



Avista Corp.

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March 28, 2018

Diane Hanian, Commission Secretary
Idaho Public Utilities Commission
W. 472 Washington Street
Boise, Idaho 83720

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IDAHO PUBLIC
UTILITIES COMMISSION

RE: Case No. GNR-U-18-01, Avista Report on Impact of Federal Tax Code Revisions on
Utility Costs and Ratemaking

Dear Ms. Hanian:

Pursuant to the Commission's directive in Order No. 33965 in Case No. GNR-U-18-01, Avista Corporation dba Avista Utilities ("Avista" or "the Company") hereby submits an original and seven copies of its report relating to the impact of the Federal Tax Code revisions on utility costs and ratemaking, as well as its proposal for reflecting the new tax law in customer rates and returning deferred tax benefits to customers. Included with this response, and attached for filing with the Commission is an electronic copy of the Company's new proposed tariff Schedules 72 (electric) and 172 (natural gas), "Permanent Federal Income Tax Rate Credit," and 74 (electric) and 174 (natural gas), "Temporary Federal Income Tax Rate Credit".

I. PURPOSE AND BACKGROUND OF REPORT AND FILING

As noted in the Commission's Order No. 33965 dated January 17, 2018, on December 22, 2017, the President signed the Tax Cuts and Jobs Act of 2017 ("TCJA") into law. A main feature of the TCJA reduced the federal corporate tax rate from 35% to 21%, effective January 1,

2018. This significant tax rate reduction materially decreases the current and deferred tax expense currently included in customers' rates.

In addition, the TCJA also resulted in excess deferred income tax assets and liabilities (including both "protected" and "unprotected," as discussed further below¹) which have been labeled by the Company as a permanent benefit (plant excess ADFIT) or labeled as a temporary benefit (non-plant excess ADFIT).

The purpose of this report, as requested by the Commission, is to identify and quantify the TCJA changes affecting the Company's costs and its impact on ratemaking for Avista. Included in this report, as described below, is 1) the "permanent" and "temporary" net tax benefit to customers from the TCJA; 2) the Company's proposal for returning these TCJA benefits to customers; 3) the federal income tax components for the year 2017, and the federal income tax components if the utility had been subject to the 2017 Tax Act's revisions to the tax code in 2017, including the 21% tax rate; and 4) discussion of the proposed tariff schedules (included as Attachment A), that reflect the revenue requirement impacts from the 2017 Tax Act.

II. PERMANENT AND TEMPORARY TAX BENEFITS AND PROPOSAL FOR RETURNING BENEFITS TO CUSTOMERS

On January 1, 2018, in compliance with Commission Order No. 33953 in Case Nos. AVU-E-17-01 and AVU-G-17-01, Avista's revised electric and natural gas base tariffs went into effect based on rates approved in that proceeding. The effective date of these base tariffs coincided with the TCJA effective date of January 1, 2018. Given Avista's existing base rates reflect new rates in effect as of January 1, 2018, for purposes of determining "permanent" benefits, including the effect of lowering the effective tax rate to 21%, and "temporary" benefits to be returned to customers over a shorter period of time², the Company used its recently approved general rate case (Case Nos. AVU-E-17-01 and AVU-G-17-01) data and information

¹ Avista has two main types of excess accumulated deferred income taxes (ADFIT) as defined by the Internal Revenue Code (IRC), "protected" and "unprotected". "Protected" excess ADFIT is generally defined as capital assets depreciated under IRC section 167, whereby these timing differences are required to be recorded and then reversed (i.e. normalized) over the depreciable lives of the capital assets that created the ADFIT. "Unprotected" excess ADFIT makes up the remainder of the Company's excess ADFIT, reflecting mainly non-plant related deferred assets and liabilities.

² For purposes of this filing, "permanent" benefits represent tax changes that impact base rates on a long-term or ongoing basis, whereas "temporary" benefits represent amounts which are a one-time calculation or temporary in nature.

that was reviewed by all parties in that proceeding and approved by the IPUC for the 2018 rate effective period.^{3/4}

Summary of Tax Benefits

As further described below, after giving effect to the TCJA changes, a summary of the permanent and temporary tax benefits to customers is shown in the Summary Table below:

Summary Table

Effective June 1, 2018:	Revenue Requirement (000s)	
	ID Electric	ID Natural Gas
Permanent Reductions (Tariff 72 / 172)¹:		
1) Current/Deferred Tax Expense (35% to 21%)	\$ (11,080)	\$ (2,082)
2a) Plant Excess ADFIT	\$ (2,660)	\$ (474)
Permanent base rate change	\$ (13,740)	\$ (2,556)
<u>Temporary Reductions:</u>		
Tariff 74/174 (effective Jun 1, 2018 - May 31, 2019)²		
2b) Non-Plant Excess ADFIT	\$ (6,302)	\$ 526
3) Deferral of Jan - Apr 2018 balances	\$ (5,724)	\$ (1,065)
Total Tariff 74/174	\$ (12,026)	\$ (539)
¹ Tariff Schedules 72 (electric) and 172 (natural gas) would remain in place until included in base rate tariff schedules in the next general rate case.		
² Tariff Schedules 74 (electric) and 174 (natural gas) would expire on May 31, 2019 unless necessary to continue due to true-up of benefits owed customers.		

To the extent that results of ongoing discussions in the Avista/Hydro One merger dockets in Avista's jurisdictions (AVU-E-17-09/AVU-G-17-05 in Idaho) may impact these calculations, Avista will amend this report accordingly. In addition, after review by Staff and upon Commission order, the Company would file an update to the electric and natural gas Fixed Cost Adjustment (FCA) base values to appropriately reflect the base rate change included in the Schedule 72 (electric) / 172 (natural gas) adder schedules.

³ For example, the Company updated its final approved electric and natural gas revenue requirement models, approved in Case Nos. AVU-E-17-01 and AVU-G-17-01, to reflect a 21% effective tax rate. The electric and natural gas revenue requirement models, with a separate adjustment reflecting each TCJA benefit, has been included with the workpapers filed with this response.

⁴ The Commission requested the Company provide the federal income tax components for the year 2017, and the federal income tax components if the utility had been subject to the 2017 Tax Act's revisions to the tax code, including the 21% tax rate. As discussed further below, although the 2017 information as requested by the Commission is provided, the Company believes it is appropriate to use its most recent general rate case information for the rate effective period January 1, 2018 through December 31, 2018 to determine the TCJA benefits for customers.

Per the Summary Table above, the individual components are as follows:

- 1) Current and deferred income tax expense and conversion factor (or gross up to cover tax expenses) – The result of lowering the tax rate from 35% to 21% of taxable income, as well as the impact on the conversion factor, reduces current and deferred tax expense. The resulting reduction on a revenue requirement basis is **approximately \$11.1 million electric and \$2.1 million natural gas**. The Company proposes to reflect this tax benefit by lowering customer rates through new proposed tariff Schedules 72 (electric) and 172 (natural gas), “Permanent Federal Income Tax Rate Credit.”⁵
- 2) Excess deferred income tax asset/liability – As of December 2017, deferred tax amounts were required to be revalued at the lower corporate rate (21%), resulting in excess deferred federal income tax reserve balances. Balances associated with regulated utility operations resulted in a balance sheet reclassification from deferred tax to deferred regulatory assets or liabilities. This revaluation impacted both plant (protected) and non-plant (unprotected) balances.⁶ As a part of this item, amortization of deferred tax amounts that represent the difference between the historical 35% rate and the revised 21% rate have been determined.
 - a) For Plant-related excess deferred income tax, the Company will amortize the plant DFIT balances (Regulatory Liability of \$106.4 million electric and \$20.5 million natural gas, per Table 2 below) in accordance with the TCJA’s Average Rate Assumption Method (ARAM). The Company estimates the ARAM for Avista results in an amortization period of approximately 36 years. As shown in the Summary Table above, the annual permanent benefit from the plant excess deferred amortization (the benefit will change over time as the ARAM is not calculated on a straight-line basis), the resulting reduction on a revenue requirement basis is **approximately \$2.7 million electric and \$474,000 natural gas**. The Company proposes to reflect this tax benefit by lowering customer rates through new proposed tariff Schedules 72 (electric) and 172 (natural gas), “Permanent Federal Income Tax Rate Credit.”
 - b) For non-plant related excess deferred income tax, as shown in the Summary Table, the deferred tax benefit for **electric** to return to customers on a revenue requirement basis is **approximately \$6.3 million**. For **natural gas**, the excess ADFIT results in a deferred tax asset, resulting in a **surcharge to customers of approximately \$526,000**. For the net non-plant excess ADFIT surcharge, along

⁵ Tariff Schedules 72 (electric) and 172 (natural gas), “Permanent Federal Income Tax Rate Credit” would remain in place until these tax benefits were included in base tariff schedules in the next general rate case. The Company proposed separate tariffs (Schedules 72/172), as opposed to adjusting base rates, so as not to alter the Commission approved base rates for year two of the Commission approved rate plan that will go into effect January 1, 2019.

⁶ See definition of “protected” and “unprotected” below.

with the January – May 2018 deferred benefit (see Item 3 below), the Company proposes to return these balances to customers over a one-year amortization, beginning May 1, 2018, through separate (temporary) tariff Schedules 74/174.^{7/8}

- 3) Deferral of January 1 – May 31, 2018 TCJA benefits – In compliance with IPUC Order No. 33965, the Company began to “immediately account for the financial benefits from the January 1, 2018 tax rate reduction to 21%,” by deferring the benefits of the TCJA into a deferred regulatory liability until such time as the benefits are reflected in customer rates and the net deferred balance has been returned to customers. As shown in the Summary Table above (see also Table 3 below), the estimated deferred benefit for January 1 – May 31, 2018 is **approximately \$5.7 million electric and \$1.1 million natural gas**. For the net January – May 2018 deferred benefit, along with the non-plant excess ADFIT surcharge (see Item 2 above), the Company proposes to return these balances to customers over a one-year amortization, beginning May 1, 2018, through separate (temporary) tariff Schedules 74/174.⁹

Current/Deferred Tax Rate Change to 21%

The primary provision of the TCJA was a reduction in the federal corporate tax rate from 35% to 21%, reducing the current and deferred tax expense currently included in customers’ rates. Avista’s current retail rates, effective January 1, 2018 per Order 33953 in Case Nos. AVU-E-17-01 and AVU-G-17-01, assumed a federal corporate tax rate of 35%. To recognize the 21% tax rate, the Company has revised its revenue requirement calculation recently approved by the IPUC for the calendar year 2018 to include the impact on current and deferred tax expense. The corporate tax rate of 21% also has an effect on the gross up to cover tax expenses (conversion factor). Included as Attachments B and C with this response are the revenue requirement models previously approved in Case Nos. AVU-E-17-01 and AVU-G-17-01, updated to reflect the current tax rate of 21%, with all electronic workpapers provided as Attachment E.¹⁰

As shown in the Summary Table above, the result of lowering the tax rate from 35% to 21% of taxable income, as well as the impact on the conversion factor, reduces the Company’s

⁷ Tariff Schedules 74 (electric) and 174 (natural gas), “Temporary Federal Income Tax Rate Credit” would expire on May 31, 2019 unless necessary to continue due to true-up of benefits owed customers.

⁸ To the extent the Commission would prefer other means or timing for returning these “temporary” benefits back to customers, *i.e.*, in conjunction or timing with the Company’s PGA or PCA, for example, rather than through separate tariff Schedules 74/174 effective June 1, 2018, the Company would not be opposed to such treatment.

⁹ Tariff Schedules 74 (electric) and 174 (natural gas), “Temporary Federal Income Tax Rate Credit” would expire on May 31, 2019, unless necessary to continue due to true-up of benefits owed customers.

¹⁰ These models also show the impact of the revised tax rate of 21% on the approved change in base rates effective January 1, 2019, year 2 of the Two Year Rate Plan. The effect of the 21% revised tax rate reduces the 2019 revenue requirement amount by \$264,000 for electric and \$66,000 for natural gas.

annual revenue requirement going forward by approximately **\$11.1 million electric** and **\$2.1 million natural gas**. (See Attachment B (electric) and Attachment C (natural gas), Tax Reform Adjustment #1, and supporting workpapers provided as Attachment D (.pdf) and E (electronic).)

To reflect the TCJA tax rate on current and deferred tax expense within customers' rates, the Company proposes to reduce customer's rates through new Tariff Schedules 72 (electric) and 172 (natural gas) "Permanent Federal Income Tax Rate Credit," to be effective June 1, 2018, and remain in place until such time as the tax reduction is included in base rates in a future general rate case.

Accumulated Deferred Federal Income Tax – Excess Tax Reserve

The Company has complied with the financial accounting requirements of Accounting Standards Codification ("ASC") - 740 which required recognition of the effect of certain tax law changes to be recognized in the period of enactment, in this case, December 2017. Recognition of this tax law change at December 31, 2017, resulted in the recording of excess accumulated deferred federal income tax (ADFIT) assets and liabilities.

The ADFIT balances as of December 31, 2017 (included on an end-of period basis), prior to adjustment for the TCJA corporate tax rate change to 21% is as follows in Table 1:

Table 1

Accumulated Deferred Federal Income Tax (ADFIT) Balances at December 31, 2017:			
	Avista Utility System	ID Electric	ID Natural Gas
Plant	\$ (802,685,237)	\$ (204,862,764)	\$ (39,382,155)
Non-Plant	\$ (31,206,134)	\$ (18,523,295)	\$ (2,326,819)

As shown in Table 1 above, Avista has both plant (\$802,685,237 system) and non-plant (\$31,206,134 system) related ADFIT balances as of December 31, 2017. Plant related balances are recorded in FERC Account 282. Non-plant balances are recorded in FERC Accounts 190 and 283. In order to comply with the TCJA, these tax assets/liabilities were adjusted to be 21% of the associated deferred asset/liability. The difference between the original balance recorded at 35% and the new balance recorded at 21%, was recorded as plant or non-plant excess ADFIT.

The amount of excess deferred income tax reserve (excess ADFIT) as described in Internal Revenue Code (IRC) Sec 168(i)(9)(A)(ii) as of December 31, 2017, to comply with the TCJA as shown in Table 2 below is as follows:

Table 2

Excess Deferred Federal Income Tax Reserve at December 31, 2017						
	Protected (normalized plant)			Unprotected (non-plant)		
	Avista Utility System	ID Electric	ID Natural Gas	Avista Utility System	ID Electric	ID Natural Gas
Excess Reserve	\$ 320,850,109	\$ 81,887,939	\$ 15,741,873	\$ 13,530,194	\$ 4,770,382	\$ (379,295)
Gross-up for taxes	\$ 96,109,097	\$ 24,529,136	\$ 4,715,402	\$ 4,052,904	\$ 1,428,945	\$ (113,616)
Regulatory Liability	\$ 416,959,206	\$ 106,417,075	\$ 20,457,275	\$ 17,583,098	\$ 6,199,327	\$ (492,911)

As shown in Table 2 above, Avista has two main types of excess ADFIT as defined by the IRC, “protected” and “unprotected.”

Protected excess ADFIT is generally defined as capital assets depreciated under IRC section 167, whereby these timing differences are required to be recorded and then reversed (i.e. normalized) over the depreciable lives of the capital assets that created the ADFIT. The utility plant related excess ADFIT at December 31, 2017 system-wide was \$320,850,109, exclusive of the tax gross up.¹¹ The share allocated to Idaho electric is \$81,887,939 and to Idaho natural gas is \$15,741,873. As discussed further below, the plant related excess ADFIT will be amortized over a longer period of time (approximately 36 years, following the IRS Average Rate Assumption Method or “ARAM”). The annual revenue requirement benefit to be returned to customers, therefore, will vary annually.¹² As shown in the Summary Table above, the 2018 annual tax benefit, on a revenue requirement basis, is approximately **\$2.7 million electric** and **\$474,000 natural gas**. (See Attachment B (electric) and Attachment C (natural gas), Tax Reform Adjustment #2, and supporting workpapers provided as Attachment D (.pdf) and E (electronic).)

¹¹ Embedded in the protected excess number are various basis adjustments to plant that are not specifically classified as “protected” Internal Revenue Code Section 167 amounts. The system-wide plant related deferred taxes not specifically requiring normalization treatment is \$42,956,299, leaving \$277,893,810 as system-wide specifically protected excess ADFIT. At this time the Company is unable to provide a Idaho-allocated breakdown of the plant “unprotected” balances. Avista uses a tax depreciation system called PowerTax to calculate tax depreciation and associated ADFIT. This system starts with Avista’s book plant balances and then records what is called tax basis adjustments due to various tax timing differences. Common tax basis adjustments are accelerated depreciation which are protected, as well as unprotected items, such as Contributions in Aid of Construction (CIAC), AFUDC capitalization, and tangible repairs. These unprotected tax basis adjustments are directly tied, and essentially comingled within the basis of the underlying plant asset and associated ADFIT, and therefore are included with “protected” plant by the Company.

¹² The 2018 annual benefit to customers associated with the excess plant ADFIT is provided below.

To reflect the amortization of the excess plant ADFIT within customers' rates, the Company proposes to reduce customer's rates through new Tariff Schedules 72 (electric) and 172 (natural gas) "Permanent Federal Income Tax Rate Credit," to be effective June 1, 2018, and remain in place until such time as the amortization of the excess plant ADFIT is included in base rates in a future general rate case.

Unprotected excess ADFIT makes up the remainder of the Company's excess ADFIT, mainly representing non-plant related deferred assets/liabilities, as well as plant-related tax basis adjustments (included by the Company within its "protected" balances.) The utility non-plant related excess ADFIT at December 31, 2017 system-wide was \$13,530,194, exclusive of the tax gross up. The share allocated to Idaho electric is \$4,770,382 and to Idaho natural gas is a negative balance of \$379,295. On a revenue requirement basis, for **electric** the tax benefit to be **returned** to customers is approximately **\$6.3 million**. For **natural gas**, the amount to **surcharge** customers is approximately **\$526,000**.

To reflect the non-plant excess ADFIT benefit/surcharge to customers, the Company is proposing to adjust customer's rates over a one-year period effective June 1, 2018 through May 30, 2019, through new temporary Tariff Schedules 74 (electric) and 174 (natural gas) "Temporary Federal Income Tax Rate Credit."¹³

(See Attachment B (electric) and Attachment C (natural gas), Tax Reform Adjustment #3, and supporting workpapers provided as Attachments D (.pdf) and E (electronic).)

