



**Avista Corp.**

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

April 29, 2020

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

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

Pursuant to OAR 860-27-0100, Avista Corporation ("Avista" or "Company") hereby electronically files with the Commission its 2019 Affiliate Interest and Subsidiary Transaction Report. This report contains summaries of all transactions or agreements between Avista and its subsidiaries over the preceding year ending December 31, 2019.

Included within the confidential portion of the report are the financial statements of certain Company subsidiaries. The filed statements are prepared for internal use only and are unaudited. We have also included unaudited financial statements, statement of work and addendum to master software and licensing agreement with one of our affiliates, and a professional services agreements with one of our affiliates that we are requesting to be kept confidential for contractual terms and pricing reasons. Please assure these financial statements and statement of work, and professional services agreements, stamped CONFIDENTIAL, and are treated confidentially in accordance with ORS 192.345 and 192.355.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer S. Smith", is positioned above the typed name.

Jennifer S. Smith  
Manager Regulatory Policy & Affairs  
[jennifer.smith@avistacorp.com](mailto:jennifer.smith@avistacorp.com)  
enclosure

**STATE OF OREGON**

**AFFILIATED INTEREST REPORT**

**OF**

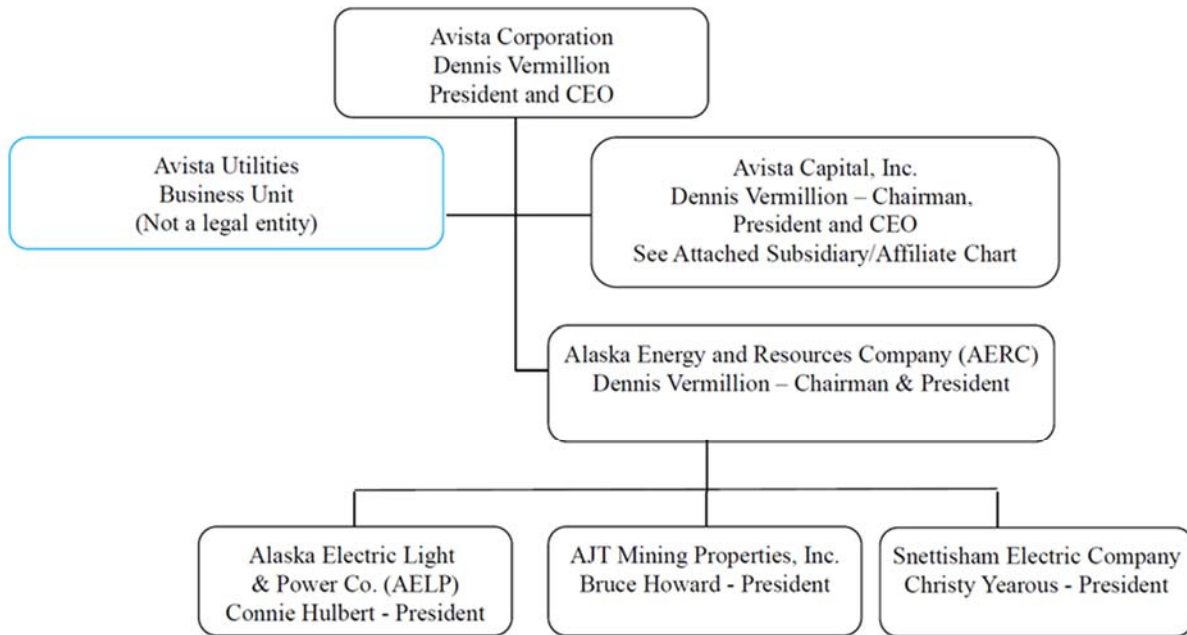
**AVISTA CORPORATION**

**d/b/a AVISTA UTILITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

On May 16, 1991, through Order 91-671, the Public Utility Commission of Oregon approved the sale of the natural gas utility assets and transfer of the allocated service territory of the CP National Corporation to The Washington Water Power Company (WWP). WWP began official operation of these properties on September 30, 1991 under the name of "WP Natural Gas, a division of The Washington Water Power Company." On January 1, 1999, the Company changed its corporate name from The Washington Water Power Company to Avista Corporation (hereinafter Avista or Company). The Company now operates in its utility service territories as Avista Utilities. Total transactions being reported herein are for the twelve-month period ending December 31, 2019.

**I. Organizational Chart**



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

**A. Directors and/or Officers**

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

## **B. Ownership Changes:**

Metalfx was sold in April of 2019.

## **C. Narrative Descriptions**

Avista Utilities is a combination utility that provides service to approximately 388,000 electric customers and 355,000 natural gas customers in a 30,000-square-mile area in eastern Washington, northern Idaho, and parts of southern and eastern Oregon. The largest community served in the area is Spokane, Washington, which is the location of its main offices.

### **Descriptions of subsidiaries of Avista Corporation follows:**

**Avista Capital, Inc.**, is a wholly-owned subsidiary of Avista Corp. and is the parent corporation of Avista Corporation's non-regulated subsidiary investments and operations. As of December 31, 2019, Avista Capital had the following non-utility subsidiary investments:

- **Avista Energy, Inc. and Avista Energy Canada, Ltd.** (100% ownership–Inactive), were energy marketing and resource management companies. On June 30, 2007, Avista completed the sale of the operations of Avista Energy to Coral Energy Holding, L.P., and certain of its subsidiaries, a subsidiary of Shell (Coral).
- **Avista Development, Inc.** (100% ownership-no employees, passive income) was established to manage real estate investments including:
  - \* **Steam Plant Square, LLC** (100% ownership) Manages and operates the Steam Plant Square in Spokane, Washington.
    - **Steam Plant Brew Pub, LLC** (100% ownership) Manages and operates the Steam Plant Grill in Spokane, Washington.
  - \* **Court Yard Office Center, LP** (100% ownership) Owns and operates commercial office space rentals.
  - \* **South Landing Building A (Catalyst), LLC** (32% ownership) Purpose of this entity is to plan, design, permit, own develop and operates commercial real estate.
  - \* **611 East Sprague HUB, LLC** (36.51% ownership) Purpose of this entity is to plan, design, permit, own, develop and operate commercial real estate.

- \* **Spokane EDO, LLC** (50% ownership) Purpose of this entity is operate and maintain 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) Purpose of this entity is to own the central plant equipment located in the South Landing Eco District project in Spokane, WA.
- **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) Holding company for an inactive sewage treatment plant near Spokane Industrial Park.
  - **Avista Northwest Resources, LLC** (100% ownership) was formed for the purpose of holding unregulated investments in the energy industry.
  - **Salix, Inc.** (100% ownership) was formed October 8, 2013, for the purpose of exploring business opportunities.

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

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

**Descriptions of affiliates of Avista Corporation follows:**

As of December 31, 2019, Avista Capital had the following affiliates:

- **Avista Development** (100% ownership by Avista Capital)
- **Trove** (26% ownership by Avista Development, Inc.)
- **Mind to Market, LLC** (36% ownership by Avista Development, Inc.)
- **Pivotal Investment Partners I, L.P.** (30.4% ownership by Avista Northwest Resources, LLC)
- **Lumen BioScience, Inc.** (19.4% ownership by Avista Development, Inc.)
- **Open Energy Solutions, Inc.** (24.2% ownership by Avista Development, Inc.)
- **The Dragon Group, LLC** (10% ownership by Avista Development, Inc.)
- **Omnidian, Inc.** (8.3% ownership by Avista Development, Inc.)
- **Toolbox, LLC** (9.5% ownership by Avista Development, Inc.)
- **Kick Start II LLC** (7.7% ownership by Avista Development, Inc.)
- **Kick Start III LLC** (5.7% ownership by Avista Development, Inc.)
- **Safeguard Equipment, Inc.** (12.9% ownership by Avista Development, Inc.)
- **Energy Impact Fund** (4.7% ownership by Avista Development, Inc.)
- **LevelTen Energy, Inc.** (2.4% ownership by Avista Development, Inc.)
- **EnerTech II** (2.2% ownership by Avista Development, Inc.)
- **Spirae** (15.4% ownership by Avista Development, Inc.)
- **Perpetua, Inc.** (1.8% ownership by Avista Development, Inc.)
- **ConnectDER, LLC** (9.8% ownership by Avista Development, Inc.)
- **Open Energy Solutions Inc.** (24.2% ownership by Avista Development, Inc.)
- **Xpansiv Data Systems Inc.** (3.0% ownership by Avista Development, Inc.)
- **Rohinni** (0.9% ownership by Avista Development, Inc.)

As of December 31, 2019, 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. Services Rendered Between Avista Corporation and Affiliates**

**Description of Services – by Affiliates**

Service Payments by the Utility to the Affiliate				
Subsidiary/Affiliate Name	Account No.	Acct. Description	System Amount	Oregon Amount
Steam Plant Square, LLC	107	CWIP (1)(2)(3)	\$ 16,200	\$ -
Steam Plant Square, LLC	931	Rents(1)(2)	\$ 43,225	\$ 3,851
Safeguard Business Systems	921	Office Supplies & Expenses (1)(2)	\$ 146	\$ 13
Steam Plant Brew Pub	921	Office Supplies & Expenses (1)(2)	\$ 3,358	\$ 299
Steam Plant Kitchen & Brewery	107	CWIP (1)(2)(3)	\$ 5,490	\$ -
Steam Plant Kitchen & Brewery	535	Oper Supv/Eng (1)(2)(3)	\$ 8,924	\$ -
Steam Plant Kitchen & Brewery	566	Misc Transmission (1)(2)(3)	\$ 2,994	\$ -
Steam Plant Kitchen & Brewery	580	Oper Supv/Eng (1)(2)(3)	\$ 1,260	\$ -
Steam Plant Kitchen & Brewery	588	Distribution Oper Misc (1)(2)	\$ -	\$ -
Steam Plant Kitchen & Brewery	921	Office Supplies & Expenses (1)(2)	\$ 7,281	\$ 649
Steam Plant Kitchen & Brewery	925	Injuries & Damages (1)(2)(3)	\$ 655	\$ -
Steam Plant Kitchen & Brewery	926	Employee Pensions & Benefits (1)(2)	\$ 3,704	\$ 330
Steam Plant Kitchen & Brewery	930	Misc General Expense (1)(2)	\$ 4,070	\$ 363

