



June 1, 2023

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

**RE: RG 43 – Avista Utilities 2021 Affiliated Transaction Report pursuant to OAR 860-27-0100**

Pursuant to OAR 860-27-0100, Avista Corporation (Avista or the Company) hereby submits its 2022 Affiliate Transaction Report (Report). This Report contains summaries of all transactions or agreements between Avista and its subsidiaries over the preceding year ending December 31, 2022.

Included within this Report are the financial statements of certain Company subsidiaries. The filed statements are prepared for internal use only and are unaudited drafts; due to the consolidation process it may not be possible to reconcile line items to our publicly issued financial statements. Therefore, Avista requests these documents to be treated confidentially in accordance with ORS 192.345 and 192.355; these documents are labeled as “CONFIDENTIAL per ORS 192.345 and 192.355”. Physical copies of these confidential documents were mailed to the Commission on June 1, 2023.

If you have any questions regarding this filing, please contact me at (509) 495-2225.

Sincerely,

*/s/ Tia Benjamin*

Tia Benjamin  
Manger of Regulatory Affairs  
Avista Utilities  
[tia.benjamin@avistacorp.com](mailto:tia.benjamin@avistacorp.com)

Enclosure

**STATE OF OREGON**

**AFFILIATED TRANSACTIONS REPORT**

**OF**

**AVISTA CORPORATION**

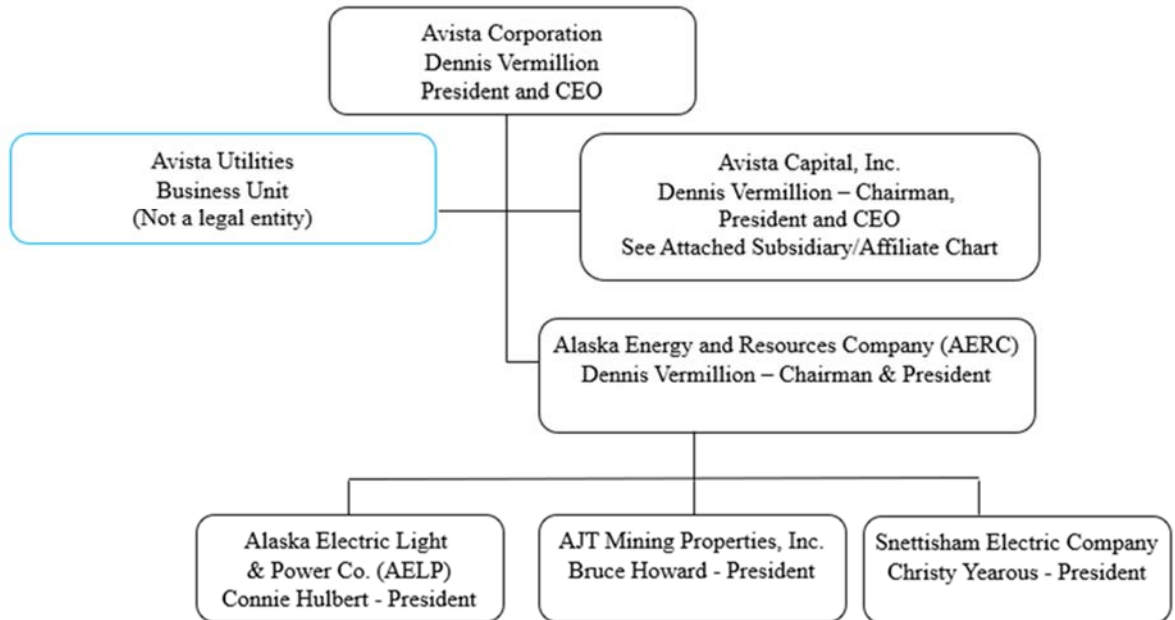
**d/b/a AVISTA UTILITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

On May 16, 1991, through Order 91-671, the Public Utility Commission of Oregon (“Commission”) approved the sale of the natural gas utility assets and transfer of the allocated service territory of the CP National Corporation to The Washington Water Power Company (WWP). WWP began official operation of these properties on September 30, 1991 under the name of "WP Natural Gas, a division of The Washington Water Power Company." On January 1, 1999, the Company changed its corporate name from WWP to Avista Corporation; Avista Corporation now operates in its utility service territories as Avista Utilities (Avista or “Company”). Avista is a combination utility that provides service to approximately 403,000 electric customers and 369,000 natural gas customers in a 30,000-square-mile area in eastern Washington, northern Idaho, and parts of southern and eastern Oregon.

Pursuant to OAR 860-027-100, “Reporting of Affiliated Transactions”, this Affiliated Transactions Report (“Report”) summarizes all transactions that occurred between Avista and its affiliates as defined by ORS 757.015 and 759.010. Total transactions being reported herein are for the twelve-month period ending December 31, 2022.

**I. ORGANIZATION INFORMATION**



Included in **Attachment 1** is additional detail related to the Avista Capital and Avista Development subsidiaries.

#### **A. Directors and/or Officers**

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

#### **B. Ownership Changes:**

No changes in 2022.

