

IDENTIFICATION

Year: 2013

1.	Legal Name of Respondent:	Avista Corporation
2.	Name Under Which Respondent Does Business:	Avista Corp. and Avista Utilities
3.	Date Utility Service First Offered in Montana	July, 1960
4.	Address to send Correspondence Concerning Report:	1411 East Mission Avenue PO Box 3727 Spokane, WA 99220
5.	Person Responsible for This Report:	Christy Burmeister-Smith Vice President, Controller and Principal Accounting Officer
5a.	Telephone Number:	509-495-4256
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	
	1b. Means by which control was held:	
	1c. Percent Ownership:	

SCHEDULE 2

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	Erik J. Anderson 3720 Carillon Point, Kirkland, WA 98033	\$168,333.00
2	Kristianne Blake P. O. Box 28338, Spokane, WA 99208	\$235,924.00
3	Donald C. Burke 16 Ivy Court, Langhorne, PA 19047	\$173,090.00
4	Rick R. Holley (1) 999 Third Ave., Suite 4300, Seattle, WA 98104	\$140,000.00
5	John F. Kelly P.O. Box 5782, Ketchum, ID 83340	\$189,500.00
6	Rebecca A. Klein 611 S. Congress Ave. Ste 125 Austin, TX 78704	\$145,833.00
7	Michael L. Noel (2) 11960 Six Shooter Rd., Prescott, AZ 86305	\$61,833.00
8	Marc F. Racicot 28013 Swan Cove Dr. Bigfork, MT 59911	\$138,500.00
9	Heidi B. Stanley P.O. Box 2884, Spokane, WA 99220	\$146,000.00
10	R. John Taylor P. O. Box 538, Lewiston, ID 83501	\$154,538.00
11	Scott L. Morris (3) 1411 E. Mission Ave., Spokane, WA 99202	(3)
12		
13	(1) Effective February 15, 2014, Rick R. Holley resigned from the Board of Directors due to time conflicts with his other professional commitments. He has no disagreements with the Company.	
14		
15		
16	(2) Effective May 9, 2013 Michael L. Noël retired from the Board of Directors as he reached the mandatory retirement age of 72, as outlined in the Company's Bylaws.	
17		
18		
19	(3) Mr. Morris is the Chairman of the Board, President and Chief Executive Officer of Avista Corp.	
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Officers

Year: 2013

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1			
2	Chairman of the Board, President		
3	& Chief Executive Officer	All	Scott L. Morris
4			
5	Senior Vice President, Chief Financial	Finance	Mark T. Thies
6	Officer, & Treasurer		
7			
8	Senior Vice President, General Counsel	Legal	Marian M. Durkin
9	and Chief Compliance Officer		
10			
11	Senior Vice President and President of	Utility Operations	Dennis P. Vermillion
12	Avista Utilities		
13			
14	Senior Vice President of Human	Human Resources	Karen S. Feltes
15	Resources & Corporate Secretary		
16			
17	Vice President, Controller and	Accounting	Christy M. Burmeister-Smith
18	Principal Accounting Officer		
19			
20	Vice President of State &	Regulatory	Kelly O. Norwood
21	Federal Regulation		
22			
23	Vice President of Operations	Utility Operations	Don F. Kopczynski
24			
25			
26	Vice President and Chief	Strategic Planning	Roger D. Woodworth
27	Strategy Officer		
28			
29			
30	Vice President and Chief Counsel for	Legal/Regulatory	David J. Meyer
31	Regulatory and Governmental Affairs		
32			
33	Senior Vice President and Vice	Resource	Jason R. Thackston
34	President of Energy Resources	Management	
35			
36	Vice President and Chief Information	Information	James M. Kensok
37	Officer	Technology	
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CORPORATE STRUCTURE

