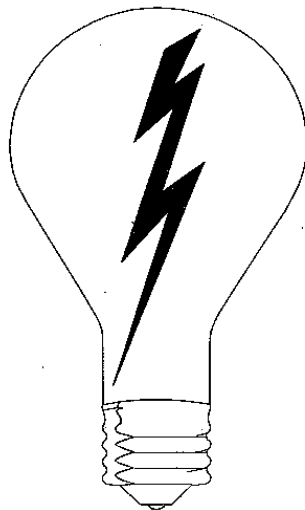


YEAR ENDING 12/31/2018

**ANNUAL REPORT
OF
AVISTA CORPORATION
ELECTRIC UTILITY**



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

IDENTIFICATION

Year: 2018

1.	Legal Name of Respondent:	Avista Corporation
2.	Name Under Which Respondent Does Business:	Avista Corp. and Avista Utilities
3.	Date Utility Service First Offered in Montana	July, 1960
4.	Address to send Correspondence Concerning Report:	1411 East Mission Avenue PO Box 3727 Spokane, WA 99220
5.	Person Responsible for This Report:	Ryan Krasselt Vice President, Controller and Principal Accounting Officer
5a.	Telephone Number:	509-495-2273
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	
	1b. Means by which control was held:	
	1c. Percent Ownership:	

SCHEDULE 2

Board of Directors		
Line No.	Name of Director and Address (City, State)	Remuneration
	(a)	(b)
1	Erik J. Anderson 3720 Carillon Point, Kirkland, WA 98033	\$184,000
2	Kristianne Blake 12605 N. Eagle Bluff Lane, Spokane, WA 99208	\$213,753
3	Donald C. Burke 16 Ivy Court, Langhorne, PA 19047	\$195,000
4	Rebecca A. Klein 611 S. Congress Ave. Ste 125 Austin, TX 78704	\$185,500
5	Scott H. Maw 2401 Utah Avenue S, Suite 800, Mailstop: GCT-1	\$175,500
6	Seattle, WA 98134	
7	Marc F. Racicot 28013 Swan Cove Dr. Bigfork, MT 59911	\$172,500
8	Heidi B. Stanley P.O. Box 2884, Spokane, WA 99220	\$180,000
9	R. John Taylor P. O. Box 538, Lewiston, ID 83501	\$194,689
10	Janet D. Widmann 26 Sanford Lane, Lafayette, CA 94549	\$171,000
11		
12	Scott L. Morris (1) 1411 E. Mission Ave., Spokane, WA 99202	(1)
13	Dennis P. Vermillion (2) 1411 E. Mission Ave., Spokane, WA 99202	(2)
14		
15		
16	(1) Mr. Morris is the Chairman of the Board and Chief Executive Officer of Avista Corp.	
17	(2) Mr. Vermillion is the President of Avista Corp. and has been elected to the Board of Directors,	
18	effective January 1, 2018.	
19	effective January 1, 2018.	
20		

Officers

Year: 2018

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1			
2	Chairman of the Board	All	Scott L. Morris
3	& Chief Executive Officer		
4			
5	President of Avista Corp.	All	Dennis P. Vermillion
6			
7	Senior Vice President, Chief Financial Officer, & Treasurer	Finance	Mark T. Thies
8			
9			
10	Senior Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary	Legal	Marian M. Durkin
11			
12			
13			
14	Senior Vice President of Human Resources	Human Resources	Karen S. Feltes
15			
16			
17	Vice President, Controller and Principal Accounting Officer	Accounting	Ryan L. Krasselt
18			
19			
20	Vice President of Energy Delivery	Utility Operations	Heather L. Rosentrater
21			
22	Vice President and Chief Strategy Officer	Strategic Planning	Edward D. Schlect Jr.
23			
24			
25	Vice President and Chief Counsel for Regulatory and Governmental Affairs	Legal/Regulatory	David J. Meyer
26			
27			
28	Senior Vice President and Vice President of Energy Resources	Resource Management	Jason R. Thackston
29			
30			
31	Vice President and Chief Information Officer	Information Technology	James M. Kensok
32			
33			
34	Vice President, External Affairs and Chief Customer Officer	Customer Solutions Regulatory	Kevin J. Christie
35			
36			
37	Vice President, Safety and Human Resources Shared Services	Safety Human Resources	Bryan A. Cox
38			
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CORPORATE STRUCTURE

Year: 2018

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital, Inc.	Parent company to the	(\$5,660,192)	-236.63%
3		Company's subsidiaries,		
4		except AERC		
5				
6	Avista Capital II	Business trusts formed for the purpose		
7		of issuing preferred trust securities.		
8				
9	Avista Energy, Inc.	Wholesale electricity and natural gas trading, marketing and		
10		resource management. Majority of operations sold 6/30/2007		
11				
12	Steam Plant Square LLC	Commercial office and retail leasing.		
13				
14	Courtyard Office Center, LLC	Commercial office and retail leasing.		
15				
16	Steam Plant Brew Pub LLC	Restaurant operations.		
17				
18	Avista Development, Inc.	Non-operating company which maintains an investment portfolio		
19		of real estate and other investments.		
20				
21	Pentzer Corporation	Parent of Bay Area Manufacturing and Pentzer Venture Holdings.		
22				
23	Bay Area Manufacturing, Inc.	Holding Company. Parent of Advanced Manufacturing and		
24		Development, Inc.		
25				
26	Pentzer Venture Holdings II, Inc.	Inactive.		
27				
28	Advanced Manufacturing	Performs custom sheet metal manufacturing of electronic		
29	and Development, Inc.	enclosures. Has a wood products division.		
30				
31	Avista Northwest Resources, LLC	Formed in 2009 to own an interest in a venture fund investment.		
32				
33	Alaska Energy and Resources	Parent company of	\$8,052,196	336.63%
34	Company (AERC)	Alaska operations.		
35				
36	Alaska Electric Light and Power	Utility operations based in the City and Borough of Juneau, AK.		
37	Company			
38				
39	AJT Mining Properties, Inc.	Inactive mining company holding certain properties in the City and		
40		Borough of Juneau, AK.		
41				
42	Snettisham Electric Company	Holds certain rights to purchase the Snettisham Hydroelectric		
43		project in the City and Borough of Juneau, AK.		
44				
45	Salix, Inc.	Liquified natural gas operations		
46				
47				
48				
49				
50				
51	TOTAL		2,392,004	

CORPORATE ALLOCATIONS

Year: 2018

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1						
2						
3						
4	Not applicable					
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34	TOTAL					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 2018