#### **C. Narrative Descriptions of Subsidiaries and Affiliates**

**Avista Capital, Inc.**, is a wholly-owned subsidiary of Avista Corp. and is the parent corporation of Avista Corporation's non-regulated subsidiary investments and operations. As of December 31, 2022, Avista Capital had the following non-utility subsidiary investments:

- **Avista Edge** (100% ownership) is a non-utility subsidiary of Avista that was formed to explore internet solutions in rural communities through partnerships with public electric utilities, like municipalities and cooperatives. Avista Edge is currently participating in a pilot program with The City of Cheney, Washington and The City of Bonners Ferry, Idaho, both natural partners to offer a new, affordable, high-speed internet solution along with the other essential services they provide such as water, sewer and electricity. This is the first pilot of its kind for Avista Edge's service, which will support the cities behind the scenes by providing turn-key technology, expertise and devices that enable the local utility to deliver high-speed internet services.
- **Avista Development, Inc.** (100% ownership-no employees, passive income) was established to manage real estate investments including:
  - \* **Court Yard Office Center, LLC** (100% ownership) owns and operates commercial office space rentals.
  - \* **South Landing Building A (Catalyst), LLC** (37.65% ownership) plans, designs, permits, owns, develops and operates commercial real estate.
  - \* **611 East Sprague HUB, LLC** (35.94% ownership) plans, designs, permits, owns, develops and operates commercial real estate.

- \* **Spokane EDO, LLC** (50% ownership) operates and maintains the central plant that provides heating and cooling services to the South Landing Eco District project in Spokane, WA.
- \* **Spokane Eco District I, LLC** (50% ownership) owns the central plant equipment located in the South Landing Eco District project in Spokane, WA.
- \* **University Development Company, LLC** (100% ownership) was established to negotiate a land purchase in the South University District of Spokane, WA with anonymity. The entity will be managed by a lawyer in Coeur d’Alene, ID, and will not actually buy the land, but assign the purchase and sale agreement to Avista Development at closing. Once closed, the entity will be dissolved.
- **Pentzer Corporation** is a wholly-owned private investment company that serves as parent of the non-utility businesses listed below (100% ownership-no employees, passive income):
  - \* **Pentzer Venture Holdings II, Inc.** (100% ownership) is a holding company for an inactive sewage treatment plant near Spokane Industrial Park.
- **Avista Northwest Resources, LLC** (100% ownership) was formed for the purpose of holding unregulated investments in the energy industry.
- **Salix, Inc.** (100% ownership) was formed October 8, 2013, for the purpose of exploring business opportunities.

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

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

As of December 31, 2022, Avista Capital had the following affiliates:

- **Avista Development** (100% ownership by Avista Capital)
- **Mind to Market, LLC** (36% ownership by Avista Development, Inc.)
- **Lumen BioScience, Inc.** (20.3% ownership by Avista Development, Inc.)
- **Open Energy Solutions, Inc.** (24.19% ownership by Avista Development, Inc.)
- **Omnidian, Inc.** (5.9% ownership by Avista Development, Inc.)
- **Toolbox, LLC** (9.52% ownership by Avista Development, Inc.)
- **Kick Start II LLC** (7.68% ownership by Avista Development, Inc.)
- **Kick Start III LLC** (5.68% ownership by Avista Development, Inc.)
- **Kick Start IV LLC** (10.67% ownership by Avista Development, Inc.)
- **Safeguard Equipment, Inc.** (12.93% ownership by Avista Development, Inc.)
- **Energy Impact Fund 1** (4.7% ownership by Avista Development, Inc.)
- **Energy Impact Fund 2** (3.4% ownership by Avista Development, Inc.)
- **EIP Deep Decarbonization Frontier Fund I LP** (1.1% ownership by Avista Development, Inc.)
- **LevelTen Energy, Inc.** (2.4% ownership by Avista Development, Inc.)
- **EnerTech II** (2.2% ownership by Avista Development, Inc.)
- **Perpetua, Inc.** (1.8% ownership by Avista Development, Inc.)
- **ConnectDER, LLC** (9.86% ownership by Avista Development, Inc.)
- **Xpansiv Data Systems Inc.** (3.0% ownership by Avista Development, Inc.)
- **Rohinni** (0.9% ownership by Avista Development, Inc.)
- **Inter-Atlantic Energy Capital Ventures, Inc.** (8.0% ownership by Avista Development, Inc.)
- **As of December 31, 2022, Salix had the following affiliates:**
- **Plum Energy** (24.8% ownership by Salix, Inc.)

#### **D. Financial Statements**

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

## II. SERVICE TRANSACTIONS

### Services Rendered Between Avista Corporation and Affiliates

#### **Description of Basis for Pricing of Transactions**

- (1) Services are provided at cost. Any charges allocated to Oregon are allocated based on the Company's four-factor allocation methodology. (Please refer to **Attachment 4** for the allocation factors.)
- (2) The capital investment is a system project that will be used by all ratepayers in all jurisdictions; therefore, Oregon will be allocated the plant cost and associated depreciation expense.
- (3) All of the costs were for electric service; therefore, none were allocated to Oregon.
- (4) All of the costs were for recorded to non-utility; therefore, none were allocated to Oregon.

#### **Description of Services – by Avista Utilities**

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

<b>SERVICE PAYMENTS BY THE AFFILIATE TO THE UTILITY</b>			
<b>Courtyard Office Center</b>			
ACCOUNT	DESCRIPTION	<u>TOTAL COMPANY</u>	<u>TOTAL OREGON</u>
400 & 1400	Revenue - electric & gas	(1) \$54,570.51	\$0
(Above accounts are WA electric/gas and do not relate to Oregon)			
Cost of Service		(1)	
Margin of Charges Over Costs		(1)	
Assets Allocable to Services		(1)	
Overall Rate of Return		(1)	

#### **(1) Description of Basis for Pricing**

Electricity and natural gas sales are priced according to approved tariffs. See <https://www.myavista.com/about-us/our-rates-and-tariffs> for current tariffs used to price services provided to Avista Development, Inc.