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

**Description of Basis for Pricing of Transactions**

- (1) Services are provided at cost. Any charges allocated to Oregon are allocated based on the Company’s four-factor allocation methodology. (Please refer to Attachment 4 for the allocation factors.)
- (2) The capital investment is a system project that will be used by all ratepayers in all jurisdictions; therefore, Oregon will be allocated the plant cost and associated depreciation expense.
- (3) 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>Avista Development</b>			
ACCOUNT	DESCRIPTION	TOTAL COMPANY	TOTAL OREGON
400 & 1400	Revenue - electric & gas	(1) \$181,511	\$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. Inter-Company Loans**

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

During 2019, Avista Corp. recorded short-term note receivable to Avista Capital, Inc. The year-end note payable amount at December 31, 2019 was \$14,951,064. The maximum note payable amount outstanding during the year, due to Avista Capital, was \$0. Total interest expense due from Avista Capital in 2019 was \$1,342,491. The balances of the short-term notes payable at month-end during 2019 follow:

<b><u>Accounting Period</u></b>	<b><u>Ending Balance</u></b>
January-19	\$ 32,807,546
February-19	\$ 32,945,967
March-19	\$ 14,951,064
April-19	\$ -
May-19	\$ -
June-19	\$ -
July-19	\$ -
August-19	\$ -
September-19	\$ -
October-19	\$ -
November-19	\$ -
December-19	\$ -



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 2019 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 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.

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

#### **IV. Parent Guaranteed Debt**

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

#### **V. Non-Service Transactions**

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

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

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

<b>Other Payments by the Affiliate to the Utility</b>				
<b>Subsidiary/Affiliate Name</b>	<b>Account No.</b>	<b>Acct. Description</b>	<b>System Amount</b>	<b>Oregon Amount</b>
Avista Capital II (Trust)	427	Interest Exp.	\$ 1,342,492	\$ -
Spirae, LLC	107	CWIP	\$ 184,770	\$ -
Salix, Inc.	146	Accts Rec.	\$ 280,649	\$ -
Avista Capital, Inc	146	Accts Rec.	\$ 111,778	\$ -
Avista Development, Inc.	146	Accts Rec.	\$ 94,332	\$ -

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

**(1) Description of Basis for Pricing**  
Services are provided at cost.

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

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with principle amount of \$51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II then issued to investors \$50.0 million of Preferred Trust Securities and also issued \$1.5 million of Common Trust Securities to the Company. In December 2000, the Company purchased \$10.0 million of the Preferred Trust Securities. In the end, customers are paying for the \$40.0 million (\$51.5 - \$1.5 -\$10.0) of Floating Rate Junior Subordinated Deferrable Interest Debentures (debt). The current interest rate on this debt is 2.062% and matures June 1, 2037. The associated interest charges for the

trust carried on Avista's books for 2019 totaled \$1,342,492 and were recorded in FERC Account No. 427670 (interest expense). There are no other costs associated with this trust.

### **Description of Steam Plant Square, LLC Lease**

Avista Utilities leases office space (two leases under separate Multi-Tenant Lease Agreements) from Steam Plant Square, LLC. For the first lease (suite 201/202), Avista Corporation assumed a lease in May 2003 from Avista Capital, Inc. that was renewed May 1, 2010. The basic terms of this lease (i.e. square footage, monthly rents, etc.) remained the same. A copy of the lease agreement was provided in Docket No. UI 306 (Order No. 11-071).

The second space was leased in August 2010. A copy of the lease agreement was provided in Docket No. UI 305 (Order No. 11-043). Lease payments in 2019 totaled \$59,425 (\$16,200 recorded in FERC Account No. 107 (CWIP), \$43,225 recorded in FERC Account No. 931 (Rents)), Oregon's share of this expense is \$3,851.

### **Description of Spirae, LLC**

In April of 2016, Avista Capital, a wholly-owned subsidiary of Avista Corp., and the parent corporation of Avista's non-regulated subsidiary investments and operations, made an investment in Spirae, resulting in Avista Development's 15.4% ownership of Spirae.

Spirae is a technology company that provides software, hardware, and services to connect distributed energy resources to a utility distribution system to maximize customer benefits while ensuring effective operation of the utility distribution system. Spirae was awarded a Professional Services Agreement to deploy their "Wave" product hardware and software, to allow Avista to operate the Turner Energy Storage Project in a microgrid, as well as determine the optimal economic application of that asset. None of the costs from this transaction have been recorded to Oregon, as this is for Electric services only.

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

consumers. This capability improves reliability for customers and improves resiliency of the grid. Spira's business focus and business model relate to the development of new products, services, and technologies, and how those items can help integrate DER into the traditional grid.

#### **Miscellaneous Agreements and Transactions**

During 2019 there were no Miscellaneous Agreements or Transactions to report.

#### **VI. Employee Transfers**

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

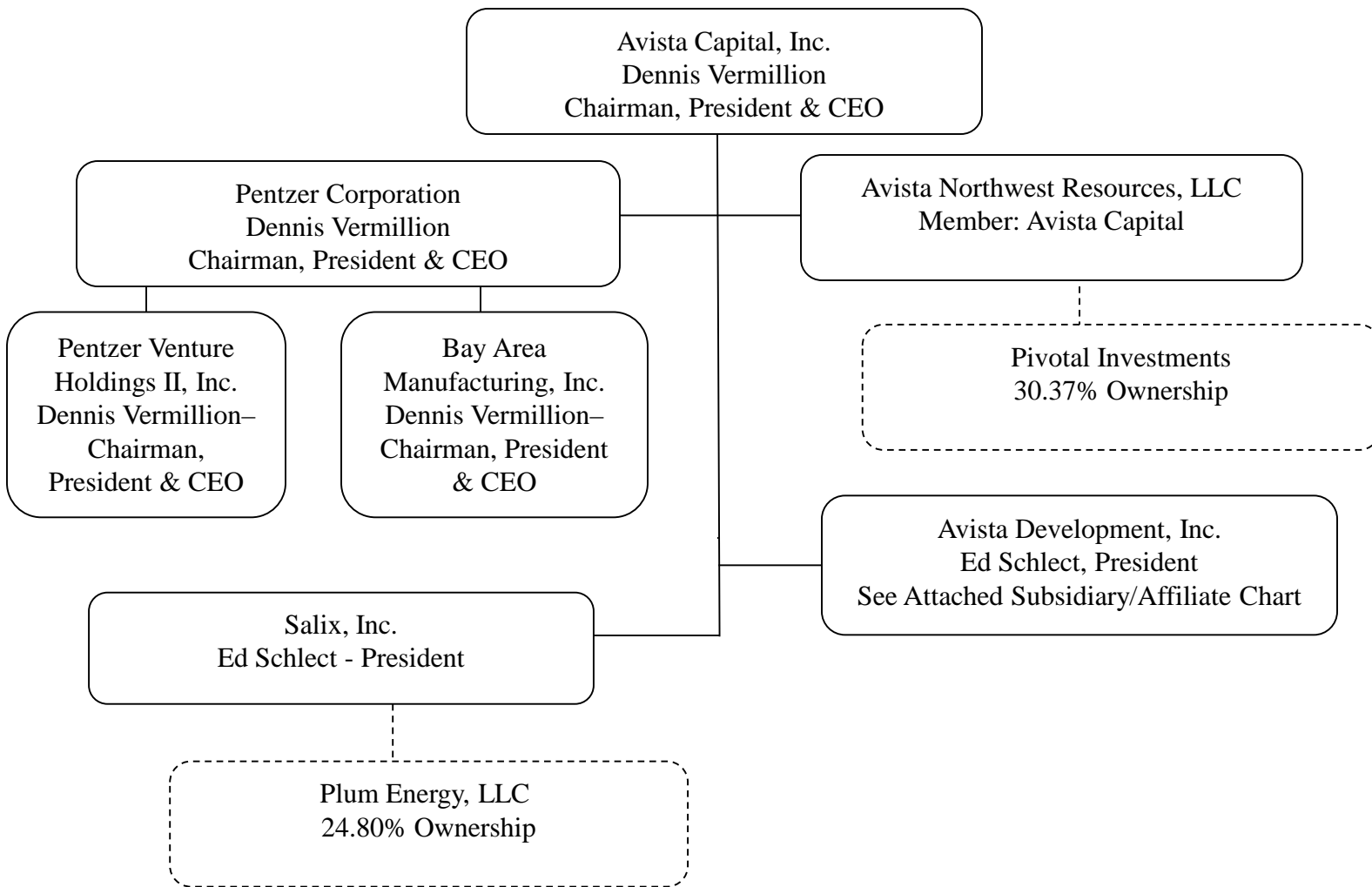
#### **VII. Intra-Company Cost Allocation Procedures**

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

#### **VIII. Cost Allocation Manual**

Pursuant to OAR 860-027-0048 (6), attached as **Attachment 6** is Avista Corp.'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.  
Ed Schlect, President

Avista Edge  
(dba of Avista Development, Inc.)  
100% Ownership

Courtyard Office Center, LLC  
100% Ownership  
Member: Avista Development; Manager: Troy Dehnel

South Landing Building A (Catalyst), LLC; 32% Ownership  
Members: Avista Development & South Landing Investors  
Manager: Dean Allen, McKinstry

611 East Sprague HUB, LLC; 36.51% Ownership  
Members: Avista Development & South Landing Investors  
Manager: Dean Allen, McKinstry

Spokane EDO, LLC; 50% Ownership  
Members: Avista Development & McKinstry  
Manager: Dean Allen, McKinstry

Spokane Eco District I, LLC; 50% Ownership  
Members: Avista Development & McKinstry  
Manager: Dean Allen, McKinstry

Steam Plant Square, LLC  
100% Ownership  
Members: Avista Development  
Manager: Troy Dehnel

Steam Plant Brew Pub LLC (DBA Steam Plant  
Kitchen and Brewery) 100% Ownership  
Member: Avista Development  
Manager: Troy Dehnel

Safeguard Equipment, Inc.  
12.93% Ownership

Kick Start II, LLC  
7.68% Ownership

Kick Start III, LLC  
5.68% Ownership

Mind to Market, LLC  
36% Ownership

Open Energy Solutions, Inc.  
24.19% Ownership

Toolbox, LLC  
9.52% Ownership

Lumen Bioscience, Inc.  
19.37% Ownership

Omnidian, Inc.  
7.2% Ownership

Spirae, LLC  
15.36% Ownership

ConnectDER, LLC  
9.89% Ownership

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, but does include companies within the funds where Avista's direct and indirect ownership exceeds 5%.

