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: 2021/ 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. <u>Btu per cubic foot</u> – 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. <u>Commission Authorization</u> -- 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. <u>Dekatherm</u> – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

IV. <u>Respondent</u> – 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: 2021/ 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) 04/18/2022

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 04/22/2022

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: 04/18/2022	Year/Period of Report: End of: 2021/ 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	NA
26	Unrecovered Plant And Regulatory Study Costs	230c	12-96	NA
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	NA
32	Other Paid-In Capital	253	12-96	
33	Discount on Capital Stock	254	12-96	NA
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	NA
47	Gas Operating Revenues	300	REV 12-07	
48	Revenues From Transportation Of Gas Of Others Through Gathering Facilities	302	12-96	NA

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	NA
50	Revenues From Storing Gas Of Others	306	12-96	NA
51	Other Gas Revenues	308	12-96	
52	Discounted Rate Services And Negotiated Rate Services	313	NEW 12-07	NA
53	Gas Operation And Maintenance Expenses	317	12-96	
54	Exchange And Imbalance Transactions	328	12-96	NA
55	Gas Used In Utility Operations	331	12-96	
56	Transmission And Compression Of Gas By Others	332	12-96	NA
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	NA
67	Gas Storage Projects	512	12-96	
67	Gas Storage Projects	513	12-96	
68	Transmission Lines	514	12-96	NA
69	Transmission System Peak Deliveries	518	12-96	NA
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	NA
73	System Maps	522.1	REV. 12-96	NA

List of Schedules (Natural Gas Company)				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
74	Footnote Reference			NA
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: 04/18/2022	Year/Period of Report: End of: 2021/ 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: 04/18/2022	Year/Period of Report: End of: 2021/ 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] 100%	
2	Avista Development	I	Investment in Real Estate	[c] [d] 100%	
3	Avista Edge, Inc.	I	Investment in Technology providing high speed internet	[e] [f] 100%	
4	Pentzer Corporation	I	Parent of Bay Area Mfg and Penture Venture Holdings	[g] [h] 100%	
5	Pentzer Venture Holdings II	I	Holding Company-Inactive	[i] [j] 100%	
6	Bay Area Manufacturing	I	Holding Company	[k] [l] 100%	
7	Avista Capital II	D	Affiliated business trust issued pref trust Securities	[m] [n] 100%	
8	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	[o] [p] 100%	
9	Courtyard Office Center, LLC	I	Office & Retail Leasing	[q] [r] 100%	
10	Salix, Inc.	I	Liquified Natural Gas Operations	[s] [t] 100%	
11	Alaska Energy and Resources Company (AERC)	D	Parent Co of Alaska Operations	[u] [v] 100%	
12	Alaska Electric Light and Power Company	I	Utility Operations in Juneau	[w] [x] 100%	
13	AJT Mining Properties, Inc.	I	Inactive mining Co holding certain properties	[y] [z] 100%	
14	Snettisham Electric Company	I	Right to Purchase Snettisham	[aa] [ab] 100%	

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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

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Security Holders and Voting Powers

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2021	
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: 11/29/2021		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: 62,187,196 By Proxy: 62,187,196	3. Give the date and place of such meeting: 05/11/2021
Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	71,497,523	
6	TOTAL number of security holders	6,572	
7	TOTAL votes of security holders listed below	36,404,713	
8	BlackRock Institutional Trust, 55 East 52nd Street, New York, NY 10055	12,185,965	
9	The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355	8,230,974	
10	PSP Investments, 1250 Rene-Levesque West, Suite 1400, Montreal, QC, H3B 5E9 Canada	3,825,490	
11	Nuance Investments, LLC, Kansas City, MO	2,632,342	
12	State Street Global Advisors (US), Boston, MA	2,606,720	
13	First Trust Advisors, Wheaton, IL	1,668,366	
14	Hotchkis and Wiley Capital Management, Los Angeles, CA	1,457,164	
15	Mitsubishi UFJ Trust and Banking, Tokyo Japan	1,339,153	
16	Dimensional Fund Advisors, Austin, TX	1,270,841	
17	Geode Capital Management, Boston, MA	1,187,698	

Security Holders and Voting Powers

Line No.	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2021	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2021	
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: 11/29/2021		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: 62,187,196 By Proxy: 62,187,196	3. Give the date and place of such meeting: 05/11/2021
Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	71,497,523		
6	6,572		
7	36,404,713		
8	12,185,965		
9	8,230,974		
10	3,825,490		
11	2,632,342		
12	2,606,720		
13	1,668,366		
14	1,457,164		
15	1,339,153		
16	1,270,841		
17	1,187,698		

Security Holders and Voting Powers

Line No.	VOTING SECURITIES 4. Number of votes as of (date): 12/31/2021		
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: 11/29/2021		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: 62,187,196 By Proxy: 62,187,196	3. Give the date and place of such meeting: 05/11/2021

Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5			
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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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. References made to notes 11, 12, 13 and 14 of the Notes to the Financial Statements.

7. None

8. Average annual wage increases were 3.0% for non-exempt employees effective March 1, 2021. Average annual wage increases were 3.0% for exempt employees effective March 1, 2021. Officers received averaged increases of 5.2% effective February 15, 2021. Certain bargaining unit employees received increases of 2.0% effective April 1, 2021.

9. Reference is made to Note 12 of the notes to Financial Statements.

10. None

11. Reserved

12. Effective May11, 2021, Sena Kwawu was elected by the shareholders of the company to join the Avista Corp. board of directors.

Effective May11, 2021, Marc Racicot retired from the board of directors.

Effective June21, 2021, R. John Taylor resigned from the board of directors.

Effective August 11, 2021 Major General (Retired) Julie Bentz was appointed by the board of directors and has joined the board effective November 1, 2021.

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: 04/18/2022	Year/Period of Report: End of: 2021/ 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	7,072,675,570	6,713,727,078
3	Construction Work in Progress (107)	200-201	196,305,682	172,073,892
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	7,268,981,252	6,885,800,970
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		2,465,058,317	2,294,362,603
6	Net Utility Plant (Total of line 4 less 5)		4,803,922,935	4,591,438,367
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	
9	Nuclear Fuel (Total of line 7 less 8)		0	
10	Net Utility Plant (Total of lines 6 and 9)		4,803,922,935	4,591,438,367
11	Utility Plant Adjustments (116)	122	0	
12	Gas Stored-Base Gas (117.1)	220	6,992,076	6,992,076
13	System Balancing Gas (117.2)	220	0	
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	
15	Gas Owed to System Gas (117.4)	220	0	
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		4,500,764	5,311,287
18	(Less) Accum. Provision for Depreciation and Amortization (122)		247,981	212,107
19	Investments in Associated Companies (123)	222-223	11,547,000	11,547,000
20	Investments in Subsidiary Companies (123.1)	224-225	225,965,712	207,410,330
22	Noncurrent Portion of Allowances		0	
23	Other Investments (124)	222-223	77,890	77,890
24	Sinking Funds (125)		0	
25	Depreciation Fund (126)		0	
26	Amortization Fund - Federal (127)		0	
27	Other Special Funds (128)		11,152,367	24,673,076
28	Long-Term Portion of Derivative Assets (175)		2,658,520	596,015
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	

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)
	Comparative Balance Sheet (Assets And Other Debits)			
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		255,654,272	249,403,491
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		11,893,219	7,363,358
33	Special Deposits (132-134)		21,477,352	4,335,989
34	Working Funds (135)		1,227,292	1,116,351
35	Temporary Cash Investments (136)	222-223	153,241	152,774
36	Notes Receivable (141)		0	
37	Customer Accounts Receivable (142)		183,224,129	161,513,344
38	Other Accounts Receivable (143)		50,330,014	56,664,630
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		10,368,511	11,336,140
40	Notes Receivable from Associated Companies (145)		0	
41	Accounts Receivable from Associated Companies (146)		738,517	719,507
42	Fuel Stock (151)		4,388,454	4,088,628
43	Fuel Stock Expenses Undistributed (152)		0	
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	
45	Plant Materials and Operating Supplies (154)		60,277,408	51,854,056
46	Merchandise (155)		0	
47	Other Materials and Supplies (156)		0	
48	Nuclear Materials Held for Sale (157)		0	
49	Allowances (158.1 and 158.2)		0	
50	(Less) Noncurrent Portion of Allowances		0	
51	Stores Expense Undistributed (163)		0	
52	Gas Stored Underground-Current (164.1)	220	[(a)]17,603,996	9,535,324
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	
54	Prepayments (165)	230	22,973,644	26,280,659
55	Advances for Gas (166 thru 167)		0	
56	Interest and Dividends Receivable (171)		20,633	24,973
57	Rents Receivable (172)		3,665,325	2,934,798
58	Accrued Utility Revenues (173)		0	

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)**
59	Miscellaneous Current and Accrued Assets (174)		113,893	236,392
60	Derivative Instrument Assets (175)		4,056,941	1,523,219
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		2,658,520	596,015
62	Derivative Instrument Assets - Hedges (176)		0	
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		369,117,027	316,411,847
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		16,420,883	15,341,338
67	Extraordinary Property Losses (182.1)	230	0	
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	
69	Other Regulatory Assets (182.3)	232	833,162,908	717,281,643
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	
72	Clearing Accounts (184)		122,784	152,201
73	Temporary Facilities (185)		0	
74	Miscellaneous Deferred Debits (186)	233	50,762,924	29,826,563
75	Deferred Losses from Disposition of Utility Plant (187)		0	
76	Research, Development, and Demonstration Expend. (188)		0	
77	Unamortized Loss on Reacquired Debt (189)		6,768,288	7,512,371
78	Accumulated Deferred Income Taxes (190)	234-235	256,362,574	216,728,536
79	Unrecovered Purchased Gas Costs (191)		21,025,867	1,433,580
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,184,626,228	988,276,232
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		6,620,312,538	6,152,522,013

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: 04/18/2022	Year/Period of Report: End of: 2021/ 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	1,341,011,707	1,249,688,206
3	Preferred Stock Issued (204)	250-251	0	
4	Capital Stock Subscribed (202, 205)	252	0	
5	Stock Liability for Conversion (203, 206)	252	0	
6	Premium on Capital Stock (207)	252	0	
7	Other Paid-In Capital (208-211)	253	(10,696,711)	(10,696,711)
8	Installments Received on Capital Stock (212)	252	0	
9	(Less) Discount on Capital Stock (213)	254	0	
10	(Less) Capital Stock Expense (214)	254	(49,837,072)	(47,076,877)
11	Retained Earnings (215, 215.1, 216)	118-119	781,020,474	771,613,505
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	4,609,991	(13,577,380)
13	(Less) Reacquired Capital Stock (217)	250-251	0	
14	Accumulated Other Comprehensive Income (219)	117	(11,038,551)	(14,378,164)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		2,154,743,982	2,029,726,333
16	LONG TERM DEBT			
17	Bonds (221)	256-257	2,157,200,000	2,017,200,000
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	
21	Unamortized Premium on Long-Term Debt (225)	258-259	124,367	133,250
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	757,032	843,651
23	(Less) Current Portion of Long-Term Debt		0	
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		2,124,414,335	1,984,336,599
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		66,068,171	67,716,314
27	Accumulated Provision for Property Insurance (228.1)		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)		731,009	395,000
29	Accumulated Provision for Pensions and Benefits (228.3)		153,467,368	211,880,118
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	
31	Accumulated Provision for Rate Refunds (229)		409,971	3,820,594
32	Long-Term Portion of Derivative Instrument Liabilities		4,525,064	37,427,277
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	
34	Asset Retirement Obligations (230)		17,141,793	17,194,050
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		242,343,376	338,433,353
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	
38	Notes Payable (231)		284,000,000	202,000,000
39	Accounts Payable (232)		127,662,676	104,217,591
40	Notes Payable to Associated Companies (233)		1,404,714	8,742,915
41	Accounts Payable to Associated Companies (234)		18,595	
42	Customer Deposits (235)		3,702,706	3,028,142
43	Taxes Accrued (236)	262-263	41,669,378	45,266,874
44	Interest Accrued (237)		16,347,042	15,884,942
45	Dividends Declared (238)		0	
46	Matured Long-Term Debt (239)		0	
47	Matured Interest (240)		0	
48	Tax Collections Payable (241)		137,825	111,813
49	Miscellaneous Current and Accrued Liabilities (242)	268	69,109,875	60,781,094
50	Obligations Under Capital Leases-Current (243)		4,300,958	4,249,213
51	Derivative Instrument Liabilities (244)		33,326,256	51,435,582
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		4,525,064	37,427,277
53	Derivative Instrument Liabilities - Hedges (245)		0	
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		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)		577,154,961	458,290,889
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		3,624,489	2,444,383
58	Accumulated Deferred Investment Tax Credits (255)		29,313,176	29,866,627
59	Deferred Gains from Disposition of Utility Plant (256)		0	
60	Other Deferred Credits (253)	269	30,183,652	31,450,029
61	Other Regulatory Liabilities (254)	278	571,662,225	473,121,377
62	Unamortized Gain on Reacquired Debt (257)	260	1,189,285	1,318,822
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	
64	Accumulated Deferred Income Taxes - Other Property (282)		618,900,933	603,415,433
65	Accumulated Deferred Income Taxes - Other (283)		266,782,124	200,118,168
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,521,655,884	1,341,734,839
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		6,620,312,538	6,152,522,013

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

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	1,495,585,923	1,379,875,645		
3	Operating Expenses					
4	Operation Expenses (401)	317-325	865,148,582	762,581,592		
5	Maintenance Expenses (402)	317-325	80,137,861	74,568,922		
6	Depreciation Expense (403)	336-338	177,443,227	181,300,837		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0			
8	Amort. & Depl. of Utility Plant (404-405)	336-338	53,212,301	44,668,607		
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	99,047	99,047		
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0			
11	Amortization of Conversion Expenses (407.2)		0			
12	Regulatory Debits (407.3)		14,824,439	12,453,020		
13	(Less) Regulatory Credits (407.4)		52,533,715	57,223,861		
14	Taxes Other Than Income Taxes (408.1)	262-263	116,909,168	114,634,576		
15	Income Taxes-Federal (409.1)	262-263	846,571	(41,194,492)		
16	Income Taxes-Other (409.1)	262-263	876,303	654,441		
17	Provision of Deferred Income Taxes (410.1)	234-235	151,017,644	134,834,319		
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	144,624,499	82,145,804		
19	Investment Tax Credit Adjustment-Net (411.4)		(553,452)	(577,334)		
20	(Less) Gains from Disposition of Utility Plant (411.6)		0			
21	Losses from Disposition of Utility Plant (411.7)		0			
22	(Less) Gains from Disposition of Allowances (411.8)		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			
24	Accretion Expense (411.10)		0			
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,262,803,477	1,144,653,870		
26	Net Utility Operating Income (Total of lines 2 less 25)		232,782,446	235,221,775		
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0			
33	Revenues From Nonutility Operations (417)		299,756	108,256		
34	(Less) Expenses of Nonutility Operations (417.1)		5,295,279	5,439,625		
35	Nonoperating Rental Income (418)		(31,838)	(31,838)		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	23,555,382	5,304,376		
37	Interest and Dividend Income (419)		3,650,892	3,448,647		
38	Allowance for Other Funds Used During Construction (419.1)		589,900	338,811		
39	Miscellaneous Nonoperating Income (421)		0			
40	Gain on Disposition of Property (421.1)		109,527	289,281		
41	TOTAL Other Income (Total of lines 31 thru 40)		22,878,340	4,017,908		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0			
44	Miscellaneous Amortization (425)		5,616	(815,484)		
45	Donations (426.1)	340	2,499,499	2,999,603		
46	Life Insurance (426.2)		3,591,498	3,072,596		

