THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

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

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

Exact Legal Name of Respondent (Company)	Year/Period of Report:
Avista Corporation	End of: 2022/ Q4

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

a. Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 2, 2-A and 3-Q taxonomies..

b. The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

c. Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

   Secretary of the Commission
   Federal Energy Regulatory Commission
   888 First Street, NE
   Washington, DC 20426

d. For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

   i. Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

   ii. be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

   Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

e. Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online .

f. Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: https://www.ferc.gov/industries-data/natural-gas/industry-forms . Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE. Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

a. FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)

b. FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R.§ 260.300), and

c. FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. **Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the Form 2 collection of information is estimated to average 1,671.66 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 295.66 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 167 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare all reports in conformity with the Uniform System of Accounts (USofA) (18 C.F.R. Part 201). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, indicate whether a schedule has been omitted by entering "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, page 2.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions.**

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

VIII. Footnote and further explain accounts or pages as necessary.

IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

XI. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

XII. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

DEFINITIONS

I. Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

IV. Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW

Natural Gas Act, 15 U.S.C. 717-717w

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. See NGA § 22(a), 15 U.S.C. §717t-1(a).

FERC FORM NO. 2
REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation	02 Year/ Period of Report End of: 2022/ Q4
03 Previous Name and Date of Change (if name changed during year) /	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207	
05 Name of Contact Person Ryan L. Krasselt	06 Title of Contact Person VP, Controller, Prin Acctg Officer
07 Address of Contact Person (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207	

08 Telephone of Contact Person, Including Area Code 509-495-2273	09 This Report is An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 04/18/2023

Annual Corporate Officer Certification

The undersigned officer certifies that:
I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Ryan L. Krasselt	12 Title VP, Controller, Prin Acctg Officer
13 Signature Ryan L. Krasselt	14 Date Signed 04/18/2023

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

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

List of Schedules (Natural Gas Company)

List of Schedules (Natural Gas Company)

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
23	Investments In Subsidiary Companies	224	12-96	
24	Prepayments	230a	12-96	
25	Extraordinary Property Losses	230b	12-96	
26	Unrecovered Plant And Regulatory Study Costs	230c	12-96	
27	Other Regulatory Assets	232	REV 12-07	
28	Miscellaneous Deferred Debits	233	12-96	
29	Accumulated Deferred Income Taxes	234	REV 12-07	
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250	12-96	
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Recieved on Capital Stock	252	12-96	
32	Other Paid-In Capital	253	12-96	
33	Discount on Capital Stock	254	12-96	
34	Capital Stock Expense	254	12-96	
35	Securities Issued Or Assumed And Securities Refunded Or Retired During The Year	255.1	12-96	
36	Long-Term Debt	256	12-96	
37	Unamortized Debt Expense, Premium And Discount On Long-Term Debt	258	12-96	
38	Unamortized Loss And Gain On Reacquired Debt	260	12-96	
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261	12-96	
40	Taxes Accrued, Prepaid And Charged During Year, Distribution Of Taxes Charged	262	REV 12-07	
41	Miscellaneous Current And Accrued Liabilities	268	12-96	
42	Other Deferred Credits	269	12-96	
43	Accumulated Deferred Income Taxes-Other Property (Account 282)	274	REV 12-07	
44	Accumulated Deferred Income Taxes-Other (Account 283)	276	REV 12-07	
45	Other Regulatory Liabilities	278	REV 12-07	
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data	299	NEW 12-08	
47	Gas Operating Revenues	300	REV 12-07	
48	Revenues From Transportation Of Gas Of Others Through Gathering Facilities	302	12-96	

List of Schedules (Natural Gas Company)

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
49	Revenues From Transportation Of Gas Of Others Through Transmission Facilities	304	12-96	
50	Revenues From Storing Gas Of Others	306	12-96	
51	Other Gas Revenues	308	12-96	
52	Discounted Rate Services And Negotiated Rate Services	313	NEW 12-07	
53	Gas Operation And Maintenance Expenses	317	12-96	
54	Exchange And Imbalance Transactions	328	12-96	
55	Gas Used In Utility Operations	331	12-96	
56	Transmission And Compression Of Gas By Others	332	12-96	
57	Other Gas Supply Expenses	334	12-96	
58	Miscellaneous General Expenses-Gas	335	12-96	
59	Depreciation, Depletion, and Amortization of Gas Plant		12-96	
59	Section A. Summary of Depreciation, Depletion, and Amortization Charges	336	12-96	
59	Section B. Factors Used in Estimating Depreciation Charges	338	12-96	
60	Particulars Concerning Certain Income Deductions And Interest Charges Accounts	340	12-96	
	COMMON SECTION		12-96	
61	Regulatory Commission Expenses	350	12-96	
62	Employee Pensions And Benefits (Account 926)	352	NEW 12-07	
63	Distribution Of Salaries And Wages	354	REVISED	
64	Charges For Outside Professional And Other Consultative Services	357	REVISED	
65	Transactions With Associated (Affiliated) Companies	358	NEW 12-07	
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508	REV 12-07	
67	Gas Storage Projects	512	12-96	
67	Gas Storage Projects	513	12-96	
68	Transmission Lines	514	12-96	
69	Transmission System Peak Deliveries	518	12-96	
70	Auxiliary Peaking Facilities	519	12-96	
71	Gas Account - Natural Gas	520	REV 01-11	
72	Shipper Supplied Gas for the Current Quarter	521	REVISED 02-11	
73	System Maps	522.1	REV. 12-96	

List of Schedules (Natural Gas Company)				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
74	Footnote Reference			
75	Footnote Text			
76	Stockholder's Reports (check appropriate box)			
	☐ Four copies will be submitted ☐ No annual report to stockholders is prepared			

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Ryan L Krasselt, VP, Controller, Prin Acctg Officer 1411 East Mission Avenue, Spokane, WA 99207Ryan L. Krasselt

VP, Controller, Prin Acctg Officer

1411 East Mission Avenue, Spokane, WA 99207

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

WA State 3/15/1889
State of Incorporation: WA

Date of Incorporation: 03/15/1889

Incorporated Under Special Law:

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

None
(a) Name of Receiver or Trustee Holding Property of the Respondent: None

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created:

(d) Date when possession by receiver or trustee ceased:

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

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

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

(1) ☐ Yes

(2) ☑ No

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Corporations Controlled by Respondent

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Avista Capital, Inc.	D	Parent to the Company's subsidiaries	(a) (b) (c) (d) 100%	
2	Avista Development	I	Investment in Real Estate	(e) (f) (g) (h) 100%	
3	Avista Edge, Inc.	I	Investment in Technology providing high speed internet	(i) (j) (k) (l) 100%	
4	Pentzer Corporation	I	Parent of Bay Area Mfg and Penture Venture Holdings	(m) (n) (o) (p) 100%	
5	Pentzer Venture Holdings II	I	Holding Company-Inactive	(q) (r) (s) (t) 100%	
6	University Development Company, LLC	I	Facilitates Property Acquisitions	(u) (v) (w) (x) 100%	
7	Avista Capital II	D	Affiliated business trust issued pref trust Securities	(y) (z) (aa) (ab) 100 %	
8	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	(ac) (ad) (ae) (af) 100 %	
9	Courtyard Office Center, LLC	I	Office & Retail Leasing	(ag) (ah) (ai) (aj) 100 %	
10	Salix, Inc.	I	Liquified Natural Gas Operations	(ak) (al) (am) (an) 100 %	
11	Alaska Energy and Resources Company (AERC)	D	Parent Co of Alaska Operations	(ao) (ap) (aq) (ar) 100 %	
12	Alaska Electric Light and Power Company	I	Utility Operations in Juneau	(as) (at) (au) (av) 100 %	
13	AJT Mining Properties, Inc.	I	Inactive mining Co holding certain properties	(aw) (ax) (ay) (az) 100 %	
14	Snettisham Electric Company	I	Right to Purchase Snettisham	(ba) (bb) (bc) (bd) 100 %	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: VotingStockOwnedByRespondentPercentage
(b) Concept: VotingStockOwnedByRespondentPercentage
(c) Concept: VotingStockOwnedByRespondentPercentage
(d) Concept: VotingStockOwnedByRespondentPercentage
(e) Concept: VotingStockOwnedByRespondentPercentage
(f) Concept: VotingStockOwnedByRespondentPercentage
(g) Concept: VotingStockOwnedByRespondentPercentage
(h) Concept: VotingStockOwnedByRespondentPercentage
(i) Concept: VotingStockOwnedByRespondentPercentage
(j) Concept: VotingStockOwnedByRespondentPercentage
(k) Concept: VotingStockOwnedByRespondentPercentage
(l) Concept: VotingStockOwnedByRespondentPercentage
(m) Concept: VotingStockOwnedByRespondentPercentage
(n) Concept: VotingStockOwnedByRespondentPercentage
(o) Concept: VotingStockOwnedByRespondentPercentage
(p) Concept: VotingStockOwnedByRespondentPercentage
(q) Concept: VotingStockOwnedByRespondentPercentage
(r) Concept: VotingStockOwnedByRespondentPercentage
(s) Concept: VotingStockOwnedByRespondentPercentage
(t) Concept: VotingStockOwnedByRespondentPercentage

(u) Concept: VotingStockOwnedByRespondentPercentage
(v) Concept: VotingStockOwnedByRespondentPercentage
(w) Concept: VotingStockOwnedByRespondentPercentage
(x) Concept: VotingStockOwnedByRespondentPercentage
(y) Concept: VotingStockOwnedByRespondentPercentage
(z) Concept: VotingStockOwnedByRespondentPercentage
(aa) Concept: VotingStockOwnedByRespondentPercentage
(ab) Concept: VotingStockOwnedByRespondentPercentage
(ac) Concept: VotingStockOwnedByRespondentPercentage
(ad) Concept: VotingStockOwnedByRespondentPercentage
(ae) Concept: VotingStockOwnedByRespondentPercentage
(af) Concept: VotingStockOwnedByRespondentPercentage
(ag) Concept: VotingStockOwnedByRespondentPercentage
(ah) Concept: VotingStockOwnedByRespondentPercentage
(ai) Concept: VotingStockOwnedByRespondentPercentage
(aj) Concept: VotingStockOwnedByRespondentPercentage
(ak) Concept: VotingStockOwnedByRespondentPercentage
(al) Concept: VotingStockOwnedByRespondentPercentage
(am) Concept: VotingStockOwnedByRespondentPercentage
(an) Concept: VotingStockOwnedByRespondentPercentage
(ao) Concept: VotingStockOwnedByRespondentPercentage
(ap) Concept: VotingStockOwnedByRespondentPercentage
(aq) Concept: VotingStockOwnedByRespondentPercentage

(ar) Concept: VotingStockOwnedByRespondentPercentage

(as) Concept: VotingStockOwnedByRespondentPercentage
(at) Concept: VotingStockOwnedByRespondentPercentage
(au) Concept: VotingStockOwnedByRespondentPercentage
(av) Concept: VotingStockOwnedByRespondentPercentage
(aw) Concept: VotingStockOwnedByRespondentPercentage
(ax) Concept: VotingStockOwnedByRespondentPercentage
(ay) Concept: VotingStockOwnedByRespondentPercentage
(az) Concept: VotingStockOwnedByRespondentPercentage
(ba) Concept: VotingStockOwnedByRespondentPercentage
(bb) Concept: VotingStockOwnedByRespondentPercentage
(bc) Concept: VotingStockOwnedByRespondentPercentage
(bd) Concept: VotingStockOwnedByRespondentPercentage

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants.

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing: 12/30/2022	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 65,539,433 By Proxy: 65,539,433	3. Give the date and place of such meeting: 2022-05-12

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/30/2022			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities				
6	TOTAL number of security holders				
7	TOTAL votes of security holders listed below				
8	BlackRock Instutional Trust, 55 East 52nd Street, New York, NY 10055	13,682,642	13,682,642		
9	The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355	9,169,360	9,169,360		
10	State Street Corporation, 1 Lincoln Street, Boston, MA 02111	3,638,235	3,638,235		
11	Public Sector Pension Investment Board, 1250 Ren-Lvesque Boulevard West Suite 1400, Montral,Qubec, Canada H3B 5E9	3,513,712	3,513,712		
12	Millenium Management LLC, 399 Park Avenue New York, NY 10022	2,945,495	2,945,495		
13	First Trust Advisors LP, 120 E. Liberty Drive Suite 400 Wheaton, Il	1,818,226	1,818,226		

	60187				
14	Nuance Investments LLC, 4900 Main Street, Suite 220 Kansas City, MO 64112	1,538,842	1,538,842		
15	Dimensional Fund Advisors LP, 6300 Bee Cave Road Building One, Austin, TX 78746	1,368,575	1,368,575		
16	Ameriprise Financial Inc., 55 Ameriprise Financial Center Minneapolis, Minnesota 55474	1,367,884	1,367,884		
17	Bank of New York Mellon Corporation, 240 Greenwich Street New York, NY 10286	1,359,320	1,359,320		

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Important Changes During the Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None

2. None

3. None

4. None

5. None

6. Reference is made to notes 10, 11 and 12 of the Notes to Financial Statements.

7. None

8. Average annual wage increases were 3.7% for non-exempt employeeseffective February 28, 2022. Average annual wage increases were 3.9% for exemptemployees effective February 28, 2022. Officers received average increases of7.1% effective February 14, 2022. Certain bargaining unit employees receivedaverage increases of 4.0% effective March 26, 2022 and April 1, 2022.

9. Reference is made to Note 15 of the Notes to Financial Statements.

10. None

11. See below for information on rate changes in each of our jurisdictions:

2022 Washington General Rate Cases

On December 12, 2022, the WUTC issued an order approving the multi-party settlement agreement that was filed in June 2022. The parties to the settlement agreement included, in addition to us, the Staff of the WUTC, the Alliance of Western Energy Consumers, the NW Energy Coalition, The Energy Project, Walmart, Small Business Utility Advocates and Sierra Club. The Public Counsel Unit of the Washington Attorney General's Office (Public Counsel), while a party to the rate cases, did not join in the settlement agreement. The settlement agreement was reached after negotiation of all issues but is "results-focused" -- that is, it represents agreement among all parties (except Public Counsel) as to our overall revenue requirement, without specifying the details of any component except the rate of return on rate base.

On December 22, 2022, Public Counsel filed a Petition for Reconsideration requesting the WUTC to reconsider its ruling on the settlement agreement. Public Counsel's primary issue is related to the "results-focused" approach used by the settling parties and approved by the WUTC. Public Counsel argues that the WUTC order approving this approach denied Public Counsel the right to offer evidence in opposition to a settlement or particular components, because there was no other way to oppose a "results-focused" revenue requirement with sufficient support. Public Counsel also argues that this procedure may effectively prevent parties in future rate cases from exercising their rights to oppose settlements.

On January 30, 2023, the WUTC issued an order denying the Petition for Reconsideration, stating Public Counsel was afforded every opportunity to exercise its rights to oppose the settlement, and reiterated that the end results of the settlement produced rates that were equitable, fair, just, reasonable and sufficient.

The approved rates are designed to increase annual base electric revenues by $38.0 million (or 6.9 percent), effective in December 2022, and $12.5 million (or 2.1 percent), effective in December 2023. The approved rates are designed to increase annual base natural gas revenues by $7.5 million (or 6.5 percent), effective in December 2022, and $1.5 million (or 1.2 percent), effective in December 2023.

To mitigate the overall impact of the revenue increases on customers, we will offset part of the 2022 base rate request with a tax customer credit. The total estimated benefits of this credit, $27.6 million for electric customers and $12.5 million for natural gas customers, will be returned over a two-year period from December 2022 to December 2024.

In addition, the order approved a separate tracking mechanism and tariff for purposes of recovering existing and prospective Colstrip costs.

The WUTC approved an ROR on rate base of 7.03 percent, but the settlement does not specify an explicit ROE, cost of debt or capital structure.

These general rate cases require a subsequent review of capital projects included in rates and a refund of revenues related to imprudent expenditures or those that are not used and useful.

2021 Idaho General Rate Cases

In September 2021, the IPUC approved the all party settlement agreement designed to increase annual base electric revenues by$10.6 million, or 4.3 percent, effective September 1, 2021, and $8.0 million, or 3.1 percent, effective September 1, 2022. For natural gas, the settlement agreement was designed to decrease annual base natural gas revenues by $1.6 million, or 3.7 percent, effective September 1, 2021, and increase annual base revenues by $0.9 million, or 2.2 percent, effective September 1, 2022. The parties agreed to use the tax customer credits, related to flow through of certain tax items, included in our original filing to offset overall proposed changes to rates over the two-year plan.

The settlement was based on a 9.4 percent ROE with a common equity ratio of 50 percent and a ROR of 7.05 percent.

2021 Oregon General Rate Case

In January 2022, a partial settlement stipulation addressing cost of capital issues was filed with the OPUC in our natural gas general rate case filed in October 2021. The parties agreed to an overall ROR of 7.05 percent based on a 50 percent common equity ratio and ROE of 9.4 percent.

In March 2022, a second settlement stipulation was filed with the OPUC that addressed, and resolved, all other remaining issues, and was subsequently approved by the OPUC. The settlement is designed for an overall revenue increase of $1.6 million, effective August 22, 2022. The agreement was a "black box", with the only component of the revenue requirement explicitly stated is the previously-agreed upon cost of capital. The parties also agreed that certain tax credits of approximately $3.0 million will be passed through to customers to mitigate the base revenue increase.

12. Effective September 1,2022, the following leadership changes occurred: **Heather Rosentrater**, Senior Vice President, Energy Delivery and SharedServices, became Senior Vice President and Chief Operating Officer. She nowoversees Energy Delivery, Energy Resources and Enterprise Technology. **Jason Thackston**, Senior Vice President, Energy Resources and EnvironmentalCompliance Officer, became Senior Vice President and Chief Strategy and CleanEnergy Officer. He now leads strategy, non-regulated investments, business transformation,clean energy, environmental affairs, and innovation and growth. **Greg Hesler**, Vice President, General Counsel, Corporate Secretaryand Chief Ethics/Compliance Officer, became Senior Vice President, GeneralCounsel, Corporate Secretary and Chief Ethics/Compliance Officer. **Bryan Cox**, Vice President, Safety and Human Resources, became Vice President,Safety and Chief People Officer. **Scott Kinney**, Director of Energy Supply, became Vice President,Energy Resources. **Josh DiLuciano**, Director of Electrical Engineering, became VicePresident, Energy Delivery. **Ed Schlect,** Chief Strategy Officer became Vice President, StrategyAdvisor. Schlect is partially retired and now works on a part time basis.
13. Proprietary capital is not less than 30 percent.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Comparative Balance Sheet (Assets And Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	7,477,186,308	7,072,675,570
3	Construction Work in Progress (107)	200-201	155,475,677	196,305,682
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	7,632,661,985	7,268,981,252
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		2,624,302,472	2,465,058,317
6	Net Utility Plant (Total of line 4 less 5)		5,008,359,513	4,803,922,935
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		5,008,359,513	4,803,922,935
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	6,992,076	6,992,076
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		11,036,947	4,500,764
18	(Less) Accum. Provision for Depreciation and Amortization (122)		103,609	247,981
19	Investments in Associated Companies (123)	222-223	11,547,000	11,547,000
20	Investments in Subsidiary Companies (123.1)	224-225	260,760,970	225,965,713
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	73,448	77,889
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		11,797,054	11,152,367
28	Long-Term Portion of Derivative Assets (175)		2,944,915	2,658,520

Comparative Balance Sheet (Assets And Other Debits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		298,056,725	255,654,272
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		4,465,295	11,893,219
33	Special Deposits (132-134)		66,141,689	21,477,352
34	Working Funds (135)		776,205	1,227,292
35	Temporary Cash Investments (136)	222-223	496,573	153,241
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		219,394,599	183,224,129
38	Other Accounts Receivable (143)		67,155,969	50,330,014
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		6,345,841	10,368,511
40	Notes Receivable from Associated Companies (145)		9,364,617	0
41	Accounts Receivable from Associated Companies (146)		787,177	738,517
42	Fuel Stock (151)		4,252,607	4,388,454
43	Fuel Stock Expenses Undistributed (152)		0	0
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		73,453,924	60,277,408
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	26,788,026	[(a)] 17,603,996
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	28,311,482	22,973,644
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		621,880	20,633

Comparative Balance Sheet (Assets And Other Debits)				
Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
57	Rents Receivable (172)		4,556,651	3,665,325
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		230,226	113,893
60	Derivative Instrument Assets (175)		21,142,956	4,056,941
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		2,944,915	2,658,520
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		518,649,120	369,117,027
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		20,719,467	16,420,883
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	912,434,228	833,162,908
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		872,806	122,784
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	68,920,168	50,762,924
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		6,177,054	6,768,288
78	Accumulated Deferred Income Taxes (190)	234-235	269,470,612	256,362,574
79	Unrecovered Purchased Gas Costs (191)		52,091,145	21,025,867
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,330,685,480	1,184,626,228
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		7,162,742,914	6,620,312,538

FOOTNOTE DATA

(a) Concept: GasStoredCurrent
Fuel is accounted for within injections and withdrawal accounts. All gas reported is current working gas. Avista uses the inventory method to report all working gas stored.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1,481,787,168	1,341,011,707
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	(10,696,711)	(10,696,711)
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	(54,094,483)	(49,837,072)
11	Retained Earnings (215, 215.1, 216)	118-119	772,567,765	781,020,474
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	38,974,396	4,609,991
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(2,058,225)	(11,038,551)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		2,334,668,876	2,154,743,982
16	LONG TERM DEBT			
17	Bonds (221)	256-257	2,307,200,000	2,157,200,000
18	(Less) Reacquired Bonds (222)	256-257	83,700,000	83,700,000
19	Advances from Associated Companies (223)	256-257	51,547,000	51,547,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	115,483	124,367
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	841,286	757,032
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		2,274,321,197	2,124,414,335
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		64,284,097	66,068,171
27	Accumulated Provision for Property Insurance (228.1)		0	0

Comparative Balance Sheet (Liabilities and Other Credits)				
Line No.	**Title of Account (a)**	**Reference Page Number (b)**	**Current Year End of Quarter/Year Balance (c)**	**Prior Year End Balance 12/31 (d)**
28	Accumulated Provision for Injuries and Damages (228.2)		1,320,000	731,009
29	Accumulated Provision for Pensions and Benefits (228.3)		93,900,990	153,467,368
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		774,805	409,971
32	Long-Term Portion of Derivative Instrument Liabilities		7,891,963	4,525,064
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		15,783,066	17,141,793
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		183,954,921	242,343,376
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		463,000,000	284,000,000
39	Accounts Payable (232)		195,759,919	127,662,676
40	Notes Payable to Associated Companies (233)		0	1,404,714
41	Accounts Payable to Associated Companies (234)		114	18,595
42	Customer Deposits (235)		6,929,872	3,702,706
43	Taxes Accrued (236)	262-263	38,520,487	41,669,378
44	Interest Accrued (237)		19,663,017	16,347,042
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		202,211	137,825
49	Miscellaneous Current and Accrued Liabilities (242)	268	84,650,630	69,109,875
50	Obligations Under Capital Leases-Current (243)		4,348,776	4,300,958
51	Derivative Instrument Liabilities (244)		34,802,627	33,326,256
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		7,891,963	4,525,064
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0

Comparative Balance Sheet (Liabilities and Other Credits)				
Line No.	**Title of Account (a)**	**Reference Page Number (b)**	**Current Year End of Quarter/Year Balance (c)**	**Prior Year End Balance 12/31 (d)**
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		839,985,690	577,154,961
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		4,211,506	3,624,489
58	Accumulated Deferred Investment Tax Credits (255)		28,784,445	29,313,176
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	48,402,602	30,183,652
61	Other Regulatory Liabilities (254)	278	525,409,545	571,662,225
62	Unamortized Gain on Reacquired Debt (257)	260	1,059,748	1,189,285
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		636,821,685	618,900,933
65	Accumulated Deferred Income Taxes - Other (283)		285,122,699	266,782,124
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,529,812,230	1,521,655,884
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		7,162,742,914	6,620,312,538

Statement of Income

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	1,753,175,600	1,495,585,923		
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,115,606,858	865,148,582		
5	Maintenance Expenses (402)	317-325	90,443,526	80,137,861		
6	Depreciation Expense (403)	336-338	185,002,792	177,443,227		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0		
8	Amort. & Depl. of Utility Plant (404-405)	336-338	56,467,917	53,212,301		
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	99,047		
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0		
11	Amortization of Conversion Expenses (407.2)		0	0		
12	Regulatory Debits (407.3)		18,495,696	14,824,439		
13	(Less) Regulatory Credits (407.4)		49,733,468	52,533,715		
14	Taxes Other Than Income Taxes (408.1)	262-263	121,401,780	116,909,168		
15	Income Taxes-Federal (409.1)	262-263	(1,018,866)	846,571		
16	Income Taxes-Other (409.1)	262-263	789,848	876,303		
17	Provision of Deferred Income Taxes (410.1)	234-235	40,312,733	151,017,644		
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	64,172,849	144,624,499		
19	Investment Tax Credit Adjustment-Net (411.4)		(528,730)	(553,452)		
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0		
21	Losses from Disposition of Utility Plant (411.7)		0	0		
22	(Less) Gains from Disposition of Allowances (411.8)		0	0		

Statement of Income						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
23	Losses from Disposition of Allowances (411.9)		0	0		
24	Accretion Expense (411.10)		0	0		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,513,067,237	1,262,803,477		
26	Net Utility Operating Income (Total of lines 2 less 25)		240,108,363	232,782,446		
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		0			
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0		
33	Revenues From Nonutility Operations (417)		75,755	299,756		
34	(Less) Expenses of Nonutility Operations (417.1)		11,488,060	5,295,279		
35	Nonoperating Rental Income (418)		(6,089)	(31,838)		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	39,795,257	23,555,382		
37	Interest and Dividend Income (419)		2,112,087	3,650,892		
38	Allowance for Other Funds Used During Construction (419.1)		804,751	589,900		
39	Miscellaneous Nonoperating Income (421)		0	0		
40	Gain on Disposition of Property (421.1)		1,747,858	109,527		
41	TOTAL Other Income (Total of lines 31 thru 40)		33,041,559	22,878,340		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0		
44	Miscellaneous Amortization (425)		5,616	5,616		
45	Donations (426.1)	340	2,832,367	2,499,499		

Statement of Income						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
46	Life Insurance (426.2)		3,588,360	3,591,498		
47	Penalties (426.3)		24,039	22,039		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,731,972	1,935,266		
49	Other Deductions (426.5)		4,469,119	4,448,958		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	12,651,473	12,502,876		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	670,496	564,779		
53	Income Taxes-Federal (409.2)	262-263	(478,795)	(1,628,247)		
54	Income Taxes-Other (409.2)	262-263	(668,970)	(472,315)		
55	Provision for Deferred Income Taxes (410.2)	234-235	1,568,707	3,042,777		
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	4,155,913	2,944,321		
57	Investment Tax Credit Adjustments-Net (411.5)		0	0		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(3,064,475)	(1,437,327)		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		23,454,561	11,812,791		
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		99,558,755	91,728,400		
63	Amortization of Debt Disc. and Expense (428)	258-259	470,608	941,948		
64	Amortization of Loss on Reacquired Debt (428.1)		1,433,640	1,592,056		
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	8,883	8,883		
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)					
67	Interest on Debt to Associated Companies (430)	340	1,062,531	515,447		