Deferral of January 1 – May 31, 2018 TCJA benefits

Per IPUC Order No. 33965, the Company began to "immediately account for the financial benefits from the January 1, 2018 tax rate reduction to 21%," by deferring the benefits of the TCJA into a deferred regulatory liability until such time as the benefits are reflected in customer rates and the net deferred balance has been returned to customers. The monthly deferral to be recorded by the Company will include the tax benefit of reducing current and deferred income tax expense to 21%, as well as the monthly amortization of the excess plant ADFIT for the period January 1, 2018 – May 31, 2018.

¹³ The non-plant excess ADFIT benefit (electric) or surcharge (natural gas) would be combined with the January 1 – May 31, 2018 deferred TCJA benefit, also to be refunded through Schedules 74 and 174, resulting in an overall benefit returned to customers over the period June 1, 2018 – May 30, 2019.

Table 3 below, (see also Summary Table above), reflects the estimated amount for the period January 1, 2018 – May 31, 2018, representing five-twelfths of the 2018 annual tax benefit of reducing current and deferred income tax expense to 21%, as well as 5 months of the 2018 annual amortization of the excess plant ADFIT.

Table 3

<u>Estimated Excess Deferred Federal Income Tax and Current/Deferred Tax Expense Deferred for the Period January - May 2018 (000s)</u>		
	ID Electric	ID Natural Gas
Excess ADFIT - Plant	\$ 1,107	\$ 197
Current/Deferred Tax Expense	\$ 4,617	\$ 868
Total Deferred Balance	\$ 5,724	\$ 1,065
January - May 2018⁽²⁾		

As shown in Table 3, the estimated deferred benefit on a revenue requirement basis for January – May 2018 is **approximately \$5.7 million electric and \$1.1 million natural gas**. (See Attachment B (electric) and Attachment C (natural gas), Tax Reform Adjustments #4 - #5 and supporting workpapers provided as Attachments D (.pdf) and E (electronic).)

To return the estimated deferred balance of the tax benefit to customers, the Company is proposing to adjust customer's rates over a one-year period effective June 1, 2018 through May 30, 2019, through new temporary Tariff Schedules 74 (electric) and 174 (natural gas) "Temporary Federal Income Tax Rate Credit."

Although for reporting purposes here the Company has estimated these balances, the Company will track and compare any actual deferrals recorded by the Company for the period January 1, 2018 - May 31, 2018 versus that estimated.

Furthermore, with the limited amount of time since the legislation has been signed into law, not all impacts of the TCJA on the Utility are known at this time. For example, there may be additional interpretations and rulings from government agencies related to the law which may result in additional adjustments up or down.¹⁴ The Company, therefore, believes it necessary to

¹⁴ For example, the Company is in the process of determining the impact of FERC Docket No. EL-18-75-000 directing Avista to either (i) propose revisions to our transmission rate to reflect the change in corporate income tax rate, or (ii) show cause why we should not be required to make such a change. A filing by Avista is due in mid-May. At this time the Company does not know the impact on its transmission or retail customers.

continue to track any appropriate differences through the deferred regulatory liability as a result of 1) differences between estimated amounts for the January – May 2018 deferral returned to customers beginning June 1, 2018, versus actual amounts recorded for January through May 2018; and 2) unanticipated tax effects from changes in tax legislation. This difference, up or down, could be included in Schedule 74/174 as a true-up, if necessary, or deferred until the next general rate case. This tracking adjustment would also provide the opportunity for Staff and interested parties to complete their audit of Avista's filings and capture any necessary changes.

III. TAX BENEFIT RESULTS USING 2017 CALENDER YEAR RESULTS

Per IPUC Order No. 33965 each regulated utility “must disclose the federal income tax components for the year 2017, and the federal income tax components if the utility had been subject to 2017 Tax Act's revisions to the tax code, including the 21% tax rate.” As shown in Attachment F, in 2017 the Idaho current and deferred FIT expense was approximately \$20.63 million electric and \$4.57 million natural gas. If the 2017 Tax Act's revisions to the tax code, including the 21% tax rate, had been in place during 2017, the revised current and deferred FIT expense for Idaho would have been approximately \$12.61 million electric and \$2.83 million natural gas. This would have resulted in a reduction in current and deferred FIT expense for Idaho of approximately \$8.02 million electric and \$1.74 million natural gas, a revenue requirement reduction (or benefit to customers) of approximately \$10.77 million electric and \$2.34 million natural gas.¹⁵

As noted above, the Company believes it is appropriate to use the most recent approved rates in effect as of January 1, 2018 for rate year 2018, per Commission Order No. 33953 in Case Nos. AVU-E-17-01 and AVU-G-17-01, to determine the tax benefit for customers beginning January 1, 2018. The results of using the current rates effective January 1, 2018, as noted in the Summary Table above, results in a current and deferred tax expense benefit of approximately \$11.08 million electric and \$2.08 million natural gas. Table 4 below summarizes the difference between updating 2017 actual results with a 21% effective tax rate, versus updating customers current approved rates in effect January 1, 2018 with a 21% effective tax rate:

¹⁵ System amounts of the federal income tax components for the year 2017, and the federal income tax components if the utility had been subject to 2017 Tax Act's revisions to the tax code, including the 21% tax rate, are also shown in Attachment F, as required per IPUC Order No. 33965.

Table 4

Difference in Tax Benefit of Using 2017 Results versus Current Approved Rates		
	ID Electric	ID Natural Gas
Tax Benefit Using Actual 2017 Results with 21% Effective Rate	\$ (10,769)	\$ (2,337)
Tax Benefit Using Current Approved Rates (Effective Jan. 1, 2018) with 21% Effective Rate	\$ (11,080)	\$ (2,082)
Net Benefit/(Reduced Benefit) of using 2018 GRC Approved vs 2017 Actual	\$ 311	\$ (255)

As shown in Table 4 above, using the current approved rates for Rate Year 2018 per Case Nos. AVU-E-17-01 and AVU-G-17-01, adjusted to reflect a 21% tax rate, produces similar results as that produced if 2017 actual results had been revised using a 21% tax rate. However, although the results are similar, the Company believes given that its rates have been recently reset (January 1, 2018), coincident with the Tax Act, updating Avista's current general rates using the most current approved rates in effect as of January 1, 2018 is more appropriate.

IV. PROPOSED TARIFF SCHEDULES

As previously stated, the Company is proposing new tariff Schedules 72 (electric) and 172 (natural gas) for the "Permanent Federal Income Tax Rate Credit," and 74 (electric) and 174 (natural gas) for the "Temporary Federal Income Tax Rate Credit". The Company is proposing to spread both the permanent and temporary portions of the Rate Credits on a uniform percent of base revenue basis for both electric and natural gas. The Company chose this method because it generally matches how costs are presently being recovered from customers. For the spread of the Rate Credit within each service schedule (i.e., rate design), the Company applied a uniform cents per kWh (electric) and therm (natural gas) to the volumetric block rates by rate schedule. The permanent portion being passed back through rate schedules 72 and 172 will remain in effect until such time that these tax benefits are incorporated into base rates in a future general rate case proceeding. The temporary portion being passed back through rate schedules 74 and 174 will be in effect for a one-year period beginning June 1, 2018. The combined average residential bill impact for a customer using 910 kWh's per month would be a reduction of \$9.09,

or 9.7%. The combined average residential bill impact for a customer using 63 therms per month would be a reduction of \$2.71, or 5.4%.

Please direct questions on this matter to Liz Andrews at (509) 495-8601.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Ehrbar', with a long horizontal line extending to the right.

Patrick Ehrbar
Director of Regulatory Affairs

Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 28th day of March, 2018, served the foregoing Report in Docket No. GNR-U-18-01, upon the following parties, by mailing a copy thereof, properly addressed with postage prepaid to:

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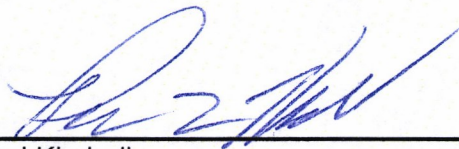
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Paul Kimball
Sr. Regulatory Analyst

Attachment A

Proposed Tariffs

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 72

PERMANENT FEDERAL INCOME TAX RATE CREDIT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Permanent Federal Income Tax Rate Credit shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rate credit is designed to reflect the permanent benefits attributable to the revisions of the federal income tax code caused by enactment of the Tax Cuts and Jobs Act signed into law on December 22, 2017.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 1	0.533 ¢ per kWh	Schedule 25	0.307 ¢ per kWh
Schedule 11 & 12	0.568 ¢ per kWh	Schedule 25P	0.291 ¢ per kWh
Schedule 21 & 22	0.448 ¢ per kWh	Schedule 31 & 32	0.510 ¢ per kWh
Schedule 41 - 49	1.513 ¢ per kWh		

TERM:

The Permanent Federal Tax Rate Credit will be in effect until such time that the permanent federal tax benefits are incorporated into base rates in a general rate case proceeding.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued March 28, 2018

Effective June 1, 2018

Issued by Avista Utilities

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 74

TEMPORARY FEDERAL INCOME TAX RATE CREDIT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Temporary Federal Income Tax Rate Credit shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rate credit is designed to reflect the temporary benefits attributable to the revisions of the federal income tax code caused by enactment of the Tax Cuts and Jobs Act signed into law on December 22, 2017.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 1	0.466 ¢ per kWh	Schedule 25	0.269 ¢ per kWh
Schedule 11 & 12	0.497 ¢ per kWh	Schedule 25P	0.254 ¢ per kWh
Schedule 21 & 22	0.392 ¢ per kWh	Schedule 31 & 32	0.447 ¢ per kWh
Schedule 41 - 49	1.324 ¢ per kWh		

TERM:

The Temporary Federal Tax Rate Credit will be in effect for a one-year period from June 1, 2018 through May 31, 2019. Any residual balance at the end of the one-year term will be recovered in a future general rate case proceeding.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued March 28, 2018

Effective June 1, 2018

Issued by Avista Utilities

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 172

PERMANENT FEDERAL INCOME TAX RATE CREDIT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Permanent Federal Income Tax Rate Credit shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, 132, and 146.

This rate credit is designed to reflect the permanent benefits attributable to the revisions of the federal income tax code caused by enactment of the Tax Cuts and Jobs Act signed into law on December 22, 2017.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 101	\$0.03548 per Therm
Schedule 111 & 112	\$0.01854 per Therm
Schedule 131 & 132	\$0.01854 per Therm
Schedule 146	\$0.00876 per Therm

TERM:

The Permanent Federal Tax Rate Credit will be in effect until such time that the permanent federal tax benefits are incorporated into base rates in a general rate case proceeding.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued: March 28, 2018

Effective: June 1, 2018

Issued by Avista Utilities

By Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 174

TEMPORARY FEDERAL INCOME TAX RATE CREDIT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Temporary Federal Income Tax Rate Credit shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, 132, and 146.

This rate credit is designed to reflect the temporary benefits attributable to the revisions of the federal income tax code caused by enactment of the Tax Cuts and Jobs Act signed into law on December 22, 2017.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedule 101	\$0.00748 per Therm
Schedule 111 & 112	\$0.00391 per Therm
Schedule 131 & 132	\$0.00391 per Therm
Schedule 146	\$0.00185 per Therm

TERM:

The Temporary Federal Tax Rate Credit will be in effect for a one-year period from June 1, 2018 through May 31, 2019. Any residual balance at the end of the one-year term will be recovered in a future general rate case proceeding.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued: March 28, 2018

Effective: June 1, 2018

Issued by Avista Utilities

By Patrick Ehrbar, Director of Regulatory Affairs



Workpapers

Idaho
Electric
Schedule 72
Permanent Federal Tax Rate Adjustment

No.	Type of Service	Schedule Number	Present Base Revenue	Permanent Federal Tax Rate Adjustment	Base Percentage Change	Billed Percentage Change	Present Billing Determinants	Schedule 72 Per kWh Rate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Residential	1	\$115,160	(\$6,098)	-5.3%	-5.1%	1,145,126,003	\$ (0.00533)
2	General Service	11/12	\$39,173	(\$2,074)	-5.3%	-5.1%	365,113,814	\$ (0.00568)
3	Large General Service	21/22	\$54,882	(\$2,906)	-5.3%	-5.1%	649,192,595	\$ (0.00448)
4	Extra Large General Service	25	\$20,728	(\$1,098)	-5.3%	-5.4%	357,288,245	\$ (0.00307)
5	Clearwater	25P	\$19,897	(\$1,054)	-5.3%	-5.4%	362,572,860	\$ (0.00291)
6	Pumping Service	30/31/32	\$5,819	(\$308)	-5.3%	-5.1%	60,392,324	\$ (0.00510)
7	Street & Area Lights	41-48	\$3,814	(\$202)	-5.3%	-5.1%	13,345,092	\$ (0.01513)
8	Total		\$259,473	(\$13,740)	-5.3%	-5.2%	2,953,030,933	

* In effect until incorporated into base rates.

Idaho
Electric
Schedule 74
Temporary Federal Tax Rate Adjustment

No.	Type of Service (a)	Schedule Number (b)	Present Base Revenue (c)	Federal Tax Rate Adjustment (d)	Base Percentage Change (e)	Billed Percentage Change (f)	Present Billing Determinants (g)	Schedule 74 Per kWh Rate (h)
1	Residential	1	\$115,160	(\$5,337)	-4.6%	-4.5%	1,145,126,003	\$ (0.00466)
2	General Service	11/12	\$39,173	(\$1,816)	-4.6%	-4.5%	365,113,814	\$ (0.00497)
3	Large General Service	21/22	\$54,882	(\$2,544)	-4.6%	-4.5%	649,192,595	\$ (0.00392)
4	Extra Large General Service	25	\$20,728	(\$961)	-4.6%	-4.7%	357,288,245	\$ (0.00269)
5	Clearwater	25P	\$19,897	(\$922)	-4.6%	-4.7%	362,572,860	\$ (0.00254)
6	Pumping Service	30/31/32	\$5,819	(\$270)	-4.6%	-4.5%	60,392,324	\$ (0.00447)
7	Street & Area Lights	41-48	\$3,814	(\$177)	-4.6%	-4.5%	13,345,092	\$ (0.01324)
8	Total		\$259,473	(\$12,026)	-4.6%	-4.5%	2,953,030,933	

* In effect for a one-year period beginning June 1, 2018.

Idaho
Natural Gas
Schedule 172
Permanent Federal Tax Rate Adjustment

Line No.	Type of Service	Schedule Number	Present Base Revenue	Permanent Federal Tax Rate Adjustment	Base Percentage Change	Billed Percentage Change	Present Billing Determinants	Schedule 172 Per Therm Rate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	General Service	101	\$34,270	(\$2,099)	-6.1%	-4.6%	59,156,634	\$ (0.03548)
2	Large General Service	111/112	\$7,045	(\$432)	-6.1%	-3.7%	23,271,119	\$ (0.01854)
4	Interruptible Service	131/132	\$0	\$0	0.0%	0.0%	0	\$ (0.01854)
5	Transportation Service	146	\$414	(\$25)	-6.1%	-6.1%	2,891,150	\$ (0.00876)
6	Special Contracts	148	\$103	\$0	0.0%	0.0%		
7	Total		\$41,832	(\$2,556)	-6.1%	-4.4%		

* In effect until incorporated in base rates

Idaho
Natural Gas
Schedule 174
Temporary Federal Tax Rate Adjustment

Line No.	Type of Service	Schedule Number	Schedule 174			Billed Percentage Change	Present Billing Determinants	Schedule 174 Per Therm Rate
			Present Base Revenue	Federal Tax Rate Adjustment	Base Percentage Change			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	General Service	101	\$34,270	(\$443)	-1.3%	-1.0%	59,156,634	\$ (0.00748)
2	Large General Service	111/112	\$7,045	(\$91)	-1.3%	-0.8%	23,271,119	\$ (0.00391)
4	Interruptible Service	131/132	\$0	\$0	0.0%	0.0%	0	\$ (0.00391)
5	Transportation Service	146	\$414	(\$5)	-1.3%	-1.3%	2,891,150	\$ (0.00185)
6	Special Contracts	148	\$103	\$0	0.0%	0.0%		
7	Total		\$41,832	(\$539)	-1.3%	-0.9%		