### **III. INTERCOMPANY LOANS**

#### **Avista Corp / Avista Capital Note Payable / Receivable**

During 2022, Avista Corp. recorded a short-term note receivable from Avista Capital, Inc. The year-end note receivable amount at December 31, 2022 was approximately \$9,364,617. The maximum note receivable amount outstanding during the year, due from Avista Capital, was \$9,364,617. Total interest expense due to Avista Corp. in 2022 was \$268,400.92. The balances of the short-term notes payable at month-end during 2022 follow:

<b>Accounting Period</b>	<b>Ending Balance</b>
January - 22	\$ 1,280,797.39
February - 22	\$ 1,046,480.13
March - 22	\$ 575,913.41
April - 22	\$ 325,222.45
May - 22	\$ 742,221.47
June - 22	\$ 7,990,815.24
July - 22	\$ 8,177,129.00
August - 22	\$ 8,335,751.19
September - 22	\$ 8,514,991.75
October - 22	\$ 8,813,636.68
November - 22	\$ 9,079,130.77
December - 22	\$ 9,364,617.21

According to the Cash Management Guidelines and Procedures filed with the Commission in August of 2018, investment/borrowing rates between Avista Corporation and Avista Capital that were in effect during 2022 were:

- a. Upon receiving appropriate approvals, excess Avista Capital cash may be invested with (loaned to) Avista Corp. at a rate equal to Avista Corp.'s avoided short-term borrowing cost, which is the short-term borrowing rate related to Avista Corp.'s credit facility (currently estimated at the one-month LIBOR plus 100 basis points). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.

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



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

- b. Avista Capital may borrow from Avista Corp. up to \$40MM, subject to board-approved limits, at a rate equal to at least the Alternate Base Rate (as defined in the credit facility), currently estimated at the Prime rate. This rate will be reset at such time as the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the credit facility pricing grid.

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

#### **IV. PARENT GUARANTEED DEBT**

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

#### **V. NON-SERVICE TRANSACTIONS**

##### **Description of Avista Corporation Corporate Services**

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

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

Other Payments by the Affiliate to the Utility				
Subsidiary/Affiliate Name	Account No.	Acct. Description	System Amount	Oregon Amount
Courtyard Office Center, LLC	146	Accts Rec.	\$ 35,181	\$ -
AERC	146	Accts Rec.	\$ 1,056	\$ -
AJTM	146	Accts Rec.	\$ 5,645	\$ -
Avista Capital, Inc	146	Accts Rec.	\$ 882,165	\$ -
Avista Development, Inc.	146	Accts Rec.	\$ 730,391	\$ -
Avista Edge, Inc	146	Accts Rec.	\$ 2,822,736	\$ -
AELP	146	Accts Rec.	\$ 1,402,855	\$ -

**(1) Description of Basis for Pricing**

Services are provided at cost.

**Description of Avista Capital II (Trust) Expenses**

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with principle amount of \$51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II then issued to investors \$50.0 million of Preferred Trust Securities and also issued \$1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased \$10.0 million of the Preferred Trust Securities. In the end, customers are paying for the \$40.0 million (\$51.5 - \$1.5 - \$10.0) of Floating Rate Junior Subordinated Deferrable Interest Debentures (debt). The current interest rate on this debit is 1.10% and matures June 1, 2037. The associated interest charges for the trust carried on Avista's books for 2022 totaled \$1,058,476 and were recorded in FERC Account No. 427670 (interest expense). There are no other costs associated with this trust.

**Miscellaneous Agreements and Transactions**

During 2022 there were no Miscellaneous Agreements or Transactions to report.

**VI. EMPLOYEE TRANSFERS**

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

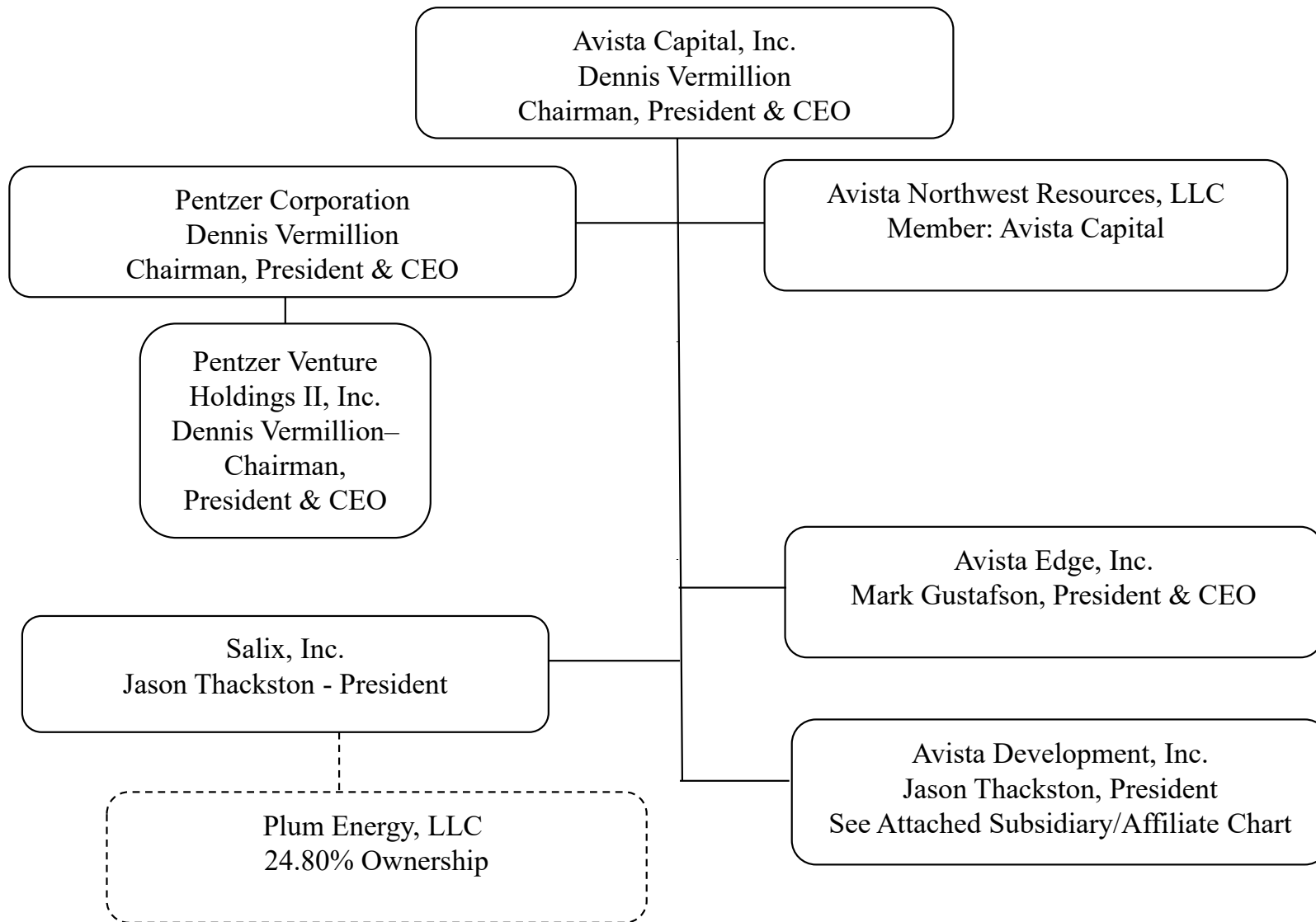
**VII. INTRACOMPANY COST ALLOCATION PROCEDURES**