## **ATTACHMENT 2**





Corporate Secretary Department  
January 1, 2020

Annual Meeting Held in May of Each Year

**Directors:**

Kristianne (Kristi) Blake	Scott L. Morris (Chairman)	R. John Taylor
Donald C. Burke	Jeffry (Jeff) L. Philipps	Dennis P. Vermillion
Rebecca (Becky) A. Klein	Marc F. Racicot	Janet D. Widmann
Scott H. Maw	Heidi B. Stanley	

**Officers:**

Dennis P. Vermillion	President & Chief Executive Officer
Mark T. Thies	Executive Vice President, Chief Financial Officer & Treasurer
Marian M. Durkin	Senior Vice President, Chief Legal Officer & Corporate Secretary
Jason R. Thackston	Senior Vice President, Energy Resources & Environmental Compliance Officer
Kevin J. Christie	Senior Vice President, External Affairs & Chief Customer Officer
Heather L. Rosentrater	Senior Vice President, Energy Delivery & Shared Services
Bryan A. Cox	Vice President, Safety & Human Resources
Gregory C. Hesler	Vice President, General Counsel & Chief Compliance Officer
Latisha D. Hill	Vice President, Community & Economic Vitality
James M. Kensok	Vice President, Chief Information Officer & Chief Security Officer
Ryan L. Krasselt	Vice President, Controller & Principal Accounting Officer
David J. Meyer	Vice President & Chief Counsel for Regulatory & Governmental Affairs
Edward D. Schlect Jr.	Vice President & Chief Strategy Officer
Jason E. Lang	Assistant Treasurer
Daniel L. Loutzenhiser	Assistant Treasurer
Susan Y. Fleming	Assistant Corporate Secretary

**Corporate Governance/**

**Nominating Committee**

Donald C. Burke  
R. John Taylor  
Janet D. Widmann  
Kristianne Blake – Chair

**Executive Committee**

Kristianne Blake  
Heidi B. Stanley  
R. John Taylor  
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  
R. John Taylor – Chair

**Finance Committee**

Scott H. Maw  
Jeffry L. Philipps  
Marc F. Racicot  
Janet D. Widmann – Chair

**Environmental, Technology &  
Operations Committee**

Jeffry L. Philipps  
Marc F. Racicot  
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 Executive Committee (not required to be independent). The Company was formed as The Washington Water Power Company in 1889 and changed its name to Avista Corp. on January 1, 1999.

Current as of February 28, 2019

**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 October 17, 2019

**AJT MINING PROPERTIES, INC.**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Marian M. Durkin

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

Christy Yearous Vice President and Generation Engineer

Debbie Driscoll Corporate Secretary

**ALASKA ELECTRIC LIGHT AND POWER COMPANY**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Marian M. Durkin

Bruce Howard

Connie Hulbert

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board

Constance Hulbert

President, General Manager

Brandon Cullum

Vice President, Chief Financial Officer and Treasurer

Christy Yearous

Vice President, Generation Engineer

Debbie Driscoll

Vice President, Director of Consumer Affairs and Corporate Secretary

Eric Eriksen

Vice President, Transmission and Distribution Engineer

Rod Ahlbrandt

Vice President, Director of Information Technology and Revenue Metering

Alec Mesdag

Vice President, Director of Energy Services

Oksana Midgett

Assistant Treasurer, Controller

Steve Vorderbruggen

Assistant Treasurer, Assistant Generation Engineer – Electrical

Bryan Farrell

Assistant Treasurer, Assistant Generation Engineer – Mechanical

Darrell Wetherall

Assistant Corporate Secretary, Assistant Transmission and Distribution Engineer

Stuart Stephens

Assistant Corporate Secretary, Assistant Director of Information Technology and Revenue Metering

**ALASKA ENERGY AND RESOURCES COMPANY**

(A Subsidiary of Avista Corp.)

5601 Tonsgard Ct.

Juneau, AK 99801

(907) 790-2222

**Directors:**

Marian M. Durkin

Bruce Howard

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion      Chairman of the Board & President

Connie Hulbert              Vice President

Brandon Cullum              Treasurer

Marian M. Durkin            Corporate Secretary

Susan Y. Fleming            Assistant Corporate Secretary

Debbie Driscoll              Assistant Corporate Secretary

Current as of October 17, 2019

**AVISTA CAPITAL, INC.**

(A Subsidiary of Avista Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Marian M. Durkin

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board, President & CEO

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Ryan L. Krasselt

Vice President

Susan Y. Fleming

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. (DBA AVISTA EDGE)**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Marian M. Durkin

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman of the Board and CEO

Edward D. Schlect Jr.

President

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Latisha Hill

Senior Vice President

Susan Y. Fleming

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.

Current as of October 17, 2019

**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

Senior Vice President & Chief Financial Officer

Ryan L. Krasselt

Vice President & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

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



**BAY AREA MANUFACTURING, INC.**

(A Subsidiary of Pentzer Corporation)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Marian M. Durkin

Mark T. Thies

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman, President & Chief Executive Officer

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

Jason E. Lang

Assistant Treasurer

Current as of August 1, 2016

**COURTYARD OFFICE CENTER, LLC**

(An Affiliate of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Member:**

Avista Development, Inc.

**Manager**

Latisha Hill

**PENTZER CORPORATION**

(A Subsidiary of Avista Capital, Inc.)

1411 E. Mission Ave.

Spokane, WA 99202

(509) 489-0500

**Directors:**

Mark T. Thies

Jason Thackston

Dennis P. Vermillion

**Officers:**

Dennis P. Vermillion

Chairman, President & Chief Executive Officer

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Susan Y. Fleming

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

Chairman, President & Chief Executive Officer

Mark T. Thies

Senior Vice President, Chief Financial Officer & Treasurer

Marian M. Durkin

Senior Vice President & Corporate Secretary

Susan Y. Fleming

Assistant Corporate Secretary

Jason E. Lang

Assistant Treasurer

**SALIX, INC.**

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

**Directors:**

Marian M. Durkin  
Edward D. Schlect Jr  
Mark T. Thies  
Dennis P. Vermillion

**Officers:**

Edward D. Schlect Jr.	President
Mark T. Thies	Treasurer
Marian M. Durkin	Corporate Secretary
Susan Y. Fleming	Assistant Corporate Secretary

**SNETTISHAM ELECTRIC COMPANY**

(A Subsidiary of Alaska Energy and Resources Company)

5601 Tongard Ct.

Juneau, AK 99801

(907) 780-2222

**Directors:**

Eric Eriksen

Connie Hulbert

Jason Thackston

**Officers:**

Christy Yearous

President

Connie Hulbert

Vice President

Eric Eriksen

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 November 30, 2017

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

**Members:**  
Avista Development, Inc.

**Manager**  
Latisha Hill

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

**Members:**  
Avista Development, Inc.

**Manager**  
Latisha Hill

**ATTACHMENT 3**

**(CONFIDENTIAL per ORS 192.345 and 192.355)**

**Entire Document is Confidential**



**Subsidiary Balance Sheets  
December 31, 2019**

**Cash and Cash Equivalents:**

Cash  
Temporary Cash Investments  
**Total Cash and Cash Equivalents**

**Accounts and Notes Receivable:**

Interco Accounts Receivable  
Interco Notes Receivable  
Accounts & Notes Receivable  
Prepaid/Earnest Money  
**Total Accounts and Notes Receivable**

Deferred Income Taxes - Current  
Income Taxes Receivable / (Payable)  
Other Misc. Current Assets  
Suspense Orders  
**Total Current Assets**

Property, Plant and Equipment  
Investment in Subsidiaries  
Investment in LLCs (SPS & CYOC)  
Goodwill  
Long Term Notes Receivable  
Deposits with Counterparties  
Other Venture Fund Investments  
Other Misc Deferred Debit-Escrow Rec

**Total Assets**

Misc. Accrual  
Note Payable, Current  
Interco Accounts Payable  
Interco Notes Payable  
SIP WWTP Accrual  
OSR Accrual  
Property Tax Accrual  
**Total Current Liabilities**

**Long Term Deferred Income Taxes:**

Long Term Deferred Income Tax - (Asset)  
Long Term Deferred Income Tax - Liability  
**Total Long Term Deferred Income Taxes**

Other Long Term Liabilities

**Stockholders Equity:**

Common Stock  
Capital Stock Expense and Paid in Capital  
Minority Interest  
Retained Earnings  
YTD Earnings  
**Total Stockholders Equity**

**Total Liabilities and Stockholders Equity**

AVISTA CAPITAL	PENTZER CORP.	AVISTA DEVELOPMENT	AVISTA ENERGY	NORTHWEST RESOURCES, LLC	SALIX INC.
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**Subsidiary Income Statements - YTD  
201912**

	AVISTA CAPITAL	PENTZER CORP.	AVISTA DEVELOPMENT	AVISTA ENERGY	NORTHWEST RESOURCES, LLC	SALIX INC.
Operating Revenue						
<b>Operating Expenses:</b>						
Depreciation and Amortization						
Operating and Maintenance						
Administrative and General						
Taxes Other Than Income Taxes						
<b>Total Operating Expenses</b>						
<b>Income / (Loss) from Operations</b>						
<b>Interest Income / (Expense):</b>						
Interest Income						
Interest Income - Intercompany						
Interest Expense						
Interest Expense - Intercompany						
<b>Total Interest Income / Expense</b>						
Subsidiary Income / (Loss)						
LLC Income / (Loss) - SPS/SPBP/CYOC						
Gain/(Loss) on Investments/Venture Fund						
Realized Gain on Sale						
Miscellaneous Income / (Expense)						
<b>Income Before Income Taxes</b>						
Income Tax (Income) / Expense						
<b>Net Income / (Loss)</b>						
<i>Stand-alone Net Income / (Loss)</i>						