* In effect for a one-year period beginning June 1, 2018

AVISTA UTILITIES
IDAHO ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2018				
		WITH PRESENT RATES			WITH 2018 PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$243,447	\$2,888	\$246,335	\$12,890	\$259,225
2	Interdepartmental Sales	248	-	248		248
3	Sales for Resale	40,718	(27,950)	12,768		12,768
4	Total Sales of Electricity	284,413	(25,062)	259,351	12,890	272,241
5	Other Revenue	43,373	(35,361)	8,012		8,012
6	Total Electric Revenue	327,786	(60,423)	267,363	12,890	280,253
EXPENSES						
Production and Transmission						
7	Operating Expenses	97,077	(30,205)	66,872		66,872
8	Purchased Power	50,455	(18,551)	31,904		31,904
9	Depreciation/Amortization	13,982	1,235	15,217		15,217
10	Regulatory Amortization	1,825	108	1,933		1,933
11	Taxes	7,770	868	8,638		8,638
12	Total Production & Transmission	171,109	(46,545)	124,564	-	124,564
Distribution						
13	Operating Expenses	10,773	(177)	10,596		10,596
14	Depreciation/Amortization	16,202	436	16,638		16,638
15	Taxes	6,423	(2,951)	3,472		3,472
16	State Income Taxes	370	(570)	(200)	661	461
17	Total Distribution	33,768	(3,262)	30,506	661	31,167
18	Customer Accounting	4,970	(146)	4,824	46	4,870
19	Customer Service & Information	6,824	(6,258)	566		566
20	Sales Expenses	-	0	0		0
Administrative & General						
21	Operating Expenses	23,418	(1,375)	22,043	29	22,072
22	Depreciation/Amortization	10,615	4,965	15,580		15,580
23	Regulatory Amortization	(2,652)	2,862	210		210
23	Taxes	-	-	-		-
24	Total Admin. & General	31,381	6,452	37,833	29	37,862
25	Total Electric Expenses	248,052	(49,758)	198,294	736	199,030
26	OPERATING INCOME BEFORE FIT	79,734	(10,665)	69,069	12,154	81,223
FEDERAL INCOME TAX						
27	Current Accrual	(15,566)	(4,930)	(20,496)	4,254	(16,242)
28	Debt Interest	-	(467)	(467)		(467)
29	Deferred Income Taxes	37,464	844	38,308		38,308
30	Amortized Investment Tax Credit	(169)	(27)	(196)		(196)
31	NET OPERATING INCOME	\$58,005	(\$6,084)	\$51,921	\$7,900	\$59,821
RATE BASE						
PLANT IN SERVICE						
32	Intangible	\$73,811	\$20,328	\$94,139		\$94,139
33	Production	434,218	40,462	474,680		474,680
34	Transmission	224,511	19,412	243,923		243,923
35	Distribution	532,559	32,320	564,879		564,879
36	General	116,937	812	117,749		117,749
37	Total Plant in Service	1,382,036	113,334	1,495,370	-	1,495,370
ACCUMULATED DEPRECIATION						
38	Intangible	(13,492)	(6,545)	(20,037)		(20,037)
39	Production	(183,329)	(5,562)	(\$188,891)		(188,891)
40	Transmission	(70,711)	(3,091)	(73,802)		(73,802)
41	Distribution	(184,073)	(20,986)	(205,059)		(205,059)
42	General	(40,159)	(4,603)	(44,762)		(44,762)
43	Total Accumulated Depreciation	(491,764)	(40,787)	(532,551)	-	(532,551)
44	NET PLANT BEFORE DFIT	890,272	72,547	962,819	-	962,819
45	DEFERRED TAXES	(180,974)	(25,148)	(206,122)		(206,122)
46	NET PLANT AFTER DFIT	709,298	47,399	756,697	-	756,697
47	DEFERRED DEBITS AND CREDITS	(1,340)	(84)	(1,424)		(1,424)
48	WORKING CAPITAL	31,481	(667)	30,814		30,814
49	TOTAL RATE BASE	\$739,439	\$46,648	\$786,087	\$0	\$786,087
50	RATE OF RETURN	7.84%		6.60%		7.61%

NOI Requirement
Revenue Requirement

TWELVE MONTHS ENDED DECEMBER 31, 2016 (000'S OF DOLLARS)		Tax Reform Schedule 72 Revenue Requirement				
		ADJUSTMENTS				
		TR#1	TR#2		Schedule 72	
Line No.	DESCRIPTION	Tax Reform FIT/DFIT Expense Adj	Tax Reform Excess Tax PF ARAM Adj	Pro Forma Total with Tax Reform Schedule 7x	TR Proposed Revenues & Related Exp	Pro Forma Proposed Total with Tax Reform
	a	g	h	i	j	k
REVENUES						
1	Total General Business	\$0	\$0	\$259,225	(\$13,740)	\$245,485
2	Interdepartmental Sales	-	-	248		248
3	Sales for Resale	-	-	12,768		12,768
4	Total Sales of Electricity	-	-	272,241	(13,740)	258,501
5	Other Revenue	-	-	8,012		8,012
6	Total Electric Revenue	-	-	280,253	(13,740)	266,513
EXPENSES						
Production and Transmission						
7	Operating Expenses	-	-	66,872		66,872
8	Purchased Power	-	-	31,904		31,904
9	Depreciation/Amortization	-	-	15,217		15,217
10	Regulatory Amortization	-	-	1,933		1,933
11	Taxes	-	-	8,638		8,638
12	Total Production & Transmission	-	-	124,564	-	124,564
Distribution						
13	Operating Expenses	-	-	10,596		10,596
14	Depreciation/Amortization	-	-	16,638		16,638
15	Taxes	-	-	3,472		3,472
16	State Income Taxes	-	-	461	(704)	(243)
17	Total Distribution	-	-	31,167	(704)	30,463
18	Customer Accounting	-	-	4,870	(49)	4,821
19	Customer Service & Information	-	-	566		566
20	Sales Expenses	-	-	0		0
Administrative & General						
21	Operating Expenses	-	-	22,072	(31)	22,041
22	Depreciation/Amortization	-	-	15,580		15,580
23	Regulatory Amortization	-	-	210		210
23	Taxes	-	-	-		-
24	Total Admin. & General	-	-	37,862	(31)	37,831
25	Total Electric Expenses	-	-	199,030	(784)	198,246
26	OPERATING INCOME BEFORE FIT	-	-	81,223	(12,956)	68,267
FEDERAL INCOME TAX						
27	Current Accrual	6,497	-	(9,745)	(2,721)	(12,466)
28	Debt Interest	187	(6)	(286)		(286)
29	Deferred Income Taxes	(14,937)	(2,054)	21,317		21,317
30	Amortized Investment Tax Credit	-	-	(196)		(196)
31	NET OPERATING INCOME	\$8,253	\$2,060	\$70,134	(\$10,235)	\$59,899
RATE BASE						
PLANT IN SERVICE						
32	Intangible	\$0	\$0	\$94,139		\$94,139
33	Production	-	-	474,680		474,680
34	Transmission	-	-	243,923		243,923
35	Distribution	-	-	564,879		564,879
36	General	-	-	117,749		117,749
37	Total Plant in Service	-	-	1,495,370	-	1,495,370
ACCUMULATED DEPRECIATION						
38	Intangible	-	-	(20,037)		(20,037)
39	Production	-	-	(188,891)		(188,891)
40	Transmission	-	-	(73,802)		(73,802)
41	Distribution	-	-	(205,059)		(205,059)
42	General	-	-	(44,762)		(44,762)
43	Total Accumulated Depreciation	-	-	(532,551)	-	(532,551)
44	NET PLANT BEFORE DFIT	-	-	962,819	-	962,819
45	DEFERRED TAXES	-	1,027	(205,095)		(205,095)
46	NET PLANT AFTER DFIT	-	1,027	757,724	-	757,724
47	DEFERRED DEBITS AND CREDITS	-	-	(1,424)		(1,424)
48	WORKING CAPITAL	-	-	30,814		30,814
49	TOTAL RATE BASE	\$0	\$1,027	\$787,114	\$0	\$787,114
50	RATE OF RETURN			8.91%		7.61%
NOI Requirement		(8,253)	(1,982)	(10,235)	10,235	-
Revenue Requirement		(11,080)	(2,661)	(13,740)	13,740	-

AVISTA UTILITIES
IDAHO ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Tax Reform Schedule 74 Revenue Requirement

ADJUSTMENTS

Line No.	DESCRIPTION	TR#3	TR#4	TR#5	2018
		Tax Reform Excess Tax PF Non-Plant Amort	Tax Reform Jan - May Deferral FIT/DFIT Exp	Tax Reform Jan - May Deferral ARAM Amort	Schedule 74 TOTAL
		<i>l</i>	<i>m</i>	<i>n</i>	<i>o</i>
	REVENUES				
1	Total General Business	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-
3	Sales for Resale	-	-	-	-
4	Total Sales of Electricity	-	-	-	-
5	Other Revenue	-	-	-	-
6	Total Electric Revenue	-	-	-	-
	EXPENSES				
	Production and Transmission				
7	Operating Expenses	-	-	-	-
8	Purchased Power	-	-	-	-
9	Depreciation/Amortization	-	-	-	-
10	Regulatory Amortization	-	-	-	-
11	Taxes	-	-	-	-
12	Total Production & Transmission	-	-	-	-
	Distribution				
13	Operating Expenses	-	-	-	-
14	Depreciation/Amortization	-	-	-	-
15	Taxes	-	-	-	-
16	State Income Taxes	-	-	-	-
17	Total Distribution	-	-	-	-
18	Customer Accounting	-	-	-	-
19	Customer Service & Information	-	-	-	-
20	Sales Expenses	-	-	-	-
	Administrative & General				
21	Operating Expenses	-	-	-	-
22	Depreciation/Amortization	-	-	-	-
23	Regulatory Amortization	-	-	-	-
23	Taxes	-	-	-	-
24	Total Admin. & General	-	-	-	-
25	Total Electric Expenses	-	-	-	-
26	OPERATING INCOME BEFORE FIT	-	-	-	-
	FEDERAL INCOME TAX				
27	Current Accrual	-	(3,439)	-	(3,439)
28	Debt Interest	(7)	-	(3)	(9)
29	Deferred Income Taxes	(4,770)	-	(856)	(5,626)
30	Amortized Investment Tax Credit	-	-	-	-
31	NET OPERATING INCOME	\$4,777	\$3,439	\$858	\$9,074
	RATE BASE				
	PLANT IN SERVICE				
32	Intangible	\$0	\$0	\$0	\$0
33	Production	-	-	-	-
34	Transmission	-	-	-	-
35	Distribution	-	-	-	-
36	General	-	-	-	-
37	Total Plant in Service	-	-	-	-
	ACCUMULATED DEPRECIATION				
38	Intangible	-	-	-	-
39	Production	-	-	-	-
40	Transmission	-	-	-	-
41	Distribution	-	-	-	-
42	General	-	-	-	-
43	Total Accumulated Depreciation	-	-	-	-
44	NET PLANT BEFORE DFIT	-	-	-	-
45	DEFERRED TAXES	-	-	428	428
46	NET PLANT AFTER DFIT	-	-	428	428
47	DEFERRED DEBITS AND CREDITS	1,090	-	-	1,090
48	WORKING CAPITAL	-	-	-	-
49	TOTAL RATE BASE	\$1,090	\$0	\$428	\$1,518
50	RATE OF RETURN				
	NOI Requirement	(4,694)	(3,439)	(825)	(8,958)
	Revenue Requirement	(6,302)	(4,617)	(1,108)	(12,026)

AVISTA UTILITIES
IDAHO ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2019					
		WITH 2018 PROPOSED RATES				WITH 2019 PROPOSED RATES	
		2018 Pro Forma Total	2019 Total Adjustments	2019 Pro Forma Total	2018 Proposed Revenues & Related Exp	2019 Proposed Revenues & Related Exp	2019 Pro Forma Proposed Total
	a	b	c	d	e	f	g
REVENUES							
1	Total General Business	\$246,335	\$0	\$246,335	\$12,890	\$4,544	\$263,769
2	Interdepartmental Sales	248	-	248			248
3	Sales for Resale	12,768	-	12,768			12,768
4	Total Sales of Electricity	259,351	-	\$259,351	12,890	4,544	276,785
5	Other Revenue	8,012	-	8,012			8,012
6	Total Electric Revenue	267,363	-	267,363	12,890	4,544	284,797
EXPENSES							
Production and Transmission							
7	Operating Expenses	66,872	154	67,026			67,026
8	Purchased Power	31,904	-	31,904			31,904
9	Depreciation/Amortization	15,217	179	15,396			15,396
10	Regulatory Amortization	1,933	-	1,933			1,933
11	Taxes	8,638	410	9,048			9,048
12	Total Production & Transmission	124,564	743	125,307	-	-	125,307
Distribution							
13	Operating Expenses	10,596	344	10,940			10,940
14	Depreciation/Amortization	16,638	220	16,858			16,858
15	Taxes	3,472	199	3,671			3,671
16	State Income Taxes	(200)	(180)	(380)	661	233	514
17	Total Distribution	30,506	583	31,089	661	233	31,983
18	Customer Accounting	4,824	49	4,873	46	16	4,935
19	Customer Service & Information	566	5	571			571
20	Sales Expenses	-	0	0			0
Administrative & General							
21	Operating Expenses	22,043	696	22,739	29	10	22,778
22	Depreciation/Amortization	15,580	1,246	16,826			16,826
22	Regulatory Amortization	210	-	210			210
23	Taxes	-	-	-			-
24	Total Admin. & General	37,833	1,942	39,775	29	10	39,814
25	Total Electric Expenses	198,294	3,323	201,616	736	259	202,611
26	OPERATING INCOME BEFORE FIT	69,069	(3,323)	65,747	12,154	4,285	82,186
FEDERAL INCOME TAX							
27	Current Accrual	(20,496)	(1,163)	(21,659)	4,254	1,499	(15,906)
28	Debt Interest	(467)	(95)	(562)			(562)
29	Deferred Income Taxes	38,308	-	38,308			38,308
30	Amortized Investment Tax Credit	(196)	-	(196)			(196)
31	NET OPERATING INCOME	\$51,921	(\$2,065)	\$49,856	\$7,900	\$2,786	60,542
RATE BASE							
PLANT IN SERVICE							
32	Intangible	\$94,139	\$8,741	\$102,880			\$102,880
33	Production	474,680	6,006	480,686			480,686
34	Transmission	243,923	3,425	247,348			247,348
35	Distribution	564,879	7,276	572,155			572,155
36	General	117,749	9,038	126,787			126,787
37	Total Plant in Service	1,495,370	34,486	1,529,856	-	-	1,529,856
ACCUMULATED DEPRECIATION							
38	Intangible	(20,037)	(4,450)	(24,487)			(24,487)
39	Production	(188,891)	(4,668)	(193,559)			(193,559)
40	Transmission	(73,802)	(1,340)	(75,142)			(75,142)
41	Distribution	(205,059)	(7,873)	(212,932)			(212,932)
42	General	(44,762)	(1,345)	(46,107)			(46,107)
43	Total Accumulated Depreciation	(532,551)	(19,676)	(552,227)	-	-	(552,227)
44	NET PLANT BEFORE DFIT	962,819	14,810	977,629	-	-	977,629
45	DEFERRED TAXES	(206,122)	(5,356)	(211,478)			(211,478)
46	NET PLANT AFTER DFIT	756,697	9,454	766,151	-	-	766,151
47	DEFERRED DEBITS AND CREDITS	(1,424)	-	(1,424)			(1,424)
48	WORKING CAPITAL	30,814	-	30,814			30,814
49	TOTAL RATE BASE	\$786,087	9,454	\$795,541	\$0	\$0	\$795,541
50	RATE OF RETURN	6.60%		6.27%			7.61%

NOI Requirement
Revenue Requirement

AVISTA UTILITIES
Calculation of General Revenue Requirement
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	2018	2019	Incremental
		(000's of Dollars)	(000's of Dollars)	(000's of Dollars)
1	Pro Forma Rate Base	\$786,087	\$795,541	
2	Proposed Rate of Return	7.61%	7.61%	
3	Net Operating Income Requirement	\$59,821	\$60,541	
4	Pro Forma Net Operating Income	\$51,921	\$49,856	
5	Net Operating Income Deficiency	\$7,900	\$10,685	\$2,785
6	Conversion Factor	0.61288	0.61288	0.61288
7	Revenue Requirement	\$12,890	\$17,434	\$4,544
8	Total General Business Revenues	\$246,583		\$259,473
9	Percentage Revenue Increase	<u>5.23%</u>		<u>1.75%</u>

Pro Forma Settlement with Tax Reform

Line No.	Description	2018	2019	Incremental
		(000's of Dollars)	(000's of Dollars)	(000's of Dollars)
1	Pro Forma Rate Base	\$787,114	\$798,748	
2	Proposed Rate of Return	7.61%	7.61%	
3	Net Operating Income Requirement	\$59,899	\$60,785	
4	Pro Forma Net Operating Income	\$70,134	\$71,217	
5	Net Operating Income Deficiency	(\$10,235)	(\$10,432)	(\$197)
6	Conversion Factor	0.74489	0.74489	0.74489
7	Revenue Requirement	(\$13,740)	(\$14,004)	(\$264)
8	Total General Business Revenues	\$259,473		\$245,733
9	Percentage Revenue Increase	<u>-5.30%</u>		<u>-0.11%</u>

AVISTA UTILITIES
Pro Forma Cost of Capital
Idaho - Electric System

Proposed:			
Component	Capital Structure	ProForma Cost	ProForma Weighted Cost
Total Debt	50.00%	5.72%	2.86%
Common	50.00%	9.50%	4.75%
Total	<u>100.00%</u>		<u>7.61%</u>

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2016

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
2	Expenses:	Filed
	Uncollectibles	0.003746 0.003563 Revised
3	Commission Fees	0.002275
4	Idaho Income Tax	<u>0.051264</u>
5	Total Expenses	<u>0.057102</u>
6	Net Operating Income Before FIT	0.942898
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612884</u></u>

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2016
With Tax Reform

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
2	Expenses:	Filed
	Uncollectibles	0.003746 0.003563 Revised
3	Commission Fees	0.002275
4	Idaho Income Tax	<u>0.051264</u>
5	Total Expenses	<u>0.057102</u>
6	Net Operating Income Before FIT	0.942898
7	Federal Income Tax @ 21%	<u>0.198009</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.744889</u></u>

