	3,192,524 *	3,119,525					17
18	(490) Sales of Prod. Ext. from Nat. Gas							18
19	(491) Rev. from Nat. Gas Proc. by Others							19
20	(492) Incidental Gasoline and Oil Sales							20
21	(493) Rent from Gas Property	757	757					21
22	(494) Interdepartmental Rents							22
23	(495) Other Gas Revenues	28,157	173,446					23
24	TOTAL Other Operating Revenues	3,387,136	3,445,590					24
25	TOTAL Gas Operating Revenues	201,089,425	188,283,342					25
26	(Less) (496) Provision for Rate Refunds							26
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	201,089,425						27
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	81,229,072		71,747,892				28
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	1,057,007		1,708,752				29
30	Sales for Resale	115,399,902		274,168,380				30
31	Other Sales to Pub. Auth. (Local Dist. Only)							31
32	Interdepartmental Sales	16,308		15,978				32
33	TOTAL (Same as Line 10, Columns (b) and (d))	197,702,289		347,641,002				33
		0						

Notes:
* Includes unbilled revenues.
** Includes unbilled therms.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - INTERDEPARTMENTAL SALES - NATURAL GAS (Account 484)

Report particulars concerning sales of natural gas included in Account 484.

Line No.	Department and Basis of Charges (a)	Point of Delivery (b)	Mcf (14.73 psia at 60• F) (c)	Revenue (d)
1	Natural gas supply for operation of Avista's facilities	Avista facility	1,567	16,308
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	TOTAL		1,567	16,308

RENT FROM GAS PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 493 and 494)

- Report particulars concerning rents received included in Accounts 493 and 494.
- Minor rents may be entered at the total amount for each class of such rents.
- If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account represents profit or return on property, depreciation, and taxes, give particulars and the basis of apportionment of such charges to Account 493 or 494.
- Provide a subheading and total for each account.

Line No.	Name of Lessee or Department (Designate associated companies) (a)	Description of property (b)	Amount of Revenue for Year	
			Natural Gas Property (c)	Manufactured Gas Property (d)
1	Other		757	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	TOTAL		757	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)
1	1. PRODUCTION EXPENSES	
2	A. Manufactured Gas Production	-
3	Manufactured Gas Production (Submit Supplemental Statement)	
4	B. Natural Gas Production	
5	B1. Natural Gas Production and Gathering	
6	Operation	-
7	750 Operation Supervision and Engineering	-
8	751 Production Maps and Records	-
9	752 Gas Wells Expenses	-
10	753 Field Lines Expenses	-
11	754 Field Compressor Station Expenses	-
12	755 Field Compressor Station Fuel and Power	-
13	756 Field Measuring and Regulating Station Expenses	-
14	757 Purification Expenses	-
15	758 Gas Well Royalties	-
16	759 Other Expenses	-
17	760 Rents	-
18	TOTAL Operation (Enter Total of lines 7 thru 17)	-
19	Maintenance	
20	761 Maintenance Supervision and Engineering	-
21	762 Maintenance of Structures and Improvements	-
22	763 Maintenance of Producing Gas Wells	-
23	764 Maintenance of Field Lines	-
24	765 Maintenance of Field Compressor Station Equipment	-
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment	-
26	767 Maintenance of Purification Equipment	-
27	768 Maintenance of Drilling and Cleaning Equipment	-
28	769 Maintenance of Other Equipment	-
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	-
31	B2. Products Extraction	
32	Operation	
33	770 Operation Supervision and Engineering	-
34	771 Operation Labor	-
35	772 Gas Shrinkage	-
36	773 Fuel	-
37	774 Power	-
38	775 Materials	-
39	776 Operation Supplies and Expenses	-
40	777 Gas Processed by Others	-
41	778 Royalties on Products Extracted	-
42	779 Marketing Expenses	-
43	780 Products Purchased for Resale	-
44	781 Variation in Products Inventory	-
45	(Less) 782 Extracted Products Used by the Utility-Credit	-
46	783 Rents	-
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	-

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)
B2. Products Extraction (Continued)		
48	Maintenance	
49	784 Maintenance Supervision and Engineering	-
50	785 Maintenance of Structures and Improvements	-
51	786 Maintenance of Extraction and Refining Equipment	-
52	787 Maintenance of Pipe Lines	-
53	788 Maintenance of Extracted Products Storage Equipment	-
54	789 Maintenance of Compressor Equipment	-
55	790 Maintenance of Gas Measuring and Reg. Equipment	-
56	791 Maintenance of Other Equipment	-
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	-
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	-
C. Exploration and Development		
60	Operation	
61	795 Delay Rentals	-
62	796 Nonproductive Well Drilling	-
63	797 Abandoned Leases	-
64	798 Other Exploration	-
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	-
D. Other Gas Supply Expenses		
66	Operation	
67	800 Natural Gas Well Head Purchases	-
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	-
69	801 Natural Gas Field Line Purchases	-
70	802 Natural Gas Gasoline Plant Outlet Purchases	-
71	803 Natural Gas Transmission Line Purchases	-
72	804 Natural Gas City Gate Purchases	161,753,493
73	804.1 Liquefied Natural Gas Purchases	-
74	805 Other Gas Purchases	-
75	(Less) 805.1 Purchased Gas Cost Adjustments	(5,302,883)
76		
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	156,450,610
78	806 Exchange Gas	-
79	Purchased Gas Expenses	
80	807.1 Well Expenses-Purchased Gas	-
81	807.2 Operation of Purchased Gas Measuring Stations	-
82	807.3 Maintenance of Purchased Gas Measuring Stations	-
83	807.4 Purchased Gas Calculations Expenses	-
84	807.5 Other Purchased Gas Expenses	-
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	-
86	808.1 Gas Withdrawn from Storage-Debit	2,486,165
87	(Less) 808.2 Gas Delivered to Storage-Credit	(4,152,610)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	-
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	-
90	Gas Used in Utility Operations-Credit	
91	810 Gas Used for Compressor Station Fuel-Credit	-
92	811 Gas Used for Products Extraction-Credit	(471,284)
93	812 Gas used for Other Utility Operations-Credit	-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(471,284)
95	813 Other Gas Supply Expenses	506,312
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	154,819,193
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	154,819,193

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES	
99	A. Underground Storage Expenses	
100	Operation	
101	814 Operation Supervision and Engineering	-
102	815 Maps and Records	-
103	816 Wells Expenses	-
104	817 Lines Expense	-
105	818 Compressor Station Expenses	-
106	819 Compressor Station Fuel and Power	-
107	820 Measuring and Regulating Station Expenses	-
108	821 Purification Expenses	-
109	822 Exploration and Development	-
110	823 Gas Losses	-
111	824 Other Expenses	69,813
112	825 Storage Well Royalties	-
113	826 Rents	-
114	TOTAL Operation (Enter Total of lines 101 thru 113)	69,813
115	Maintenance	
116	830 Maintenance Supervision and Engineering	-
117	831 Maintenance of Structures and Improvements	-
118	832 Maintenance of Reservoirs and Wells	-
119	833 Maintenance of Lines	-
120	834 Maintenance of Compressor Station Equipment	-
121	835 Maintenance of Measuring and Regulating Station Equipment	-
122	836 Maintenance of Purification Equipment	-
123	837 Maintenance of Other Equipment	63,796
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	63,796
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	133,609
126	B. Other Storage Expenses	
127	Operation	
128	840 Operation Supervision and Engineering	-
129	841 Operation Labor and Expenses	-
130	842 Rents	-
131	842.1 Fuel	-
132	842.2 Power	-
133	842.3 Gas Losses	-
134	TOTAL Operation (Enter Total of lines 128 thru 133)	-
135	Maintenance	
136	843.1 Maintenance Supervision and Engineering	-
137	843.2 Maintenance of Structures and Improvements	-
138	843.3 Maintenance of Gas Holders	-
139	843.4 Maintenance of Purification Equipment	-
140	843.5 Maintenance of Liquefaction Equipment	-
141	843.6 Maintenance of Vaporizing Equipment	-
142	843.7 Maintenance of Compressor Equipment	-
143	843.8 Maintenance of Measuring and Regulating Equipment	-
144	843.9 Maintenance of Other Equipment	-
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	-
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	-

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses	
148	Operation	
149	844.1 Operation Supervision and Engineering	-
150	844.2 LNG Processing Terminal Labor and Expenses	-
151	844.3 Liquefaction Processing Labor and Expenses	-
152	844.4 Liquefaction Transportation Labor and Expenses	-
153	844.5 Measuring and Regulating Labor and Expenses	-
154	844.6 Compressor Station Labor and Expenses	-
155	844.7 Communication System Expenses	-
156	844.8 System Control and Load Dispatching	-
157	845.1 Fuel	-
158	845.2 Power	-
159	845.3 Rents	-
160	845.4 Demurrage Charges	-
161	(Less) 845.5 Wharfage Receipts-Credit	-
162	845.6 Processing Liquefied or Vaporized Gas by Others	-
163	846.1 Gas Losses	-
164	846.2 Other Expenses	-
165	TOTAL Operation (Enter Total of lines 149 thru 164)	-
166	Maintenance	
167	847.1 Maintenance Supervision and Engineering	-
168	847.2 Maintenance of Structures and Improvements	-
169	847.3 Maintenance of LNG Processing Terminal Equipment	-
170	847.4 Maintenance of LNG Transportation Equipment	-
171	847.5 Maintenance of Measuring and Regulating Equipment	-
172	847.6 Maintenance of Compressor Station Equipment	-
173	847.7 Maintenance of Communication Equipment	-
174	847.8 Maintenance of Other Equipment	-
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	-
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	-
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	133,609
178	3. TRANSMISSION EXPENSES	
179	Operation	
180	850 Operation Supervision and Engineering	-
181	851 System Control and Load Dispatching	-
182	852 Communication System Expenses	-
183	853 Compressor Station Labor and Expenses	-
184	854 Gas for Compressor Station Fuel	-
185	855 Other Fuel and Power for Compressor Stations	-
186	856 Mains Expenses	-
187	857 Measuring and Regulating Station Expenses	-
188	858 Transmission and Compression of Gas by Others	-
189	859 Other Expenses	-
190	860 Rents	-
191	TOTAL Operation (Enter Total of lines 180 thru 190)	-