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)
47	Penalties (426.3)		22,039	(17,039)		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,935,266	1,773,265		
49	Other Deductions (426.5)		4,448,958	3,494,856		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	12,502,876	10,507,797		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	564,779	923,792		
53	Income Taxes-Federal (409.2)	262-263	(1,628,247)	(60,470)		
54	Income Taxes-Other (409.2)	262-263	(472,315)	800		
55	Provision for Deferred Income Taxes (410.2)	234-235	3,042,777	218,831		
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	2,944,321	3,167,528		
57	Investment Tax Credit Adjustments-Net (411.5)		0			
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(1,437,327)	(2,084,575)		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		11,812,791	(4,405,314)		
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		91,728,400	88,943,778		
63	Amortization of Debt Disc. and Expense (428)	258-259	941,948	937,453		
64	Amortization of Loss on Reacquired Debt (428.1)		1,592,056	2,222,423		
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	515,447	186,289		
68	Other Interest Expense (431)	340	4,860,055	6,170,081		

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)
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		2,367,356	2,152,002		
70	Net Interest Charges (Total of lines 62 thru 69)		97,261,667	96,299,139		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		147,333,570	134,517,322		
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)		147,333,570	[(a)]134,517,322		

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	1,022,015,983	942,731,364	473,569,940	437,144,281		
3						
4	557,603,571	479,296,895	307,545,011	283,284,697		
5	64,169,603	58,433,891	15,968,258	16,135,031		
6	136,516,432	142,059,284	40,926,795	39,241,553		
7	0		0			
8	39,430,494	32,861,811	13,781,807	11,806,796		
9	99,047	99,047	0			
10						
11	0		0			
12	9,015,832	8,161,579	5,808,607	4,291,441		
13	46,406,409	47,876,238	6,127,306	9,347,623		
14	87,398,430	86,303,016	29,510,738	28,331,560		
15	(1,109,426)	(21,919,271)	1,955,997	(19,275,221)		
16	30,939	(214,113)	845,364	868,554		
17	88,830,716	83,467,206	62,186,928	51,367,113		
18	83,402,751	61,963,304	61,221,748	20,182,500		
19	(548,446)	(562,691)	(5,006)	(14,643)		
20						
21						
22						
23						
24						
25	851,628,032	758,147,112	411,175,445	386,506,758	0	
26	170,387,951	184,584,252	62,394,495	50,637,523	0	
28						
29						
30						
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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)
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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)
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78						

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NetIncomeLoss

Duplicate fact discrepancy. Schedule: 122a - Schedule - Statement of Accumulated Other Comprehensive Income, Comprehensive Income, and Hedging Activities, Row: 9, Column: i, Value: 134517321

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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		(10,258,024)					(10,258,024)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value		(4,120,140)					(4,120,140)		
4	Total (lines 2 and 3)		(4,120,140)					(4,120,140)	[(a)] 134,517,322	130,397,182
5	Balance of Account 219 at End of Preceding Quarter/Year		(14,378,164)					(14,378,164)		
6	Balance of Account 219 at Beginning of Current Year		(14,378,164)					(14,378,164)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value		3,339,613					3,339,613		
9	Total (lines 7 and 8)		3,339,613					3,339,613	147,333,570	150,673,183

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		(11,038,551)					(11,038,551)		

FERC FORM No. 2 (NEW 06-02)

FOOTNOTE DATA

(a) Concept: NetIncomeLoss
Duplicate fact discrepancy. Schedule: 122a - Schedule - Statement of Accumulated Other Comprehensive Income, Comprehensive Income, and Hedging Activities, Row: 9, Column: i, Value: 134517321

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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		726,160,557	705,980,176
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)		123,778,188	129,212,946
7	Appropriations of Retained Earnings (Account 436)			
7.1	Excess Earnings		(6,065,368)	(4,274,423)
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		(119,739,230)	(110,253,196)
12	Dividends Declared-Common Stock Amount			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		5,368,011	5,495,054
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		729,502,158	726,160,557
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		51,518,316	45,452,948
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)		51,518,316	45,452,948
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19)		781,020,474	771,613,505
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			

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)
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(13,577,380)	(13,386,701)
23	Equity in Earnings for Year (Credit) (Account 418.1)		23,555,382	5,304,376
24	(Less) Dividends Received (Debit)		5,000,000	5,000,000
25	Other Changes (Explain)		(368,011)	(495,055)
25.1	Corporate Costs Allocated to Subsidiaries		(368,011)	(495,055)
26	Balance-End of Year		4,609,991	(13,577,380)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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)	147,333,570	[(a)]134,517,322
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	230,655,529	225,969,444
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of deferred power and gas costs, debt expense and exchange power	(50,052,091)	(6,772,236)
6	Deferred Income Taxes (Net)	6,486,442	49,739,817
7	Investment Tax Credit Adjustments (Net)	(553,451)	(577,334)
8	Net (Increase) Decrease in Receivables	(25,394,061)	(51,466,229)
9	Net (Increase) Decrease in Inventory	(16,791,851)	(464,901)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	36,379,201	6,150,782
12	Net (Increase) Decrease in Other Regulatory Assets	(12,914,300)	(9,597,307)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(219,421)	(4,626,804)
14	(Less) Allowance for Other Funds Used During Construction	6,923,631	6,711,875
15	(Less) Undistributed Earnings from Subsidiary Companies	23,555,382	5,304,376
16	Other Adjustments to Cash Flows from Operating Activities		
16.1	Power and natural gas deferrals	544,574	1,092,888
16.2	Change in special deposits	(17,564,058)	1,579,362
16.3	Change in other current assets	2,703,327	(861,790)
16.4	Non-cash stock compensation	4,712,916	5,846,058
16.5	Gain on sale of property and equipment	(109,527)	(289,281)
16.6	Other	1,171,392	195,316
16.7	Allowance for Doubtful Accounts	4,134,701	4,149,939
16.8	Changes in other non-current asset	(4,576,245)	8,520,219
16.9	Cash settlement of interest rate swaps	(17,244,100)	(33,499,271)
18	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 16)	258,223,534	317,589,743
20	Cash Flows from Investment Activities:		

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)
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(441,862,369)	(399,504,892)
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)	(441,862,369)	(399,504,892)
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	923,995	570,225
33	Investments in and Advances to Associated and Subsidiary Companies	(7,338,616)	(6,476,269)
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	(45,145)	(1,362,792)
49	Net Cash Provided by (Used in) Investing Activities (Total of lines 28 thru 47)	(443,322,135)	(401,773,728)
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Proceeds from Issuance of Long-Term Debt (b)	140,000,000	165,000,000
54	Proceeds from Issuance of Preferred Stock		

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)**
55	Proceeds from Issuance of Common Stock	89,997,928	72,200,592
56	Net Increase in Debt (Long Term Advances)		
57	Net Increase in Short-term Debt (c)	82,000,000	19,700,000
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	311,997,928	256,900,592
61	Payments for Retirement		
62	Payments for Retirement of Long-Term Debt (b)		(52,000,000)
63	Payments for Retirement of Preferred Stock		
64	Payments for Retirement of Common Stock	(141,494)	
65	Other Retirements		
65.1	Other	(3,905,992)	(5,785,023)
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	(118,210,572)	(110,253,196)
70	Net Cash Provided by (Used in) Financing Activities (Total of lines 59 thru 69)	189,739,870	88,862,373
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	4,641,269	4,678,388
76	Cash and Cash Equivalents at Beginning of Period	8,632,483	3,954,095
78	Cash and Cash Equivalents at End of Period	13,273,752	8,632,483

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NetIncomeLoss

Duplicate fact discrepancy. Schedule: 122a - Schedule - Statement of Accumulated Other Comprehensive Income, Comprehensive Income, and Hedging Activities, Row: 9, Column: i, Value: 134517321

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 for goodwill held at subsidiaries,
- 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:

	2021	2020
Avista Utilities		
Ratio of depreciation to average depreciable property	3.54%	3.43%

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

	Avista Utilities
Electric thermal/other production	26
Hydroelectric production	81
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:

	2021	2020
Avista Corp.	7.19%	7.25%

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 2021or 2020. 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):

	2021	2020
Stock-based compensation expense	$ 4,713	$ 5,846
Income tax benefits	990	1,228
Excess tax expenses on settled share-based employee payments	(909)	(165)

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:

	2021	2020
Restricted Shares		
Shares granted during the year	62,594	45,540
Shares vested during the year	34,854	56,203
Unvested shares at end of year	96,127	71,706
Unrecognized compensation expense at end of year (in thousands)	$ 2,215	$ 2,003
TSR Awards		
TSR shares granted during the year	64,910	47,848
TSR shares vested during the year	77,174	71,299
TSR shares earned based on market metrics	58,652	
Unvested TSR shares at end of year	107,854	122,133
Unrecognized compensation expense at end of year (in thousands)	$ 2,653	$ 2,296
CEPS Awards		
CEPS shares granted during the year	64,910	47,848
CEPS shares vested during the year	38,590	35,622
CEPS shares earned based on market metrics	26,627	63,763
Unvested CEPS shares at end of year	107,854	83,464
Unrecognized compensation expense at end of year (in thousands)	$ 1,223	$ 1,090

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, 2021 and 2020, the Company had recognized a liability of $1.5 million and $0.8 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 7 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 (PGA), 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 15 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 3 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 or 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 premiums and discounts 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):

	2021	2020
Appropriated retained earnings	$ 51,518	$ 45,453

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, 2021, the Company has not recorded any significant amounts related to unresolved contingencies. See Note 17 for further discussion of the Company's commitments and contingencies.

COVID-19

In 2020, the WUTC, IPUC, and OPUC approved accounting orders that allow the Company to defer certain net COVID-19 related costs and benefits. As such, as of December 31, 2021, the Company has deferred net costs of $1.1 million for all jurisdictions.

The respective regulatory authorities will determine the appropriateness and prudency of any deferred expenses when the Company seeks recovery. See "Regulatory Deferred Charges and Credits".

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):

	2021	2020
Avista Capital	$ 16,645	$ (2,489)
AERC	6,910	7,795
Total equity in earnings of subsidiary companies	$ 23,555	$ 5,307

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2021 up to February 22, 2022, 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. NEW ACCOUNTING STANDARDS

Accounting Standards Update (ASU) 2018-13 "Fair Value Measurement (Topic 820)"

In August 2018, the FASB issued ASU No. 2018-13, which amends the fair value measurement disclosure requirements of ASC 820. The requirements of this ASU include additional disclosure regarding the range and weighted average used to develop significant unobservable inputs for Level 3 fair value estimates and the elimination of certain other previously required disclosures, such as the narrative description of the valuation process for Level 3 fair value measurements. This ASU became effective on January 1, 2020 and the requirements of this ASU did not have a material impact on the Company's fair value disclosures. See Note 15 for the Company's fair value disclosures.

ASU No. 2018-14 "Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)"

In August 2018, the FASB issued ASU No. 2018-14, which amends ASC 715 to add, remove and/or clarify certain disclosure requirements related to defined benefit pension and other postretirement plans. The additional disclosure requirements are primarily narrative discussion of significant changes in the benefit obligations and plan assets. The removed disclosures are primarily information about accumulated other comprehensive income expected to be recognized over the next year and the effects of changes associated with assumed health care costs. This ASU became effective for periods ending after December 15, 2020 and the requirements of this ASU did not have a material impact on the Company's disclosures upon adoption.

NOTE 3. 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. Given that 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. Given that 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,
- current 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 actual meter reading and customer billing occurs.

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

	2021	2020
Unbilled accounts receivable	$ 71,752	$ 68,545

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 face of 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 current period 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 that are imposed on Avista Corp. as opposed to being imposed on its 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):

	2021	2020
Utility-related taxes	$ 62,736	$ 59,319

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, 2021, the Company estimates it had unsatisfied capacity performance obligations of $17.4 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

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

	2021	2020
Revenue from contracts with customers	$ 1,244,314	$ 1,168,207
Derivative revenues	247,676	203,099
Alternative revenue programs	(6,635)	(3,814)
Deferrals and amortizations for rate refunds to customers	1,093	4,795
Other utility revenues	9,138	7,589
Total	1,495,586	1,379,876

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):

2021	2020

ELECTRIC OPERATIONS				
Revenue from contracts with customers				
Residential	$ 394,717			$ 377,785
Commercial and governmental	326,173			303,972
Industrial	117,165			113,563
Public street and highway lighting	7,472			7,303
Total retail revenue	845,527			802,624
Transmission	21,005			18,236
Other revenue from contracts with customers	33,870			19,252
Total revenue from contracts with customers	$ 900,402			$ 840,112

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):

	2021	2020
NATURAL GAS OPERATIONS		
Revenue from contracts with customers		
Residential	$ 221,405	$ 213,612
Commercial	100,819	94,937
Industrial and interruptible	7,796	7,128
Total retail revenue	330,020	315,677
Transportation	8,547	7,917
Other revenue from contracts with customers	5,345	4,501
Total revenue from contracts with customers	$ 343,912	$ 328,095

NOTE 4. LEASES

ASC 842, outlines a model for entities to use in accounting for leases. The core principle of the model is that an entity should recognize the ROU assets and liabilities that arise 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 arising 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 arising from the lease. 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 that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Any 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 Energy. 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 72 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, 2021 are immaterial.

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

	2021	2020
Operating lease cost:		
Fixed lease cost	$ 4,970	$ 4,746
Variable lease cost	1,180	1,099
Total operating lease cost	$ 6,150	$ 5,845

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

	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows:		
Operating lease payments	$ 4,805	$ 4,612

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

	December 31, 2021	December 31, 2020
Operating Leases		
Operating lease ROU assets (Utility Plant)	$ 70,133	$ 71,891
Obligations under capital lease - current	$ 4,301	$ 4,249
Obligations under capital lease - noncurrent	66,068	67,716
Total operating lease liabilities	$ 70,369	$ 71,965

Weighted Average Remaining Lease Term		
Operating leases	24.22 years	25.20 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, 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

Maturities of lease liabilities (including principal and interest) were as follows as of December 31, 2020 (dollars in thousands):

	Operating Leases
2021	$ 4,779
2022	4,799
2023	4,827
2024	4,852
2025	4,865
Thereafter	96,734
Total lease payments	$ 120,856
Less: imputed interest	(48,891)
Total	$ 71,965

NOTE 5. 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, 2021 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
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 are no expected deliveries of energy commodity derivatives after 2025.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2020 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
2021	1	224	10,353	65,188	17	451	5,448	39,273
2022			450	25,525			1,360	12,030
2023				4,950			1,360	900
2024							1,370	
2025							1,115	

As of December 31, 2020, 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):

	2021	2020
Number of contracts	25	22
Notional amount (in United States dollars)	$ 8,571	$ 3,860
Notional amount (in Canadian dollars)	10,957	4,949

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, 2021	13	140,000	2022
	2	20,000	2023
	1	10,000	2024
December 31, 2020	4	45,000	2021
	11	120,000	2022
	1	10,000	2023

See Note 13 for discussion of the bond purchase agreement and the related settlement of interest rate swaps in connection with the pricing of the bonds in September 2021.

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, 2021 and December 31, 2020 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, 2021 (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)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheets as of December 31, 2020 (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	$ 30	$	$	$ 30
Interest rate swap derivatives				
Derivative instrument liabilities current		(19,575)	8,050	(11,525)
Long-term portion of derivative liabilities	952	(32,190)		(31,238)
Energy commodity derivatives				
Derivative instrument assets current	9,203	(8,306)		897
Long-term portion of derivative assets	1,755	(1,159)		596
Derivative instrument liabilities current	11,037	(14,007)	487	(2,483)
Long-term portion of derivative liabilities	1,725	(8,043)	129	(6,189)
Total derivative instruments recorded on the balance sheet	$ 24,702	$ (83,280)	$ 8,666	$ (49,912)

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 (in thousands):

	2021	2020
Energy commodity derivatives		
Cash collateral posted	$ 30,567	$ 4,953
Letters of credit outstanding	34,000	23,500
Balance sheet offsetting (cash collateral against net derivative positions)	9,089	616
Interest rate swap derivatives		
Cash collateral posted (offset by net derivative positions)		8,050

There were no letters of credit outstanding related to interest rate swap derivatives as of December 31, 2021 and December 31, 2020.