Year: 2013

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital, Inc.	Parent company to the	\$4,593,239	100.00%
3		Company's subsidiaries.		
4				
5	Avista Capital II	Business trusts formed for the purpose		
6		of issuing preferred trust securities.		
7				
8	Ecova, Inc.	Provider of utility bill processing, payment and information		
9		services to multi-site customers in North America.		
10				
11	Avista Energy, Inc.	Wholesale electricity and natural gas trading, marketing and		
12		resource management. Majority of operations sold 6/30/2007		
13				
14	Steam Plant Square LLC	Commercial office and retail leasing.		
15				
16	Courtyard Office Center, LLC	Commercial office and retail leasing.		
17				
18	Steam Plant Brew Pub LLC	Restaurant operations.		
19				
20	Avista Development, Inc.	Non-operating company which maintains an investment portfolio		
21		of real estate and other investments.		
22				
23	Pentzer Corporation	Parent of Bay Area Manufacturing and Pentzer Venture Holdings.		
24				
25	Bay Area Manufacturing	Holding Company. Parent of Advanced Manufacturing and		
26		Development, Inc.		
27				
28	Pentzer Venture Holdings	Inactive.		
29				
30	Advanced Manufacturing	Performs custom sheet metal manufacturing of electronic		
31	and Development, Inc.	enclosures. Has a wood products division.		
32				
33	Spokane Energy, LLC	Marketing of energy.		
34				
35				
36	Avista Northwest Resources, LLC	Formed in 2009 to own an interest in a venture fund investment.		
37				
38	Alaska Merger Sub, Inc.	Merger company formed to effect the merger transaction with		
39		Alaska Energy and Resources Company		
40				
41	Salix, Inc.	Liquified natural gas operations		
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49				
50	TOTAL		4,593,239	

CORPORATE ALLOCATIONS

Year: 2013

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

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 2013

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

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2013

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1						
2						
3	Spokane Energy LLC	Electric capacity payment	Negotiated contract	1,800,000		
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32	TOTAL			1,800,000		

MONTANA UTILITY INCOME STATEMENT

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	44,189	62,807	42.13%
2				
3	Operating Expenses			
4	401 Operation Expenses	27,299,828	25,603,194	-6.21%
5	402 Maintenance Expense	6,257,172	9,787,015	56.41%
6	403 Depreciation Expense	13,643,350	10,460,665	-23.33%
7	404-405 Amortization of Electric Plant	none/n.a.	none/n.a.	#VALUE!
8	406 Amort. of Plant Acquisition Adjustments	none/n.a.	none/n.a.	#VALUE!
9	407 Amort. of Property Losses, Unrecovered Plant & Regulatory Study Costs	none/n.a.	none/n.a.	#VALUE!
11	408.1 Taxes Other Than Income Taxes	8,363,543	9,158,595	9.51%
12	409.1 Income Taxes - Federal	none/n.a.	none/n.a.	#VALUE!
13	- Other	153,510	104,568	-31.88%
14	410.1 Provision for Deferred Income Taxes	none/n.a.	none/n.a.	#VALUE!
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	none/n.a.	none/n.a.	#VALUE!
16	411.4 Investment Tax Credit Adjustments	none/n.a.	none/n.a.	#VALUE!
17	411.6 (Less) Gains from Disposition of Utility Plant	none/n.a.	none/n.a.	#VALUE!
18	411.7 Losses from Disposition of Utility Plant	none/n.a.	none/n.a.	#VALUE!
19				
20	TOTAL Utility Operating Expenses	55,717,403	55,114,037	-1.08%
21	NET UTILITY OPERATING INCOME	(55,673,214)	(55,051,230)	1.12%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	13,552	14,187	4.69%
3	442 Commercial & Industrial - Small	4,061	23,100	468.83%
4	Commercial & Industrial - Large			
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales	26,576	25,520	-3.97%
9				
10	TOTAL Sales to Ultimate Consumers	44,189	62,807	42.13%
11	447 Sales for Resale			
12				
13	TOTAL Sales of Electricity	44,189	62,807	42.13%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	44,189	62,807	42.13%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues			
19	451 Miscellaneous Service Revenues			
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property			
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues			
24				
25	TOTAL Other Operating Revenues			
26	Total Electric Operating Revenues	44,189	62,807	42.13%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2013