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)
3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance	
193	861 Maintenance Supervision and Engineering	-
194	862 Maintenance of Structures and Improvements	-
195	863 Maintenance of Mains	-
196	864 Maintenance of Compressor Station Equipment	-
197	865 Maintenance of Measuring and Reg. Station Equipment	-
198	866 Maintenance of Communication Equipment	-
199	867 Maintenance of Other Equipment	-
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	-
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	-
4. DISTRIBUTION EXPENSES		
203	Operation	
204	870 Operation Supervision and Engineering	692,079
205	871 Distribution Load Dispatching	-
206	872 Compressor Station Labor and Expenses	-
207	873 Compressor Station Fuel and Power	-
208	874 Mains and Services Expenses	1,499,813
209	875 Measuring and Regulating Station Expenses-General	119,680
210	876 Measuring and Regulating Station Expenses-Industrial	2,907
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	5,744
212	878 Meter and House Regulator Expenses	136,307
213	879 Customer Installations Expenses	1,016,321
214	880 Other Expenses	906,960
215	881 Rents	16,887
216	TOTAL Operation (Enter Total of lines 204 thru 215)	4,396,698
217	Maintenance	
218	885 Maintenance Supervision and Engineering	74,439
219	886 Maintenance of Structures and Improvements	-
220	887 Maintenance of Mains	1,430,203
221	888 Maintenance of Compressor Station Equipment	-
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	224,094
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	26,812
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	20,470
225	892 Maintenance of Services	728,580
226	893 Maintenance of Meters and House Regulators	588,766
227	894 Maintenance of Other Equipment	182,314
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	3,275,678
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	7,672,376
5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation	
232	901 Supervision	86,173
233	902 Meter Reading Expenses	256,912
234	903 Customer Records and Collection Expenses	2,347,870
235	904 Uncollectible Accounts	732,316
236	905 Miscellaneous Customer Accounts Expenses	52,477
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	3,475,748

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015
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STATE OF OREGON - ALLOCATED GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
239	Operation	
240	907 Supervision	-
241	908 Customer Assistance Expenses	1,649,043
242	909 Informational and Instructional Expenses	360,096
243	910 Miscellaneous Customer Service and Informational Expenses	47,394
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	2,056,533
245	7. SALES EXPENSES	
246	Operation	
247	911 Supervision	-
248	912 Demonstrating and Selling Expenses	-
249	913 Advertising Expenses	-
250	916 Miscellaneous Sales Expenses	-
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	-
252	8. ADMINISTRATIVE AND GENERAL EXPENSES	
253	Operation	
254	920 Administrative and General Salaries	2,886,475
255	921 Office Supplies and Expenses	580,760
256	(Less) (922) Administrative Expenses Transferred-Cr.	-
257	923 Outside Services Employed	1,438,722
258	924 Property Insurance	150,427
259	925 Injuries and Damages	772,674
260	926 Employee Pensions and Benefits	220,464
261	927 Franchise Requirements	-
262	928 Regularatory Commission Expenses	1,053,177
263	(Less) (929) Duplicate Charges-Cr.	-
264	930.1 General Advertising Expenses	-
265	930.2 Miscellaneous General Expenses	472,640
266	931 Rents	75,158
267	TOTAL Operation (Enter Total of lines 254 thru 266)	7,650,497
268	Maintenance	
269	935 Maintenance of General Plant	1,021,301
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	8,671,798
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	176,829,257

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special

construction employees in a footnote.

3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

1. Payroll Period Ended (Date) December 31, 2014

2. Total Regular Full-Time Employees

50

3. Total Part-Time and Temporary Employees allocation of General Employees

7

4. Total Employees

57

Year of Report
Dec. 31, 2014
ES
Amount for Previous Year (c)
-
-
-
-
-
-
-
-
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-
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-
-
-
-
-
138,793,793
-
-
(385,338)
138,408,455
-
-
-
-
-
-
-
-
4,268,391
(3,581,067)
-
-
-
-
-
-
(416,865)
-
(416,865)
543,550
139,222,464
139,222,464

Year of Report
Dec. 31, 2014
ES
Amount for Previous Year (c)
-
-
-
-
-
-
-
-
-
-
781,735
-
-
-
1,333,792
221,870
1,710
5,189
966,997
1,211,168
903,662
13,502
5,439,625
68,155
-
1,097,586
-
150,288
20,451
9,108
589,526
537,258
149,550
2,621,922
8,061,547
94,387
296,325
2,522,872
675,746
63,374
3,652,704

Year of Report
Dec. 31, 2014
ES
Amount for Previous Year (c)
-
1,765,991
345,217
53,601
2,164,809
-
177
-
-
177
2,722,328
485,980
-
1,160,043
140,805
377,950
102,517
-
1,280,158
-
-
395,021
72,052
6,736,854
858,409
7,595,263
160,818,925

Name of Respondent Avista Corp.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT (ACCT 403, 404.1, 404.2, 404.3, 405)

(Except Amortization of Acquisition Adjustments)

Report the amounts of depreciation expense, depletion and amortization for the accounts indicated and classify according to the plant functional groups shown.

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land & Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)	Amortization of Other Limited-Term Gas Plant (Account 404.3) (e)	Amortization of Leasehold Improvements (Account 404.6) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (h)
1	Intangible plant				8,263			8,263
2	Production plant, manufactured gas							0
3	Production and gathering plant, natural gas							
4	Products extraction plant							
5	Underground gas storage plant	113,979						113,979
6	Other storage plant							
7	Base load LNG terminaling and processing plant							
8	Transmission plant							0
9	Distribution plant	4,953,567						4,953,567
10	General plant	236,546				2,355		238,901
11	Common plant-gas	1,338,886			1,044,965	138,393		2,522,244
12								
13								
14								
15								
16								
17								
18								
19	TOTAL	6,642,978	0	0	1,053,228	140,748	0	7,836,954

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED TAXES, OTHER THAN INCOME TAXES (Account 408.1)

Line No.	Kind of Tax <i>(a)</i>	Amount <i>(b)</i>
1		
2		
3	Real and Personal Property Tax	2,402,257
4		
5	Municipal Occupation & License Tax	3,340,347
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
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36		
37		
38		
39		
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43		
44		
45		
46		
47		
48	TOTAL (Must agree with page 1, line 11)	5,742,604

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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**STATE OF OREGON -
ALLOCATED CALCULATION OF CURRENT FEDERAL INCOME TAX EXPENSE (Account 409.1)**

1. Report amounts used to derive current Federal income tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 12 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	Particulars (Details) (a)	Amount (b)
1		
2	Operating Revenue	201,089,425
3	Operating & Maintenance Expense	(176,829,257)
4	Senate Bill 408 (net)	1,458
5	Book Depreciation & Amortization	(7,836,954)
6	Taxes Other than FIT	(5,326,218)
7		
8	Net Operating Income Before FIT	11,098,454
9		
10	Interest Expense	(4,912,488)
11	Schedule M Adjustments	(30,558,051)
12		
13	Taxable Net Operating Income	(24,372,085)
14		
15	Tax Rate	35%
16		
17	Total Federal Income Tax	(8,530,230)
18		
19	Deferred FIT	11,277,083
20		
21	Total FIT/Deferred FIT	2,746,853
22		
23		
24		
25		
26		
27	Federal Tax Net Income	(8,530,230)
28	Show computation of Tax: The Federal Income Tax computation is from the Avista Corporation's Results of Operations System. As the "Results" system includes allocations of various indirect revenue and cost elements, the values in the allocation of Federal income taxes will not agree with certain supporting schedules.	

Name of Respondent	This Report Is:	Date of Report (M, D, Y)	Year of Report
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 29, 2015	Dec. 31, 2014

**STATE OF OREGON -
ALLOCATED CALCULATION OF CURRENT STATE INCOME (EXCISE) TAX EXP. (Account 409.1)**

1. Report amounts used to derive current state income (excise) tax expense, Account 409.1, for the reporting period. If amounts are shown in thousands, show (000) in the heading for column (b).
2. Show amounts increasing taxable income as positive values and amounts decreasing taxable income as negative.
3. Current tax expense on this schedule must match the amount reported on page 1, line 13 of this report. Separately identify adjustments arising from revisions of prior year accruals.
4. Minor amounts of other additions (subtractions) may be grouped.