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 (in thousands):

	2021	2020
Interest rate swap derivatives		
Liabilities with credit-risk-related contingent features	$ 25,274	$ 50,813
Additional collateral to post	25,274	42,763

NOTE 6. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent ownership interest in Units 3 & 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):

	2021	2020
Utility plant in service	$ 395,028	$ 391,922
Accumulated depreciation	(302,220)	(284,282)

See Note 7 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).

NOTE 7. 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):

	2021	2020
Asset retirement obligation at beginning of year	$ 17,194	$ 20,338
Liabilities incurred	825	(2,315)
Liabilities settled	(1,541)	(1,645)
Accretion expense	664	816
Asset retirement obligation at end of year	$ 17,142	$ 17,194

NOTE 8. 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. 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 2021, and $22.0 million in 2020. The Company expects to contribute $42.0 million in cash to the pension plan in 2022.

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):

	2022	2023	2024	2025	2026	Total 2027-2031
Expected benefit payments	$ 43,282	$ 43,218	$ 43,675	$ 44,319	$ 43,810	$ 228,585

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):

	2022	2023	2024	2025	2026	Total 2027-2031
Expected benefit payments	$ 6,960	$ 7,140	$ 7,291	$ 7,453	$ 7,560	$ 39,646

The Company expects to contribute $7.2 million to other postretirement benefit plans in 2022, representing expected benefit payments to be paid during the year excluding the Medicare Part D subsidy. 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, 2021 and 2020 and the components of net periodic benefit costs for the years ended December 31, 2021 and 2020(dollars in thousands):

	Pension Benefits		Other Post-retirement Benefits	
	2021	2020	2021	2020
Change in benefit obligation:				
Benefit obligation as of beginning of year	$ 826,915	$ 742,382	$ 161,233	$ 159,296
Service cost	25,306	22,392	4,114	3,902
Interest cost	26,160	27,853	5,139	6,042
Actuarial (gain)/loss	(13,997)	74,688	2,808	(2,589)
Benefits paid	(65,342)	(40,400)	(5,696)	(5,418)
Benefit obligation as of end of year	$ 799,042	$ 826,915	$ 167,598	$ 161,233
Change in plan assets:				
Fair value of plan assets as of beginning of year	$ 722,024	$ 642,063	$ 52,173	$ 44,853
Actual return on plan assets	50,370	96,591	7,371	7,320
Employer contributions	42,000	22,000		
Benefits paid	(63,431)	(38,630)		
Fair value of plan assets as of end of year	$ 750,963	$ 722,024	$ 59,544	$ 52,173
Funded status	$ (48,079)	$ (104,891)	$ (108,054)	$ (109,060)
Amounts recognized in the Balance Sheets:				
Current liabilities	$ (1,951)	$ (1,943)	$ (684)	$ (669)
Non-current liabilities	(46,128)	(102,948)	(107,370)	(108,391)
Net amount recognized	$ (48,079)	$ (104,891)	$ (108,054)	$ (109,060)
Accumulated pension benefit obligation	$ 685,493	$ 710,023		
Accumulated postretirement benefit obligation:				
For retirees			$ 78,347	$ 75,876
For fully eligible employees			$ 32,144	$ 32,097
For other participants			$ 57,107	$ 53,260
Included in accumulated other comprehensive loss (income) (net of tax):				
Unrecognized prior service cost (credit)	$ 1,699	$ 1,902	$ (2,741)	$ (3,570)
Unrecognized net actuarial loss	94,109	119,318	48,872	53,737
Total	95,808	121,220	46,131	50,167
Less regulatory asset	(85,550)	(108,301)	(45,350)	(48,708)
Accumulated other comprehensive loss for unfunded benefit obligation for pensions and other postretirement benefit plans	$ 10,258	$ 12,919	$ 781	$ 1,459

	Pension Benefits		Other Post-retirement Benefits	
	2021	2020	2021	2020
Weighted-average assumptions as of December 31:				
Discount rate for benefit obligation	3.39%	3.25%	3.40%	3.27%
Discount rate for annual expense	3.25%	3.85%	3.27%	3.89%
Expected long-term return on plan assets	5.40%	5.50%	4.60%	5.30%
Rate of compensation increase	4.66%	4.74%		
Medical cost trend pre-age 65 - initial			6.00%	6.25%
Medical cost trend pre-age 65 - ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2026	2026
Medical cost trend post-age 65 - initial			6.00%	6.25%
Medical cost trend post-age 65 - ultimate			5.00%	5.00%
Ultimate medical cost trend year post-age 65			2026	2026

		Other Post-retirement Benefits		
	2021	2020	2021	2020
Components of net periodic benefit cost:				
Service cost (a)	$ 25,306	$ 22,392	$ 4,114	$ 3,902
Interest cost	26,160	27,853	5,139	6,042
Expected return on plan assets	(39,088)	(34,886)	(2,400)	(2,377)
Amortization of prior service cost (credit)	257	257	(921)	(958)
Net loss recognition	6,645	6,717	3,865	4,871
Net periodic benefit cost	$ 19,280	$ 22,333	$ 9,797	$ 11,480

(a)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.

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:

	2021	2020
Equity securities	55%	35%
Debt securities	40%	49%

Real estate	5%	7%
Absolute return	0%	9%

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 whose fair values are measured using net asset value (NAV) are excluded from the fair value hierarchy and are included as reconciling items in the tables below.

The Company's investments in common/collective trusts have redemption limitations that permit quarterly redemptions following notice requirements of 45 to 60 days. Most of the Company'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. One investment in a partnership has a lock-up for redemption currently expiring in 2022 and is subject to extension.

The following table discloses by level within the fair value hierarchy (see Note 15 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 (1)				363
International equity securities				50,427
Real estate				7,815
Total	$ 349,425	$ 311,893	$	$ 750,963

The following table discloses by level within the fair value hierarchy (see Note 15 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2020 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$	$ 3,309	$	$ 3,309
Fixed income securities:				
U.S. government issues		10,990		10,990
Corporate issues		279,857		279,857
International issues		39,634		39,634
Municipal issues		22,431		22,431
Mutual funds:				
U.S. equity securities	146,375			146,375
International equity securities	96,311			96,311
Absolute return (1)	11,640			11,640
Plan assets measured at NAV (not subject to hierarchy disclosure)				
Common/collective trusts:				
Real estate				29,532
Partnership/closely held investments:				
Absolute return (1)				47,188
International equity securities				26,760
Real estate				7,997
Total	$ 254,326	$ 356,221	$	$ 722,024

(1)This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income and (d) market neutral strategies.

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 will determine 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 2021 and 2020.

The fair value of other postretirement plan assets was determined as of December 31, 2021 and 2020.

The following table discloses by level within the fair value hierarchy (see Note 15 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

The following table discloses by level within the fair value hierarchy (see Note 15 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2020 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Balanced index mutual fund (1)	$ 52,173	$	$	$ 52,173

(1)The balanced index fund for 2021 and 2020 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):

	2021	2020
Employer 401(k) matching contributions	$ 11,671	$ 11,742

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):

	2021	2020
Deferred compensation assets and liabilities	$ 9,513	$ 9,174

NOTE 9. 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, 2021, the Company had $17.1 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 $7.5 million of the state tax credits. As such, the Company has recorded a valuation allowance of $9.6 million against the state tax credit carryforwards and reflected the net amount of $7.5 million as an asset as of December 31, 2021. State tax credits expire from 2022 to 2035.

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 2017 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.

The Idaho State Tax Commission is currently reviewing tax years 2014 through 2017. All tax years after 2017 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 10. 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):

	2021	2020
Utility power resources	$ 431,199	$ 324,297

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):

	2022	2023	2024	2025	2026	Thereafter	Total
Power resources	$ 198,052	$ 187,552	$ 200,693	$ 193,877	$ 184,230	$ 1,888,038	$ 2,852,442
Natural gas resources	87,228	66,508	42,581	36,423	32,094	382,981	647,815
Total	$ 285,280	$ 254,060	$ 243,274	$ 230,300	$ 216,324	$ 2,271,019	$ 3,500,257

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. As a result, 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 above future contractual commitments for power resources include fixed contractual amounts related to the Company's contracts with certain 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 fixed 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, 2021 (principal and interest) was $278.3 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):

	2022	2023	2024	2025	2026	Thereafter	Total
Contractual obligations	$ 28,912	$ 29,680	$ 30,471	$ 31,287	$ 32,127	$ 212,852	$ 365,329

NOTE 11. NOTES PAYABLE

Avista Corp. has a committed line of credit with various financial institutions in the total amount of $400.0 million. In June 2021, the Company entered into an amendment to its committed line of credit that extends the expiration date to June 2026, with 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.

The committed line of credit agreement contains customary covenants and default provisions. The credit agreement has 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, 2021, the Company was in compliance with this covenant.

Balances outstanding and interest rates of borrowings (excluding letters of credit) under the Company's revolving committed lines of credit were as follows as of December 31 (dollars in thousands):

	2021	2020
Balance outstanding at end of period	$ 284,000	$ 102,000
Letters of credit outstanding at end of period	$ 34,000	$ 27,618
Average interest rate at end of period	1.11%	1.22%

As of December 31, 2021 and 2020, the borrowings outstanding under Avista Corp.'s committed line of credit were classified as short-term borrowings on the Balance Sheets.

NOTE 12. CREDIT AGREEMENT

In April 2020, the Company entered into a Credit Agreement with various financial institutions, in the amount of $100 million. The Company borrowed the entire $100 million available under this agreement in April 2020 and repaid the outstanding balance in April 2021.

NOTE 13. BONDS

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

Maturity Year	Description	Interest Rate	2021	2020
Avista Corp. Secured Long-Term Debt				
2022	First Mortgage Bonds	5.13%	250,000	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)	2.90%	140,000	
	Total Avista Corp. secured long-term bonds		2,157,200	2,017,200
	Secured Pollution Control Bonds held by Avista Corporation (1)		(83,700)	(83,700)
	Total long-term bonds		$ 2,073,500	$ 1,933,500

(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 (Series 2010A and Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds may be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheets.

(2)In September 2021, the Company issued and sold $70.0 million of 2.90 percent first mortgage bonds due in 2051 pursuant to a bond purchase agreement with institutional investors in the private placement market. In December 2021, the Company issued and sold the remaining $70.0 million of bonds pursuant to the same agreement. The total net proceeds from the sale of the bonds were used to repay a portion of the outstanding balance under Avista Corp.'s $400.0 million committed line of credit. In connection with the pricing of the first mortgage bonds in September 2021, the Company cash settled four interest rate swap derivatives (notional aggregate amount of $45.0 million) and paid a net amount of $17.2 million. See Note 7 for a discussion of interest rate swap derivatives.

The following table details future long-term debt maturities including long-term debt to affiliated trusts (see Note 14) (dollars in thousands):

	2022	2023	2024	2025	2026	Thereafter	Total
Debt maturities	$ 250,000	$ 13,500	$	$	$	$ 1,810,000	$ 2,073,500

Substantially all of Avista Corp.'s owned properties are subject to the lien of iyd mortgage indenture. Under the Mortgage and Deed of Trust (Mortgage) securing its first mortgage bonds (including secured medium-term notes), Avista Corp.'s may each 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 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, 2021, property additions and retired bonds would have allowed, and the net earnings test would not have prohibited, the issuance of $1.8 billion in an aggregate principal amount of additional first mortgage bonds at an assumed interest rate of 8 percent.

NOTE 14. 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 LIBOR plus 0.875 percent, calculated and reset quarterly.

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

	2021	2020
Low distribution rate	0.99%	1.10%
High distribution rate	1.10%	2.79%
Distribution rate at the end of the year	1.05%	1.10%

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 15. 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):

	2021		2020	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Long-term debt (Level 2)	$ 963,500	$ 1,157,651	$ 963,500	$ 1,189,824
Long-term debt (Level 3)	1,110,000	1,258,674	1,970,000	1,125,618
Long-term debt to affiliated trusts (Level 3)	51,547	43,299	51,547	43,815

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 84.0 to 140.27, 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, 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	$ —	$ 34,119	$ —	$ (31,211)	$ 2,908
Level 3 energy commodity derivatives:					
Natural gas exchange agreements	—	—	143	(143)	—
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	$ —	$ 41,733	$ —	$ (40,300)	$ 1,433
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	7,914	(143)	7,771
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

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, 2020 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, 2020					
Assets:					
Energy commodity derivatives	$ —	$ 23,645	$ —	$ (22,152)	$ 1,493
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	75	(75)	—
Foreign currency exchange derivatives	—	30	—	—	30
Interest rate swap derivatives	—	952	—	(952)	—
Deferred compensation assets:					
Mutual Funds:					
Fixed income securities	2,471	—	—	—	2,471
Equity securities	6,228	—	—	—	6,228
Total	$ 8,699	$ 24,627	$ 75	$ (23,179)	$ 10,222
Liabilities:					
Energy commodity derivatives	$ —	$ 23,030	$ —	$ (22,768)	$ 262
Level 3 energy commodity derivatives:					
Natural gas exchange agreement	—	—	8,485	(75)	8,410
Interest rate swap derivatives	—	51,765	—	(9,002)	42,763
Total	$ —	$ 74,795	$ 8,485	$ (31,845)	$ 51,435

(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.

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. The balance disclosed in the table above excludes cash and cash equivalents of $0.1 million as of December 31, 2021 and $0.5 million as of December 31, 2020.

Level 3 Fair Value

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, 2021 (dollars in thousands):

	Fair Value (Net) at December 31, 2021	Valuation Technique	Unobservable Input	Range
Natural gas exchange	(7,771)	Internally derived weighted average cost of gas	Forward purchase prices	$2.35 - $4.08/mmBTU $2.96 Weighted Average
			Forward sales prices	$2.38 - $9.50/mmBTU $4.51 Weighted Average
			Purchase volumes	130,000 - 310,000 mmBTUs
			Sales volumes	25,000 - 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 energy commodity derivative assets (liabilities) measured at fair value using significant unobservable inputs (Level 3) for the years ended December 31 (dollars in thousands):

		Natural Gas Exchange Agreement		Power Exchange Agreement		Total
Year ended December 31, 2021:						
Balance as of January 1, 2021	$	(8,410)	$	—	$	(8,410)
Total gains or (losses) (realized/unrealized):						
Included in regulatory assets (1)		4,292		—		4,292
Settlements		(3,653)		—		(3,653)
Ending balance as of December 31, 2021 (2)	$	(7,771)	$	—	$	(7,771)
Year ended December 31, 2020:						
Balance as of January 1, 2020	$	(2,976)	$	—	$	(2,976)
Total gains or (losses) (realized/unrealized):						
Included in regulatory assets (1)		(4,311)		—		(4,311)
Settlements		(1,123)		—		(1,123)
Ending balance as of December 31, 2020 (2)	$	(8,410)	$	—	$	(8,410)

(1)All gains and losses are included in other regulatory assets and liabilities. There were no gains and losses included in either net income or other comprehensive income during any of the periods presented in the table above.

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

NOTE 16. 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, 2021 was $322.3 million.

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2021 and 2020.

Common Stock Issuances

The Company issued common stock in 2021 for total net proceeds of $90.0 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 4.3 million shares under these agreements, of which 2.1 million remain unissued as of December 31, 2021. In 2021, 2.2 million shares were issued under these agreements resulting in total net proceeds of $88.5 million.

NOTE 17. 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.

Collective Bargaining Agreements

The Company's collective bargaining agreement with the IBEW represents approximately 40 percent of all of Avista Corp.'s employees. The Company's largest represented group, representing approximately 90 percent of Avista Corp.'s bargaining unit employees in Washington and Idaho, were covered under a three-year agreement which expired in March 2021. In March 2022, a new four-year collective bargaining agreement was reached with the IBEW. The new agreement is retroactive to March 2021 and expires in March 2025. The new agreement's impact on the financial statements was consistent with management's expectations.

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 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, the Company cannot predict the outcome of these matters.