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

## VIII. COST ALLOCATION MANUAL

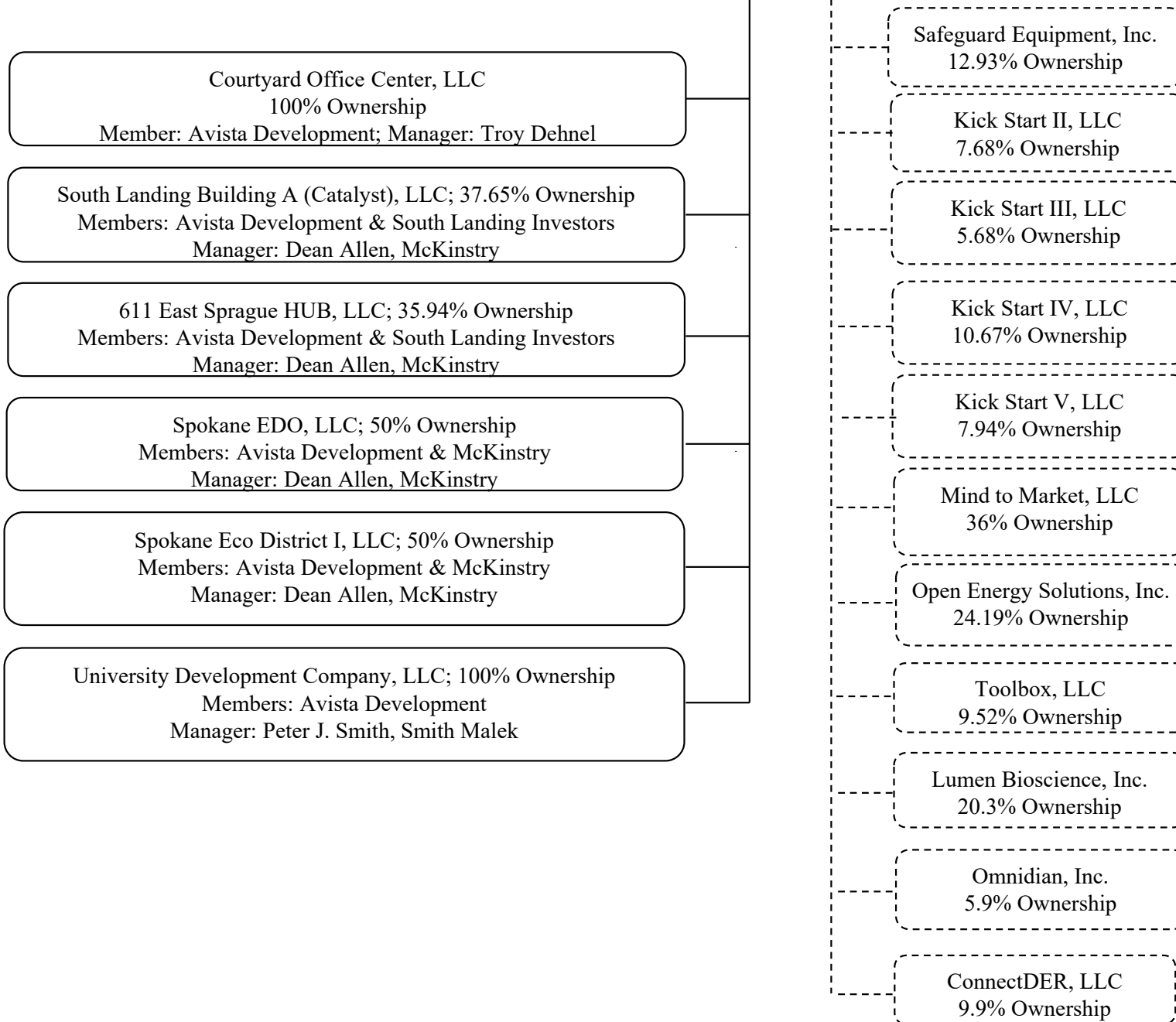
Pursuant to OAR 860-027-0048(6), attached as **Attachment 6** is Avista Corporation's Cost Allocation Manual.