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1						
2	None					
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32	TOTAL					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2018

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1						
2						
3	Salix, Inc.	Corporate service support	Specific individual invoic	342,114		
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32	TOTAL			342,114		

MONTANA UTILITY INCOME STATEMENT

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	87,911	97,623	11.05%
2				
3	Operating Expenses			
4	401 Operation Expenses	29,813,748	28,930,354	-2.96%
5	402 Maintenance Expense	10,290,669	8,177,219	-20.54%
6	403 Depreciation Expense	11,352,979	11,534,821	1.60%
7	404-405 Amortization of Electric Plant	none/n.a.	none/n.a.	
8	406 Amort. of Plant Acquisition Adjustments	none/n.a.	none/n.a.	
9	407 Amort. of Property Losses, Unrecovered Plant & Regulatory Study Costs	none/n.a.	none/n.a.	
11	408.1 Taxes Other Than Income Taxes	11,546,845	12,263,202	6.20%
12	409.1 Income Taxes - Federal	none/n.a.	none/n.a.	
13	- Other	(676,528)	(253,640)	62.51%
14	410.1 Provision for Deferred Income Taxes	none/n.a.	none/n.a.	
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	none/n.a.	none/n.a.	
16	411.4 Investment Tax Credit Adjustments	none/n.a.	none/n.a.	
17	411.6 (Less) Gains from Disposition of Utility Plant	none/n.a.	none/n.a.	
18	411.7 Losses from Disposition of Utility Plant	none/n.a.	none/n.a.	
19				
20	TOTAL Utility Operating Expenses	62,327,713	60,651,956	-2.69%
21	NET UTILITY OPERATING INCOME	(62,239,802)	(60,554,333)	2.71%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	18,978	17,333	-8.67%
3	442 Commercial & Industrial - Small	34,882	34,996	0.33%
4	Commercial & Industrial - Large			
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales	34,051	45,294	33.02%
9				
10	TOTAL Sales to Ultimate Consumers	87,911	97,623	11.05%
11	447 Sales for Resale			
12				
13	TOTAL Sales of Electricity	87,911	97,623	11.05%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	87,911	97,623	11.05%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues			
19	451 Miscellaneous Service Revenues			
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property			
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues			
24				
25	TOTAL Other Operating Revenues			
26	Total Electric Operating Revenues	87,911	97,623	11.05%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2018

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	177,433	185,823	4.73%
6	501 Fuel	21,296,519	20,221,622	-5.05%
7	502 Steam Expenses	3,747,678	3,444,843	-8.08%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	158,308	85,835	-45.78%
11	506 Miscellaneous Steam Power Expenses	2,225,870	2,864,944	28.71%
12	507 Rents	39,448	34,622	-12.23%
13				
14	TOTAL Operation - Steam	27,645,256	26,837,690	-2.92%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	341,925	348,210	1.84%
18	511 Maintenance of Structures	596,293	453,422	-23.96%
19	512 Maintenance of Boiler Plant	4,554,524	3,887,494	-14.65%
20	513 Maintenance of Electric Plant	2,640,125	347,908	-86.82%
21	514 Maintenance of Miscellaneous Steam Plant	891,575	192,817	-78.37%
22				
23	TOTAL Maintenance - Steam	9,024,442	5,229,851	-42.05%
24				
25	TOTAL Steam Power Production Expenses	36,669,698	32,067,541	-12.55%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear			
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear			
49				
50	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2018

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering	123,362	123,290	-0.06%
5	536 Water for Power			
6	537 Hydraulic Expenses	93,536	97,645	4.39%
7	538 Electric Expenses	1,520,335	1,469,851	-3.32%
8	539 Miscellaneous Hydraulic Power Gen. Expenses	182,098	217,813	19.61%
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic	1,919,331	1,908,599	-0.56%
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering	114,343	657,267	474.82%
15	542 Maintenance of Structures	74,784	48,315	-35.39%
16	543 Maint. of Reservoirs, Dams & Waterways	301,057	219,735	-27.01%
17	544 Maintenance of Electric Plant	510,668	1,650,569	223.22%
18	545 Maintenance of Miscellaneous Hydro Plant	38,714	117,418	203.30%
19				
20	TOTAL Maintenance - Hydraulic	1,039,566	2,693,303	159.08%
21				
22	TOTAL Hydraulic Power Production Expenses	2,958,897	4,601,903	55.53%
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering			
27	547 Fuel			
28	548 Generation Expenses			
29	549 Miscellaneous Other Power Gen. Expenses			
30	550 Rents			
31				
32	TOTAL Operation - Other			
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering			
36	552 Maintenance of Structures			
37	553 Maintenance of Generating & Electric Plant			
38	554 Maintenance of Misc. Other Power Gen. Plant			
39				
40	TOTAL Maintenance - Other			
41				
42	TOTAL Other Power Production Expenses			
43				
44	Other Power Supply Expenses			
45	555 Purchased Power			
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses			
50				
51	TOTAL Power Production Expenses	39,628,595	36,669,444	-7.47%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2018

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	5,985	6,728	12.41%
4	561 Load Dispatching	33,037		-100.00%
5	562 Station Expenses	6,837	7,428	8.64%
6	563 Overhead Line Expenses	83,452	57,009	-31.69%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others			
9	566 Miscellaneous Transmission Expenses	6,581		-100.00%
10	567 Rents	88,756	89,691	1.05%
11				
12	TOTAL Operation - Transmission	224,648	160,855	-28.40%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	25,230	25,191	-0.16%
15	569 Maintenance of Structures	22,984	14,960	-34.91%
16	570 Maintenance of Station Equipment	12,137	12,446	2.55%
17	571 Maintenance of Overhead Lines	154,425	189,182	22.51%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	214,776	241,779	12.57%
22				
23	TOTAL Transmission Expenses	439,424	402,634	-8.37%
24				
25	Distribution Expenses			
26	Operation			
27	580 Operation Supervision & Engineering			
28	581 Load Dispatching			
29	582 Station Expenses			
30	583 Overhead Line Expenses			
31	584 Underground Line Expenses			
32	585 Street Lighting & Signal System Expenses			
33	586 Meter Expenses			
34	587 Customer Installations Expenses			
35	588 Miscellaneous Distribution Expenses			
36	589 Rents			
37				
38	TOTAL Operation - Distribution			
39	Maintenance			
40	590 Maintenance Supervision & Engineering			
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment			
43	593 Maintenance of Overhead Lines			
44	594 Maintenance of Underground Lines			
45	595 Maintenance of Line Transformers			
46	596 Maintenance of Street Lighting, Signal Systems			
47	597 Maintenance of Meters			
48	598 Maintenance of Miscellaneous Dist. Plant			
49				
50	TOTAL Maintenance - Distribution			
51				
52	TOTAL Distribution Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2018