Line No.	Particulars (Details) (a)	Amount (b)
1	Gas Operating Revenue	201,089,425
2	Operations and Maintenance Expense	(176,829,257)
3	Taxes, Other than Income	(5,326,218)
4	Interest	(4,912,488)
5	State Income (Excise) Tax Depreciation	
6	Other Additions (Subtractions) to Derive Taxable Income	
7	Book Depreciation and Amortization	(7,836,954)
8		
9	Schedule "M" Adjustments	(30,558,051)
10	Senate Bill 408 (net)	1,458
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	State Tax Net Income	(24,372,085)
28	Show Computation of Tax: 2013 Oregon State Income Tax	 (416,386)

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. In the space provided:
 - (a) Identify, by amount and classification, significant items for which deferred taxes are being provided.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL ELECTRIC			
9	Gas Purchased Gas Adjustment			
10				
11	All Other			
12				
13				
14				
15	Other			
16	TOTAL GAS	N/A	11,297,751	(20,668)
17	Other (Specify)			
18	TOTAL (ACCOUNT 190)			
19	Classification of Totals			
20	Federal Income Tax	N/A	11,297,751	(20,668)
21	State Income Tax			
22	Local Income Tax			

Allocation to balance sheet accounts by state is not available. Total expense/credit to 410.1 and 411.1 is reflected in Account 190 for reporting purposes.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCUM. DEF. INCOME TAXES (Acct. 190) (Con't.)

(b) Indicate insignificant amounts under OTHER.
 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
						0	9
							10
						0	11
							12
							13
							14
							15
						N/A	16
							17
							18
							19
						N/A	20
							21
							22

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INCOME TAXES

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. In the space provided furnish explanations, including the following in columnar order:

(a) State each certification number with a brief description of property.	(c) Date amortization for tax purposes commenced.
(b) Total and amortizable cost of such property.	(d) "Normal" depreciation rate used in computing the deferred tax.

Line No.	Account Subdivisions <i>(a)</i>	Balance at Beginning of Year <i>(b)</i>	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 <i>(c)</i>	Amounts Credited to Account 411.1 <i>(d)</i>
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Total of lines 3 thru 7)	0		
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other			
13				
14				
15	Total Gas (Total of lines 10 thru 14)	0		
16	Other (Specify)			
17	Total (Acct 281) (Total of 8, 15 & 16)	0		
18	Classification of TOTAL			
19	Federal Income tax			
20	State Income Tax			
21	Local Income Tax			

Allocation to balance sheet accounts by state is not available. Total expense/credit to 410.1 and 411.1 is reflected in Account 190 for reporting purposes.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCELERATED AMORTIZATION PROPERTY (Acct. 281) Con't.

- (e) Tax rate used to originally defer amounts and the tax rate used during the current year to amortize previous deferrals.
 3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
 4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
						0	8
							9
							10
							11
							12
							13
							14
						0	15
							16
						0	17
							18
							19
							20
							21

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCUM. DEFERRED INCOME TAXES (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred taxes related to property not subject to accelerated amortization.
2. In the space provided furnish explanations, including the following in columnar order:
 - (a) State the general method or methods of liberalized depreciation being used (sum-of-year digits, declining balance, etc.)
 - (b) Estimated lives (i.e. useful life, guideline life, guideline class life, etc.)
 - (c) Classes of plant to which each method is being applied and date method was adopted

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other (Define)			
5	TOTAL (Lines 2 thru 4)			
6	Other (Specify)			
7	Acquisition Adjustment			
8				
9	TOTAL Account 282 (Lines 5 thru 8)	0	0	
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

Allocation to balance sheet accounts by state is not available. Total expense/credit to 410.1 and 411.1 is reflected in Account 190 for reporting purposes.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED OTHER PROPERTY (Acct. 282) (Con't.)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
						0	3
							4
						0	5
							6
						0	7
							8
0						0	9
							10
						0	11
						0	12
							13

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCUM. DEF. 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. In the space provided below include amounts relating to insignificant items under Other.

Line No.	Account Subdivisions <i>(a)</i>	Balance at Beginning of Year <i>(b)</i>	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 <i>(c)</i>	Amounts Credited to Account 411.1 <i>(d)</i>
1	Account 283			
2	Electric			
3	Electric			
4				
5				
6				
7				
8	Other			
9	TOTAL Electric (Total Lines 3 thru 8)			
10	Gas			
11	Gas			
12				
13	Deferred Gas Estimate			
14				
15				
16	Other			
17	TOTAL Gas (Total Lines 11 thru 16)	0	0	
18	Other (Specify)			
19	TOTAL Account 283 (Enter Total lines 9, 17 and 18)	0	0	
20	Classification of TOTAL			
21	Federal Income Tax	0	0	
22	State Income Tax			
23	Local Income Tax			

Allocation to balance sheet accounts by state is not available. Total expense/credit to 410.1 and 411.1 is reflected in Account 190 for reporting purposes.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACCUM. DEF. INCOME TAXES - OTHER (Acct. 283) (Con't)

3. Beginning balance may be omitted if not readily available. Report gas utility deferred taxes only.
4. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
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							9
							10
						0	11
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							21
						0	22
							23

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report ((M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End of Year (h)	Average Period of Allocation to Income (i)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)			
1									
2									
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report ((M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End of Year (h)	Average Period of Allocation to Income (i)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)			
1	Gas Utility								
2	3%								
3	4%								
4	7%								
5	10%								
6	TOTAL	0.00						0.00	
7	Other (List separately and show 3%, 4%, 7%, 10%, and TOTAL)								
8									
9									
10									
11									
12									
13									
14									
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Name of Respondent Avista Corp.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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**STATE OF OREGON - SITUS UTILITY PLANT
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Common (g)
1	UTILITY PLANT						
2	In Service						
3	Plant In Service (Classified)	478,133,263	183,343,952	294,691,840			97,471
4	Property Under Capital Leases	0		0			
5	Plant Purchased or Sold						
6	Completed Construction not Classified						
7	Experimental Plant Unclassified						
8	TOTAL (Enter Total of lines 3 thru 7)	478,133,263	183,343,952	294,691,840			97,471
9	Leased to Others						
10	Held for Future Use						
11	Construction Work in Progress	2,944,606		2,944,606			
12	Acquisition Adjustments	0					
13	TOTAL Utility Plant (Lines 8 thru 12)	481,077,869	183,343,952	297,636,446			97,471
14	Accum. Prov. for Depr., Amort., Depl.	143,228,336	45,944,018	97,215,343			68,975
15	Net Utility Plant (Line 13 less 14)	337,849,533	137,399,934	200,421,103			28,496
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION & DEPLETION						
17	In Service:						
18	Depreciation	143,221,667	46,003,064	97,149,628			68,975
19	Amort. & Depl. of Producing Natural Gas Land & Land Rights						
20	Amort. of Underground Storage Land & Land Rights						
21	Amort. of Other Utility Plant	6,669	(59,046)	65,715			0
22	TOTAL in Service (lines 18 thru 21)	143,228,336	45,944,018	97,215,343			68,975
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 & 25)	0	0	0			
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL Held for Future Use (Lines 28 & 29)	0	0	0			
31	Abandonment of Leases (Natural Gas)						
32	Amort. of Plant Acquisition Adj.	0	0				
33	TOTAL Accumulated Provisions (Should agree with line 14) (Lines 22, 26, 30, 31 & 32)	143,228,336	45,944,018	97,215,343			68,975

NOTE: Electric plant represents the Coyote Springs 2 plant, which was placed in service on July 1, 2003. Electric depreciation expense is charged to the states of Washington and Idaho.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

- | | | |
|--|---|--|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>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.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> | <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>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</p> | <p>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 unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of the year. (Continued on page 25)</p> |
|--|---|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
1	1. Intangible Plant								1
2	301 Organization						0	301	2
3	302 Franchises and Consents							302	3
4	303 Miscellaneous Intangible Plant	411,357	15,997				427,354	303	4
5	TOTAL Intangible Plant	411,357	15,997	0	0	0	427,354		5
6	2. Production Plant								6
7	Natural Gas Production and Gathering Plant								7
8	325.1 Producing Lands	0					0	325.1	8
9	325.2 Producing Leaseholds							325.2	9
10	325.3 Gas Rights							325.3	10
11	325.4 Rights-of-Way							325.4	11
12	325.5 Other Land and Land Rights							325.5	12
13	326 Gas Well Structures							326	13
14	327 Field Compressor Station Structures							327	14
15	328 Field Meas. and Reg. Sta. Structures							328	15
16	329 Other Structures							329	16
17	330 Producing Gas Wells-Well Construction							330	17
18	331 Producing Gas Wells-Well Equipment							331	18
19	332 Field Lines							332	19
20	333 Field Compressor Station Equipment							333	20
21	334 Field Meas. and Reg. Sta. Equipment							334	21
22	335 Drilling and Clearing Equipment							335	22
23	336 Purification Equipment							336	23
24	337 Other Equipment							337	24
25	338 Unsuccessful Exploration & Devel. Costs							338	25
26	TOTAL Production and Gathering Plant	0	0	0	0	0	0		26
27	Products Extraction Plant								27
28	340 Land and Land Rights							340	28
29	341 Structures and Improvements							341	29
30	342 Extraction and Refining Equipment							342	30
31	343 Pipe Lines							343	31
32	344 Extracted Products Storage Equipment							344	32