Road 11 Fire

On April 13, 2022, Avista Corp. received a notice of claim from a property owner seeking damages in connection with a fire that occurred in Douglas County, Washington, just west of State Route 172, on July 11, 2020. The fire, which was designated as the "Road 11 Fire," occurred in the vicinity of Avista Corp.'s Chelan-Stratford 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 property owner's notice of claims states that they are seeking damages of $5 million. The Company disputes that it is liable for the fire, and will vigorously defend itself in any legal action that might be commenced in connection with the same.

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); and the Mile Marker 49 fire (near Orofino, Idaho). These wildfires covered, in total, approximately 22,000 acres. The Company currently estimates approximately 230 residential, commercial and other structures were impacted. With respect to the Christensen Road Fire and the Mile Marker 49 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 intends to vigorously defend any claims for damages that may be asserted against it with respect to the wildfires arising out of the extreme wind event.

Babb Road Fire

On May 14, 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.

Five lawsuits seeking unspecified damages have been filed in connection with the Babb Road fire. These include a negligence action filed in the Superior Court of Spokane County, Washington on behalf approximately 44 individual plaintiffs; negligence-based subrogation actions filed in the Superior Courts of Spokane and Whitman County, Washington on behalf of 23 insurance carriers; and a class action lawsuit filed in the Superior Court of Spokane County Washington alleging negligence, private nuisance, trespass and inverse condemnation. The Company intends to vigorously defend itself in all such legal proceedings.

Colstrip

Colstrip Owners Arbitration and Litigation

Colstrip Units 3 & 4 are jointly owned by the Company, Puget Sound Energy (PSE), Pacificorp, Portland General Electric (PGE) (collectively, the "Western Co-Owners"), as well as NorthWestern and Talen, and are operated pursuant to an Ownership and Operating Agreement dated May 6, 1981, as amended (O&O Agreement). Avista Corp. is a 15 percent owner in Units 3 & 4. No single owner owns more than 30 percent of either generating unit.

The Washington Clean Energy Transformation Act (CETA) imposes deadlines by which coal-fired resources, such as Colstrip, must be excluded from the rate base of Washington utilities and by which electricity from such resources may no longer be delivered to Washington retail customers. The co-owners of Colstrip have differing needs for the generating capacity of these units. Accordingly, business disagreements have arisen among the co-owners, including, but not limited to, disagreements as to the shut-down date or dates of these units. These business disagreements, in turn, have led to disagreements as to the interpretation of the O&O Agreement, including, but not limited to, what percentage voting requirement under the O&O Agreement (55 percent vs. 100 percent) is needed to remove one or more of the Colstrip units from service or to make a determination that the project can no longer be operated consistent with prudent utility practice or the requirements of governmental agencies having jurisdiction. These disagreements are the subject of pending litigation in Montana Federal District Court in which the Western Co-Owners are plaintiffs and NorthWestern and Talen are defendants, as well as in the Montana District for Yellowstone County, in which Talen is the plaintiff and the Western Co-Owners and NorthWestern are defendants.

In addition, there are legal proceedings pending in Montana Federal District Court with respect to the validity and constitutionality of changes to Montana law enacted in 2021 after the foregoing disputes arose. The Western Co-Owners are plaintiffs in those proceedings and NorthWestern and Talen are defendants. The changes to Montana law at issue purport to (a) dictate the location of any arbitration under the O&O Agreement, overriding the express provisions of that agreement; and (b) define actions relating to closing or not operating Colstrip as violations of Montana's Consumer Protection Act. These legal proceedings remain pending.

The Company is not able 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. However, the Company will continue to vigorously defend and protect its interests (and those of its stakeholders) in all legal proceedings relating to Colstrip.

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 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. The first, filed in the Montana District Court for Rosebud County, challenges the approval, by the Montana Board of Environmental Review, of a permit for mining what is designated as the "AM4" area of the mine, alleging procedural flaws in the approval process and substantive errors in its assessment of environmental impacts. On January 28, 2022, the Montana District Court for Rosebud County issued an order vacating the AM4 permit but deferring the annulment until April 1, 2022.

The second proceeding, filed in the Montana Federal District Court, challenged the Office of Surface Mining Reclamation and Enforcement's decision approving Westmoreland's expansion of the mine into what is designated as "Area F" on the grounds that it violated the National Environmental Protection Act and the Endangered Species Act. On February 11, 2022, a Magistrate Judge issued findings and recommended that approval decision be vacated but that the annulment be delayed for 365 days from the date of a final order.

Avista Corp. is not a party to either of these proceedings. Avista Corp. 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. At this time, the Company is unable to predict the likelihood of a claim arising out of the matter, nor an amount or range of a potential loss, if any, in the event of such a claim.

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 18. 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 2021, the Company recognized a pre-tax expense of $7.7 million under the ERM in Washington compared to a benefit of $6.2 million for 2020. Total net deferred power costs under the ERM were a liability of $11.9 million as of December 31, 2021 and a liability of $37.9 million as of December 31, 2020. These deferred power cost balances represent amounts due to 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. As the cumulative rebate balance exceeded $30 million, the Company's 2019 filing contained a proposed rate refund. The ERM proceeding was considered with the Company's 2019 general rate case proceeding and a refund was approved and is being returned to customers over a two-year period that began on April 1, 2020. 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.

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 $10.8 million as of December 31, 2021 and $2.5 million as of December 31, 2020. 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 $21.0 million as of December 31, 2021 and $1.4 million as of December 31, 2020. 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. If the Company earns more than its authorized rate of return (ROR) in Washington, 50 percent of excess earnings are rebated to customers through adjustments to decoupling surcharge or rebate balances. See below for a summary of cumulative balances under the decoupling and earnings sharing mechanisms.

The Company has proposed to modify this earnings test in its 2022 general rate case, so that if the Company earns more than 0.5 percent higher than the ROR 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, 2021 and December 31, 2020, the Company had the following cumulative balances outstanding related to decoupling and earnings sharing mechanisms in its various jurisdictions (dollars in thousands):

	December 31, 2021	December 31, 2020
Washington		
Decoupling surcharge	$ 13,522	$ 21,340
Idaho		
Decoupling (rebate) surcharge	$ (1,450)	$ 1,202
Provision for earnings sharing rebate	(686)	(686)
Oregon		
Decoupling surcharge (rebate)	$ 3,152	$ (1,262)

There were no earnings sharing rebates associated with Washington and Oregon as of December 31, 2021 and December 31, 2020.

19. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2021	2020
Cash paid for interest	$ 92,143	$ 91,188
Cash paid for income taxes	1,476	701
Cash received for income tax refunds	(22,330)	(984)

NOTE 20. SUBSEQUENT EVENTS

The Company has evaluated its subsequent events and noted no subsequent events have occurred.

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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)	6,983,399,354	4,775,009,486	1,487,315,761		721,074,107
4	Property Under Capital Leases	70,132,733				[(a)]70,132,733
5	Plant Purchased or Sold					
6	Completed Construction not Classified					
7	Experimental Plant Unclassified					
8	TOTAL Utility Plant (Total of lines 3 thru 7)	7,053,532,087	4,775,009,486	1,487,315,761		791,206,840
9	Leased to Others					
10	Held for Future Use	18,875,451	17,420,225	190,585		1,264,641
11	Construction Work in Progress	196,305,682	170,124,544	6,889,479		19,291,659
12	Acquisition Adjustments	268,032	268,032			
13	TOTAL Utility Plant (Total of lines 8 thru 12)	7,268,981,252	4,962,822,287	1,494,395,825		811,763,140
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	2,465,058,317	1,740,009,100	447,762,096		277,287,121
15	Net Utility Plant (Total of lines 13 and 14)	4,803,922,935	3,222,813,187	1,046,633,729		534,476,019
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
17	In Service:					
18	Depreciation	2,274,836,782	1,705,515,338	447,029,979		122,291,465
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	190,221,535	34,493,762	732,117		154,995,656
22	TOTAL In Service (Total of lines 18 thru 21)	2,465,058,317	1,740,009,100	447,762,096		277,287,121
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					
28	Depreciation					

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)**
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)	2,465,058,317	1,740,009,100	447,762,096		277,287,121

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Total of $70,132,733 relates to ROU Assets booked due to ASC 842

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	2,585,617	40,119			38,847	2,664,583
5	Total Intangible Plant (Total of lines 2 thru 4)	2,585,617	40,119			38,847	2,664,583
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)						
28	PRODUCTS EXTRACTION 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)**
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					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	2,098,287	469,829				2,568,116
47	352 Wells	18,474,314	469,829			(21,412)	18,922,731
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	2,230,522				(988)	2,229,534
52	354 Compressor Station Equipment	17,716,256	469,830				18,186,086
53	355 Measuring and Regulating Equipment	1,240,824	469,831			(255)	1,710,400
54	356 Purification Equipment	560,248					560,248
55	357 Other Equipment	2,232,027	469,829				2,701,856
56	358 Asset Retirement Costs for Underground Storage Plant						
57	Total Underground Storage Plant (Total of lines 44 thru 56)	53,410,539	2,349,148			(22,655)	55,737,032
58	Other 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)
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)	53,410,539	2,349,148			(22,655)	55,737,032
82	TRANSMISSION PLAN						
83	365.1 Land and Land Rights						
84	365.2 Rights-of-Way						
85	366 Structures and Improvements						
86	367 Mains						
87	368 Compressor Station Equipment						
88	369 Measuring and Regulating Station Equipment						

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)
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	1,532,328	51,934			1	1,584,263
95	375 Structures and Improvements	2,151,098	94,170	16,331		7,546	2,236,483
96	376 Mains	671,777,189	34,646,104	690,918		(42,905)	705,689,470
97	377 Compressor Station Equipment						
98	378 Measuring and Regulating Station Equipment-General	12,448,254	688,466	1,216		11,133	13,146,637
99	379 Measuring and Regulating Station Equipment-City Gate	9,365,034	418,760	52,467		122,076	9,853,403
100	380 Services	421,652,768	30,009,641	236,967		10,169	451,435,611
101	381 Meters	159,124,709	11,578,968	3,684,638		53,445	167,072,484
102	382 Meter Installations						
103	383 House Regulators						
104	384 House Regulator Installations						
105	385 Industrial Measuring and Regulating Station Equipment	6,391,429	99,585			20,400	6,511,414
106	386 Other Property on Customers' Premises						
107	387 Other Equipment	539				62	601
108	388 Asset Retirement Costs for Distribution Plant						
109	Total Distribution Plant (Total of lines 94 thru 108)	1,284,443,348	77,587,628	4,682,537		181,927	1,357,530,366
110	GENERAL PLANT						
111	389 Land and Land Rights	3,918,517				385	3,918,902
112	390 Structures and Improvements	29,898,498	46,640	579,176		89,016	29,454,978
113	391 Office Furniture and Equipment	464,773				9,732	474,505
114	392 Transportation Equipment	19,237,738	1,892,556	630,690		43,164	20,542,768
115	393 Stores Equipment	85,263	157,881				243,144
116	394 Tools, Shop, and Garage Equipment	9,292,808	834,644	91,741		1,554	10,037,265
117	395 Laboratory Equipment	396,983	54,653			640	452,276
118	396 Power Operated Equipment	4,367,784		94,759			4,273,025
119	397 Communication Equipment	2,611,409	(147)	697,951		4,590	1,917,901

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)
120	398 Miscellaneous Equipment	2,367	6,725				9,092
121	Subtotal (Total of lines 111 thru 120)	70,276,140	2,992,952	2,094,317		149,081	71,323,856
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)	70,276,140	2,992,952	2,094,317		149,081	71,323,856
125	Total (Accounts 101 and 106)	1,410,775,568	82,969,847	6,776,854		347,200	1,487,315,761
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)	1,410,775,568	82,969,847	6,776,854		347,200	1,487,315,761

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	03/01/2007	12/31/2026	190,585
45	Total			190,585

FERC FORM No. 2 (12-96)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	1,971,126	1,344,188
2	Gas Distribution Non-Revenue Blanket	1,153,499	2,872,098
3	Gas Airway Heights HP Reinforcement	1,131,338	8,500,000
4	Minor Projects under $1,000,000	2,633,516	5,492,303
45	TOTAL	6,889,479	18,208,589

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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 168,971,000				
	(2) Short-Term Interest				s 1.38%	
	(3) Long-Term Debt	D 1,973,500,000		46.99%	d 5.06%	
	(4) Preferred Stock	P		0%	p	
	(5) Common Equity	C 2,057,681,877		48.99%	c 9.4%	
	(6) Total Capitaization	4,200,152,877		96%		
	(7) Average Construction Work in Progress Balance	W 183,994,000				

2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C)) (1-(S/W))] -	1.47%
3. Rate for Other Funds [1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))] -	0.39%
4. Weighted Average Rate Actually Used for the Year:	
(a) Rate for Borrowed Funds -	
(b) Rate for Other Funds -	

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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	421,097,745	421,097,745		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	40,926,795	40,926,795		
4	(403.1) Depreciation Expense for Asset Retirement Costs	0			
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	1,339,464	1,339,464		
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)	42,266,259	42,266,259	0	0
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(6,776,854)	(6,776,854)		
13	Cost of Removal	1,111,424	1,111,424		
14	Salvage (Credit)				
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,665,430)	(5,665,430)	0	0
16	Other Debit or Credit Items (Describe in footnote details)				
17.1		400,877	400,877		
17.2		2,338	2,338		
17.3		(237,283)	(237,283)		
17.4		(266,281)	(266,281)		
17.5		(3,126,675)	(3,126,675)		
17.6		(7,441,571)	(7,441,571)		
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	447,029,979	447,029,979	0	0
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				

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)
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	19,998,349	19,998,349		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	401,782,110	401,782,110		
29	General	25,249,520	25,249,520		
30	TOTAL (Total of lines 21 thru 29)	447,029,979	447,029,979	0	0

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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			
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	9,535,324		0	16,527,400
2	26,476,514			26,476,514
3	18,407,842			18,407,842
4	0			0
5	[(a)]17,603,996	0	0	24,596,072
6	6,003,195			7,256,255
7	2.9324			3.3896

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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.