**ALASKA Balance Sheets**  
**December 31, 2019**

Cash  
Working Funds  
Temporary Cash Investments  
**Total Cash and Cash Equivalents**

Accounts Receivable / Notes Receivable  
Notes Receivable - Corp LOC  
Accounts Receivable - Sub Interco.  
**Total Accounts and Notes Receivable**

Deferred Income Taxes - Current  
Income Taxes Receivable / (Payable)  
Fuel Stock  
Materials and Supplies  
Prepayments  
Other Misc. Current Assets

**Total Current Assets**

Utility Plant in Service  
CWIP  
Accumulated Depreciation  
**Total Net Utility Plant**

Investment in Subsidiaries  
Goodwill  
Non-Utility Property  
Other Investments  
Other Regulatory Assets  
Deferred Power Costs  
Other Deferred Charges

**Total Assets**

Trade Accounts Payable  
Interco Accounts Payable

Current Portion LT Debt  
Interest Accrued  
Taxes Accrued  
Misc. Accrued Liabilities  
**Total Current Liabilities**

LT Debt Bonds  
LT Line of Credit/Other Long-Term Debt  
Unamortized Premium / Discount  
Long-Term Debt Expense  
LT Capital Lease Obligation

LT Deferred Income Tax - (Asset)  
LT Deferred Income Tax - Liability  
**Total LT Deferred Income Taxes**

Misc. Deferred Credits

**Total Liabilities**

**Stockholders Equity:**  
Common Stock

	SEC 530	AJT Mining 520	AERC 500	AEL&P 510



**ALASKA Balance Sheets  
December 31, 2019**

Capital Stock Expense and Paid in Capital  
Retained Earnings  
YTD Earnings  
**Total Stockholders Equity**  
  
**Total Liabilities and Stockholders Equity**

	<i>SEC</i>	<i>AJT Mining</i>	<i>AERC</i>	<i>AEL&amp;P</i>
	530	520	500	510
Capital Stock Expense and Paid in Capital				
Retained Earnings				
YTD Earnings				
<b>Total Stockholders Equity</b>				
<b>Total Liabilities and Stockholders Equity</b>				





**ALASKA Income Statements - YTD  
201912**

	<i>SEC</i>	<i>AJT Mining</i>	<i>AERC</i>	<i>AEL&amp;P</i>
<b>Operating Revenue</b>	<i>530</i>	<i>520</i>	<i>500</i>	<i>510</i>
Resource Costs				
Operating and Maintenance				
Administrative and General				
Depreciation and Amortization				
Taxes Other Than Income Taxes				
<b>Total Operating Expenses</b>				
<b>Income / (Loss) from Operations</b>				
Interest Expense				
Capitalized Interest				
Interest Income				
AFUDC Equity				
Miscellaneous Income / (Expense)				
Other Subs Income				
<b>Income Before Income Taxes</b>				
Taxes other than income taxes Income/(Expense)				
Income Tax (Income) / Expense				
<b>Net Income / (Loss)</b>				
<i>Stand Alone Net Income / (Loss)</i>				



**Subsidiary Balance Sheets**  
**December 31, 2019**

**COURTYARD OFFICE  
CENTER, LLC**

**STEAM PLANT  
SQUARE, LLC**

**STEAM PLANT  
BREW PUB, LLC**

**Cash and Cash Equivalents:**

Cash  
Temporary Cash Investments  
**Total Cash and Cash Equivalents**

**Accounts and Notes Receivable:**

Interco Accounts Receivable  
Interco Notes Receivable  
Accounts & Notes Receivable

**Total Accounts and Notes Receivable**

Funds Held for Customers  
Materials and Supplies  
Deferred Income Taxes - Current  
Income Taxes Receivable / (Payable)  
Other Misc. Current Assets

**Total Current Assets**

Investment in Subsidiaries  
Goodwill  
Intangibles  
Property, Plant and Equipment  
Other Investments  
Prepaid

**Total Assets**

Interco Accounts Payable  
Interco Notes Payable  
Accounts Payable  
Customer Fund Obligations  
Current Portion of Long Term Debt  
Misc. Accrued Liabilities

**Total Current Liabilities**

**Long Term Deferred Income Taxes:**

Long Term Deferred Income Tax - (Asset)  
Long Term Deferred Income Tax - Liability

**Total Long Term Deferred Income Taxes**

Long Term Capital Lease Obligation  
Long Term Line of Credit  
Other Long Term Liabilities

**Stockholders Equity:**

Common Stock  
Capital Stock Expense and Paid in Capital



**Subsidiary Balance Sheets**  
**December 31, 2019**

Minority Interest  
OCI  
Retained Earnings  
YTD Earnings  
**Total Stockholders Equity**

**COURTYARD OFFICE  
CENTER, LLC**

**STEAM PLANT  
SQUARE, LLC**

**STEAM PLANT  
BREW PUB, LLC**

	<b>COURTYARD OFFICE CENTER, LLC</b>	<b>STEAM PLANT SQUARE, LLC</b>	<b>STEAM PLANT BREW PUB, LLC</b>
Minority Interest			
OCI			
Retained Earnings			
YTD Earnings			
<b>Total Stockholders Equity</b>			
<b>Total Liabilities and Stockholders Equity</b>			

**Subsidiary Income Statements - YTD  
201912**

	AM&D <i>dba MetalsFX</i>	COURTYARD OFFICE CENTER, LLC	STEAM PLANT SQUARE, LLC	STEAM PLANT BREW PUB, LLC
Operating Revenue				
<b>Operating Expenses:</b>				
Depreciation and Amortization				
Operating and Maintenance				
Administrative and General				
Taxes Other Than Income Taxes				
<b>Total Operating Expenses</b>				
<b>Income / (Loss) from Operations</b>				
<b>Interest Income / Expense:</b>				
Interest Income				
Interest Income - Intercompany				
Interest Expense				
Interest Expense - Intercompany				
<b>Total Interest Income / Expense</b>				
Subsidiary Income / (Loss)				
LLC Income / (Loss)				
Investments in Partnerships				
Gain / (Loss) on Disposition of Property				
Miscellaneous Income / (Expense)				
<b>Income Before Income Taxes</b>				
Income Tax (Income) / Expense				
Noncontrolling Interest				
<b>Net Income / (Loss)</b>				

**ASSETS**

**Current Assets**

**Checking/Savings**

- 1000 - Checking 50374
- 1050 - Security Deposits 50382
- 1055 - Kiemle & Hagood Cash On Hand

**Total Checking/Savings**

**Total Current Assets**

**Fixed Assets**

**Fixed Assets**

**Accumulated Depreciation**

- 3010 - Accum. Depreciation.

**Total Accumulated Depreciation**

- 3005 - Commercial Property
- 3006 - Land-Seehorn
- 3020 - Equipment 7 YL
- 3025 - Furniture & Fixtures 7 YL
- 3045 - Leasehold Improvements 40 YL
- 3050 - Leasehold Improvement 15 YL
- 3075 - Parking Lot Land
- 3080 - Parking Lot Improvements 20 YL
- 3180 - Leasehold Improvemnt Impairmnt

**Total Fixed Assets**

**Total Fixed Assets**

**Other Assets**

- 1210 - Prepaid Asset
- 1300 - Investment Steam Plant Brew Pub
- 1310 - Solar Panels

**Total Other Assets**

**TOTAL ASSETS**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

- 2000 - Accounts Payable - Avista

**Total Accounts Payable**

**Other Current Liabilities**

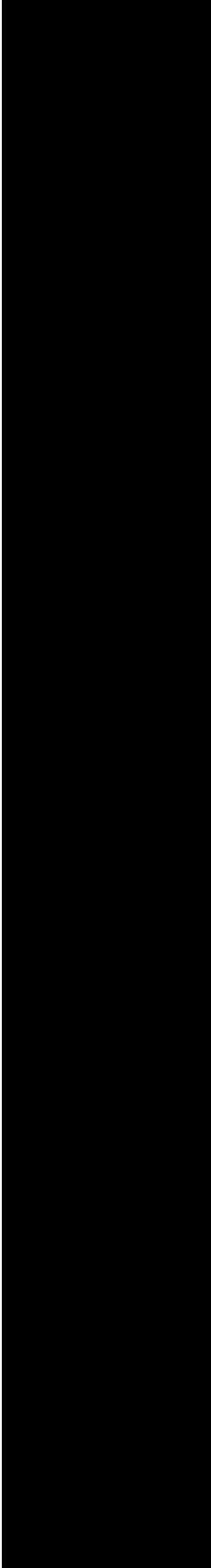
- 2015 - Unearned Revenue

**Total Other Current Liabilities**

**Total Current Liabilities**

**Long Term Liabilities**

- 2100 - Security Deposits



Dec 31, 19

2105 - Avista Development Loan

2106 - Avista Development K&H Loan

Total Long Term Liabilities

Total Liabilities

Equity

2500 - Contributed Capital

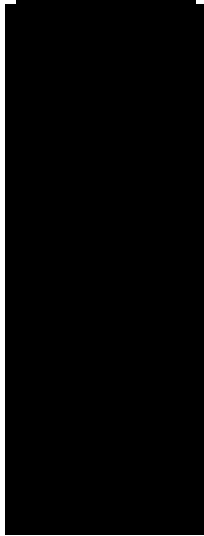
2540 - Profit/Loss

2550 - Retained Earnings

Net Income

Total Equity

TOTAL LIABILITIES & EQUITY



**TOTAL**

**Ordinary Income/Expense**

**Income**

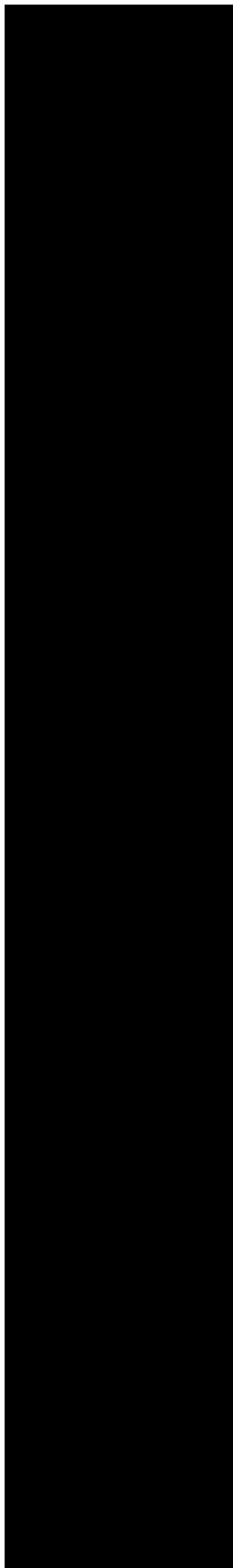
- 4000 - Rental Income
- 4020 - Parking Income
- 4040 - Event Center Revenue