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

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 distributed in column (f) 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 also date of such filing.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
33	345 Compressor Equipment							345	33
34	346 Gas Meas. and Reg. Equipment							346	34
35	347 Other Equipment							347	35
36	TOTAL Products Extraction Plant	0	0	0	0	0	0		36
37	TOTAL Nat. Gas Production Plant	0	0	0	0	0	0		37
38	Mfd. Gas Prod. Plant (Submit Suppl. Statement)	7,628	0	0	0	0	7,628		38
39	TOTAL Production Plant	7,628	0	0	0	0	7,628		39
40	3. Natural Gas Storage and Processing Plant								40
41	Underground Storage Plant								41
42	350.1 Land							350.1	42
43	350.2 Rights-of-Way							350.2	43
44	351 Structures and Improvements							351	44
45	352 Wells							352	45
46	352.1 Storage Leaseholds and Rights							352.1	46
47	352.2 Reservoirs							352.2	47
48	352.3 Non-recoverable Natural Gas							352.3	48
49	353 Lines							353	49
50	354 Compressor Station Equipment							354	50
51	355 Measuring and Reg. Equipment							355	51
52	356 Purification Equipment							356	52
53	357 Other Equipment							357	53
54	TOTAL Underground Storage Plant	0	0	0	0	0	0		54
55	Other Storage Plant								55
56	360 Land and Land Rights							360	56
57	361 Structures and Improvements							361	57
58	362 Gas Holders							362	58
59	363 Purification Equipment							363	59
60	363.1 Liquefaction Equipment							363.1	60
61	363.2 Vaporizing Equipment							363.2	61
62	363.3 Compressor Equipment							363.3	62
63	363.4 Meas. and Reg. Equipment							363.4	63
64	363.5 Other Equipment							363.5	64
65	TOTAL Other Storage Plant	0	0	0	0	0	0		65

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant							66
67	364.1 Land and Land Rights						364.1	67
68	364.2 Structures and Improvements						364.2	68
69	364.3 LNG Processing Terminal Equipment						364.3	69
70	364.4 LNG Transportation Equipment						364.4	70
71	364.5 Measuring and Regulating Equipment						364.5	71
72	364.6 Compressor Station Equipment						364.6	72
73	364.7 Communications Equipment						364.7	73
74	364.8 Other Equipment						364.8	74
75	TOTAL Base Load Liquefied Natural Gas, Terminaling and Processing Plant	0	0	0	0	0	0	75
76	TOTAL Nat. Gas Storage and Proc. Plant	0	0	0	0	0	0	76
77	4. Transmission Plant							77
78	365.1 Land and Land Rights						365.1	78
79	365.2 Rights-of-Way						365.2	79
80	366 Structures and Improvements						366	80
81	367 Mains						367	81
82	368 Compressor Station Equipment						368	82
83	369 Measuring and Reg. Sta. Equipment						369	83
84	370 Communication Equipment						370	84
85	371 Other Equipment						371	85
86	TOTAL Transmission Plant	0	0	0	0	0	0	86
87	5. Distribution Plant							87
88	374 Land and Land Rights	521,723	72,262				593,985	374
89	375 Structures and Improvements	268,221	19,277				287,498	375
90	376 Mains	157,537,898	7,024,247	912,024			163,650,121	376
91	377 Compressor Station Equipment	0					0	377
92	378 Meas. and Reg. Sta. Equip. - General	4,613,533	288,605	32,729			4,869,409	378
93	379 Meas. and Reg. Sta. Equip. - City Gate	1,327,735	190,481	1,886			1,516,330	379
94	380 Services	64,567,227	11,476,928	236,857			75,807,298	380
95	381 Meters	35,907,291	1,275,744	648,097		(89,506)	36,445,432	381
96	382 Meter Installations	0					0	382
97	383 House Regulators	0					0	383
98	384 House Reg. Installations	0					0	384
99	385 Industrial Meas. and Reg. Sta. Equipment	1,369,728	46,488				1,416,216	385
100	386 Other Prop. on Customers' Premises	0					0	386
101	387 Other Equipment	539					539	387
102	TOTAL Distribution Plant	266,113,895	20,394,032	1,831,593	0	(89,506)	284,586,828	103

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STATE OF OREGON - SITUS GAS PLANT IN SERVICE

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
104	6. General Plant								104
105	389 Land and Land Rights	704,241				145,622	849,863	389	105
106	390 Structures and Improvements	3,581,255	170,080	79,195		(145,622)	3,526,518	390	106
107	391 Office Furniture and Equipment	0					0	391	107
108	392 Transportation Equipment	2,891,036	70,194	80,121			2,881,109	392	108
109	393 Stores Equipment	57,226					57,226	393	109
110	394 Tools, Shop, and Garage Equipment	871,281	113,926	18,428			966,779	394	110
111	395 Laboratory Equipment	136,411		24,908			111,503	395	111
112	396 Power Operated Equipment	43,834					43,834	396	112
113	397 Communication Equipment	991,087	239,535		209		1,230,831	397	113
114	398 Miscellaneous Equipment	2,367					2,367	398	114
115	Subtotal	9,278,738	593,735	202,652	209	0	9,670,030		115
116	399 Other Tangible Property							399	116
117	TOTAL General Plant	9,278,738	593,735	202,652	209	0	9,670,030		117
118	TOTAL (Accounts 101 and 106)	275,811,618	21,003,764	2,034,245	209	(89,506)	294,691,840		118
119	Gas Plant Purchased (See Instr. 8)								119
120	(Less) Gas Plant Sold (See Instr. 8)								120
121	Experimental Gas Plant Unclassified								121
122	TOTAL Gas Plant in Service	275,811,618	21,003,764	2,034,245	209	(89,506)	294,691,840		122

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STATE OF OREGON - SITUS GAS PLANT IN SERVICE
SUPPLEMENT TO PAGE 25

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
304	Land and Land Rights	7,628					7,628		304
305	Structures and Improvements						0		305
311	Liquified Petroleum Gas Equipment	0					0		311
38	Total Mfd. Gas Prod. Plant	7,628	0	0	0	0	7,628		38

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STATE OF OREGON - SITUS GAS PLANT HELD FOR FUTURE USE

1. Report separately each property held for future use at end of the year having an original cost of \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give, 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)	Dated Expected To Be Used In Utility Service (c)	Balance at End of Year (d)
1	NONE			
2				
3				
4				
5				
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	TOTALS			

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - SITUS CONSTRUCTION WORK IN PROGRESS - (Account 107)

1. Report below descriptions and balances at end of year of project in process of construction (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 may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			
2			
3	Minor Projects Under \$1,000,000	2,944,606	21,701,904
4			
5			
9			
10			
11			
12			
13			
14			
15	Notes for the The Estimated Additional Cost of the Project		
16	(1) Minor Projects Under \$1,000,000 represents mains and		
17	service replacements, regulator reliability programs, gas		
18	telemetry, etc.		
19	(2) Estimated additional cost amounts represent a five year		
20	buget total.		
21			
22			
23			
24			
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38	TOTALS	2,944,606	21,701,904

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - SITUS ACC. PROV. FOR DEPR. OF GAS UTILITY PLANT (Acct. 108)

- | | |
|---|--|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 24-27, column (d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 of the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If</p> | <p>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.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|--|

Section A. Balances and Changes During Year

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)
1	Balance Beginning of Year	93,966,254	93,966,254	0	0
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	5,304,092	5,304,092		
4	(413) Exp. of Gas Plt. Leas. to Others				
5	Transportation Expenses-Clearing	227,171	227,171		
6	Other Clearing Accounts				
7	Other Accounts (Specify):	6,330	6,330		
8					
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	5,537,593	5,537,593	0	0
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,991,526)	(1,991,526)		
12	Cost of Removal	(224,421)	(224,421)		
13	Salvage (Credit)	0			
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(2,215,947)	(2,215,947)	0	0
15	Other Debit or Credit Items (Describe)	(138,272)	(138,272)		
16	Transfer of Intang Plt & Exclude Comm. Plt.				
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	97,149,628	97,149,628	0	0

Section B. Balances at End of Year According to Functional Classifications

18	Production-Manufactured Gas				
19	Prod. and Gathering-Natural Gas				
20	Products Extraction-Natural Gas				
21	Underground Gas Storage	628,818	628,818		
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission				
25	Distribution	92,344,717	92,344,717		
26	General	4,176,093	4,176,093		
27	TOTAL (Enter Total of lines 18 thru 26)	97,149,628	97,149,628	0	0