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision			
4	902 Meter Reading Expenses			
5	903 Customer Records & Collection Expenses	12		-100.00%
6	904 Uncollectible Accounts Expenses			
7	905 Miscellaneous Customer Accounts Expenses		176	#DIV/0!
8				
9	TOTAL Customer Accounts Expenses	12	176	1365.33%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision			
14	908 Customer Assistance Expenses			
15	909 Informational & Instructional Adv. Expenses			
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses			
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision			
23	912 Demonstrating & Selling Expenses			
24	913 Advertising Expenses			
25	916 Miscellaneous Sales Expenses			
26				
27	TOTAL Sales Expenses			
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries			
32	921 Office Supplies & Expenses			
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed			
35	924 Property Insurance			
36	925 Injuries & Damages			
37	926 Employee Pensions & Benefits			
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses		4	#DIV/0!
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses			
42	930.2 Miscellaneous General Expenses	24,501	23,029	-6.01%
43	931 Rents			
44				
45	TOTAL Operation - Admin. & General	24,501	23,034	-5.99%
46	Maintenance			
47	935 Maintenance of General Plant	11,885	12,285	3.37%
48				
49	TOTAL Administrative & General Expenses	36,386	35,319	-2.93%
50				
51	TOTAL Operation & Maintenance Expenses	40,104,417	37,107,573	-7.47%

MONTANA TAXES OTHER THAN INCOME

Year: 2018

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	95	32	-66.32%
5	Motor Vehicle Tax			
6	KWH Tax	1,126,703	1,106,096	-1.83%
7	Property Taxes	10,416,747	11,153,656	7.07%
8	Public Commission Tax	193	124	-35.75%
9	Colstrip Generation Tax	3,107	3,294	6.02%
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51	TOTAL MT Taxes Other Than Income	11,546,845	12,263,202	6.20%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2018

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Amounts Allocated To Montana Are Not Significant.				
2	GARCO CONSTRUCTION INC	Construction	15,347,101		
3	LYDIG CONSTRUCTION INC	Construction	4,519,789		
4	CORP CREDIT CARD	Professional	3,826,531		
5	HDR ENGINEERING INC	Consulting	2,991,872		
6	NOBLE EXCAVATING INC	Construction	2,772,099		
7	ITRON INC	Professional	2,497,387		
8	KIRKLAND & ELLIS LLP	Legal	1,908,627		
9	COMMONWEALTH ASSOCIATES INC	Professional	1,899,685		
10	TRINITY CONSULTING LLC	Consulting	1,702,364		
11	PRO BUILDING SYSTEMS	Professional	1,441,870		
12	GINNO CONSTRUCTION CO	Construction	1,402,530		
13	SIMMERS CRANE DESIGN & SERVICES	Professional	1,280,951		
14	MCKINSTRY ESSENTION LLC	Professional	1,242,759		
15	VOLT MANAGEMENT CORP	Professional	787,727		
16	MCMILLEN LLC	Professional	755,208		
17	COEUR D ALENE TRIBE	Professional	719,867		
18	STRATA	Professional	631,358		
19	BAKER CONSTRUCTION & DEVELOPMENT INC	Construction	625,155		
20	SUNRISE ENGINEERING INC	Consulting	620,402		
21	HANNA & ASSOCIATES INC	Professional	606,272		
22	CIRRUS DESIGN INDUSTRIES INC	Professional	581,295		
23	NORTHWEST LIFT & EQUIPMENT LLC	Professional	569,258		
24	PER SE GROUP INC	Professional	565,448		
25	HELVETICKA INC	Professional	561,832		
26	WEMCO INC	Professional	528,082		
27	GEOENGINEERS INC	Professional	519,735		
28	WELLINGTON ENERGY INC	Professional	498,620		
29	KNIGHT CONSTRUCTION & SUPPLY INC	Construction	462,853		
30	WESTERN ELECTRICITY	Professional	455,011		
31	DAVIS WRIGHT TREMAINE LLP	Legal	453,101		
32	NORTH AMERICAN SUBSTATION SERVICES LLC	Professional	449,665		
33	SPIRAE INC	Professional	447,178		
34	SMITH SYSTEM DRIVER IMPROVEMENT INSTITUTE	Professional	425,904		
35	IDAHO DEPT OF FISH & GAME	Professional	405,823		
36	HICKEY BROTHERS RESEARCH LLC	Professional	385,207		
37	POWER CITY ELECTRIC INC	Professional	383,912		
38	NEWTERRA INC	Professional	374,994		
39	TELVENT USA LLC	Professional	367,070		
40	OPEN TEXT INC	Professional	362,126		
41	STANTEC CONSULTING SERVICES INC	Consulting	347,143		
42	DOUBLE D ELECTRIC	Professional	347,093		
43	INTERNATIONAL LINE BUILDERS INC	Professional	332,651		
44	HACKETT GROUP INC	Professional	323,675		
45	FORRESTER RESEARCH INC	Professional	295,391		
46	PARAMETRIX INC	Professional	286,411		
47	ABLE CLEAN UP TECHNOLOGIES INC	Professional	276,847		
48	ABREMOD LLC	Professional	273,375		
49	VANDERVERT CONSTRUCTION INC	Professional	270,659		
50	PILLSBURY WINTHROP SHAW PITTMAN LLP	Legal	264,909		
51	CASCADE CABLE CONSTRUCTORS INC	Construction	262,254		
52	COLUMBIA GRID	Professional	251,694		
64					
	Other Amounts Less Than \$250,000		13,275,444		
35	TOTAL Payments for Services		73,184,214		

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2018

	Description	Total Company	Montana	% Montana
1				
2				
3	State and local representative	446,383	-	
4	contributions			
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50	TOTAL Contributions	\$446,383		