AVISTA UTILITIES
IDAHO NATURAL GAS RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2018				
		WITH PRESENT RATES			WITH 2018 PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	2018 Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$61,184	\$ (21,036)	\$40,148	\$1,180	\$41,328
2	Total Transportation	486	18	504		504
3	Other Revenues	33,083	(33,013)	70		70
4	Total Gas Revenues	94,753	(54,031)	40,722	1,180	41,902
EXPENSES						
Production Expenses						
5	City Gate Purchases	52,496	(52,496)	-		-
6	Purchased Gas Expense	455	(18)	437		437
7	Net Nat Gas Storage Trans	914	(914)	-		-
8	Total Production	53,865	(53,428)	437	-	437
Underground Storage						
9	Operating Expenses	407	(0)	407		407
10	Depreciation	206	15	221		221
11	Taxes	88	31	119		119
12	Total Underground Storage	701	46	747	-	747
Distribution						
13	Operating Expenses	6,129	218	6,347		6,347
14	Depreciation	4,901	530	5,431		5,431
15	Taxes	2,535	(833)	1,702		1,702
16	State Income Taxes	60	53	113	60	173
17	Total Distribution	13,625	(32)	13,593	60	13,653
18	Customer Accounting	3,010	(465)	2,545	4	2,549
19	Customer Service & Information	1,539	(1,157)	382		382
20	Sales Expenses	-	-	-		-
Administrative & General						
21	Operating Expenses	5,696	(455)	5,241	3	5,244
22	Depreciation/Amortization	2,666	1,154	3,820		3,820
23	Regulatory Amortizations	(30)	(1)	(31)		(31)
24	Taxes	-	-	-		-
25	Total Admin. & General	8,332	698	9,030	3	9,033
26	Total Gas Expense	81,072	(54,337)	26,735	67	26,802
27	OPERATING INCOME BEFORE FIT	13,681	306	13,987	1,113	15,100
FEDERAL INCOME TAX						
28	Current Accrual	(910)	42	(868)	390	(478)
29	Debt Interest	-	(65)	(65)	-	(65)
30	Deferred FIT	4,626	-	4,626		4,626
31	Amort ITC	(8)	(4)	(12)		(12)
32	NET OPERATING INCOME	\$9,973	\$333	\$10,306	\$723	\$11,029
RATE BASE: PLANT IN SERVICE						
33	Underground Storage	\$11,228	\$561	\$11,789		\$11,789
34	Distribution Plant	198,502	13,624	212,126		212,126
35	General Plant	34,820	4,654	39,474		39,474
36	Total Plant in Service	244,550	18,839	263,389	-	263,389
ACCUMULATED DEPREC/AMORT						
37	Underground Storage	(4,311)	(274)	(4,585)		(4,585)
38	Distribution Plant	(66,440)	(6,566)	(73,006)		(73,006)
39	General Plant	(10,045)	(2,319)	(12,364)		(12,364)
40	Total Accum. Depreciation/Amort.	(80,796)	(9,159)	(89,955)	-	(89,955)
41	NET PLANT	163,754	9,680	173,434	-	173,434
42	DEFERRED FIT	(35,280)	(3,627)	(38,907)		(38,907)
43	Net Plant After DFIT	128,474	6,053	134,527	-	134,527
44	GAS INVENTORY	3,809	-	3,809		3,809
45	GAIN ON SALE OF BUILDING	-	-	-		-
46	OTHER	(69)	-	(69)		(69)
47	WORKING CAPITAL	6,218	447	6,665		6,665
48	TOTAL RATE BASE	\$138,432	\$6,500	\$144,932	\$0	\$144,932
49	RATE OF RETURN	7.20%		7.11%		7.61%

Exhibit No. 12

Case Nos. AVU-E-17-01 and AVU-G-17-01

E. Andrews, Avista

Schedule 2, Page 1 of 8

Tax Reform Schedule 172 Revenue Requirement

ADJUSTMENTS

Line No.	DESCRIPTION	TR#1		TR#2		Schedule 172	Pro Forma Proposed Total with Tax Reform
		Tax Reform FIT/DFIT Expense Adj	Tax Reform Excess Tax PF ARAM Adj	Pro Forma Settlement Total with Tax Reform	Pro Forma Settlement Total with Tax Reform	TR Proposed Revenues & Related Exp	
		<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	
REVENUES							
1	Total General Business			\$41,328	\$ (2,556)		\$38,772
2	Total Transportation			504			504
3	Other Revenues			70			70
4	Total Gas Revenues	-	-	41,902	(2,556)		39,346
EXPENSES							
Production Expenses							
5	City Gate Purchases			-			-
6	Purchased Gas Expense			437			437
7	Net Nat Gas Storage Trans			-			-
8	Total Production	-	-	437	-		437
Underground Storage							
9	Operating Expenses			407			407
10	Depreciation			221			221
11	Taxes			119			119
12	Total Underground Storage	-	-	747	-		747
Distribution							
13	Operating Expenses			6,347			6,347
14	Depreciation			5,431			5,431
15	Taxes			1,702			1,702
16	State Income Taxes	-	-	173	(131)		42
17	Total Distribution	-	-	13,653	(131)		13,522
18	Customer Accounting			2,549	(9)		2,540
19	Customer Service & Information			382			382
20	Sales Expenses			-			-
Administrative & General							
21	Operating Expenses			5,244	(6)		5,238
22	Depreciation/Amortization			3,820			3,820
23	Regulatory Amortizations			(31)			(31)
24	Taxes			-			-
25	Total Admin. & General	-	-	9,033	(6)		9,027
26	Total Gas Expense	-	-	26,802	(146)		26,656
27	OPERATING INCOME BEFORE FIT	-	-	15,100	(2,410)		12,690
FEDERAL INCOME TAX							
28	Current Accrual	191		(287)	(506)		(793)
29	Debt Interest	26	(1)	(40)	-		(40)
30	Deferred FIT	(1,769)	(366)	2,492			2,492
31	Amort ITC	-		(12)			(12)
32	NET OPERATING INCOME	1,551	\$367	\$12,947	(\$1,904)		\$11,043
RATE BASE: PLANT IN SERVICE							
33	Underground Storage			\$11,789			\$11,789
34	Distribution Plant			212,126			212,126
35	General Plant			39,474			39,474
36	Total Plant in Service	-	-	263,389	-		263,389
ACCUMULATED DEPREC/AMORT							
37	Underground Storage			(4,585)			(4,585)
38	Distribution Plant			(73,006)			(73,006)
39	General Plant			(12,364)			(12,364)
40	Total Accum. Depreciation/Amort.	-	-	(89,955)	-		(89,955)
41	NET PLANT	-	-	173,434	-		173,434
42	DEFERRED FIT		183	(38,724)			(38,724)
43	Net Plant After DFIT	-	183	134,710	-		134,710
44	GAS INVENTORY			3,809			3,809
45	GAIN ON SALE OF BUILDING			-			-
46	OTHER			(69)			(69)
47	WORKING CAPITAL			6,665			6,665
48	TOTAL RATE BASE	\$0	\$183	145,115	\$0		\$145,115
49	RATE OF RETURN			8.92%			7.61%
NOI Requirement							
		(1,551)	(353)	(1,904)	1,904		-
Revenue Requirement							
		(2,082)	(474)	(2,556)	2,556		-

AVISTA UTILITIES
IDAHO NATURAL GAS RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Tax Reform Schedule 174 Revenue Requirement

ADJUSTMENTS

Line No.	DESCRIPTION	TR#3	TR#4	TR#5	2018
		Tax Reform Excess Tax PF Non-Plant Amort	Tax Reform Jan - May Deferral FIT/DFIT Exp	Tax Reform Jan - May Deferral ARAM Amort	Schedule 174 TOTAL
	<i>a</i>	<i>l</i>	<i>m</i>	<i>n</i>	<i>o</i>
REVENUES					
1	Total General Business				
2	Total Transportation				-
3	Other Revenues				
4	Total Gas Revenues	-	-	-	-
EXPENSES					
Production Expenses					
5	City Gate Purchases				-
6	Purchased Gas Expense				-
7	Net Nat Gas Storage Trans				
8	Total Production	-	-	-	-
Underground Storage					
9	Operating Expenses				-
10	Depreciation				-
11	Taxes				-
12	Total Underground Storage	-	-	-	-
Distribution					
13	Operating Expenses				-
14	Depreciation				-
15	Taxes				-
16	State Income Taxes	-	-	-	-
17	Total Distribution	-	-	-	-
18	Customer Accounting				-
19	Customer Service & Information				-
20	Sales Expenses				-
Administrative & General					
21	Operating Expenses				-
22	Depreciation/Amortization				-
23	Regulatory Amortizations				-
24	Taxes				-
25	Total Admin. & General	-	-	-	-
26	Total Gas Expense	-	-	-	-
27	OPERATING INCOME BEFORE FIT	-	-	-	-
FEDERAL INCOME TAX					
28	Current Accrual		(646)		(646)
29	Debt Interest	(1)	-	(0)	(2)
30	Deferred FIT	379		(152)	227
31	Amort ITC				-
32	NET OPERATING INCOME	(\$378)	\$646	\$153	\$421
RATE BASE: PLANT IN SERVICE					
33	Underground Storage				\$0
34	Distribution Plant				-
35	General Plant				-
36	Total Plant in Service	-	-	-	-
ACCUMULATED DEPREC/AMORT					
37	Underground Storage				-
38	Distribution Plant				-
39	General Plant				-
40	Total Accum. Depreciation/Amort.	-	-	-	-
41	NET PLANT	-	-	-	-
42	DEFERRED FIT			76	76
43	Net Plant After DFIT	-	-	76	76
44	GAS INVENTORY				-
45	GAIN ON SALE OF BUILDING				-
46	OTHER	176			176
47	WORKING CAPITAL				-
48	TOTAL RATE BASE	176	\$0	\$76	252
49	RATE OF RETURN				
NOI Requirement					
Revenue Requirement		392	(646)	(147)	(402)
		526	(868)	(197)	(539)

AVISTA UTILITIES
IDAHO NATURAL GAS RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	2019					
		WITH 2018 PROPOSED RATES			WITH 2017 PROPOSED RATES		
		2018 Pro Forma Total	2019 Total Adjustments	2019 Pro Forma Total	2018 Proposed Revenues & Related Exp	2019 Proposed Revenues & Related Exp	2019 Pro Forma Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>
REVENUES							
1	Total General Business	\$40,148		\$40,148	\$1,180	\$1,132	\$42,460
2	Total Transportation	504	-	504			504
3	Other Revenues	70	-	70			70
4	Total Gas Revenues	40,722	-	40,722	1,180	1,132	43,034
EXPENSES							
Production Expenses							
5	City Gate Purchases	-	-	-			-
6	Purchased Gas Expense	437	7	444			444
7	Net Nat Gas Storage Trans	-	-	-			-
8	Total Production	437	7	444	-	-	444
Underground Storage							
9	Operating Expenses	407	0	407			407
10	Depreciation	221	3	224			224
11	Taxes	119	9	128			128
12	Total Underground Storage	747	12	759	-	-	759
Distribution							
13	Operating Expenses	6,347	84	6,431			6,431
14	Depreciation	5,431	53	5,484			5,484
15	Taxes	1,702	112	1,814			1,814
16	State Income Taxes	113	(52)	61	60	58	179
17	Total Distribution	13,593	197	13,790	60	58	13,908
18	Customer Accounting	2,545	36	2,581	4	4	2,589
19	Customer Service & Information	382	3	385			385
20	Sales Expenses	-	-	-			-
Administrative & General							
21	Operating Expenses	5,241	50	5,291	3	3	5,297
22	Depreciation/Amortization	3,820	660	4,480			4,480
23	Regulatory Amortizations	(31)	-	(31)			(31)
24	Taxes	-	-	-			-
25	Total Admin. & General	9,030	710	9,740	3	3	9,746
26	Total Gas Expense	26,735	965	27,700	67	65	27,832
27	OPERATING INCOME BEFORE FIT	13,987	(965)	13,022	1,113	1,067	15,202
FEDERAL INCOME TAX							
28	Current Accrual	(868)	(338)	(1,205)	390	373	(442)
29	Debt Interest	(65)	(10)	(75)	-	-	(75)
30	Deferred FIT	4,626	-	4,626			4,626
31	Amort ITC	(12)	-	(12)			(12)
32	NET OPERATING INCOME	\$10,306	(\$617)	\$9,689	\$723	\$694	11,106
RATE BASE: PLANT IN SERVICE							
33	Underground Storage	\$11,789	\$204	\$11,993			\$11,993
34	Distribution Plant	212,126	2,139	214,265			214,265
35	General Plant	39,474	3,832	43,306			43,306
36	Total Plant in Service	263,389	6,175	269,564	-	-	269,564
ACCUMULATED DEPREC/AMORT							
37	Underground Storage	(4,585)	(108)	(4,693)			(4,693)
38	Distribution Plant	(73,006)	(2,279)	(75,285)			(75,285)
39	General Plant	(12,364)	(1,463)	(13,827)			(13,827)
40	Total Accum. Depreciation/Amort.	(89,955)	(3,850)	(93,805)	-	-	(93,805)
41	NET PLANT	173,434	2,325	175,759	-	-	175,759
42	DEFERRED FIT	(38,907)	(1,317)	(40,224)			(40,224)
43	Net Plant After DFIT	134,527	1,008	135,535	-	-	135,535
44	GAS INVENTORY	3,809	-	3,809			3,809
45	GAIN ON SALE OF BUILDING	-	-	-			-
46	OTHER	(69)	-	(69)			(69)
47	WORKING CAPITAL	6,665	-	6,665			6,665
48	TOTAL RATE BASE	\$144,932	\$1,008	\$145,940	\$0	\$0	\$145,940
49	RATE OF RETURN	7.11%		6.64%			7.61%

AVISTA UTILITIES
IDAHO NATURAL GAS RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2016
(000'S OF DOLLARS)

Line No.	DESCRIPTION	ADJUSTMENTS		2019 Update Schedule 172		
		TR#6 Tax Reform FIT/DFIT Expense Adj	TR#7 Tax Reform Excess Tax PF ARAM Adj	Pro Forma Settlement Total with Tax Reform	2018 TR Proposed Revenues & Related Exp	2019 TR Proposed Revenues & Related Exp
		<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
		<i>a</i>				<i>m</i>
REVENUES						
1	Total General Business			\$42,460	\$ (2,556)	\$ (67)
2	Total Transportation			504		504
3	Other Revenues			70		70
4	Total Gas Revenues	-	-	43,034	(2,556)	(67)
EXPENSES						
Production Expenses						
5	City Gate Purchases			-		-
6	Purchased Gas Expense			444		444
7	Net Nat Gas Storage Trans			-		-
8	Total Production	-	-	444	-	-
Underground Storage						
9	Operating Expenses			407		407
10	Depreciation			224		224
11	Taxes			128		128
12	Total Underground Storage	-	-	759	-	-
Distribution						
13	Operating Expenses			6,431		6,431
14	Depreciation			5,484		5,484
15	Taxes			1,814		1,814
16	State Income Taxes	-	-	179	(131)	(3)
17	Total Distribution	-	-	13,908	(131)	(3)
18	Customer Accounting			2,589	(9)	-
19	Customer Service & Information			385		385
20	Sales Expenses			-		-
Administrative & General						
21	Operating Expenses			5,297	(6)	-
22	Depreciation/Amortization			4,480		4,480
23	Regulatory Amortizations			(31)		(31)
24	Taxes			-		-
25	Total Admin. & General	-	-	9,746	(6)	-
26	Total Gas Expense	-	-	27,832	(146)	(3)
27	OPERATING INCOME BEFORE FIT	-	-	15,202	(2,410)	(64)
FEDERAL INCOME TAX						
28	Current Accrual	177		(265)	(506)	(14)
29	Debt Interest	30	(3)	(49)	-	-
30	Deferred FIT	(1,769)	(433)	2,424		2,424
31	Amort ITC	-		(12)		(12)
32	NET OPERATING INCOME	1,562	\$436	\$13,104	(\$1,904)	(\$50)
RATE BASE: PLANT IN SERVICE						
33	Underground Storage			\$11,993		\$11,993
34	Distribution Plant			214,265		214,265
35	General Plant			43,306		43,306
36	Total Plant in Service	-	-	269,564	-	-
ACCUMULATED DEPREC/AMORT						
37	Underground Storage			(4,693)		(4,693)
38	Distribution Plant			(75,285)		(75,285)
39	General Plant			(13,827)		(13,827)
40	Total Accum. Depreciation/Amort.	-	-	(93,805)	-	-
41	NET PLANT	-	-	175,759	-	-
42	DEFERRED FIT		582	(39,642)		(39,642)
43	Net Plant After DFIT	-	582	136,117	-	-
44	GAS INVENTORY			3,809		3,809
45	GAIN ON SALE OF BUILDING			-		-
46	OTHER			(69)		(69)
47	WORKING CAPITAL			6,665		6,665
48	TOTAL RATE BASE	\$0	\$582	\$146,522	\$0	\$0
49	RATE OF RETURN			8.94%		7.61%
		(1,562)	(392)	(1,954)	1,904	50
		(2,096)	(526)	(2,623)	2,556	67

Exhibit No. 12

Case Nos. AVU-E-17-01 and AVU-G-17-01

E. Andrews, Avista
Schedule 2, Page 5 of 8

AVISTA UTILITIES
Calculation of General Revenue Requirement
Idaho - Natural Gas
TWELVE MONTHS ENDED DECEMBER 31, 2016

Line No.	Description	Incremental		
		2018 (000's of Dollars)	2019 (000's of Dollars)	2019 (000's of Dollars)
1	Pro Forma Rate Base	\$144,932	\$ 145,940	
2	Proposed Rate of Return	7.61%	7.61%	
3	Net Operating Income Requirement	\$11,029	\$11,106	
4	Pro Forma Net Operating Income	\$10,306	\$ 9,689	
5	Net Operating Income Deficiency	\$723	\$1,417	\$693
6	Conversion Factor	0.61288	0.61288	0.61288
7	Revenue Requirement	\$1,180	\$2,313	\$1,132
8	Total Base Distribution Revenues	\$40,652		\$41,832
9	Percentage Base Distribution Revenue Increase	<u>2.90%</u>		<u>2.71%</u>
10	Total Present Billed Revenue	\$61,255		\$62,435
11	Percentage Billed Revenue Increase	<u>1.93%</u>		<u>1.81%</u>

Pro Forma Final with Tax Reform

Line No.	Description	Incremental		
		2018 (000's of Dollars)	2019 (000's of Dollars)	2019 (000's of Dollars)
1	Pro Forma Rate Base	\$145,115	\$146,522	
2	Proposed Rate of Return	7.61%	7.61%	
3	Net Operating Income Requirement	\$11,043	\$11,150	
4	Pro Forma Net Operating Income	\$12,947	\$13,104	
5	Net Operating Income Deficiency	(\$1,904)	(\$1,954)	(\$50)
6	Conversion Factor	0.74489	0.74489	0.74489
7	Revenue Requirement	(\$2,556)	(\$2,623)	(\$67)
8	Total Base Distribution Revenues	\$41,832		\$39,276
9	Percentage Base Distribution Revenue Increase	<u>-6.11%</u>		<u>-0.17%</u>
10	Total Present Billed Revenue	\$62,435		\$59,879
11	Percentage Billed Revenue Increase	<u>-4.09%</u>		<u>-0.11%</u>

AVISTA UTILITIES
PRO FORMA COST OF CAPITAL
Idaho - Natural Gas

Proposed:			
<u>Component</u>	<u>Capital Structure</u>	<u>Pro Forma Cost</u>	<u>Pro Forma Weighted Cost</u>
Total Debt	50.00%	5.72%	2.86%
Common Equity	50.00%	9.50%	4.75%
Total	<u>100.00%</u>		<u>7.61%</u>

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Natural Gas System
TWELVE MONTHS ENDED DECEMBER 31, 2016

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0.051264
5	Total Expenses	<u>0.057103</u>
6	Net Operating Income Before FIT	0.942897
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612883</u></u>

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Natural Gas System
TWELVE MONTHS ENDED DECEMBER 31, 2016
With Tax Reform

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0.051264
5	Total Expenses	<u>0.057103</u>
6	Net Operating Income Before FIT	0.942897
7	Federal Income Tax @ 21%	0.198008
8	REVENUE CONVERSION FACTOR	<u><u>0.744889</u></u>

Electric
 Summary Schedule
 pg 1 of 4

Tax Cuts and Jobs Act (TCJA) Adjustments to AVU-E-17-01 Approved
 Results of Operations and Revenue Requirement

TR#1 Tax Reform FIT/DFIT Expense Adjustment

Values Derived from 2018 Pro Forma Proposed Total including Approved 1/1/2018 Revenue Increase and associated Conversion Factor recalculated with FIT rate of 21%.