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	168,916	211,681	25.32%
6	501 Fuel	20,143,310	17,567,223	-12.79%
7	502 Steam Expenses	3,359,721	3,459,834	2.98%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	104,219	72,140	-30.78%
11	506 Miscellaneous Steam Power Expenses	1,899,735	2,286,638	20.37%
12	507 Rents	21,917	33,093	50.99%
13				
14	TOTAL Operation - Steam	25,697,818	23,630,609	-8.04%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	344,866	366,389	6.24%
18	511 Maintenance of Structures	488,385	621,023	27.16%
19	512 Maintenance of Boiler Plant	3,167,082	4,396,751	38.83%
20	513 Maintenance of Electric Plant	315,845	846,926	168.15%
21	514 Maintenance of Miscellaneous Steam Plant	435,936	570,742	30.92%
22				
23	TOTAL Maintenance - Steam	4,752,114	6,801,831	43.13%
24				
25	TOTAL Steam Power Production Expenses	30,449,932	30,432,440	-0.06%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear			
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear			
49				
50	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2013

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering	97,245	117,823	21.16%
5	536 Water for Power			
6	537 Hydraulic Expenses	108,221	101,310	-6.39%
7	538 Electric Expenses	1,246,803	1,338,305	7.34%
8	539 Miscellaneous Hydraulic Power Gen. Expenses	131,698	152,695	15.94%
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic	1,583,967	1,710,133	7.97%
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering	24,264	16,251	-33.02%
15	542 Maintenance of Structures	120,543	88,773	-26.36%
16	543 Maint. of Reservoirs, Dams & Waterways	92,448	132,546	43.37%
17	544 Maintenance of Electric Plant	883,402	2,343,810	165.32%
18	545 Maintenance of Miscellaneous Hydro Plant	73,594	111,136	51.01%
19				
20	TOTAL Maintenance - Hydraulic	1,194,251	2,692,516	125.46%
21				
22	TOTAL Hydraulic Power Production Expenses	2,778,218	4,402,649	58.47%
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering			
27	547 Fuel			
28	548 Generation Expenses			
29	549 Miscellaneous Other Power Gen. Expenses			
30	550 Rents			
31				
32	TOTAL Operation - Other			
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering			
36	552 Maintenance of Structures			
37	553 Maintenance of Generating & Electric Plant			
38	554 Maintenance of Misc. Other Power Gen. Plant			
39				
40	TOTAL Maintenance - Other			
41				
42	TOTAL Other Power Production Expenses			
43				
44	Other Power Supply Expenses			
45	555 Purchased Power			
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses			
50				
51	TOTAL Power Production Expenses	33,228,150	34,835,089	4.84%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2013

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	5,834	4,852	-16.83%
4	561 Load Dispatching	22,343	23,570	5.49%
5	562 Station Expenses	1,256	6,729	435.75%
6	563 Overhead Line Expenses	42,062	118,701	182.20%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others			
9	566 Miscellaneous Transmission Expenses			
10	567 Rents	91,626	89,844	-1.94%
11				
12	TOTAL Operation - Transmission	163,121	243,696	49.40%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	35,721	33,772	-5.46%
15	569 Maintenance of Structures	6,362	1,597	-74.90%
16	570 Maintenance of Station Equipment	17,447	22,712	30.18%
17	571 Maintenance of Overhead Lines	242,008	224,540	-7.22%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	301,538	282,621	-6.27%
22				
23	TOTAL Transmission Expenses	464,659	526,317	13.27%
24				
25	Distribution Expenses			
26	Operation			
27	580 Operation Supervision & Engineering			
28	581 Load Dispatching			
29	582 Station Expenses			
30	583 Overhead Line Expenses			
31	584 Underground Line Expenses			
32	585 Street Lighting & Signal System Expenses			
33	586 Meter Expenses			
34	587 Customer Installations Expenses			
35	588 Miscellaneous Distribution Expenses			
36	589 Rents			
37				
38	TOTAL Operation - Distribution			
39	Maintenance			
40	590 Maintenance Supervision & Engineering			
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment			
43	593 Maintenance of Overhead Lines			
44	594 Maintenance of Underground Lines			
45	595 Maintenance of Line Transformers			
46	596 Maintenance of Street Lighting, Signal Systems			
47	597 Maintenance of Meters			
48	598 Maintenance of Miscellaneous Dist. Plant			
49				
50	TOTAL Maintenance - Distribution			
51				
52	TOTAL Distribution Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2013