**Total Income**

**Gross Profit**

**Expense**

- 4800 - Solar Panel Amort
- 5000 - Bank Fees
- 5005 - Event Center Expense
- 5010 - Property Mgmt Fees K&H
- 5020 - Dues & Subscriptions
- 5025 - Accounting Fees
- 5050 - Janitorial Services/Supplies
- 5060 - Leasing Fees - BNSF
- 5080 - Maintenance & Repair - General
- 5085 - HVAC/Plumbing/Electrical
  - 5086 - HVAC
  - 5087 - Plumbing
  - 5088 - Electrical
- Total 5085 - HVAC/Plumbing/Electrical
- 5090 - Maintenance & Repair - Elevator
- 5100 - Marketing
  - 5101 - Marketing
- Total 5100 - Marketing
- 5130 - Office Supplies
- 5140 - Parking Lot Expense
- 5150 - Payroll Expenses
- 5170 - Security
  - 5171 - Security Service
- Total 5170 - Security
- 5190 - Taxes - Property
- 5200 - Telephone - Elevator/Fire Alarm
- 5300 - Utilities
  - 5310 - Electricity
  - 5320 - Gas
  - 5325 - Wind Power
- Total 5300 - Utilities
- 5330 - Water/Sewer/Refuse
  - 5331 - Water
  - 5332 - Sewer



	TOTAL
5333 - Refuse	
Total 5330 - Water/Sewer/Refuse	
Total Expense	
Net Ordinary Income	
Other Income/Expense	
Other Income	
4900 - Earnings for Subsidiary (SPBP)	
Total Other Income	
Other Expense	
5900 - Depreciation Expense	
Total Other Expense	
Net Other Income	
Net Income	



# Steam Plant Kitchen + Brewery

## Balance Sheet at

December 2019

Dec 31, 19

### ASSETS

#### Current Assets

##### Checking/Savings

500 - WF Main Acct #8790

600 - WF House Acct #8816

700 - WF Payroll Acct #8808

800 - Cash on Hand/Safe

##### Total Checking/Savings

##### Accounts Receivable

1020 - Accounts Receivable

1030 - Event Accounts Receivable

Total 1020 - Accounts Receivable

##### Total Accounts Receivable

##### Other Current Assets

1031 - A/R Lavu invoices

1205 - Payroll Advance

1200 - Prepaid Liability Ins.

12099 - UDF (checks rec'vd in Lavu)

1300 - Inventory

1341 - Liquor - Sidebar

1310 - Food

1330 - Beer

1335 - Wine

1340 - Liquor

1345 - Logo-Retail

1350 - Raw Materials-Brewery

Total 1300 - Inventory

##### Total Other Current Assets

#### Total Current Assets

#### Fixed Assets

1530 - Leasehold Improvement Impairmen

1510 - Building Equip/Plumb/Water 10YL

1511 - Brewing Equipment 5 YL

1512 - Furniture & Fixtures 7 YL

1513 - Kitchen Appliances-Large 10 YL

1514 - Leasehold Improvements 15 YL

1515 - Machinery and Equipment 5 YL

1516 - Other Equip/Electronics 5 YL

1518 - Truck 5 YL

1520 - Leasehold Improvements 40 YL

1650 - Accum Depreciation FF&E

1652 - Accum Dep Leasehold Improvement

#### Total Fixed Assets

### TOTAL ASSETS

### LIABILITIES & EQUITY

**Steam Plant Kitchen + Brewery  
Balance Sheet at  
December 2019**

**Liabilities**

Dec 31, 19

**Current Liabilities**

**Accounts Payable**

2000 · Accounts Payable

2003 · Charge Card

2000 · Accounts Payable - Other

Total 2000 · Accounts Payable

2001 · Accounts Payable - Avista

**Total Accounts Payable**

**Other Current Liabilities**

**2060 · Payroll Liabilities**

2065 · Federal Income Tax Payable

2070 · Medicare

2085 · FUTA

2090 · WA Unemployment

2091 · ID State Withholding

2095 · L & I

2097 · Health Insurance

2098 · Paid Family Medical Leave

Total 2060 · Payroll Liabilities

2200 · Gift Cards

2300 · Event Room Fee Liability

2510 · Keg Deposits

2500 · Excise Tax Accrual

**Total Other Current Liabilities**

**Total Current Liabilities**

**Long Term Liabilities**

2810 · Note Payable - Avista Dev.

**Total Long Term Liabilities**

**Total Liabilities**

**Equity**

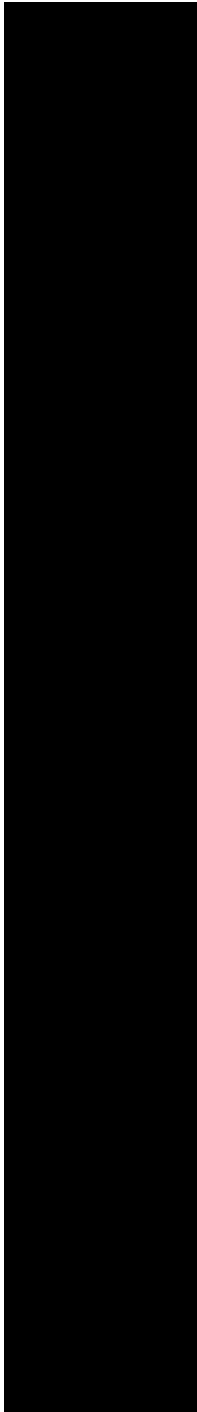
30000 · Opening Balance Equity

32000 · Retained Earnings

Net Income

**Total Equity**

**TOTAL LIABILITIES & EQUITY**



Ordinary Income/Expense

Income

**INCOME - EVENTS**

- 4011 · Event - Food
- 4021 · Event Beverages
- 4032 · Event Beer
- 4036 · Event - Wine
- 4041 · Event - Liquor
- 4082 · Event Room Fee Income

**Total INCOME - EVENTS**

**INCOME - BREWERY**

- 4031 · Growler/Keg Sales Retail
- 4070 · Keg Sales Wholesale
- 4075 · Keg Cleaning Services

**Total INCOME - BREWERY**

**INCOME-RESTAURANT**

- 4010 · Food Sales
- 4020 · Beverage Sales
- 4030 · Beer Sales
- 4035 · Wine Sales
- 4040 · Liquor Sales
- 4050 · Logo Retail
- 4060 · Membership
- 4079 · Restaurant Room Fee
- 4080 · Corkerage Fees
- 4081 · CC & Cash Tips

**Total INCOME-RESTAURANT**

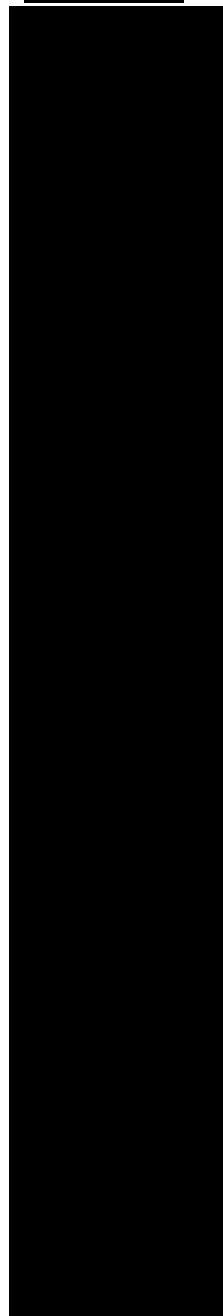
**SALES ADJUSTMENTS**

- 4084 · Manager Comp 100%
- 4085 · FOH Employee Meal Discount
- 4087 · Parking Comp
- 4089 · Manager Meals Discount
- 4090 · BOH Shift Meal Discount



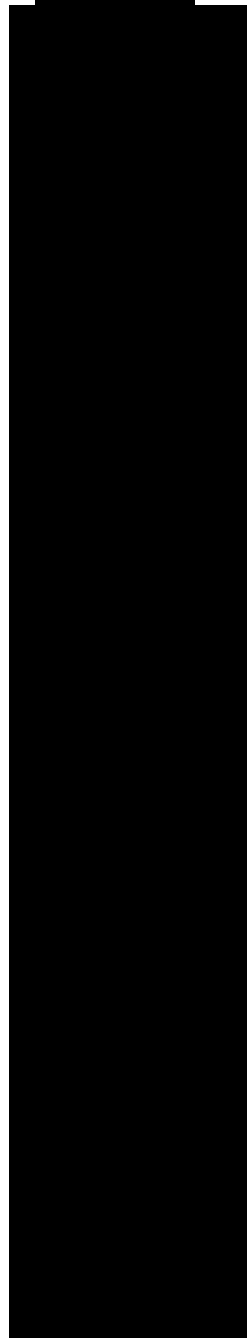
Dec 19

4091 · Military Discount  
4096 · Birthday Discount  
4098 · Meal Comps/PR Discount Liquor  
5001 · Friends and Family Discount  
5002 · 20% Off Card  
5003 · All Other Comps  
Total SALES ADJUSTMENTS  
Total Income  
Cost of Goods Sold  
FOOD COST  
5010 · Meat COGS  
5020 · Poultry  
5030 · Seafood COGS  
5040 · Produce COGS  
5045 · Frozen Food  
5050 · Dairy COGS  
5060 · Food Other COGS  
5070 · Dry Goods & Condiments  
Total FOOD COST  
BEVERAGE COST  
5510 · Beer COGS  
5530 · Side Bar  
5540 · Wine COGS  
5572 · N/A Beverage COGS  
5575 · Liquor COGS  
Total BEVERAGE COST  
BREWERY COST  
5800 · Grain/Malt  
5802 · Hops  
5803 · Yeast  
5804 · Flavorings  
5805 · CO2  
5806 · Brewery Supplies