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	01/01/1997		11,547,000					11,547,000		
2	Total Investment in Associated Companies				11,547,000	0	0			11,547,000	0	0
1	Other Investment - WZN Loans Sandpoint (124350)				59,355					59,355		
2	Other Investment - Coli Cash Value (124600)				31,569,812		(3,055,492)			34,625,304		
3	Other Investment - Coli Borrowings (124610)				(31,569,812)		3,055,492			(34,625,304)		
4	Other Investment - WZN Loans Oregon (124680)				18,535					18,535		
5	Total Other Investments				77,890	0	0			77,890	0	0
1	Temp Cash Investments (136000)				152,774	467				153,241		
2	Total Temporary Cash Investments				152,774	467	0			153,241	0	0
4	Total Investments											

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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		256,138,970			256,138,970	
2	Investment in AERC			89,816,380			89,816,380	
3	AERC - Equity in Earnings			16,790,283	6,909,964	5,000,000	18,700,247	
4	Avista Capital - Equity in Earnings			(155,335,303)	16,645,418		(138,689,885)	
40	TOTAL Cost of Account 123.1 $		Total	207,410,330	23,555,382	5,000,000	225,965,712	0

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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	3,402,415
2	Prepaid Rents	206
3	Prepaid Taxes	4,273,517
4	Prepaid Interest	
5	Miscellaneous Prepayments	15,297,506
6	TOTAL	22,973,644

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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	3 years		8,597,671	0
2	[b] Reg Asset Post Ret Liabilility			202,321,377	6,863,397
3	[c] Regulatory Asset FAS 109 Utility Plant			93,708,282	1,785,604
4	Regulatory Asset FAS 109 DSIT Non Plant			2,344,905	2,594,946
5	Regulatory Asset Lake CDA Settlement-Varies	50 years	WA Docket UE-080416, ID Order AVU-E-08-01	40,042,767	0
6	[d] Reg Assets-Decoupling Surcharges - 2 years			10,093,117	16,072,572
7	Reg Asset - Colstrip	WA Electric - 33.75 years, ID Electric - 34.75 years	WA Dockets UE-190334, UG-190335, UE-190222 ID Order 34276, AVU-E-19-03	7,891,134	4,844,304
8	Regulatory Asset Commodity MTM ST & LT		WA Docket UE-002066, ID Order# 28648	7,794,852	40,479,053
9	[e] Regulatory Asset FAS 143 Asset Retirement Obligation			1,916,300	121,561
10	[f] Regulatory Asset Workers Comp			1,017,959	263,400
11	[g] Interest Rate Swap Asset			214,851,166	359,365,554
12	[h] DSM Asset			3,813,813	1,693,097
13	[i] Deferred ITC			3,910,987	0
14	Regulatory Asset MDM System		WA Dockets UE-180418, UG-180419	26,378,924	12,510,989
15	[j] Regulatory Asset BPA Residential Exchange			1,484,961	1,441,496
16	Regulatory Asset FISERV	3 years	Idaho Order# 33494, Dockets AVU-E-16-01, AVU-E-19-04	2,720,100	0
17	[k] Regulatory Asset AFUDC (PIS,WIP) & Equity DFIT			52,370,433	83,632,429
18	Regulatory Asset ID PCA Deferral			2,547,168	14,419,413
19	Existing Meters/ERTS Retirement Def		WA Docket UE-002066, ID Order# 28648	25,913,958	891,495
20	[l] Regulatory Asset Colstrip Community Fund		WA Order 09, Dockets UE-190334, UE-190222	1,500,000	0
21	Regulatory Asset COVID-19		WA Order# 01, Dockets UE-200407, UG-200408, Idaho Order# 34718, Oregon Order# 20-401, Docket UM 2069	2,859,947	7,132,376
22	Regulatory Asset Energy Imbalance Market		Idaho Order# 34606	194,925	574,493

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	Regulatory Asset Oregon CAT Tax		Oregon Order# 20-398, Docket UM-2042	829,587	93,982
24	Regulatory Asset- Wildfire Resiliency		WA Dockets UE-200900, UG-200901, UE-200894, Idaho Order 34883	1,006,452	3,376,998
25	Deferral for CS2 & Colstrip (O&M, Excess Depr)		WA Order 09, Dockets UE-190334, UG-190335, UE-190222	1,108,935	4,711,925
26	(m) Regulatory Asset Tax Basis Flow through		WA Order01, Dockets UE-200895, UG-200896, Idaho Case#s AVU-E-20-12, AVU-G-20-07 Order# 34906, Oregon Docket# UM 2124 Order# 21-131	0	131,806,591
27	Tax Reform Deferral	1 year	Oregon Advice# 19-01-G	0	685,595
28	(n) Other Regulatory Assets			61,923	60,168
40	TOTAL			717,281,643	695,421,438

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		6,463,028
2	228	37,813,141		171,371,633
3	283	1,588,902		93,904,984
4	283	2,592,721		2,347,130
5	407	1,116,805		38,925,962
6	456, 495	15,285,711		10,879,978
7	407	1,942,176		10,793,262
8	244, 175	32,888,608		15,385,297
9		0		2,037,861
10	242	394,351		887,008
11	Various	374,462,938		199,753,782
12	Various	1,532,733		3,974,177
13	283, 410	70,968		3,840,019
14	407, 419	2,882,249		36,007,664
15	407	1,786,380		1,140,077
16	407, 419	1,627,243		1,092,857
17	Various	80,968,179		55,034,683
18	557, 419	6,191,599		10,774,982
19	108, 407	5,389,928		21,415,525
20		0		1,500,000
21	186, 407	8,011,896		1,980,427
22	407	53,629		715,789
23	407, 419	24,949		898,620
24	407	0		4,383,450
25	407	710,974		5,109,886
26		0		131,806,591
27		0		685,595
28	407, 419	69,450		52,641
40		579,540,173	0	833,162,908

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
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.
(e) 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.
(f) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Quarterly adjustments to workers comp reserve for current unpaid claims.
(g) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Settled swaps are amortized over the life of the associated debt.
(h) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Amortization period varies depending on timing of transactions.
(i) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Amortization period varies depending on underlying transactions.
(j) 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.
(k) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferring the difference between FERC formula and State approved AFUDC rates from 2010 to present.
(l) 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.
(m) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Accounting method change for federal income tax expense associated with Industry Director Directive No. 5 mixed service costs for meters.
(n) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets
Deferred Regulatory Fees of $26,308 refers to Oregon Docket# UG 415, Advice# 21-06-G. Amortization for 1 year.

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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		0	3,848,745	
2	Colstrip Common Facility		3,466,641		
3	Plant Alloc of Clearing Journal		3,964,981	4,153,244	
4	Reg Asset - ERM		0	7,929,925	
5	Gas Supply Transactions		517,205	15,686	
6	WA REC Deferral		394,831		557
7	Reg Asset - Decoupling Deferred		15,376,953		VAR
8	Reg Asset - COVID 19 Deferral		5,305,694	6,304,500	
9	Nez Perce Settlement		119,125		VAR
10	[(a)] Timber Harvest		(226,818)		253
11	Union Contract Nego		11,703	110,016	
12	Misc. Deferred Debits <$100,000		896,248		VAR
13	ERM, DSM & BPA Tariff Riders Expense		0	181,230	
39	Miscellaneous Work in Progress				
40	TOTAL		29,826,563	22,543,346	

Miscellaneous Deferred Debits (Account 186)		
Line No.	Credits Amount (f)	Balance at End of Year (g)
1		3,848,745
2		3,466,641
3		8,118,225
4		7,929,925
5		532,891
6	394,831	0
7	1,201,997	14,174,956
8		11,610,194
9	5,188	113,937
10	(226,818)	0
11		121,719
12	231,787	664,461
13		181,230
39		
40	1,606,985	50,762,924

FOOTNOTE DATA

(a) Concept: DescriptionOfMiscellaneousDeferredDebits

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.

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	102,475,097	(15,481,995)	1,512,846	781,048	70,688	254	3,579,650			115,179,928
3	Gas	21,374,121	(11,601,746)	(77,389)	2,130	13,328	254	2,614,140			30,295,536
4	Other (Define)	92,879,318	1,246,322	5,342,581	2,106,334	2,859,126			254	13,158,741	[(a)]110,887,110
5	Total (Total of lines 2 thru 4)	216,728,536	(25,837,419)	6,778,038	2,889,512	2,943,142		6,193,790		13,158,741	256,362,574
6	Other (Specify)										
7	TOTAL Account 190 (Total of lines 5 thru 6)	216,728,536	(25,837,419)	6,778,038	2,889,512	2,943,142		6,193,790		13,158,741	256,362,574
8	Classification of TOTAL										
9	Federal Income Tax	216,728,536	(25,837,419)	6,778,038	2,889,512	2,943,142		6,193,790		13,158,741	256,362,574
10	State Income Tax										
11	Local Income Tax										

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FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxes

	Beg Balance	End Balance
Pension, Medical, and SERP	33,779,058	49,617,069
Federal Income Tax Carryforwards	11,857,126	19,821,038
State Income Tax Carryforwards	18,682,559	18,379,565
Derivative Instruments	10,930,946	8,903,303
Compensation and Payroll	7,695,408	6,589,381
Plant Excess Deferred Gross Up	8,069,077	6,552,622
Other Common Deferred Tax Assets	1,865,144	1,024,132
Total	92,879,318	110,887,110

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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			71,497,523	1,341,011,707				
3	Restricted Shares								96,127	3,598,034
4										
5	Total	200,000,000			71,497,523	1,341,011,707				
6	Preferred Stock (Account 204)									
7	Cumulative	10,000,000								
8										
9										
10	Total	10,000,000			0	0				
	Historical Data									
11	Common & Preferred Stock	210,000,000			71,497,523	1,341,011,707				
12	Total	210,000,000			71,497,523	1,341,011,707				

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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)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

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 September 2021, the Company issued and sold $70.0 million of 2.90 percent first mortgage bonds due in 2051 pursuant to a bond purchase agreement with institutional investors in the private placement market. In December 2021, the Company issued and sold the remaining $70.0 million of bonds pursuant to the same agreement. The total net proceeds from the sale of the bonds were used to repay a portion of the outstanding balance under Avista Corp.'s $400.0 million committed line of credit. In connection with the pricing of the first mortgage bonds in September 2021, the Company cash settled four interest rate swap derivatives (notional aggregate amount of $45.0 million) and paid a net amount of $17.2 million. See Note 7 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. 190554 entered September 12, 2019.

1. Order of the Idaho Public Utilities Commission, Order No. 34386 entered July 31, 2019.

1. Order of the Public Utility Commission of Oregon, Order No. 19-249, entered July 30, 2019.

1. Order of the Public Service Commission of the State of Montana, Default Order No. 4535.

The Company issued common stock in 2021 for total net proceeds of $90.0 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 4.3 million shares under these agreements, of which 2.1 million remain unissued as of December 31, 2021. In 2021, 2.2 million shares were issued under these agreements resulting in total net proceeds of $88.5 million.

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	5.125% SERIES DUE 04-01-2022	09/22/2009	04/01/2022	250,000,000	5.125%
9	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000	0.128%
10	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000	0.128%
11	5.55% SERIES DUE 12-20-2040	12/20/2010	12/20/2040	35,000,000	5.55%
12	4.45% SERIES DUE 12-14-2041	12/14/2011	12/14/2041	85,000,000	4.45%
13	4.23% SERIES DUE 11-29-2047	11/30/2012	11/29/2047	80,000,000	4.23%
14	4.11% SERIES DUE 12-1-2044	12/18/2014	12/01/2044	60,000,000	4.11%
15	4.37% SERIES DUE 12-1-2045	12/16/2015	12/01/2045	100,000,000	4.37%
16	3.54% SERIES DUE 2051	12/15/2016	12/01/2051	175,000,000	3.54%
17	3.91% SERIES DUE 12-1-2047	12/14/2017	12/01/2047	90,000,000	3.91%
18	4.35% SERIES DUE 6-1-2048	05/22/2018	06/01/2048	375,000,000	4.35%
19	3.43% SERIES DUE 12-1-2049	11/26/2019	12/01/2049	180,000,000	3.43%
20	3.07% SERIES DUE 9-1-2050	09/30/2020	09/30/2050	165,000,000	3.07%
21	2.90% SERIES DUE 10/01/2051	09/28/2021	10/01/2051	140,000,000	2.9%
22	Subtotal			2,157,200,000	
23	Reacquired Bonds (Account 222)				
24	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000	0.128%
25	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000	0.128%
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	0.816%
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			2,292,447,000	

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	12,812,500			
9	85,106			
10	21,691			
11	1,942,500			
12	3,782,500			
13	3,384,000			
14	2,466,000			
15	4,370,000			
16	6,195,000			
17	3,519,000			
18	16,312,500			
19	6,174,000			
20	5,065,500			
21	693,583			
22	87,333,530		0	
23				
24	85,106	66,700,000		
25	21,691	17,000,000		
26	106,797	83,700,000	0	
27				
28	420,879			
29	420,879		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	87,861,206	83,700,000	0	

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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		9,677,662	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	1,071,782	09/30/2020	09/30/1950
21	2.90% SERIES DUE 10/01/2051	140,000,000	0	09/28/2021	10/01/2051
22	DEBT STRATEGIES	0	56,760	08/01/2005	08/01/2035
23	Rathrum 2005	0	71,647	09/30/2005	12/01/2035
24	Premium on Long-Term Debt (Account 225)				
25	FMBS - 6.25% DUE 12-01-35	150,000,000	2,180,435	11/17/2005	12/01/2035
26	Discount on Long-Term Debt (Account 226)				
27	FMBS - 6.25% DUE 12-01-35	150,000,000	2,180,435	11/17/2005	12/01/2035
28	FMBS - 5.70% DUE 07-01-2037	150,000,000	4,924,304	12/15/2006	07/01/2037
29	5.125% SERIES DUE 04-01-2022	250,000,000	2,859,788	09/22/2009	04/01/2022
30	4.35% SERIES DUE 6-1-2048	375,000,000	4,625,198	06/01/2018	06/01/2048

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	3,441		1,424	2,017
3	626		259	367
4	4,832		1,812	3,020
5	231,245		14,015	217,230
6	39,576		5,277	34,299
7	905,662		60,378	845,284
8	2,550,065		153,773	2,396,292
9	242,487		181,865	60,622
10	172,561		8,628	163,933
11	485,183		23,104	462,079
12	1,834,574	348,956	(403,610)	2,587,140
13	562,184		20,886	541,298
14	342,772		14,282	328,490
15	492,538		19,702	472,836
16	923,609		29,794	893,815
17	497,408		18,423	478,985
18	3,882,267		141,174	3,741,093
19	1,068,434		36,843	1,031,591
20	1,065,928		(16,970)	1,082,898
21	0	1,068,315	24,270	1,044,045
22	419		29	390
23	35,527		2,368	33,159
24				
25	133,250	8,883		124,367
26				
27	316,122		21,075	295,047
28	120,376		7,259	113,117
29	60,927		45,695	15,232
30	346,226		12,590	333,636

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	138,869	94,633
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	19,703	16,854
5	MISC 2003 REPURCHASE		12/31/2003	25,330,000	684,726	72,768	53,975
6	MISC 2005 REPURCHASE		12/31/2005	26,000,000	1,700,371	462,009	427,004
7	MISC 2008 REPURCHASE		12/31/2008	0	(43,132)	(8,226)	(5,530)
8	AVA CAPITAL TRUST III (2002)		04/01/2009	60,000,000	2,875,817	305,699	76,425
9	COLSTRIP 2010A PCRBs DUE 2032	03/01/2032	12/14/2010	66,700,000	3,709,174	1,842,069	1,686,401
10	COLSTRIP 2010B PCRBs DUE 2034	03/01/2034	12/14/2010	17,000,000	1,916,297	1,089,500	1,007,007
11	5.55% SERIES DUE 12-20-2040	12/20/2040	12/20/2010	30,000,000	5,263,822	3,509,214	3,333,754
12	4.23% SERIES DUE 11-29-2047	11/29/2047	06/28/2012	4,100,000	105,020	80,766	77,765
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)	801,190	752,386
16	MISC 2002 REPURCHASE		12/31/2002	10,000,000	(2,350,000)	380,004	325,064
17	MISC 2003 REPURCHASE		12/31/2003	25,330,000	(1,000,000)	137,628	111,835
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: 04/18/2022	Year/Period of Report: End of: 2021/ 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)	147,333,570
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	12,275,803
8	Total	12,275,803
9	Deductions Recorded on Books Not Deducted for Return	
10	Book Depreciation	246,404,844
11	Federal Income Tax Expense	4,716,706
12	State Income Tax Expense	291,365
13	Subsidiary Overheads	2,252,926
14	Other	65,355,817
13	Total	319,021,658
14	Income Recorded on Books Not Included in Return	
15	Subsidiary Earnings	23,555,382
16	Other	4,289,414
18	Total	27,844,796
19	Deductions on Return Not Charged Against Book Income	
20	Tax Depreciation	218,913,627
21	Plant Basis Adjustments	108,612,988
22	Other	123,939,170
26	Total	451,465,785
27	Federal Tax Net Income	(679,550)
28	Show Computation of Tax:	
29	Federal Tax at 21%	(142,706)
30	Prior Year True Ups	(157,137)
31	Customer refunds related to prior years at 35%	(481,833)
32	Total Federal Current Tax Expense	(781,676)