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision			
4	902 Meter Reading Expenses			
5	903 Customer Records & Collection Expenses			
6	904 Uncollectible Accounts Expenses	(158,745)		100.00%
7	905 Miscellaneous Customer Accounts Expenses	1	1	
8				
9	TOTAL Customer Accounts Expenses	(158,744)	1	100.00%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision			
14	908 Customer Assistance Expenses			
15	909 Informational & Instructional Adv. Expenses			
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses			
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision			
23	912 Demonstrating & Selling Expenses			
24	913 Advertising Expenses			
25	916 Miscellaneous Sales Expenses			
26				
27	TOTAL Sales Expenses			
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries			
32	921 Office Supplies & Expenses			
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed			
35	924 Property Insurance			
36	925 Injuries & Damages			
37	926 Employee Pensions & Benefits			
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses			
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses			
42	930.2 Miscellaneous General Expenses	13,666	18,756	37.25%
43	931 Rents			
44				
45	TOTAL Operation - Admin. & General	13,666	18,756	37.25%
46	Maintenance			
47	935 Maintenance of General Plant	9,269	10,046	8.38%
48				
49	TOTAL Administrative & General Expenses	22,935	28,802	25.58%
50				
51	TOTAL Operation & Maintenance Expenses	33,557,000	35,390,209	5.46%

MONTANA TAXES OTHER THAN INCOME

Year: 2013

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	50	1	-98.00%
5	Motor Vehicle Tax	1,819	3,146	72.95%
6	KWH Tax	1,137,780	961,868	-15.46%
7	Property Taxes	7,220,708	8,190,629	13.43%
8	Public Commission Tax	138	3	-97.83%
9	Colstrip Generation Tax	3,048	2,948	-3.28%
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51	TOTAL MT Taxes Other Than Income	8,363,543	9,158,595	9.51%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2013

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Amounts Allocated To Montana Are Not Significant.				
2	Aecom Technical Services Inc	engineering	488,064		
3	Baker Construction & Development Inc	construction	1,045,329		
4	Black & Veatch Corporation	consulting	456,911		
5	Cerium Networks	consulting	294,832		
6	Coeur D Alene Tribe	consulting	825,077		
7	Columbia Grid	transmission planning	360,324		
8	Davis Wright Tremaine Llp	legal	1,057,171		
9	Dinero Solutions Llc	consulting IT	424,249		
10	Electrical Consultants Inc	construction consulting	961,400		
11	EP2M Llc	consulting IT	525,687		
12	Five Point Partners Llc	consulting IT	6,135,548		
13	Garco Construction Inc	construction consulting	1,792,938		
14	Hanna & Associates Inc	marketing	479,029		
15	Haworth	construction consulting	1,089,519		
16	Hp Enterprise Services	consulting IT	1,347,528		
17	IBM Corporation	consulting IT	5,263,933		
18	Idaho Dept Of Fish & Game	consulting	251,810		
19	Integral Analytics Inc	consulting IT	316,255		
20	Intellitect	consulting IT	875,038		
21	Kenaston Corporation	construction consulting	445,689		
22	Land Expressions	landscape architecture	3,303,223		
23	Max J Kuney Company	construction services	282,224		
24	Mckinstry Essention Inc	construction consulting	9,095,572		
25	Mosaic Company	consulting	982,782		
26	Mwh Americas Inc	consulting	555,064		
27	North Idaho Maritime	consulting	304,500		
28	Northwest Hydraulic Consultants Ltd	consulting	796,400		
29	Opower Inc	consulting	298,900		
30	Paine Hamblen Llp	legal	551,074		
31	Pillsbury Winthrop Shaw Pittman Llp	legal	325,030		
32	Power City Electric	construction services	254,906		
33	Pro Building Systems	construction consulting	305,609		
34	Quantum Solutions Llc	consulting IT	411,290		
35	Sapere Consulting Inc	consulting	531,289		
36	Spirae Inc	consulting	545,051		
37	URS Energy & Construction Inc	construction consulting	1,344,483		
38	US Fish & Wildlife Service	consulting	317,259		
39	Washington State University	consulting	582,950		
40	Western Electricity	consulting	615,765		
41	Win Mill Software Inc	consulting IT	486,167		
42	Other Amounts Less Than \$250,000		18,696,387		
43					
44					
45					
46	TOTAL Payments for Services		65,022,255		