Pension Costs

Year: 2018

1	Plan Name	The Retirement Plan for Employees of Avista Corporation.		
2	Defined Benefit Plan? Yes	Defined Contribution Plan? No		
3	Actuarial Cost Method? Yes	IRS Code: 001		
4	Annual Contribution by Employer: Varies	Is the Plan Over Funded? No		
5		(dollars in thousands)		
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	683,426	635,285	7.58%
8	Service cost	21,433	20,205	6.08%
9	Interest Cost	24,911	26,628	-6.45%
10	Plan participants' contributions			
11	Amendments		3,158	-100.00%
12	Actuarial (Gain)/Loss	(46,791)	37,888	-223.50%
13	Benefits paid	(42,647)	(39,738)	-7.32%
14	Expenses paid			
15	Benefit obligation at end of year	640,332	683,426	-6.31%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	605,652	540,914	11.97%
18	Actual return on plan assets	(40,954)	82,476	-149.66%
19	Acquisition			
20	Employer contribution	22,000	22,000	
21	Benefits paid	(42,647)	(39,738)	-7.32%
22	Expenses paid			
23	Fair value of plan assets at end of year	544,051	605,652	-10.17%
24	Funded Status	(96,281)	(77,774)	-23.80%
25	Unrecognized net actuarial loss	167,750	148,056	13.30%
26	Unrecognized prior service cost	2,922	3,179	-8.08%
27	Unrecognized net transition obligation/(asset)			
28	Prepaid (accrued) benefit cost	74,391	73,461	1.27%
29				
30	Weighted-average Assumptions as of Year End			
31	Discount rate	4.31%	3.71%	16.17%
32	Expected return on plan assets	5.50%	5.87%	-6.30%
33	Rate of compensation increase	4.67%	4.69%	-0.43%
34				
35	Components of Net Periodic Benefit Costs			
36	Service cost	21,433	20,205	6.08%
37	Interest cost	24,911	26,628	-6.45%
38	Expected return on plan assets	(33,019)	(31,625)	-4.41%
39	Transition (asset)/obligation recognition			
40	Amortization of prior service cost	257	2	12750.00%
41	Recognized net actuarial loss	6,867	8,668	-20.78%
42	Net periodic benefit cost	20,449	23,878	-14.36%
43				
44	Montana Intrastate Costs:			
45	Pension Costs			
46	Pension Costs Capitalized	not available by state		
47	Accumulated Pension Asset (Liability) at Year End			
48	Number of Company Employees:			
49	Covered by the Plan	2,790	2,842	-1.83%
50	Not Covered by the Plan			
51	Active	1,417	1,467	-3.41%
52	Retired	1,199	1,197	0.17%
53	Deferred Vested Terminated	174	178	-2.25%

Other Post Employment Benefits (OPEBS)

Year: 2018

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End			
7	Discount rate	4.32%	3.72%	16.13%
8	Expected return on plan assets	5.20%	5.69%	-8.61%
9	Medical Cost Inflation Rate	5.00%	5.00%	
10	Actuarial Cost Method		Proj Unit Credit	
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16		(dollars in thousands)		
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	132,947	136,453	-2.57%
20	Service cost	3,188	3,220	-0.99%
21	Interest Cost	4,831	5,490	-12.00%
22	Plan participants' contributions			
23	Amendments			
24	Actuarial (Gain)/Loss	(610)	(6,020)	89.87%
25	Benefits paid	(6,303)	(6,196)	-1.73%
26	Expenses paid			
27	Cumulative adjustment to reclassify liability			
28	Benefit obligation at end of year	134,053	132,947	0.83%
29	Change in Plan Assets			
30	Fair value of plan assets at beginning of year	37,953	33,365	13.75%
31	Actual return on plan assets	(1,101)	4,588	-124.00%
32	Acquisition			
33	Employer contribution			
34	Benefits paid			
35	Expenses paid			
36	Fair value of plan assets at end of year	36,852	37,953	-2.90%
37	Funded Status	(97,201)	(94,994)	-2.32%
38	Unrecognized net actuarial loss	66,381	68,280	-2.78%
39	Unrecognized prior service cost	(6,620)	(7,782)	14.93%
40	Prepaid (accrued) benefit cost	(37,440)	(34,496)	-8.53%
41	Components of Net Periodic Benefit Costs			
42	Service cost	3,188	3,220	-0.99%
43	Interest cost	4,831	5,490	-12.00%
44	Expected return on plan assets	(1,973)	(1,899)	-3.90%
45	Amortization of prior service cost	(1,089)	(1,144)	4.81%
46	Recognized net actuarial loss	4,232	4,934	-14.23%
47	Net periodic benefit cost	9,189	10,601	-13.32%
48	Accumulated Post Retirement Benefit Obligation			
49	Amount Funded through VEBA	134,053	132,947	0.83%
50	Amount Funded through 401(h)			
51	Amount Funded through Other _____			
52	TOTAL	134,053	132,947	0.83%
53	Amount that was tax deductible - VEBA			
54	Amount that was tax deductible - 401(h)			
55	Amount that was tax deductible - Other _____			
56	TOTAL	134,053	132,947	0.83%

Other Post Employment Benefits (OPEBS) Continued

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	2,404	2,440	-1.48%
3	Not Covered by the Plan			
4	Active	1,417	1,467	-3.41%
5	Retired	987	973	1.44%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost	not available by state		
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost	not available by state		
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	S. L. Morris Chairman of the Board, & Chief Executive Officer	840,732	852,417	2,124,271	3,817,420	4,239,914	-10%
2	M. T. Thies Senior Vice President, Chief Financial Officer, and Treasurer	431,030	262,213	751,351	1,444,594	1,455,074	-1%
3	M.M. Durkin Senior Vice President General Counsel and Chief Compliance Officer	369,077	224,524	619,165	1,212,766	1,245,089	-3%
4	K.S. Feltes Senior Vice President and Corporate Secretary	359,232	218,535	566,542	1,144,309	1,318,800	-13%
5	D.P. Vermillion President	430,847	283,943	751,851	1,466,641	1,836,789	-20%
Other compensation includes stock-based awards and the change in pension and non-qualified deferred compensation.							