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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 2014	Federal Tax		2014	
2	Income Tax 2015	Federal Tax		2015	
3	Income Tax 2017	Federal Tax		2017	
4	Income Tax 2018	Federal Tax		2018	
5	Income Tax 2019	Federal Tax		2019	
6	Income Tax 2020	Federal Tax		2020	
7	Income Tax 2021	Federal Tax		2021	
8	**Subtotal Federal Tax**				0
9	Payroll Taxes 2020	Unemployment Tax	WA	2020	(235,053)
10	Payroll Taxes 2021	Unemployment Tax	WA	2021	
11	**Subtotal Unemployment Tax**				(235,053)
12	Property Tax 2020	Property Tax	WA	2020	18,089,813
13	Property Tax 2021	Property Tax	WA	2021	
14	Property Tax 2020	Property Tax	ID	2020	3,933,011
15	Property Tax 2021	Property Tax	ID	2021	
16	Property Tax 2018	Property Tax	MT	2018	
17	Property Tax 2020	Property Tax	MT	2020	5,898,062
18	Property Tax 2021	Property Tax	MT	2021	
19	Property Tax 2020	Property Tax	OR	2020	
20	Property Tax 2021	Property Tax	OR	2021	
21	**Subtotal Property Tax**				27,920,886
22	Excise Tax 2016	Excise Tax	WA	2016	892,951
23	Excise Tax 2020	Excise Tax	WA	2020	2,930,000
24	Excise Tax 2021	Excise Tax	WA	2021	
25	Corp Activities Tax-CAT 2020	Excise Tax	OR	2020	200,004
26	Corp Activities Tax-CAT 2021	Excise Tax	OR	2021	
27	Timber Excise Tax	Excise Tax	WA	2021	
28	Thermal Fuel Tax	Excise Tax	WA	2021	1,912
29	**Subtotal Excise Tax**				4,024,867
30	Natural Gas Use Tax	Sales And Use Tax	WA	2021	480
31	Sales And Use Tax 2019	Sales And Use Tax	WA	2019	(1)
32	Sales And Use Tax 2020	Sales And Use Tax	WA	2020	115,214
33	Sales And Use Tax 2021	Sales And Use Tax	WA	2021	
34	Sales And Use Tax 2020	Sales And Use Tax	ID	2020	27,502

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)
35	Sales And Use Tax 2021	Sales And Use Tax	ID	2021	
36	**Subtotal Sales And Use Tax**				143,195
37	Municipal Occupation Tax	Local Tax	WA	2021	3,065,253
38	**Subtotal Local Tax**				3,065,253
39	Community Solar	Other Taxes	WA	2021	688
40	Hydro Relicensing	Other Taxes	ID	2021	
41	KWH Tax 2020	Other Taxes	ID	2020	28,115
42	KWH Tax 2021	Other Taxes	ID	2021	
43	Irrigation Credit 2020	Other Taxes	ID	2020	
44	Irrigation Credit 2021	Other Taxes	ID	2021	
45	Colstrip Generation Tax	Other Taxes	MT	2021	
46	KWH Tax 2020	Other Taxes	MT	2020	201,716
47	KWH Tax 2021	Other Taxes	MT	2021	
48	MISCELLANEOUS OTHER	Other Taxes			
49	WA Renewable Energy Credits	Other Taxes	WA	2021	
50	Misc Distribution	Other Taxes		2021	326
51	**Subtotal Other Taxes**				230,845
52	Income Tax 2019	State Tax	ID	2019	
53	Income Tax 2020	State Tax	ID	2020	
54	Income Tax 2021	State Tax	ID	2021	
55	Income Tax 2020	State Tax	MT	2020	
56	Income Tax 2021	State Tax	MT	2021	
57	Income Tax 2021	State Tax	OR	2021	
58	Income Tax 2021	State Tax	CA	2021	
59	**Subtotal State Tax**				0
60	Payroll Taxes 2020	Payroll Tax	ID	2020	(16,105)
61	Payroll Taxes 2021	Payroll Tax	ID	2021	
62	Payroll Taxes 2020	Payroll Tax	MT	2020	(4,910)
63	Payroll Taxes 2020	Payroll Tax	OR	2020	(9,574)
64	Payroll Taxes 2021	Payroll Tax	OR	2021	
65	Payroll Taxes 2020	Payroll Tax		2020	(402)
66	Payroll Taxes 2021	Payroll Tax		2021	
67	Payroll Taxes 2021	Payroll Tax		2021	8,019,298
68	**Subtotal Payroll Tax**				7,988,307
69	Franchise Tax 2019	Franchise Tax	ID	2019	14
70	Franchise Tax 2020	Franchise Tax	ID	2020	1,090,306

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)
71	Franchise Tax 2021	Franchise Tax	ID	2021	
72	Franchise Tax 2020	Franchise Tax	OR	2020	1,038,154
73	Franchise Tax 2021	Franchise Tax	OR	2021	
74	**Subtotal Franchise Tax**				2,128,474
75	Consumer Council Fee	Other License And Fees Tax	MT	2021	58
76	Public Commission Fee	Other License And Fees Tax	MT	2021	42
77	**Subtotal Other License And Fees Tax**				100
78	Income Tax 2021	Income Tax		2021	
79	**Subtotal Income Tax**				0
40	Total				45,266,874

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				0
2	0				0
3	0				0
4	0				0
5	0		(22,000,000)	(22,000,000)	0
6	0	(1,067,141)		1,067,141	0
7		33,162	545,000	511,838	0
8	0	(1,033,979)	(21,455,000)	(20,421,021)	0
9		0	62,298	0	(297,351)
10		877,216	583,051	1	294,166
11	0	877,216	645,349	1	(3,185)
12		(1)	8,794,393		9,295,419
13		18,194,877	8,800,184		9,394,693
14		(1,014)	3,932,039		(42)
15		7,788,449	3,905,993		3,882,456
16		240	240		0
17		10,258	5,908,319		1
18		9,550,410	4,794,326		4,756,084
19	(4,047,487)	4,072,730	25,246	(8,094,975)	0
20		4,273,508	8,547,022	1	0
21	(4,047,487)	43,889,457	44,707,762	(8,094,974)	27,328,611
22		(252,399)	640,552		0
23		10,827	2,922,485		18,342
24		28,713,253	25,720,692		2,992,561
25		(24,949)	300,000	124,945	0
26		800,000	750,000	(50,000)	0
27					0
28		87,594	81,329		8,177
29	0	29,334,326	30,415,058	74,945	3,019,080
30		4,881	4,382		979
31		(1)	(2)		0
32		69,975	184,299		890
33		1,369,417	1,232,495		136,922
34		(754)	26,781		(33)
35		144,335	137,350		6,985
36	0	1,587,853	1,585,305	0	145,743
37		25,138,504	25,102,476		3,101,281

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	25,138,504	25,102,476	0	3,101,281
39			688		0
40		30,997	30,997		0
41		(545)	27,570		0
42		356,535	315,351		41,184
43		0	0		0
44		0	0		0
45					0
46		0	203,745		(2,029)
47		1,060,591	801,945		258,646
48					0
49		(754,446)	(752,135)		(2,311)
50		1,985			2,311
51	0	695,117	628,161	0	297,801
52			(329,840)	(329,840)	0
53		100	160	60	0
54		100	160	60	0
55		52	0	(52)	0
56		50	50		0
57		100,000	100,000		0
58		800	800		0
59	0	101,102	(228,670)	(329,772)	0
60		(1)	7,019		(23,125)
61		38,069	30,832		7,237
62		11,064	10,848		(4,694)
63		0	757		(10,331)
64		42,539	37,858		4,681
65			67		(469)
66			2,346		(2,346)
67		15,642,569	18,133,447		5,528,420
68	0	15,734,240	18,223,174	0	5,499,373
69					14
70		0	1,090,286		20
71		4,819,276	3,734,871		1,084,405
72		677	1,038,832		(1)
73		4,207,361	3,011,158		1,196,203
74	0	9,027,314	8,875,147	0	2,280,641

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		(25)	25		8
76		164	181		25
77	0	139	206	0	33
78		950	850	(100)	0
79	0	950	850	(100)	0
40	(4,047,487)	125,352,239	108,499,818	(28,770,921)	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 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					
2					
3					
4					
5					
6		(1,108,994)	1,956,185		(1,025,144)
7		(432)	(188)		(1,076,218)
8	0	(1,109,426)	1,955,997	0	(2,101,362)
9					
10		3,034,798	760,244	(2,919,714)	1,888
11	0	3,034,798	760,244	(2,919,714)	1,888
12					
13		14,462,413	3,600,388		132,076
14		(1,014)			
15		6,129,636	1,633,344		25,469
16		240			
17		10,258			
18		9,550,410			
19	4	1,765,170	2,307,560		
20	4,273,513	1,813,436	2,460,232		
21	4,273,517	33,730,549	10,001,524	0	157,545
22					
23		10,093	(7,589)		8,339
24		22,359,019	6,179,284		171,141
25					(24,949)
26					800,000
27					
28					
29	0	22,369,112	6,171,695	0	954,531
30		4,881			
31					
32					(880)
33					
34					
35					
36	0	4,881	0	0	(880)
37		19,544,378	5,612,963		

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	19,544,378	5,612,963	0	0
39					
40		30,997			
41		(545)			
42		356,535			
43		(2,028)			
44		2,999			
45					
46					
47		1,060,591			
48					
49					
50		1,014			
51	0	1,449,563	0	0	0
52					
53		85	15		
54		85	15		
55		52			
56		50			
57		30,332	70,186		
58					800
59	0	30,604	70,216	0	800
60					
61		542,188	117,867	(624,538)	2,551
62		157,034		11,064	
63					
64		7,525	279,878	(247,761)	2,896
65					
66					
67				7,872,399	221,299
68	0	706,747	397,745	7,011,164	226,746
69					
70		(953)	(343)		
71		3,674,464	1,149,983		
72			(353)		
73			4,210,581		
74	0	3,673,511	5,359,868	0	0

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		(25)			
76		164			
77	0	139	0	0	0
78		335	97		
79	0	335	97	0	0
40	4,273,517	83,435,191	30,330,349	4,091,450	(760,732)

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					
4					
5					
6				(889,188)	
7				1,110,000	
8	0	0	0	220,812	
9					
10					
11	0	0	0	0	
12					
13					
14					
15					
16					
17					
18					
19					
20				(160)	
21	0	0	0	(160)	
22				(252,399)	
23				(16)	
24				3,809	
25					
26					
27					
28				87,594	
29	0	0	0	(161,012)	
30					
31				(3)	
32				70,855	
33				1,369,417	
34				(754)	
35				144,335	
36	0	0	0	1,583,850	
37				(18,837)	

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	0	0	0	(18,837)	
39					
40					
41					
42					
43				2,028	
44				(2,999)	
45					
46					
47					
48					
49				(754,446)	
50				971	
51	0	0	0	(754,446)	
52					
53					
54					
55					
56					
57				(518)	
58					
59	0	0	0	(518)	
60					
61					
62				(157,034)	
63					
64					
65					
66					
67				7,548,872	
68	0	0	0	7,391,838	
69					
70				1,296	
71				(5,171)	
72				1,030	
73				(3,220)	
74	0	0	0	(6,065)	

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					
76					
77	0	0	0	0	
78				518	
79	0	0	0	518	
40	0	0	0	8,255,980	

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Miscellaneous Current and Accrued Liabilities (Account 242)

Line No.	Item (a)	Balance at End of Year (b)
1	MISC LIAB-MARGIN CALL DEPOSIT	1,085,000
2	MISC LIAB-FOREST USE PERMITS	2,366,656
3	MISC LIAB - SUA JPMORGAN CHASE	1,151,810
4	ACCTS PAY - SOFTWARE LICENSES - ST	434,664
5	ST LEASE ACCRUAL	5,354
6	MISC LIAB-FERC ADMIN FEE ACC	625,000
7	MISC LIAB-FERC ELEC ADMIN CHG	120,153
8	MISC LIAB-MT LEASE PAYMENTS	5,169,000
9	MISC LIAB-MT INVASIVE SPECIES FEE	194,165
10	MISC LIAB-PAID TIME OFF	27,281,191
11	MIISC LIAB- OL DONATION POOL	21,143
12	EMPLOYEE RELIEF FUND	707
13	WORKERS COMP LIABILITY	887,008
14	ACCTS PAYABLE INVENTORY ACCRUALS-SC	267,174
15	ACCTS PAYABLE EXPENSE ACCRUAL-SC	4,846,020
16	CURRENT PORTION-BENEFIT LIAB	13,581,697
17	CLEARING ACCOUNTS	23,449
18	PREPAYMENTS	1,000,311
19	CUSTOMER ACCOUNTS	10,049,373
45	Total	69,109,875

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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	1,125,000	495	5,343,750	5,625,000	1,406,250
2	Bills Pole Rentals	646,335	172	1,118,568	804,432	332,199
3	Defer Comp Active Execs	9,173,880	128	962,528	1,301,966	9,513,318
4	Executive Incent Plan	140,000	214	140,000		
5	Unbilled Revenue	105,445	908	16,104,598	18,158,584	2,159,431
6	[(b)] WA Energy Recovery Mechanism	11,383,248	186	11,383,248		
7	[(c)] Decoupling Deferred Credits	1,855,168	182, 456, 495	1,131,297	6,189,577	6,913,448
8	[(d)] Reg Liability-COVID-19 Deferral	6,660,724			1,088,376	7,749,100
9	[(e)] WA REC Deferrals		186, 431	51,900	1,440,095	1,388,195
10	[(f)] Misc Deferred Credits	360,229	186, 550, 514, 545	579,095	713,759	494,893
11	[(g)] Timber Harvest		186		226,818	226,818
45	TOTAL	31,450,029		36,814,984	35,548,607	30,183,652

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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
The Washington Energy Recovery Mechanism (ERM) 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.
(c) 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.
(d) 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.
(e) Concept: DescriptionOfOtherDeferredCredits
Washington Docket UE-200505 Order 01. Rebate to Washington retail customers under Schedule 98 based on the projected net REC revenues.
(f) Concept: DescriptionOfOtherDeferredCredits
Kettle Falls Generation Station underground fuel leak of $64,140 - Continuing remediation liability is recorded.
(g) 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.

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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	398,244,120	9,376,181	70,652,238			182 / 254	71,392,284			408,360,347
3	Gas	143,910,347	4,199,524	49,365,500			182 / 254	50,206,033			148,950,404
4	Other (Define)	61,260,966	(740,059)				182 / 254	1,069,275			61,590,182
5	Total (Total of lines 2 thru 4)	603,415,433	12,835,646	120,017,738				122,667,592		0	618,900,933
6	Other (Specify)										0
7	TOTAL Account 282 (Total of lines 5 thru 6)	603,415,433	12,835,646	120,017,738				122,667,592		0	618,900,933
8	Classification of TOTAL										
9	Federal Income Tax	603,415,433	12,835,646	120,017,738				122,667,592			618,900,933
10	State Income Tax										0
11	Local Income Tax										0

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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	12,928,052	7,073,200	263,167	19,136	1,179	182 / 254	17,909,782			37,665,824
3	Gas	3,042,547	7,431,692	611,207	113,646		182	12,426,198			22,402,876
4	Other (Define)	184,147,569	5,647,754	176,665	20,483		182 / 254	17,074,283			206,713,424
5	Total (Total of lines 2 thru 4)	200,118,168	20,152,646	1,051,039	153,265	1,179		47,410,263			266,782,124
6	Other (Specify)										
7	TOTAL Account 283 (Total of lines 5 thru 6)	200,118,168	20,152,646	1,051,039	153,265	1,179		47,410,263			266,782,124
8	Classification of TOTAL										
9	Federal Income Tax	200,118,168	20,152,646	1,051,039	153,265	1,179		47,410,263			266,782,124
10	State Income Tax										
11	Local Income Tax										

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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	8,874,779	190	1,108,577		0	7,766,202
2	(b) Interest Rate Swaps	15,045,752	427, 175	17,886,002		17,902,790	15,062,540
3	Nez Perce	506,300	557	22,008		0	484,292
4	Idaho Earnings Test	686,970		0		0	686,970
5	(c) Decoupling Rebate	2,335,746	495, 182	3,571,861		4,154,224	2,918,109
6	(d) WA ERM	26,486,130	186, 557	19,067,343		12,401,822	19,820,609
7	(e) Deferred Federal ITC - Varies	7,821,976	190	141,936		0	7,680,040
8	(f) Plant Excess Deferred	382,938,797	190, 282	47,165,951		4,146,763	339,919,609
9	Reg Liability MDM System	897,416	431	11,291		78,050	964,175
10	(g) AFUDC Equity Tax Deferral	2,606,448	407	666,038		70,577	2,010,987
11	(h) Exist Meters/ERTS Excess Depr Deferred	1,879,242	182	2,571,853		692,611	0
12	(i) DSM Tariff Rider	540,275		0		5,827,354	6,367,629
13	(j) Low Income Energy Assistance	3,783,957	242, 908	160,974		3,120,839	6,743,822
14	(k) Reg Liability - OR Tax Strategy Deferral	0		0		1,322,007	1,322,007
15	(l) Reg Liability - Tax Reform Amortization - 1 year	994,068	407, 431	2,319,765		1,506,823	181,126
16	(m) Reg Liability - Energy Efficiency Assistance	1,532,183	242, 908	103,349		0	1,428,834
17	(n) Reg Liability - Colstrip Community Fund	3,357,111	232, 407	3,357,111		0	0
18	(o) Reg Liability - COVID-19 Deferral	4,288,655	407	187,911		650,402	4,751,146
19	(p) Reg Liability - Tax Customer Credit	0	190, 410	11,449,638		155,311,627	143,861,989
20	(q) Other Regulatory Liabilities - Varies	8,545,572	143, 190, 407	376,835		1,523,402	9,692,139
45	Total	473,121,377		110,168,443	0	208,709,291	571,662,225

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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-180418 and UG-180419

(i) 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

(j) 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)

(k) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

(l) 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)

(m) 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).