Line		Electric Pro Forma before Tax Reform	Electric Pro Forma after Tax Reform	TR#1 Adjustment
1	Pre-Tax Net Income	\$81,223	\$81,223	\$0
2	Current Accrual	(16,242)	(9,745)	6,497
3	Debt Interest	(467)	(280)	187
4	Deferred Income Taxes	37,342	22,405	(14,937)
5	Flow Through DFIT	966	966	-
6	Amortized ITC	(196)	(196)	-
7	Total Income Tax	\$21,403	\$13,150	(\$8,253)
8	Net Operating Income	\$59,821	\$68,074	\$8,253
9	Rate Base	\$786,087	\$786,087	\$0
10	Proposed Rate of Return	7.61%	7.61%	
11	Net Operating Income Requirement	\$59,821	\$59,821	\$0
12	Net Operating Income Deficiency	\$0	(\$8,253)	(\$8,253)
13	Conversion Factor	0.612884	0.744889	
14	Revenue Requirement	\$0	(\$11,080)	(\$11,080)

TR#2 Tax Reform Excess ADFIT PF ARAM Amortization

Information derived from tax department PowerTax program results.

See workpaper file "ADFIT Plant Impact to Rate Base ID.xlsx"

This workpaper shows the derivation of the service and jurisdictional assignment of ARAM impacts for 2018 through 2021 and the Average Monthly Average Calculation.

	Annual	Monthly	
15	2018 Deferred FIT Expense Impact	(2,054)	(171)
16	2018 DFIT Expense		TR#2 Adjustments
17	2018 AMA ADFIT		(\$2,054)
			\$1,027

TR#3 Tax Reform Excess ADFIT PF Non-Plant Amortization (1 year amortization)

See workbook file "REVISED- Deferred Inventory Rollforward 201712 01.16.18 before 21% NSJ.xlsx"

Rate Base AMA calculation see workbook file "ADFIT Non-Plant Impact to Rate Base ID.xlsx"

		ID Electric	amortization period	
18	2017.12 Excess Deferred Tax Liability	(4,770)	1 year	✓ (\$4,770) Expense Adj
19	Subset included in Rate Base	(2,179)	1 year	(\$2,179)
20	Amort Rate Year 06.2018 - 05.2019	2,179	AMA impact	✓ \$1,090 Rate Base Adj
21	05.2019 Ending Balance	-		

TR#4 Tax Reform Excess January through May 2018 Deferral FIT/DFIT Expense (1 year amortization)

See workbook file "2018 Deferral Estimate ID.xlsx"

Propose to defer the difference between actual current and deferred tax expense as recorded at 21% tax rate versus hypothetical current and deferred tax expense determined at 35% tax rate.

The attached workbook provides an estimate of the January through May deferral based on the 2018 Pro Forma Results including Approved 1/1/2018 Revenue Increase (see TR#1). As the 2018 referenced reports become available for each of the deferred months the estimated values will be replaced with actual values. Actual deferrals will be booked into a regulatory liability as well as any unanticipated effects of the tax reform legislation, to compare with actual amortization based on the estimate.

		ID Electric	amortization period	
22	Estimated Deferred Excess Tax Expense	(3,439)	1 year	✓ (\$3,439) Expense Adj

TR#5 Tax Reform Excess January through May 2018 Deferral ARAM Amortization (1 year amortization)

See TR#2 2018 values on line 15

	Monthly	# of months	2018 Deferral
23	2018 ARAM Amort Deferred FIT Expense (171)	5	(856)
Deferral Period 01.2018 - 04.2018 AMA ADFIT Impact			
24	1/31/2018	171	86
25	2/28/2018	342	257
26	3/31/2018	513	428
27	4/30/2018	685	599
28	5/31/2018	856	770
29	Average Monthly Average Rate Base Impact		428

	ID Electric	amortization period	Rate Year Total
30	Deferred 2018 ARAM DFIT Amort (856)	1 year	✓ (\$856) Expense Adj
31	Deferral Period AMA ADFIT Rate Base 428	1 year	✓ \$428 Rate Base Adj

TR#6 Tax Reform FIT/DFIT Expense Adjustment

Values Derived from 2019 Pro Forma Proposed Total including Approved 1/1/2019 Revenue Increase and associated Conversion Factor recalculated with FIT rate of 21%.

Line		Electric Pro Forma before Tax Reform	Electric Pro Forma after Tax Reform	TR#1 Adjustment
31	Pre-Tax Net Income	\$82,186	\$82,186	\$0
32	Current Accrual	(15,906)	(9,544)	6,362
33	Debt Interest	(562)	(337)	225
34	Deferred Income Taxes	37,342	22,405	(14,937)
35	Flow Through DFIT	966	966	-
36	Amortized ITC	(196)	(196)	-
37	Total Income Tax	\$21,644	\$13,295	(8,350)
38	Net Operating Income	\$60,542	\$68,891	\$8,350
39	Rate Base	\$795,541	\$795,541	\$0
40	Proposed Rate of Return	7.61%	7.61%	
41	Net Operating Income Requirement	\$60,541	\$60,541	\$0
42	Net Operating Income Deficiency	(\$0)	(\$8,350)	(\$8,350)
43	Conversion Factor	0.612884	0.744889	
44	Revenue Requirement	\$0	(\$11,210)	✓(\$11,210)

TR#7 Tax Reform Excess ADFIT PF ARAM Amortization

Information derived from tax department PowerTax program results.

See workpaper file "ADFIT Plant Impact to Rate Base ID.xlsx"

This workpaper shows the derivation of the service and jurisdictional assignment of ARAM impacts for 2018 through 2021 and the Average Monthly Average Calculation.

	Annual	Monthly	
45	2019 Deferred FIT Expense Impact	(2,306)	(192)
46	2019 DFIT Expense		TR#7 Adjustments
47	2019 AMA ADFIT		(\$2,306) ✓
			\$3,207 ✓

Electric Summary
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AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2016

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	Filed 0.003746 0.003563 Revised
3	Commission Fees	0.002275
4	Idaho Income Tax	<u>0.051264</u>
5	Total Expenses	<u>0.057102</u>
6	Net Operating Income Before FIT	0.942898
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612884</u></u>

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2016
With Tax Reform

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	Filed 0.003746 0.003563 Revised
3	Commission Fees	0.002275
4	Idaho Income Tax	<u>0.051264</u>
5	Total Expenses	<u>0.057102</u>
6	Net Operating Income Before FIT	0.942898
7	Federal Income Tax @ 21%	<u>0.198009</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.744889</u></u>

Exhibit No. 12
Case Nos. AVU-E-17-01 and AVU-G-17-01
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*Natural Gas
Summary Schedule
pg 1 of 4*

Tax Cuts and Jobs Act (TCJA) Adjustments to AVU-G-17-01 Approved
Results of Operations and Revenue Requirement

TR#1 Tax Reform FIT/DFIT Expense Adjustment

Values Derived from 2018 Pro Forma Proposed Total including Approved 1/1/2018 Revenue Increase and associated Conversion Factor recalculated with FIT rate of 21%.

Line		Natural Gas Pro Forma before Tax Reform	Natural Gas Pro Forma after Tax Reform	TR#1 Adjustment
1	Pre-Tax Net Income	\$15,100	\$15,100	\$0
2	Current Accrual	(478)	(287)	191
3	Debt Interest	(65)	(39)	26
4	Deferred Income Taxes	4,421	2,653	(1,769)
5	Flow Through DFIT	205	205	-
6	Amortized ITC	(12)	(12)	-
7	Total Income Tax	\$4,071	2,520	(\$1,551)
8	Net Operating Income	\$11,029	\$12,580	\$1,551
9	Rate Base	\$144,932	\$144,932	\$0
10	Proposed Rate of Return	7.61%	7.61%	
11	Net Operating Income Requirement	\$11,029	\$11,029	\$0
12	Net Operating Income Deficiency	\$0	(\$1,551)	(\$1,551)
13	Conversion Factor	0.612883	0.744889	
14	Revenue Requirement	\$0	(\$2,082)	(\$2,082)

TR#2 Tax Reform Excess ADFIT PF ARAM Amortization

Information derived from tax department PowerTax program results.

See workpaper file "ADFIT Plant Impact to Rate Base ID.xlsx"

This workpaper shows the derivation of the service and jurisdictional assignment of ARAM impacts for 2018 through 2021 and the Average Monthly Average Calculation.

	Annual	Monthly	
15	2018 Deferred FIT Expense Impact	(366)	(30)
16	2018 DFIT Expense		TR#2 Adjustments
17	2018 AMA ADFIT		(\$366)
			\$183

TR#3 Tax Reform Excess ADFIT PF Non-Plant Amortization (1 year amortization)

See workpaper file "REVISED- Deferred Inventory Rollforward 201712 01.16.18 before 21% NSJ.xlsx"

Rate Base AMA calculation see workpaper file "ADFIT Non-Plant Impact to Rate Base ID.xlsx"

	ID Natural Gas	amortization period	
18 2017.12 Excess Deferred Tax Liability (net Asset)	379	1 year	\$379 Expense Adj
19 Subset included in Rate Base (net Liability)	(353)	1 year	(\$353)
20 Amort Rate Year 06.2018 - 05.2019	353	AMA impact	\$176 Rate Base Adj
21 05.2019 Ending Balance	-		

TR#4 Tax Reform Excess January through May 2018 Deferral FIT/DFIT Expense (1 year amortization)

See workpaper file "2018 Deferral Estimate ID.xlsx"

Propose to defer the difference between actual current and deferred tax expense as recorded at 21% tax rate versus hypothetical current and deferred tax expense determined at 35% tax rate.

The attached workpaper provides an estimate of the January through May deferral based on the 2018 Pro Forma Results including Approved 1/1/2018 Revenue Increase (see TR#1). As the 2018 referenced reports become available for each of the deferred months the estimated values will be replaced with actual values. Actual deferrals will be booked into a regulatory liability as well as any unanticipated effects of the tax reform legislation, to compare with actual amortization based on the estimate.

	ID Natural Gas	amortization period	Rate Year Total
22 Estimated Deferred Excess Tax Expense	(646)	1 year	(\$646) Expense Adj

TR#5 Tax Reform Excess January through May 2018 Deferral ARAM Amortization (1 year amortization)

See TR#2 2018 values on line 15

	Monthly	# of months	2018 Deferral
22 2018 ARAM Amort Deferred FIT Expense	(30)	5	(152)
Deferral Period 01.2018 - 05.2018 AMA ADFIT Impact		Ending Balance	Monthly Average
23 1/31/2018		30	15
24 2/28/2018		61	46
25 3/31/2018		91	76
26 4/30/2018		122	107
27 5/31/2018		152	137
28 Average Monthly Average Rate Base Impact			76

	ID Natural Gas	amortization period	Rate Year Total
29 Deferred 2018 ARAM DFIT Amort	(152)	1 year	(\$152) Expense Adj
30 Deferral Period AMA ADFIT Rate Base	76	1 year	\$76 Rate Base Adj

Nat. Gas Summary
pg 3 of 4

TR#6 Tax Reform FIT/DFIT Expense Adjustment

Values Derived from 2019 Pro Forma Proposed Total including Approved 1/1/2019 Revenue Increase and associated Conversion Factor recalculated with FIT rate of 21%.

Line		Natural Gas Pro Forma before Tax Reform	Natural Gas Pro Forma after Tax Reform	TR#1 Adjustment
31	Pre-Tax Net Income	\$15,202	\$15,202	\$0
32	Current Accrual	(442)	(265)	177
33	Debt Interest	(75)	(45)	30
34	Deferred Income Taxes	4,421	2,653	(1,769)
35	Flow Through DFIT	205	205	-
36	Amortized ITC	(12)	(12)	-
37	Total Income Tax	\$4,096	2,535	(1,562)
38	Net Operating Income	\$11,106	\$12,667	\$1,562
39	Rate Base	\$145,940	\$145,940	\$0
40	Proposed Rate of Return	7.61%	7.61%	
41	Net Operating Income Requirement	\$11,106	\$11,106	\$0
42	Net Operating Income Deficiency	\$0	(\$1,562)	(\$1,562)
43	Conversion Factor	0.612883	0.744889	
44	Revenue Requirement	\$0	(\$2,096)	(\$2,096)

TR#7 Tax Reform Excess ADFIT PF ARAM Amortization

Information derived from tax department PowerTax program results.

See workpaper file "ADFIT Plant Impact to Rate Base ID.xlsx"

This workpaper shows the derivation of the service and jurisdictional assignment of ARAM impacts for 2018 through 2021 and the Average Monthly Average Calculation.

	Annual	Monthly	
45	2019 Deferred FIT Expense Impact	(433)	(36)
46	2019 DFIT Expense		TR#7 Adjustments
47	2019 AMA ADFIT		(\$433)
			\$582

Nat. Gas Summary
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**AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Natural Gas System
TWELVE MONTHS ENDED DECEMBER 31, 2016**

Line No.	Description	Factor
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0.051264
5	Total Expenses	<u>0.057103</u>
6	Net Operating Income Before FIT	0.942897
7	Federal Income Tax @ 35%	<u>0.330014</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.612883</u></u>

**AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Natural Gas System
TWELVE MONTHS ENDED DECEMBER 31, 2016
With Tax Reform**

Line No.	Description	Factor
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003564
3	Commission Fees	0.002275
4	Idaho State Income Tax	0.051264
5	Total Expenses	<u>0.057103</u>
6	Net Operating Income Before FIT	0.942897
7	Federal Income Tax @ 21%	<u>0.198008</u>
8	REVENUE CONVERSION FACTOR	<u><u>0.744889</u></u>

Exhibit No. 12
Case Nos. AVU-E-17-01 and AVU-G-17-01
E. Andrews, Avista
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Schedule A
Excess DSIT Plant
ARAM AMORT
Electric + Natural Gas
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Amortization of Excess Plant ADFIT	<u>ID E</u>	<u>ID G</u>	<u>Total</u>
2018	2,053,817	365,665	2,419,482
2019	2,305,783	433,329	2,739,112
2020	2,588,886	529,901	3,118,787
2021	2,725,727	677,638	3,403,365

Accumulated Amortization of Excess ADFIT	<u>ID E</u>	<u>ID G</u>	<u>Total</u>
12/31/2017	-	-	-
1/31/2018	171,151	30,472	201,624
2/28/2018	342,303	60,944	403,247
3/31/2018	513,454	91,416	604,871
4/30/2018	684,606	121,888	806,494
5/31/2018	855,757	152,361	1,008,118
6/30/2018	1,026,908	182,833	1,209,741
7/31/2018	1,198,060	213,305	1,411,365
8/31/2018	1,369,211	243,777	1,612,988
9/30/2018	1,540,363	274,249	1,814,612
10/31/2018	1,711,514	304,721	2,016,235
11/30/2018	1,882,665	335,193	2,217,859
12/31/2018	2,053,817	365,665	2,419,482
1/31/2019	2,245,965	401,776	2,647,741
2/28/2019	2,438,114	437,887	2,876,001
3/31/2019	2,630,263	473,998	3,104,260
4/30/2019	2,822,411	510,108	3,332,520
5/31/2019	3,014,560	546,219	3,560,779
6/30/2019	3,206,709	582,330	3,789,038
7/31/2019	3,398,857	618,441	4,017,298
8/31/2019	3,591,006	654,551	4,245,557
9/30/2019	3,783,154	690,662	4,473,816
10/31/2019	3,975,303	726,773	4,702,076
11/30/2019	4,167,452	762,884	4,930,335
12/31/2019	4,359,600	798,994	5,158,595
1/31/2020	4,575,341	843,153	5,418,493
2/29/2020	4,791,081	887,311	5,678,392
3/31/2020	5,006,822	931,470	5,938,291
4/30/2020	5,222,562	975,628	6,198,190
5/31/2020	5,438,303	1,019,786	6,458,089
6/30/2020	5,654,043	1,063,945	6,717,988
7/31/2020	5,869,784	1,108,103	6,977,887
8/31/2020	6,085,525	1,152,262	7,237,786
9/30/2020	6,301,265	1,196,420	7,497,685
10/31/2020	6,517,006	1,240,578	7,757,584
11/30/2020	6,732,746	1,284,737	8,017,483
12/31/2020	6,948,487	1,328,895	8,277,382
1/31/2021	7,175,631	1,385,365	8,560,996
2/28/2021	7,402,774	1,441,835	8,844,609
3/31/2021	7,629,918	1,498,305	9,128,223
4/30/2021	7,857,062	1,554,775	9,411,837
5/31/2021	8,084,206	1,611,244	9,695,451
6/30/2021	8,311,350	1,667,714	9,979,064
7/31/2021	8,538,494	1,724,184	10,262,678
8/31/2021	8,765,638	1,780,654	10,546,292
9/30/2021	8,992,782	1,837,124	10,829,905
10/31/2021	9,219,926	1,893,594	11,113,519
11/30/2021	9,447,070	1,950,063	11,397,133
12/31/2021	9,674,213	2,006,533	11,680,747