BALANCE SHEET

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	5,643,555,254	6,002,706,709	6%
4	101.1 Property Under Capital Leases	5,549,069		-100%
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use	8,321,111	9,036,047	9%
8	106 Completed Constr. Not Classified - Electric			
9	107 Construction Work in Progress - Electric	151,271,170	156,563,570	3%
10	108 (Less) Accumulated Depreciation	(1,796,469,363)	(1,895,743,265)	-6%
11	111 (Less) Accumulated Amortization	(79,794,309)	(95,497,118)	-20%
12	114 Electric Plant Acquisition Adjustments			
13	115 (Less) Accum. Amort. Elec. Acq. Adj.			
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	3,932,432,932	4,177,065,943	6%
16				
17	Other Property & Investments			
18	121 Nonutility Property	3,010,811	4,474,923	49%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(104,487)	(140,360)	-34%
20	123 Investments in Associated Companies	11,547,000	11,547,000	
21	123.1 Investments in Subsidiary Companies	161,131,682	153,523,686	-5%
22	124 Other Investments	4,288,775	1,711,072	-60%
23	128 Other Special Funds	16,722,286	18,794,801	12%
	Long-Term Derivative Instruments	2,575,446	4,842,426	88%
24	TOTAL Other Property & Investments	199,171,513	194,753,548	-2%
25				
26	Current & Accrued Assets			
27	131 Cash	2,912,504	4,737,049	63%
28	132-134 Special Deposits	12,284,827	26,809,063	118%
29	135 Working Funds	1,149,696	709,204	-38%
30	136 Temporary Cash Investments	50,305	136,712	172%
31	141 Notes Receivable			
32	142 Customer Accounts Receivable	174,683,071	157,729,381	-10%
33	143 Other Accounts Receivable	5,614,311	4,618,679	-18%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(5,170,026)	(5,188,090)	0%
35	145 Notes Receivable - Associated Companies	11,659,191	31,659,207	172%
36	146 Accounts Receivable - Associated Companies	313,553	154,548	-51%
37	151 Fuel Stock	3,958,296	3,982,104	1%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	38,180,423	43,166,166	13%
41	155 Merchandise			
42	156 Other Material & Supplies			
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed			
	164 Gas Storage	11,738,607	11,609,184	-1%
45	165 Prepayments	19,333,312	20,211,526	5%
46	171 Interest & Dividends Receivable	172,493	166,418	-4%
47	172 Rents Receivable	2,101,931	2,516,806	20%
48	174 Miscellaneous Current & Accrued Assets	138,513	398,131	187%
	175 Derivative Instruments Assets	6,197,881	10,394,940	68%
49	Long-Term Derivative Instruments	(2,575,446)	(4,842,426)	-88%
50	TOTAL Current & Accrued Assets	282,743,442	308,968,605	9%

BALANCE SHEET

Year: 2018

Account Number & Title		Last Year	This Year	% Change
1				
2	Assets and Other Debits (cont.)			
3				
4	Deferred Debits			
5				
6	181 Unamortized Debt Expense	10,945,098	13,923,600	27%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	182.3 Other Regulatory Assets	621,273,693	598,724,109	-4%
10	183 Prelim. Survey & Investigation Charges	195,867	2,313	-99%
11	184 Clearing Accounts	69,497	28,530	-59%
12	185 Temporary Facilities			
13	186 Miscellaneous Deferred Debits	15,796,170	32,297,423	104%
14	187 Deferred Losses from Disposition of Util. Plant			
15	188 Research, Devel. & Demonstration Expend.			
16	189 Unamortized Loss on Reacquired Debt	11,879,551	10,255,271	-14%
17	190 Accumulated Deferred Income Taxes	189,216,780	187,450,520	-1%
18	191 Unrecovered Purchased Gas Costs	(37,474,157)	(40,713,157)	-9%
18	TOTAL Deferred Debits	811,902,499	801,968,610	-1%
19				
20	TOTAL Assets & Other Debits	5,226,250,386	5,482,756,706	5%
	Account Title	Last Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24				
25	201 Common Stock Issued	1,109,643,921	1,110,871,767	0%
26	202 Common Stock Subscribed			
27	204 Preferred Stock Issued			
28	205 Preferred Stock Subscribed			
29	207 Premium on Capital Stock			
30	211 Miscellaneous Paid-In Capital	(10,696,711)	(10,696,711)	0%
31	213 (Less) Discount on Capital Stock			
32	214 (Less) Capital Stock Expense	34,500,271	36,316,031	5%
33	215 Appropriated Retained Earnings	32,132,124	37,452,973	17%
34	216 Unappropriated Retained Earnings	572,337,503	607,142,062	6%
35	217 (Less) Reacquired Capital Stock			
36	219 Accumulated Other Comprehensive Income	(8,089,542)	(7,866,070)	3%
36	TOTAL Proprietary Capital	1,729,827,566	1,773,220,052	3%
37				
38	Long Term Debt			
39				
40	221 Bonds	1,711,700,000	1,814,200,000	6%
41	222 (Less) Reacquired Bonds	(83,700,000)	(83,700,000)	
42	223 Advances from Associated Companies	51,547,000	51,547,000	
43	224 Other Long Term Debt			
44	225 Unamortized Premium on Long Term Debt	159,900	151,017	-6%
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.	(786,481)	(1,032,761)	-31%
46	TOTAL Long Term Debt	1,678,920,419	1,781,165,256	6%