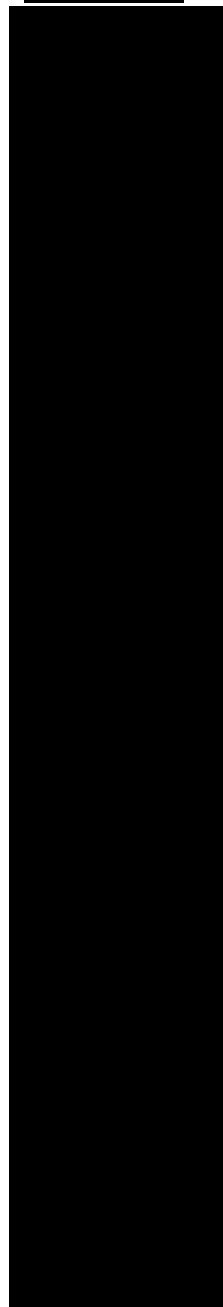
Dec 19

Total BREWERY COST  
5820 · Logo Retail COGS  
Total COGS  
Gross Profit  
Expense  
PAYROLL  
PAYROLL RESTAURANT  
6001 · Restaurant Total Labor  
6010 · Management Salary  
6015 · FOH Hourly  
6035 · BOH Hourly  
Total 6001 · Restaurant Total Labor  
6210 · Payroll Taxes  
6211 · L&I Company  
6249 · Employee Medical Insurance  
6487 · Employee Benefits  
Total PAYROLL RESTAURANT  
PAYROLL EVENT CENTER  
6002 · Event Total Labor  
6020 · Event Salary  
Total 6002 · Event Total Labor  
Total PAYROLL EVENT CENTER  
PAYROLL BREWERY  
6003 · Brewery Labor Total  
6040 · Brewery Salary  
6045 · Brewery Hourly  
Total 6003 · Brewery Labor Total  
Total PAYROLL BREWERY  
Total PAYROLL  
8301 · Utilities  
8270 · Repair & Maintenance  
8220 · Valet Parking Expense  
8150 · Training/Seminars



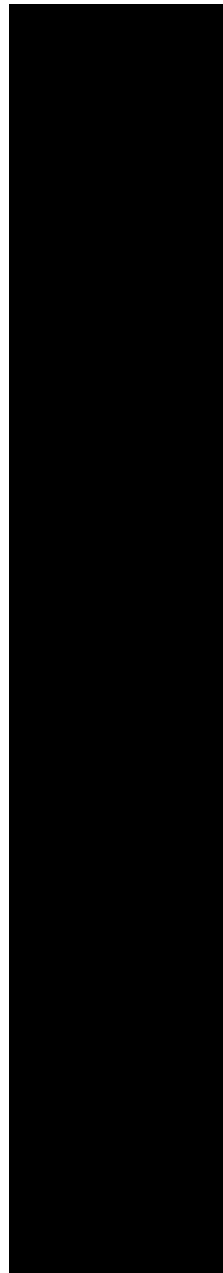
Dec 19

- 8125 · Transportation / Mileage
- 8120 · Office Supplies
- 8211 · Human Resources
- 8190 · Cash Over/Short
- 8170 · Legal/Professional
  - 7180 · Finance Charge
  - 8210 · Accounting Fees
  - 8212 · Office/computer help
  - 8170 · Legal/Professional - Other
- Total 8170 · Legal/Professional
- 8160 · Dues & Subscriptions
- 7137 · Equipment Rental
- 7135 · Wood
- 7120 · Bank & Merchant Fees
- 7112 · Entertainment/Music
- 7105 · Flowers/Decorations
- 7100 · In-House Promo & Donations
- 6690 · Reconciliation Discrepancies
- 6505 · Advertising
- 6485 · License & Permits
- 6475 · Fuel Surchrg Postage & Frt
- 6470 · Security Service
- 6467 · Food Spoilage
- 6466 · Chemicals
- 6465 · Janitorial Services/Supplies
- 6462 · Kitchen/Bar Smallwares
- 6460 · Menus
- 6459 · Disposable Paper Products
- 6422 · China/Silverware
- 6421 · Glassware
- 6420 · Operating Supplies & Other Exps
- 6415 · Linen
- 6410 · Uniforms



Dec 19

6382 · Event Center Expense  
6300 · Brewery Expenses  
    6301 · Brewery Equipment Lease  
    6305 · Brewery Chemicals  
    6310 · Brewery R&M, Sm Equip  
Total 6300 · Brewery Expenses  
4000 · Taxes  
    8335 · TTB Excise Tax  
    8345 · WA Brewer's Tax  
    8350 · WA B&O Tax  
    8352 · Tax Penalties  
    8550 · Personal Property Tax  
Total 4000 · Taxes  
8300 · Rent Event Ctr  
7130 · LAVU System  
6486 · Liability Insurance  
6430 · Other Direct Operating  
7095 · Guest Parking/Reimbursements  
7110 · Donations  
8127 · Travel  
Total Expense  
Net Ordinary Income  
Other Income/Expense  
    Other Income  
        OTHER INCOME  
            8652 · Gain/Loss Dispose of Fix Asset  
            8654 · Gain/Loss Perishable Inventory  
        Total OTHER INCOME  
Total Other Income  
Other Expense  
    OTHER EXPENSES  
        8701 · Event Center Liability AJE 2019  
        8713 · Questions



Dec 19

8700 - Misc. Expense

9002 - Prior Period Adjustments

9001 - Depreciation Expense

Total OTHER EXPENSES

Total Other Expense

Net Other Income

Net Income





**ASSETS**

**Current Assets**

**Checking/Savings**

- 1000 - Checking 50390
- 1050 - Security Deposits 50408
- 1055 - Kiemle & Hagood Cash On Hand

**Total Checking/Savings**

**Accounts Receivable**

- 1100 - Account Receivables

**Total Accounts Receivable**

**Total Current Assets**

**Fixed Assets**

**Fixed Assets**

- 3006 - Impairment on Fixed Assets
- 3000 - Artwork & Decoration
- 3005 - Building
- 3010 - Building Renovation
- 3015 - Capital Improvements
- 3016 - Parking Lot Equipment
- 3040 - Furniture & Fixtures
- 3045 - Contrib in excess of FMV
- 3050 - Contrib in excess - Wells & Ptn
- 3055 - Trash Compactor
- 3065 - Elevator Retrofit Project
- 3075 - Signage & Security
- 3085 - Tenant Improvements

**Accumulated Depreciation**

- 3060 - Accum. Depreciation
- 3060.01 - Hallway & Common Area Depr
- 3070 - Elevator Retrofit Accum. Dep.
- 3080 - Signage & Securiry Accum. Dep.
- 3090 - Tenant Improv. AD

**Total Accumulated Depreciation**

**Total Fixed Assets**

**Total Fixed Assets**

**Other Assets**

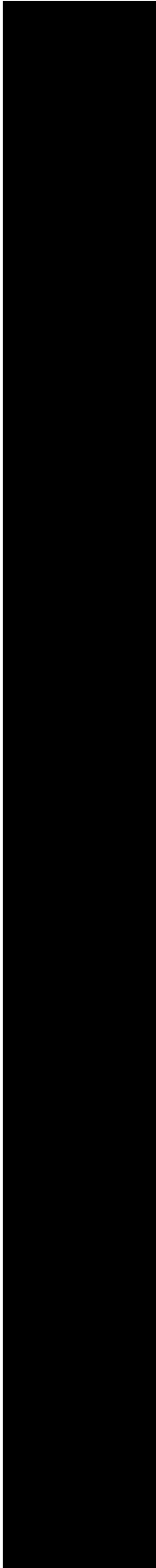
- 3095 - Solar Panels
- 1320 - Note Rec. - A. Development

**Total Other Assets**

**TOTAL ASSETS**

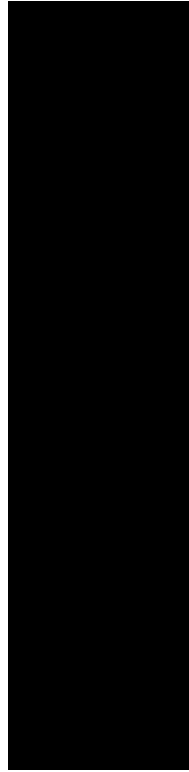
**LIABILITIES & EQUITY**

**Liabilities**



Dec 31, 19

**Current Liabilities**  
    **Accounts Payable**  
        2000 · Accounts Payable - Avista  
    **Total Accounts Payable**  
    **Other Current Liabilities**  
        2001 · Accounts Payable K&H  
        2015 · Unearned Revenue  
    **Total Other Current Liabilities**  
**Total Current Liabilities**  
**Long Term Liabilities**  
    2100 · Security Deposits  
**Total Long Term Liabilities**  
**Total Liabilities**  
**Equity**  
    2525 · Partner Capital - Avista  
    2550 · Retained Earnings  
    Net Income  
    **Total Equity**  
**TOTAL LIABILITIES & EQUITY**