Statement of Income						
Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
68	Other Interest Expense (431)	340	9,696,574	4,860,055		
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		3,826,333	2,367,356		
70	Net Interest Charges (Total of lines 62 thru 69)		108,386,892	97,261,667		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		155,176,032	147,333,570		
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0		
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0		
76	Income Taxes-Federal and Other (409.3)	262-263	0	0		
77	Extraordinary Items after Taxes (line 75 less line 76)		0	0		
78	Net Income (Total of line 71 and 77)		155,176,032	147,333,570		

Statement of Income						
Line No.	**Elec. Utility Current Year to Date (in dollars) (g)**	**Elec. Utility Previous Year to Date (in dollars) (h)**	**Gas Utiity Current Year to Date (in dollars) (i)**	**Gas Utility Previous Year to Date (in dollars) (j)**	**Other Utility Current Year to Date (in dollars) (k)**	**Other Utility Previous Year to Date (in dollars) (l)**
1						
2	1,167,462,735	1,022,015,983	585,712,865	473,569,940		
3						
4	702,986,085	557,603,571	412,620,773	307,545,011		
5	73,669,737	64,169,603	16,773,789	15,968,258		
6	142,463,452	136,516,432	42,539,340	40,926,795		
7	0	0	0	0		
8	42,661,543	39,430,494	13,806,374	13,781,807		
9	0	99,047	0	0		
10						
11	0	0	0	0		
12	12,678,285	9,015,832	5,817,411	5,808,607		
13	44,548,411	46,406,409	5,185,057	6,127,306		
14	86,410,192	87,398,430	34,991,588	29,510,738		
15	(3,578,734)	(1,109,426)	2,559,868	1,955,997		
16	(43,263)	30,939	833,111	845,364		
17	29,270,294	88,830,716	11,042,439	62,186,928		
18	46,062,769	83,402,751	18,110,080	61,221,748		
19	(528,748)	(548,446)	18	(5,006)		
20						
21						
22						
23						
24						
25	995,377,663	851,628,032	517,689,574	411,175,445	0	0
26	172,085,072	170,387,951	68,023,291	62,394,495	0	0
28						
29						
30						
31						
32						
33						

Statement of Income						
Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utiity Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63						
64						
65						

Statement of Income						
Line No.	**Elec. Utility Current Year to Date (in dollars) (g)**	**Elec. Utility Previous Year to Date (in dollars) (h)**	**Gas Utiity Current Year to Date (in dollars) (i)**	**Gas Utility Previous Year to Date (in dollars) (j)**	**Other Utility Current Year to Date (in dollars) (k)**	**Other Utility Previous Year to Date (in dollars) (l)**
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 114, Line 78) (i)	Total Comprehensive Income (j)
1	Balance of Account 219 at Beginning of Preceding Year		(14,378,164)					(14,378,164)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value		3,339,613					3,339,613		
4	Total (lines 2 and 3)		3,339,613					3,339,613	147,333,570	150,673,183
5	Balance of Account 219 at End of Preceding Quarter/Year		(11,038,551)					(11,038,551)		
6	Balance of Account 219 at Beginning of Current Year		(11,038,551)					(11,038,551)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value		8,980,326					8,980,326		
9	Total (lines 7 and 8)		8,980,326					8,980,326	155,176,032	164,156,358

Statement of Accumulated Comprehensive Income and Hedging Activities										
Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 114, Line 78) (i)	Total Comprehensive Income (j)
10	Balance of Account 219 at End of Current Quarter/Year		(2,058,225)					(2,058,225)		

FERC FORM No. 2 (NEW 06-02)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Statement of Retained Earnings

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		729,502,158	726,160,557
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit (Debit)			
6	Balance Transferred from Income (Account 433 less Account 418.1)		115,380,775	
7	Appropriations of Retained Earnings (Account 436)			
7.1	Excess Earnings		(3,539,494)	(6,065,368)
8	Appropriations of Retained Earnings Amount			
9	Dividends Declared-Preferred Stock (Account 437)			
10	Dividends Declared-Preferred Stock Amount			
11	Dividends Declared-Common Stock (Account 438)			
11.1	Dividends		(129,264,336)	(119,739,230)
12	Dividends Declared-Common Stock Amount			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		5,430,852	5,368,011
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		717,509,955	729,502,158
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		55,057,810	51,518,316
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines of 16 and 18)		55,057,810	51,518,316
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19)		772,567,765	781,020,474

Statement of Retained Earnings				
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		4,609,991	(13,577,380)
23	Equity in Earnings for Year (Credit) (Account 418.1)		39,795,257	23,555,382
24	(Less) Dividends Received (Debit)		5,000,000	5,000,000
25	Other Changes (Explain)		(430,852)	(368,011)
25.1	Corporate Costs Allocated to Subsidiaries		(430,852)	(368,011)
26	Balance-End of Year		38,974,396	4,609,991

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Statement of Cash Flows

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 114)	155,176,032	147,333,570
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	241,470,709	230,655,529
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of deferred power and gas costs, debt expense and exchange power	(75,986,952)	(50,052,091)
6	Deferred Income Taxes (Net)	(26,131,896)	6,486,442
7	Investment Tax Credit Adjustments (Net)	(528,731)	(553,451)
8	Net (Increase) Decrease in Receivables	(57,081,996)	(25,394,061)
9	Net (Increase) Decrease in Inventory	(22,224,699)	(16,791,851)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	83,122,813	36,379,201
12	Net (Increase) Decrease in Other Regulatory Assets	583,561	(12,914,300)
13	Net Increase (Decrease) in Other Regulatory Liabilities	10,248,033	(219,421)
14	(Less) Allowance for Other Funds Used During Construction	6,543,085	6,923,631
15	(Less) Undistributed Earnings from Subsidiary Companies	39,795,257	23,555,382
16	Other Adjustments to Cash Flows from Operating Activities		
16.1	Power and natural gas deferrals	(1,797,792)	544,574
16.2	Change in special deposits	(141,014,015)	(17,564,058)
16.3	Change in other current assets	(6,946,745)	2,703,327
16.4	Non-cash stock compensation	8,716,734	4,712,916
16.5	Gain on sale of property and equipment	(1,747,858)	(109,527)
16.6	Other	1,378,349	1,171,392
16.7	Allowance for Doubtful Accounts	3,545,696	4,134,701
16.8	Changes in other non-current asset	6,069,824	(4,576,245)
16.9	Cash settlement of interest rate swaps	(17,035,230)	(17,244,100)
18	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 16)	113,477,495	258,223,534

Statement of Cash Flows			
Line No.	**Description (See Instructions for explanation of codes) (a)**	**Current Year to Date Quarter/Year (b)**	**Previous Year to Date Quarter/Year (c)**
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(449,340,115)	(441,862,369)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other Construction and Acquisition of Plant, Investment Activities		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(449,340,115)	(441,862,369)
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	1,913,172	923,995
33	Investments in and Advances to Associated and Subsidiary Companies	(10,836,472)	(7,338,616)
34	Contributions and Advances from Associated and Subsidiary Companies	5,000,000	5,000,000
36	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		
40	Loan Made or Purchased		
41	Collections on Loans		
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other Adjustments to Cash Flows from Investment Activities:		
47.1	Changes in other property and investments	1,820,492	(45,145)
49	Net Cash Provided by (Used in) Investing Activities (Total of lines 28 thru 47)	(451,442,923)	(443,322,135)
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Proceeds from Issuance of Long-Term Debt (b)	399,856,000	140,000,000

Statement of Cash Flows			
Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
54	Proceeds from Issuance of Preferred Stock		
55	Proceeds from Issuance of Common Stock	137,778,394	89,997,928
56	Net Increase in Debt (Long Term Advances)		
57	Net Increase in Short-term Debt (c)	179,000,000	82,000,000
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	716,634,394	311,997,928
61	Payments for Retirement		
62	Payments for Retirement of Long-Term Debt (b)	(250,000,000)	
63	Payments for Retirement of Preferred Stock		
64	Payments for Retirement of Common Stock		(141,494)
65	Other Retirements		
65.1	Other	[(a)](7,143,646)	(3,905,992)
66	Net Decrease in Short-Term Debt (c)		
67	Other Adjustments to Financing Cash Flows		
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(129,060,998)	(118,210,572)
70	Net Cash Provided by (Used in) Financing Activities (Total of lines 59 thru 69)	330,429,750	189,739,870
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(7,535,678)	4,641,269
76	Cash and Cash Equivalents at Beginning of Period	13,273,752	8,632,483
78	Cash and Cash Equivalents at End of Period	5,738,074	13,273,752

FOOTNOTE DATA

(a) Concept: OtherRetirementsOfBalancesImpactingCashFlowsFromFinancingActivities
Debt Issuance costs (5,681,390); Minimum tax withholdings (1,462,256)

Notes to Financial Statements

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

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

Alaska Electric and Resource Company (AERC) is a wholly-owned subsidiary of Avista Corp. The primary subsidiary of AERC is Alaska Electric Light and Power (AEL&P), which comprises Avista Corp.'s regulated utility operations in Alaska.

Avista Capital, a wholly owned non-regulated subsidiary of Avista Corp., is the parent company of all of the subsidiary companies except AERC (and its subsidiaries).

Basis of Reporting

The financial statements include the assets, liabilities, revenues and expenses of the Company and have been prepared in accordance with the accounting requirements of the Federal

Energy Regulatory Commission (FERC) as set forth in its applicable Uniform Systems of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). As required by the FERC, the Company accounts for its investment in majority owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues and expenses of these subsidiaries as required by U.S. GAAP. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants. In addition, under the requirements of the FERC, there are differences from U.S. GAAP in the presentation of (1) current portion of long-term debt, (2) assets and liabilities for cost of removal of assets, (3) assets held for Sale, (4) regulatory assets and liabilities, (5) deferred income taxes associated with accounts other than utility property, plant and equipment, (6) comprehensive income, (7) unamortized debt issuance costs, (8) operating revenues and resource costs associated with settled energy contracts that are "booked out", (9) non-service portion of pension and other postretirement benefit costs, and (10) leases.

Use of Estimates

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

determining the market value of energy commodity derivative assets and liabilities,

pension and other postretirement benefit plan obligations,

contingent liabilities,

goodwill impairment testing,

recoverability of regulatory assets, and

unbilled revenues.

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

System of Accounts

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

Regulation

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

Depreciation

For utility operations, depreciation expense is estimated by a method of depreciation accounting utilizing composite rates for utility plant. Such rates are designed to provide for retirements of properties at the expiration of their service lives. For utility operations, the ratio of depreciation provisions to average depreciable property was as follows for the years ended December 31:

	2022	2021
Avista Corp.		
Ratio of depreciation to average depreciable property	3.50%	3.54%

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

Electric thermal/other production	26
Hydroelectric production	79
Electric transmission	50
Electric distribution	39
Natural gas distribution property	44
Other shorter-lived general plant	8

Allowance for Funds Used During Construction (AFUDC)

AFUDC represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. As prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant. The debt component of AFUDC is credited against total interest expense in the Statements of Income in the line item "capitalized interest." The equity component of AFUDC is included in the Statements of Income in the line item "other income-net." The Company is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a reasonable return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC does not occur until the related utility plant is placed in service and included in rate base.

The WUTC and IPUC have authorized Avista Corp. to calculate AFUDC using its allowed rate of return. To the extent amounts calculated using this rate exceed the AFUDC amounts calculated using the FERC formula, Avista Corp. capitalizes the excess as a regulatory asset. The regulatory asset associated with plant in service is amortized over the average useful life of Avista Corp.'s utility plant which is approximately 30 years. The regulatory asset associated with construction work in progress is not amortized until the plant is placed in service.

The effective AFUDC rate was the following for the years ended December 31:

	2022	2021
Avista Corp.	7.12%	7.19%

Income Taxes

Deferred income tax assets represent future income tax deductions the Company expects to utilize in future tax returns to reduce taxable income. Deferred income tax liabilities represent future taxable income the Company expects to recognize in future tax returns. Deferred tax assets and liabilities arise when there are temporary differences resulting from differing treatment of items for tax and accounting purposes. A deferred income tax asset or liability is determined based on the enacted tax rates that will be in effect when the temporary differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's income tax returns. The effect on deferred income taxes from a change in tax rates is recognized in income in the period that includes the enactment date unless a regulatory order specifies deferral of the effect of the change in tax rates over a longer period of time. The Company establishes a valuation allowance when it is more likely than not that all, or a portion, of a deferred tax asset will not be realized. Deferred income tax assets and liabilities and regulatory assets and liabilities are established for income tax benefits flowed through to customers.

The Company's largest deferred income tax item is the difference between the book and tax basis of utility plant. This item results from the temporary difference on depreciation expense. In early tax years, this item is recorded as a deferred income tax liability that will eventually reverse and become subject to income tax in later tax years.

The Company did not incur any penalties on income tax positions in 2022 or 2021. The Company would recognize interest accrued related to income tax positions as interest expense and any penalties incurred as other operating expense.

Stock-Based Compensation

The Company currently issues three types of stock-based compensation awards - restricted shares, market-based awards and performance-based awards. Historically, these stock compensation awards have not been material to the Company's overall financial results. Compensation cost relating to share-based payment transactions is recognized in the Company's financial statements based on the fair value of the equity instruments issued and recorded over the requisite service period.

The Company recorded stock-based compensation expense (included in other operating expenses) and income tax benefits in the Statements of Income of the following amounts for the years ended December 31 (dollars in thousands):

	2022	2021
Stock-based compensation expense	$ 7,567	$ 4,713
Income tax benefits	1,589	990
Excess tax expenses on settled share-based employee payments	(19)	(909)

Restricted share awards vest in equal thirds each year over 3 years and are payable in Avista Corp. common stock at the end of each year if the service condition is met. Restricted stock is valued at the close of market of the Company's common stock on the grant date.

Total Shareholder Return (TSR) awards are market-based awards and Cumulative Earnings Per Share (CEPS) awards are performance awards. Both types of awards vest after a period of 3 years and are payable in cash or Avista Corp. common stock at the end of the three-year period. The method of settlement is at the discretion of the Company and historically the Company has settled these awards through issuance of Avista Corp. common stock and intends to continue this practice. Both types of awards entitle the recipients to dividend equivalent rights, are subject to forfeiture under certain circumstances, and are subject to meeting specific market or performance conditions. Based on the level of attainment of the market or performance conditions, the amount of cash paid or common stock issued will range from 0 to 200 percent of the initial awards granted. Dividend equivalent rights are accumulated and paid out only on shares that eventually vest and have met the market and performance conditions.

The Company accounts for both the TSR awards and CEPS awards as equity awards and compensation cost for these awards is recognized over the requisite service period, provided that the requisite service period is rendered. For TSR awards, if the market condition is not met at the end of the three-year service period, there will be no change in the cumulative amount of compensation cost recognized, since the awards are still considered vested even though the market metric was not met. For CEPS awards, at the end of the three-year service period, if the internal performance metric of cumulative earnings per share is not met, all compensation cost for these awards is reversed as these awards are not considered vested.

The fair value of each TSR award is estimated on the date of grant using a statistical model that incorporates the probability of meeting the market targets based on historical returns relative to a peer group. The estimated fair value of the CEPS awards was estimated on the date of grant as the share price of Avista Corp. common stock on the date of grant.

The following table summarizes the number of grants, vested and unvested shares, earned shares (based on market metrics), and other pertinent information related to the Company's stock compensation awards for the years ended December 31:

	2022	2021
Restricted Shares		
Shares granted during the year	115,746	62,594
Shares vested during the year	44,829	34,854
Unvested shares at end of year	157,860	96,127
Unrecognized compensation expense at end of year (in thousands)	$ 3,923	$ 2,215
TSR Awards		
TSR shares granted during the year	69,814	64,910
TSR shares vested during the year	43,730	77,174
TSR shares earned based on market metrics	48,890	58,652
Unvested TSR shares at end of year	130,567	107,854
Unrecognized compensation expense at end of year (in thousands)	$ 3,533	$ 2,653
CEPS Awards		
CEPS shares granted during the year	69,814	64,910
CEPS shares vested during the year	43,730	38,590
CEPS shares earned based on market metrics		26,627
Unvested CEPS shares at end of year	130,567	107,854
Unrecognized compensation expense at end of year (in thousands)	$ 2,471	$ 1,223

Outstanding restricted, TSR and CEPS share awards include a dividend component that is paid in cash. A liability for the dividends payable related to these awards is accrued as dividends are announced throughout the life of the award. As of December 31, 2022 and 2021, the Company had recognized a liability of $1.7 million and $1.5 million, respectively, related to the dividend equivalents payable on the outstanding and unvested share grants.

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

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

The cost of additions to utility plant in service, including AFUDC and replacements of units of property and improvements, is capitalized. The cost of depreciable units of property retired plus the cost of removal less salvage is charged to accumulated depreciation.

Asset Retirement Obligations (ARO)

The Company records the fair value of a liability for an ARO in the period in which it is incurred. When the liability is initially recorded, the associated costs of the ARO are capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the related capitalized costs are depreciated over the useful life of the related asset. In addition, if there are changes in the estimated timing or estimated costs of the AROs, adjustments are recorded during the period new information becomes available as an increase or decrease to the liability, with the offset recorded to the related long-lived asset. Upon retirement of the asset, the Company either settles the ARO for its recorded amount or recognizes a regulatory asset or liability for the difference, which will be surcharged/refunded to customers through the ratemaking process. The Company records regulatory assets and liabilities for the difference between asset retirement costs currently recovered in rates and AROs recorded since asset retirement costs are recovered through rates charged to customers (see Note 6 for further discussion of the Company's AROs).

Derivative Assets and Liabilities

Derivatives are recorded as either assets or liabilities on the Balance Sheets measured at estimated fair value.

The Washington Utilities and Transportation Commission (WUTC) and the Idaho Public Utilities Commission (IPUC) issued accounting orders authorizing Avista Corp. to offset energy commodity derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of delivery. Realized benefits and costs result in adjustments to retail rates through Purchase Gas Adjustments (PGAs), the Energy Recovery Mechanism (ERM) in Washington, the Power Cost Adjustment (PCA) mechanism in Idaho, and periodic general rates cases. The resulting regulatory assets associated with energy commodity derivative instruments have been concluded to be probable of recovery through future rates.

Substantially all forward contracts to purchase or sell power and natural gas are recorded as derivative assets or liabilities at estimated fair value with an offsetting regulatory asset or liability. Contracts that are not considered derivatives are accounted for on the accrual basis until they are settled or realized unless there is a decline in the fair value of the contract that is determined to be other-than-temporary.

For interest rate swap derivatives, Avista Corp. records all mark-to-market gains and losses in each accounting period as assets and liabilities, as well as offsetting regulatory assets and liabilities, such that there is no income statement impact. The interest rate swap derivatives are risk management tools similar to energy commodity derivatives. Upon settlement of interest rate swap derivatives, the regulatory asset or liability is amortized as a component of interest expense over the term of the associated debt. The Company records an offset of interest rate swap derivative assets and liabilities with regulatory assets and liabilities, based on the prior practice of the commissions to provide recovery through the ratemaking process.

The Company has multiple master netting agreements with a variety of entities that allow for cross-commodity netting of derivative agreements with the same counterparty (i.e. power derivatives can be netted with natural gas derivatives). In addition, some master netting agreements allow for the netting of commodity derivatives and interest rate swap derivatives for the same counterparty. The Company does not have any agreements which allow for cross-affiliate netting among multiple affiliated legal entities. The Company nets all derivative instruments when allowed by the agreement for presentation in the Balance Sheets.

Fair Value Measurements

Fair value represents the price that would be received when selling an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Energy commodity derivative assets and liabilities, deferred compensation assets, as well as derivatives related to interest rate swap derivatives and foreign currency exchange derivatives, are reported at estimated fair value on the Balance Sheets. See Note 13 for the Company's fair value disclosures.

Regulatory Deferred Charges and Credits

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

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

Regulatory accounting practices require that certain costs and/or obligations (such as incurred power and natural gas costs not currently reflected in rates, but expected to be recovered or refunded in the future), are reflected as deferred charges or credits on the Balance Sheets. These costs and/or obligations are not reflected in the Statements of Income until the period during which matching revenues are recognized. The Company also has decoupling revenue deferrals. See Note 2 for discussion on decoupling revenue deferrals.

If at some point in the future the Company determines that it no longer meets the criteria for continued application of regulatory accounting practices for all or a portion of its regulated operations, the Company could be:

- required to write off its regulatory assets, and
- precluded from the future deferral of costs or decoupled revenues not recovered through rates at the time such amounts are incurred, even if the Company expected to recover these amounts from customers in the future.

Unamortized Debt Expense

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

Unamortized Debt Repurchase Costs

For the Company's Washington regulatory jurisdiction and for any debt repurchases beginning in 2007 in all jurisdictions, premiums and discounts paid to repurchase debt are amortized over the remaining life of the original debt that was repurchased or, if new debt is issued in connection with the repurchase, these amounts are amortized over the life of the new debt. In the Company's other regulatory jurisdictions, premiums or discounts paid to repurchase debt prior to 2007 are being amortized over the average remaining maturity of outstanding debt when no new debt was issued in connection with the debt repurchase. The premium and discount costs are recovered or returned to customers through retail rates as a component of interest expense.

Appropriated Retained Earnings

In accordance with the hydroelectric licensing requirements of section 10(d) of the Federal Power Act (FPA), the Company maintains an appropriated retained earnings account for any earnings in excess of the specified rate of return on the Company's investment in the licenses for its various hydroelectric projects. Per section 10(d) of the FPA, the Company must maintain these excess earnings in an appropriated retained earnings account until the termination of the licensing agreements or apply them to reduce the net investment in the licenses of the hydroelectric projects at the discretion of the FERC. The Company calculates the earnings in excess of the specified rate of return on an annual basis, usually during the second quarter.

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

	2022	2021
Appropriated retained earnings	$ 55,058	$ 51,518

Contingencies

The Company has unresolved regulatory, legal and tax issues which have inherently uncertain outcomes. The Company accrues a loss contingency if it is probable that a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. The Company also discloses loss contingencies that do not meet these conditions for accrual, if there is a reasonable possibility that a material loss may be incurred. As of December 31, 2022, the Company has not recorded any significant amounts related to unresolved contingencies. See Note 15 for further discussion of the Company's commitments and contingencies.

Equity in Earnings (Losses) of Subsidiaries

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

	2022	2021
Avista Capital	$ 32,423	$ 16,645
AERC	7,372	6,910
Total equity in earnings of subsidiary companies	$ 39,795	$ 23,555

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2021 up to February 21, 2023, the date that Avista Corp.'s U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through the date of this filing. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

NOTE 2. REVENUE

ASC 606 defines the core principle of the revenue recognition model is that an entity should identify the various performance obligations in a contract, allocate the transaction price among the performance obligations and recognize revenue when (or as) the entity satisfies each performance obligation.

Utility Revenues

Revenue from Contracts with Customers

General

The majority of Avista Corp.'s revenue is from rate-regulated sales of electricity and natural gas to retail customers, which has two performance obligations, (1) having service available for a specified period (typically a month at a time) and (2) the delivery of energy to customers. The total energy price generally has a fixed component (basic charge) related to having service available and a usage-based component, related to the delivery and consumption of energy. The commodity is sold and/or delivered to and consumed by the customer simultaneously, and the provisions of the relevant utility commission authorization determine the charges the Company may bill the customer. Since all revenue recognition criteria are met upon the delivery of energy to customers, revenue is recognized immediately.

In addition, the sale of electricity and natural gas is governed by the various state utility commissions, which set rates, charges, terms and conditions of service, and prices. Collectively, these rates, charges, terms and conditions are included in a "tariff," which governs all aspects of the provision of regulated services. Tariffs are only permitted to be changed through a rate-setting process involving an independent, third-party regulator empowered by statute to establish rates that bind customers. Thus, all regulated sales by the

Company are conducted subject to the regulator-approved tariff.

Tariff sales involve the current provision of commodity service (electricity and/or natural gas) to customers for a price that generally has a basic charge and a usage-based component. Tariff rates also include certain pass-through costs to customers such as natural gas costs, retail revenue credits and other miscellaneous regulatory items that do not impact net income, but can cause total revenue to fluctuate significantly up or down compared to previous periods. The commodity is sold and/or delivered to and consumed by the customer simultaneously, and the provisions of the relevant tariff determine the charges the Company may bill the customer, payment due date, and other pertinent rights and obligations of both parties. Generally, tariff sales do not involve a written contract. Since all revenue recognition criteria are met upon the delivery of energy to customers, revenue is recognized immediately at that time.

Unbilled Revenue from Contracts with Customers

The determination of the volume of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month (once per month for each individual customer). At the end of each calendar month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. The Company's estimate of unbilled revenue is based on:

- the number of customers,
- tariff rates,
- meter reading dates,
- actual native load for electricity,
- actual throughput for natural gas, and
- electric line losses and natural gas system losses.

Any difference between actual and estimated revenue is automatically corrected in the following month when the meter reading and customer billing occurs.

Accounts receivable includes unbilled energy revenues of the following amounts as of December 31 (dollars in thousands):

	2022	2021
Unbilled accounts receivable	$ 78,873	$ 71,752

Non-Derivative Wholesale Contracts

The Company has certain wholesale contracts which are not accounted for as derivatives and, accordingly, are within the scope of ASC 606 and considered revenue from contracts with customers. Revenue is recognized as energy is delivered to the customer or the service is available for specified period of time, consistent with the discussion of rate regulated sales above.

Alternative Revenue Programs (Decoupling)

ASC 606 retained existing GAAP associated with alternative revenue programs, which specified that alternative revenue programs are contracts between an entity and a regulator of utilities, not a contract between an entity and a customer. GAAP requires that an entity present revenue arising from alternative revenue programs separately from revenues arising from contracts with customers on the Statements of Income. The Company's decoupling mechanisms (also known as a FCA in Idaho) qualify as alternative revenue programs. Decoupling revenue deferrals are recognized in the Statements of Income during the period they occur (i.e. during the period of revenue shortfall or excess due to fluctuations in customer usage), subject to certain limitations, and a regulatory asset or liability is established which will be surcharged or rebated to customers in future periods. GAAP requires that for any alternative revenue program, like decoupling, the revenue must be expected to be collected from customers within 24 months of the deferral to qualify for recognition in the Statements of Income. Any amounts included in the Company's decoupling program that are not expected to be collected from customers within 24 months are not recorded in the financial statements until the period in which revenue recognition criteria are met. The amounts expected to be collected from customers within 24 months represents an estimate which must be made by the Company on an ongoing basis due to it being based on the volumes of electric and natural gas sold to customers on a go-forward basis.