BALANCE SHEET

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages	245,000	245,000	
9	228.3 Accumulated Provision for Pensions & Benefits	203,565,903	222,536,776	9%
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds	4,906,781	10,178,645	107%
12	Long-Term Derivative Instruments	10,456,971	10,300,047	-2%
	230 Asset Retirement Obligations	17,481,829	18,265,985	4%
13	TOTAL Other Noncurrent Liabilities	236,656,484	261,526,452	11%
14				
15	Current & Accrued Liabilities			
16				
17	231 Notes Payable	105,000,000	190,000,000	81%
18	232 Accounts Payable	100,959,825	103,484,597	3%
19	233 Notes Payable to Associated Companies			
20	234 Accounts Payable to Associated Companies	22,197	7,329	-67%
21	235 Customer Deposits	4,431,306	4,783,254	8%
22	236 Taxes Accrued	36,514,038	39,835,469	9%
23	237 Interest Accrued	15,159,301	15,509,062	2%
24	238 Dividends Declared			
25	241 Tax Collections Payable	1,533,187	79,542	-95%
26	242 Miscellaneous Current & Accrued Liabilities	59,386,964	56,358,807	-5%
27	243 Obligations Under Cap. Leases - Current	2,402,917		-100%
28	244 Derivative Instrument Liabilities	53,752,463	14,252,909	-73%
29	Long-Term Derivative Instruments	(10,456,971)	(10,300,047)	2%
30	TOTAL Current & Accrued Liabilities	368,705,227	414,010,924	12%
31				
32	Deferred Credits			
33				
34	252 Customer Advances for Construction	1,584,319	2,142,205	35%
35	253 Other Deferred Credits	28,032,143	23,862,950	-15%
36	254 Other Regulatory Liabilities	501,143,487	527,440,814	5%
37	255 Accumulated Deferred Investment Tax Credits	30,265,611	29,725,443	-2%
38	257 Unamortized Gain on Reacquired Debt	1,707,433	1,577,896	-8%
39	281-283 Accumulated Deferred Income Taxes	649,407,697	668,084,713	3%
40	TOTAL Deferred Credits	1,212,140,690	1,252,834,023	3%
41				
42	TOTAL LIABILITIES & OTHER CREDITS	5,226,250,386	5,482,756,706	5%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents	6,222,448	6,222,448	
6	303 Miscellaneous Intangible Plant	221,944	221,944	
7				
8	TOTAL Intangible Plant	6,444,392	6,444,392	
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights	1,288,613	1,289,396	0%
15	311 Structures & Improvements	106,252,905	110,832,815	4%
16	312 Boiler Plant Equipment	136,236,109	142,714,098	5%
17	313 Engines & Engine Driven Generators	6,770	6,770	
18	314 Turbogenerator Units	46,216,256	38,992,332	-16%
19	315 Accessory Electric Equipment	16,215,434	17,238,545	6%
20	316 Miscellaneous Power Plant Equipment	16,036,420	14,453,310	-10%
21	317 Asset Retirement Costs	13,876,818	13,876,818	
22	TOTAL Steam Production Plant	336,129,325	339,404,084	1%
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment			
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant			
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights	43,370,022	43,370,022	
38	331 Structures & Improvements	20,593,790	23,202,612	13%
39	332 Reservoirs, Dams & Waterways	36,481,171	36,682,817	1%
40	333 Water Wheels, Turbines & Generators	88,682,690	88,682,652	0%
41	334 Accessory Electric Equipment	17,239,781	17,011,537	-1%
42	335 Miscellaneous Power Plant Equipment	3,835,133	4,227,347	10%
43	336 Roads, Railroads & Bridges	246,562	259,742	5%
44				
45	TOTAL Hydraulic Production Plant	210,449,149	213,436,729	1%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights			
7	341 Structures & Improvements			
8	342 Fuel Holders, Producers & Accessories			
9	343 Prime Movers			
10	344 Generators			
11	345 Accessory Electric Equipment			
12	346 Miscellaneous Power Plant Equipment			
13				
14	TOTAL Other Production Plant			
15				
16	TOTAL Production Plant	546,578,474	552,840,813	1%
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	4,618,909	4,682,726	1%
21	352 Structures & Improvements	2,665,643	2,548,725	-4%
22	353 Station Equipment	38,608,736	37,973,386	-2%
23	354 Towers & Fixtures	16,074,111	16,067,281	0%
24	355 Poles & Fixtures	13,486,434	14,007,441	4%
25	356 Overhead Conductors & Devices	17,262,478	16,912,426	-2%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails	384,411	384,411	
29				
30	TOTAL Transmission Plant	93,100,722	92,576,396	-1%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights			
35	361 Structures & Improvements	15,881	186,408	1074%
36	362 Station Equipment	667,402	511,086	-23%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	49,592	55,898	13%
39	365 Overhead Conductors & Devices	70,966	71,030	0%
40	366 Underground Conduit	34,399	34,399	
41	367 Underground Conductors & Devices	39,819	39,819	
42	368 Line Transformers	1,723	2,662	54%
43	369 Services	2,441	4,597	88%
44	370 Meters	252	252	
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems	1,836	1,836	
48				
49	TOTAL Distribution Plant	884,312	907,987	3%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2018

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights			
5	390 Structures & Improvements			
6	391 Office Furniture & Equipment			
7	392 Transportation Equipment	296,034	627,498	112%
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment	189,951	421,827	122%
10	395 Laboratory Equipment			
11	396 Power Operated Equipment	56,238	89,067	58%
12	397 Communication Equipment	2,408,650	2,449,256	2%
13	398 Miscellaneous Equipment	8,577	8,577	
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	2,959,450	3,596,225	22%
17				
18	TOTAL Electric Plant in Service	649,967,351	656,365,814	1%

MONTANA DEPRECIATION SUMMARY

Year: 2018

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Intangible Plant	6,444,392	8,696	8,696	
2	Steam Production	339,404,084	230,433,476	235,527,293	N/A
3	Nuclear Production				
4	Hydraulic Production	213,436,729	44,075,673	46,753,176	N/A
5	Other Production				
6	Transmission	92,576,396	27,821,804	27,225,656	N/A
7	Distribution	907,987	63,721	78,371	N/A
8	General	3,596,225	59,361	86,581	N/A
9	TOTAL	656,365,814	302,462,731	309,679,773	

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	2,101,766	2,097,334	0%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	2,907,421	2,848,984	-2%
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies	5,009,187	4,946,318	-1%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number			
2	Order Number			
3		Reference is made to Schedule 27		
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	TOTAL			
9				
10	Actual at Year End			
11				
12	Common Equity			
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	TOTAL			

STATEMENT OF CASH FLOWS

Year: 2018

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	115,916,134	136,429,120	18%
6	Depreciation	165,534,842	179,217,557	8%
7	Amortization	17,357,659	17,690,809	2%
8	Deferred Income Taxes - Net	67,298,507	8,882,835	-87%
9	Investment Tax Credit Adjustments - Net	(401,676)	(540,168)	-34%
10	Change in Operating Receivables - Net	(8,257,764)	17,548,393	313%
11	Change in Materials, Supplies & Inventories - Net	(4,858,369)	(4,880,128)	0%
12	Change in Operating Payables & Accrued Liabilities - Net	49,034,221	1,753,920	-96%
13	Allowance for Funds Used During Construction (AFUDC)	(6,441,370)	(6,331,723)	2%
14	Change in Other Assets & Liabilities - Net	(7,409,359)	19,642,573	365%
15	Other Operating Activities (explained on attached page)	3,047,322	(15,961,526)	-624%
16	Net Cash Provided by/(Used in) Operating Activities	390,820,147	353,451,662	-10%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(406,201,555)	(420,377,970)	-3%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	313,974	559,980	78%
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates	(17,160,819)	(19,855,879)	-16%
26	Other Investing Activities (explained on attached page)	(125,790)	7,997,699	6458%
27	Net Cash Provided by/(Used in) Investing Activities	(423,174,190)	(431,676,170)	-2%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt	90,000,000	374,621,250	316%
32	Preferred Stock			
33	Common Stock	56,380,425	1,206,734	-98%
34	Long-Term Debt to Affiliated Trusts			
35	Net Increase in Short-Term Debt		85,000,000	#DIV/0!
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(871,667)	(274,902,917)	-31438%
39	Preferred Stock			
40	Common Stock			
41	Long-Term Debt to Affiliated Trusts			
42	Net Decrease in Short-Term Debt	(15,000,000)		100%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(92,460,231)	(98,046,075)	-6%
45	Other Financing Activities (explained on attached page)	(4,117,383)	(8,184,023)	-99%
46	Net Cash Provided by (Used in) Financing Activities	33,931,144	79,694,969	135%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	1,577,101	1,470,461	-7%
49	Cash and Cash Equivalents at Beginning of Year	2,535,404	4,112,505	62%
50	Cash and Cash Equivalents at End of Year	4,112,505	5,582,966	36%