Ordinary Income/Expense

Income

- 4000 - Rental Income
- 4020 - Parking Income

Total Income

Gross Profit

Expense

- 5010 - Property Mgmt Fees K&H
- 6810 - Accounting Fees
- 5000 - Bank Fees
- 6800 - Consultant Fees
- 5085 - HVAC/Plumbing/Electrical
  - 5086 - HVAC
  - 5087 - Plumbing
- Total 5085 - HVAC/Plumbing/Electrical
- 5050 - Janitorial Services/Supplies
- 5065 - Legal
- 5070 - Licenses & Permits
- 5090 - Maintenance & Repair - Elevator
- 5140 - Parking Lot Expense
- 5170 - Security Service
- 5190 - Taxes - Property
- 5200 - Telephone - Elevator/Fire Alarm
- 5300 - Utilities
  - 5310 - Electricity
  - 5320 - Gas
- Total 5300 - Utilities
- 5330 - Water/Sewer/Refuse
  - 5334 - Recycling
  - 5331 - Water
  - 5332 - Sewer
  - 5333 - Refuse
- Total 5330 - Water/Sewer/Refuse
- 5400 - Solar Panel Amort

Total Expense

Net Ordinary Income

Other Income/Expense

Other Expense

- 5900 - Depreciation Expense

Total Other Expense

Net Other Income

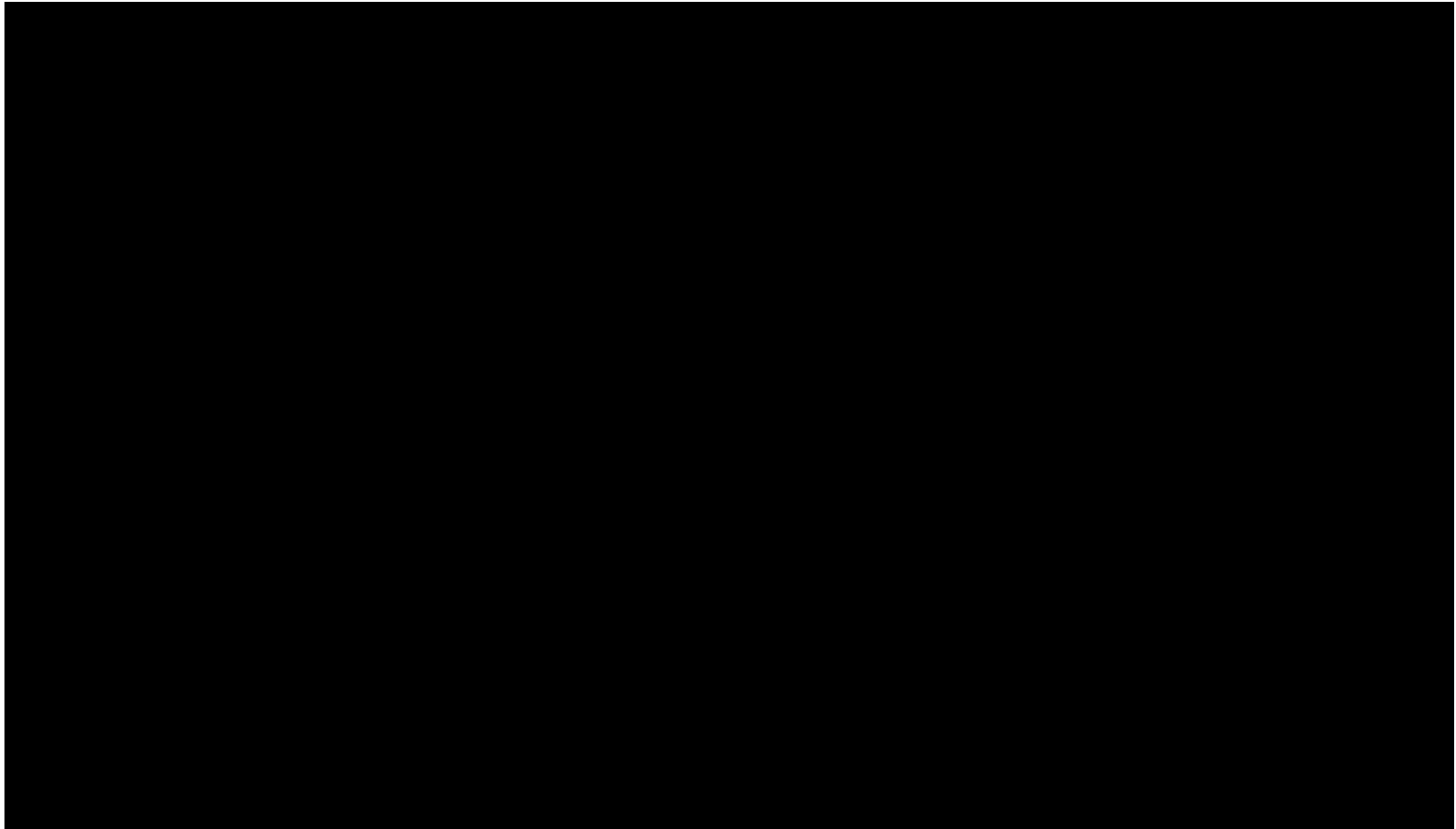
Net Income



**MetalFX  
Balance Sheet  
Fiscal Year 2019**

Jan-19      Feb-19      Mar-19      Apr-19      May-19      Jun-19      Jul-19      Aug-19      Sep-19      Oct-19      Nov-19      Dec-19

Cash  
Accounts Receivable  
Inventory  
Prepaid  
Other Current Assets  
  
Total Current Assets  
  
Machinery & Equipment  
Depreciation  
  
Net Fixed Assets  
  
Goodwill  
  
Federal Tax Long Term  
  
Total Assets  
  
Trade Accounts Payable  
Accrued Liabilities  
Current Portion-Leases  
Unearned Income  
Deferred Income Tax Current  
  
Total Current Liabilities  
  
Avista Note  
Capital Leases-LT  
Federal Income Tax Due  
State Income Tax Due  
Deferred Income Tax LT  
  
Long Term Liability  
  
Common Stock  
Preferred Stock  
Retained Earnings  
  
Total Liabilities/Equity



**Metalix  
Income Statement  
Fiscal Year 2019**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenues													
Cost of sales													
Gross profit													
General & administrative expenses													
Salaries & benefits													
Facilities costs													
Outside professional services													
Travel & entertainment													
Other													
Total G&A													
Sales and marketing expenses:													
Salaries & benefits													
Travel & entertainment													
Other													
Total S&M													
Total operating expenses													
EBITDA													
Depreciation & amortization													
Interest expense													
Interest & investment income													
Goodwill Impairment													
Gain or (Loss) on Sale of Fixed As													
Litigation Settlement													
Other nonoperating income (exp)													
Income tax provision													
State Income Tax provision													
Net income													



**SPIRAE, LLC**  
**Financial Statements**  
**December 31, 2019**  
**(Unaudited)**

## TABLE OF CONTENTS

Financial Statements	
Balance Sheet	3
Statements of Operations	4
Statements of Cash Flows	5

**Balance Sheet**  
**December 31, 2019**  
**(Unaudited)**

Current assets

- Cash and cash equivalent
- Accounts receivable
- Other current assets
- Related party receivable
- Total current assets

Non-current assets

- Property, plant, and equipment – net
- Intangible assets - net
- Total non-current assets

Total assets

**Liabilities and Members' Deficit**

Current liabilities

- Accounts payable – trade
- Payroll liabilities
- Accrued expenses
- Accrued interest on convertible loan debt
- Current portion of deferred revenue
- Convertible loan
- Loan from Shareholder
- Total current liabilities

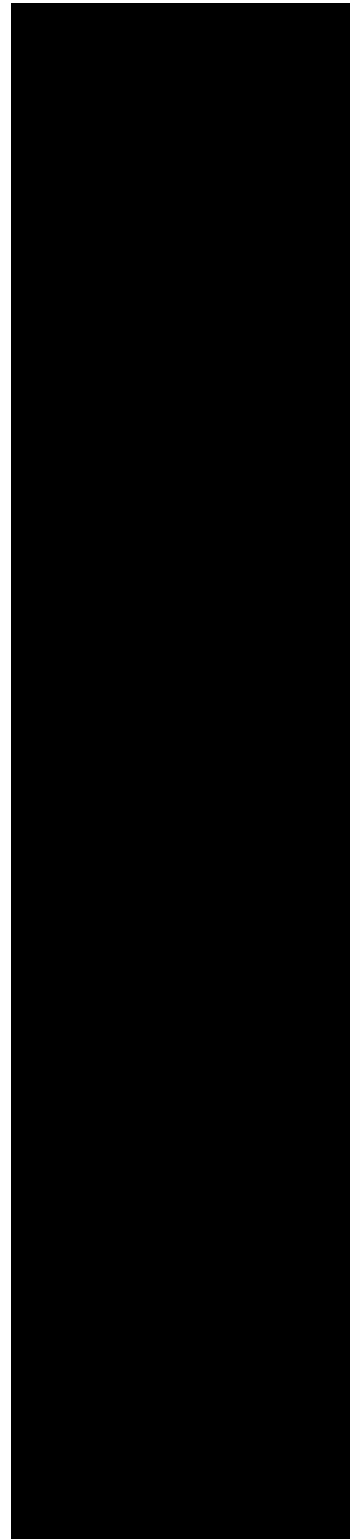
Non-current liabilities

- Deferred revenue, net of current portion
- Unit Appreciation Rights liability, net of current portion
- Total non-current liabilities
- Total liabilities

Members' deficit

- Class A members' equity
- Class B members' equity
- Class C members' equity
- Class D members' equity
- Class D members' equity
- Accumulated deficit
- Net loss
- Total members' deficit

Total liabilities and members' deficit





**SPIRAE, LLC**

**Statements of Operations  
(Unaudited)**

	One month ended December 31, 2019	Twelve months ended December 31, 2019
Revenues		
Cost of sales		
Gross profit		
Operating expenses		
Operating, administrative, and selling		
Research and development		
Total operating expenses		
Other income		
Other income		
Interest expense		
Loss on sale of asset		
Total other expenses		
Net gain/loss		