AMA (1/1/2018-12/31/2018)	1,026,908	182,833
AMA (1/1/2019-12/31/2019)	3,206,709	582,330

	DFIT Expense			DFIT Expense - Impact			ADFIT Impact		
	Before Tax Law		After Tax Law	Before Tax Law		After Tax Law	Before Tax Law		After Tax Law
	Change	Change	Change	Change	Change	Change	Change	Change	Change
Normal DFIT on Tax vs Book Expense									
Electric									
Gas North	7,400,426	4,440,255	(2,960,171)	Electric					
Gas South	2,690,495	1,614,297	(1,076,198)	Gas North					
CD.AA	2,132,491	1,279,495	(852,996)	Gas South					
CD.AN	3,246,620	1,947,972	(1,298,648)	CD.AA					
	54,011	32,406	(21,605)	CD.AN					
	15,524,043	9,314,425	(6,209,618)						
Pre-2018 Flow-thru									
Electric	1,230,317	862,457	(367,860)	Electric	1,230,317	862,457	(367,860)	367,860	
Gas North	500,705	350,996	(149,709)	Gas North	500,705	350,996	(149,709)	149,709	
Gas South	1,723	1,208	(515)	Gas South	1,723	1,208	(515)	515	
CD.AA	2,711	1,900	(811)	CD.AA	2,711	1,900	(811)	811	
CD.AN	-	-	-	CD.AN	-	-	-	-	
	1,735,456	1,216,562	(518,894)		1,735,456	1,216,562	(518,894)	518,894	
2018 Excess ADFIT									
Electric	-	(4,661,785)	(4,661,785)	Electric	-	(4,661,785)	(4,661,785)	4,661,785	
Gas North	-	(705,169)	(705,169)	Gas North	-	(705,169)	(705,169)	705,169	
Gas South	-	(246,077)	(246,077)	Gas South	-	(246,077)	(246,077)	246,077	
CD.AA	-	(2,050,265)	(2,050,265)	CD.AA	-	(2,050,265)	(2,050,265)	2,050,265	
CD.AN	-	(442)	(442)	CD.AN	-	(442)	(442)	442	
	-	(7,663,739)	(7,663,739)		-	(7,663,739)	(7,663,739)	7,663,739	
Total									
Electric	8,630,743	640,927	(7,989,816)	Electric	1,230,317	(3,799,328)	(5,029,645)	3,799,328	5,029,645
Gas North	3,191,200	1,260,124	(1,931,076)	Gas North	500,705	(354,173)	(854,878)	354,173	854,878
Gas South	2,134,214	1,034,626	(1,099,588)	Gas South	1,723	(244,869)	(246,592)	244,869	246,592
CD.AA	3,249,331	(100,393)	(3,349,724)	CD.AA	2,711	(2,048,365)	(2,051,076)	2,048,365	2,051,076
CD.AN	54,011	31,964	(22,047)	CD.AN	-	(442)	(442)	442	
	17,259,499	2,867,248	(14,392,251)		1,735,456	(6,447,177)	(8,182,633)	6,447,177	8,182,633

Excess Plant
Pg 2 of 8

2018

Attachment D

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Arista
ADFIT Plant Impact to Rate Base ID.xlsx
2018 Impact Plant

2018	DFIT Expense				DFIT Expense - Impact				ADFIT Impact				
	Before Tax Law	After Tax Law	Change		Before Tax Law	After Tax Law	Change		Before Tax Law	After Tax Law	Change		
WA Electric	Electric	5,890,396	437,426	(5,452,970)	68.25%	839,679	(839,679)	2,593,003	68.25%	839,679	(839,679)	2,593,003	3,432,682
	Gas North	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	Gas South	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	CD AA	1,555,339	(48,055)	(1,603,393)	47.87%	1,298	(980,479)	(981,777)	47.87%	1,298	(980,479)	981,777	-
	CD AN	28,647	16,954	(11,694)	53.04%	-	(234)	(234)	53.04%	-	234	234	-
ID Electric	Electric	2,740,347	203,501	(2,536,846)	31.75%	390,638	(1,206,325)	(1,596,963)	31.75%	390,638	(1,206,325)	1,596,963	-
	Gas North	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	Gas South	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	CD AA	723,579	(22,356)	(745,935)	22.27%	604	(456,141)	(456,745)	22.27%	(604)	456,141	456,745	-
	CD AN	13,327	7,887	(5,440)	24.68%	-	(109)	(109)	24.68%	-	109	109	-
WA Gas	Electric	3,477,254	189,032	(3,288,222)	0.00%	391,242	(1,662,575)	(2,053,817)	0.00%	391,242	(1,662,575)	2,053,817	-
	Gas North	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	Gas South	2,277,017	899,136	(1,377,881)	71.35%	357,268	(252,713)	(609,981)	71.35%	357,268	(252,713)	609,981	-
	CD AA	476,428	(14,720)	(491,148)	14.66%	397	(300,338)	(300,735)	14.66%	(397)	300,338	300,735	-
	CD AN	8,588	5,083	(3,506)	15.90%	-	(70)	(70)	15.90%	-	70	70	-
ID Gas	Electric	2,762,033	889,499	(1,872,534)	0.00%	357,666	(553,121)	(910,787)	0.00%	357,666	(553,121)	910,787	-
	Gas North	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	Gas South	914,183	360,988	(553,195)	28.65%	143,437	(101,460)	(244,897)	28.65%	143,437	(101,460)	244,897	-
	CD AA	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	CD AN	191,277	(5,910)	(197,187)	5.89%	160	(120,581)	(120,740)	5.89%	(160)	120,581	120,740	-
Oregon Gas	Electric	3,448	2,041	(1,407)	6.38%	-	(28)	(28)	6.38%	-	28	28	-
	Gas North	1,108,909	357,118	(751,790)	0.00%	143,597	(222,069)	(365,665)	0.00%	143,597	(222,069)	365,665	-
	Gas South	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	CD AA	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
	CD AN	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
Total	Electric	2,436,922	1,025,273	(1,411,648)	0.00%	1,976	(435,695)	(437,670)	0.00%	1,976	(435,695)	437,670	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	-	-	-	0.00%	-	-	-	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	-	-	-	0.00%	-	-	-	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	253	(190,826)	(191,078)	9.32%	(253)	190,826	191,078	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,976	(435,695)	(437,670)	0.00%	1,976	(435,695)	437,670	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,248	(14,392,251)	0.00%	1,735,456	(6,447,177)	(8,182,633)	0.00%	1,735,456	(6,447,177)	8,182,633	-
	Gas North	8,630,743	640,927	(7,989,816)	0.00%	1,230,317	(3,799,328)	(5,029,645)	0.00%	1,230,317	(3,799,328)	5,029,645	-
	Gas South	3,191,200	1,260,124	(1,931,076)	0.00%	500,705	(354,173)	(854,878)	0.00%	500,705	(354,173)	854,878	-
	CD AA	2,134,214	1,034,626	(1,099,588)	100.00%	1,723	(244,869)	(246,592)	100.00%	(1,723)	244,869	246,592	-
	CD AN	3,249,331	(100,393)	(3,349,724)	9.32%	2,711	(2,048,365)	(2,051,076)	9.32%	(2,711)	2,048,365	2,051,076	-
Total	Electric	17,259,499	2,867,										

	DFIT Expense			DFIT Expense - Impact			ADFIT Impact		
	Before Tax Law			Before Tax Law			Before Tax Law		
	Change	After Tax Law	Change	Change	After Tax Law	Change	Change	After Tax Law	Change
Normal DFIT on Tax vs Book Expense									
Electric	12,011,422	7,206,853	(4,804,569)						
Gas North	2,667,556	1,600,533	(1,067,023)	Electric					
Gas South	2,214,129	1,328,478	(885,651)	Gas North					
CD,AA	3,242,086	1,945,252	(1,296,834)	Gas South					
CD,AN	54,002	32,401	(21,601)	CD,AA					
	20,189,195	12,113,517	(8,075,678)	CD,AN					
Pre-2018 Flow-thru									
Electric	1,230,317	851,893	(378,424)	Electric	1,230,317	851,893	(378,424)	Electric	1,230,317
Gas North	500,705	346,697	(154,008)	Gas North	500,705	346,697	(154,008)	Gas North	(500,705)
Gas South	1,723	1,193	(530)	Gas South	1,723	1,193	(530)	Gas South	(1,723)
CD,AA	2,711	1,877	(834)	CD,AA	2,711	1,877	(834)	CD,AA	(2,711)
CD,AN	-	-	-	CD,AN	-	-	-	CD,AN	-
	1,735,456	1,201,660	(533,796)		1,735,456	1,201,660	(533,796)		(1,735,456)
2018 Excess ADFIT									
Electric	-	(4,865,381)	(4,865,381)	Electric	-	(4,865,381)	(4,865,381)	Electric	-
Gas North	-	(767,306)	(767,306)	Gas North	-	(767,306)	(767,306)	Gas North	-
Gas South	-	(272,632)	(272,632)	Gas South	-	(272,632)	(272,632)	Gas South	-
CD,AA	-	(2,876,377)	(2,876,377)	CD,AA	-	(2,876,377)	(2,876,377)	CD,AA	-
CD,AN	-	(443)	(443)	CD,AN	-	(443)	(443)	CD,AN	-
	-	(8,782,139)	(8,782,139)		-	(8,782,139)	(8,782,139)		-
Total									
Electric	13,241,739	3,193,365	(10,048,374)	Electric	1,230,317	(4,013,488)	(5,243,805)	Electric	(1,230,317)
Gas North	3,168,261	1,179,924	(1,988,337)	Gas North	500,705	(420,609)	(921,314)	Gas North	(500,705)
Gas South	2,215,852	1,057,039	(1,158,813)	Gas South	1,723	(271,439)	(273,162)	Gas South	(1,723)
CD,AA	3,244,797	(929,248)	(4,174,045)	CD,AA	2,711	(2,874,500)	(2,877,211)	CD,AA	(2,711)
CD,AN	54,002	31,958	(22,044)	CD,AN	-	(443)	(443)	CD,AN	-
	21,924,651	4,533,038	(17,391,613)		1,735,456	(7,580,479)	(9,315,935)		(1,735,456)

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ID	DFIT Expense				DFIT Expense - Impact				ADFIT Impact			
	Before Tax Law	Change	After Tax Law	Change	Before Tax Law	Change	After Tax Law	Change	Before Tax Law	Change	After Tax Law	Change
WA Electric	Electric	68.25%	9,037,354	2,179,440	(6,857,915)	68.25%	839,679	(2,739,165)	(839,679)	2,739,165	3,578,844	3,578,844
	Gas North	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas South	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	CD-AA	47.87%	1,553,169	(444,798)	(1,997,967)	47.87%	1,298	(1,375,921)	(1,298)	1,375,921	1,377,218	1,377,218
	CD-AN	53.04%	28,643	16,950	(11,692)	53.04%	-	(235)	-	235	235	235
			10,619,166	1,751,592	(8,867,573)		840,977	(4,115,321)	(840,977)	4,115,321	4,956,298	4,956,298
ID Electric	Electric	31.75%	4,204,385	1,013,925	(3,190,459)	31.75%	390,638	(1,274,323)	(390,638)	1,274,323	1,664,961	1,664,961
	Gas North	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas South	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	CD-AA	22.27%	722,570	(206,930)	(929,500)	22.27%	604	(640,110)	(604)	640,110	640,714	640,714
	CD-AN	24.68%	13,325	7,886	(5,439)	24.68%	-	(109)	-	109	109	109
			4,940,279	814,881	(4,125,399)		391,242	(1,914,542)	(391,242)	1,914,542	2,305,783	2,305,783
WA Gas	Electric	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas North	71.35%	2,260,649	841,911	(1,418,738)	71.35%	357,268	(300,117)	(357,268)	300,117	657,385	657,385
	Gas South	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	CD-AA	14.66%	475,763	(136,249)	(612,012)	14.66%	397	(421,469)	(397)	421,469	421,866	421,866
	CD-AN	15.90%	8,587	5,082	(3,505)	15.90%	-	(70)	-	70	70	70
			2,744,999	710,743	(2,034,255)		357,666	(721,656)	(357,666)	721,656	1,079,322	1,079,322
ID Gas	Electric	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas North	28.65%	907,612	338,013	(569,599)	28.65%	143,437	(120,492)	(143,437)	120,492	263,929	263,929
	Gas South	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	CD-AA	5.89%	191,011	(54,702)	(245,712)	5.89%	160	(169,212)	(160)	169,212	169,372	169,372
	CD-AN	6.38%	3,447	2,040	(1,407)	6.38%	-	(28)	-	28	28	28
			1,102,070	285,351	(816,719)		143,597	(289,733)	(143,597)	289,733	433,329	433,329
Oregon Gas	Electric	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas North	0.00%	-	-	-	0.00%	-	-	-	-	-	-
	Gas South	100.00%	2,215,852	1,057,039	(1,158,813)	100.00%	1,723	(271,439)	(1,723)	271,439	273,162	273,162
	CD-AA	9.32%	302,285	(86,569)	(388,854)	9.32%	253	(267,788)	(253)	267,788	268,041	268,041
	CD-AN	0.00%	-	-	-	0.00%	-	-	-	-	-	-
			2,518,137	970,470	(1,547,667)		1,976	(539,227)	(1,976)	539,227	541,203	541,203
Total	Electric		13,241,739	3,193,365	(10,048,374)	Electric	1,230,317	(4,013,488)	(1,230,317)	4,013,488	5,243,805	5,243,805
	Gas North		3,168,261	1,179,924	(1,988,337)	Gas North	500,705	(420,609)	(500,705)	420,609	921,314	921,314
	Gas South		2,215,852	1,057,039	(1,158,813)	Gas South	1,723	(271,439)	(1,723)	271,439	273,162	273,162
	CD-AA		3,244,797	(929,248)	(4,174,045)	CD-AA	2,711	(2,874,500)	(2,711)	2,874,500	2,877,211	2,877,211
	CD-AN		54,002	31,958	(22,044)	CD-AN	-	(443)	-	443	443	443
			21,924,651	4,533,038	(17,391,613)		1,735,456	(7,580,479)	(1,735,456)	7,580,479	9,315,935	9,315,935

Excess Plant
pg 6 of 8

Electric	<u>WA</u>	<u>ID</u>					
	68.249%	31.751%	100.000%				
Gas North	71.353%	28.647%	100.000%				
	<u>WA E</u>	<u>ID E</u>	<u>WA G</u>	<u>ID G</u>	<u>OR</u>		
CD.AA	70.135%	22.269%	14.662%	5.887%	9.316%	100.000%	
CD.AN	77.715%	24.675%	15.901%	6.384%		100.000%	
	<u>Electric</u>	<u>Gas North</u>	<u>Oregon</u>				
	20.549%	9.316%					

Excess Plant
Pg 7 of 8

Plant Accumulated Deferred Federal Income Taxes - December 31, 2017 EOP									
	Per G/L	WAE	ID E	WAG	ID G	ORG	Allocated Total		
Plant	282900 CD AA	(85,696,278)	(41,132,031)	(19,136,448)	(12,501,477)	(5,019,128)	(7,907,196)	(85,696,279)	
Plant	282900 CD AN	(733,443)	(389,476)	(181,202)	(110,821)	(51,945)	-	(733,444)	
Plant	282900 ED AN	(544,962,527)	(359,417,413)	(185,545,114)	-	-	-	(544,962,527)	
Plant	282900 GD AN	(108,415,975)	-	-	(74,104,893)	(34,311,082)	-	(108,415,975)	
Plant	282900 GD OR	(62,877,014)	-	-	-	-	(62,877,014)	(62,877,014)	
CDA Lake Settlement	283382 ED AN	(11,152,372)	(7,288,075)	(3,864,297)	-	-	-	(11,152,372)	
CDA Lake Settlement - Costs	283333 ED AN	403,943	263,977	139,966	-	-	-	403,943	
Colstrip PCB	283200 ED AN	24,150	15,782	8,368	-	-	-	24,150	
AFUDC - CWIP Intangibles	283750 CD AA	-	-	-	-	-	-	-	
FMB & MTN Redeemed	283850 CD AA	(3,584,392)	(1,670,328)	(850,503)	(500,984)	(231,845)	(330,732)	(3,584,392)	
		(816,993,908)	(409,617,564)	(209,429,230)	(87,218,174)	(39,614,000)		(816,993,910)	
Plant Related		(802,685,237)	(400,938,920)	(204,862,764)	(86,717,190)	(39,382,155)	(70,784,210)	(802,685,239)	
Incl'd w/Non-Plant		(14,308,671)	(8,678,644)	(4,566,466)	(500,984)	(231,845)	(330,732)	(14,308,671)	
Plant Accumulated Deferred Federal Income Taxes - December 31, 2017 EOP - Allocation Percentages									
	Per G/L	WAE	ID E	WAG	ID G	ORG	Allocated Total		
Plant	282900 CD AA	5%	2%	2%	1%	1%	11%		
Plant	282900 CD AN	0%	0%	0%	0%	0%	0%		
Plant	282900 ED AN	45%	23%	0%	0%	0%	68%		
Plant	282900 GD AN	0%	0%	9%	4%	0%	14%		
Plant	282900 GD OR	0%	0%	0%	0%	8%	8%		
CDA Lake Settlement	283382 ED AN						0%		
CDA Lake Settlement - Costs	283333 ED AN						0%		
Colstrip PCB	283200 ED AN						0%		
AFUDC - CWIP Intangibles	283750 CD AA						0%		
FMB & MTN Redeemed	283850 CD AA						0%		
		50%	26%	11%	5%	9%	100%		

Allocated Excess Plant Accumulated Deferred Federal Income Taxes - December 31, 2017 EOP							
	Per G/L	WAE	ID E	WAG	ID G	ORG	Allocated Total
Plant	282900 CD AA	320,850,109	160,263,688	81,887,939	34,662,678	15,741,873	320,850,110
Gross-Up for Taxes	190920	96,109,097	48,006,212	24,529,136	10,383,037	4,715,402	96,109,097
Regulatory Liability	254900	416,959,206	208,269,900	106,417,075	45,045,716	20,457,274	416,959,207