STATEMENT OF CASH FLOWS

Year: 2018

	Description	Last Year	This Year	% Change
1	Detail of Lines 15, 26 and 45			
2	Line 15: Other Operating Activities			
3	Cash paid for settlement of interest rate swaps	(11,301,842)	(32,174,169)	-185%
4	Cash received for settlement of interest rate swaps	2,478,520	5,594,067	
5	Amortization of Spokane Energy contract	-	-	0%
6	Change in allowance for uncollectible receivables	5,235,000	3,900,000	-26%
7	Regulatory Gas Cost and Power Cost Adjustment	1,889,235	3,653,810	93%
8	Non-cash stock compensation	7,359,327	5,366,952	-27%
9	Subsidiary earnings	(2,517,761)	(2,392,004)	5%
10	Gain on sale of property and equipment	(37,232)	13,250	136%
11	Other	(57,925)	76,568	232%
12	Total Line 15	3,047,322	(15,961,526)	-624%
13	Line 26: Other Investing Activities			
14	Federal grant payments received	-	-	0%
15	Changes in other property and investments	(2,125,513)	(2,002,301)	6%
16	Restricted cash	(277)	-	100%
17	Cash paid for acquisition	-	-	0%
18	Dividends received from subsidiaries	2,000,000	10,000,000	400%
19	Total Line 26	(125,790)	7,997,699	6458%
20	Line 45: Other Financing Activities			
21	Cash paid for settlement of interest rate swaps	-	-	0%
22	Excess tax benefits from stock compensation	-	-	0%
23	Debt Issuance costs	(565,597)	(3,928,728)	-595%
	Payment of minimum withholding for share based payment awards	(3,551,786)	(4,255,295)	
24	Total Line 45	(4,117,383)	(8,184,023)	-99%

LONG TERM DEBT

Year: 2018

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1									
2	<u>Medium-Term Notes</u>								
3	FMBS - SERIES A 7.53%	5/6/93	5/5/23	5,500,000	4,494,277	5,500,000	9.36%	514,744	9.36%
4	FMBS - SERIES A 7.54%	5/7/93	5/5/23	1,000,000	816,822	1,000,000	9.37%	93,747	9.37%
5	FMBS - SERIES A 7.18%	8/12/93	8/11/23	7,000,000	6,945,636	7,000,000	7.24%	507,064	7.24%
6									
7	<u>Pollution Control Bonds</u>								
8									
9	Colstrip 2010A PCRBs due 2032	12/15/10	10/1/32	66,700,000	66,700,000	66,700,000			
10	Colstrip 2010B PCRBs due 2034	12/15/10	3/1/34	17,000,000	17,000,000	17,000,000			
11	Reacquired Bonds Colstrip 2010A			(66,700,000)	(66,700,000)	(66,700,000)			
12	Reacquired Bonds Colstrip 2010B			(17,000,000)	(17,000,000)	(17,000,000)			
13									
14									
15	<u>First Mortgage Bonds</u>								
16	6.37% Issued June 1998	6/19/98	6/19/28	25,000,000	24,653,047	25,000,000	6.48%	1,618,863	6.48%
17	5.45% Issued November 2004	11/18/04	12/1/19	90,000,000	88,567,919	90,000,000	5.61%	5,047,001	5.61%
18	6.25% Issued Nov/Dec 2005	11/17/05	12/1/35	150,000,000	152,264,565	150,000,000	6.14%	9,208,605	6.14%
19	5.70% Issued Dec 2006	12/15/06	7/1/37	150,000,000	141,337,696	150,000,000	6.12%	9,179,674	6.12%
20	5.125% Issued Sept 2009	9/22/09	4/1/22	250,000,000	255,040,618	250,000,000	4.91%	12,268,615	4.91%
21	3.89% Issued Dec. 2010	12/20/10	12/20/20	52,000,000	45,341,207	52,000,000	5.58%	2,900,581	5.58%
22	5.55% Issued Dec. 2010	12/20/10	12/20/40	35,000,000	29,477,345	35,000,000	6.79%	2,375,887	6.79%
23	4.45% Issued Dec. 2011	12/14/11	12/14/41	85,000,000	73,750,167	85,000,000	5.34%	4,538,871	5.34%
24	4.23% Issued Nov. 2012	11/30/13	11/29/47	80,000,000	60,617,277	80,000,000	5.87%	4,694,533	5.87%
25	4.11% Issued Dec. 2014	12/18/14	12/1/44	60,000,000	65,000,795	60,000,000	3.65%	2,190,040	3.65%
26	4.37% Issued Dec. 2015	12/16/15	12/1/45	100,000,000	90,025,940	100,000,000	5.02%	5,016,889	5.02%
27	3.54% Issued Dec. 2016	12/15/16	12/1/51	175,000,000	119,991,233	175,000,000	5.60%	9,797,043	5.60%
28	3.91% Issued Dec. 2017	12/14/17	12/1/47	90,000,000	80,628,089	90,000,000	4.55%	4,094,958	4.55%
29	4.35% Issued May 2018	5/22/18	6/1/48	375,000,000	344,173,450	375,000,000	4.87%	18,277,633	4.87%
30									
31	Junior Subordinated Debentures	6/3/97	6/1/37	51,547,000	52,020,039	51,547,000	1.24%	613,908	1.19%
32									
32	TOTAL			1,782,047,000	1,635,146,121	1,782,047,000		92,938,658	5.22%

PREFERRED STOCK

Year: 2018

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1										
2										
3	N/A									
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	TOTAL									

COMMON STOCK

Year: 2018

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price		Price/Earnings Ratio
							High	Low	
1									
2									
3									
4	January								
5									
6	February								
7									
8	March	65,639,000	26.77	0.83	0.3725		51.94	51.16	
9									
10	April								
11									
12	May								
13									
14	June	65,677,000	26.83	0.39	0.3725		52.74	52.66	
15									
16	July								
17									
18	August								
19									
20	September	65,688,000	26.64	0.15	0.3725		50.69	50.44	
21									
22	October								
23									
24	November								
25									
26	December	65,688,000	26.99	0.70	0.3725		42.80	41.92	
27									
28									
29									
30									
31									
32	TOTAL Year End	65,688,000	26.99	2.07	1.49	28.02%	42.48		20.5