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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**STATE OF OREGON - ALLOCATED
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Common (g)
1	UTILITY PLANT						
2	In Service						
3	Plant In Service (Classified)	7,959,583		7,959,583			
4	Property Under Capital Leases						
5	Plant Purchased or Sold						
6	Completed Construction not Classified						
7	Experimental Plant Unclassified						
8	TOTAL (Enter Total of lines 3 thru 7)	7,959,583		7,959,583			
9	Leased to Others						
10	Held for Future Use						
11	Construction Work in Progress						
12	Acquisition Adjustments						
13	TOTAL Utility Plant (Lines 8 thru 12)	7,959,583		7,959,583			
14	Accum. Prov. for Depr., Amort., Depl.	4,206,602		6,099,104			
15	Net Utility Plant (Line 13 less 14)	3,752,981		1,860,479			
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION & DEPLETION						
17	In Service:						
18	Depreciation	3,418,614		3,418,614			
19	Amort. & Depl. of Producing Natural Gas Land & Land Rights						
20	Amort. of Underground Storage Land & Land Rights						
21	Amort. of Other Utility Plant	2,680,490		2,680,490			
22	TOTAL in Service (lines 18 thru 21)	6,099,104		6,099,104			
23	Leased to Others						
24	Depreciation						
25	Amortization and Depletion						
26	TOTAL Leased to Others (Lines 24 & 25)	0		0			
27	Held for Future Use						
28	Depreciation						
29	Amortization						
30	TOTAL Held for Future Use (Lines 28 & 29)	0		0			
31	Abandonment of Leases (Natural Gas)						
32	Amort. of Plant Acquisition Adj.						
33	TOTAL Accumulated Provisions (Should agree with line 14) (Lines 22, 26, 30, 31 & 32)	6,099,104		6,099,104			

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

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|--|---|--|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>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.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> | <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>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</p> | <p>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 unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of the year. (Continued on page 33)</p> |
|--|---|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
1	1. Intangible Plant								1
2	301 Organization						0	301	2
3	302 Franchises and Consents						0	302	3
4	303 Miscellaneous Intangible Plant	645,956			113,266		759,222	303	4
5	TOTAL Intangible Plant	645,956	0	0	113,266	0	759,222		5
6	2. Production Plant								6
7	Natural Gas Production and Gathering Plant								7
8	325.1 Producing Lands						0	325.1	8
9	325.2 Producing Leaseholds						0	325.2	9
10	325.3 Gas Rights						0	325.3	10
11	325.4 Rights-of-Way						0	325.4	11
12	325.5 Other Land and Land Rights						0	325.5	12
13	326 Gas Well Structures						0	326	13
14	327 Field Compressor Station Structures						0	327	14
15	328 Field Meas. and Reg. Sta. Structures						0	328	15
16	329 Other Structures						0	329	16
17	330 Producing Gas Wells-Well Construction						0	330	17
18	331 Producing Gas Wells-Well Equipment						0	331	18
19	332 Field Lines						0	332	19
20	333 Field Compressor Station Equipment						0	333	20
21	334 Field Meas. and Reg. Sta. Equipment						0	334	21
22	335 Drilling and Clearing Equipment						0	335	22
23	336 Purification Equipment						0	336	23
24	337 Other Equipment						0	337	24
25	338 Unsuccessful Exploration & Devel. Costs						0	338	25
26	TOTAL Production and Gathering Plant	0	0	0	0	0	0		26
27	Products Extraction Plant								27
28	340 Land and Land Rights						0	340	28
29	341 Structures and Improvements						0	341	29
30	342 Extraction and Refining Equipment						0	342	30
31	343 Pipe Lines						0	343	31
32	344 Extracted Products Storage Equipment						0	344	32

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

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 distributed in column (f) 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 also date of such filing.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
33	345 Compressor Equipment						0	345	33
34	346 Gas Meas. and Reg. Equipment						0	346	34
35	347 Other Equipment						0	347	35
36	TOTAL Products Extraction Plant	0	0	0	0	0	0		36
37	TOTAL Nat. Gas Production Plant	0	0	0	0	0	0		37
38	Mfd. Gas Prod. Plant (Submit Suppl. Statement)						0		38
39	TOTAL Production Plant	0	0	0	0	0	0		39
40	3. Natural Gas Storage and Processing Plant								40
41	Underground Storage Plant								41
42	350.1 Land	117					117	350.1	42
43	350.2 Rights-of-Way	0					0	350.2	43
44	351 Structures and Improvements	33,935			14,049		47,984	351	44
45	352 Wells	909,468			14,049		923,517	352	45
46	352.1 Storage Leaseholds and Rights	0					0	352.1	46
47	352.2 Reservoirs	1,464,162					1,464,162	352.2	47
48	352.3 Non-recoverable Natural Gas	450,620					450,620	352.3	48
49	353 Lines	62,304					62,304	353	49
50	354 Compressor Station Equipment	2,880,666			14,049		2,894,715	354	50
51	355 Measuring and Reg. Equipment	16,604			14,049		30,653	355	51
52	356 Purification Equipment	0					0	356	52
53	357 Other Equipment	22,223			14,048		36,271	357	53
54	TOTAL Underground Storage Plant	5,840,099	0	0	70,244	0	5,910,343		54
55	Other Storage Plant								55
56	360 Land and Land Rights						0	360	56
57	361 Structures and Improvements						0	361	57
58	362 Gas Holders						0	362	58
59	363 Purification Equipment						0	363	59
60	363.1 Liquefaction Equipment						0	363.1	60
61	363.2 Vaporizing Equipment						0	363.2	61
62	363.3 Compressor Equipment						0	363.3	62
63	363.4 Meas. and Reg. Equipment						0	363.4	63
64	363.5 Other Equipment						0	363.5	64
65	TOTAL Other Storage Plant	0	0	0	0	0	0		65

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
66	Base Load Liquefied Natural Gas Terminating and Processing Plant								66
67	364.1 Land and Land Rights						0	364.1	67
68	364.2 Structures and Improvements						0	364.2	68
69	364.3 LNG Processing Terminal Equipment						0	364.3	69
70	364.4 LNG Transportation Equipment						0	364.4	70
71	364.5 Measuring and Regulating Equipment						0	364.5	71
72	364.6 Compressor Station Equipment						0	364.6	72
73	364.7 Communications Equipment						0	364.7	73
74	364.8 Other Equipment						0	364.8	74
75	TOTAL Base Load Liquefied Natural Gas, Terminating and Processing Plant	0	0	0	0	0	0		75
76							0		76
77	TOTAL Nat. Gas Storage and Proc. Plant	5,840,099	0	0	70,244	0	5,910,343		77
78	4. Transmission Plant								78
79	365.1 Land and Land Rights						0	365.1	79
80	365.2 Rights-of-Way						0	365.2	80
81	366 Structures and Improvements						0	366	81
82	367 Mains						0	367	82
83	368 Compressor Station Equipment						0	368	83
84	369 Measuring and Reg. Sta. Equipment						0	369	84
85	370 Communication Equipment						0	370	85
86	371 Other Equipment						0	371	86
87	TOTAL Transmission Plant	0	0	0	0	0	0		87
88	5. Distribution Plant								88
89	374 Land and Land Rights						0	374	89
90	375 Structures and Improvements						0	375	90
91	376 Mains						0	376	91
92	377 Compressor Station Equipment						0	377	92
93	378 Meas. and Reg. Sta. Equip. - General						0	378	93
94	379 Meas. and Reg. Sta. Equip. - City Gate						0	379	94
95	380 Services						0	380	95
96	381 Meters						0	381	96
97	382 Meter Installations						0	382	97
98	383 House Regulators						0	383	98
99	384 House Reg. Installations						0	384	99
100	385 Industrial Meas. and Reg. Sta. Equipment						0	385	100
101	386 Other Prop. on Customers' Premises						0	386	101
102	387 Other Equipment						0	387	102
103	TOTAL Distribution Plant	0	0	0	0	0	0		103

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STATE OF OREGON - ALLOCATED GAS PLANT IN SERVICE

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
104	6. General Plant								104
105	389 Land and Land Rights	0					0	389	105
106	390 Structures and Improvements	0					0	390	106
107	391 Office Furniture and Equipment	139,547			53,686		193,233	391	107
108	392 Transportation Equipment	0					0	392	108
109	393 Stores Equipment	0					0	393	109
110	394 Tools, Shop, and Garage Equipment	409,696			302,887		712,583	394	110
111	395 Laboratory Equipment	24,502			49,230		73,732	395	111
112	396 Power Operated Equipment	0					0	396	112
113	397 Communication Equipment	294,702			15,768		310,470	397	113
114	398 Miscellaneous Equipment	2			(2)		0	398	114
115	Subtotal	868,449	0	0	421,569	0	1,290,018		115
116	399 Other Tangible Property	0					0	399	116
117	TOTAL General Plant	868,449	0	0	421,569	0	1,290,018		117
118	TOTAL (Accounts 101 and 106)	7,354,504	0	0	605,079	0	7,959,583		118
119	Gas Plant Purchased (See Instr. 8)								119
120	(Less) Gas Plant Sold (See Instr. 8)								120
121	Experimental Gas Plant Unclassified								121
122	TOTAL Gas Plant in Service	7,354,504	0	0	605,079	0	7,959,583		122

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED 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 \$100,000 or more. Other items of property held for future use may be grouped provided that the number of properties so grouped is indicated.
2. For property having an original cost of \$100,000 or more previously used in utility operations, now held for future use, give, 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	NONE			
2				
3				
4				
5				
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	TOTALS			

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOCATED CONSTRUCTION WORK IN PROGRESS - (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (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 may be grouped.