The Company records alternative program revenues under the gross method, which is to amortize the decoupling regulatory asset/liability to the alternative revenue program line item on the Statements of Income as it is collected from or refunded to customers. The cash passing between the Company and the customers is presented in revenue from contracts with customers since it is a portion of the overall tariff paid by customers. This method results in a gross-up to both revenue from contracts with customers and revenue from alternative revenue programs, but has a net zero impact on total revenue. Depending on whether the previous deferral balance being amortized was a regulatory asset or regulatory liability, and depending on the size and direction of the current year deferral of surcharges and/or rebates to customers, it could result in negative alternative revenue program revenue during the year.

Derivative Revenue

Most wholesale electric and natural gas transactions (including both physical and financial transactions), and the sale of fuel are considered derivatives, which are specifically scoped out of ASC 606. As such, these revenues are disclosed separately from revenue from contracts with customers. Revenue is recognized for these items upon the settlement/expiration of the derivative contract. Derivative revenue includes those transactions that are entered into and settled within the same month.

Other Utility Revenue

Other utility revenue includes rent, sales of materials, late fees and other charges that do not represent contracts with customers. This revenue is scoped out of ASC 606, as this revenue does not represent items where a customer is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. As such, these revenues are presented separately from revenue from contracts with customers.

Other Considerations for Utility Revenues

Gross Versus Net Presentation

Utility-related taxes collected from customers (primarily state excise taxes and city utility taxes) are taxes imposed on Avista Corp. as opposed to being imposed on customers; therefore, Avista Corp. is the taxpayer and records these transactions on a gross basis in revenue from contracts with customers and operating expense (taxes other than income taxes

Utility-related taxes that were included in revenue from contracts with customers were as follows for the years ended December 31 (dollars in thousands):

	2022	2021
Utility-related taxes	$ 69,931	$ 62,736

Significant Judgments and Unsatisfied Performance Obligations

The only significant judgments involving revenue recognition are estimates surrounding unbilled revenue and receivables from contracts with customers and estimates surrounding the amount of decoupling revenues that will be collected from customers within 24 months (discussed above).

The Company has certain capacity arrangements, where the Company has a contractual obligation to provide either electric or natural gas capacity to its customers for a fixed fee. Most of these arrangements are paid for in arrears by the customers and do not result in deferred revenue and only result in receivables from the customers. The Company does have one capacity agreement where the customer makes payments throughout the year. As of December 31, 2022, the Company estimates it had unsatisfied capacity performance obligations of $11.7 million, which will be recognized as revenue in future periods as the capacity is provided to the customers. These performance obligations are not reflected in the financial statements, as the Company has not received payment for these services.

Disaggregation of Total Operating Revenue

	2022	2021
Revenue from contracts with customers	$ 1,410,638	$ 1,244,314
Derivative revenues	366,766	247,676
Alternative revenue programs	(33,356)	(6,635)
Deferrals and amortizations for rate refunds to customers	(347)	1,093
Other utility revenues	9,475	9,138

Total	1,753,176	1,495,586

The following table disaggregates total operating revenue by source for the years ended December 31 (dollars in thousands):

Utility Revenue from Contracts with Customers by Type and Service

The following table disaggregates revenue from contracts with customers associated with the Company's electric operations for the years ended December 31 (dollars in thousands):

	2022	2021
ELECTRIC OPERATIONS		
Revenue from contracts with customers		
Residential	$ 414,823	$ 394,717
Commercial and governmental	338,656	326,173
Industrial	118,351	117,165
Public street and highway lighting	7,483	7,472
Total retail revenue	879,313	845,527
Transmission	32,307	21,005
Other revenue from contracts with customers	49,920	33,870
Total revenue from contracts with customers	$ 961,540	$ 900,402

The following table disaggregates revenue from contracts with customers associated with the Company's natural gas operations for the years ended December 31 (dollars in thousands):

	2022	2021
NATURAL GAS OPERATIONS		
Revenue from contracts with customers		
Residential	$ 284,452	$ 221,405
Commercial	139,923	100,819
Industrial and interruptible	10,471	7,796
Total retail revenue	434,846	330,020
Transportation	8,627	8,547
Other revenue from contracts with customers	5,625	5,345
Total revenue from contracts with customers	$ 449,098	$ 343,912

NOTE 3. LEASES

ASC 842 outlines a model for lease accounting. The core principle of the model is that an entity should recognize the ROU assets and liabilities from leases on the balance sheet and depreciate or amortize the asset and liability over the term of the lease, as well as provide disclosure to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows from leases. For regulatory reporting, the FERC provided prescribed accounts for the ROU assets and liabilities, with the ROU assets being included in utility plant (FERC account 101) and the lease liabilities being included in capital lease obligations (FERC account 227). These accounts are different than the accounts allowed for in GAAP reporting, which results in a FERC/GAAP difference.

Significant Judgments and Assumptions

The Company determines if an arrangement is a lease, as well as its classification, at its inception.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and lease liabilities are recognized at the commencement date of the agreement based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The implicit rate is used when it is readily determinable. The operating lease ROU assets also include any lease payments made and exclude lease incentives, if any, that accrue to the benefit of the lessee.

Lease terms may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term. The difference between lease expense and cash paid for leased assets is recognized as a regulatory asset or regulatory liability.

Description of Leases

Operating Leases

The Company's most significant operating lease is with the State of Montana associated with submerged land around the Company's hydroelectric facilities in the Clark Fork River basin, which expires in 2046. The terms of this lease are subject to adjustment - depending on the outcome of ongoing litigation between the State of Montana and NorthWestern. In addition, the State of Montana and Avista Corp. are engaged in litigation regarding lease terms, including how much money, if any, the State of Montana should return to Avista Corp. Amounts recorded for this lease are uncertain and amounts may change in the future depending on the outcome of the ongoing litigation. Any reduction in future lease payments or the return of previously paid amounts to Avista Corp. will be included in the future ratemaking process.

In addition to the lease with the State of Montana, the Company also has other operating leases for land associated with its utility operations, as well as communication sites which support network and radio communications within its service territory. The Company's leases have remaining terms of 1 to 71 years. Most of the Company's leases include options to extend the lease term for periods of 5 to 50 years. Options are exercised at the Company's discretion.

Certain of the Company's lease agreements include rental payments which are periodically adjusted over the term of the agreement based on the consumer price index. The Company's lease agreements do not include any material residual value guarantees or material restrictive covenants.

Avista Corp. does not record leases with a term of 12 months or less in the Balance Sheets. Total short-term lease costs for the year ended December 31, 2022 are immaterial.

	2022	2021
Operating lease cost:		
Fixed lease cost	$ 4,986	$ 4,970
Variable lease cost	1,567	1,180
Total operating lease cost	$ 6,553	$ 6,150

The components of lease expense were as follows for the year ended December 31 (dollars in thousands):

Supplemental cash flow information related to leases was as follows for the year ended December 31 (dollars in thousands):

	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows:		
Operating lease payments	$ 4,828	$ 4,805

Supplemental balance sheet information related to leases was as follows for December 31 (dollars in thousands):

	December 31, 2022	December 31, 2021
Operating Leases		
Operating lease ROU assets (Utility Plant)	$ 68,238	$ 70,133

Obligations under capital lease - current	$ 4,349	$ 4,301
Obligations under capital lease - noncurrent	64,284	66,068
Total operating lease liabilities	$ 68,633	$ 70,369
Weighted Average Remaining Lease Term		
Operating leases	23.28 years	24.22 years
Weighted Average Discount Rate		
Operating leases	4.28 %	4.28 %

Maturities of lease liabilities (including principal and interest) were as follows as of December 31, 2022 (dollars in thousands):

	Operating Leases
2023	$ 4,850
2024	4,877
2025	4,884
2026	4,869
2027	4,880
Thereafter	86,991
Total lease payments	$ 111,351
Less: imputed interest	(42,718)
Total	$ 68,633

Maturities of lease liabilities (including principal and interest) were as follows as of December 31, 2021 (dollars in thousands):

	Operating Leases
2022	$ 4,820
2023	4,849
2024	4,875
2025	4,882
2026	4,867
Thereafter	91,845
Total lease payments	$ 116,138
Less: imputed interest	(45,769)
Total	$ 70,369

NOTE 4. DERIVATIVES AND RISK MANAGEMENT

Energy Commodity Derivatives

Avista Corp. is exposed to market risks relating to changes in electricity and natural gas commodity prices and certain other fuel prices. Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Avista Corp. utilizes derivative instruments, such as forwards, futures, swap derivatives and options in order to manage the various risks relating to these commodity price exposures. Avista Corp. has an energy resources risk policy and control procedures to manage these risks.

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

As part of its resource procurement and management of its natural gas business, Avista Corp. makes continuing projections of its natural gas loads and assesses available natural gas resources including natural gas storage availability. Natural gas resource planning typically includes peak requirements, low and average monthly requirements and delivery constraints from natural gas supply locations to Avista Corp.'s distribution system. However, daily variations in natural gas demand can be significantly different than monthly demand projections. On the basis of these projections, Avista Corp. plans and executes a series of transactions to hedge a portion of its projected natural gas requirements through forward market transactions and derivative instruments. These transactions may extend as much as three natural gas operating years (November through October) into the future. Avista Corp. also leaves a significant portion of its natural gas supply requirements unhedged for purchase in short-term and spot markets.

Avista Corp. plans for sufficient natural gas delivery capacity to serve its retail customers for a theoretical peak day event. Avista Corp. generally has more pipeline and storage capacity than what is needed during periods other than a peak day. Avista Corp. optimizes its natural gas resources by using market opportunities to generate economic value that mitigates the fixed costs. Avista Corp. also optimizes its natural gas storage capacity by purchasing and storing natural gas when prices are traditionally lower, typically in the summer, and withdrawing during higher priced months, typically during the winter. However, if market conditions and prices indicate that Avista Corp. should buy or sell natural gas at other times during the year, Avista Corp. engages in optimization transactions to capture value in the marketplace. Natural gas optimization activities include, but are not limited to, wholesale market sales of surplus natural gas supplies, purchases and sales of natural gas to optimize use of pipeline and storage capacity, and participation in the transportation capacity release market.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2022 that are expected to be delivered in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs
2023	5		19,140	79,253	136	1,011	4,145	29,473
2024			533	30,658			1,370	9,668
2025			450	4,895			1,115	1,125

As of December 31, 2022, there are no expected deliveries of energy commodity derivatives after 2025.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2021 that were expected to be delivered in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs	Physical (1) MWh	Financial (1) MWh	Physical (1) mmBTUs	Financial (1) mmBTUs
2022	129		7,114	61,405	234	452	3,933	31,485
2023			378	23,218			1,360	9,323
2024			228	3,413			1,370	228
2025							1,115	

As of December 31, 2021, there were no expected deliveries of energy commodity derivatives after 2025.

(1) Physical transactions represent commodity transactions in which Avista Corp. will take or make delivery of either electricity or natural gas; financial transactions represent derivative instruments with delivery of cash in the amount of the benefit or cost but with no physical delivery of the commodity, such as futures, swap derivatives, options, or forward contracts.

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

Foreign Currency Exchange Derivatives

A significant portion of Avista Corp.'s natural gas supply (including fuel for power generation) is obtained from Canadian sources. Most of those transactions are executed in U.S. dollars, which avoids foreign currency risk. A portion of Avista Corp.'s short-term natural gas transactions and long-term Canadian transportation contracts are committed based on Canadian currency prices. The short term natural gas transactions are settled within 60 days with U.S. dollars. Avista Corp. hedges a portion of the foreign currency risk by purchasing Canadian currency exchange derivatives when such commodity transactions are initiated. The foreign currency exchange derivatives and the unhedged foreign currency risk have not had a material effect on Avista Corp.'s financial condition, results of operations or cash flows and these differences in cost related to currency fluctuations are included with natural gas supply costs for ratemaking.

The following table summarizes the foreign currency exchange derivatives that Avista Corp. has outstanding as of December 31 (dollars in thousands):

	2022	2021
Number of contracts	19	25
Notional amount (in United States dollars)	$ 8,563	$ 8,571
Notional amount (in Canadian dollars)	11,659	10,957

Interest Rate Swap Derivatives

Avista Corp. is affected by fluctuating interest rates related to a portion of its existing debt, and future borrowing requirements. Avista Corp. hedges a portion of its interest rate risk with financial derivative instruments, which may include interest rate swap derivatives and U.S. Treasury lock agreements. These interest rate swap derivatives and U.S Treasury lock agreements are considered economic hedges against fluctuations in future cash flows associated with anticipated debt issuances.

The following table summarizes the unsettled interest rate swap derivatives that Avista Corp. has outstanding as of the balance sheet date indicated below (dollars in thousands):

Balance Sheet Date	Number of Contracts	Notional Amount	Mandatory Cash Settlement Date
December 31, 2022	4	$ 40,000	2023
	1	10,000	2024
December 31, 2021	13	$ 140,000	2022
	2	20,000	2023
	1	10,000	2024

See Note 11 for discussion of the bond purchase agreement and the related settlement of interest rate swaps in connection with the pricing of the bonds in March 2022.

The fair value of outstanding interest rate swap derivatives can vary significantly from period to period depending on the total notional amount of swap derivatives outstanding and fluctuations in market interest rates compared to the interest rates fixed by the swaps. Avista Corp. is required to make cash payments to settle the interest rate swap derivatives when the fixed rates are higher than prevailing market rates at the date of settlement. Conversely, Avista Corp. receives cash to settle its interest rate swap derivatives when prevailing market rates at the time of settlement exceed the fixed swap rates.

Summary of Outstanding Derivative Instruments

The amounts recorded on the Balance Sheets as of December 31, 2022 and December 31, 2021 reflect the offsetting of derivative assets and liabilities where a legal right of offset exists.

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheets as of December 31, 2022 (dollars in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross Asset	Gross Liability	Collateral Netting	Net Asset (Liability) on Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument assets current	$ 43	$	$	$ 43
Derivative instrument liabilities current		(3)		(3)
Interest rate swap derivatives				
Derivative instrument assets current	8,536			8,536
Long-term portion of derivative assets	2,648			2,648
Derivative instrument liabilities current		(52)		(52)
Energy commodity derivatives				
Derivative instrument assets current	32,257	(22,638)		9,619
Long-term portion of derivative assets	312	(16)		296
Derivative instrument liabilities current	107,902	(229,607)	94,850	(26,855)
Long-term portion of derivative liabilities	6,049	(24,530)	10,589	(7,892)
Total derivative instruments recorded on the balance sheet	$ 157,704	$ (276,846)	$ 105,439	$ (13,703)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheets as of December 31, 2021 (dollars in thousands):

	Fair Value			
Derivative and Balance Sheet Location	Gross Asset	Gross Liability	Collateral Netting	Net Asset (Liability) on Balance Sheet
Foreign currency exchange derivatives				
Derivative instrument liabilities current	$	$ (19)	$	$ (19)
Interest rate swap derivatives				
Long-term portion of derivative assets	1,149			1,149
Derivative instrument liabilities current	1,170	(25,196)		(24,026)
Long-term portion of derivative liabilities		(78)		(78)
Energy commodity derivatives				
Derivative instrument assets current	1,506	(107)		1,399
Long-term portion of derivative assets	6,844	(5,335)		1,509
Derivative instrument liabilities current	25,771	(39,616)	9,089	(4,756)
Long-term portion of derivative liabilities	141	(4,589)		(4,448)
Total derivative instruments recorded on the balance sheet	$ 36,581	$ (74,940)	$ 9,089	$ (29,270)

Exposure to Demands for Collateral

Avista Corp.'s derivative contracts often require collateral (in the form of cash or letters of credit) or other credit enhancements, or reductions or terminations of a portion of the contract through cash settlement. In the event of a downgrade in Avista Corp.'s credit ratings or changes in market prices, additional collateral may be required. In periods of price volatility, the level of exposure can change significantly. As a result, sudden and significant demands may be made against Avista Corp.'s credit facilities and cash. Avista Corp. actively monitors the exposure to possible collateral calls and takes steps to mitigate capital requirements.

The following table presents Avista Corp.'s collateral outstanding related to its derivative instruments as of December 31 (dollars in thousands):

	2022	2021
Energy commodity derivatives		
Cash collateral posted	$ 171,581	$ 30,567
Letters of credit outstanding	49,425	34,000
Balance sheet offsetting (cash collateral against net derivative positions)	105,439	9,089

There were no letters of credit outstanding related to interest rate swap derivatives as of December 31, 2022 and December 31, 2021.

Certain of Avista Corp.'s derivative instruments contain provisions that require Avista Corp. to maintain an "investment grade" credit rating from the major credit rating agencies. If Avista Corp.'s credit ratings were to fall below "investment grade," it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing collateralization on derivative instruments in net liability positions.

The following table presents the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position and the amount of additional collateral Avista Corp. could be required to post as of December 31 (dollars in thousands):

	2022	2021
Interest rate swap derivatives		
Liabilities with credit-risk-related contingent features	$ 52	$ 25,274
Additional collateral to post	52	25,274

NOTE 5. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent ownership interest in Units 3 and 4 of the Colstrip generating station, a coal-fired plant located in southeastern Montana, and provides financing for its ownership interest in the project. Pursuant to the ownership and operating agreements among the co-owners, the Company's share of related fuel costs as well as operating expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant in service for Colstrip and accumulated depreciation (inclusive of the ARO assets and accumulated amortization) were as follows as of December 31 (dollars in thousands):

	2022	2021
Utility plant in service	$ 390,852	$ 395,028
Accumulated depreciation	(315,223)	(302,220)

See Note 6 for further discussion of AROs.

While the obligations and liabilities with respect to Colstrip are to be shared among the co-owners on a pro-rata basis, many of the environmental liabilities are joint and several under the law, so that if any co-owner failed to pay its share of such liability, the other co-owners (or any one of them) could be required to pay the defaulting co-owner's share (or the entire liability).

In January 2023, the Company entered into an agreement with NorthWestern to transfer its ownership in Colstrip Units 3 and 4. The Company will retain responsibility for remediation obligations in existence at the time the transaction closes. See further discussion of the transaction within Note 15.

NOTE 6. ASSET RETIREMENT OBLIGATIONS

The Company has recorded liabilities for future AROs to:

- restore coal ash containment ponds and coal holding areas at Colstrip,
- cap a landfill at the Kettle Falls Plant, and
- remove plant and restore the land at the Coyote Springs 2 site at the termination of the land lease.

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

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

In 2015, the EPA issued a final rule regarding CCRs. Colstrip produces this byproduct. The CCR rule has been the subject of ongoing litigation. In August 2018, the D.C. Circuit struck down provisions of the rule. The rule includes technical requirements for CCR landfills and surface impoundments. The Colstrip owners developed a multi-year compliance plan to address the CCR requirements and existing state obligations.

The actual asset retirement costs related to the CCR rule requirements may vary substantially from the estimates used to record the ARO due to the uncertainty and evolving nature of the compliance strategies that will be used and the availability of data used to estimate costs, such as the quantity of coal ash present at certain sites and the volume of fill that will be needed to cap and cover certain impoundments. The Company updates its estimates as new information becomes available. The Company expects to seek recovery of any increased costs related to complying with the CCR rule through the ratemaking process.

In addition to the above, under a 2018 Administrative Order on Consent and ongoing negotiations with the Montana Department of Ecological Quality, the owners of Colstrip are required to provide financial assurance, primarily in the form of surety bonds, to secure each owner's pro-rata share of various anticipated closure and remediation of the ash ponds and coal holding areas. The amount of financial assurance required of each owner may, like the ARO, vary substantially due to the uncertainty and evolving nature of anticipated closure and remediation activities, and as those activities are completed over time.

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

	2022	2021
Asset retirement obligation at beginning of year	$ 17,142	$ 17,194
Liabilities incurred		825
Liabilities settled	(1,964)	(1,541)
Accretion expense	605	664
Asset retirement obligation at end of year	$ 15,783	$ 17,142

NOTE 7. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The pension and other postretirement benefit plans described below only relate to Avista Corp. AEL&P (not discussed below) participates in a defined contribution multiemployer plan for its union workers and a defined contribution money purchase pension plan for its nonunion workers. None of the subsidiary retirement plans, individually or in the aggregate, are significant to Avista Corp.

Avista Corp.

The Company has a defined benefit pension plan covering the majority of all regular full-time employees at Avista Corp. that were hired prior to January 1, 2014. Employees eligible for the plan continue to accrue benefits. Individual benefits under this plan are based upon the employee's years of service, date of hire and average compensation as specified in the plan. Non-union employees hired on or after January 1, 2014 participate in a defined contribution 401(k) plan in lieu of a defined benefit pension plan. Union employees hired on or after January 1, 2014 are still covered under the defined benefit pension plan. Effective December 31, 2023, the plan will be closed to new union employees. The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company contributed $42.0 million in cash to the pension plan in 2022 and 2021. The Company expects to contribute $10.0 million in cash to the pension plan in 2023.

In 2022, the defined benefit pension plan lump sum payments exceeded the annual service and interest costs for the plan. This resulted in a partial settlement of the plan, and the Company recorded a settlement loss of $11.8 million for the previously unrecognized losses in the year ended December 31, 2022.This loss was deferred as a regulatory asset.

The Company also has a SERP that provides additional pension benefits to certain executive officers and certain key employees of the Company. The SERP is intended to provide benefits to individuals whose benefits under the defined benefit pension plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary under deferred compensation plans. The liability and expense for this plan are included as pension benefits in the tables included in this Note.

The Company expects that benefit payments under the pension plan and the SERP will total (dollars in thousands):

Total 2028-

	2023	2024	2025	2026	2027	2032
Expected benefit payments	$ 41,993	$ 41,759	$ 42,207	$ 42,517	$ 43,037	$ 226,781

The expected long-term rate of return on plan assets is based on past performance and economic forecasts for the types of investments held by the plan. In selecting a discount rate, the Company considers yield rates for highly rated corporate bond portfolios with maturities similar to that of the expected term of pension benefits.

The Company provides certain health care and life insurance benefits for eligible retired employees that were hired prior to January 1, 2014. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The liability and expense of this plan are included as other postretirement benefits. Non-union employees hired on or after January 1, 2014, will have access to the retiree medical plan upon retirement; however, Avista Corp. will no longer provide a contribution toward their medical premium.

The Company has a Health Reimbursement Arrangement (HRA) to provide employees with tax-advantaged funds to pay for allowable medical expenses upon retirement. The amount earned by the employee is fixed on the retirement date based on the employee's years of service and the ending salary. The liability and expense of the HRA are included as other postretirement benefits.

The Company provides death benefits to beneficiaries of executive officers who die during their term of office or after retirement. Under the plan, an executive officer's designated beneficiary will receive a payment equal to twice the executive officer's annual base salary at the time of death (or if death occurs after retirement, a payment equal to twice the executive officer's total annual pension benefit). The liability and expense for this plan are included as other postretirement benefits.

The Company expects that benefit payments under other postretirement benefit plans will total (dollars in thousands):

	2023	2024	2025	2026	2027	Total 2028-2032
Expected benefit payments	$ 7,031	$ 7,234	$ 7,436	$ 7,585	$ 7,771	$ 40,959

The Company expects to contribute $7.0 million to other postretirement benefit plans in 2023. The Company uses a December 31 measurement date for its pension and other postretirement benefit plans.

The following table sets forth the pension and other postretirement benefit plan disclosures as of December 31, 2022 and 2021 and the components of net periodic benefit costs for the years ended December 31, 2022 and 2021 (dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2022	2021	2022	2021
Change in benefit obligation:				
Benefit obligation as of beginning of year	$ 799,042	$ 826,915	$ 167,598	$ 161,233
Service cost	23,877	25,306	4,369	4,114
Interest cost	26,536	26,160	5,503	5,139
Actuarial (gain)/loss	(204,775)	(13,997)	(54,120)	2,808
Plan change	3,302			
Settlement	(60,206)			
Benefits paid	(30,067)	(65,342)	(7,715)	(5,696)
Benefit obligation as of end of year	$ 557,709	$ 799,042	$ 115,635	$ 167,598
Change in plan assets:				
Fair value of plan assets as of beginning of year	$ 750,963	$ 722,024	$ 59,544	$ 52,173
Actual return on plan assets	(163,866)	50,370	(10,072)	7,371
Employer contributions	42,000	42,000		
Settlement	(60,206)			
Benefits paid	(28,188)	(63,431)		
Fair value of plan assets as of end of year	$ 540,703	$ 750,963	$ 49,472	$ 59,544
Funded status	$ (17,006)	$ (48,079)	$ (66,163)	$ (108,054)
Amounts recognized in the Balance Sheets:				
Non-current assets	$ 13,382	$	$	$
Current liabilities	(1,934)	(1,951)	(706)	(684)
Non-current liabilities	(28,454)	(46,128)	(65,457)	(107,370)
Net amount recognized	$ (17,006)	$ (48,079)	$ (66,163)	$ (108,054)
Accumulated pension benefit obligation	$ 495,654	$ 685,493		
Accumulated postretirement benefit obligation:				
For retirees			$ 61,984	$ 78,347
For fully eligible employees			$ 19,731	$ 32,144
For other participants			$ 33,920	$ 57,107
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost (credit)	$ 4,105	$ 1,699	$ (1,911)	$ (2,741)
Unrecognized net actuarial loss	83,794	94,109	13,643	48,872
Total	87,899	95,808	11,732	46,131
Less regulatory asset	(85,198)	(85,550)	(12,375)	(45,350)
Accumulated other comprehensive loss for unfunded benefit obligation for pensions and other postretirement benefit plans	$ 2,701	$ 10,258	$ (643)	$ 781

	Pension Benefits		Other Post-retirement Benefits	
	2022	2021	2022	2021
Weighted-average assumptions as of December 31:				
Discount rate for benefit obligation	6.10%	3.39%	6.10%	3.40%
Discount rate for annual expense	3.39%	3.25%	3.40%	3.27%
Expected long-term return on plan assets	5.80%	5.40%	4.70%	4.60%
Rate of compensation increase	4.69%	4.66%		
Medical cost trend pre-age 65 - initial			6.25%	6.00%
Medical cost trend pre-age 65 - ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2028	2026
Medical cost trend post-age 65 - initial			6.25%	6.00%
Medical cost trend post-age 65 - ultimate			5.00%	5.00%
Ultimate medical cost trend year post-age 65			2028	2026

	Pension Benefits		Other Post-retirement Benefits	
	2022	2021	2022	2021
Components of net periodic benefit cost:				
Service cost (1)	$ 23,877	$ 25,306	$ 4,369	$ 4,114
Interest cost	26,536	26,160	5,503	5,139
Expected return on plan assets	(43,872)	(39,088)	(2,799)	(2,400)
Amortization of prior service cost (credit)	257	257	(1,050)	(921)
Net loss recognition	4,180	6,645	3,344	3,865
Settlement loss (2)	11,828			
Net periodic benefit cost	$ 22,806	$ 19,280	$ 9,367	$ 9,797

(1)Total service costs in the table above are recorded to the same accounts as labor expense. Labor and benefits expense is recorded to various projects based on whether the work is a capital project or an operating expense. Approximately 40 percent of all labor and benefits is capitalized to utility property and 60 percent is expensed to utility other operating expenses.

(2)The settlement loss was deferred as a regulatory asset to be amortized over future periods.

Plan Assets

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

The Company has contracted with investment consultants who are responsible for monitoring the individual investment managers. The investment managers' performance and related individual fund performance is periodically reviewed by an internal benefits committee and by the Finance Committee to monitor compliance with investment policy objectives and strategies.