**SPIRAE, LLC**

**Statements of Cash Flows**

One month ended December 31, 2019	Twelve months ended December 31, 2019
--	--

Cash flows from operating activities

Net Income

Adjustments to reconcile net loss to net cash used in operating activities

Depreciation and amortization expense

Loss on disposal of fixed asset

Changes in assets and liabilities

Accounts receivable

Other current assets

Related party receivable

Accounts payable trade

Accrued interest on convertible loan debt

Payroll liabilities

UAR Valuation adjustment

Deferred revenue

Net cash used in operating activities

Cash flows from investing activities

Payments for intangible assets

Net cash used in investing activities

Cash flows from financing activities

Proceeds from issuance of convertible loan

Proceeds from issuance of shareholder loan

Proceed from issuance of Equity (1)

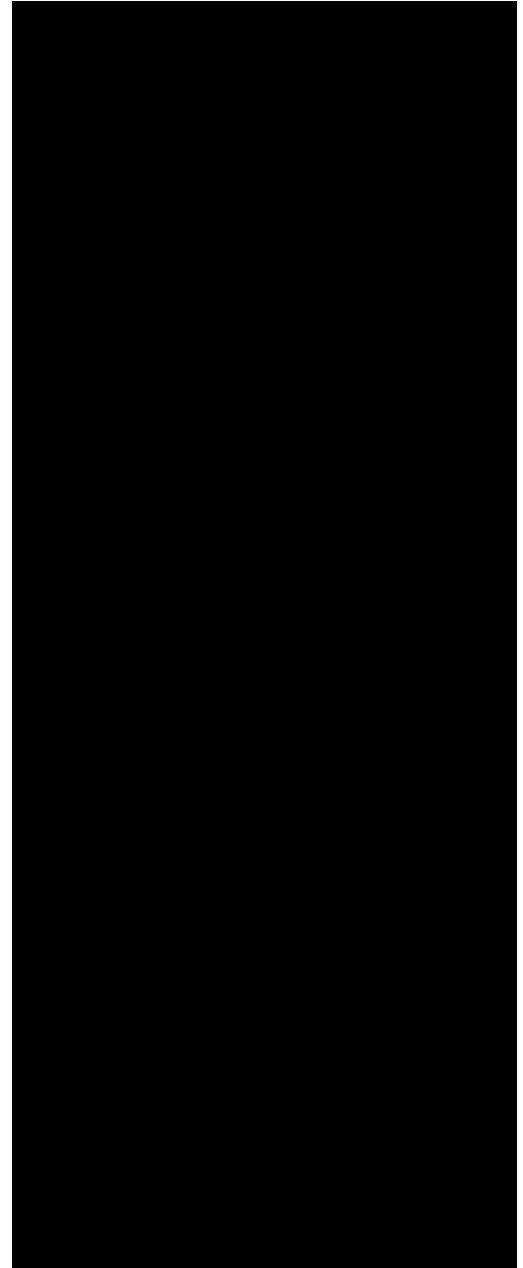
Proceeds from issuance of Equity (2)

Net cash provided by financing activities

Net increase/decrease in cash

Cash and cash equivalents-beginning of period

Cash and cash equivalents-end of period



**(Unaudited)**

## **ATTACHMENT 4**

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2019  
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	01-01-2019 thru 12-31-2019	100.000%	65.640%	34.360%
2	Input	Number of Customers - AMA Percent	01-01-2019 thru 12-31-2019	390,303 100.000%	255,776 65.533%	134,527 34.467%
3	E-OPS	Direct Distribution Operating Expense Percent	01-01-2019 thru 12-31-2019	28,296,647 100.000%	19,632,654 69.382%	8,663,993 30.618%
	Input	Jurisdictional 4-Factor Ratio	01-01-2019 thru 12-31-2019			
		Direct O & M Accts 500 - 598		24,679,594	16,810,447	7,869,147
		Direct O & M Accts 901 - 935		43,179,437	31,102,843	12,076,594
		Total		67,859,031	47,913,290	19,945,741
		Percentage		100.000%	70.607%	29.393%
		Direct Labor Accts 500 - 598		13,820,139	9,495,065	4,325,074
		Direct Labor Accts 901 - 935		5,934,306	4,598,284	1,336,022
		Total		19,754,445	14,093,349	5,661,096
		Percentage		100.000%	71.343%	28.657%
		Number of Customers		392,987	257,394	135,593
		Percentage		100.000%	65.497%	34.503%
		Net Direct Plant		1,299,912,760	900,948,758	398,964,002
		Percentage		100.000%	69.308%	30.692%
4		Total Percentages Percent		400.000% 100.000%	276.755% 69.189%	123.245% 30.811%

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2019  
Average of Monthly Averages Basis

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

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	
			01-01-2018 thru 12-31-2018	Total	Electric	Gas North	Oregon Gas
Input		Elec/Gas North/Oregon 4-Factor					
		Direct O & M Accts 500 - 894		74,822,376	62,056,960	8,226,178	4,539,238
		Direct O & M Accts 901 - 935		56,739,466	43,756,827	9,559,199	3,423,440
		Direct O & M Accts 901 - 905 Utility 9 Only		6,038,924	4,009,482	2,029,442	0
		Adjustments		0	0	0	0
		Total		137,600,766	109,823,269	19,814,819	7,962,678
		Percentage		100.000%	79.813%	14.400%	5.787%
		Direct Labor Accts 500 - 894		76,588,739	58,148,334	12,873,517	5,566,888
		Direct Labor Accts 901 - 935		5,482,366	3,571,503	236,920	1,673,943
		Direct Labor Accts 901 - 905 Utility 9 Only		10,102,844	6,632,271	3,470,573	0
		Total		92,173,949	68,352,108	16,581,010	7,240,831
		Percentage		100.000%	74.155%	17.989%	7.856%
		Number of Customers at		742,617	387,662	251,894	103,061
		Percentage		100.000%	52.202%	33.920%	13.878%
		Net Direct Plant		3,656,687,218	2,784,255,545	575,641,565	296,790,108
		Percentage		100.000%	76.142%	15.742%	8.116%
		Total Percentages		400.000%	282.312%	82.051%	35.637%
		Average (CD AA)		100.000%	70.578%	20.513%	8.909%

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**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2019  
Average of Monthly Averages Basis

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

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho
			01-01-2018 thru 12-31-2018	Total	Electric	Gas North Oregon Gas
Input		Gas North/Oregon 4-Factor				
		Direct O & M Accts 500 - 894		11,797,922	0	7,602,714 4,195,208
		Direct O & M Accts 901 - 935		12,671,112	0	9,329,820 3,341,292
		Direct O & M Accts 901 - 905 Utility 9 Only		2,029,442	0	2,029,442 0
		Total		26,498,476	0	18,961,976 7,536,500
		Percentage		100.000%	0.000%	71.559% 28.441%
		Direct Labor Accts 500 - 894		12,728,322	0	8,885,828 3,842,494
		Direct Labor Accts 901 - 935		1,420,797	0	176,159 1,244,638
		Direct Labor Accts 901 - 905 Utility 9 Only		3,470,573	0	3,470,573 0
		Total		17,619,692	0	12,532,560 5,087,132
		Percentage		100.000%	0.000%	71.128% 28.872%
		Number of Customers at Percentage		354,955	0	251,894 103,061
				100.000%	0.000%	70.965% 29.035%
		Net Direct Plant Percentage		855,304,042	0	559,809,249 295,494,793
				100.000%	0.000%	65.451% 34.549%
		Total Percentages		400.000%	0.000%	279.103% 120.897%
		Average (GD AA)		100.000%	0.000%	69.776% 30.224%

8

**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2019  
Average of Monthly Averages Basis

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

AVISTA UTILITIES

Basis	Ref	Description	Based on Data from:	System	Washington	Idaho	Oregon
		Input	01-01-2018 thru 12-31-2018	Total	Electric	Gas North	Oregon Gas
		Elec/Gas North 4-Factor					
		Direct O & M Accts 500 - 894		70,323,010	62,056,960	8,266,050	0
		Direct O & M Accts 901 - 935		53,300,236	43,756,827	9,543,409	0
		Adjustments		0	0	0	0
		Total		123,623,246	105,813,787	17,809,459	0
		Percentage		100.000%	85.594%	14.406%	0.000%
		Direct Labor Accts 500 - 894		70,950,480	58,148,334	12,802,146	0
		Direct Labor Accts 901 - 935		4,083,661	3,571,503	512,158	0
		Total		75,034,141	61,719,837	13,314,304	0
		Percentage		100.000%	82.256%	17.744%	0.000%
		Number of Customers at Percentage		639,556	387,662	251,894	0
				100.000%	60.614%	39.386%	0.000%
		Net Direct Plant Percentage		3,298,869,399	2,739,060,150	559,809,249	0
				100.000%	83.030%	16.970%	0.000%
9		Total Percentages Average (CD AN/ID/WA)		400.000%	311.494%	88.506%	0.000%
				100.000%	77.874%	22.126%	0.000%
10	E-PLT	Net Electric Distribution Plant - AMA Percent	12-01-2018 thru 12-31-2019	1,219,130,384	835,487,618	383,642,766	
				100.000%	68.531%	31.469%	
11		Book Depreciation Percent	01-01-2019 thru 12-31-2019	121,060,881	78,566,630	42,494,251	
				100.000%	64.898%	35.102%	



**RESULTS OF OPERATIONS**  
**ELECTRIC ALLOCATION PERCENTAGES**  
For Twelve Months Ended December 31, 2019  
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	12-01-2018 thru 12-31-2019	3,098,959,581 100.000%	2,086,739,688 67.337%	1,012,219,893 32.663%
13	E-PLT	Net Electric General Plant - AMA Percent	12-01-2018 thru 12-31-2019	272,325,576 100.000%	186,808,546 68.598%	85,517,030 31.402%
14		Net Allocated Schedule M's - AMA Percent	01-01-2019 thru 12-31-2019	-113,402,349 100.000%	-76,287,950 67.272%	-37,114,399 32.728%
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 2019**

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 2019 Budgeted rates.

DESCRIPTION	2019 BUDGET RATES
Labor Related:	
Payroll Benefits	48.58%
Paid Time Off	16.00%
Payroll Taxes	8.25%

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

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

#### V.) **Organization Chart**

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