Line No.	Description of Project <i>(a)</i>	Construction Work in Progress-Gas (Account 107) <i>(b)</i>	Estimated Additional Cost of Project <i>(c)</i>
1			
2	None		
3			
4			
5			
6			
7			
8			
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43	TOTALS	0	0

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - ALLOC. ACC. PROV. FOR DEPR. OF GAS UTILITY PLANT (Acct. 119)

- | | |
|---|--|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 32-35, column (d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 119 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If</p> | <p>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.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|--|

Section A. Balances and Changes During Year

Line No.	Item <i>(a)</i>	Total (c+d+e) <i>(b)</i>	Gas Plant in Service <i>(c)</i>	Gas Plant Held for Future Use <i>(d)</i>	Gas Plant Leased to Others <i>(e)</i>
1	Balance Beginning of Year	3,013,749	3,013,749	0	0
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	1,327,615	1,327,615		
4	(413) Exp. of Gas Plt. Leas. to Others				
5	Transportation Expenses-Clearing	5,604	5,604		
6	Other Clearing Accounts				
7	Other Accounts (Specify):	(46,591)	(46,591)		
8					
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,286,628	1,286,628	0	0
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,102,965)	(1,102,965)		
12	Cost of Removal	1,973	1,973		
13	Salvage (Credit)	0	0		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(1,100,992)	(1,100,992)	0	0
15	Other Debit or Credit Items (Describe):	219,229	219,229		
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	3,418,614	3,418,614	0	0

Section B. Balances at End of Year According to Functional Classifications

18	Production-Manufactured Gas				
19	Prod. and Gathering-Natural Gas				
20	Products Extraction-Natural Gas				
21	Underground Gas Storage				
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission				
25	Distribution				
26	General	3,418,614	3,418,614		
27	TOTAL (Enter Total of lines 18 thru 26)	3,418,614	3,418,614	0	0

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M,D,Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - GAS STORED (117, 164.1, 164.2, AND 164.3)

- Report below the information called for concerning inventories of gas stored.
- The Uniform System of Accounts provides that inventory cost records be maintained on a consolidated basis for all storage projects with separate records showing the Mcf of inputs and withdrawals and balance for each project, except under specified circumstances. If the respondent's inventory cost records are not maintained on a consolidated basis for all storage projects, furnish an explanation of the accounting followed and reason for any deviation from the general basis provided by the Uniform System of Accounts. Separate schedules on this schedule form should be furnished for each group of storage projects for which separate inventory cost records are maintained.
- If during the year adjustment was made of the stored gas inventory, such as to correct for cumulative inaccuracies of gas measurements, furnish an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment and account charged or credited.
- Give a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
- If the respondent uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals on "base stock", or restoration of previous encroachment, including brief particulars of any such accounting during the year.
- If respondent has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project furnish a statement showing: (a) date of Commission authorization of such accumulated provision (b) explanation of circumstances requiring such provision (c) basis of provision and factors of calculation (d) estimated ultimate accumulated provision accumulation (e) a summary showing balance of accumulated provision and entries during year.
- Pressure base of gas volume reported in this schedule is 14.73 psia at 60° F.

Line No.	Description	Noncurrent (Account 117) (a)	Current (Account 164.1) (b)	LNG (Account 164.2) (e)	LNG (Account 164.3) (d)	Total (e)
1	Balance, beginning of year	1,261,012	1,415,130	0	0	2,676,142
2	Gas delivered to storage		4,152,610			4,152,610
3	(contra account)					
4	Gas withdrawn from storage		2,486,165			2,486,165
5	(contra account)					
6	Other debits and credits net		(1,463)			(1,463)
7						
8						
9						
10						
11						
12	Balance, end of year	1,261,012	3,080,112	0	0	4,341,124
13	Therm	2,259,880	7,921,790			10,181,670
14	Amount per Mcf	\$5.58	\$3.89			\$4.26

15 State basis of segregation of inventory between current and noncurrent portions.
16 Current portion is gas expected to be sold within a 24-month period. All other gas is considered non-current.

17	Gas delivered to storage:		Current	LNG	
18	Therm		10,635,110		
19	Amount per therm		3.90		
20	Cost basis of gas delivered to storage:				<u>Average Cost</u>
21	Specify: Own production (give production area, see				
22	uniform system of accounts); average system purchases;				
23	specific purchases (state which purchases).				
24	Does cost of gas delivered to storage include any expenses				
25	for use of respondent's transmission, storage or other				
26	facilities? If so, give particulars and date of Commission		No		
27	approval of accounting.				
28					

29	Gas withdrawn from storage:				
30	Therm		7,310,810		
31	Amount per therm		3.40		
32	Cost basis of withdrawal				<u>Average Cost</u>
33	Specify: average cost, lifo, fifo, (Explain any change in				
34	inventory basis during year and give date of Commission				
35	approval of the change or approval of an inventory basis				
36	different from that referred to in uniform system of accounts)				
37					
38					
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Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
STATE OF OREGON - GAS PURCHASES (Accounts 800, 801, 803, 804, 804.1 and 805)				
Line No.	Name of Seller (Designate Associated Companies) (a)	Name of Producing Field or Gasoline Plant (b)	Net Rate Effective December 31 (c)	
1	Refer to Note (1)			
2	Note (1) The following are the major gas suppliers for the State of Oregon:			
3	Aitken Creek Gas Storage ULC			
4	Anadarko Energy Services Company			
5	BP Canada Energy Marketing, Corp.			
6	BP Energy Company			
7	Cargill Limited			
8	Chevron Natural Gas, a division of Chevron USA Inc			
9	Concord Energy, LLC			
10	ConocoPhillips Company			
11	DB Commodities Canada Ltd			
12	EDF Trading North America, LLC			
13	Encana Marketing (USA) Inc.			
14	Enserco Energy LLC			
15	FortisBC Energy Inc.			
16	Iberdrola Renewables, Inc.			
17	IGI Resources Inc.			
18	J. Aron & Company			
19	J.P. Morgan Commodities Canada Corporation			
20	J.P. Morgan Ventures Energy Corporation			
21	Macquarie Energy Canada Ltd			
22	Macquarie Energy LLC			
23	Mieco, Inc.			
24	Morgan Stanley Capital Group Inc.			
25	National Bank of Canada			
26	Natural Gas Exchange, Inc.			
27	Noble America Gas & Power Corp.			
28	Occidental Energy Marketing, Inc.			
29	Portland General Electric Company			
30	Powerex			
31	Puget Sound Energy, Inc.			
32	Sequent Energy Management, L.P.			
33	Shell Energy North America (Canada) Inc.			
34	Shell Energy North America (US) L.P.			
35	Suncor Energy Marketing Inc.			
36	Tenaska Marketing Canada			
37	United Energy Trading LLC			
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Name of Respondent Avista Corp.	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - GAS PURCHASES (Accounts 800, 801, 802, 803, 804, 804.1 and 805) (Con't)

Seller Code (d)	State Code (e)	Count Code (f)	Schedule		Date of Contract (i)	Approx BTU Per CU FT (j)	Gas Purchased - Mcf (14.73 PSIA 60°) (k)	Cost of Gas (l)	Cost Per Mcf (Dollars) (m)	Line No.
			No. (g)	Suffix (h)						
Refer to Note (1)					Various		39,456,040	\$161,753,492.49	\$4.10	1
										0
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars of credits during the year to Accounts 810, 811 and 812, which offset charges to operating expenses or other accounts or the cost of gas from the respondent's own supply.
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. If the reported MCF for any use is an estimated quantity, state such fact.
4. If any natural gas was used by the respondent for which charge was not made to the appropriate operating expense or other account, list separately in column (c) the MCF of gas so used, omitting entries in columns (d) and (e).
5. Pressure base of measurement, to be reported in columns (c) and (f) is 14.73 psia at 60° F.

Line No.	Purpose for Which Gas was Used (a)	Account Charged (b)	Natural Gas			Manufactured Gas	
			MCF of Gas Used (14.73 PSIA at 60°F) (c)	Amount of Credit (d)	Amount Per MCF (Cents) (e)	MCF of Gas Used (14.73 PSIA at 60°) (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel- Credit						
2	811 Gas used for Products Extraction - Credit		15,709,467	\$471,284	\$0.03		
3	(a) Gas shrinkage & other usage in respondent's own processing						
4	(b) Gas shrinkage, etc. for respondent's gas processed by others						
5	812 Gas used for Other Utility Operations - Credit						
6	(Report separately for each principal use. Group minor uses.)						
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
Year:	201212		

STATE OF OREGON - 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 taking into consideration differences in pressure bases used in measuring MCF of natural gas received and delivered.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the MCF as reported in the schedules indicated for the respective items of receipts and deliveries.

Line No.	Item (a)	Ref. Page No. (b)	Therms (c)
1	GAS RECEIVED		
2	Natural Gas Produced		
3	LPG Gas Produced and Mixed with Natural Gas		
4	Manufactured Gas Produced and Mixed with Natural Gas		
5	Purchased Gas		
6	Wellhead		
7	Field Lines		
8	Gasoline Plants		
9	Transmission Line		
10	City Gate Under FERC Rate Schedules		331,241,030
11	LNG		
12	Other (imbalances)		(992,330)
13	TOTAL GAS PURCHASED		330,248,700
14	Gas of Others Received for Transportation		42,649,341
15	Receipts of Respondents' Gas Transported or Compressed by Others		
16	Exchange Gas Received		
17	Gas Withdrawn from Underground Storage		7,310,810
18	Gas Received from LNG Storage		
19	Gas Received from LNG Processing		
20	Other Receipts (Specify): Storage Injections		
	TOTAL RECEIPTS		380,208,851

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - GAS ACCOUNT - NATURAL GAS (Con't)

4. In a footnote report the volumes of gas from respondent's own production delivered to respondent's transmission system and included in natural gas sale.
5. If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages should be used for this purpose.