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

	2022	2021
Equity securities	55%	55%
Debt securities	40%	40%
Real estate	5%	5%
Absolute return	0%	0%

The target investment allocation percentages were revised in the first quarter of 2021 and the pension plan assets were reinvested to move toward the new target investment allocation percentages. The target asset allocation percentages were modified to better align the asset allocations with the funded status of the pension plan.

The fair value of pension plan assets invested in debt and equity securities was based primarily on fair value (market prices). The fair value of investment securities traded on a national securities exchange is determined based on the reported last sales price; securities traded in the over-the-counter market are valued at the last reported bid price. Investment securities for which market prices are not readily available or for which market prices do not represent the value at the time of pricing, the investment manager estimates fair value based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry).

Pension plan and other postretirement plan assets with fair values are measured using net asset value (NAV) are excluded from the fair value hierarchy and included as reconciling items in the tables below.

The plan's investments in common/collective trusts have redemption limitations that permit quarterly redemptions following notice requirements of 45 to 60 days. Most of the plan's investments in closely held investments and partnership interests have redemption limitations that range from bi-monthly to semi-annually following redemption notice requirements of 60 to 90 days.

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2022 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$	$ 5,110	$	$ 5,110
Fixed income securities:				
U.S. government issues		16,732		16,732
Corporate issues		161,180		161,180
International issues		23,108		23,108
Municipal issues		13,427		13,427
Mutual funds:				
U.S. equity securities	154,442			154,442
International equity securities	58,933			58,933
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate				30,406
Partnership/closely held investments:				
International equity securities				69,792
Real estate				7,573
Total	$ 213,375	$ 219,557	$	$ 540,703

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2021 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$	$ 6,259	$	$ 6,259
Fixed income securities:				
U.S. government issues		19,310		19,310
Corporate issues		233,496		233,496
International issues		34,270		34,270
Municipal issues		18,558		18,558
Mutual funds:				
U.S. equity securities	236,552			236,552
International equity securities	112,873			112,873
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate				31,040
Partnership/closely held investments:				
Absolute return				363
International equity securities				50,427
Real estate				7,815
Total	$ 349,425	$ 311,893	$	$ 750,963

The fair value of other postretirement plan assets invested in debt and equity securities was based primarily on market prices. The fair value of investment securities traded on a national securities exchange is determined based on the last reported sales price; securities traded in the over-the-counter market are valued at the last reported bid price. For investment securities for which market prices are not readily available, the investment manager determines fair value based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry). The target asset allocation was 60 percent equity securities and 40 percent debt securities in both 2022 and 2021.

The fair value of other postretirement plan assets was determined as of December 31, 2022 and 2021.

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2022 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual fund (1)	$ 49,472	$	$	$ 49,472

The following table discloses by level within the fair value hierarchy (see Note 13 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2021 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual fund (1)	$ 59,545	$ —	$ —	$ 59,545

(1)The balanced index fund for 2022 and 2021 is a single mutual fund that includes a percentage of U.S. equity and fixed income securities and International equity and fixed income securities.

401(k) Plans and Executive Deferral Plan

Avista Corp. has a salary deferral 401(k) plan that is a defined contribution plan and covers substantially all employees. Employees can make contributions to their respective accounts in the plans on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the respective plan.

Employer matching contributions were as follows for the years ended December 31 (dollars in thousands):

	2022	2021
Employer 401(k) matching contributions	$ 13,258	$ 11,671

The Company has an Executive Deferral Plan. This plan allows executive officers and other key employees the opportunity to defer until the earlier of their retirement, termination, disability or death, up to 75 percent of their base salary and/or up to 100 percent of their incentive payments. Deferred compensation funds are held by the Company in a Rabbi Trust.

There were deferred compensation assets and corresponding deferred compensation liabilities on the Balance Sheets of the following amounts as of December 31 (dollars in thousands):

	2022	2021
Deferred compensation assets and liabilities	$ 7,541	$ 9,513

NOTE 8. ACCOUNTING FOR INCOME TAXES

The realization of deferred income tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred income tax assets and determined it is more likely than not that deferred income tax assets will be realized.

As of December 31, 2022, the Company had $13.6 million of state tax credit carryforwards. Of the total amount, the Company believes that it is more likely than not that it will only be able to utilize $9.7 million of the state tax credits. As such, the Company has recorded a valuation allowance of $3.9 million against the state tax credit carryforwards and reflected the net amount of $9.7 million as an asset as of December 31, 2022. State tax credits expire from 2023 to 2036.

Status of Internal Revenue Service (IRS) and State Examinations

The Company and its eligible subsidiaries file consolidated federal income tax returns. All tax years after 2018 are open for an IRS tax examination.

The Company also files state income tax returns in certain jurisdictions, including Idaho, Oregon, Montana and Alaska. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis.

All tax years after 2018 are open for examination in Idaho, Oregon, Montana and Alaska.

The Company believes that any open tax years for federal or state income taxes will not result in adjustments that would be significant to the financial statements.

NOTE 9. ENERGY PURCHASE CONTRACTS

Avista Corp. has contracts for the purchase of fuel for thermal generation, natural gas for resale and various agreements for the purchase or exchange of electric energy with other entities. The remaining term of the contracts range from one month to twenty-five years.

Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs, which are included in utility resource costs in the Statements of Income, were as follows for the years ended December 31 (dollars in thousands):

	2022	2021
Utility power resources	$ 660,967	$ 431,199

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

	2023	2024	2025	2026	2027	Thereafter	Total
Power resources	$ 245,169	$ 215,044	$ 240,214	$ 214,747	$ 185,590	$ 2,333,955	$ 3,434,719
Natural gas resources	130,921	79,366	39,192	28,046	38,591	320,377	636,493
Total	$ 376,090	$ 294,410	$ 279,406	$ 242,793	$ 224,181	$ 2,654,332	$ 4,071,212

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

The future contractual commitments for power resources include fixed contractual amounts related to the Company's contracts with Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the contracts obligate Avista Corp. to pay certain minimum amounts whether or not the facilities are operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in utility resource costs in the Statements of Income. The contractual amounts included above consist of Avista Corp.'s share of existing debt service cost and its proportionate share of the variable operating expenses of these projects. The minimum amounts payable under these contracts are based in part on the proportionate share of the debt service requirements of the PUD's revenue bonds for which the Company is indirectly responsible. The Company's total future debt service obligation associated with the revenue bonds outstanding at December 31, 2022 (principal and interest) was $281.0 million.

In addition, Avista Corp. has operating agreements, settlements and other contractual obligations related to its generating facilities and transmission and distribution services. The expenses associated with these agreements are reflected as other operating expenses in the Statements of Income. The following table details future contractual commitments under these agreements (dollars in thousands):

	2023	2024	2025	2026	2027	Thereafter	Total
Contractual obligations	$ 30,562	$ 31,416	$ 32,255	$ 16,937	$ 17,343	$ 178,193	$ 306,706

NOTE 10. NOTES PAYABLE

Lines of Credit

Avista Corp. has a committed line of credit in the total amount of $400 million. with expiration date of June 2026. The Company has the option to extend for an additional one year period (subject to customary conditions). The committed line of credit is secured by non-transferable first mortgage bonds of the Company issued to the agent bank that would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the committed line of credit.

In November 2022, the Company entered into a revolving credit agreement in the amount of $50 million with a maturity date in November 2023. In December 2022, the Company amended the agreement to add an additional $50 million, bringing the new aggregate total amount to $100 million.

Balances outstanding and interest rates of borrowings (excluding letters of credit) under the Company's $400 million revolving committed line of credit due in June 2026 were as follows as of December 31 (dollars in thousands):

	2022	2021
Balance outstanding at end of period	$ 313,000	$ 284,000
Letters of credit outstanding at end of period	35,563	34,000
Average interest rate at end of period	5.31%	1.11%

As of December 31, 2022, the Company did not have any outstanding borrowings under the $100 million revolving credit agreement due in November 2023.

As of December 31, 2022 and 2021, the borrowings outstanding under Avista Corp.'s committed lines of credit were classified as short-term borrowings on the Balance Sheets.

2022 Term Loan

In December 2022, the Company entered into a term loan agreement in the amount of $100 million with a maturity date of March 30, 2023. The initial agreement included an option to add an additional $50 million in principal as an incremental facility, which the company exercised in December 2022, bringing the total aggregate amount to $150 million.

The Company borrowed the entire $150 million available under the agreement. The borrowings outstanding under this agreement were classified as short-term borrowings on the Balance Sheets. On March 30, 2023, the Company repaid the entire $150 million that was outstanding as of December 31, 2022.

2022 Letter of Credit Facility

In December 2022, the Company entered into a continuing letter of credit agreement in the aggregate amount of $50 million. Either party may terminate the agreement at any time.

As of December 31, 2022, the Company had $18.5 million in letters of credit outstanding under this agreement. Letters of credit are not reflected on the Balance Sheets. If a letter of credit were drawn upon by the holder, we would have an immediate obligation to reimburse the bank that issued that letter.

Covenants and Default Provisions

The short-term borrowing agreements contain customary covenants and default provisions, including a change in control (as defined in the agreements). The events of default under each of the credit facilities also include a cross default from other indebtedness (as defined) and in some cases other obligations. Most of the short-term borrowing agreement also include a covenant which does not permit the ratio of "total debt" to "total capitalization" of Avista Corp. to be greater than 65 percent at any time. As of December 31, 2022, the Company was in compliance with this covenant.

NOTE 11. BONDS

The following details bonds outstanding as of December 31 (dollars in thousands):

Maturity Year	Description	Interest Rate	2022	2021
Avista Corp. Secured Long-Term Debt				
2022	First Mortgage Bonds	5.13%	$	$ 250,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	13,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Secured Pollution Control Bonds (1)	(1)	66,700	66,700
2034	Secured Pollution Control Bonds (1)	(1)	17,000	17,000
2035	First Mortgage Bonds	6.25%	150,000	150,000
2037	First Mortgage Bonds	5.70%	150,000	150,000
2040	First Mortgage Bonds	5.55%	35,000	35,000
2041	First Mortgage Bonds	4.45%	85,000	85,000
2044	First Mortgage Bonds	4.11%	60,000	60,000
2045	First Mortgage Bonds	4.37%	100,000	100,000
2047	First Mortgage Bonds	4.23%	80,000	80,000
2047	First Mortgage Bonds	3.91%	90,000	90,000
2048	First Mortgage Bonds	4.35%	375,000	375,000
2049	First Mortgage Bonds	3.43%	180,000	180,000
2050	First Mortgage Bonds	3.07%	165,000	165,000
2051	First Mortgage Bonds	3.54%	175,000	175,000
2051	First Mortgage Bonds	2.90%	140,000	140,000
2052	First Mortgage Bonds (2)	4.00%	400,000	
	Total Avista Corp. secured long-term bonds		2,307,200	2,157,200
	Secured Pollution Control Bonds held by Avista Corporation (1)		(83,700)	(83,700)
	Total long-term bonds		$ 2,223,500	$ 2,073,500

(1)In December 2010, $66.7 million and $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due in 2032 and 2034, respectively, which had been held by Avista Corp. since 2008 and 2009, respectively, were refunded by new variable rate bond issues. The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company has the ability to remarket these bonds to unaffiliated investors at a later date, subject to market conditions. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on the Balance Sheets.

(2)In March 2022, the Company issued and sold $400.0 million of 4.00 percent first mortgage bonds due in 2052 through a public offering. The total net proceeds from the sale of the bonds were used to repay the borrowings outstanding under Avista Corp.'s $400.0 million committed line of credit, as well as $250.0 million of maturing debt. In connection with the pricing of the first mortgage bonds in March 2022, the Company cash settled thirteen interest rate swap derivatives (notional aggregate amount of $140.0 million) and paid a net amount of $17.0 million. See Note 4 for a discussion of interest rate swap derivatives.

The following table details future long-term debt maturities including advances from associated affiliates (see Note 12) (dollars in thousands):

	2023	2024	2025	2026	2027	Thereafter	Total
Debt maturities	$ 13,500	$	$	$	$	$ 2,261,547	$ 2,275,047

Substantially all of Avista Corp.'s owned properties are subject to the lien of their respective mortgage indentures. Under the Mortgages and Deeds of Trust (Mortgages) securing their first mortgage bonds (including secured medium-term notes), Avista Corp. may issue additional first mortgage bonds under their specific mortgage in an aggregate principal amount equal to the sum of:

66-2/3 percent of the cost or fair value (whichever is lower) of property additions of that entity which have not previously been made the basis of any application under that entity's Mortgage, or

an equal principal amount of retired first mortgage bonds of that entity which have not previously been made the basis of any application under that entity's Mortgage, or

deposit of cash.

Avista Corp. may not individually issue any additional first mortgage bonds (with certain exceptions in the case of bonds issued on the basis of retired bonds) unless the particular entity issuing the bonds has "net earnings" (as defined in the Mortgage) for any period of 12 consecutive calendar months out of the preceding 18 calendar months that were at least twice the annual interest requirements on all mortgage securities at the time outstanding, including the first mortgage bonds to be issued, and on all indebtedness of prior rank. As of December 31, 2022, property additions and retired bonds would have allowed, and the net earnings test would not have prohibited, the issuance of $1.4 billion in an aggregate principal amount of additional first mortgage bonds at an assumed interest rate of 8 percent.

On March 29, 2023, the Company issued and sold $250.0 million of 5.66 percent first mortgage bonds due in 2053 through the private placement market. A portion of the net proceeds from the sale of the bonds will be used for the construction or improvement of utility facilities, and a portion was used to refinance existing indebtedness incurred for these purposes. In connection with the pricing of the first mortgage bonds in March 2023, the Company cash settled four interest rate swap derivatives (notional aggregate amount of $40.0 million) and received a net amount of $7.5 million.

NOTE 12. ADVANCES FROM ASSOCIATED COMPANIES

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of $51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II issued $50.0 million of Preferred Trust Securities with a floating distribution rate of the London interbank offered rate (LIBOR) plus 0.875 percent, calculated and reset quarterly. Effective on July 3, 2023, the reference to LIBOR in the formulation for the distribution rate on these securities will be replaced, by operation of law, with three-month CME Term Secured Overnight Financing Rate (SOFR), as calculated and published by CME Group Benchmark Administration, Ltd. (a successor administrator), plus a tenor spread adjustment of 0.26161. Accordingly, the distribution rate on the Preferred Trust Securities will then be three-month CME Term SOFR plus 1.13661 percent.

The distribution rates paid were as follows during the years ended December 31:

	2022	2021
Low distribution rate	1.05%	0.99%
High distribution rate	5.64%	1.10%
Distribution rate at the end of the year	5.64%	1.05%

Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These Preferred Trust Securities may be redeemed at the option of Avista Capital II at any time and mature on June 1, 2037. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

The Company owns 100 percent of Avista Capital II and has solely and unconditionally guaranteed the payment of distributions on, and redemption price and liquidation amount for, the Preferred Trust Securities to the extent that Avista Capital II has funds available for such payments from the respective debt securities. Upon maturity or prior redemption of such debt securities, the Preferred Trust Securities will be mandatorily redeemed.

NOTE 13. FAIR VALUE

The carrying values of cash and cash equivalents, special deposits, accounts and notes receivable, accounts payable and notes payable are reasonable estimates of their fair values. Bonds and advances from associated companies are reported at carrying value on the Balance Sheets.

The fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair values derived from unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1, but which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 - Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values incorporates various factors that not only include the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits and letters of credit), but also the impact of Avista Corp.'s nonperformance risk on its liabilities.

The following table sets forth the carrying value and estimated fair value of the Company's financial instruments not reported at estimated fair value on the Balance Sheets as of December 31 (dollars in thousands):

	2022		2021	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds (Level 2)	$ 1,113,500	$ 966,881	$ 963,500	$ 1,157,651
Bonds (Level 3)	1,110,000	805,802	1,110,000	1,258,674
Advances from associated companies (Level 3)	51,547	42,836	51,547	43,299

These estimates of fair value of long-term debt and long-term debt to affiliated trusts were primarily based on available market information, which generally consists of estimated market prices from third party brokers for debt with similar risk and terms. The price ranges obtained from the third party brokers consisted of par values of 60.16 to 103.85, where a par value of 100.00 represents the carrying value recorded on the Balance Sheets. Level 2 long-term debt represents publicly issued bonds with quoted market prices; however, due to their limited trading activity, they are classified as Level 2 because brokers must generate quotes and make estimates using comparable debt with similar risk and terms if there is no trading activity near a period end. Level 3 long-term debt consists of private placement bonds and debt to affiliated trusts, which typically have no secondary trading activity. Fair values in Level 3 are estimated based on market prices from third party brokers using secondary market quotes for debt with similar risk and terms to generate quotes for Avista Corp. bonds.

The following table discloses by level within the fair value hierarchy the Company's assets and liabilities measured and reported on the Balance Sheets as of December 31, 2022 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2022					
Assets:					
Energy commodity derivatives (2)	$	$ 146,232	$ 288	$ (136,605)	$ 9,915
Foreign currency exchange derivatives		43			43
Interest rate swap derivatives		11,184			11,184
Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	1,267				1,267
Equity securities	6,132				6,132
Total	$ 7,399	$ 157,459	$ 288	$ (136,605)	$ 28,541
Liabilities:					
Energy commodity derivatives (2)	$	$ 258,769	$ 18,022	$ (242,044)	$ 34,747
Foreign currency exchange derivatives		3			3
Interest rate swap derivatives		52			52
Total	$	$ 258,824	$ 18,022	$ (242,044)	$ 34,802

The following table discloses by level within the fair value hierarchy the Company's assets and liabilities measured and reported on the Balance Sheets as of December 31, 2021 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting (1)	Total
December 31, 2021					
Assets:					
Energy commodity derivatives (2)	$	$ 34,119	$ 143	$ (31,354)	$ 2,908

Interest rate swap derivatives		2,319		(1,170)	1,149
Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	1,809				1,809
Equity securities	7,594				7,594
Total	$ 9,403	$ 36,438	$ 143	$ (32,524)	$ 13,460
Liabilities:					
Energy commodity derivatives (2)	$	$ 41,733	$ 7,914	$ (40,443)	$ 9,204
Foreign currency exchange derivatives		19			19
Interest rate swap derivatives		25,274		(1,170)	24,104
Total	$	$ 67,026	$ 7,914	$ (41,613)	$ 33,327

(1)The Company is permitted to net derivative assets and derivative liabilities with the same counterparty when a legally enforceable master netting agreement exists. In addition, the Company nets derivative assets and derivative liabilities against any payables and receivables for cash collateral held or placed with these same counterparties.

(2)The level 3 energy commodity derivative balances are associated with natural gas exchange agreements

The difference between the amount of derivative assets and liabilities disclosed in respective levels in the table above and the amount of derivative assets and liabilities disclosed on the Balance Sheets is due to netting arrangements with certain counterparties. See Note 4 for additional discussion of derivative netting.

To establish fair value for energy commodity derivatives, the Company uses quoted market prices and forward price curves to estimate the fair value of energy commodity derivative instruments included in Level 2. In particular, electric derivative valuations are performed using market quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange pricing for similar instruments, adjusted for basin differences, using market quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2.

To establish fair values for interest rate swap derivatives, the Company uses forward market curves for interest rates for the term of the swaps and discounts the cash flows back to present value using an appropriate discount rate. The discount rate is calculated by third party brokers according to the terms of the swap derivatives and evaluated by the Company for reasonableness, with consideration given to the potential non-performance risk by the Company. Future cash flows of the interest rate swap derivatives are equal to the fixed interest rate in the swap compared to the floating market interest rate multiplied by the notional amount for each period.

To establish fair value for foreign currency derivatives, the Company uses forward market curves for Canadian dollars against the US dollar and multiplies the difference between the locked-in price and the market price by the notional amount of the derivative. Forward foreign currency market curves are provided by third party brokers. The Company's credit spread is factored into the locked-in price of the foreign exchange contracts.

Deferred compensation assets and liabilities represent funds held by the Company in a Rabbi Trust for an executive deferral plan. These funds consist of actively traded equity and bond funds with quoted prices in active markets.

Level 3 Fair Value

Natural Gas Exchange Agreement

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

The following table presents the quantitative information which was used to estimate the fair values of the Level 3 assets and liabilities above as of December 31, 2022 (dollars in thousands):

	Fair Value (Net) at December 31, 2022	Valuation Technique	Unobservable Input	Range
Natural gas exchange	$ (17,734)	Internally derived weighted average cost of gas	Forward purchase prices	$2.89 - $4.19/mmBTU $3.47 Weighted Average
			Forward sales prices	$3.11 - $23.47/mmBTU $8.88 Weighted Average
			Purchase volumes	140,000 - 370,000 mmBTUs
			Sales volumes	75,000 - 310,000 mmBTUs

The valuation methods, significant inputs and resulting fair values described above were developed by the Company's management and are reviewed on at least a quarterly basis to ensure they provide a reasonable estimate of fair value each reporting period.

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

	Natural Gas Exchange Agreement (1)
Year ended December 31, 2022:	
Balance as of January 1, 2022	$ (7,771)
Total gains or (losses) (realized/unrealized):	
Included in regulatory assets	(4,740)
Settlements	(5,223)
Ending balance as of December 31, 2022	$ (17,734)
Year ended December 31, 2021:	
Balance as of January 1, 2021	$ (8,410)
Total gains or (losses) (realized/unrealized):	
Included in regulatory assets	4,292
Settlements	(3,653)
Ending balance as of December 31, 2021	$ (7,771)

(1)There were no purchases, issuances or transfers from other categories of any derivatives instruments during the periods presented in the table above.

NOTE 14. COMMON STOCK

The payment of dividends on common stock could be limited by:

- certain covenants applicable to preferred stock (when outstanding) contained in the Company's Restated Articles of Incorporation, as amended (currently there are no preferred shares outstanding),
- certain covenants applicable to the Company's outstanding long-term debt and committed line of credit agreements,
- the hydroelectric licensing requirements of section 10(d) of the FPA (see Note 1), and
- certain requirements under the OPUC approval of the AERC acquisition in 2014. The OPUC's AERC acquisition order requires Avista Corp. to maintain a capital structure of no less than 35 percent common equity (inclusive of short-term debt). This limitation may be revised upon request by the Company with approval from the OPUC.

The requirements of the OPUC approval of the AERC acquisition are the most restrictive. Under the OPUC restriction, the amount available for dividends at December 31, 2022 was $258.6 million.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2022 and 2021.

Common Stock Issuances

The Company issued common stock in 2022 for total net proceeds of $137.8 million. Most of these issuances came through the Company's sales agency agreements under which the sales agents may offer and sell new shares of common stock from time to time. The Company has board and regulatory authority to issue a maximum of 5.6 million shares under these agreements, of which 2.3 million remain unissued as of December 31, 2022. In 2022, 3.3 million shares were issued under these agreements resulting in total net proceeds of $137.2 million.

NOTE 15. COMMITMENTS AND CONTINGENCIES

In the course of its business, the Company becomes involved in various claims, controversies, disputes and other contingent matters, including the items described in this Note. Some of these claims, controversies, disputes and other contingent matters involve litigation or other contested proceedings. For all such matters, the Company intends to vigorously protect and defend its interests and pursue its rights. However, no assurance can be given as to the ultimate outcome of any particular matter because litigation and other contested proceedings are inherently subject to numerous uncertainties. For matters that affect Avista Corp.'s operations, the Company intends to seek, to the extent appropriate, recovery of incurred costs through the ratemaking process.

Boyds Fire (State of Washington Department of Natural Resources v. Avista)

In August 2019, the Company was served with a complaint, captioned "State of Washington Department of Natural Resources v. Avista Corporation," seeking recovery of up to $4.4 million for fire suppression and investigation costs and related expenses incurred in connection with a wildfire that occurred in Ferry County, Washington in August 2018. Specifically, the complaint alleges that the fire, which became known as the "Boyds Fire," was caused by a dead ponderosa pine tree falling into an overhead distribution line, and that Avista Corp. was negligent in failing to identify and remove the tree before it came into contact with the line. Avista Corp. disputes that the tree in question was the cause of the fire and that it was negligent in failing to identify and remove it. Additional lawsuits have subsequently been filed by private landowners seeking property damages, and holders of insurance subrogation claims seeking recovery of insurance proceeds paid.

The lawsuits were filed in the Superior Court of Ferry County, Washington. The Company continues to vigorously defend itself in the litigation. However, at this time the Company is unable to predict the likelihood of an adverse outcome or estimate a range of potential loss in the event of such an outcome.

Road 11 Fire

In April 2022, Avista Corp. received a notice of claim from property owners seeking damages of $5 million in connection with a fire that occurred in Douglas County, Washington, in July 2020. In June 2022, those claimants filed suit in the Superior Court of Douglas County, Washington, seeking unspecified damages. The fire, which was designated as the "Road 11 Fire," occurred in the vicinity of an Avista Corp. 115kv line, resulting in damage to three overhead transmission structures. The fire occurred during a high wind event and grew to 10,000 acres before being contained. The Company disputes that it is liable for the fire and will vigorously defend itself in the pending legal proceeding; however, at this time the Company is unable to predict the likelihood of an adverse outcome or estimate a range of potential loss in the event of such an outcome.

Labor Day Windstorm

General

In September 2020, a severe windstorm occurred in eastern Washington and northern Idaho. The extreme weather event resulted in customer outages and multiple wildfires in the region.

The Company has become aware of instances where, during the course of the storm, otherwise healthy trees and limbs, located in areas outside its maintenance right-of-way, broke under the extraordinary wind conditions and caused damage to its energy delivery system at or near what is believed to be the potential area of origin of a wildfire. Those instances include what has been referred to as: the Babb Road fire (near Malden and Pine City, Washington); the Christensen Road fire (near Airway Heights, Washington); the Mile Marker 49 fire (near Orofino, Idaho); and the Kewa Field Fire (near Colville, Washington). These wildfires covered, in total, more than 25,000 acres. The Company estimates approximately 230 residential, commercial and other structures were impacted. With respect to the Christensen Road Fire, the Mile Marker 49 Fire, and the Kewa Field Fire, the Company's investigation determined that the primary cause of the fires was extreme high winds. To date, the Company has not found any evidence that the fires were caused by any deficiencies in its equipment, maintenance activities or vegetation management practices. See further discussion below regarding the Babb Road Fire.

In addition to the instances identified above, the Company is aware of a 5-acre fire that occurred in Colfax, Washington, which damaged several residential structures. The Company's investigation determined that the Company's facilities were not involved in the ignition of this fire.

The Company's investigation has found no evidence of negligence with respect to any of the fires, and the Company will vigorously defend itself against any claims for damages that may be asserted against it with respect to the wildfires arising out of the extreme wind event; however, at this time the Company is unable to predict the likelihood of an adverse outcome or estimate a range of potential loss in the event of such an outcome.

Babb Road Fire

In May 2021 the Company learned that the Washington Department of Natural Resources (DNR) had completed its investigation and issued a report on the Babb Road Fire. The Babb Road fire covered approximately 15,000 acres and destroyed approximately 220 structures. There are no reports of personal injury or death resulting from the fire.