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2013

	Description	Total Company	Montana	% Montana
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2				
3	State and local representative	117,490	-	
4	contributions			
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50	TOTAL Contributions	\$117,490.00		

Pension Costs

Year: 2013

1	Plan Name	The Retirement Plan for Employees of Avista Corporation.		
2	Defined Benefit Plan?	Yes	Defined Contribution Plan?	No
3	Actuarial Cost Method?	Yes	IRS Code:	001
4	Annual Contribution by Employer:	Varies		
5			Is the Plan Over Funded?	No
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	556,525	468,149	-15.88%
8	Service cost	19,070	15,585	-18.27%
9	Interest Cost	22,786	23,128	1.50%
10	Plan participants' contributions			
11	Amendments	277		-100.00%
12	Actuarial (Gain)/Loss	(76,272)	70,070	191.87%
13	Benefits paid	(21,324)	(20,407)	4.30%
14	Expenses paid			
15	Benefit obligation at end of year	501,062	556,525	11.07%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	406,061	328,150	-19.19%
18	Actual return on plan assets	52,503	54,318	3.46%
19	Acquisition			
20	Employer contribution	44,262	44,000	-0.59%
21	Benefits paid	(21,324)	(20,407)	4.30%
22	Expenses paid			
23	Fair value of plan assets at end of year	481,502	406,061	-15.67%
24	Funded Status	(19,560)	(150,464)	-669.24%
25	Unrecognized net actuarial loss	99,987	213,082	113.11%
26	Unrecognized prior service cost	277	319	15.16%
27	Unrecognized net transition obligation/(asset)			
28	Prepaid (accrued) benefit cost	80,704	62,937	-22.02%
29				
30	Weighted-average Assumptions as of Year End			
31	Discount rate	5.10%	4.15%	-18.63%
32	Expected return on plan assets	6.60%	6.95%	5.30%
33	Rate of compensation increase	4.96%	4.89%	-1.41%
34				
35	Components of Net Periodic Benefit Costs			
36	Service cost	19,070	15,585	-18.27%
37	Interest cost	22,786	23,128	1.50%
38	Expected return on plan assets	(27,670)	(23,810)	13.95%
39	Transition (asset)/obligation recognition			
40	Amortization of prior service cost	319	346	8.46%
41	Recognized net actuarial loss	11,990	10,546	-12.04%
42	Net periodic benefit cost	26,495	25,795	-2.64%
43				
44	Montana Intrastate Costs:			
45	Pension Costs			
46	Pension Costs Capitalized	not available by state		
47	Accumulated Pension Asset (Liability) at Year End			
48	Number of Company Employees:			
49	Covered by the Plan	2,851	2,789	-2.17%
50	Not Covered by the Plan			
51	Active	1,466	1,468	0.14%
52	Retired	1,139	1,056	-7.29%
53	Deferred Vested Terminated	246	265	7.72%