Excess Plant
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Plant Accumulated Deferred Federal Income Taxes - December 31, 2017 AMA									
	Per G/L	WA E	ID E	WA G	ID G	OR G	Allocated Total		
Plant	282900 CD AA	(83,754,598)	(40,200,074)	(18,702,860)	(12,218,222)	(4,905,406)	(83,754,599)		
Plant	282900 CD AN	(706,442)	(375,138)	(174,531)	(106,741)	(50,033)	(706,443)		
Plant	282900 ED AN	(526,719,303)	(347,385,517)	(179,333,786)			(526,719,303)		
Plant	282900 GD AN	(102,826,905)		(70,284,631)	(32,542,274)		(102,826,905)		
Plant	282900 GD OR	(59,078,567)				(59,078,567)	(59,078,567)		
CDA Lake Settlement	283382 ED AN	(7,389,181)	(3,917,906)	-	-	-	(11,307,087)		
CDA Lake Settlement - Costs	283333 ED AN	398,217	260,235	137,982	-	-	398,217		
Colstrip PCB	283200 ED AN	(17,529)	(11,455)	(6,074)	-	-	(17,529)		
AFUDC - CWIP Intangibles	283750 CD AA	-	-	-	-	-	-		
FMB & MTN Redeemed	283850 CD AA	(3,838,621)	(1,784,425)	(915,200)	(534,343)	(250,463)	(3,838,621)		
		(787,850,835)	(396,885,555)	(202,912,375)	(83,143,937)	(37,748,176)	(787,850,837)		

Plant Accumulated Deferred Federal Income Taxes - December 31, 2017 AMA - Allocation Percentages									
	Per G/L	WA E	ID E	WA G	ID G	OR G	Allocated Total		
Plant	282900 CD AA	48%	22%	15%	6%	9%	100%		
Plant	282900 CD AN	53%	25%	15%	7%	0%	100%		
Plant	282900 ED AN	66%	34%	0%	0%	0%	100%		
Plant	282900 GD AN	0%	0%	68%	32%	0%	100%		
Plant	282900 GD OR	0%	0%	0%	0%	100%	100%		
CDA Lake Settlement	283382 ED AN	65%	35%	0%	0%	0%	100%		
CDA Lake Settlement - Costs	283333 ED AN	65%	35%	0%	0%	0%	100%		
Colstrip PCB	283200 ED AN	65%	35%	0%	0%	0%	100%		
AFUDC - CWIP Intangibles	283750 CD AA								
FMB & MTN Redeemed	283850 CD AA	45%	24%	14%	7%	9%	100%		

		Allocation Factors										Allocated Amounts				
SVC2	JUR2	Utility	ED	GDN	GDOR	WA E	IDE	WAG	IDG	OR G	WA E	IDE	WAG	IDG	OR G	Total
CD	AA	16,296,507	70.33%	20.45%	9.23%	68%	32%	71%	29%	100%	7,822,023	3,638,984	2,377,354	954,467	1,503,679	16,296,507
	AN	307,720	77.81%	22.19%		68%	32%	71%	29%	100%	163,409	76,022	48,726	19,563	-	307,720
CD Total		16,604,227									7,985,432	3,715,006	2,426,081	974,030	1,503,679	16,604,227
ED	AN	528,173	100%			68%	32%				360,473	167,700	-	-	-	528,173
	ID	887,676	100%			100%					-	887,676	-	-	-	887,676
WA	WA	(303,029)	100%			100%					(303,029)	-	-	-	-	(303,029)
ED Total		1,112,820									57,444	1,055,376	0	0	0	1,112,820
GD	AN	(164,500)	100%		100%			71%	29%		-	-	(117,376)	(47,124)	-	(164,500)
	AS	(67,040)			100%					100%	-	-	-	-	(67,040)	(67,040)
CA	CA	0									-	-	-	-	-	-
ID	ID	(1,306,200)	100%						100%		-	-	-	(1,306,200)	-	(1,306,200)
OR	OR	(1,271,136)			100%					100%	-	-	-	-	(1,271,136)	(1,271,136)
WA	WA	(1,377,977)	100%		100%						-	-	(1,377,977)	-	-	(1,377,977)
GD Total		(4,186,853)									0	0	(1,495,353)	(1,353,324)	(1,338,176)	(4,186,853)
ZZ	ZZ	0									0	0	0	0	0	0
ZZ Total		0									8,042,876	4,770,382	930,728	(379,295)	165,503	13,530,194
Grand Total		13,530,194														
Gross-Up for Income Taxes																
Amortization:																
Number of Months																
5/1/2018-4/30/2019																
5/1/2019-4/30/2020																
5/1/2020-4/30/2021																
Total																
Revenue Requirement (includes gross up)																
months																
2018-2019																
5/1/18-4/30/19																
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Schedule B
Non-Plant
Excess Deferred Taxes
Amort.
Electric + Nat. Gas
pg 1 of 3

SVC2	JUR2	APL	Plant	W/C	Utility	Allocation Factors										Allocated Amounts							
						ED	GD	N	OR	W	A	E	IDE	W	A	G	OR	W	A	E	IDE	W	A
CD	AA		1,491,244	4,233,620	5,724,864	70.33%	20.45%	9.23%	68%	32%	32%	71%	29%	100%	2,747,829	1,278,353	835,150	335,298	5,724,864				
	AN			307,720	307,720	77.81%	22.19%		68%	32%	32%	71%	29%	100%	163,409	76,022	48,726	19,563	307,720				
CD Total		0	1,491,244	4,541,340	6,032,584										2,911,238	1,354,375	883,876	354,861	5,724,864				
ED	AN		4,289,712	(1,352,455)	2,937,256	100%			68%	32%					2,004,648	932,608	-	-	2,937,256				
	ID	(107,755)		-	(107,755)	100%				100%					-	(107,755)	-	-	-	(107,755)			
	WA	110,814		-	110,814	100%			100%						110,814	-	-	-	-	110,814			
	ED Total		3,059	4,289,712	(1,352,455)	2,940,315									2,115,462	824,853	0	0	2,940,315				
GD	AN			(7,000)	(7,000)		100%					71%	29%		-	-	(4,995)	(2,005)	-	(7,000)			
	AS			(67,040)	(67,040)			100%						100%	-	-	-	-	(67,040)	(67,040)			
	OR		-	64,940	64,940			100%						100%	-	-	-	-	64,940	64,940			
	WA	928,030		-	928,030			100%					100%		-	-	928,030	-	-	928,030			
GD Total		928,030	0	(9,100)	918,930									0	0	923,035	(2,005)	(2,100)	918,930				
ZZ				-	0																		
ZZ Total		0	0	0	0										0	0	0	0	0	0			
Grand Total		931,088	5,780,955	3,179,785	9,891,829										5,026,700	2,179,228	1,806,911	352,856	526,133	9,891,829			

Excess Non-Plant
Pg 2 of 3

Excess Non-Plant
Pg 3 of 3

	<u>ID E</u>	<u>ID G</u>	<u>Total</u>
Excess Non-Plant ADFIT included in Rate Base	2,179,228	352,856	2,532,084
Begin Refund to Customers	6/1/2018	6/1/2018	
Number of Months	12	12	
Monthly Amortization	181,602	29,405	

Accumulated Amortization of Non-Plant Excess ADFIT	<u>ID E</u>	<u>ID G</u>	<u>Total</u>
1/31/2018			-
2/28/2018			-
3/31/2018			-
4/30/2018			-
5/31/2018			-
6/30/2018	181,602	29,405	211,007
7/31/2018	363,205	58,809	422,014
8/31/2018	544,807	88,214	633,021
9/30/2018	726,409	117,619	844,028
10/31/2018	908,012	147,023	1,055,035
11/30/2018	1,089,614	176,428	1,266,042
12/31/2018	1,271,216	205,833	1,477,049
1/31/2019	1,452,819	235,237	1,688,056
2/28/2019	1,634,421	264,642	1,899,063
3/31/2019	1,816,023	294,047	2,110,070
4/30/2019	1,997,626	323,451	2,321,077
5/31/2019	2,179,228	352,856	2,532,084
6/30/2019	2,179,228	352,856	2,532,084
7/31/2019	2,179,228	352,856	2,532,084
8/31/2019	2,179,228	352,856	2,532,084
9/30/2019	2,179,228	352,856	2,532,084
10/31/2019	2,179,228	352,856	2,532,084
11/30/2019	2,179,228	352,856	2,532,084
12/31/2019	2,179,228	352,856	2,532,084
1/31/2020	2,179,228	352,856	2,532,084
2/29/2020	2,179,228	352,856	2,532,084
3/31/2020	2,179,228	352,856	2,532,084
4/30/2020	2,179,228	352,856	2,532,084
5/31/2020	2,179,228	352,856	2,532,084
6/30/2020	2,179,228	352,856	2,532,084
7/31/2020	2,179,228	352,856	2,532,084
8/31/2020	2,179,228	352,856	2,532,084
9/30/2020	2,179,228	352,856	2,532,084
10/31/2020	2,179,228	352,856	2,532,084
11/30/2020	2,179,228	352,856	2,532,084
12/31/2020	2,179,228	352,856	2,532,084
1/31/2021	2,179,228	352,856	2,532,084
2/28/2021	2,179,228	352,856	2,532,084
3/31/2021	2,179,228	352,856	2,532,084
4/30/2021	2,179,228	352,856	2,532,084
5/31/2021	2,179,228	352,856	2,532,084
6/30/2021	2,179,228	352,856	2,532,084
7/31/2021	2,179,228	352,856	2,532,084
8/31/2021	2,179,228	352,856	2,532,084
9/30/2021	2,179,228	352,856	2,532,084
10/31/2021	2,179,228	352,856	2,532,084
11/30/2021	2,179,228	352,856	2,532,084
12/31/2021	2,179,228	352,856	2,532,084
AMA (1/1/2018-12/31/2018)	370,771	60,035	
AMA (1/1/2019-12/31/2019)	1,990,059	322,226	
AMA (6/1/2018-5/31/2019)	1,089,614	176,428	

Elec + Nat. Gas Schedule C
2018 Jan - June Cur/Def
Expense (Estimate)
Pg 1 of 3

Compare Federal Income Taxes as booked at 21% to hypothetical 35%
 2018 Monthly Estimate Template

2018 Results of Operations Report Reference	Idaho Electric	Annual Estimate based on AVU-E-17-01 with Approved Rates	January 2018 Estimate	February 2018 Estimate	March 2018 Estimate	April 2018 Estimate	May 2018 Estimate	Deferral Period Estimate
Calculation of Federal Taxable Operating Income								
E-APL-1A	Rate Base	786,087	786,087	786,087	786,087	786,087	786,087	786,087
E-INT-1A	Weighted Cost of Debt	2.860%	2.860%	2.860%	2.860%	2.860%	2.860%	2.860%
	Interest Expense (Annual)	22,482	22,482	22,482	22,482	22,482	22,482	22,482
	Operating Revenue	280,253	23,354	23,354	23,354	23,354	23,354	116,772
E-FIT-1A	Less: Operating & Maintenance Expense	136,881	11,407	11,407	11,407	11,407	11,407	57,034
E-FIT-1A	Less: Book Deprec/Amort and Reg Amortizations	49,578	4,132	4,132	4,132	4,132	4,132	20,658
E-FIT-1A	Less: Taxes Other than FIT	12,571	1,048	1,048	1,048	1,048	1,048	5,238
	Net Operating Income Before FIT	81,223	6,769	6,769	6,769	6,769	6,769	33,843
E-FIT-1A	Less: Interest Expense	22,482	1,874	1,874	1,874	1,874	1,874	9,368
E-FIT-1A	Less: Colstrip 3 AFUDC Reallocation Adj	141	12	12	12	12	12	200
Sch M Recon	Plus: Schedule M Permanent Differences	353	29	29	29	29	29	147
Sch M Recon	Plus: Schedule M Plant Related Differences	(64,068)	(5,339)	(5,339)	(5,339)	(5,339)	(5,339)	(26,695)
Sch M Recon	Plus: Schedule M Temporary Differences	(21,199)	(1,767)	(1,767)	(1,767)	(1,767)	(1,767)	(8,833)
	Taxable Net Operating Income	(26,314)	(2,193)	(2,193)	(2,193)	(2,193)	(2,193)	(11,105)
Times: Tax Rate								
check E-FIT-1A	Federal Income Tax Expense	21%	21%	21%	21%	21%	21%	(2,302)
E-FIT-1A	Production Tax Credit	-	-	-	-	-	-	-
E-FIT-1A	Investment Tax Credit Amortization	(196)	(16)	(16)	(16)	(16)	(16)	(82)
E-DTE-1A	Excess Plant Related DFIT Amortization	-	-	-	-	-	-	-
Sch M Recon	Plant Related Temp Diff Deferred Taxes	13,454	1,121	1,121	1,121	1,121	1,121	5,606
Sch M Recon	Non-Plant Temp Diff Deferred Taxes	4,452	371	371	371	371	371	1,855
Sch M Recon	Flowthrough Deferred Taxes	966	81	81	81	81	81	403
check E-DTE-1A	Total Deferred Tax Expense	18,872	1,573	1,573	1,573	1,573	1,573	7,863
check E-FIT-1A	Total Current and Deferred FIT Expense	13,150	1,096	1,096	1,096	1,096	1,096	5,479

		Annual Estimate based on AVU-E-17-01 with Approved Rates	January 2018 Estimate	February 2018 Estimate	March 2018 Estimate	April 2018 Estimate	May 2018 Estimate	Deferral Period Estimate
Calculation of Federal Taxable Operating Income								
	Operating Revenue	280,253	23,354	23,354	23,354	23,354	23,354	116,772
	Less: Operating & Maintenance Expense	136,881	11,407	11,407	11,407	11,407	11,407	57,034
	Less: Book Deprec/Amort and Reg Amortizations	49,578	4,132	4,132	4,132	4,132	4,132	20,658
	Less: Taxes Other than FIT	12,571	1,048	1,048	1,048	1,048	1,048	5,238
	Net Operating Income Before FIT	81,223	6,769	6,769	6,769	6,769	6,769	33,843
	Less: Interest Expense	22,482	1,874	1,874	1,874	1,874	1,874	9,368
	Less: Colstrip 3 AFUDC Reallocation Adj	141	12	12	12	12	12	59
	Plus: Schedule M Permanent Differences	353	29	29	29	29	29	147
	Plus: Schedule M Plant Related Differences	(64,068)	(5,339)	(5,339)	(5,339)	(5,339)	(5,339)	(26,695)
	Plus: Schedule M Temporary Differences	(21,199)	(1,767)	(1,767)	(1,767)	(1,767)	(1,767)	(8,833)
	Taxable Net Operating Income	(26,314)	(2,193)	(2,193)	(2,193)	(2,193)	(2,193)	(10,964)
Times: Tax Rate								
	Federal Income Tax Expense	35%	35%	35%	35%	35%	35%	(3,837)
	Production Tax Credit	-	-	-	-	-	-	-
	Investment Tax Credit Amortization	(196)	(16)	(16)	(16)	(16)	(16)	(82)
	Excess Plant Related DFIT Amortization	-	-	-	-	-	-	-
	Plant Related Temp Diff Deferred Taxes	22,424	1,869	1,869	1,869	1,869	1,869	9,343
	Non-Plant Temp Diff Deferred Taxes	7,420	618	618	618	618	618	3,092
	Flowthrough Deferred Taxes	966	81	81	81	81	81	403
	Total Deferred Tax Expense	30,809	2,567	2,567	2,567	2,567	2,567	12,837
	Total Current and Deferred FIT Expense	21,403	1,784	1,784	1,784	1,784	1,784	8,918
	Change in Tax Expense Due to Tax Rate Change	(8,253)	(688)	(688)	(688)	(688)	(688)	(3,439)
	Conversion Factor	0.744889	0.744889	0.744889	0.744889	0.744889	0.744889	
	Revenue Requirement Benefit	(11,080)	(923)	(923)	(923)	(923)	(923)	(4,617)

Elect Gas

2018 Jan - Jun Def
Pg 2 of 3Compare Federal Income Taxes as booked at 21% to hypothetical 35%
2018 Monthly Estimate Template

2018 Results of Operations Report Reference	Idaho Natural Gas	Annual Estimate based on AVU-G-17-01 with Approved Rates	January 2018 Estimate	February 2018 Estimate	March 2018 Estimate	April 2018 Estimate	May 2018 Estimate	Deferral Period Estimate
Calculation of Federal Taxable Operating Income								
G-APL-1A	Rate Base	144,932	144,932	144,932	144,932	144,932	144,932	144,932
G-INT-1A	Weighted Cost of Debt	2.860%	2.860%	2.860%	2.860%	2.860%	2.860%	
	Interest Expense (Annual)	4,145	4,145	4,145	4,145	4,145	4,145	4,145
	Operating Revenue	41,902	3,492	3,492	3,492	3,492	3,492	17,459
G-FIT-1A	Less: Operating & Maintenance Expense	15,367	1,281	1,281	1,281	1,281	1,281	6,403
G-FIT-1A	Less: Book Deprec/Amort and Reg Amortizations	9,441	787	787	787	787	787	3,934
G-FIT-1A	Less: Taxes Other than FIT	1,994	166	166	166	166	166	831
	Net Operating Income Before FIT	15,100	1,258	1,258	1,258	1,258	1,258	6,292
G-FIT-1A	Less: Interest Expense	4,145	345	345	345	345	345	1,727
G-FIT-1A	Less: Colstrip 3 AFUDC Reallocation Adj N/A	-	-	-	-	-	-	-
Sch M Recon	Plus: Schedule M Permanent Differences	127	11	11	11	11	11	53
Sch M Recon	Plus: Schedule M Plant Related Differences	(11,021)	(918)	(918)	(918)	(918)	(918)	(4,592)
Sch M Recon	Plus: Schedule M Temporary Differences	(1,612)	(134)	(134)	(134)	(134)	(134)	(672)
	Taxable Net Operating Income	(1,551)	(129)	(129)	(129)	(129)	(129)	(646)
	Times: Tax Rate	21%	21%	21%	21%	21%	21%	
check G-FIT-1A	Federal Income Tax Expense	(326)	(27)	(27)	(27)	(27)	(27)	(136)
G-FIT-1A	Production Tax Credit N/A	-	-	-	-	-	-	-
G-FIT-1A	Investment Tax Credit Amortization	(12)	(1)	(1)	(1)	(1)	(1)	(5)
E-DTE-1A	Excess Plant Related DFIT Amortization	-	-	-	-	-	-	-
Sch M Recon	Plant Related Temp Diff Deferred Taxes	2,314	193	193	193	193	193	964
Sch M Recon	Non-Plant Temp Diff Deferred Taxes	339	28	28	28	28	28	141
Sch M Recon	Flowthrough Deferred Taxes	205	17	17	17	17	17	85
check G-DTE-1A	Total Deferred Tax Expense	2,858	238	238	238	238	238	1,191
check G-FIT-1A	Total Current and Deferred FIT Expense	2,520	210	210	210	210	210	1,050
Annual Estimate based on AVU-G-17-01 with Approved Rates								
Calculation of Federal Taxable Operating Income								
	Operating Revenue	41,902	3,492	3,492	3,492	3,492	3,492	17,459
	Less: Operating & Maintenance Expense	15,367	1,281	1,281	1,281	1,281	1,281	6,403
	Less: Book Deprec/Amort and Reg Amortizations	9,441	787	787	787	787	787	3,934
	Less: Taxes Other than FIT	1,994	166	166	166	166	166	831
	Net Operating Income Before FIT	15,100	1,258	1,258	1,258	1,258	1,258	6,292
	Less: Interest Expense	4,145	345	345	345	345	345	1,727
	Less: Colstrip 3 AFUDC Reallocation Adj	-	-	-	-	-	-	-
	Plus: Schedule M Permanent Differences	127	11	11	11	11	11	53
	Plus: Schedule M Plant Related Differences	(11,021)	(918)	(918)	(918)	(918)	(918)	(4,592)
	Plus: Schedule M Temporary Differences	(1,612)	(134)	(134)	(134)	(134)	(134)	(672)
	Taxable Net Operating Income	(1,551)	(129)	(129)	(129)	(129)	(129)	(646)
	Times: Tax Rate	35%	35%	35%	35%	35%	35%	
	Federal Income Tax Expense	(543)	(45)	(45)	(45)	(45)	(45)	(226)
	Production Tax Credit	-	-	-	-	-	-	-
	Investment Tax Credit Amortization	(12)	(1)	(1)	(1)	(1)	(1)	(5)
	Excess Plant Related DFIT Amortization	-	-	-	-	-	-	-
	Plant Related Temp Diff Deferred Taxes	3,857	321	321	321	321	321	1,607
	Non-Plant Temp Diff Deferred Taxes	564	47	47	47	47	47	235
	Flowthrough Deferred Taxes	205	17	17	17	17	17	85
	Total Deferred Tax Expense	4,626	386	386	386	386	386	1,928
	Total Current and Deferred FIT Expense	4,071	339	339	339	339	339	1,696
	Change in Tax Expense Due to Tax Rate Change	(1,551)	(129)	(129)	(129)	(129)	(129)	(646)
	Conversion Factor	0.744889	0.744889	0.744889	0.744889	0.744889	0.744889	
	Revenue Requirement Benefit	(2,082)	(174)	(174)	(174)	(174)	(174)	(868)