The DNR report concluded, among other things, that

- the fire was ignited when a branch of a multi-dominant Ponderosa Pine tree was broken off by the wind and fell on an Avista Corp. distribution line;
- the tree was located approximately 30 feet from the center of Avista Corp.'s distribution line and approximately 20 feet beyond Avista Corp.'s right-of-way;
- the tree showed some evidence of insect damage, damage at the top of the tree from porcupines, a small area of scarring where a lateral branch/leader (LBL) had broken off in the past, and some past signs of Gall Rust disease.

The DNR report concluded as follows: "It is my opinion that because of the unusual configuration of the tree, and its proximity to the powerline, a closer inspection was warranted. A nearer inspection of the tree should have revealed the cut LBL ends and its previous failure, and necessitated determination of the failure potential of the adjacent LBL, implicated in starting the Babb Road Fire."

The DNR report acknowledged that, other than the multi-dominant nature of the tree, the conditions mentioned above would not have been easily visible without close-up inspection of, or cutting into, the tree. The report also acknowledged that, while the presence of multiple tops would have been visible from the nearby roadway, the tree did not fail at a v-fork due to the presence of multiple tops. The Company contends that applicable inspection standards did not require a closer inspection of the otherwise healthy tree, nor was the Company negligent with respect to its maintenance, inspection or vegetation management practices.

Nine lawsuits seeking unspecified damages have been filed in connection with the Babb Road fire. These include six subrogation actions filed by insurance companies seeking recovery for amounts paid to insureds; two actions on behalf of individual plaintiffs; and a class action lawsuit. All proceedings have been consolidated for discovery and pre-trial proceedings, are pending in the Superior Court of Spokane County Washington, and variously assert causes of action for negligence, private nuisance, trespass and inverse condemnation (a theory of strict liability).

On September 16, 2022, the Company filed a motion in the Superior Court of Spokane County, Washington, seeking dismissal of the Plaintiffs' inverse condemnation claims as a matter of law on the grounds that they are not legally cognizable under Washington law. On October 14, 2022, the Superior Court heard oral argument on that motion. The Court concluded the Company's motion involved mixed questions of law and fact, and, as a consequence, could not be granted at that stage of the proceedings; however, the Court indicated the Company could bring the issue before the Court again after discovery is completed.

The Company will vigorously defend itself in the legal proceedings; however, at this time the Company is unable to predict the likelihood of an adverse outcome or estimate a range of potential loss in the event of such an outcome.

Colstrip

Colstrip Owners Arbitration and Litigation

Colstrip Units 3 and 4 are owned by the Company, PacifiCorp, Portland General Electric (PGE), and Puget Sound Energy (PSE) (collectively, the "Western Co-Owners"), as well as NorthWestern and Talen Montana, LLC (Talen), as tenants in common under an Ownership and Operating Agreement, dated May 6, 1981, as amended (O&O Agreement), in the percentages set forth below:

Co-Owner	Unit 3	Unit 4
Avista	15%	15%
PacifiCorp	10%	10%
PGE	20%	20%
PSE	25%	25%
NorthWestern		30%
Talen	30%	

Colstrip Units 1 and 2, owned by PSE and Talen, were shut down in 2020 and are in the process of being decommissioned. The co-owners of Units 3 and 4 also own undivided interests in facilities common to both Units 3 and 4, as well as in certain facilities common to all four Colstrip units.

The Washington Clean Energy Transformation Act (CETA), among other things, imposes deadlines by which each electric utility must eliminate from its electricity rates in Washington the costs and benefits associated with coal-fired resources, such as Colstrip. The practical impact of CETA is that electricity from such resources, including Colstrip, may no longer be delivered to Washington retail customers after 2025.

The co-owners of Colstrip Units 3 and 4 have differing needs for the generating capacity of these units. Accordingly, certain business disagreements have arisen among the co-owners, including, disagreements as to the requirements for shutting down these units. NorthWestern has initiated arbitration pursuant to the O&O Agreement to resolve these business disagreements, and two actions have been initiated to compel arbitration of those disputes: one by Talen in the Montana Thirteenth Judicial District Court for Yellowstone County, and one by the Western Co-Owners, which is pending in Montana Federal District Court. In light of the ownership agreements discussed below, the Colstrip owners agreed to stay both the litigation and the arbitration until March 2023, at which time the proceedings would resume absent additional agreement between the owners.

In addition, the Western Co-Owners commenced legal proceedings in the Montana Federal District Court challenging the constitutionality of two changes to Montana law enacted in 2021. The first, Senate Bill 265, purported to modify the provisions in the O&O Agreement governing arbitration of disputes; and the second, Senate Bill 266, made it a violation of Montana's Consumer Protection Act (MC 30-14-103 et seq.) for an owner of Colstrip to either fail to fund its share of operating costs, or to attempt to bring about a closure of one or both units without unanimous consent. In September 2022, a Magistrate Judge issued proposed Findings and an Order finding that both Senate Bill 265 and 266 were unconstitutional and, in October 2022, the District Court Judge adopted the Magistrate's findings and recommendations in full.

Agreement Between Talen Energy and Puget Sound Energy

In September 2022, the Company received notice that PSE and Talen entered into an agreement through which PSE has agreed to transfer its 25 percent ownership in Colstrip Units 3 and 4 to Talen at the end of 2025. The terms and conditions of the agreement are similar in most respects to the NorthWestern Transaction discussed below.

Agreement Between Avista and NorthWestern

On January 16, 2023, the Company entered into an agreement with NorthWestern under which the Company will transfer its 15 percent ownership in Colstrip Units 3 and 4 to NorthWestern. There is no monetary exchange included in the transaction. The transaction is scheduled to close on December 31, 2025 or such other date as the parties mutually agree upon.

Under the agreement, the Company will remain obligated through the close of the transaction to pay its share of (i) operating expenses, (ii) capital expenditures, but not in excess of the portion allocable pro rata to the portion of useful life expired through the close of the transaction, and (iii) except for certain costs relating to post-closing activities, site remediation expenses. In addition, the Company would enter into a vote sharing agreement under which it would retain its voting rights with respect to decisions relating to remediation.

The Company will retain its Colstrip transmission system assets, which are excluded from the transaction.

Under the Colstrip O&O Agreement, each of the other owners of Colstrip will have a 90-day period in which to evaluate the transaction and determine whether to exercise their respective rights of first refusal as to a portion of the generation being turned over to NorthWestern.

The transaction is subject to the satisfaction of customary closing conditions including the receipt of any required regulatory approvals, as well as NorthWestern's ability to enter into a new coal supply agreement by December 31, 2024.

The Company does not expect this transaction to have a material impact on its financial results.

Burnett et al. v. Talen et al.

Multiple property owners have initiated a legal proceeding (titled Burnett et al. v. Talen et al.) in the Montana District Court for Rosebud County against Talen, PSE, Pacificorp, PGE, Avista Corp., NorthWestern, and Westmoreland Rosebud Mining. The plaintiffs allege a failure to contain coal dust in connection with the operation of Colstrip, and seek unspecified damages. The parties agreed to temporarily stay the litigation as a result of the bankruptcy proceedings initiated by Talen, which agreement was not impacted by the stipulation to lift the stay for purposes of the Montana litigation and arbitration. The Company will vigorously defend itself in the litigation, but at this time is unable to predict the outcome, nor an amount or range of potential impact in the event of an outcome that is adverse to the Company's interests.

Westmoreland Mine Permits

Two lawsuits have been commenced by the Montana Environmental Information Center, challenging certain permits relating to the operation of the Westmoreland Rosebud Mine, which provides coal to Colstrip. In the first, the Montana District Court for Rosebud County issued an order vacating a permit for one area of the mine. In the second, the Montana Federal District Court issued findings and recommended that a decision approving expansion of the mine into a new area should be vacated, but recommending that the decision not take effect for 365 days from the date of a final order. Both decisions may be subject to appellate review. Avista Corp. is not a party to either of these proceedings, but is continuing to monitor the progress of both lawsuits and assess the impact, if any, of the proceedings on Westmoreland's ability to meet its contractual coal supply obligations.

National Park Service (NPS) - Natural and Cultural Damage Claim

In March 2017, the Company accessed property managed by the National Park Service (NPS) to prevent the imminent failure of a power pole that was surrounded by flood water in the Spokane River. The Company voluntarily reported its actions to the NPS several days later. Thereafter, in March 2018, the NPS notified the Company that it might seek recovery for unspecified costs and damages allegedly caused during the incident pursuant to the System Unit Resource Protection Act (SURPA), 54 U.S.C. 100721 et seq. In January 2021, the United States Department of Justice (DOJ) requested that the Company and the DOJ renew discussions relating to the matter. In July 2021, the DOJ communicated that it may seek damages of approximately $2 million in connection with the incident for alleged damage to "natural and cultural resources". In addition, the DOJ indicated that it may seek treble damages under the SURPA and state law, bringing its total potential claim to approximately $6 million.

The Company disputes the position taken by the DOJ with respect to the incident, as well as the nature and extent of the DOJ's alleged damages, and will vigorously defend itself in any litigation that may arise with respect to the matter. The Company and the DOJ have agreed to engage in discussions to understand their respective positions and determine whether a resolution of the dispute may be possible. However, the Company cannot predict the outcome of the matter.

Rathdrum, Idaho Natural Gas Incident

In October 2021, there was an incident in Rathdrum, Idaho involving the Company's natural gas infrastructure. The incident occurred after a third party damaged those facilities during the course of excavation work. The incident resulted in a fire which destroyed one residence and resulted in minor injuries to the occupants. On January 23, 2023, the Company was served with a lawsuit filed in the District Court of Kootenai County, Idaho by one property owner, seeking unspecified damages. The Company intends to vigorously defend itself in this action.

Other Contingencies

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

The Company routinely assesses, based on studies, expert analysis and legal reviews, its contingencies, obligations and commitments for remediation of contaminated sites, including assessments of ranges and probabilities of recoveries from other responsible parties who either have or have not agreed to a settlement as well as recoveries from insurance carriers. The Company's policy is to accrue and charge to current expense identified exposures related to environmental remediation sites based on estimates of investigation, cleanup and monitoring costs to be incurred.

The Company has potential liabilities under the Endangered Species Act and similar state statutes for species of fish, plants and wildlife that have either already been added to the endangered species list, listed as "threatened" or petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company. However, the Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to these issues.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. In addition, the Company holds additional non-hydro water rights. The State of Montana is examining the status of all water right claims within state boundaries through a general adjudication. Claims within the Clark Fork River basin could adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The state of Idaho has initiated adjudication in northern Idaho, which will ultimately include the lower Clark Fork River, the Spokane River and the Coeur d'Alene basin. The Company is and will continue to be a participant in these and any other relevant adjudication processes. The complexity of such adjudications makes each unlikely to be concluded in the foreseeable future. As such, it is not possible for the Company to estimate the impact of any outcome at this time. The Company will continue to seek recovery, through the ratemaking process, of all costs related to this issue.

NOTE 16. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

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

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

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with WUTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for Washington customers and defer these differences (over the $4.0 million deadband and sharing bands) for future surcharge or rebate to customers. For 2022, the Company recognized a pre-tax expense of $10.9 million under the ERM in Washington compared to a pre-tax expense of $7.7 million for 2021. Total net deferred power costs under the ERM were an asset of $30.5 million as of December 31, 2022 and a liability of $11.9 million as of December 31, 2021. The deferred power cost asset balance at December 31, 2022 represents amounts due from customers. Pursuant to WUTC requirements, should the cumulative deferral balance exceed $30 million in the rebate or surcharge direction, the Company must make a filing with the WUTC to adjust customer rates to either return the balance to customers or recover the balance from customers. Avista Corp. makes an annual filing on, or before, April 1 of each year to provide the opportunity for the WUTC staff and other interested parties to review the prudence of, and audit, the ERM deferred power cost transactions for the prior calendar year. The cumulative surcharge balance as of December 31, 2022 exceeded $30 million and as a result, the Company's April 2023 filing contained a proposed rate surcharge to be received from customers over a one-year period, with new rates effective July 1, 2023.

Avista Corp. has a PCA mechanism in Idaho that allows it to modify electric rates on October 1 of each year with IPUC approval. Under the PCA mechanism, Avista Corp. defers 90 percent of the difference between certain actual net power supply expenses and the amount included in base retail rates for its Idaho customers. The October 1 rate adjustments recover or rebate power costs deferred during the preceding July-June twelve-month period. Total net power supply costs deferred under the PCA mechanism were an asset of $16.3 million as of December 31, 2022 and $10.8 million as of December 31, 2021. Deferred power cost assets represent amounts due from customers and liabilities represent amounts due to customers.

Natural Gas Cost Deferrals and Recovery Mechanisms

Avista Corp. files a PGA in all three states it serves to adjust natural gas rates for: 1) estimated commodity and pipeline transportation costs to serve natural gas customers for the coming year, and 2) the difference between actual and estimated commodity and transportation costs for the prior year. Total net deferred natural gas costs were an asset of $52.1 million as of December 31, 2022 and $21.0 million as of December 31, 2021. Asset balances represent amounts due from customers and liabilities represent amounts due to customers.

Decoupling and Earnings Sharing Mechanisms

Decoupling (also known as an FCA in Idaho) is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. In each of Avista Corp.'s jurisdictions, Avista Corp.'s electric and natural gas revenues are adjusted so as to be based on the number of customers in certain customer rate classes and assumed "normal" kilowatt hour and therm sales, rather than being based on actual kilowatt hour and therm sales. The difference between revenues based on the number of customers and "normal" sales and revenues based on actual usage is deferred and either surcharged or rebated to customers beginning in the following year. Only residential and certain commercial customer classes are included in decoupling mechanisms.

Washington Decoupling and Earnings Sharing

In Washington, the WUTC approved the Company's decoupling mechanisms for electric and natural gas for a five-year period beginning January 1, 2015. In 2019, the WUTC approved an extension of the mechanisms for an additional five-year term through March 31, 2025, with one modification in that new customers added after any test period would not be decoupled until included in a future test period.

Electric and natural gas decoupling surcharge rate adjustments to customers are limited to a 3 percent increase on an annual basis, with any remaining surcharge balance carried forward for recovery in a future period. There is no limit on the level of rebate rate adjustments.

The decoupling mechanisms each include an after-the-fact earnings test. At the end of each calendar year, separate electric and natural gas earnings calculations are made for the calendar year just ended. These earnings tests reflect actual decoupled revenues, normalized power supply costs and other normalizing adjustments. Through the 2022 general rate cases, the Company modified its earnings test so that if the Company earns more than 0.5 percent higher than the rate of return authorized by the WUTC in the multi-year rate plan, the Company would defer these excess revenues and later return them to customers.

Idaho FCA and Earnings Sharing Mechanisms

In Idaho, the IPUC approved the implementation of FCAs for electric and natural gas through March 31, 2025.

Oregon Decoupling Mechanism

In Oregon, the Company has a decoupling mechanism for natural gas. An earnings review is conducted on an annual basis. In the annual earnings review, if the Company earns more than 100 basis points above its allowed return on earnings, one-third of the earnings above the 100 basis points would be deferred and later returned to customers. The earnings review is separate from the decoupling mechanism and was in place prior to decoupling.

Cumulative Decoupling and Earnings Sharing Mechanism Balances

As of December 31, 2022 and December 31, 2021, the Company had the following cumulative balances outstanding related to decoupling and earnings sharing mechanisms in its various jurisdictions (dollars in thousands):

	December 31, 2022	December 31, 2021
Washington		
Decoupling (rebate) surcharge	$ (13,210)	$ 13,522
Idaho		
Decoupling rebate	$ (7,889)	$ (1,450)
Provision for earnings sharing rebate	(686)	(686)
Oregon		
Decoupling surcharge	$ 2,853	$ 3,152

There were no earnings sharing rebates associated with Washington and Oregon as of December 31, 2022 and December 31, 2021.

2022 Washington General Rate Cases

In June 2022, the Company and certain other parties entered into a Settlement Agreement that resolved all issues in the Company's electric and natural gas general rate cases originally filed in January 2022. The Public Counsel Unit of the Washington Attorney General's Office (Public Counsel), while a party to the rate cases, did not join in the Settlement Agreement. The Settlement Agreement was reached after negotiation of all issues but is "results-focused" -- that is, it represents agreement among all parties (except Public Counsel) as to the Company's overall revenue requirement, without specifying the details of any component except the rate of return on rate base. On December 12, 2022, the WUTC issued an order approving the multi-party Settlement Agreement.

On December 22, 2022, Public Counsel filed a Petition for Reconsideration requesting the WUTC to reconsider its ruling on the Settlement Agreement. Public Counsel's primary issue is related to the "results-focused" approach used by the settling parties and approved by the WUTC.

On January 30, 2023, the WUTC issued an order denying the Petition for Reconsideration, stating that Public Counsel was afforded every opportunity to exercise its rights to oppose the settlement, and reiterated that the end results of the settlement produced rates that were equitable, fair, just, reasonable and sufficient.

NOTE 17. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information consisted of the following items for the years ended December 31 (dollars in thousands):

	2022	2021
Cash paid for interest	$ 101,077	$ 92,143
Cash paid for income taxes	532	1,476
Cash received for income tax refunds	(86)	(22,330)

NOTE 18. SUBSEQUENT EVENTS

The Company has evaluated its subsequent events, noting the following events have occurred subsequent to December 31, 2022:

The Company entered an agreement with Northwestern to transfer its ownership of Colstrip by December 31, 2025. See further discussion of the agreement within Note 15.

Effective April 1, 2023, The Company extended its contract to purchase the output of Lancaster through 2041. The Company is currently evaluating the impact of this extension on the financial statements.

Effective January 1, 2023, the Climate Commitment Act (CCA) went into effect in the State of Washington. The law requires the Company to secure enough carbon allowances to cover the carbon emissions over a certain amount each year. The Company will purchase allowances recorded as inventory, and will record emissions obligations and emissions expense associated with sales. As allowances are used and retired, the Company will remove both the inventory and emissions obligation from the balance sheet. The Company expects to purchase allowances for its Washington natural gas and Idaho electric operations. Effective January 1, 2023, the Company received regulatory approval in Washington to defer incremental costs related to complying with the CCA for its natural gas operations.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Item (a)	Total Company For the Current Quarter/Year (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)
1	UTILITY PLANT					
2	In Service					
3	Plant in Service (Classified)	7,397,867,336	5,085,219,499	1,586,288,461		726,359,376
4	Property Under Capital Leases	68,237,837				68,237,837
5	Plant Purchased or Sold					
6	Completed Construction not Classified					
7	Experimental Plant Unclassified					
8	TOTAL Utility Plant (Total of lines 3 thru 7)	7,466,105,173	5,085,219,499	1,586,288,461		794,597,213
9	Leased to Others					
10	Held for Future Use	10,818,719	9,363,493	190,585		1,264,641
11	Construction Work in Progress	155,475,677	119,839,270	6,229,421		29,406,986
12	Acquisition Adjustments	262,416	262,416			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	7,632,661,985	5,214,684,678	1,592,708,467		825,268,840
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	2,624,302,472	1,848,976,646	479,998,420		295,327,406
15	Net Utility Plant (Total of lines 13 and 14)	5,008,359,513	3,365,708,032	1,112,710,047		529,941,434
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
17	In Service:					
18	Depreciation	2,422,934,895	1,814,695,451	479,138,993		129,100,451
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights					
20	Amortization of Underground Storage Land and Land Rights					
21	Amortization of Other Utility Plant	201,367,577	34,281,195	859,427		166,226,955
22	TOTAL In Service (Total of lines 18 thru 21)	2,624,302,472	1,848,976,646	479,998,420		295,327,406
23	Leased to Others					
24	Depreciation					
25	Amortization and Depletion					
26	TOTAL Leased to Others (Total of lines 24 and 25)					
27	Held for Future Use					

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion						
Line No.	Item (a)	Total Company For the Current Quarter/Year (b)	Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)
28	Depreciation					
29	Amortization					
30	TOTAL Held for Future Use (Total of lines 28 and 29)					
31	Abandonment of Leases (Natural Gas)					
32	Amortization of Plant Acquisition Adjustment					
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	2,624,302,472	1,848,976,646	479,998,420		295,327,406

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	INTANGIBLE PLANT						
2	301 Organization						
3	302 Franchise and Consents						
4	303 MiscellaneousIntangiblePlant	2,664,583	289,098	24,125			2,929,556
5	Total Intangible Plant (Total of lines 2 thru 4)	2,664,583	289,098	24,125			2,929,556
6	PRODUCTION PLANT						
7	Natural Gas Production and Gathering Plant						
8	325.1 Producing Lands						
9	325.2 Producing Leaseholds						
10	325.3 Gas Rights						
11	325.4 RIghts-of-Way						
12	325.5 Other Land and Land Rights						
13	326 Gas Well Structures						
14	327 Field Compressor Station Structures						
15	328 Field Measuring and Regulating Station Structures						
16	329 Other Structures						
17	330 Producing Gas Wells-Well Construction						
18	331 Producing Gas Wells-Well Equipment						
19	332 Field Lines						
20	333 Field Compressor Station Equipment						
21	334 Field Measuring and Regulating Station Equipment						
22	335 Drilling and Cleaning Equipment						
23	336 Purification Equipment						
24	337 Other Equipment						
25	338 Unsuccessful Exploration and Development Costs						
26	339 Asset Retirement Costs for Natural Gas Production and Gathering Plant						
27	Total Production and Gathering Plant (Total of lines 8 thru 26)						

Gas Plant in Service (Accounts 101, 102, 103, and 106)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
28	PRODUCTS EXTRACTION PLANT						
29	340 Land and Land Rights						
30	341 Structures and Improvements						
31	342 Extraction and Refining Equipment						
32	343 Pipe Lines						
33	344 Extracted Products Storage Equipment						
34	345 Compressor Equipment						
35	346 Gas Measuring and Regulating Equipment						
36	347 Other equipment						
37	348 Asset Retirement Costs for Products Extraction Plant						
38	Total Products Extraction Plant (Total of lines 29 thru 37)						
39	Total Natural Gas Production Plant (Total of lines 27 and 38)						
40	Manufactured Gas Production Plant (Submit supplementary information in a footnote)	59,924					59,924
41	Total Production Plant (Total of lines 39 and 40)	59,924	0				59,924
42	NATURAL GAS STORAGE AND PROCESSING PLANT						
43	Underground storage plant						
44	350.1 Land	1,313,516					1,313,516
45	350.2 Rights-of-Way	66,742					66,742
46	351 Structures and Improvements	2,568,116	472,665				3,040,781
47	352 Wells	18,922,731	472,665				19,395,396
48	352.1 Storage Leaseholds and Rights						
49	352.2 Reservoirs	1,667,492					1,667,492
50	352.3 Non-recoverable Natural Gas	5,810,311					5,810,311
51	353 Lines	2,229,534					2,229,534
52	354 Compressor Station Equipment	18,186,086	472,666				18,658,752
53	355 Measuring and Regulating Equipment	1,710,400	472,667				2,183,067
54	356 Purification Equipment	560,248					560,248
55	357 Other Equipment	2,701,856	472,665				3,174,521
56	358 Asset Retirement Costs for Underground Storage Plant						

Gas Plant in Service (Accounts 101, 102, 103, and 106)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
57	Total Underground Storage Plant (Total of lines 44 thru 56)	55,737,032	2,363,328				58,100,360
58	Other Storage Plant						
59	360 Land and Land Rights						
60	361 Structures and Improvements						
61	362 Gas Holders						
62	363 Purification Equipment						
63	363.1 Liquefaction Equipment						
64	363.2 Vaporizing Equipment						
65	363.3 Compressor Equipment						
66	363.4 Measuring and Regulating Equipment						
67	363.5 Other Equipment						
68	363.6 Asset Retirement Costs for Other Storage Plant						
69	Total Other Storage Plant (Total of lines 58 thru 68)						
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant						
71	364.1 Land and Land Rights						
72	364.2 Structures and Improvements						
73	364.3 LNG Processing Terminal Equipment						
74	364.4 LNG Transportation Equipment						
75	364.5 Measuring and Regulating Equipment						
76	364.6 Compressor Station Equipment						
77	364.7 Communications Equipment						
78	364.8 Other Equipment						
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas						
80	Total Base Load Liquified Natural Gas , Terminating and Processing Plant (Total of lines 71 thru 79)						
81	Total Nat'l Gas Storage and Processing Plant (Total of lines 57, 69, and 80)	55,737,032	2,363,328				58,100,360
82	TRANSMISSION PLAN						
83	365.1 Land and Land Rights						
84	365.2 Rights-of-Way						
85	366 Structures and Improvements						

Gas Plant in Service (Accounts 101, 102, 103, and 106)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
86	367 Mains						
87	368 Compressor Station Equipment						
88	369 Measuring and Regulating Station Equipment						
89	370 Communication Equipment						
90	371 Other Equipment						
91	372 Asset Retirement Costs for Transmission Plant						
92	Total Transmission Plant (Total of line 81 thru 91)						
93	DISTRIBUTION PLANT						
94	374 Land and Land Rights	1,584,263	63,564				1,647,827
95	375 Structures and Improvements	2,236,483	26,208	3,451			2,259,240
96	376 Mains	705,689,470	55,694,367	409,902			760,973,935
97	377 Compressor Station Equipment						
98	378 Measuring and Regulating Station Equipment-General	13,146,637	653,829	5,565			13,794,901
99	379 Measuring and Regulating Station Equipment-City Gate	9,853,403	251,254				10,104,657
100	380 Services	451,435,611	29,455,496	206,177			480,684,930
101	381 Meters	167,072,484	11,133,008	1,130,184			177,075,308
102	382 Meter Installations						
103	383 House Regulators						
104	384 House Regulator Installations						
105	385 Industrial Measuring and Regulating Station Equipment	6,511,414	35,537				6,546,951
106	386 Other Property on Customers' Premises						
107	387 Other Equipment	601					601
108	388 Asset Retirement Costs for Distribution Plant						
109	Total Distribution Plant (Total of lines 94 thru 108)	1,357,530,366	97,313,263	1,755,279			1,453,088,350
110	GENERAL PLANT						
111	389 Land and Land Rights	3,918,902	(2,368)				3,916,534
112	390 Structures and Improvements	29,454,978	245,334	312,080		(53,999)	29,334,233
113	391 Office Furniture and Equipment	474,505	92,266	150,874			415,897
114	392 Transportation Equipment	20,542,768	1,081,571	562,618		150,237	21,211,958
115	393 Stores Equipment	243,144					243,144

Gas Plant in Service (Accounts 101, 102, 103, and 106)							
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
116	394 Tools, Shop, and Garage Equipment	10,037,265	509,843	66,566			10,480,542
117	395 Laboratory Equipment	452,276					452,276
118	396 Power Operated Equipment	4,273,025		123,604			4,149,421
119	397 Communication Equipment	1,917,901	6,537	28,153			1,896,285
120	398 Miscellaneous Equipment	9,092	889				9,981
121	Subtotal (Total of lines 111 thru 120)	71,323,856	1,934,072	1,243,895		96,238	72,110,271
122	399 Other Tangible Property						
123	399.1 Asset Retirement Costs for General Plant						
124	Total General Plant (Total of lines 121, 122, and 123)	71,323,856	1,934,072	1,243,895		96,238	72,110,271
125	Total (Accounts 101 and 106)	1,487,315,761	101,899,761	3,023,299		96,238	1,586,288,461
126	Gas Plant Purchased (See Instruction 8)						
127	(Less) Gas Plant Sold (See Instruction 8)						
128	Experimental gas plant unclassified						
129	Total Gas Plant In Service (Total of lines 125 thru 128)	1,487,315,761	101,899,761	3,023,299		96,238	1,586,288,461

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Plant Held for Future Use (Account 105)

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Gas Distribution Mains and Services, Coeur d'Alene, Idaho	03/01/2000	12/31/2026	190,585
45	Total			190,585

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Construction Work in Progress-Gas (Account 107)

Line No.	Description of Project (a)	Construction work in progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Gas Replace-St&Hwy	1,613,336	197,985
2	Minor Projects under $1,000,000	4,616,085	12,268,259
45	TOTAL	6,229,421	12,466,244

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

General Description of Construction Overhead Procedure

Line No.	Title (a)	Amount (b)	Entity Name (c)	Capitalization Ration (percent) (d)	Cost Rate Percentage (e)	Rate Indicator (f)
1. Components of Formula (Derived from actual book balances and actual cost rates):						
	(1) Average Short-Term Debt	S 181,958,000				
	(2) Short-Term Interest				s 2.72%	
	(3) Long-Term Debt	D 2,113,500,000		47.42%	d 4.95%	
	(4) Preferred Stock	P		0%	p	
	(5) Common Equity	C 2,161,172,543		48.49%	c 9.4%	
	(6) Total Capitaization	4,456,630,543		96%		
	(7) Average Construction Work in Progress Balance	W 207,349,000				

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] -	2.69%
3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] -	0.58%
4. Weighted Average Rate Actually Used for the Year:	
(a) Rate for Borrowed Funds -	2.69%
(b) Rate for Other Funds -	0.58%

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	447,029,979	447,029,979	0	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	42,539,340	42,539,340		
4	(403.1) Depreciation Expense for Asset Retirement Costs	0			
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	1,394,062	1,394,062		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9.1					
9.2					
9.3					
9.4					
9.5					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	43,933,402	43,933,402	0	0
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	1,107,911	1,107,911		
13	Cost of Removal	290,385	290,385		
14	Salvage (Credit)				
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	1,398,296	1,398,296	0	0
16	Other Debit or Credit Items (Describe in footnote details)				
17.1	Change in RWIP	(2,213,551)	(2,213,551)		
17.2	AMI/MDM Deferral Reclass	(4,107,087)	(4,107,087)		
17.3	Change in APx Accrual	(3,232)	(3,232)		
17.4	Transfers	79,850	79,850		
17.5	General Plant Common Allocated	(6,978,664)	(6,978,664)		
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	479,138,993	479,138,993	0	0
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				

Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant held for Future Use (d)	Gas Plant Leased to Others (e)
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	20,852,456	20,852,456		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	430,860,580	430,860,580		
29	General	27,425,957	27,425,957		
30	TOTAL (Total of lines 21 thru 29)	479,138,993	479,138,993	0	0

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)
1	Balance at Beginning of Year	6,992,076	0	0	0
2	Gas Delivered to Storage				
3	Gas Withdrawn from Storage				
4	Other Debits and Credits				
5	Balance at End of Year	6,992,076	0	0	0
6	Dth	1,253,060			
7	Amount Per Dth	5.58			

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)				
Line No.	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	[(a)]17,603,996	0	0	24,596,072
2	56,596,703			56,596,703
3	47,412,673			47,412,673
4	0			0
5	26,788,026	0		33,780,102
6	3,827,753			5,080,813
7	6.9984			6.6486

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: GasStoredCurrent

Fuel is accounted for within injections and withdrawal accounts.