MONTANA EARNED RATE OF RETURN

Year: 2018

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service			
3	108 (Less) Accumulated Depreciation			
4	NET Plant in Service			
5				
6	Additions			
7	154, 156 Materials & Supplies			
8	165 Prepayments			
9	Other Additions			
10	TOTAL Additions			
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes			
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	TOTAL Deductions			
18	TOTAL Rate Base			
19				
20	Net Earnings			
21				
22	Rate of Return on Average Rate Base			
23				
24	Rate of Return on Average Equity			
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30	Rates charged were based on the			
31	Company's last rate order from the Idaho			
32	Public Utilities Commission and accepted by			
33	the Montana Commission. The Company			
34	does not calculate separate rates of return			
35	for the Montana jurisdiction.			
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base			
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

Year: 2018

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	656,366
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	4,946
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(309,680)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	351,632
14	Revenues & Expenses (000 Omitted)	
15		
16		
17	400 Operating Revenues	98
18		
19	403 - 407 Depreciation & Amortization Expenses	11,535
20	Federal & State Income Taxes	(254)
21	Other Taxes	12,263
22	Other Operating Expenses	37,108
23	TOTAL Operating Expenses	60,652
24		
25	Net Operating Income	(60,554)
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	NET INCOME	(60,554)
31	Customers (Intrastate Only)	
32		
33		
34	Year End Average:	
35	Residential	9
36	Commercial	7
37	Industrial	
38	Other	14
39		
40	TOTAL NUMBER OF CUSTOMERS	30
41	Other Statistics (Intrastate Only)	
42		
43		
44	Average Annual Residential Use (Kwh))	24,333
45	Average Annual Residential Cost per (Kwh) (Cents	7.91
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	160.49
48	Gross Plant per Customer	72,930

MONTANA CUSTOMER INFORMATION

Year: 2018

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		9	7	14	30
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32	TOTAL Montana Customers		9	7	14	30

MONTANA EMPLOYEE COUNTS

Year: 2018

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	50	43	47
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL Montana Employees	50	43	47

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2018

	Project Description	Total Company	Total Montana
1			
2	Noxon Rapids Capital Projects Upgrades	5,290,048	5,290,048
3			
4	Clark Fork Improvement	2,997,988	2,433,324
5			
6	Regulating Hydro Project	3,179,481	1,144,613
7			
8	Colstrip Capital Projects	3,955,000	3,955,000
9			
10	Other	8,682,901	1,107,502
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
50	TOTAL	24,105,418	13,930,487

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2018

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	2	1800	1499	1,383,994	531,522
2	Feb.	21	800	1555	1,163,482	378,959
3	Mar.	7	800	1329	1,290,125	496,474
4	Apr.	2	1000	1239	1,282,430	578,362
5	May	15	1900	1245	976,609	289,424
6	Jun.	20	1700	1298	1,009,910	335,755
7	Jul.	30	1600	1610	1,062,566	265,774
8	Aug.	10	1600	1716	1,034,193	228,111
9	Sep.	7	1700	1251	803,969	142,509
10	Oct.	16	800	1207	813,994	109,516
11	Nov.	26	1800	1332	1,017,857	250,797
12	Dec.	7	800	1469	1,030,469	170,294
13	TOTAL				12,869,598	3,777,497

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.					
15	Feb.					
16	Mar.					
17	Apr.					
18	May					
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	TOTAL					

Information is not available by state

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,725,973	Sales to Ultimate Consumers (Include Interdepartmental)	8,587,539
3	Nuclear			
4	Hydro - Conventional	4,029,375		
5	Hydro - Pumped Storage		Requirements Sales for Resale	
6	Other	1,697,829		
7	(Less) Energy for Pumping			
8	NET Generation	7,453,177	Non-Requirements Sales for Resale	3,777,497
9	Purchases	5,494,361		
10	Power Exchanges			
11	Received	9,415	Energy Furnished Without Charge	
12	Delivered	(87,355)		
13	NET Exchanges	(77,940)		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	12,811
15	Received	3,945,529		
16	Delivered	(3,945,529)		
17	NET Transmission Wheeling		Total Energy Losses	491,751
18	Transmission by Others Losses			
19	TOTAL	12,869,598	TOTAL	12,869,598

SOURCES OF ELECTRIC SUPPLY

Year: 2018

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3					
4	Thermal	Kettle Falls	Kettle Falls, WA	96	336,936
5	Hydro	Little Falls	Ford, WA	33	166,423
6	Hydro	Long Lake	Ford, WA	91	505,089
7	Hydro	Monroe Street	Spokane, WA	29	81,033
8	Hydro	Nine Mile	Spokane, WA	58	143,308
9	Hydro	Upper Falls	Spokane, WA	18	61,161
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	68	1,515
12	Combustion -				
13	Turbine	Kettle Falls Bi-fuel	Kettle Falls, WA	8	8,118
14	Combustion -				
15	Turbine	Boulder Park	Spokane, WA	25	47,931
16					
17					
18	Idaho:				
19	Hydro	Cabinet Gorge	Clark Fork, ID	268	1,159,246
20	Hydro	Post Falls	Post Falls, ID	16	72,493
21	Combustion -				
22	Turbine	Rathdrum	Rathdrum, ID	161	145,074
23					
24					
25					
26	Montana:				
27	Thermal	Colstrip #3 and #4	Colstrip, MT	224	1,389,037
28	Hydro	Noxon	Thompson Falls, MT	547	1,840,622
29					
30	Oregon:				
31	Combustion -				
32	Turbine	Coyote Springs 2	Boardman, OR	319	1,495,191
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total			1,961	7,453,177

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2018

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1	Not applicable						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	TOTAL						

Electric Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3	Avista Corp. does not have any benefit programs in Montana.					
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Renewable Resources					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Large Customer Self Directed					
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					
44	Average monthly bill discount amount (\$/mo)					
45	Average LIEAP-eligible household income					
46	Number of customers that received weatherization assistance					
47	Expected average annual bill savings from weatherization					
48	Number of residential audits performed					

Montana Conservation & Demand Side Management Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3	Avista Corp. does not have any conservation & demand side management programs in Montana.					
4						
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Other					
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Total					

MONTANA CONSUMPTION AND REVENUES

Year: 2018

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$17,333	\$18,978	200	219	9	10
2	Commercial - Small	34,996	34,882	353	363	7	8
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities						
11	Interdepartmental	45,294	34,051	506	372	14	13
12							
13	TOTAL	\$97,623	\$87,911	1,059	954	30	31