Elec + Gas 2018 Jan-Jun Reg
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2018 Results of Operations
Report Reference
E or G

AVU-E-17-01
Idaho Electric

AVU-G-17-01
Idaho Gas

SCM-1A	997015	Airplane Lease Payments	Perm	197,273	51,691
SCM-1A	997017	Amort - Invest in Exch Pwr (405.92, 93, 95, 98)	Perm	-	-
SCM-1A	997045	Section 199 Manufacturing Deduction	Perm	-	-
SCM-1A	997082	Meal Disallowances	Perm	151,404	39,672
				348,677	91,363
SCM-1A	997000	Book Depreciation	Plant	40,799,399	7,772,546
SCM-1A	997001	Contributions in Aid of Construction	Plant	1,690,731	110,901
SCM-1A	997012	Transportation Depreciation	Plant	-	-
SCM-1A	997041	Mathdrum Turbine Lease, Tax	Plant	(98,604)	-
SCM-1A	997048	AFUDC	Plant	(1,346,536)	(217,591)
SCM-1A	997049	Tax Depreciation	Plant	(101,826,306)	(16,141,900)
SCM-1A	997080	Book Transportation Depr	Plant	3,000,490	(172,871)
SCM-1A	997101	Repairs 481 (a)	Plant	(6,287,541)	(2,372,551)
				(64,068,367)	(11,021,466)
SCM-1A	997002	Injuries and Damages	Temp	6,829	2,298
SCM-1A	997004	Boulder Park Write Off	Temp	(112,280)	-
SCM-1A	997005	FAS106 Current Retiree Medical Accrual	Temp	759,105	198,906
SCM-1A	997007	Idaho PCA	Temp	2,409,218	-
SCM-1A	997008	DSM Book Amortization	Temp	-	-
SCM-1A	997010	Deferred Gas Credit and Refunds	Temp	-	3,488,906
SCM-1A	997016	Redemption Expense	Temp	432,778	94,973
SCM-1A	997017	Amort - Invest in Exch Pwr (405.92, 93, 95, 98)	Temp	-	-
SCM-1A	997018	DSM Tariff Rider	Temp	(5,514,367)	-
SCM-1A	997020	FAS87 Current Pension Accrual	Temp	475,848	124,685
SCM-1A	997024	Kettle Falls Disallowance	Temp	-	-
SCM-1A	997027	Uncollectibles	Temp	-	-
SCM-1A	997030	Senate Bill 408	Temp	-	-
SCM-1A	997031	Decoupling Mechanism	Temp	(6,024,799)	(2,205,785)
SCM-1A	997032	Interest Rate Swaps	Temp	(12,827,188)	(3,453,184)
SCM-1A	997033	BPA Residential Exchange	Temp	71,832	-
SCM-1A	997033	DSM Tariff Rider - 99 (G)	Temp	-	(16,144)
SCM-1A	997034	Montana Hydro Settlement	Temp	270,513	-
SCM-1A	997043	Washington Deferred Power Costs	Temp	-	-
SCM-1A	997044	Non-Monetary Power Costs	Temp	7,319	-
SCM-1A	997046	Nez Perce Settlement	Temp	5,212	-
SCM-1A	997053	Renewable Energy Certificate Fees	Temp	6,901	-
SCM-1A	997054	Spokane River Relicensing	Temp	5,797	-
SCM-1A	997058	Colstrip Settlement	Temp	(199,983)	-
SCM-1A	997059	Spokane River Relicensing PME	Temp	26,996	-
SCM-1A	997063	CDA Lake Settlement	Temp	333,951	-
SCM-1A	997065	Amortization - Unbilled Revenue Add-Ins	Temp	2,451	230,815
SCM-1A	997071	OR Regulatory Fee	Temp	-	-
SCM-1A	997081	Deferred Compensation	Temp	(75,041)	(19,663)
SCM-1A	997083	Paid Time Off	Temp	76,114	19,944
SCM-1A	997084	Customer Uncollectibles	Temp	120,528	33,195
SCM-1A	997085	FAS106 Post Retirement - OR	Temp	-	-
SCM-1A	997086	FAS87 Pension Benefits - OR	Temp	-	-
SCM-1A	997087	Redemption Expense Amortization - OR	Temp	-	-
SCM-1A	997088	Deferred O&M Colstrip & CS2	Temp	1,048,878	-
SCM-1A	997095	WA REC DEF	Temp	-	-
SCM-1A	997096	CDA Settlement Costs	Temp	11,213	-
SCM-1A	997098	Provision for Rate Refund	Temp	(985,039)	(219,212)
SCM-1A	997099	Kettle Falls Diesel Leak	Temp	47,964	-
SCM-1A	997100	WA REC Amort	Temp	-	-
SCM-1A	997102	Amort Idaho Earnings Test (254229)	Temp	(2,365,951)	(60,144)
SCM-1A	997103	Def Project Compass	Temp	668,590	168,136
SCM-1A	997104	Spokane River TDG	Temp	117,223	-
SCM-1A	997105	WA Natural Gas Line Extension	Temp	-	-
				(21,199,388)	(1,612,274)
		TOTAL Schedule Ms		(84,919,078)	(12,542,377)
		DFIT Plant - Calculated @ 35%		22,423,928	3,857,513
Tax Dept		Flow Through DFIT		639,603	200,621
		Plant DFIT		23,063,531	4,058,134
2016 Specific		ITC Deferral added to DFIT and Current Tax		6,654,706	-
		Other DFIT @ 35%		7,419,786	564,296
		TOTAL DFIT Calculated using Schedule M's		37,138,023	4,622,430
DTE-1A		PER ROO DFIT		37,463,856	4,626,500
		Difference - Added to Flow Through		325,833	4,070
		E-FIT Adj 2.06 - Added to Flow Through		1,004	-

2017 Actual Tax Expense

2017 TAX Expense
(with/without)

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Determine Hypothetical 2017 Tax Savings from 35% to 21% rate change

	Washington Electric	Idaho Electric	Washington Natural Gas	Idaho Natural Gas	Oregon Natural Gas	Total Utility
Calculation of Federal Taxable Operating Income						
Rate Base	1,516,399,093	775,597,387	314,500,897	146,410,353	228,818,830	2,981,726,560
Weighted Cost of Debt	2.921%	2.903%	2.921%	2.903%	2.903%	
Interest Expense (Annual)	44,294,018	22,515,592	9,186,571	4,250,293	6,642,611	86,889,084
Operating Revenue	664,831,704	325,100,552	219,292,333	94,686,682	160,211,060	1,464,122,331
Less: Operating & Maintenance Expense	363,651,699	187,046,198	151,655,548	66,726,625	120,757,123	889,837,193
Less: Book Deprec/Amort and Reg Amortizations	85,024,871	42,333,292	17,876,697	8,366,210	11,693,592	165,294,662
Less: Taxes Other than FIT	62,283,004	15,332,575	15,415,156	2,997,282	7,741,762	103,769,779
Net Operating Income Before FIT	153,872,130	80,388,487	34,344,932	16,596,565	20,018,583	305,220,697
Less: Interest Expense	44,294,018	22,515,592	9,186,571	4,250,293	6,642,611	86,889,085
Less: Colstrip 3 AFUDC Reallocation Adj	(142,740)	142,740				
Plus: Schedule M Permanent Differences	466,809	(430,834)	216,550	86,937	136,967	476,429
Plus: Schedule M Plant Related Differences	(90,739,326)	(49,788,530)	(24,240,905)	(11,518,456)	(22,078,601)	(198,365,818)
Plus: Schedule M Temporary Differences	8,041,864	4,523,110	6,844,165	3,428,042	6,769,751	29,606,932
Taxable Net Operating Income	27,490,199	12,033,901	7,978,171	4,342,795	(1,795,911)	50,049,155
Times: Tax Rate	35%	35%	35%	35%	35%	
Federal Income Tax Expense	9,621,570	4,211,865	2,792,360	1,519,978	(628,569)	17,517,204
Production Tax Credit	(29,596)	(15,692)				(45,288)
Investment Tax Credit Amortization	(226,304)	(119,991)	(14,832)	(5,232)		(366,359)
Plant Related Temp Diff Deferred Taxes	31,758,764	17,425,986	8,484,317	4,031,460	7,727,510	69,428,036
Non-Plant Temp Diff Deferred Taxes	(2,814,652)	(1,583,089)	(2,395,458)	(1,199,815)	(2,369,413)	(10,362,426)
Flowthrough Deferred Taxes	1,155,821	714,618	372,246	226,325	136,532	2,605,542
Total Deferred Tax Expense	30,099,932	16,557,515	6,461,105	3,057,970	5,494,630	61,671,152
Total Current and Deferred FIT Expense	39,465,602	20,633,697	9,238,633	4,572,716	4,866,061	78,776,709

	Washington Electric	Idaho Electric	Washington Natural Gas	Idaho Natural Gas	Oregon Natural Gas	Total Utility
Calculation of Federal Taxable Operating Income						
Operating Revenue	664,831,704	325,100,552	219,292,333	94,686,682	160,211,060	1,464,122,331
Less: Operating & Maintenance Expense	363,651,699	187,046,198	151,655,548	66,726,625	120,757,123	889,837,193
Less: Book Deprec/Amort and Reg Amortizations	85,024,871	42,333,292	17,876,697	8,366,210	11,693,592	165,294,662
Less: Taxes Other than FIT	62,283,004	15,332,575	15,415,156	2,997,282	7,741,762	103,769,779
Net Operating Income Before FIT	153,872,130	80,388,487	34,344,932	16,596,565	20,018,583	305,220,697
Less: Interest Expense	44,294,018	22,515,592	9,186,571	4,250,293	6,642,611	86,889,085
Less: Colstrip 3 AFUDC Reallocation Adj	(142,740)	142,740				
Plus: Schedule M Permanent Differences	466,809	(430,834)	216,550	86,937	136,967	476,429
Plus: Schedule M Plant Related Differences	(90,739,326)	(49,788,530)	(24,240,905)	(11,518,456)	(22,078,601)	(198,365,818)
Plus: Schedule M Temporary Differences	8,041,864	4,523,110	6,844,165	3,428,042	6,769,751	29,606,932
Taxable Net Operating Income	27,490,199	12,033,901	7,978,171	4,342,795	(1,795,911)	50,049,155
Times: Tax Rate	21%	21%	21%	21%	21%	
Federal Income Tax Expense	5,772,942	2,527,119	1,675,416	911,987	(377,141)	10,510,323
Production Tax Credit	(29,596)	(15,692)	-	-	-	(45,288)
Investment Tax Credit Amortization	(226,304)	(119,991)	(14,832)	(5,232)	-	(366,359)
Plant Related Temp Diff Deferred Taxes	19,055,258	10,455,591	5,090,590	2,418,876	4,636,506	41,656,822
Non-Plant Temp Diff Deferred Taxes	(1,688,791)	(949,853)	(1,437,275)	(719,889)	(1,421,648)	(6,217,456)
Flowthrough Deferred Taxes	1,155,821	714,618	372,246	226,325	136,532	2,605,542
Total Deferred Tax Expense	18,522,288	10,220,356	4,025,561	1,925,312	3,351,391	38,044,908
Total Current and Deferred FIT Expense	24,039,329	12,611,792	5,686,145	2,832,067	2,974,249	48,143,583
Change in Tax Expense Due to Tax Rate Change	(15,426,273)	(8,021,905)	(3,552,488)	(1,740,649)	(1,891,811)	(30,633,126)
Conversion Factor	0.753125	0.744889	0.753293	0.744889	0.764928	
Revenue Requirement Benefit	(20,483,017)	(10,769,262)	(4,715,944)	(2,336,790)	(2,473,189)	(40,778,203)

Electric System (31,252,280)
Natural Gas System (9,525,923)
(40,778,203)

2017 Actual Tax Expense

Determine Hypothetical 2017 Tax Savings from 35% to 21% rate change

	Idaho Electric	Idaho Natural Gas	Total Utility*
Calculation of Federal Taxable Operating Income			
Rate Base	775,597,387	146,410,353	2,981,726,560
Weighted Cost of Debt	2.903%	2.903%	
Interest Expense (Annual)	22,515,592	4,250,293	86,889,084
Operating Revenue	325,100,552	94,686,682	1,464,122,331
Less: Operating & Maintenance Expense	187,046,198	66,726,625	889,837,193
Less: Book Deprec/Amort and Reg Amortizations	42,333,292	8,366,210	165,294,662
Less: Taxes Other than FIT	15,332,575	2,997,282	103,769,779
Net Operating Income Before FIT	80,388,487	16,596,565	305,220,697
Less: Interest Expense	22,515,592	4,250,293	86,889,085
Less: Colstrip 3 AFUDC Reallocation Adj	142,740		-
Plus: Schedule M Permanent Differences	(430,834)	86,937	476,429
Plus: Schedule M Plant Related Differences	(49,788,530)	(11,518,456)	(198,365,818)
Plus: Schedule M Temporary Differences	4,523,110	3,428,042	29,606,932
Taxable Net Operating Income	12,033,901	4,342,795	50,049,155
Times: Tax Rate			
	35%	35%	
Federal Income Tax Expense	4,211,865	1,519,978	17,517,204
Production Tax Credit	(15,692)		(45,288)
Investment Tax Credit Amortization	(119,991)	(5,232)	(366,359)
Plant Related Temp Diff Deferred Taxes	17,425,986	4,031,460	69,428,036
Non-Plant Temp Diff Deferred Taxes	(1,583,089)	(1,199,815)	(10,362,426)
Flowthrough Deferred Taxes	714,618	226,325	2,605,542
Total Deferred Tax Expense	16,557,515	3,057,970	61,671,152
Total Current and Deferred FIT Expense	20,633,697	4,572,716	78,776,709

	Idaho Electric	Idaho Natural Gas	Total Utility*
Calculation of Federal Taxable Operating Income			
Operating Revenue	325,100,552	94,686,682	1,464,122,331
Less: Operating & Maintenance Expense	187,046,198	66,726,625	889,837,193
Less: Book Deprec/Amort and Reg Amortizations	42,333,292	8,366,210	165,294,662
Less: Taxes Other than FIT	15,332,575	2,997,282	103,769,779
Net Operating Income Before FIT	80,388,487	16,596,565	305,220,697
Less: Interest Expense	22,515,592	4,250,293	86,889,085
Less: Colstrip 3 AFUDC Reallocation Adj	142,740	-	-
Plus: Schedule M Permanent Differences	(430,834)	86,937	476,429
Plus: Schedule M Plant Related Differences	(49,788,530)	(11,518,456)	(198,365,818)
Plus: Schedule M Temporary Differences	4,523,110	3,428,042	29,606,932
Taxable Net Operating Income	12,033,901	4,342,795	50,049,155
Times: Tax Rate			
	21%	21%	
Federal Income Tax Expense	2,527,119	911,987	10,510,323
Production Tax Credit	(15,692)	-	(45,288)
Investment Tax Credit Amortization	(119,991)	(5,232)	(366,359)
Plant Related Temp Diff Deferred Taxes	10,455,591	2,418,876	41,656,822
Non-Plant Temp Diff Deferred Taxes	(949,853)	(719,889)	(6,217,456)
Flowthrough Deferred Taxes	714,618	226,325	2,605,542
Total Deferred Tax Expense	10,220,356	1,925,312	38,044,908
Total Current and Deferred FIT Expense	12,611,792	2,832,067	48,143,583
Change in Tax Expense Due to Tax Rate Change	(8,021,905)	(1,740,649)	(30,633,126)
Conversion Factor	0.744889	0.744889	
Revenue Requirement Benefit	(10,769,262)	(2,336,790)	(40,778,203)
Electric System*			(31,252,280)
Natural Gas System*			(9,525,923)
			(40,778,203)

*Detail by all jurisdictions (WA / ID / OR) available within workpapers provided with filing.