All gas reported is current working gas. Avista uses the inventory method to report all working gas stored.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Investments (Account 123, 124, and 136)

Line No.	Description of Investment (a)	* (b)	Date Acquired (c)	Date Matured (d)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (e)	Purchases or Additions During the Year (f)	Sales or Other Dispositions During Year (g)	Principal Amount (h)	No. of Shares at End of Year (i)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (j)	Revenues for Year (k)	Gain or Loss from Investment Disposed of (l)
1	Investment in Avista Capital II (123010)	false			11,547,000	0	0			11,547,000		
2	Total Investment in Associated Companies				11,547,000	0	0			11,547,000		
1	Other Investment - WZN Loans Sandpoint (124350)				59,354	0				59,354		
2	Other Investment - Coli Cash Value (124600)				34,625,304		(3,341,847)			37,967,151		
3	Other Investment - Coli Borrowings (124610)				(34,625,304)		3,341,847			(37,967,151)		
4	Other Investment - WZN Loans Oregon (124680)				18,535		4,441			14,094		
5	Total Other Investments				77,889	0	4,441			73,448		
1	Temp Cash Investments (136000)				153,241	343,332				496,573		
2	Total Temporary Cash Investments				153,241	343,332				496,573		
4	Total Investments				11,778,131	343,332	4,441			12,117,022		

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Investments in Subsidiary Companies (Account 123.1)

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1	Investment in Avista Capital	01/01/1997		256,138,971			256,138,971	
2	Investment in AERC			89,816,380			89,816,380	
3	AERC - Equity in Earnings			18,700,247	7,372,004	5,000,000	21,072,251	
4	Avista Capital - Equity in Earnings			(138,689,885)	32,423,253		(106,266,632)	
40	TOTAL Cost of Account 123.1 $		Total	225,965,713	39,795,257	5,000,000	260,760,970	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
	PREPAYMENTS (ACCOUNT 165)	
1	Prepaid Insurance	3,981,820
2	Prepaid Rents	4,766
3	Prepaid Taxes	4,517,894
4	Prepaid Interest	
5	Miscellaneous Prepayments	19,807,002
6	TOTAL	28,311,482

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Regulatory Assets (Account 182.3)

Line No.	Description and Purpose of Other Regulatory Assets (a)	Amortization Period (b)	Regulatory Citation (c)	Balance at Beginning Current Quarter/Year (d)	Debits (e)
1	(a) WA Excess Nat Gas Line Extension Allowance			6,463,028	
2	(b) Reg Asset Post Ret Liabilility			171,371,633	6,014,594
3	(c) Regulatory Asset FAS 109 Utility Plant			93,904,984	1,368,078
4	Regulatory Asset FAS 109 DSIT Non Plant			2,347,130	2,095,196
5	(d) Regulatory Asset Lake CDA Settlement-Varies			38,925,962	
6	(e) Reg Assets-Decoupling Surcharges - 2 years			10,879,978	15,722,773
7	(f) Reg Asset - Colstrip			10,793,262	6,334,788
8	(g) Regulatory Asset Commodity MTM ST & LT			15,385,297	142,848,597
9	(h) Regulatory Asset FAS 143 Asset Retirement Obligation			2,037,861	127,998
10	(i) Regulatory Asset Workers Comp			887,008	376,609
11	(j) Interest Rate Swap Asset			199,753,782	17,087,128
12	(k) DSM Asset			3,974,177	64
13	(l) Deferred ITC			3,840,019	
14	(m) Regulatory Asset MDM System			36,007,664	
15	(n) Regulatory Asset BPA Residential Exchange			1,140,077	1,904,691
16	(o) Regulatory Asset FISERV			1,092,857	2,481
17	(p) Regulatory Asset AFUDC (PIS,WIP) & Equity DFIT			55,034,683	40,961,568
18	Regulatory Asset ID PCA Deferral			10,774,982	20,794,818
19	(q) Existing Meters/ERTS Retirement Def			21,415,525	326,004
20	(r) Regulatory Asset Colstrip Community Fund			1,500,000	0
21	(s) Regulatory Asset COVID-19			1,980,427	798,350
22	(t) Regulatory Asset Energy Imbalance Market			715,789	28,885

Other Regulatory Assets (Account 182.3)					
Line No.	Description and Purpose of Other Regulatory Assets (a)	Amortization Period (b)	Regulatory Citation (c)	Balance at Beginning Current Quarter/Year (d)	Debits (e)
23	(u) Regulatory Asset Oregon CAT Tax			898,620	47,534
24	(v) Regulatory Asset- Wildfire Resiliency			4,383,450	18,254,023
25	(w) Deferral for CS2 & Colstrip (O&M, Excess Depr)			5,109,886	682,831
26	(x) Regulatory Asset Tax Basis Flow through			131,806,591	6,466,961
27	(y) Tax Reform Deferral			685,595	0
28	(z) Other Regulatory Assets			52,641	151,256
29	(aa) Regulatory Asset Pension Settlement Deferral			0	11,827,588
30	(ab) Regulatory Asset Energy Affordability Act			0	219,732
31	(ac) Unrealized Currency Exchange			0	1,554,060
40	TOTAL			833,162,908	295,996,607

Other Regulatory Assets (Account 182.3)				
Line No.	Written off During Quarter/Year Account Charged (f)	Written off During Period Amount Recovered (g)	Written off During Period Amount Deemed Unrecoverable (h)	Balance at End of Current Quarter/Year (i)
1	407	2,134,643		4,328,385
2	228	48,539,097		128,847,130
3	283	14,723,774		80,549,288
4	283			4,442,326
5	407	1,116,805		37,809,157
6	456, 495	17,513,449		9,089,302
7	407	2,151,579		14,976,471
8	244, 175	27,959,682		130,274,212
9	403	678		2,165,181
10	242	274,589		989,028
11	Various	30,921,856		185,919,054
12	Various	290,889		3,683,352
13	283, 410	70,968		3,769,051
14	407, 419	3,626,799		32,380,865
15	407	1,745,820		1,298,948
16	407, 419	688,895		406,443
17	Various	36,334,000		59,662,251
18	557, 419	15,227,806		16,341,994
19	108, 407	2,282,031		19,459,498
20				1,500,000
21	186, 407	1,537,005		1,241,772
22	407	45,555		699,119
23	407, 419	317,905		628,249
24	184	4,450,952		18,186,521
25	182, 407	3,917,936		1,874,781
26		0		138,273,552
27	254	685,595		0
28	407, 419	105,529		98,368
29				11,827,588
30		0		219,732
31	143	61,450		1,492,610
40		216,725,287		912,434,228

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Residential Schedule 101 customers who receive a natural gas line extension as part of conversion to natural gas from another fuel source. Amortization for a period of 3 years on the excess allowance exceeding the cost of the line extension.
(b) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Recognition of the overfunded and underfunded status of a defined benefit post retirement plan based on ASC 715 for financial reporting.
(c) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferred tax flow through balance on utility plant. Amortization occurs over book life of respective utility plant assets.
(d) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
WA Docket UE-080416, ID Order AVU-E-08-01. Amortization thru 2059.
(e) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Decoupling revenue deferrals are recognized during the period they occur, subject to certain limitations. Revenue is expected to be collected within 24 months of the deferral.
(f) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
For Washington Electric, amortization period is 33.75 years as per Order 09, dockets UE-190334, UG-190335, UE-190222 (Consolidated). For Idaho Electric, amortization is for 34.75 years as per Order 34276, AVU-E-18-03. Amortization ends in 2054 for both jurisdictions.
(g) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Washington Docket# UE-002066 and Idaho Order# 28648
(h) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Regulatory Assets related to deferred ARO expenses for Kettle Falls and Coyote Springs thermal plants. The expenses will not be collected from Customers until actual work is performed.
(i) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Quarterly adjustments to workers comp reserve for current unpaid claims.
(j) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Settled swaps are amortized over the life of the associated debt.
(k) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Amortization period varies depending on timing of transactions.
(l) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Amortization period varies depending on underlying transactions.
(m) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Washington Dockets UE-180418, UG-180419
(n) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Avista is a participant in the Residential Exchange Program with Bonneville Power Administration. Customers served under Schedules 1, 12, 22, 32, and 48 are given a rate adjustment based on Schedule 59 for Washington and Idaho. Amortization is based on customer usage.
(o) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Idaho Order# 33494, Docket Nos. AVU-E-16-01 and Stipulation and Settlement Docket# AVU-E-19-04
(p) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferring the difference between FERC formula and State approved AFUDC rates from 2010 to present.
(q) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Washington Docket# UE-002066 and Idaho Order# 28648
(r) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferral of customer portion for future rate recovery. The funds are set aside to help the Colstrip community transition away from economic activity related to coal-fired generation.
(s) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferral of COVID-19 costs as per Idaho PUC Order No. 34718, Oregon PUC Order No. 20-401, Docket UM 2069 and WA UTC Order No. 01, Dockets UE-200407 and UG-200408.
(t) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Idaho PUC Order No. 34606. Deferral of costs related to Avista's entry in the Energy Imbalance Market in March 2022.
(u) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Oregon PUC Order No. 20-398, Docket UM-2042
(v) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferral of O&M wildfire expenses as per Idaho PUC Order 34883 and WA Dockets UE-200900, UG-200901, and UE-200894.
(w) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
WA Order 09, Docket Nos. UE-190334, UG-190335, UE-190222.

(x) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Accounting method change for federal income tax expense associated with Industry Director Directive No. 5 mixed service costs for meters.
(y) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Balance remaining after 1 year amortization of 2019 Temporary Tax Rebate based on Oregon Advice# 19-01=G.
(z) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferred Regulatory Fees of $98,369 refers to Oregon Docket No. UG 415, Advice# 21-06-G. Amortization of amounts deferred previously in Order No. 20-254 in UG 395.
(aa) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Pending applications to defer expected impacts associated with the occurrence of pension events and amortization over 12 years - Idaho Case Nos. AVU-E-22-16 and AVU-G-22-08, Washington Dockets UE-220898 and UG-220899, Oregon UM 2267.
(ab) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferral of costs associated with Oregon House Bill 2475.
(ac) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Recognition of other liability related to foreign exchange hedge rates over a two year period.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Miscellaneous Deferred Debits (Account 186)

Line No.	Description of Miscellaneous Deferred Debits (a)	Amortization Period (b)	Balance at Beginning of Year (c)	Debits (d)	Credits Account Charged (e)
1	Reg Asset - Battery Storage		3,848,745		VAR
2	Colstrip Common Facility		3,466,641		VAR
3	Plant Alloc of Clearing Journal		8,118,225		VAR
4	Reg Asset - ERM		7,929,924	27,869,273	
5	Gas Supply Transactions		532,891		VAR
6	Reg Asset - Decoupling Deferred		14,174,956		VAR
7	Reg Asset - COVID 19 Deferral		11,610,194		VAR
8	Prepaid Pension		0	13,381,750	
9	Nez Perce Settlement		113,937		VAR
10	Garden Springs Interconnection		30,124	75,000	
11	Misc. Deferred Debits <$100,000		756,057		VAR
12	ERM, DSM & BPA Tariff Riders Expense		181,230		253
39	Miscellaneous Work in Progress				
40	TOTAL		50,762,924	41,326,023	

Miscellaneous Deferred Debits (Account 186)		
Line No.	Credits Amount (f)	Balance at End of Year (g)
1	426,652	3,422,093
2	3,466,641	0
3	5,773,304	2,344,921
4		35,799,197
5	532,891	0
6	9,716,367	4,458,589
7	3,058,626	8,551,568
8		13,381,750
9	5,188	108,749
10		105,124
11	7,880	748,177
12	181,230	0
39		
40	23,168,779	68,920,168

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Accumulated Deferred Income Taxes (Account 190)

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year, Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 190										
2	Electric	115,179,928	1,867,536	(6,588,343)	96,669	564,551	254.3	1,217,683			105,974,248
3	Gas	30,295,536	(688,663)	(2,719,224)	2,224	22,033	254.3	327,465			27,957,319
4	Other (Define)	[(a)]110,887,110	377,090	9,935,600	1,224,029	3,307,477			254.3	13,009,977	135,539,045
5	Total (Total of lines 2 thru 4)	256,362,574	1,555,963	628,033	1,322,922	3,894,061		1,545,148		13,009,977	269,470,612
6	Other (Specify)										
7	TOTAL Account 190 (Total of lines 5 thru 6)	256,362,574	1,555,963	628,033	1,322,922	3,894,061		1,545,148		13,009,977	269,470,612
8	Classification of TOTAL										
9	Federal Income Tax	256,362,574	1,555,963	628,033	1,322,922	3,894,061		1,545,148		13,009,977	269,470,612
10	State Income Tax										
11	Local Income Tax										

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxes

	Beg Balance	End Balance
Pension, Medical, and SERP	49,617,069	39,011,736
Federal Income Tax Carryforwards	19,821,038	32,930,810
State Income Tax Carryforwards	18,379,565	22,175,174
Derivative Instruments	8,903,303	29,450,122
Compensation and Payroll	6,589,381	6,455,693
Plant Excess Deferred Gross Up	6,552,622	5,388,884
Other Common Deferred Tax Assets	1,024,132	126,626
Total	110,887,110	135,539,045

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Capital Stock (Accounts 201 and 204)

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	No Par Value	200,000,000			74,945,948	1,481,787,168				
3	Restricted Shares								157,860	5,908,700
4										
5	Total	200,000,000			74,945,948	1,481,787,168				
6	Preferred Stock (Account 204)									
7	Cumulative	10,000,000								
8										
9										
10	Total	10,000,000				0				
	Historical Data									
11	Common & Preferred Stock	210,000,000			74,945,948	1,481,787,168			157,860	5,908,700
12	Total	210,000,000			74,945,948	1,481,787,168				

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Paid-In Capital (Accounts 208-211)

Line No.	Item (a)	Amount (b)
1	Donations Received from Stockholders (Account 208)	
2	Beginning Balance Amount	
3	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	
5	Reduction in Par or Stated Value of Capital Stock (Account 209)	
6	Beginning Balance Amount	
7	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)	
10	Beginning Balance Amount	
11	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	Miscellaneous Paid-In Capital (Account 211)	
14	Beginning Balance Amount	(10,696,711)
15	Increases (Decreases) Due to Miscellaneous Paid-In Capital	
16	Ending Balance Amount	(10,696,711)
17	Other Paid in Capital	
18	Beginning Balance Amount	
19	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	(10,696,711)

Securities Issued or Assumed and Securities Refunded or Retired During the Year

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

In March 2022, the Company issued and sold $400.0 million of 4.00 percent first mortgage bonds due in 2052 through a public offering. The total net proceeds from the sale of the bonds were used to repay the borrowings outstanding under Avista Corp.'s $400.0 million committed line of credit, as well as $250.0 million of maturing debt. In connection with the pricing of the first mortgage bonds in March 2022, the Company cash settled thirteen interest rate swap derivatives (notional aggregate amount of $140.0 million) and paid a net amount of $17.0 million. See Note 8 for a discussion of interest rate swap derivatives.

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

1. Order of the Washington Utilities and Transportation Commission in Docket No. 210944 entered February 10, 2022.
2. Order of the Idaho Public Utilities Commission, Order No. 35286 entered January 6, 2021.
3. Order of the Public Utility Commission of Oregon, Order No. 21-486, entered December 28, 2021.
4. Order of the Public Service Commission of the State of Montana, Default Order No. 4535.

The Company issued common stock in 2022 for total net proceeds of $137.8 million. Most of these issuances came through the Company's sales agency agreements under which the sales agents may offer and sell new shares of common stock from time to time. The Company has board and regulatory authority to issue a maximum of 5.6 million shares under these agreements, of which 2.3 million remain unissued as of December 31, 2022. In 2022, 3.3 million shares were issued under these agreements resulting in total net proceeds of $137.2 million.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)	Interest for Year Rate (in %) (e)
1	Bonds (Account 221)				
2	FMBS - SERIES A - 7.53% DUE 05/05/2023	05/06/1993	05/05/2023	5,500,000	7.53%
3	FMBS - SERIES A - 7.54% DUE 5/05/2023	05/07/1993	05/05/2023	1,000,000	7.54%
4	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000	7.18%
5	FMBS - SERIES C - 6.37% DUE 06/18/2028	06/19/1998	06/19/2028	25,000,000	6.37%
6	FMBS - 6.25% DUE 12-01-35	11/17/2005	12/01/2035	150,000,000	6.25%
7	FMBS - 5.70% DUE 07-01-2037	12/15/2006	07/01/2037	150,000,000	5.7%
8	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000	1.27%
9	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000	1.27%
10	5.55% SERIES DUE 12-20-2040	12/20/2010	12/20/2040	35,000,000	5.55%
11	4.45% SERIES DUE 12-14-2041	12/14/2011	12/14/2041	85,000,000	4.45%
12	4.23% SERIES DUE 11-29-2047	11/30/2012	11/29/2047	80,000,000	4.23%
13	4.11% SERIES DUE 12-1-2044	12/18/2014	12/01/2044	60,000,000	4.11%
14	4.37% SERIES DUE 12-1-2045	12/16/2015	12/01/2045	100,000,000	4.37%
15	3.54% SERIES DUE 2051	12/15/2016	12/01/2051	175,000,000	3.54%
16	3.91% SERIES DUE 12-1-2047	12/14/2017	12/01/2047	90,000,000	3.91%
17	4.35% SERIES DUE 6-1-2048	05/22/2018	06/01/2048	375,000,000	4.35%
18	3.43% SERIES DUE 12-1-2049	11/26/2019	12/01/2049	180,000,000	3.43%
19	3.07% SERIES DUE 9-1-2050	09/30/2020	09/30/2050	165,000,000	3.07%
20	2.90% SERIES DUE 10/01/2051	09/28/2021	10/01/2051	140,000,000	2.9%
21	4.00% SERIES DUE 4/1/2052	03/17/2022	04/01/2052	400,000,000	4%
22	Subtotal			2,307,200,000	
23	Reacquired Bonds (Account 222)				
24	COLSTRIP 2010A PCRBs	12/15/2010	10/01/2032	66,700,000	1.27%
25	COLSTRIP 2010B PCRBs	12/15/2010	03/01/2034	17,000,000	1.27%
26	Subtotal			83,700,000	
27	Advances from Associated Companies (Account 223)				
28	ADVANCE ASSOCIATED- AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000	2.05%
29	Subtotal			51,547,000	
30	Other Long Term Debt (Account 224)				
31					
32					
33					

Long-Term Debt (Accounts 221, 222, 223, and 224)					
Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)	Interest for Year Rate (in %) (e)
34					
35					
36					
37					
38					
32	Subtotal			0	
40	TOTAL			2,442,447,000	

Long-Term Debt (Accounts 221, 222, 223, and 224)				
Line No.	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1				
2	414,150			
3	75,400			
4	502,600			
5	1,592,500			
6	9,375,000			
7	8,550,000			
8				
9				
10	1,942,500			
11	3,782,500			
12	3,384,000			
13	2,466,000			
14	4,370,000			
15	6,195,000			
16	3,519,000			
17	16,312,500			
18	6,174,000			
19	5,065,500			
20	4,060,000			
21	12,645,161			
22	90,425,811		0	
23				
24	847,928			
25	216,114			
26	1,064,042	0	0	
27				
28	1,058,476			
29	1,058,476		0	
30				
31				
32				
33				
34				
35				
36				
37				

Long-Term Debt (Accounts 221, 222, 223, and 224)				
Line No.	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
38				
32				
40	92,548,329	0	0	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total expense - Premium; Discount; or Debt Issuance Costs (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	Unamortized Debt Expense (Account 181)				
2	FMBS - SERIES A - 7.53% DUE 05/05/2023	5,500,000	42,712	05/06/1993	05/05/2023
3	FMBS - SERIES A - 7.54% DUE 5/05/2023	1,000,000	7,766	05/07/1993	05/05/2023
4	FMBS - SERIES A - 7.18% DUE 8/11/2023	7,000,000	54,364	08/12/1993	08/11/2023
5	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	51,547,000	1,296,086	06/03/1997	06/01/2037
6	FMBS - SERIES C - 6.37% DUE 06/18/2028	25,000,000	158,304	06/19/1998	06/19/2028
7	FMBS - 6.25% DUE 12-01-35	150,000,000	2,180,435	11/17/2005	12/01/2035
8	FMBS - 5.70% DUE 07-01-2037	150,000,000	4,924,304	12/15/2006	07/01/2037
9	5.125% SERIES DUE 04-01-2022	250,000,000	2,859,788	09/22/2009	04/01/2022
10	5.55% SERIES DUE 12-20-2040	35,000,000	258,834	12/20/2010	12/20/2040
11	4.45% SERIES DUE 12-14-2041	85,000,000	692,833	12/14/2011	12/14/2041
12	SHORT-TERM CREDIT FACILITY	0	12,757,391	12/14/2011	04/18/2022
13	4.23% SERIES DUE 11-29-2047	80,000,000	730,832	11/30/2012	11/29/2047
14	4.11% SERIES DUE 12-1-2044	60,000,000	428,205	12/18/2014	12/01/2044
15	4.37% SERIES DUE 12-1-2045	100,000,000	590,761	12/16/2015	12/01/2045
16	3.54% SERIES DUE 2051	175,000,000	1,042,569	12/15/2016	12/01/2051
17	3.91% SERIES DUE 12-1-2047	90,000,000	552,539	12/14/2017	12/01/2047
18	4.35% SERIES DUE 6-1-2048	375,000,000	4,625,198	06/01/2018	06/01/2048
19	3.43% SERIES DUE 12-1-2049	180,000,000	1,108,340	12/01/2019	12/01/2049
20	3.07% SERIES DUE 9-1-2050	165,000,000	1,074,990	09/30/2020	09/30/1950
21	2.90% SERIES DUE 10/01/2051	140,000,000	1,070,181	09/28/2021	10/01/2051
22	4.00% SERIES DUE 4-1-2052	400,000,000	4,723,993	03/17/2022	04/01/2052
23	DEBT STRATEGIES	0	56,760	08/01/2005	08/01/2035
24	Rathrum 2005	0	71,647	09/30/2005	12/01/2035
25	Premium on Long-Term Debt (Account 225)				
26	FMBS - 6.25% DUE 12-01-35	150,000,000	2,180,435	11/17/2005	12/01/2035
27	Discount on Long-Term Debt (Account 226)				
28	FMBS - 6.25 DUE 12-01-35	150,000,000	2,180,435	11/17/2005	12/01/2035
29	FMBS - 5.70% DUE 07-01-2037	150,000,000	4,924,304	12/15/2006	07/01/2037
30	5.125 SERIES DUE 04-01-2022	250,000,000	2,859,788	09/22/2009	04/01/2022
31	4.35% SERIES DUE 6-1-2048	375,000,000	4,625,198	06/01/2018	06/01/2048
32	4.00% SERIES DUE 4-1-2052	400,000,000	4,723,993	03/17/2022	04/01/2052