(n) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

Washington Order 09 in Dockets UE-190334, UE-190222. Deferred funds from shareholders and customers to help the Colstrip community transition away from economic activity related to coal-fired generation.

(o) 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.

(p) 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.

(q) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

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

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

Deferral of depreciation expense of $0.6M per Idaho Order No. 34276, Case Nos. AVU-E-18-03 and AVU-G-18-02.

State income tax net operating loss carryforward of $7.5M 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.

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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	0	0
20	(496) (Less) Provision for Rate Refunds				
21	TOTAL	0	0	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	221,404,777	213,611,519	221,404,777	213,611,519	21,983,489
2	108,615,420	102,065,963	108,615,420	102,065,963	15,181,386
3	0	0	0	0	0
4	114,711,489	105,073,763	114,711,489	105,073,763	36,282,192
5	328,145	252,564	328,145	252,564	47,887
6	0	0	0	0	
7	0	0	0	0	
8	27,568	43,452	27,568	43,452	
9	0	0	0	0	0
10	0	0	0	0	0
11	8,547,319	7,916,862	8,547,319	7,916,862	17,901,306
12	0	0	0	0	0
13	0	0	0	0	
14	0	0	0	0	
15	0	0	0	0	
16	14,000	465	14,000	465	
17	0	0	0	0	
18	18,827,764	4,986,835	18,827,764	4,986,835	
19	472,476,482	433,951,423	472,476,482	433,951,423	
20	(1,093,458)	(3,192,858)	(1,093,458)	(3,192,858)	
21	473,569,940	437,144,281	473,569,940	437,144,281	

Gas Operating Revenues	
Line No.	Dekatherm of Natural Gas Amount for Previous Year (k)
1	21,998,766
2	14,793,672
3	0
4	54,966,875
5	36,886
6	
7	
8	
9	
10	0
11	18,573,063
12	0
13	
14	
15	
16	
17	
18	
19	
20	
21	

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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	594,299
13	Deferred Exchange Revenue	5,343,750
14	Decoupling Deferred Revenue	12,889,716
40	TOTAL	18,827,765

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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	
8	751 Production Maps and Records	0	
9	752 Gas Well Expenses	0	
10	753 Field Lines Expenses	0	
11	754 Field Compressor Station Expenses	0	
12	755 Field Compressor Station Fuel and Power	0	
13	756 Field Measuring and Regulating Station Expenses	0	
14	757 Purification Expenses	0	
15	758 Gas Well Royalties	0	
16	759 Other Expenses	0	
17	760 Rents	0	
18	TOTAL Operation (Total of lines 7 thru 17)	0	
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	
21	762 Maintenance of Structures and Improvements	0	
22	763 Maintenance of Producing Gas Wells	0	
23	764 Maintenance of Field Lines	0	
24	765 Maintenance of Field Compressor Station Equipment	0	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	
26	767 Maintenance of Purification Equipment	0	
27	768 Maintenance of Drilling and Cleaning Equipment	0	
28	769 Maintenance of Other Equipment	0	
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	
34	771 Operation Labor	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	
36	773 Fuel	0	
37	774 Power	0	
38	775 Materials	0	
39	776 Operation Supplies and Expenses	0	
40	777 Gas Processed by Others	0	
41	778 Royalties on Products Extracted	0	
42	779 Marketing Expenses	0	
43	780 Products Purchased for Resale	0	
44	781 Variation in Products Inventory	0	
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	
46	783 Rents	0	
47	TOTAL Operation (Total of lines 33 thru 46)	0	
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	
50	785 Maintenance of Structures and Improvements	0	
51	786 Maintenance of Extraction and Refining Equipment	0	
52	787 Maintenance of Pipe Lines	0	
53	788 Maintenance of Extracted Products Storage Equipment	0	
54	789 Maintenance of Compressor Equipment	0	
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	
56	791 Maintenance of Other Equipment	0	
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	
62	796 Nonproductive Well Drilling	0	
63	797 Abandoned Leases	0	
64	798 Other Exploration	0	
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	
70	801 Natural Gas Field Line Purchases	0	
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	
72	803 Natural Gas Transmission Line Purchases	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	255,180,181	202,359,237
74	804.1 Liquefied Natural Gas Purchases	0	
75	805 Other Gas Purchases	0	
76	(Less) 805.1 Purchases Gas Cost Adjustments	19,288,831	4,674,021
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	235,891,350	197,685,216
78	806 Exchange Gas	0	
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	
83	807.4 Purchased Gas Calculations Expenses	0	
84	807.5 Other Purchased Gas Expenses	0	
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	
86	808.1 Gas Withdrawn from Storage-Debit	18,407,841	17,913,784
87	(Less) 808.2 Gas Delivered to Storage-Credit	26,476,514	13,143,711
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	
92	811 Gas Used for Products Extraction-Credit	1,018,164	297,348
93	812 Gas Used for Other Utility Operations-Credit	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,018,164	297,348
95	813 Other Gas Supply Expenses	1,764,142	1,604,679
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	228,568,655	203,762,620
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	228,568,655	203,762,620
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	4,207	7,196
102	815 Maps and Records	0	
103	816 Wells Expenses	0	
104	817 Lines Expense	0	
105	818 Compressor Station Expenses	0	
106	819 Compressor Station Fuel and Power	0	
107	820 Measuring and Regulating Station Expenses	0	
108	821 Purification Expenses	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	
110	823 Gas Losses	0	
111	824 Other Expenses	889,434	805,804
112	825 Storage Well Royalties	0	
113	826 Rents	0	
114	TOTAL Operation (Total of lines of 101 thru 113)	893,641	813,000
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	
117	831 Maintenance of Structures and Improvements	0	
118	832 Maintenance of Reservoirs and Wells	0	
119	833 Maintenance of Lines	0	
120	834 Maintenance of Compressor Station Equipment	0	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	
122	836 Maintenance of Purification Equipment	0	
123	837 Maintenance of Other Equipment	2,099,183	2,186,040
124	TOTAL Maintenance (Total of lines 116 thru 123)	2,099,183	2,186,040
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	2,992,824	2,999,040
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	
129	841 Operation Labor and Expenses	0	
130	842 Rents	0	
131	842.1 Fuel	0	
132	842.2 Power	0	
133	842.3 Gas Losses	0	
134	TOTAL Operation (Total of lines 128 thru 133)	0	
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	
137	843.2 Maintenance of Structures	0	
138	843.3 Maintenance of Gas Holders	0	
139	843.4 Maintenance of Purification Equipment	0	
140	843.5 Maintenance of Liquefaction Equipment	0	
141	843.6 Maintenance of Vaporizing Equipment	0	
142	843.7 Maintenance of Compressor Equipment	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	
144	843.9 Maintenance of Other Equipment	0	
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	
150	844.2 LNG Processing Terminal Labor and Expenses	0	
151	844.3 Liquefaction Processing Labor and Expenses	0	
152	844.4 Liquefaction Transportation Labor and Expenses	0	
153	844.5 Measuring and Regulating Labor and Expenses	0	
154	844.6 Compressor Station Labor and Expenses	0	
155	844.7 Communication System Expenses	0	
156	844.8 System Control and Load Dispatching	0	
157	845.1 Fuel	0	
158	845.2 Power	0	
159	845.3 Rents	0	
160	845.4 Demurrage Charges	0	
161	(less) 845.5 Wharfage Receipts-Credit	0	
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	
163	846.1 Gas Losses	0	
164	846.2 Other Expenses	0	
165	TOTAL Operation (Total of lines 149 thru 164)	0	
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	
168	847.2 Maintenance of Structures and Improvements	0	
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	
170	847.4 Maintenance of LNG Transportation Equipment	0	
171	847.5 Maintenance of Measuring and Regulating Equipment	0	
172	847.6 Maintenance of Compressor Station Equipment	0	
173	847.7 Maintenance of Communication Equipment	0	
174	847.8 Maintenance of Other Equipment	0	
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	2,992,824	2,999,040
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	
181	851 System Control and Load Dispatching	0	
182	852 Communication System Expenses	0	
183	853 Compressor Station Labor and Expenses	0	

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
184	854 Gas for Compressor Station Fuel	0	
185	855 Other Fuel and Power for Compressor Stations	0	
186	856 Mains Expenses	0	
187	857 Measuring and Regulating Station Expenses	0	
188	858 Transmission and Compression of Gas by Others	0	
189	859 Other Expenses	0	
190	860 Rents	0	
191	TOTAL Operation (Total of lines 180 thru 190)	0	
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	
194	862 Maintenance of Structures and Improvements	0	
195	863 Maintenance of Mains	0	
196	864 Maintenance of Compressor Station Equipment	0	
197	865 Maintenance of Measuring and Regulating Station Equipment	0	
198	866 Maintenance of Communication Equipment	0	
199	867 Maintenance of Other Equipment	0	
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	2,415,891	2,566,384
205	871 Distribution Load Dispatching	0	
206	872 Compressor Station Labor and Expenses	0	
207	873 Compressor Station Fuel and Power	0	
208	874 Mains and Services Expenses	6,634,792	6,767,956
209	875 Measuring and Regulating Station Expenses-General	194,891	213,070
210	876 Measuring and Regulating Station Expenses-Industrial	3,534	6,318
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	101,935	69,259
212	878 Meter and House Regulator Expenses	950,976	905,675
213	879 Customer Installations Expenses	2,537,313	2,471,877
214	880 Other Expenses	2,446,991	2,478,227
215	881 Rents	7,489	48,470
216	TOTAL Operation (Total of lines 204 thru 215)	15,293,812	15,527,236
217	Maintenance		
218	885 Maintenance Supervision and Engineering	87,244	102,114
219	886 Maintenance of Structures and Improvements	0	
220	887 Maintenance of Mains	2,234,313	2,472,876

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
221	888 Maintenance of Compressor Station Equipment	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	518,443	739,213
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	32,523	55,558
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	110,593	233,429
225	892 Maintenance of Services	2,339,341	1,874,030
226	893 Maintenance of Meters and House Regulators	2,967,161	2,966,028
227	894 Maintenance of Other Equipment	332,076	448,151
228	TOTAL Maintenance (Total of lines 218 thru 227)	8,621,694	8,891,399
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	23,915,506	24,418,635
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	158,411	136,117
233	902 Meter Reading Expenses	633,259	935,192
234	903 Customer Records and Collection Expenses	6,776,121	6,893,676
235	904 Uncollectible Accounts	2,506,899	3,283,520
236	905 Miscellaneous Customer Accounts Expenses	85,653	134,095
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	10,160,343	11,382,600
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	
241	908 Customer Assistance Expenses	13,842,224	13,354,719
242	909 Informational and Instructional Expenses	668,155	975,808
243	910 Miscellaneous Customer Service and Informational Expenses	294,807	295,212
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	14,805,186	14,625,739
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	
248	912 Demonstrating and Selling Expenses	0	260
249	913 Advertising Expenses	0	550
250	916 Miscellaneous Sales Expenses	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	0	810
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	13,635,816	11,834,574
255	921 Office Supplies and Expenses	1,778,420	1,807,439
256	(Less) 922 Administrative Expenses Transferred-Credit	18,574	20,135

Gas Operation and Maintenance Expenses			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
257	923 Outside Services Employed	4,875,649	4,513,247
258	924 Property Insurance	704,375	572,070
259	925 Injuries and Damages	1,848,775	1,575,608
260	926 Employee Pensions and Benefits	10,841,938	12,341,599
261	927 Franchise Requirements	0	
262	928 Regulatory Commission Expenses	2,087,312	1,933,458
263	(Less) 929 Duplicate Charges-Credit	0	
264	930.1General Advertising Expenses	5,308	
265	930.2Miscellaneous General Expenses	1,878,650	2,455,255
266	931 Rents	185,705	159,577
267	TOTAL Operation (Total of lines 254 thru 266)	37,823,374	37,172,692
268	Maintenance		
269	932 Maintenance of General Plant	5,247,381	5,057,592
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	43,070,755	42,230,284
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	323,513,269	299,419,728

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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		2,283,281	0
2	811 Gas Used for Products Extraction - Credit		[(a)]41,587,713	1,018,164
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		43,870,994	1,018,164

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

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

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Other Gas Supply Expenses (Account 813)

Line No.	Description (a)	Amount (in dollars) (b)
1	Gas Resource Management:	
2	Labor	1,117,522
3	Labor Loading	243,142
4	Other Expenses (Professional Services, Travel, Transportation, Office Supplies, Training)	212,816
5	Regulatory Affairs:	
6	Labor	15,924
7	Labor Loading	3,552
8	Other Expenses (Travel, Transportation, Gas Technology Institute Payments)	171,186
25	Total	1,764,142

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Miscellaneous General Expenses (Account 930.2)

Line No.	Description (a)	Amount (b)
1	Industry association dues.	166,992
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	293,359
4	Board of Director Activities	641,747
5	Education, Information & Training	121,534
6	Emergency Operating Procedure Events	315,618
7	Community Relations	170,865
8	Misc. Employee Expenses	5,860
9	Misc. Legal, Professional & General Services	62,468
10	Misc. Transportation	92,560
11	Other Misc. Expenses <$5k	7,647
25	TOTAL	1,878,650

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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)	[(a)]811,502			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission Plant				
9	Distribution plant	30,923,984			
10	General Plant (footnote details)	[(b)]1,749,738			
11	Common plant-gas	7,441,571			
12	Total	40,926,795			

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	133,444		133,444
2			
3			
4			
5			811,502
6			
7			
8			
9			30,923,984
10			1,749,738
11	13,648,363		21,089,934
12	13,781,807		54,708,602

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DepreciationExpenseExcludingAmortizationOfAcquisitionAdjustments
Totals Plant Accounts 350200 - 357000 for Underground Gas Storage and Plant
(b) Concept: DepreciationExpenseExcludingAmortizationOfAcquisitionAdjustments
Includes Plant Accounts 389200 - 398000 for General Plant plus allocation of DJ 488 AFUDC Reg Asset Amortization.