## **ATTACHMENT 1**



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

Avista Development, Inc.  
Jason Thackston, President



## **ATTACHMENT 2**



Corporate Secretary Department  
November 1, 2022

Annual Meeting Held in May of Each Year

**Directors:**

Julie A. Bentz	Sena M. Kwawu	Heidi B. Stanley
Kristianne (Kristi) Blake	Scott H. Maw	Dennis P. Vermillion
Donald C. Burke	Scott L. Morris (Chairman)	Janet D. Widmann
Rebecca (Becky) A. Klein	Jeffry (Jeff) L. Philipps	

**Officers:**

Dennis P. Vermillion	President and Chief Executive Officer
Mark T. Thies	Executive Vice President, Chief Financial Officer and Treasurer
Jason R. Thackston	Senior Vice President, Chief Strategy and Clean Energy Officer
Kevin J. Christie	Senior Vice President, External Affairs and Chief Customer Officer
Heather L. Rosentrater	Senior Vice President and Chief Operating Officer
Gregory C. Hesler	Senior Vice President, General Counsel, Corporate Secretary and Chief Ethics/Compliance Officer
Bryan A. Cox	Vice President, Safety and Chief People Officer
Joshua D. DiLuciano	Vice Present, Energy Delivery
Latisha D. Hill	Vice President, Community and Economic Vitality
James M. Kensok	Vice President, Chief Information Officer and Chief Security Officer
Scott J. Kinney	Vice President, Energy Resources
Ryan L. Krasselt	Vice President, Controller and Principal Accounting Officer
David J. Meyer	Vice President and Chief Counsel for Regulatory and Governmental Affairs
Edward D. Schlect Jr.	Vice President and Strategy Advisor
Jason E. Lang	Assistant Treasurer
Daniel L. Loutzenhiser	Assistant Treasurer
Lisa M. Lee	Assistant Corporate Secretary

**Governance & Corporate Responsibility Committee**

Donald C. Burke  
Scott H. Maw  
Janet D. Widmann  
Kristianne Blake – Chair

**Executive Committee**

Kristianne Blake  
Heidi B. Stanley  
Dennis P. Vermillion  
Scott L. Morris – Chair

**Audit Committee**

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

**Compensation & Organization Committee**

Rebecca A. Klein  
Scott H. Maw – Chair  
Jeffry L. Philipps

**Finance Committee**

Julie A. Bentz  
Sena M. Kwawu  
Scott L. Morris  
Jeffry L. Philipps  
Janet D. Widmann – Chair

**Environmental, Technology & Operations Committee**

Julie A. Bentz  
Sena M. Kwawu  
Heidi B. Stanley  
Rebecca A. Klein – Chair

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



**611 EAST SPRAGUE, LLC**

(An Affiliate of Avista Development, Inc. – 36.51% ownership)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Members:**

Avista Development, Inc.

South Landing Investors, LLC

**General Manager**

Dean Allen, McKinstry

Current as of March 4, 2022

**AJT MINING PROPERTIES, INC.**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Gregory C. Hesler

Bruce Howard

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion      Chairman of the Board

Bruce Howard              President

Connie Hulbert            Treasurer and Assistant Corporate Secretary

Bryan Farrell              Vice President and Generation Engineer

Debbie Driscoll            Corporate Secretary

**ALASKA ELECTRIC LIGHT AND POWER COMPANY**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Bruce Howard

Connie Hulbert

Heather L. Rosentrater

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board

Constance Hulbert

President, General Manager

Alec Mesdag

Assistant General Manager

Brandon Cullum

Vice President, Chief Financial Officer and Treasurer

Bryan Farrell

Vice President of Power Generation

Debbie Driscoll

Vice President, Director of Consumer Affairs and Corporate Secretary

Darrell Wetherall

Vice President of Transmission and Distribution

Ronald Duvall

Vice President, Director of Information Technology

Oksana Midgett

Assistant Treasurer, Controller

Cooper Gale

Assistant Treasurer, Power Generation System Engineer – Electrical

Steve Vorderbruggen

Assistant Treasurer, Power Generation System Engineer – Electrical

Quincy Judson

Assistant Corporate Secretary, T&D Electrical Engineer

Stuart Stephens

Assistant Corporate Secretary, Assistant Director of Information Technology

**ALASKA ENERGY AND RESOURCES COMPANY**

(A Subsidiary of Avista Corp.)

5601 Tongard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Gregory C. Hesler

Bruce Howard

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion      Chairman of the Board and President

Connie Hulbert              Vice President

Brandon Cullum              Treasurer

Gregory C. Hesler          Corporate Secretary

Lisa M. Lee                  Assistant Corporate Secretary

Debbie Driscoll              Assistant Corporate Secretary

Current as of February 3, 2022

**AVISTA CAPITAL, INC.**

(A Subsidiary of Avista Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Gregory C. Hesler

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board, President and CEO

Mark T. Thies

Executive Vice President, Chief Financial Officer and Treasurer

Gregory C. Hesler

Vice President and Corporate Secretary

Ryan L. Krasselt

Vice President

Lisa M. Lee

Assistant Corporate Secretary

Jason E. Lang

Assistant Treasurer

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

**AVISTA DEVELOPMENT, INC.**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Gregory C. Hesler

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board and CEO

Edward D. Schlect Jr.

President

Mark T. Thies

Executive Vice President, Chief Financial Officer and Treasurer

Latisha Hill

Senior Vice President

Gregory C. Hesler

Vice President and Corporate Secretary

Lisa M. Lee

Assistant Corporate Secretary

Jason E. Lang

Assistant Treasurer

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

**AVISTA EDGE, INC.**

(A Subsidiary of Avista Capital)

12 N Sheridan, Suite 340

Spokane, WA 99202

(509) 489-0500

**Directors:**

Bryan A. Cox

Mark W. Gustafson

Latisha D. Hill

James M. Kensok

Edward D. Schlect, Jr.