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)				
Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2	2,017		1,424	593
3	367		259	108
4	3,020		1,812	1,208
5	217,230		14,015	203,215
6	34,299		5,277	29,022
7	845,284		60,378	784,906
8	2,396,292		153,773	2,242,519
9	60,622		60,622	0
10	163,933		8,628	155,305
11	462,079		23,104	438,975
12	2,587,140	1,340,533	841,243	3,086,430
13	541,298		20,886	520,412
14	328,490		14,282	314,208
15	472,836		19,702	453,134
16	893,815		29,794	864,021
17	478,985		18,423	460,562
18	3,741,093		141,174	3,599,919
19	1,031,591		36,843	994,748
20	1,082,898		37,666	1,045,232
21	1,044,045	1,867	18,995	1,026,917
22	0	4,579,993	113,112	4,466,881
23	390		29	361
24	33,159		2,368	30,791
25				
26	124,367	8,884	0	115,483
27				
28	295,047	0	21,075	273,972
29	113,117	0	7,259	105,858
30	15,232	0	15,232	0
31	333,636	0	12,590	321,046
32	0	144,000	3,590	140,410

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Designation of Long-Term Debt (a)	Date of Maturity (b)	Date Reacquired (c)	Principal of Debt Reacquired (d)	Net Gain or Loss (e)	Balance at Beginning of Year (f)	Balance at End of Year (g)
1	Unamortized Loss (Account 189)						
2	Misc Debt Repurchases I		05/10/1993	0	4,695,395	94,633	50,397
3	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/01/2037	12/18/2000	10,000,000	0	0	0
4	Misc 2002 Repurchase		12/31/2002	10,000,000	121,847	16,854	14,006
5	Misc 2003 Repurchase		12/31/2003	25,330,000	684,726	53,975	38,776
6	Misc 2005 Repurchase		12/31/2005	26,000,000	1,700,371	427,004	391,999
7	Misc 2008 Repurchase		12/31/2008	0	(43,132)	(5,530)	(2,834)
8	AVA CAPITAL TRUST III (2002)		04/01/2009	60,000,000	2,875,817	76,425	0
9	COLSTRIP 2010A PCRBs DUE 2032	03/01/2032	12/14/2010	66,700,000	3,709,174	1,686,401	1,530,733
10	COLSTRIP 2010B PCRBs DUE 2034	03/01/2034	12/14/2010	17,000,000	1,916,297	1,007,007	920,919
11	5.55% SERIES DUE 12-20-2040	12/20/2040	12/20/2010	30,000,000	5,263,822	3,333,754	3,158,293
12	4.23% SERIES DUE 11-29-2047	11/29/2047	06/28/2012	4,100,000	105,020	77,765	74,765
13	Unamortized Gain (Account 257)						
14	Misc Debt Repurchases I		05/10/1993	0	0	0	0
15	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/01/2037	12/18/2000	10,000,000	(1,769,125)	752,386	703,583
16	Misc 2002 Repurchase		12/31/2002	10,000,000	(2,350,000)	325,064	270,123
17	Misc 2003 Repurchase		12/31/2003	25,330,000	(1,000,000)	111,835	86,042
18	Misc 2005 Repurchase		12/31/2005	26,000,000	0	0	0
19	Misc 2008 Repurchase		12/31/2008	0	0	0	0
20	AVA CAPITAL TRUST III (2002)		04/01/2009	60,000,000	0	0	0
21	COLSTRIP 2010A PCRBs DUE 2032	03/01/2032	12/14/2010	66,700,000	0	0	0
22	COLSTRIP 2010B PCRBs DUE 2034	03/01/2034	12/14/2010	17,000,000	0	0	0
23	5.55% SERIES DUE 12-20-2040	12/20/2040	12/20/2010	30,000,000	0	0	0
24	4.23% SERIES DUE 11-29-2047	11/29/2047	06/28/2012	4,100,000	0	0	0

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 114)	155,176,032
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	16,203,034
6	Other	804,403
8	Total	17,007,437
9	Deductions Recorded on Books Not Deducted for Return	
10	Book Depreciation	277,978,797
11	Federal Income Tax Expense	(29,134,857)
12	State Income Tax Expense	(8,596)
13	Subsidiary Overheads	3,189,376
14	Other	107,587,464
13	Total	359,612,184
14	Income Recorded on Books Not Included in Return	
15	Subsidiary Earnings	39,795,257
16	Other	2,070,906
18	Total	41,866,163
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation	225,647,442
21	Plant Basis Adjustments	131,748,738
22	Other	141,172,944
26	Total	498,569,124
27	Federal Tax Net Income	(8,639,634)
28	Show Computation of Tax:	
29	Federal Tax at 21%	(1,814,323)
30	Prior Year True Ups	316,662
31	Total Federal Current Tax Expense	(1,497,661)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)
1	Income Tax	Federal Tax		2021	
2	Income Tax	Federal Tax		2022	
3	**Subtotal Federal Tax**				0
4	Property Tax	Property Tax	WA	2020	9,295,419
5	Property Tax	Property Tax	WA	2021	9,394,693
6	Property Tax	Property Tax	WA	2022	0
7	Property Tax	Property Tax	ID	2020	(42)
8	Property Tax	Property Tax	ID	2021	3,882,456
9	Property Tax	Property Tax	ID	2022	
10	Property Tax	Property Tax	MT	2020	1
11	Property Tax	Property Tax	MT	2021	4,756,084
12	Property Tax	Property Tax	MT	2022	
13	Property Tax	Property Tax	OR	2020	
14	Property Tax	Property Tax	OR	2021	
15	Property Tax	Property Tax	OR	2022	
16	**Subtotal Property Tax**				27,328,611
17	Excise Tax	Excise Tax	WA	2020	18,342
18	Excise Tax	Excise Tax	WA	2021	2,992,561
19	Excise Tax	Excise Tax	WA	2022	
20	Corp Activities Tax-CAT	Excise Tax	OR	2021	
21	Corp Activities Tax-CAT	Excise Tax	OR	2022	
22	Thermal Fuel Tax	Excise Tax	WA	2021	8,177
23	**Subtotal Excise Tax**				3,019,080
24	Natural Gas Use Tax	Sales And Use Tax	WA	2021	979
25	Natural Gas Use Tax	Sales And Use Tax	WA	2022	
26	Use Tax	Sales And Use Tax	WA	2020	890
27	Use Tax	Sales And Use Tax	WA	2021	136,922
28	Use Tax	Sales And Use Tax	WA	2022	
29	Use Tax	Sales And Use Tax	ID	2020	(33)
30	Use Tax	Sales And Use Tax	ID	2021	6,985
31	Use Tax	Sales And Use Tax	ID	2022	
32	**Subtotal Sales And Use Tax**				145,743
33	Municipal Occupation Tax	Local Tax	WA	2021	3,101,281

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)
34	Municipal Occupation Tax	Local Tax	WA	2022	
35	**Subtotal Local Tax**				3,101,281
36	KWH Tax	Other Taxes	ID	2021	41,184
37	KWH Tax	Other Taxes	ID	2022	
38	KWH Tax	Other Taxes	MT	2020	(2,029)
39	KWH Tax	Other Taxes	MT	2021	258,646
40	KWH Tax	Other Taxes	MT	2022	
41	WA Renewable Energy Credits	Other Taxes	WA	2021	(2,311)
42	Misc Distribution	Other Taxes		2021	2,311
43	**Subtotal Other Taxes**				297,801
44	Income Tax	State Tax	ID	2017	
45	Income Tax	State Tax	ID	2021	
46	Income Tax	State Tax	ID	2022	
47	Income Tax	State Tax	MT	2022	
48	Income Tax	State Tax	OR	2022	
49	Income Tax	State Tax	Misc	2022	
50	**Subtotal State Tax**				0
51	Payroll Taxes	Payroll Tax	ID	2020	(23,125)
52	Payroll Taxes	Payroll Tax	ID	2021	7,237
53	Payroll Taxes	Payroll Tax	ID	2022	0
54	Payroll Taxes	Payroll Tax	MT	2020	(4,694)
55	Payroll Taxes	Payroll Tax	MT	2022	0
56	Payroll Taxes	Payroll Tax	OR	2020	(10,331)
57	Payroll Taxes	Payroll Tax	OR	2021	4,681
58	Payroll Taxes	Payroll Tax	OR	2022	0
59	Payroll Taxes	Payroll Tax	WA	2020	(297,351)
60	Payroll Taxes	Payroll Tax	WA	2021	294,166
61	Payroll Taxes	Payroll Tax	WA	2022	0
62	Payroll Taxes	Payroll Tax	Misc	2020	(469)
63	Payroll Taxes	Payroll Tax	Misc	2021	(2,346)
64	Payroll Taxes	Payroll Tax	Misc	2022	0
65	Payroll Taxes	Payroll Tax	FED	2021	5,528,420
66	Payroll Taxes	Payroll Tax	FED	2022	0
67	**Subtotal Payroll Tax**				5,496,188
68	Franchise Tax	Franchise Tax	ID	2019	14
69	Franchise Tax	Franchise Tax	ID	2020	20

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	Tax Jurisdiction (c)	Tax Year (d)	Balance at Beg. of Year Taxes Accrued (e)
70	Franchise Tax	Franchise Tax	ID	2021	1,084,405
71	Franchise Tax	Franchise Tax	ID	2022	
72	Franchise Tax	Franchise Tax	OR	2020	(1)
73	Franchise Tax	Franchise Tax	OR	2021	1,196,203
74	Franchise Tax	Franchise Tax	OR	2022	
75	**Subtotal Franchise Tax**				2,280,641
76	Consumer Council Fee	Other License And Fees Tax	MT	2021	8
77	Consumer Council Fee	Other License And Fees Tax	MT	2022	
78	Public Commission Fee	Other License And Fees Tax	MT	2021	25
79	Public Commission Fee	Other License And Fees Tax	MT	2022	
80	**Subtotal Other License And Fees Tax**				33
40	Total				41,669,378

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	**Balance at Beg. of Year Prepaid Taxes (f)**	**Taxes Charged During Year (g)**	**Taxes Paid During Year (h)**	**Adjustments (i)**	**Balance at End of Year Taxes Accrued (Account 236) (j)**
1	0	316,660	881,553	564,893	0
2		(2,484,090)	(1,251,000)	1,233,090	0
3	0	(2,167,430)	(369,447)	1,797,983	0
4		861		(9,296,280)	0
5		(793,602)	17,897,371	9,296,280	0
6		18,574,447	462		18,573,985
7		42	0		0
8		(962)	3,881,494		0
9		5,775,223	2,918,086		2,857,137
10		0	0	(1)	0
11		12,851	4,768,935		0
12		9,706,408	4,865,982	1	4,840,427
13	4	4	0		0
14	4,273,513	4,273,513	0		0
15		3,921,272	8,439,166		0
16	4,273,517	41,470,057	42,771,496	0	26,271,549
17				(18,342)	0
18		56,342	3,034,883	(14,020)	0
19		31,832,475	27,884,177	32,362	3,980,660
20		(24,032)	0	24,032	0
21		800,000	800,000	0	0
22			8,177		0
23	0	32,664,785	31,727,237	24,032	3,980,660
24		(2)	987	10	0
25		210,212	163,594	(10)	46,608
26			0	(890)	0
27		0	136,922		0
28		1,853,978	1,644,056	890	210,812
29		0	0	33	0
30		4	6,989		0
31		297,311	265,516	(33)	31,762
32	0	2,361,503	2,218,064	0	289,182
33		5,982	3,107,329	66	0
34		27,704,869	23,703,148	(66)	4,001,655
35	0	27,710,851	26,810,477	0	4,001,655
36		(8,109)	33,075		0
37		403,915	379,361		24,554

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Balance at Beg. of Year Prepaid Taxes (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	Balance at End of Year Taxes Accrued (Account 236) (j)
38		0	0	2,029	0
39		0	256,617	(2,029)	0
40		1,151,194	911,793		239,401
41				2,311	0
42			0	(2,311)	0
43	0	1,547,000	1,580,846	0	263,955
44		(86,675)	(86,675)		0
45		(30)	0	30	0
46		60	0	(60)	0
47		50	50		0
48		100,000	100,000		0
49		1,275	1,275		0
50	0	14,680	14,650	(30)	0
51		0	0	23,125	0
52		0	3,745	(3,492)	0
53		46,462	39,519		6,943
54		0	589	5,283	0
55		9,176	8,648		528
56		0	0	10,331	0
57		0	576	(4,105)	0
58		47,712	33,457		14,255
59		0	0	297,351	0
60		0	70,089	(224,077)	0
61		980,025	834,436	(73,274)	72,315
62		0	0	469	0
63		0	0	2,346	0
64		2,467	2,850	383	0
65		(1,270,120)	3,423,223	(835,077)	0
66		16,385,391	16,390,622	801,444	796,213
67	0	16,201,113	20,807,754	707	890,254
68		0	0	(14)	0
69		0	0	(20)	0
70		748	1,085,194	41	0
71		5,320,695	4,034,819	(7)	1,285,869
72		0	0	1	0
73		(3,822)	1,192,316	(65)	0
74		5,192,793	3,655,544	64	1,537,313

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Balance at Beg. of Year Prepaid Taxes (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	Balance at End of Year Taxes Accrued (Account 236) (j)
75	0	10,510,414	9,967,873	0	2,823,182
76			8		0
77		37	29		8
78			25		0
79		136	94		42
80	0	173	156	0	50
40	4,273,517	130,313,146	135,529,106	1,822,692	38,520,487

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (m)	Other Utility Dept. (Account 408.1, 409.1) (n)	Other Income and Deductions (Account 408.2, 409.2) (o)
1		(3,578,734)	2,559,346		1,336,048
2		0	522		(2,484,612)
3	0	(3,578,734)	2,559,868	0	(1,148,564)
4		666	0		195
5		(617,430)	(201,802)		25,630
6		14,393,032	4,090,512		90,903
7		(26,069)	0		26,111
8		62	(2)		(1,022)
9		4,442,581	1,311,603		21,039
10		0			
11		12,851			
12		9,706,408			
13		4	0		
14		1,813,431	2,460,082		
15	4,517,894	1,389,343	2,531,929		
16	4,517,894	31,114,879	10,192,322	0	162,856
17					
18		59,477	885		(4,020)
19		23,343,714	8,294,700		194,061
20			(24,032)		
21			800,000		
22					
23	0	23,403,191	9,071,553	0	190,041
24		(2)			
25		10,886			
26					
27					
28					1,838
29					
30					4
31					
32	0	10,884	0	0	1,842
33		5,583	399		
34		20,167,324	7,537,545		
35	0	20,172,907	7,537,944	0	0
36		(8,109)			
37		403,915			

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (m)	Other Utility Dept. (Account 408.1, 409.1) (n)	Other Income and Deductions (Account 408.2, 409.2) (o)
38		0			
39					
40		1,151,194			
41					
42					
43	0	1,547,000	0	0	0
44		(73,674)	(13,001)		
45		(26)	(4)		
46		51	9		
47		50			
48		30,000	70,000		
49		336	139		800
50	0	(43,263)	57,143	0	800
51		0	0		0
52		0	0		0
53		18,294	6,417		905
54		0	0		0
55		3,613	1,267		179
56		0	0		0
57		0	0		0
58		18,786	6,589		930
59		0	0		0
60		0	0		0
61		385,872	135,350		19,097
62		0	0		0
63		0	0		0
64		971	341		48
65		(500,093)	(175,414)		(24,750)
66		6,451,532	2,262,956		319,285
67	0	6,378,975	2,237,506	0	315,694
68		0			
69		0	0		
70		591	157		
71		3,781,592	1,539,103		
72					
73			(3,822)		
74		0	5,192,793		

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Balance at End of Year Prepaid Taxes (Included in Acct 165) (k)	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (m)	Other Utility Dept. (Account 408.1, 409.1) (n)	Other Income and Deductions (Account 408.2, 409.2) (o)
75	0	3,782,183	6,728,231	0	0
76					
77		37			
78					
79		136			
80	0	173	0	0	0
40	4,517,894	82,788,195	38,384,567	0	(477,331)

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Extraordinary Items (Account 409.3) (p)	Other Utility Opn. Income (Account 408.1, 409.1) (q)	Adjustment to Ret. Earnings (Account 439) (r)	Other (s)	State/Local Income Tax Rate (t)
1					
2					
3	0	0	0	0	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16	0	0	0	0	
17					
18					
19					
20					
21					
22					
23	0	0	0	0	
24					
25				199,326	
26					
27					
28				1,852,140	
29					
30					
31				297,311	
32	0	0	0	2,348,777	
33					
34					
35	0	0	0	0	
36					
37					

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Extraordinary Items (Account 409.3) (p)	Other Utility Opn. Income (Account 408.1, 409.1) (q)	Adjustment to Ret. Earnings (Account 439) (r)	Other (s)	State/Local Income Tax Rate (t)
38					
39					
40					
41					
42					
43	0	0	0	0	
44					
45					
46					
47					
48					
49					
50	0	0	0	0	
51				0	
52				0	
53				20,846	
54				0	
55				4,117	
56				0	
57				0	
58				21,407	
59				0	
60				0	
61				439,706	
62				0	
63				0	
64				1,107	
65				(569,863)	
66				7,351,618	
67	0	0	0	7,268,938	
68					
69					
70					
71					
72					
73					
74					

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)					
Line No.	Extraordinary Items (Account 409.3) (p)	Other Utility Opn. Income (Account 408.1, 409.1) (q)	Adjustment to Ret. Earnings (Account 439) (r)	Other (s)	State/Local Income Tax Rate (t)
75	0	0	0	0	
76					
77					
78					
79					
80	0	0	0	0	
40	0	0	0	9,617,715	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

Line No.	Item (a)	Balance at End of Year (b)
1	MISC LIAB-MARGIN CALL DEPOSIT	2,815,000
2	MISC LIAB-FOREST USE PERMITS	2,230,088
3	MISC LIAB - SUA JPMORGAN CHASE	964,540
4	ACCTS PAY - SOFTWARE LICENSES - ST	1,235,260
5	MISC LIAB-AUDIT EXP ACC	37,142
6	ST LEASE ACCRUAL	7,246
7	MISC LIAB-FERC ADMIN FEE ACC	687,500
8	MISC LIAB-FERC ELEC ADMIN CHG	124,830
9	MISC LIAB-MT LEASE PAYMENTS	5,556,000
10	MISC LIAB-MT INVASIVE SPECIES FEE	194,165
11	MISC LIABILITY-MISC NON-MON PWR EXCHANGE	150,067
12	MISC LIAB-PAID TIME OFF	28,855,534
13	MIISC LIAB- OL DONATION POOL	18,769
14	WORKERS COMP LIABILITY	989,027
15	ACCTS PAYABLE INVENTORY ACCRUALS-SC	421,956
16	ACCTS PAYABLE EXPENSE ACCRUAL-SC	6,490,089
17	CURRENT PORTION-BENEFIT LIAB	15,625,053
18	CLEARING ACCOUNTS	243,728
19	PREPAYMENTS	9,800,629
20	CUSTOMER ACCOUNTS	8,204,007
45	Total	84,650,630

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Deferred Credits (Account 253)

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	[(a)](#) Deferred Gas Exchange	1,406,250				1,406,250
2	Bills Pole Rentals	332,199	454	580,532	942,830	694,497
3	Defer Comp Active Execs	9,513,318	128	3,387,965	1,415,295	7,540,648
4	Unbilled Revenue	2,159,431			1,409,167	3,568,598
5	[(b)](#) Decoupling Deferred Credits	6,913,448	182, 456, 495	15,384,336	31,885,972	23,415,084
6	[(c)](#) Reg Liability-COVID-19 Deferral	7,749,100				7,749,100
7	[(d)](#) WA REC Deferrals	1,388,195	186, 431	1,678,453	1,159,017	868,759
8	[(e)](#) Misc Deferred Credits	494,893	186, 903, 242	616,343	3,054,320	2,932,870
9	[(f)](#) Timber Harvest	226,818	186	22		226,796
45	TOTAL	30,183,652		21,647,651	39,866,601	48,402,602

FOOTNOTE DATA

(a) Concept: DescriptionOfOtherDeferredCredits

FortisBC and Avista exchange volumes of gas on a firm delivery basis during different time periods. Amortization is recorded monthly every year. This contract ends April 15, 2025.

(b) Concept: DescriptionOfOtherDeferredCredits

Washington and Idaho Decoupling mechanisms for electric and natural gas were extended through March 31, 2025. Oregon's decoupling mechanism for natural gas was approved beginning March 1, 2016.

Decoupling revenue deferrals are recognized during the period they occur, subject to certain limitations. Revenue is expected to be collected within 24 months of the deferral.

(c) Concept: DescriptionOfOtherDeferredCredits

Deferral of COVID-19 costs as per WA Order No. 01, Dockets UE-200407 and UG-200408, Idaho PUC Order No, 34718, Oregon PUC Order No. 20-401, Docket UM 2069.

(d) Concept: DescriptionOfOtherDeferredCredits

Washington Docket UE-190334, Schedule 98.

(e) Concept: DescriptionOfOtherDeferredCredits

Kettle Falls Generation Station underground fuel leak of $46,075 - Continuing remediation liability is recorded.

Other Deferred Credit-Fiserv - $791,667

Deferred Liability for Software Licenses - $2,093,461

(f) Concept: DescriptionOfOtherDeferredCredits

At 12/31/2020, this credit was embedded in a suspense account with multiple other debit amounts which fully offset this credit balance. This credit amount has been embedded in the suspense account since 2015, the Company identified this amount during 2021 and reclassified it to account 253 as of 12/31/2021.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Accumulated Deferred Income Taxes-Other Property (Account 282)

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 282										
2	Electric	408,360,347	12,037,497				182.3	2,369,442			422,767,286
3	Gas	148,950,404	224,735				182.3	3,104,670			152,279,809
4	Other (Define)	61,590,182	(1,858,846)				182.3	2,043,254			61,774,590
5	Total (Total of lines 2 thru 4)	618,900,933	10,403,386					7,517,366		0	636,821,685
6	Other (Specify)	0									0
7	TOTAL Account 282 (Total of lines 5 thru 6)	618,900,933	10,403,386					7,517,366		0	636,821,685
8	Classification of TOTAL										
9	Federal Income Tax	618,900,933	10,403,386					7,517,366			636,821,685
10	State Income Tax	0									0
11	Local Income Tax	0									0

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Accumulated Deferred Income Taxes-Other (Account 283)

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1	Account 283										
2	Electric	37,665,824	10,948,196	2,676,087	8,231	122,748	182/254	288,452			46,111,868
3	Gas	22,402,876	6,982,163	979,752	294,693	10,162	182/254	660,166			29,349,984
4	Other (Define)	206,713,424	3,493,770	382,951	(57,139)	128,942	182/254	22,685			209,660,847
5	Total (Total of lines 2 thru 4)	266,782,124	21,424,129	4,038,790	245,785	261,852		971,303			285,122,699
6	Other (Specify)										
7	TOTAL Account 283 (Total of lines 5 thru 6)	266,782,124	21,424,129	4,038,790	245,785	261,852		971,303			285,122,699
8	Classification of TOTAL										
9	Federal Income Tax	266,782,124	21,424,129	4,038,790	245,785	261,852		971,303			285,122,699
10	State Income Tax										
11	Local Income Tax										

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Regulatory Liabilities (Account 254)

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	(a) Idaho Investment Tax Credit	7,766,202	190	7,597		2,280,062	10,038,667
2	(b) Interest Rate Swaps	15,062,540	427, 175	893,522		10,035,044	24,204,062
3	Nez Perce	484,292	557	22,008			462,284
4	Idaho Earnings Test	686,970		0		0	686,970
5	(c) Decoupling Rebate	2,918,109	495, 182	6,518,381		11,978,642	8,378,370
6	(d) WA ERM	19,820,609	186, 557	15,042,530		491,823	5,269,902
7	(e) Deferred Federal ITC - Varies	7,680,040	190	141,936			7,538,104
8	(f) Plant Excess Deferred	339,919,609	190, 282	16,738,578			323,181,031
9	Reg Liability MDM System	964,175	431	337,324		51,992	678,843
10	(g) AFUDC Equity Tax Deferral	2,010,987	407, 431	2,010,987			0
11	(h) DSM Tariff Rider	6,367,629	182. 431. 908	556,280		5,770,650	11,581,999
12	(i) Low Income Energy Assistance	6,743,822	242, 908	2,388,717		3,585,252	7,940,357
13	(j) Reg Liability - OR Tax Strategy Deferral	1,322,007	254, 407	915,660		876,659	1,283,006
14	(k) Reg Liability - Tax Reform Amortization - 1 year	181,126				3,334	184,460
15	(l) Reg Liability - Energy Efficiency Assistance	1,428,834	242, 908	441,944			986,890
16	(m) CS2 Insurance Proceeds Deferral	0				804,403	804,403
17	(n) Reg Liability - COVID-19 Deferral	4,751,146	407	1,062,598		436,311	4,124,859
18	(o) Reg Liability - Tax Customer Credit	143,861,989	190, 410	43,674,386		6,950,511	107,138,114
19	(p) Other Regulatory Liabilities - Varies	9,692,139	143, 190, 407	652,678		916,094	9,955,555
20	(q) Reg Liability-WA Rev Def of Power Supply	0	407, 431	28,731		1,000,400	971,669
45	Total	571,662,225		91,433,857	0	45,181,177	525,409,545

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Not amortized.

(b) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Mark-to-Market gains and losses for interest rate swap derivatives. Upon settlement, amortization or Regulatory Assets and Liabilities as a component of interest expense over the term of the associated debt.

(c) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Decoupling rebates are recognized during the period they occur, subject to certain limitations. Rebates are returned to customers within 24 months of the deferral.

(d) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

The Washington Energy Recovery Mechanism allows Avista to periodically increase or decrease electric rates. This accounting method tracks differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base rates. Avista files yearly on or before April 1 for prudence review by the commission.

(e) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Noxon ITC - 65 year amortization, ends 2077

Community Solar ITC - 20 year amortization, ends 2035

Nine Mile ITC - 65 year amortization, ends 2080

(f) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Amortized over remaining book life of plant, estimated 36 years.

(g) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Washington Dockets UE-200900, UG-200901, UE-200894 effective 10/01/2021, amortization over one year.

Idaho Electric Settlement AVU-E-19-04 ordered a transfer to account 254320 for Idaho portion.

(h) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Washington Dockets UE-190912 and UG-190920, Idaho Docket AVU-E-18-12 and AVU-G-18-08, Oregon Order No. 19-424

(i) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Washington Docket# UE-190912, UG-190920

Idaho Docket# AVU-E-18-12, AVU-G-18-08

Oregon RG 81, Docket No. ADV 1063 (Advice No. 19-10-G)

(j) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Oregon Docket No. UM 2124 - Deferral of associated state tax savings of approximately $1.3M thru 12/31/2022.

(k) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Washington Dockets UE-170485, UG-170486 (Schedule 174, amortization ended 5/31/2019)

Oregon Advice# ADV 923/19-01-G (Schedule 474, amortization ended 2/28/2021)

Idaho Case# GNR-U-18-01 (Schedule 74, amortization ended 3/31/2020)

(l) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Avista's contribution in the Energy Assistance Fund as per Idaho Settlement Stipulation Case# AVU-E-19-04 (Page 10, #16 a.ii).

(m) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Insurance proceeds for failed transformer at Coyote Springs per WA Order UE-210893 Order 01.

(n) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Deferral of COVID-19 costs as per Idaho PUC Order No. 34718, Oregon PUC Order No. 20-401, Docket UM 2069, and Washington Order No. 01, Dockets UE-200407, UG-200408.