Line No.	Item (a)	Ref. Page No. (b)	Amount of Therms (c)
	GAS DELIVERED		
22	Natural Gas Sales		
23	a. Field Sales		
24	(i) To Interstate Pipeline Companies for Resale		
25	Pursuant to FERC Rate Schedules		
26	(ii) Retail Industrial Sales		
27	(iii) Other Field Sales		
28	TOTAL FIELD SALES		0
29	b. Transmission Systems Sales		
30	(i) To Interstate Pipeline Co. for Resale Under FERC Rate Schedules		
31	(ii) To Intrastate Pipeline Co. and Gas Utilities for resale under		
32	FERC rate schedules		
33	(iii) Mainline Industrial Sales Under FERC Certification		
34	(iv) Other Mainline Industrial Sales		
35	(v) Other Transmission System Sales		
36	TOTAL TRANSMISSION SYSTEM SALES		0
37	c. Local Distribution by Respondent		
38	(i) Retail Industrial Sales		1,708,752
39	(ii) Other Distribution System Sales		71,747,892
40	TOTAL DISTRIBUTION SYSTEM SALES		73,456,644
41	d. Interdepartmental sales		15,978
42	TOTAL SALES		73,472,622
43			
44	Deliveries of Gas Transported or Compressed for:		
45	a. Other Interstate Pipeline Companies		
46	b. Others		42,649,341
47	TOTAL GAS TRANSPORTED OR COMPRESSED FOR OTHERS		42,649,341
48	Deliveries of Respondent's Gas for Trans. or Compression by Others		
49	Exchange Gas Delivered		
50	Natural Gas Used by Respondent		
51	Natural Gas Delivered to Underground Storage		10,635,110
52	Natural Gas Delivered to LNG Storage		
53	Natural Gas Delivered to LNG Processing		
54	Natural Gas for Franchise Requirements		
55	Other Deliveries (Specify): Sales for Resale		274,168,380
56	TOTAL SALES & OTHER DELIVERIES UNACCOUNTED FOR		400,925,453
57	Production System Losses		
58	Storage Losses		
59	Transmission System Losses		(20,716,602)
60	Distribution System Losses		
61	Other Losses (Specify in so far as possible):		
62	TOTAL UNACCOUNTED FOR		
63	TOTAL SALES, OTHER DELIVERIES, AND UNACCOUNTED FOR		380,208,851

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - MISCELLANEOUS GENERAL EXPENSES (Account 930.2)

Report below the information called for concerning items included in miscellaneous general expenses.

Line No.	Items (a)	Total (b)	Amount Applicable to Oregon (c)	Amount Applicable to Other States (d)
1	Industry Association Dues	339,773	101,374	238,399
2	Experimental and General Research Expenses			
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	120,872	37,419	83,453
4	Other Expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items, Group amounts of less than \$5,000 by classes if the number of items so grouped is shown)			
5				
6	Items less than \$5,000	267,270	90,528	176,742
7				
8				
9	Items greater than \$5,000			
10	Baker Botts LLP Professional Services	37,500	11,725	25,775
11	Citibank NA Misc.	16,163	5,004	11,159
12	Corp Credit Card Misc.	41,768	17,914	23,854
13	ET Environmental Inc Professional Services	12,841	4,015	8,826
14	Hanna & Associates Inc Professional Services	61,395	19,007	42,388
15	Intelliresponse System Inc. Professional Services	22,537	6,977	15,560
16	Klundt Hosmer Design Professional Services	6,722	2,081	4,641
17	Newsdata Corporation Professional Services	6,866	2,126	4,740
18	Olsten Staffing Services	9,265	2,868	6,397
19	Raidious LLC Professional Services	5,468	1,693	3,775
20	Union Bank Of California Misc.	14,929	4,622	10,307
21	Wurts & Associates Inc. Professional Services	10,288	3,185	7,103
22				
23				
24				
25	Community Relations	11,539	7,671	3,868
26				
27				
28	Director Fees and Expenses			
29	Janet Widmann	11,642	3,604	8,038
30	Heidi B Stanley	25,003	7,740	17,263
31	Marc F Racicot	24,753	7,663	17,090
32	Erik J Anderson	25,350	7,848	17,502
33	Kristianne Blake	28,422	8,799	19,623
34	Rebecca A Klein	17,671	5,471	12,200
35	John F Kelly	32,648	10,107	22,541
36	R John Taylor	29,058	8,996	20,062
37	Morris, Scott L	10,107	2,915	7,192
38	Rick R Holley	6,237	1,931	4,306
39	Donald C Burke	20,114	6,227	13,887
40	Issuance of Stock to Directors	120,242	37,224	83,018
41				
42				
43	Educational - Informational	20,933	6,483	14,450
44	Rating Agency Fees	66,751	20,665	46,086
45	Aircraft Operations and Fees	61,291	18,758	42,533
46				
47				
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56	TOTAL	1,485,418	472,640	1,012,778

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - POLITICAL ADVERTISING

1. List all payments for advertising, the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
2. Give the specific purpose of such advertising, when and where placed, and the account or accounts charged.
3. Report whole dollars only. Provide a total for each account and a grand total.

Line No.	Description (a)	Account Charged (b)	Amount (c)
1	NONE		
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Name of Respondent	This Report Is:	Date of Report (M, D, Y)	Year of Report
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 29, 2015	Dec. 31, 2014

STATE OF OREGON - POLITICAL CONTRIBUTIONS

- List all payments or contributions to persons and organizations for the purpose of aiding or defeating any measure before the people or to promote or prevent the enactment of any national, state, district or municipal legislation.
- The purpose of all contributions or payments should be clearly explained.
- Report whole dollars only. Provide a total for each account and a grand total.

Line No.	Description (a)	Account Charged (b)	Amount (c)
1	Friends of Simon Hare	426.4	1,000
2	Citizens to Elect Carl Wilson	426.4	500
3	Friends of Vic Gilliam	426.4	500
4	Friends of Tina Kotek	426.4	500
5	Bruce Starr for State Senate	426.4	1,000
6	Friends of Chuck Thomsen	426.4	500
7	Committee to Elect Betsy Johnson	426.4	1,000
8	Alan Olsen for Oregon Senate Committee	426.4	500
9	Committee to Re-Elect Greg Smith	426.4	500
10	Friends of Lee Beyer	426.4	500
11	Friends of Tobias Read	426.4	1,000
12	Committee to Elect Sal Esquivel	426.4	1,000
13	Committee to Elect Mike McLane	426.4	1,000
14	Gail Whitsett for Oregon	426.4	500
15	Cliff Bentz for State Representative Committee	426.4	1,000
16	Friends of Dallas Heard	426.4	500
17	Friends of Duane Stark	426.4	500
18	Hayden for Oregon	426.4	500
19	Barreto for HD58	426.4	500
20	Committee to Re-Elect Peter Buckley	426.4	500
21	Friends of Val Hoyle	426.4	1,000
22	Committee to Elect Jeff Kruse	426.4	1,000
23	Close Friends PAC	426.4	1,000
24	Alan Olsen for Oregon Senate Committee	426.4	1,000
25	Friends of Chuck Thomsen	426.4	1,000
26	Committee to Elect Doug Whitsett	426.4	1,000
27	Friends of Ted Ferrioli	426.4	1,000
28	Committee to Elect Dr. Alan Bates	426.4	1,000
29	Friends for Floyd Prozanski	426.4	500
30	Friends of Arnie Roblan	426.4	1,000
31	Friends of Lee Beyer	426.4	1,000
32	Peter Courtney for State Senate	426.4	1,000
33	Friends of Mark Hass	426.4	1,000
34	Kitzhaber for Governor	426.4	2,500
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41			
42	TOTAL		28,500

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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**STATE OF OREGON - EXPENDITURES TO ANY PERSON OR ORGANIZATION
HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.**

1. Report all expenditures to any person or organization having an affiliated interest for service, advice, auditing associating, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statute 757.015 for definition of "affiliated interest."
2. Give reference if such expenditures have in the past been approved by the Commission. Describe the services received and the account or accounts charged. Report whole dollars only.

Line No.	Description (a)	Account Number (b)	Total Amount (c)	Amount Assigned to Oregon (d)
1	Please refer to the Annual Affiliated Interest Report pursuant to OAR 860-27-100. This report will be filed with the Public Utility Commission of Oregon in June 2015.			
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 29, 2015	Year of Report Dec. 31, 2014
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STATE OF OREGON - DONATIONS AND MEMBERSHIPS

1. List all donations and membership expenditures made by the utility during the year and the amounts charged (items less than \$1,000 may be consolidated by category stating the number of organizations included). Give the name, city and state of each organization to whom a donation has been made. Group donations under headings as:
 - a. Contributions to and memberships in charitable organizations
 - b. Organizations of the utility industry
 - c. Technical and professional organizations
 - d. Commercial and trade organizations
 - e. All other organizations and kinds of donations and contributions
2. List donations by type and group by the accounts charged. Report whole dollars only. Provide a total for each group of donations.