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Mark W. Gustafson

Mark T. Thies

Sean M. Chambers

Gregory C. Hesler

Lisa M. Lee

Chairman of the Board

President and Chief Executive Officer

Executive Vice President, Chief Financial Officer and Treasurer

Vice President, Network Engineering

Corporate Secretary

Assistant Corporate Secretary

**AVISTA NORTHWEST RESOURCES, LLC**

(An Affiliate of Avista Capital)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Member:**

Avista Capital

**Officers (Managers):**

Dennis P. Vermillion

President and Chief Executive Officer

Mark T. Thies

Executive Vice President and Chief Financial Officer

Ryan L. Krasselt

Vice President and Treasurer

Gregory C. Hesler

Vice President and Corporate Secretary

Lisa M. Lee

Assistant Corporate Secretary

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



**COURTYARD OFFICE CENTER, LLC**

(An Affiliate of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Member:**

Avista Development, Inc.

**Manager**

Troy Dehnel

**PENTZER CORPORATION**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Mark T. Thies

Jason Thackston

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman, President and Chief Executive Officer

Mark T. Thies

Executive Vice President, Chief Financial Officer and Treasurer

Gregory C. Hesler

Vice President and Corporate Secretary

Lisa M. Lee

Assistant Corporate Secretary

Jason E. Lang

Assistant Treasurer

**PENTZER VENTURE HOLDINGS II**

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Mark T. Thies

Jason Thackston

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Mark T. Thies

Gregory C. Hesler

Lisa M. Lee

Jason E. Lang

Chairman, President and Chief Executive Officer

Executive Vice President, Chief Financial Officer and Treasurer

Vice President and Corporate Secretary

Assistant Corporate Secretary

Assistant Treasurer

**SALIX, INC.**

(A Subsidiary of Avista Capital)  
1411 E. Mission Ave.  
Spokane, WA 99202  
(509) 489-0500

**Directors:**

Gregory C. Hesler  
Edward D. Schlect Jr  
Mark T. Thies  
Dennis P. Vermillion

**Officers:**

Edward D. Schlect Jr.	President
Mark T. Thies	Treasurer
Gregory C. Hesler	Corporate Secretary
Lisa M. Lee	Assistant Corporate Secretary

**SNETTISHAM ELECTRIC COMPANY**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 780-2222

**Directors:**

Darrell Wetherall

Connie Hulbert

Jason Thackston

**Officers:**

Bryan Farrell

President

Connie Hulbert

Vice President

Darrell Wetherall

Treasurer

Debbie Driscoll

Corporate Secretary

Current as of February 6, 2018

**SOUTH LANDING BUILDING A, LLC**

(An Affiliate of Avista Development, Inc. – 32% ownership)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Members:**

Avista Development, Inc.

South Landing Investors, LLC

**General Manager**

Dean Allen, McKinstry

Current as of March 27, 2019

**SPOKANE EDO, LLC**

(An Affiliate of Avista Development, Inc. – 50% ownership)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Members:**

Avista Development, Inc.

McKinstry Essention

**General Manager**

Dean Allen, McKinstry

Current as of March 27, 2019

**SPOKANE ECO DISTRICT I, LLC**

(An Affiliate of Avista Development, Inc. – 50% ownership)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Members:**

Avista Development, Inc.

McKinstry Essention

**General Manager**

Dean Allen, McKinstry



Current as of June 15, 2021

**UNIVERSITY DEVELOPMENT COMPANY, LLC.**

(A Subsidiary of Avista Development, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Members:**

Avista Development, Inc.

**Limited Manager**

Peter Smith, Smith+Malek PLLC

**ATTACHMENT 3**

**REDACTED**



Subsidiary Balance Sheets  
December 31, 2022

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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AVISTA CAPITAL	PENTZER CORP.	AVISTA DEVELOPMENT	AVISTA ENERGY	NORTHWEST RESOURCES, LLC	SALIX INC.	AVISTA EDGE
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]







Income Statements - YTD  
202212







## **ATTACHMENT 4**

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2022  
Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho
1	Input	Production/Transmission Ratio	01-01-2022 thru 12-31-2022	100.000%	64.400%	35.600%
2	Input	Number of Customers - AMA Percent	01-01-2022 thru 12-31-2022	408,217 100.000%	265,983 65.157%	142,234 34.843%
3	E-OPS	Direct Distribution Operating Expense Percent	01-01-2022 thru 12-31-2022	43,303,602 100.000%	27,489,947 63.482%	15,813,655 36.518%
	Input	Jurisdictional 4-Factor Ratio	01-01-2022 thru 12-31-2022			
		Direct O & M Accts 500 - 598		40,882,857	25,445,066	15,437,791
		Direct O & M Accts 901 - 935		41,945,136	28,814,577	13,130,559
		Total		82,827,993	54,259,643	28,568,350
		Percentage		100.000%	65.509%	34.491%
		Direct Labor Accts 500 - 598		13,741,528	9,445,996	4,295,532
		Direct Labor Accts 901 - 935		6,627,933	4,527,226	2,100,707
		Total		20,369,461	13,973,222	6,396,239
		Percentage		100.000%	68.599%	31.401%
		Number of Customers		410,798	267,416	143,382
		Percentage		100.000%	65.097%	34.903%
		Net Direct Plant		1,547,671,503	1,061,211,073	486,460,430
		Percentage		100.000%	68.568%	31.432%
4		Total Percentages Percent		400.000% 100.000%	267.773% 66.943%	132.227% 33.057%