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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: 04/18/2022	Year/Period of Report: End of: 2021/ 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	2,499,499
6	TOTAL Account 426.1 - Donations	2,499,499
7	Account 426.2 - Life Insurance	
8	Officers Life	156,937
9	SERP	2,962,146
10	Officers Life Cash Value and Interest, Net	288,428
11	Items Under $250,000	183,987
12	TOTAL Account 426.2 - Life Insurance	3,591,498
13	Account 426.3 - Penalties	
14	Items Under $250,000	22,039
15	TOTAL Account 426.3 - Penalties	22,039
16	Account 426.4 Expenditures for Certain Civic, Political, and Related Activities	
17	Partners for Energy Progress	270,000
18	Items Under $250,000	1,665,266
19	Total Account 426.4 - Expenditues for Certain Civic, Political, and Related Activities	1,935,266
20	Account 426.5 - Other Deductions	
21	Executive Deferred Compensation	1,160,797
22	Hanna & Associates (Advertising)	423,528
23	Items Under $250,000	2,864,633
24	TOTAL Account 426.5 - Other Deductions	4,448,958
25	Account 430 - Interest on Debt to Associated Companies	
26	Items Under $250,000	94,569
27	Avista Capital II (long-term debt) (variable rate ranged from 0.99 to 1.10 percent)	420,878
28	TOTAL Account 430 - Interest on Debt to Associated Companies	515,447
29	Account 431 - Other Interest Expense	
30	Interest on electric deferrals	1,296,417
31	Interest on natural gas deferrals	174,394
32	Interest on committed line of credit	3,308,861
33	Items Under $250,000	80,383
34	TOTAL Account 431 - Other Interest Expense	4,860,055

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	3,012,871	187,113	3,199,984	
2	Washington Utilities and Transportation Commission			0	
3	Electric - Includes annual fee and various other electric dockets	1,083,148	952,811	2,035,959	
4	Gas - Includes annual fee and various other natural gas dockets	319,906	200,524	520,430	
5	Idaho Public Utilities Commission			0	
6	Electric - Includes annual fee and various other electric dockets	521,315	248,972	770,287	
7	Gas - Includes annual fee and various other natural gas dockets	128,397	77,144	205,541	
8	Public Utility Commission of Oregon			0	
9	Includes annual fees and various other natural gas dockets	644,573	430,479	1,075,052	59,519
10	Not directly assigned Electric		675,110	675,110	
11	Not directly assigned Natural Gas		286,289	286,289	
25	TOTAL	5,710,210	3,058,442	8,768,652	59,519

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	3,199,983		
2					
3	Electric	928	2,035,959		
4	Gas	928	520,430		
5					
6	Electric	928	770,288		
7	Gas	928	205,541		
8					
9	Gas	928	1,075,052	34,567	407
10	Electric	928	675,110		
11	Gas	928	286,289		
25			8,768,652	34,567	

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	67,777	26,309
10		0
11		0
25	67,777	26,309

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

Employee Pensions and Benefits (Account 926)

Line No.	Expense (a)	Amount (in dollars) (b)
1	Pensions - defined benefit plans	16,795,430
2	Pensions - other	
3	Post-retirement benefits other than pensions (PBOP)	9,357,563
4	Post-employment benefit plans	
5	Other (Specify)	246,164
6	Health Insurance and Benefits	29,505,049
7	401(K) Savings Plan	11,670,678
8	Employee Education	875,828
9	Allocated to Electric	(57,608,774)
40	Total	10,841,938

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	13,568,766			13,568,766
4	Transmission	4,739,365			4,739,365
5	Distribution	10,274,320			10,274,320
6	Customer Accounts	5,840,091			5,840,091
7	Customer Service and Informational	371,441			371,441
8	Sales				
9	Administrative and General	25,718,437			25,718,437
10	TOTAL Operation (Total of lines 3 thru 9)	60,512,420			60,512,420
11	Maintenance				
12	Production	5,177,241			5,177,241
13	Transmission	1,173,286			1,173,286
14	Distribution	5,708,075			5,708,075
15	Administrative and General			6,461,523	6,461,523
16	TOTAL Maintenance (Total of lines 12 thru 15)	12,058,602		6,461,523	18,520,125
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	18,746,007			18,746,007
19	Transmission (Total of lines 4 and 13)	5,912,651			5,912,651
20	Distribution (Total of lines 5 and 14)	15,982,395		0	15,982,395
21	Customer Accounts (line 6)	5,840,091			5,840,091
22	Customer Service and Informational (line 7)	371,441			371,441
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	25,718,437		6,461,523	32,179,960
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	72,571,022		6,461,523	79,032,545
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	1,133,446			1,133,446
31	Storage, LNG Terminaling and Processing	3,436			3,436
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	5,919,606			5,919,606
34	Customer Accounts	2,646,571			2,646,571
35	Customer Service and Informational	240,643			240,643
36	Sales				
37	Administrative and General	10,562,731		1,365,111	11,927,842
38	TOTAL Operation (Total of lines 28 thru 37)	20,506,433		1,365,111	21,871,544
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				0
44	Transmission	1,808,742			1,808,742
45	Distribution	3,268,997			3,268,997
46	Administrative and General				0
47	TOTAL Maintenance (Total of lines 40 thru 46)	5,077,739			5,077,739
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)	1,133,446			1,133,446
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)	3,436			3,436
54	Transmission (Total of lines 32 and 44)	1,808,742			1,808,742
55	Distribution (Total of lines 33 and 45)	9,188,603			9,188,603
56	Customer Accounts (Total of line 34)	2,646,571			2,646,571
57	Customer Service and Informational (Total of line 35)	240,643			240,643
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	10,562,731		1,365,111	11,927,842
60	Total Operation and Maintenance (Total of lines 50 thru 59)	25,584,172		1,365,111	26,949,283
61	Other Utility Departments				
62	Operation and Maintenance				0
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	98,155,194		7,826,634	105,981,828
64	Utility Plant				
65	Construction (By Utility Departments)				

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)
66	Electric Plant	45,200,050		5,321,807	50,521,857
67	Gas Plant	14,348,191		1,689,342	16,037,533
68	Other				0
69	TOTAL Construction (Total of lines 66 thru 68)	59,548,241	0	7,011,149	66,559,390
70	Plant Removal (By Utility Departments)				
71	Electric Plant	2,037,150		98,219	2,135,369
72	Gas Plant	552,595		26,644	579,239
73	Other				0
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,589,745		124,863	2,714,608
75.1	Stores Expense (163)	2,589,304		(2,589,304)	0
75.2	Preliminary Survey and Investigation (183)	0			0
75.3	Small Tool Expense (184)	4,644,702		(4,644,702)	0
75.4	Miscellaneous Deferred Debits (186)	1,216,883			1,216,883
75.5	Non-operating Expenses (417)	267,369			267,369
75.6	Retirement Bonus/SERP/HRA (228)	117,285			117,285
75.7	Other Income Deductions (426)	1,031,477			1,031,477
75.8	Employee Incentive Plan (232380)	5,777,825		(5,777,825)	0
75.9	DSM Tariff Rider (242600)	1,950,815		(1,950,815)	0
75.10	Incentive/Stock Compensation (238000)	395,932			395,932
75.11	Payroll Equalization Liability (242700)	25,041,157			25,041,157
76	TOTAL Other Accounts	43,032,749	0	(14,962,646)	28,070,103
77	TOTAL SALARIES AND WAGES	203,325,929	0	0	203,325,929

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ Q4

Charges for Outside Professional and Other Consultative Services

Line No.	Description (a)	Amount (in dollars) (b)
1	NPL CONSTRUCTION CO	21,596,086
2	VOLT MANAGEMENT CORP	17,789,586
3	WILSON CONSTRUCTION COMPANY	14,230,349
4	SLAYDEN CONSTRUCTORS INC	11,462,292
5	ASPLUNDH TREE EXPERT LLC	10,594,433
6	STURGEON ELECTRIC INC	9,868,463
7	INTERNATIONAL LINE BUILDERS INC	9,737,350
8	POTELCO INC	8,061,452
9	MICHELS UTILITY SERVICES INC	7,937,073
10	GREENBERRY INDUCTRIAL LLC	6,157,010
11	SIEMENS ENERGY INC	5,509,356
12	ONE CALL LOCATORS LTD	4,737,545
13	MICHELS CORPORATION	4,267,318
14	CASCADE CABLE CONSTRUCTORS INC	3,665,514
15	INFRASOURCE SERVICES LLC	3,070,374
16	WSP USA INC	3,016,098
17	PERFECTION TRAFFIC CONTROL LLC	2,752,433
18	IBM CORPORATION	2,602,693
19	PALOUSE POWER LLC	2,599,347
20	NAGARRO INC	2,551,957
21	TITAN ELECTRIC INC	2,434,579
22	PRYSMIAN CABLES AND SYSTEMS USA LLC	2,377,899
23	WRIGHT TREE SERVICE LLC	2,201,017
24	TRAFFICORP	2,158,207
25	LAND EXPRESSIONS	2,158,182
26	MICHELS PACIFIC ENERGY INC	2,158,157
27	HEATH CONSULTANTS INCORPORATED	2,054,866
28	MCMILLEN JACOBS ASSOCIATES	2,027,892
29	POWER CITY ELECTRIC INC	1,924,090
30	INTELLITECT	1,826,343
31	DELLOITTE	1,773,900
32	UTILICAST LLC	1,754,159
33	POWER ENGINEERS INC	1,585,562
34	TRAFFIC CONTROL SERVICES LLC	1,513,979
35	TECHNIBUS INC	1,435,014

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
36	UTILITY SOLUTIONS PARTNERS LLC	1,416,330
37	KNIGHT CONSTRUCTION & SUPPLY INC	1,406,449
38	SUNRISE ENGINEERING INC	1,368,381
39	PER SE GROUP INC	1,284,057
40	UTILITY CONTRUSTION INSPECTION LLC	1,221,449
41	CURRY INC	1,211,574
42	POE ASPHALT PAVING INC	1,195,875
43	GE RENEWABLES US LLC	1,194,972
44	COMMERCIAL GRADING INC	1,177,514
45	RESSA & SON CONSTRUCTION LLC	1,142,534
46	STANTEC CONSULTING SERVICES INC	1,108,607
47	SPOKANE TRAFFIC CONTROL INC	1,065,712
48	FUJITSU AMERICA IN	1,049,231
49	CN UTILITY CONSULTING INC	996,145
50	SINISI SOLUTIONS LLC	986,888
51	POWER SYSTEMS CONSULTANTS INC	977,711
52	BRENT WOODWARD INC	952,873
53	WELLINGTON ENERGY INC	939,862
54	WALKER INDUSTRIES LLC	937,347
55	NUVODIA STAFFING LLC	925,622
56	AAA SWEEPING LLC	915,209
57	IDAHO FENCE	906,521
58	INTEC SERVICES INC	847,561
59	COMMONWEALTH ASSOCIATES INC	819,295
60	MESA PRODUCTS INC	756,186
61	HYDROMAX USA LLC	742,764
62	D W POLEHOLE	692,336
63	COEUR D ALENE TRIBE	677,426
64	GEODIGITAL INTERNATIONAL CORP	649,565
65	GARCO CONSTRUCTION INC	620,116
66	NOVTECH	616,487
67	POWER COSTS INC	615,766
68	DXC TECHNOLOGY SERVICES LLC	615,381
69	UTILITY GUYS INC	611,538
70	IDAGON HOMES LLC	595,727
71	TIER1 INC	577,084
72	LYDIG CONSTRUCTION INC	569,661
73	HATTENBURG EXCAVATING	539,727

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
74	MCKINSTRY ESSNTION LLC	537,288
75	CRUX SUBSURFACE INC	532,537
76	NUVODIA LLC	529,526
77	BOYER LAND DEVELOPMENT INC	527,511
78	ALDEN RESEARCH LABORATORY INC	509,978
79	CERIUM NETWORKS	508,179
80	JENSENS TREE SERVICE INC	507,233
81	STATEFIRE DC SPECIALITIES	493,501
82	NEAL STRUCTURAL REPAIR LLC	450,111
83	PROFESSIONAL PIPE SERVICES	426,433
84	SCHNABEL ENGINEERING LLC	406,297
85	BLACK & VEATCH CORPORATION	403,648
86	IDAHO DEPT OF FISH & GAME	391,031
87	MCKINSTRY COMPANY LLC	389,250
88	HICKEY BROTHERS RESEARCH LLC	388,232
89	NORTHWEST POWER POOL	386,537
90	AVCO CONSULTING INC	361,352
91	IDAHO POWER CO	354,581
92	GEOENGINEERS INC	350,725
93	PACIFICORP	348,519
94	BOUTEN CONSTRUCTION COMPANY	347,482
95	HELVETICKA INC	337,202
96	STRATA	334,010
97	SUMMIT UTILITY CONTRACTORS LLC	331,176
98	NORTH AMERICAN SUBSTATION SERVICES LLC	325,435
99	CIRRUS DESIGN INDUSTRIES INC	324,095
100	HDR ENGINEERING INC	323,240
101	FOUST FABRICATION CO	318,440
102	NOBLE EXCAVATING INC	302,000
103	ELECTRICAL CONSULTANTS INC	298,920
104	POWER PLAN INC	288,427
105	COLVICO INC	288,126
106	CREEDENCE CLEARWATER INDUSTRIAL INC	287,112
107	HANNA & ASSOCIATES INC	284,838
108	HEAD CONCRETE INC	280,690
109	TAILORED SOLUTIONS LLC	280,549
110	HANSBERRY & JOURDONNAIS PPLC	277,183

Charges for Outside Professional and Other Consultative Services		
Line No.	Description (a)	Amount (in dollars) (b)
111	ALDRIDGE ELECTRIC INC	274,982
112	NOKIA OF AMERICA CORPORATION	273,148
113	RANDALL DANSKIN ATTORNEYS	270,020
114	CASNE ENGINEERING INC	265,843
115	AIRDASH INC	260,000
116	CACHE VALLEY ELECTRIC	256,448
117	JK CONCRETE & EXCAVATION LLC	252,904
118	OTHER >$250,000	25,532,128
119	TOTAL	257,934,925

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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			
2	Non-Power Goods or Services	Steam Plant Square	931000	64,790
19	TOTAL			64,790
20	Goods or Services Provided for Affiliated Company			
21	Corporate Support	Salix, Inc.	146000	108,342
22	Corporate Support	Avista Development	146000	166,272
23	Corporate Support	Avista Capital	146000	85,236
24	Corporate Support	AELP	146000	20,045
25	Corporate Support	AJT Mining	146000	2,586
26	Corporate Support	Avista Edge	146000	364,365
40	TOTAL			746,846

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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	162,761		162,761
3	February	0		0
4	March	20,372		20,372
5	April	931,861		931,861
6	May	3,046,310		3,046,310
7	June	2,553,163		2,553,163
8	July	928,670		928,670
9	August	253,649		253,649
10	September	50,153		50,153
11	October	273,825		273,825
12	November	302,791		302,791
13	December	132,914		132,914
14	TOTAL (Total of lines 2 thru 13)	8,656,469	0	8,656,469
15	Gas Withdrawn from Storage			
16	January	1,169,883		1,169,883
17	February	2,116,968		2,116,968
18	March	1,614,371		1,614,371
19	April	202,329		202,329
20	May	2,916		2,916
21	June	1,176		1,176
22	July	4,373		4,373
23	August	49,838		49,838
24	September	63,834		63,834
25	October	346,344		346,344
26	November	627,713		627,713
27	December	2,366,392		2,366,392
28	TOTAL (Total of lines 16 thru 27)	8,566,137	0	8,566,137

Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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]137,366
8	Date of Maximum Days' Withdrawal	02/11/2021
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

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Name of Respondent: Avista Corporation	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/18/2022	Year/Period of Report: End of: 2021/ 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 Washington & Idaho Supply	346,667	48,468,752	true
2	Chehalis, Washington	Underground Natural Gas Storage Field Oregon Supply	52,000	7,268,282	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: 04/18/2022	Year/Period of Report: End of: 2021/ 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: 04/18/2022	Year/Period of Report: End of: 2021/ 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)		75,118,570	20,630,032
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	17,901,306	5,230,833
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	119,546	75,886
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		(135,220)	2,595,060
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)		93,004,202	28,531,811
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		73,494,954	22,557,605
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	17,225,967	5,038,155
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	2,283,281	936,051
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		93,004,202	28,531,811
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)		93,004,202	28,531,811