(o) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

WA Order 01, Dockets UE-200895 and UG-200896, ID Case Nos. AVU-E-20-12 and AVU-G-20-07 Order No. 34906, and OR Docket# UM 2124 Order# 21-131

Accounting method change for federal income tax from normalization to flow-through for Industry Director Directive No. 5 mixed service costs and meters.

(p) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Oregon BETC credit of $11,558 is not amortized.

Non Plant Excess Deferred balance of $74,329 amortized over 1 year.

State income tax net operating loss carryforward of $8.4M will reverse over the period in which we are able to utilize the loss to offset taxable income on the Idaho, Montana, and Oregon tax returns.

(q) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Deferred liability for over -collection of authorized power supply cost revenue from Washington retail customers.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Operating Revenues

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	(480) Residential Sales				
2	(481) Commercial and Industrial Sales				
3	(482) Other Sales to Public Authorities				
4	(483) Sales for Resale				
5	(484) Interdepartmental Sales				
6	(485) Intracompany Transfers				
7	(487) Forfeited Discounts				
8	(488) Miscellaneous Service Revenues				
9	(489.1) Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	(489.2) Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	(489.3) Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	(489.4) Revenues from Storing Gas of Others				
13	(490) Sales of Prod. Ext. from Natural Gas				
14	(491) Revenues from Natural Gas Proc. by Others				
15	(492) Incidental Gasoline and Oil Sales				
16	(493) Rent from Gas Property				
17	(494) Interdepartmental Rents				
18	(495) Other Gas Revenues				
19	Subtotal:		0		0
20	(496) (Less) Provision for Rate Refunds				
21	TOTAL		0		0

Gas Operating Revenues					
Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)
1	284,451,820	221,404,777	284,451,820	221,404,777	24,245,248
2	150,394,400	108,615,420	150,394,400	108,615,420	16,683,100
3	0	0	0	0	0
4	136,750,006	114,711,489	136,750,006	114,711,489	28,525,973
5	506,375	328,145	506,375	328,145	61,769
6	0	0	0	0	
7	0	0	0	0	
8	31,750	27,568	31,750	27,568	
9	0	0	0	0	0
10	0	0	0	0	0
11	8,627,257	8,547,319	8,627,257	8,547,319	17,933,683
12	0	0	0	0	0
13	0	0	0	0	
14	0	0	0	0	
15	0	0	0	0	
16	11,791	14,000	11,791	14,000	
17		0		0	
18	4,939,466	18,827,764	4,939,466	18,827,764	
19	585,712,865	472,476,482	585,712,865	472,476,482	
20		(1,093,458)		(1,093,458)	
21	585,712,865	473,569,940	585,712,865	473,569,940	

Gas Operating Revenues	
Line No.	Dekatherm of Natural Gas Amount for Previous Year (k)
1	21,983,489
2	15,181,386
3	0
4	36,282,192
5	47,887
6	
7	
8	
9	0
10	0
11	17,901,306
12	0
13	
14	
15	
16	
17	
18	
19	
20	
21	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Gas Revenues (Account 495)

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Misc Bills	826,879
13	Deferred Exchange Revenue	5,625,000
14	Decoupling Deferred Revenue	(1,512,413)
40	TOTAL	4,939,466

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
73	804 Natural Gas City Gate Purchases	360,823,227	255,180,181
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	29,908,569	19,288,831
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	330,914,658	235,891,350
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0
86	808.1 Gas Withdrawn from Storage-Debit	47,412,672	18,407,841
87	(Less) 808.2 Gas Delivered to Storage-Credit	56,596,703	26,476,514
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	1,153,772	1,018,164
93	812 Gas Used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,153,772	1,018,164
95	813 Other Gas Supply Expenses	1,796,463	1,764,142
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	322,373,318	228,568,655
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	322,373,318	228,568,655
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	(3)	4,207
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	931,044	889,434
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	931,041	893,641
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	2,253,989	2,099,183
124	TOTAL Maintenance (Total of lines 116 thru 123)	2,253,989	2,099,183
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	3,185,030	2,992,824
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	3,185,030	2,992,824
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	3,506,427	2,415,891
205	871 Distribution Load Dispatching	0	0
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0
208	874 Mains and Services Expenses	6,833,128	6,634,792
209	875 Measuring and Regulating Station Expenses-General	321,528	194,891
210	876 Measuring and Regulating Station Expenses-Industrial	7,256	3,534
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	74,155	101,935
212	878 Meter and House Regulator Expenses	1,016,919	950,976
213	879 Customer Installations Expenses	3,207,078	2,537,313
214	880 Other Expenses	3,283,339	2,446,991
215	881 Rents	(10,147)	7,489
216	TOTAL Operation (Total of lines 204 thru 215)	18,239,683	15,293,812
217	Maintenance		
218	885 Maintenance Supervision and Engineering	66,321	87,244
219	886 Maintenance of Structures and Improvements	0	0

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
220	887 Maintenance of Mains	2,119,174	2,234,313
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	719,497	518,443
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	59,278	32,523
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	202,013	110,593
225	892 Maintenance of Services	2,159,017	2,339,341
226	893 Maintenance of Meters and House Regulators	3,028,150	2,967,161
227	894 Maintenance of Other Equipment	422,064	332,076
228	TOTAL Maintenance (Total of lines 218 thru 227)	8,775,514	8,621,694
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	27,015,197	23,915,506
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	119,956	158,411
233	902 Meter Reading Expenses	724,640	633,259
234	903 Customer Records and Collection Expenses	7,698,054	6,776,121
235	904 Uncollectible Accounts	20,023	2,506,899
236	905 Miscellaneous Customer Accounts Expenses	238,056	85,653
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	8,800,729	10,160,343
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	20,063,471	13,842,224
242	909 Informational and Instructional Expenses	882,657	668,155
243	910 Miscellaneous Customer Service and Informational Expenses	114,436	294,807
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	21,060,564	14,805,186
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	0	0
249	913 Advertising Expenses	0	0
250	916 Miscellaneous Sales Expenses	431	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	431	0
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	12,185,266	13,635,816
255	921 Office Supplies and Expenses	1,751,120	1,778,420

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
256	(Less) 922 Administrative Expenses Transferred-Credit	17,277	18,574
257	923 Outside Services Employed	5,477,135	4,875,649
258	924 Property Insurance	811,113	704,375
259	925 Injuries and Damages	2,472,303	1,848,775
260	926 Employee Pensions and Benefits	13,942,568	10,841,938
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	2,037,288	2,087,312
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	(5,308)	5,308
265	930.2Miscellaneous General Expenses	2,387,723	1,878,650
266	931 Rents	173,076	185,705
267	TOTAL Operation (Total of lines 254 thru 266)	41,215,007	37,823,374
268	Maintenance		
269	932 Maintenance of General Plant	5,744,286	5,247,381
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	46,959,293	43,070,755
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	429,394,562	323,513,269

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Used in Utility Operations

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit		2,070,750	0
2	811 Gas Used for Products Extraction - Credit		[(a)]44,479,226	1,153,772
3	Gas Shrinkage and Other Usage in Respondent's Own Processing - Credit			
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others - Credit			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total		46,549,976	1,153,772

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: QuantityOfNaturalGasDeliveredByRespondentGasUsedForProductsExtraction
Represents the amount of processed gas run through the plant

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Other Gas Supply Expenses (Account 813)

Line No.	Description (a)	Amount (in dollars) (b)
1	Gas Resource Management:	
2	Labor	1,131,061
3	Labor Loading	295,765
4	Other Expenses (Professional Services, Travel, Transportation, Office Supplies, Training)	182,095
5	Regulatory Affairs:	
6	Labor	
7	Labor Loading	
8	Other Expenses (Travel, Transportation, Gas Technology Institute Payments)	187,542
25	Total	1,796,463

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Miscellaneous General Expenses (Account 930.2)

Line No.	Description (a)	Amount (b)
1	Industry association dues.	596,910
2	Experimental and general research expenses	
2a	a. Gas Research Institute (GRI)	
2b	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	269,701
4	Board of Director Activities	743,000
5	Education, Information & Training	278,148
6	Emergency Operating Procedure Events	93,564
7	Community Relations	230,538
8	Misc. Employee Expenses	37,819
9	Misc. Legal, Professional & General Services	76,810
10	Misc. Transportation	34,112
11	Other Misc. Expenses <$5k	17,563
12	Misc. Labor	9,558
25	TOTAL	2,387,723

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
	Section A. Summary of Depreciation, Depletion, and Amortization Charges				
1	Intangible plant				
2	Production plant, manufactured gas				
3	Production and Gathering Plant				
4	Products extraction plant				
5	Underground Gas Storage Plant (footnote details)	854,107			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission Plant				
9	Distribution plant	32,961,660			
10	General Plant (footnote details)	1,744,910			
11	Common plant-gas	6,978,663			
12	Total	42,539,340			

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)			
Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)
Section A. Summary of Depreciation, Depletion, and Amortization Charges			
1	151,435		151,435
2			
3			
4			
5			854,107
6			
7			
8			
9			32,961,660
10			1,744,910
11	13,654,939		20,633,602
12	13,806,374		56,345,714

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

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

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
	Section B. Factors Used in Estimating Depreciation Charges		
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)		
9			
10			
11			
12			
13			
14			
15			

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Line No.	Item (a)	Amount (b)
1	Account 425 - Miscellaneous Amortization	
2	Items Under $250,000	5,616
3	TOTAL Account 425 - Miscellaneous Amortization	5,616
4	Account 426.1 - Donations	
5	Items Under $250,000	2,832,367
6	TOTAL Account 426.1 - Donations	2,832,367
7	Account 426.2 - Life Insurance	
8	Officers Life	156,937
9	SERP	2,913,418
10	Officers Life Cash Value and Interest, Net	334,816
11	Items Under $250,000	183,189
12	TOTAL Account 426.2 - Life Insurance	3,588,360
13	Account 426.3 - Penalties	
14	Items under $250,000	24,039
15	TOTAL Account 426.3 - Penalties	24,039
16	Account 426.4 Expenditures for Certain Civic, Political, and Related Activities	
17	Items Under $250,000	1,731,972
18	Total Account 426.4 - Expenditues for Certain Civic, Political, and Related Activities	1,731,972
19	Account 426.5 - Other Deductions	
20	Executive Deferred Compensation	(1,165,638)
21	Hanna & Associates (Advertising)	653,799
22	Colstrip Dry Ash Write-Off	3,895,481
23	Items Under $250,000	1,085,477
24	TOTAL Account 426.5 - Other Deductions	4,469,119
25	Account 430 - Interest on Debt to Associated Companies	
26	Avista Captial II (long-term debt) (variable rate ranged from 1.05 to 5.64 percent)	1,058,476
27	Items Under $250,000	4,055
28	TOTAL Account 430 - Interest on Debt to Associated Companies	1,062,531
29	Account 431 - Other Interest Expense	
30	Interest on Electric Deferrals	1,169,438
31	Interest on Natural Gas Deferrals	134,066
32	Interest on Short Term Borrowings	7,342,457
33	Interest on South Lake CDA	888,964
34	Items Under $250,000	161,649
35	TOTAL Account 431 - Other Interest Expense	9,696,574

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Regulatory Commission Expenses (Account 928)

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission - Charges include annual fee and license fees for the Spokane River Project, the Cabinet Gorge Project and the Noxon Rapids Project	3,370,220	150,135	3,520,355	
2	Washington Utilities and Transportation Commission			0	
3	Electric - Includes annual fee and various other electric dockets	1,143,338	536,711	1,680,049	
4	Gas - Includes annual fee and various other natural gas dockets	330,213	142,836	473,049	
5	Idaho Public Utilities Commission			0	
6	Electric - Includes annual fee and various other electric dockets	560,553	193,633	754,186	
7	Gas - Includes annual fee and various other natural gas dockets	133,643	57,501	191,144	
8	Public Utility Commission of Oregon			0	
9	Includes annual fees and various other natural gas dockets	825,992	196,541	1,022,533	26,308
10	Not directly assigned Electric		834,616	834,616	
11	Not directly assigned Natural Gas		350,563	350,563	
25	TOTAL	6,363,959	2,462,536	8,826,495	26,308

Regulatory Commission Expenses (Account 928)					
Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)
1	Electric	928	3,520,355		
2					
3	Electric	928	1,680,049		
4	Gas	928	473,049		
5					
6	Electric	928	754,186		
7	Gas	928	191,143		
8					
9	Gas	928	1,022,534	114,523	407
10	Electric	928	834,616		
11	Gas	928	350,563		
25			8,826,495	114,523	

Regulatory Commission Expenses (Account 928)		
Line No.	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1		0
2		0
3		0
4		0
5		0
6		0
7		0
8		0
9	42,462	98,369
10		0
11		0
25	42,462	98,369

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Employee Pensions and Benefits (Account 926)

Line No.	Expense (a)	Amount (in dollars) (b)
1	Pensions - defined benefit plans	20,110,239
2	Pensions - other	
3	Post-retirement benefits other than pensions (PBOP)	8,719,760
4	Post-employment benefit plans	
5	Health Insurance and Benefits	31,928,718
6	401(K) Savings Plan	13,377,182
7	Employee Education	1,927,146
8	Other	602,112
9	Allocated to Electric and Other Expense Accounts	(62,722,589)
40	Total	13,942,568

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Distribution of Salaries and Wages

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	15,250,571			15,250,571
4	Transmission	5,529,976			5,529,976
5	Distribution	11,780,947			11,780,947
6	Customer Accounts	6,154,030			6,154,030
7	Customer Service and Informational	383,675			383,675
8	Sales				
9	Administrative and General	28,025,144		11,602,293	39,627,437
10	TOTAL Operation (Total of lines 3 thru 9)	67,124,343		11,602,293	78,726,636
11	Maintenance				
12	Production	5,208,417			5,208,417
13	Transmission	1,115,797			1,115,797
14	Distribution	5,246,365			5,246,365
15	Administrative and General				0
16	TOTAL Maintenance (Total of lines 12 thru 15)	11,570,579			11,570,579
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	20,458,988			20,458,988
19	Transmission (Total of lines 4 and 13)	6,645,773			6,645,773
20	Distribution (Total of lines 5 and 14)	17,027,312			17,027,312
21	Customer Accounts (line 6)	6,154,030			6,154,030
22	Customer Service and Informational (line 7)	383,675			383,675
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	28,025,144		11,602,293	39,627,437
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	78,694,922		11,602,293	90,297,215
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	1,131,061			1,131,061
31	Storage, LNG Terminaling and Processing				
32	Transmission				0

Distribution of Salaries and Wages					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
33	Distribution	6,652,274			6,652,274
34	Customer Accounts	2,872,555			2,872,555
35	Customer Service and Informational	221,493			221,493
36	Sales				
37	Administrative and General	10,970,414		3,187,340	14,157,754
38	TOTAL Operation (Total of lines 28 thru 37)	21,847,797		3,187,340	25,035,137
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				0
43	Storage, LNG Terminaling and Processing				
44	Transmission	2,217,838			2,217,838
45	Distribution	3,841,244			3,841,244
46	Administrative and General				0
47	TOTAL Maintenance (Total of lines 40 thru 46)	6,059,082			6,059,082
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	1,131,061			1,131,061
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	2,217,838			2,217,838
55	Distribution (Total of lines 33 and 45)	10,493,518			10,493,518
56	Customer Accounts (Total of line 34)	2,872,555			2,872,555
57	Customer Service and Informational (Total of line 35)	221,493			221,493
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	10,970,414		3,187,340	14,157,754
60	Total Operation and Maintenance (Total of lines 50 thru 59)	27,906,879		3,187,340	31,094,219
61	Other Utility Departments				
62	Operation and Maintenance				0
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	106,601,801		14,789,633	121,391,434
64	Utility Plant				

Distribution of Salaries and Wages					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
65	Construction (By Utility Departments)				
66	Electric Plant	46,241,498		8,563,467	54,804,965
67	Gas Plant	14,225,977		2,634,510	16,860,487
68	Other				0
69	TOTAL Construction (Total of lines 66 thru 68)	60,467,475		11,197,977	71,665,452
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,035,491		221,997	2,257,488
72	Gas Plant	767,891		83,749	851,640
73	Other				0
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,803,382		305,746	3,109,128
75.1	Stores Expense (163)	2,777,740		(2,777,740)	0
75.2	Preliminary Survey and Investigation (183)				
75.3	Small Tool Expense (184)	4,988,644		(4,988,644)	0
75.4	Miscellaneous Deferred Debits (186)	5,710,045			5,710,045
75.5	Non-operating Expenses (417)	324,822			324,822
75.6	Retirement Bonus/SERP/HRA (228)	47,044			47,044
75.7	Other Income Deductions (426)	978,519			978,519
75.8	Employee Incentive Plan (232380)	16,456,054		(16,456,054)	0
75.9	DSM Tariff Rider (242600)	2,070,918		(2,070,918)	0
75.10	Incentive/Stock Compensation (238000)	151,234			151,234
75.11	Payroll Equalization Liability (242700)	29,046,700			29,046,700
76	TOTAL Other Accounts	62,551,720	0	(26,293,356)	36,258,364
77	TOTAL SALARIES AND WAGES	232,424,378	0	0	232,424,378

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Charges for Outside Professional and Other Consultative Services

Line No.	Description (a)	Amount (in dollars) (b)
1	MICHELS UTILITY SERVICES INC	23,306,427
2	VOLT MANAGEMENT CORP	19,590,810
3	NPL CONSTRUCTION CO	17,672,001
4	WILSON CONSTRUCTION COMPANY	15,216,259
5	ASPLUNDH TREE EXPERT LLC	12,881,772
6	INTERNATIONAL LINE BUILDERS INC	12,657,611
7	TITAN ELECTRIC INC	7,165,671
8	WRIGHT TREE SERVICE INC	6,937,114
9	MICHELS PACIFIC ENERGY INC	5,589,982
10	SLAYDEN CONSTRUCTORS INC	4,527,947
11	PERFECTION TRAFFIC CONTROL LLC	4,352,998
12	ONE CALL LOCATORS LTD	3,796,755
13	POWER CITY ELECTRIC INC	3,748,132
14	FOUST FABRICATION CO	3,448,974
15	CASCADE CABLE CONSTRUCTORS INC	3,439,927
16	GARCO CONSTRUCTION INC	3,348,972
17	TRAFFIC CONTROL SERVICES LLC	3,248,147
18	IBM CORPORATION	3,107,699
19	NAGARRO INC	2,709,192
20	STANTEC CONSULTING SERVICES INC	2,464,530
21	HEATH CONSULTANTS INCORPORATED	2,356,461
22	POTELCO INC	2,350,899
23	TRAFFICORP	1,943,267
24	STURGEON ELECTRIC INC	1,922,788
25	DELOITTE	1,884,000
26	PALOUSE POWER LLC	1,856,193
27	SUNRISE ENGINEERING INC	1,819,836
28	PER SE GROUP INC	1,810,021
29	WALKER INDUSTRIES LLC	1,809,474
30	POWER ENGINEERS INC	1,715,401
31	COMMERCIAL GRADING INC	1,703,848
32	STEELHEAD MECHANICAL LLC	1,678,733
33	HYDROMAX USA LLC	1,673,090
34	INTELLITECT	1,611,706
35	WM WINKLER CO	1,468,285

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
36	CN UTILITY CONSULTING INC	1,364,822
37	UTILITY SOLUTIONS PARTNERS LLC	1,360,913
38	CURRY INC	1,355,157
39	MAX J KUNEY COMPANY	1,349,812
40	RESSA & SON CONSTRUCTION LLC	1,290,191
41	UTILICAST LLC	1,238,990
42	SPOKANE TRAFFIC CONTROL INC	1,238,296
43	AAA SWEEPING LLC	1,108,765
44	BRENT WOODWARD INC	1,051,391
45	DAVEY RESOURCE GROUP INC	964,164
46	NOBLE EXCAVATING INC	949,139
47	UTILITY CONSTRUCTION INSPECTION LLC	913,783
48	LAND EXPRESSIONS	811,057
49	COLVICO INC	793,844
50	NUVODIA STAFFING LLC	792,107
51	COLEMAN ENVIRONMENTAL ENGINEERING INC	783,284
52	MCKINSTRY COMPANY LLC	780,782
53	FUJITSU NORTH AMERICA INC	776,264
54	COEUR D ALENE TRIBE	756,390
55	SOUTHERN CROSS CORP	719,928
56	COMMONWEALTH ASSOCIATES INC	717,637
57	POE ASPHALT PAVING INC	692,302
58	GEODIGITAL INTERNATIONAL CORP	685,314
59	NEURAFLASH LLC	661,431
60	DXC TECHNOLOGY SERVICES LLC	658,701
61	S & S COATINGS INC	610,411
62	INTEC SERVICES INC	602,441
63	AMERICAN HYDRO CORPORATION	573,982
64	GE RENEWABLES US LLC	513,586
65	ALDRIDGE ELECTRIC INC	505,078
66	NEELBLUE TECHNOLOGIES CONSULTING INC	484,920
67	AIDASH INC	481,950
68	STRUCTURED COMMUNICATIONS SYS INC	477,868
69	ARBORMETRICS SOLUTIONS LLC	470,633
70	ALDEN RESEARCH LABORATORY LLC	461,537
71	INTERSTATE CONCRETE & ASPHALT	457,645
72	BOYER LAND DEVELOPMENT INC	453,941
73	D W POLEHOLE	428,628

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
74	JENSENS TREE SERVICE INC	427,443
75	KNIGHT CONSTRUCTION & SUPPLY INC	424,026
76	PAINE HAMBLEN LLP	421,635
77	CERIUM NETWORKS	413,952
78	IDAHO FENCE	407,729
79	HICKEY BROTHERS RESEARCH LLC	396,339
80	CITY OF SPOKANE VALLEY	392,155
81	DNV ENERGY INSIGHTS USA INC	390,371
82	UTILITY GUYS INC	378,429
83	NUVODIA LLC	368,750
84	ABREMOD LLC	364,100
85	IDAHO DEPT OF FISH & GAME	357,974
86	NORTHWEST POWER POOL	349,546
87	ARCUS DATA	348,314
88	CASNE ENGINEERING INC	343,790
89	ASSOCIATED ARBORISTS	340,528
90	URBANOVA	336,666
91	AVCO CONSULTING INC	333,496
92	RANDALL DANSKIN ATTORNEYS	327,084
93	WESTERN STATES EQUIPMENT CO	326,956
94	OPTIV SECURITY INC	319,044
95	POWER COSTS INC	311,953
96	MESA PRODUCTS INC	302,592
97	ACTALENT SERVICES LLC	302,109
98	KONECRANES INC	301,033
99	TAILORED SOLUTIONS LLC	300,355
100	ROBINSON BROTHERS CONSTRUCTION INC	299,871
101	WESTERN POWER POOL	297,777
102	LEADERSHIP LYCEUM LLC	296,541
103	LANDAU ASSOCIATES	293,711
104	METALS TESTING SERVICES INC	286,985
105	DW EXCAVATING INC	286,797
106	AVANTE PARTNERS	284,623
107	HANNA & ASSOCIATES INC	279,741
108	SHAMROCK PAVING	279,552
109	SUMMIT UTILITY CONTRACTORS LLC	277,234
110	MODERN GRID SOLUTIONS	275,975
111	COMPASS NW SERVICES INC	274,880

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
112	KASCO OF IDAHO LLC	270,823
113	TILTON EXCAVATION CO	270,091
114	CORP CREDIT CARD	265,791
115	CIRRUS DESIGN INDUSTRIES INC	265,028
116	FOUR PEAKS ENVIRONMENTAL SCIENCE	260,538
117	CLEAR STONE GEO LLC	260,251
118	HATTENBURG EXCAVATING	257,248
119	H2E INC	253,522
120	OTHER <$250,000	27,573,341
121	TOTAL	259,548,695

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Transactions with Associated (Affiliated) Companies

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
19	TOTAL			
20	Goods or Services Provided for Affiliated Company			
21	Corporate Support	Avista Development	146000	200,599
22	Corporate Support	Avista Capital	146000	84,549
23	Corporate Support	AELP	146000	34,260
24	Corporate Support	AJT Mining	146000	4,229
25	Corporate Support	Avista Edge	146000	314,238
40	TOTAL			637,875

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Storage Projects

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January	27,866		27,866
3	February	35,988		35,988
4	March	49,026		49,026
5	April	203,612		203,612
6	May	1,436,615		1,436,615
7	June	2,276,238		2,276,238
8	July	2,605,986		2,605,986
9	August	449,566		449,566
10	September	1,182,127		1,182,127
11	October	133,715		133,715
12	November	0		0
13	December	380,771		380,771
14	TOTAL (Total of lines 2 thru 13)	8,781,510	0	8,781,510
15	Gas Withdrawn from Storage			
16	January	1,761,988		1,761,988
17	February	1,257,438		1,257,438
18	March	1,445,817		1,445,817
19	April	608,738		608,738
20	May	4,622		4,622
21	June	3,554		3,554
22	July	6,203		6,203
23	August	357,980		357,980
24	September	145,293		145,293
25	October	418,798		418,798
26	November	2,127,227		2,127,227
27	December	2,755,378		2,755,378
28	TOTAL (Total of lines 16 thru 27)	10,893,036	0	10,893,036

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Storage Projects

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	8,528,000
2	Cushion Gas (Including Native Gas)	7,730,668
3	Total Gas in Reservoir (Total of line 1 and 2)	16,258,668
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	50
6	Number of Observation Wells	32
7	Maximum Days' Withdrawal from Storage	[(a)]117,063
8	Date of Maximum Days' Withdrawal	02/23/2022
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

FOOTNOTE DATA

(a) Concept: MaximumDaysWithdrawalFromStorage
Mcf converted to Dth using a factor of 1.0400

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Auxiliary Peaking Facilities

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? (e)
1	Chehalis, Washington	Underground Natural Gas Storage Field Wahsington & Idaho Supply	346,667	50,604,018	true
2	Chehalis, Washington	Underground Natural Gas Storage Field Oregon Supply	52,000	7,496,344	true
3	[(a)] Chehalis, Washington	Underground Natural Gas Storage Field Oregon Supply	2,623		true
4	[(b)] Rock Springs, Wyoming	Underground Natural Gas Storage Field Washington & Idaho Supply			true
5	[(c)] Rock Springs, Wyoming	Underground Natural Gas Storage Field Oregon Supply			true

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

FOOTNOTE DATA

(a) Concept: LocationOrNameOfFacility
Avista is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.
(b) Concept: LocationOrNameOfFacility
Avista does not have firm rights but have interruptible access to it.
(c) Concept: LocationOrNameOfFacility
Avista does not have firm rights but have interruptible access to it.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2023	Year/Period of Report: End of: 2022/ Q4

Gas Account - Natural Gas

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
1	Name of System		Avista Storage	
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		68,766,319	18,687,753
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	17,933,683	5,242,790
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328	(110,125)	(22,043)
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		2,175,442	4,782,478
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		88,765,319	28,690,978
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		69,516,090	22,953,003
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	17,178,479	4,841,008
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		

Gas Account - Natural Gas				
Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509	2,070,750	896,967
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		88,765,319	28,690,978
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For			
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		88,765,319	28,690,978