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2022  
 Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
			01-01-2021 thru 12-31-2021	Total	Electric	Gas North	Oregon Gas
Input		Elec/Gas North/Oregon 4-Factor		90,055,012	75,398,647	9,840,778	4,815,587
		Direct O & M Accts 500 - 894		62,329,960	46,412,847	11,184,472	4,732,641
		Direct O & M Accts 901 - 935		4,438,570	3,135,525	1,303,045	0
		Direct O & M Accts 901 - 905 Utility 9 Only		0	0	0	0
		Adjustments		156,823,542	124,947,019	22,328,295	9,548,228
Total				100.000%	79.673%	14.238%	6.089%
Percentage							
		Direct Labor Accts 500 - 894		61,174,654	47,158,546	9,829,201	4,186,907
		Direct Labor Accts 901 - 935		25,245,925	18,921,106	2,960,225	3,364,594
		Direct Labor Accts 901 - 905 Utility 9 Only		5,281,385	3,758,942	1,522,443	0
Total				91,701,964	69,838,594	14,311,869	7,551,501
Percentage				100.000%	76.158%	15.607%	8.235%
		Number of Customers at		777,952	405,775	266,537	105,640
Percentage				100.000%	52.160%	34.261%	13.579%
		Net Direct Plant		4,171,556,663	3,119,808,181	701,125,169	350,623,313
Percentage				100.000%	74.788%	16.807%	8.405%
Total Percentages				400.000%	282.779%	80.913%	36.308%
Average (CD AA)				100.000%	70.695%	20.228%	9.077%

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2022  
 Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
			01-01-2021 thru 12-31-2021	Total	Electric	Gas North	Oregon Gas
Input		Gas North/Oregon 4-Factor					
		Direct O & M Accts 500 - 894		14,116,908	0	9,478,568	4,638,340
		Direct O & M Accts 901 - 935		15,640,037	0	10,989,779	4,650,258
		Direct O & M Accts 901 - 905 Utility 9 Only		1,303,045	0	1,303,045	0
		Total		31,059,990	0	21,771,392	9,288,598
		Percentage		100.000%	0.000%	70.095%	29.905%
		Direct Labor Accts 500 - 894		9,708,675	0	6,808,489	2,900,186
		Direct Labor Accts 901 - 935		4,008,246	0	1,875,992	2,132,254
		Direct Labor Accts 901 - 905 Utility 9 Only		1,522,443	0	1,522,443	0
		Total		15,239,364	0	10,206,924	5,032,440
		Percentage		100.000%	0.000%	66.977%	33.023%
		Number of Customers at		372,177	0	266,537	105,640
		Percentage		100.000%	0.000%	71.616%	28.384%
		Net Direct Plant		1,034,813,184	0	685,618,721	349,194,463
		Percentage		100.000%	0.000%	66.255%	33.745%
		Total Percentages		400.000%	0.000%	274.943%	125.057%
8		Average (GD AA)		100.000%	0.000%	68.736%	31.264%

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2022  
Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	Oregon Gas
	Input	Elec/Gas North 4-Factor	01-01-2021 thru 12-31-2021	Total	Electric	Gas North	Oregon Gas
		Direct O & M Accts 500 - 894		85,248,538	75,398,647	9,849,891	0
		Direct O & M Accts 901 - 935		57,593,346	46,412,847	11,180,499	0
		Adjustments		0	0	0	0
		Total		142,841,884	121,811,494	21,030,390	0
		Percentage		100.000%	85.277%	14.723%	0.000%
		Direct Labor Accts 500 - 894		56,931,970	47,158,546	9,773,424	0
		Direct Labor Accts 901 - 935		22,391,665	18,921,106	3,470,559	0
		Total		79,323,635	66,079,652	13,243,983	0
		Percentage		100.000%	83.304%	16.696%	0.000%
		Number of Customers at		672,312	405,775	266,537	0
		Percentage		100.000%	60.355%	39.645%	0.000%
		Net Direct Plant		3,762,395,554	3,076,776,833	685,618,721	0
		Percentage		100.000%	81.777%	18.223%	0.000%
		Total Percentages		400.000%	310.713%	89.287%	0.000%
9		Average (CD AN/ID/WA)		100.000%	77.679%	22.321%	0.000%
10	E-PLT	Net Electric Distribution Plant - AMA	12-01-2021 thru 12-31-2022	1,449,620,655	992,029,524	457,591,131	
		Percent		100.000%	68.434%	31.566%	
11		Book Depreciation	01-01-2022 thru 12-31-2022	145,219,433	96,601,196	48,618,237	
		Percent		100.000%	66.521%	33.479%	

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2022  
 Average of Monthly Averages Basis

Report ID:  
**E-ALL-12A**

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho
12		Net Electric Plant (before ADFIT) - AMA Percent	12-01-2021 thru 12-31-2022	3,481,184,146 100.000%	2,316,823,013 66.553%	1,164,361,133 33.447%
13	E-PLT	Net Electric General Plant - AMA Percent	12-01-2021 thru 12-31-2022	293,394,944 100.000%	199,499,767 67.997%	93,895,177 32.003%
14		Net Allocated Schedule M's - AMA Percent	01-01-2022 thru 12-31-2022	-126,507,554 100.000%	-85,064,817 67.241%	-41,442,737 32.759%
99	Input	Not Allocated		0.000%	0.000%	0.000%

## **ATTACHMENT 5**

August 2018

## Avista Corp. Cash Management Guidelines and Procedures

In order to efficiently manage cash at the corporate and subsidiary levels, minimize borrowing costs and maximize investment returns, the following procedures should be followed regarding cash management activity between Avista Corp, Avista Capital and Avista Capital Subsidiaries (AERC and its subsidiaries are excluded from these guidelines.)