Line No.	Description (a)	Account Number (b)	Total Amount (c)	Amount Assigned To Oregon (d)
1	CONTRIBUTIONS TO AND MEMBERSHIPS IN CHARITABLE ORGANIZATIONS			
2				
3				
4	Union County Extension Office	426.1	2,274	2,274
5	Oregon Economic Development Association	426.1	1,250	1,250
6				
7				
8	Items less than \$1,000	426.1	4,484	4,484
9	Subtotal		8,008	8,008
10				
11	ORGANIZATIONS OF THE UTILITY INDUSTRY (see page 46)			
12	TECHNICAL AND PROFESSIONAL ORGANIZATIONS (see page 46)			
13	COMMERCIAL AND TRADE ORGANIZATIONS (see page 46)			
14	ALL OTHER ORGANIZATIONS AND KINDS OF DONATIONS AND CONTRIBUTIONS (None)			
15				
16				
17			8,008	8,008

Avista Corp.	This Report Is:	Date of Report	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(M, D, Y) April 29, 2015	Dec. 31, 2014

STATE OF OREGON - OFFICERS' SALARIES

- Report below the name, title and salary for the year for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance) and any other person who performs similar policy making functions.
- If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent and date change in incumbency was made.
- Utilities which are required to file similar data with the Securities and Exchange Commission, may substitute a copy of Item 4, Regulation S-K, identified as this schedule page. The substituted page(s) should be conformed to the size of this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year	
			Total (c)	Oregon (d)
1				
2	See the attached Executive Compensation Table from Avista Corp.'s			
3	Proxy Statement.			
4				
5	EXECUTIVE COMPENSATION TABLES			
6	Summary Compensation Table—2014			
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**EXECUTIVE COMPENSATION TABLES
Summary Compensation Table—2014**

Name and Principal Position	Year	Salary(1)	Bonus(2)	Stock Awards (3)	Stock Options (4)	Non-Equity Incentive Plan Compensation (5)	Change in Pension and Non-Qualified Deferred Compensation Earnings (6)	All Other Compensation (7)	Total Compensation (8)
S. L. Morris	2014	\$747,114	\$191,506	\$1,540,351		\$ 1,120,642	\$ 1,613,380	\$ 238,340	\$ 5,451,333
Chairman of the Board, President & CEO	2013	\$723,461		\$1,305,334		\$ 813,894	\$ 0	\$ 53,255	\$ 2,895,944
	2012	\$673,847		\$1,420,093	\$135,250	\$ 245,860	\$ 969,583	\$ 50,165	\$ 3,494,798
M. T. Thies	2014	\$396,462	\$153,127	\$ 489,648		\$ 356,806	\$ 211,017	\$ 61,474	\$ 1,668,534
Sr. Vice President, CFO & Treasurer	2013	\$386,538		\$ 357,720		\$ 289,904	\$ 29,911	\$ 15,300	\$ 1,079,373
	2012	\$365,769		\$ 545,190	\$ 33,813	\$ 88,970	\$ 117,078	\$ 13,460	\$ 1,164,280
D. P. Vermillion	2014	\$357,251		\$ 395,289		\$ 321,517	\$ 671,920	\$ 14,850	\$ 1,760,827
Sr. Vice President & ECO	2013	\$344,309		\$ 371,974		\$ 258,231	\$ 0	\$ 14,429	\$ 988,943
	2012	\$310,385		\$ 560,803		\$ 75,498	\$ 383,559	\$ 13,907	\$ 1,344,152
M. M. Durkin	2014	\$330,347	\$121,127	\$ 382,538		\$ 297,304	\$ 281,334	\$ 57,574	\$ 1,481,924
Sr. Vice President, General Counsel & CCO	2013	\$314,037		\$ 357,720		\$ 235,528	\$ 46,781	\$ 11,475	\$ 965,541
	2012	\$305,385		\$ 545,190	\$ 33,813	\$ 74,282	\$ 170,519	\$ 11,250	\$ 1,140,439
K. S. Feltes	2014	\$297,115	\$104,127	\$ 382,538		\$ 267,396	\$ 411,178	\$ 57,574	\$ 1,531,628
Sr. Vice President & Corporate Secretary	2013	\$282,308		\$ 357,720		\$ 211,731	\$ 20,422	\$ 11,475	\$ 883,656
	2012	\$267,308		\$ 545,190	\$ 33,813	\$ 65,020	\$ 253,636	\$ 11,250	\$ 1,176,217

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (M, D, Y)	Year of Report
Avista Corp.	(2) <input type="checkbox"/> A Resubmission	April 29, 2015	Dec. 31, 2014

**STATE OF OREGON - DONATIONS OR PAYMENTS FOR SERVICES RENDERED BY PERSONS
OTHER THAN EMPLOYEES AND CHARGED TO OREGON OPERATING ACCOUNTS**

- Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of such payments to a recipient was \$25,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons other than affiliates) to any one corporation, institution, association, firm, partnership, committee, or person (not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the service performed. Payments to a recipient by two or more companies within a single system under a cost sharing or other joint arrangement shall be considered a single item for reporting in this schedule and shall be shown in the report of the principal company in the joint arrangement (as measured by gross operating revenues) with references thereto in the reports of the other system companies in the joint arrangement.
- If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

Line No.	Name of Recipient (a)	Nature of Service (b)	Amount of Payment (c)
1	Aecom Technical Services Inc	engineering	299,845
2	Alden Research Laboratory Inc	consulting	362,754
3	Baker Construction	construction	575,000
4	Black & Veatch Corporation	construction consulting	644,345
5	Cirrus Design	construction	315,785
6	Coeur D Alene Tribe	consulting	730,117
7	Columbia Grid	transmission planning	322,708
8	Davis Wright Tremaine LLP	legal	512,805
9	Dinero Solutions LLC	consulting IT	561,684
10	Ducks Unlimited	consulting	3,119,302
11	Ernst & Young LLP	consulting	3,747,281
12	ET Environmental Inc	construction consulting	912,175
13	Five Point Partners LLC	consulting IT	3,326,765
14	Gillespie Prudhon & Associates Inc	consulting	254,908
15	Golder Associates Inc	construction consulting	278,921
16	Helveticka Inc	consulting	377,188
17	Hickey Brothers Research LLC	consulting	289,505
18	Hp Enterprise Services	consulting IT	1,762,429
19	Ibm Corporation	consulting IT	5,181,260
20	Idaho Dept Of Fish & Game	consulting	262,743
21	Intellitect	consulting IT	680,647
22	Klundt Hosmer Design	consulting/graphic design	418,640
23	Land Expressions	construction consulting	1,654,476
24	Landau Associates	consulting	516,743
25	Max J Kuney Company	construction services	563,189
26	Mckinstry Essention Inc	construction consulting	3,065,883
27	Mosaic Company	consulting	1,448,533
28	Mwh Americas Inc	consulting	282,025
29	Neal Structural Repair LLC	construction services	1,437,896
30	Northwest Hydraulic Consultants Ltd	consulting	285,900
31	Northwest Power Pool	consulting	267,969
32	On Ramp Wireless	IT services	273,250
33	Opower Inc	consulting	279,887
34	Paine Hamblen LLP	legal	772,227
35	Pillsbury Winthrop Shaw Pittman LLP	legal	699,559
36	Power City Electric	construction consulting	267,479
37	Russel Electrical Consulting PLLC	construction consulting	350,298
38	Sapere Consulting Inc	consulting	504,608
39	Spirae Inc	consulting	517,208
40	Stoel Rives LLP	legal	486,167
41	Tilton Excavation LLC	construction services	278,174
42	Urs Energy & Construction Inc	construction consulting	1,810,944
43	Washington State University	consulting	644,565
44	Western Electricity	consulting	701,244
45	Win Mill Software Inc	consulting IT	286,226
46	Other		20,533,247
47			
48	Note: the above amounts are for the entire Company, as Oregon specific information is not available.		
49			62,864,502

Name of Respondent	This Report Is:	Date of Report (M, D, Y)	Year of Report
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original	April 29, 2015	Dec. 31, 2014
	(2) <input type="checkbox"/> A Resubmission		

In order to help us with production of our Oregon Utility Statistics publication, please indicate:

Oregon Production Statistics (therms)

Gas Produced	0
Gas Purchased	330,248,700
Total Receipts	<u>330,248,700</u>

Gas Sales	73,456,644
Gas Used by Company	15,978
Gas Delivered to Storage - Net	3,324,300
Sales for Resale	274,168,380
Losses and billing delay	(20,716,602)
Total Disbursements	<u>330,248,700</u>

Oregon Revenue by Service Class

Residential Sales	53,046,117
Commercial and Industrial Sales	
Firm Sales	27,302,058
Interruptible Sales	1,937,904
Transportation	3,192,524
Total	<u>85,478,603</u>

Gas Delivered in Therms (Oregon)

Residential Sales	42,042,810
Commercial and Industrial Sales	
Firm	27,714,701
Interruptible	3,699,133
Transportation	42,649,340
Total	<u>116,105,984</u>

Average Number of Oregon Customers

Residential Sales	85,798
Commercial and Industrial	
Firm	11,343
Interruptible	33
Transportation	39
Total	<u>97,213</u>