### I. Investment/Borrowing Policies

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

1. Avista Capital may maintain a money market account with a maximum balance of \$1,000,000, unless known payments are occurring within 30 days. This account may be used to fund subsidiary payables. Avista Capital cash balances over \$1,000,000 and up to the outstanding loan balance will be transferred to Avista Corp as a payment against the outstanding borrowings on the loan between Avista Corp and Avista Capital.
2. Avista Capital may borrow from Avista Corp., up to \$40MM, to cover subsidiary company cash needs in accordance with board-approved limits. Avista Capital may loan excess funds to Avista Corp upon receipt of appropriate approvals. Regulatory restrictions should be considered prior to transferring funds between the utility and non-regulated subsidiaries. The current guidance in Washington is WAC 480-100-244 and in Oregon it is Order No. 07-297.
3. Unless specifically stated in a master promissory note, all loans between companies are unsecured.
4. Subsidiaries with cash deficits may borrow from Avista Capital. Borrowings will be in accordance with each company's board-approved limits. Subsidiaries will repay or loan excess funds to Avista Capital.
5. Investment/Borrowing Rates Between Avista Corp. and Avista Capital:
  - a) Upon receiving appropriate approvals, excess Avista Capital cash may be invested with (loaned to) Avista Corp. at a rate equal to Avista Corp.'s avoided short-term borrowing cost, which is the short-term borrowing rate related to Avista Corp.'s credit facility (currently estimated at the one-month LIBOR plus 77.5 basis points). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.

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

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

- b) Avista Capital may borrow from Avista Corp. up to \$40MM, subject to board-approved limits, at a rate equal to at least the Alternate Base Rate (as defined in the credit facility), currently estimated at the Prime rate. This rate will be reset at such time as the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the credit facility pricing grid.



6. Investment/Borrowing Rates Between Avista Capital and Subsidiary Companies:  
Subsidiaries of Avista Capital which are wholly-owned and are not expected to seek outside investors within the next two years will not be charged interest on borrowings or receive interest on invested funds with Avista Capital. The following interest rate guidelines apply to all other subsidiaries:
  - a) Subsidiary companies will borrow from Avista Capital at a rate equal to at least the Alternate Base Rate (as defined in the credit facility), currently estimated at the Prime rate. This rate will be reset at such time as the Prime rate is changed by the Agent bank on the Avista Corp. credit agreement changes the Prime rate or the margin is changed per the credit facility pricing grid.
  - b) Subsidiary company cash invested with (loaned to) Avista Capital will be at a rate equal to Avista Corp.'s avoided short-term borrowing cost, which is the short-term borrowing rate related to Avista Corp.'s credit facility (currently estimated at the one-month LIBOR plus 77.5 basis points). The rate will be reset monthly with the LIBOR rate in effect on the second business day of each month.
7. The Avista Corp. subsidiary accountant will maintain daily interest schedules of all borrowings and repayments between all subsidiary companies. Documentation will include the date and amount of the borrowing or repayment, the maturity date, if any, the applicable interest rate, and daily balances of all outstanding loans.

## II. Subsidiary Cash Management Guidelines

1. Cash Balances  
Subsidiary companies will keep a maximum of \$50,000 cash balance per book in their checking accounts at any time. Accurate up-to-date balances must be maintained and deposit information should be updated when funds are received. This information is available currently via Wells Fargo Commercial Electronic Office reports or through the Cash Manager for Avista Corp. Excess balances resulting from large deposits should be transferred to Avista Capital for investment or to pay down loan balances. Transfers of excess cash to Avista Capital may be incorporated in the weekly funding request for payables. Please contact the Avista Corp. Subsidiary Accountant for details.
2. Funding Requests from Avista Capital  
Funding requests for ACH, in-bank transfers or wires must be sent to Accounts Payable and the Treasury team by 9:00 a.m. for that day's funding for wires and next day for ACH. For cost minimization, ACH or in-bank transfers are preferred. Vouchers, wires and ACH must be approved by an authorized approver for funding from Avista Capital. Funds will not be transferred without proper signatures.

Please note: For funding requests over \$500K please notify the Avista Corp. cash manager of the due date as far in advance as possible.

3. Emergency Funding  
Emergency funding is generally initiated in the form of a wire. If a request is needed after 9:00 am but before 3:00 pm, this would be considered emergency and a phone call is necessary to Accounts Payable to request the funding. In addition an email with appropriate approvals should be sent to Accounts Payable and Treasury. Same day transfer of funds over \$50,000 may be accommodated but cannot be guaranteed. Contact should be made with the Subsidiary Accountant or Cash Manager for availability of same day funds.

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

4. Intercompany payments

Intercompany payments between Avista Corp, Avista Capital and all Subsidiaries should be made electronically. (Electronically may encompass transfers between accounts when the accounts are at the same banking institution.) This includes payments for work orders, payroll and taxes.

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

Approved:

By: \_\_\_\_\_

CFO, Treasurer – Avista Corp.

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

**Avista Corp. dba Avista Utilities**  
**Cost Allocation Manual**  
**For the year 2022**

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

**I.) Overview/Introduction**

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

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

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

**a. List of utility Non-Regulated Activities:**

Not applicable.

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

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

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

#### **a. Service Transactions**

Electricity and natural gas sales are priced according to approved tariffs. See <https://www.myavista.com/about-us/our-rates-and-tariffs> for current tariffs used to price services provided.

#### **b. Non-Service Transactions**

Avista Corporation Corporate Support –

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

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

#### IV.) Labor Allocation Methods

##### a. Payroll Loadings and Overheads

The Company's payroll loadings and overhead billing rates are reviewed monthly and adjusted as necessary, to reflect changes in costs and usage. The following rates are the 2022 Budgeted rates.

DESCRIPTION	2022 BUDGET RATES
Labor Related:	
Payroll Benefits	52.48%
Paid Time Off	18.27%
Payroll Taxes	8.45%

##### b. Service Provider and Administrative Allocations

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

#### V.) Organization Chart

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