Other Post Employment Benefits (OPEBS)

Year: 2013

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End			
7	Discount rate	5.02%	4.15%	-17.33%
8	Expected return on plan assets	6.35%	6.55%	3.15%
9	Medical Cost Inflation Rate	5.00%	5.00%	
10	Actuarial Cost Method		Proj Unit Credit	
11	Rate of compensation increase			
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	132,541	104,730	-20.98%
20	Service cost	4,144	2,804	-32.34%
21	Interest Cost	5,216	5,056	-3.07%
22	Plan participants' contributions	1,189	336	-71.74%
23	Amendments	(10,788)		100.00%
24	Actuarial (Gain)/Loss	(18,017)	24,543	236.22%
25	Benefits paid	(6,036)	(4,928)	18.36%
26	Expenses paid			
27	Benefit obligation at end of year	108,249	132,541	22.44%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	25,288	22,455	-11.20%
30	Actual return on plan assets	4,444	2,833	-36.25%
31	Acquisition			
32	Employer contribution			
33	Benefits paid			
34	Expenses paid			
35	Fair value of plan assets at end of year	29,732	25,288	-14.95%
36	Funded Status	(78,517)	(107,253)	-36.60%
37	Unrecognized net actuarial loss	56,885	94,202	65.60%
38	Unrecognized prior service cost	(707)	(856)	-21.07%
39	Prepaid (accrued) benefit cost	(22,339)	(13,907)	37.75%
40	Components of Net Periodic Benefit Costs			
41	Service cost	4,144	2,804	-32.34%
42	Interest cost	5,216	5,056	-3.07%
43	Expected return on plan assets	(1,606)	(1,471)	8.41%
44	Amortization of prior service cost	(149)	356	338.93%
45	Recognized net actuarial loss	5,674	5,020	-11.53%
46	Net periodic benefit cost	13,279	11,765	-11.40%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA	108,249	132,541	22.44%
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	108,249	132,541	22.44%
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL	108,249	132,541	22.44%

Other Post Employment Benefits (OPEBS) Continued

Year: 2013

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	2,382	2,324	-2.43%
3	Not Covered by the Plan			
4	Active	1,466	1,468	0.14%
5	Retired	916	856	-6.55%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost	not available by state		
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost	not available by state		
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

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

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	S. L. Morris Chairman of the Board, President & Chief Executive Officer	723,461	813,894	1,358,589	2,895,944	3,494,798	-17%
2	M. T. Thies Senior Vice President, Chief Financial Officer, and Treasurer	386,538	289,904	402,931	1,079,373	1,162,070	-7%
3	M.M. Durkin Senior Vice President General Counsel and Chief Compliance Officer	314,037	235,528	415,976	965,541	1,140,439	-15%
4	K.S. Feltes Senior Vice President and Corporate Secretary	282,308	211,731	389,617	883,656	1,176,217	-25%
5	D.P. Vermillion Senior Vice President	344,309	258,231	386,403	988,943	1,344,152	-26%
Other compensation includes stock-based awards and the change in pension and non-qualified deferred compensation.							

BALANCE SHEET

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	4,039,745,287	4,275,590,962	-6%
4	101.1 Property Under Capital Leases	6,442,348	6,442,349	0%
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use	4,989,371	4,964,376	1%
8	106 Completed Constr. Not Classified - Electric			
9	107 Construction Work in Progress - Electric	139,513,892	157,258,690	-11%
10	108 (Less) Accumulated Depreciation	(1,375,661,341)	(1,454,623,625)	5%
11	111 (Less) Accumulated Amortization	(32,492,631)	(36,589,205)	11%
12	114 Electric Plant Acquisition Adjustments			
13	115 (Less) Accum. Amort. Elec. Acq. Adj.			
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	2,782,536,926	2,953,043,547	-6%
16				
17	Other Property & Investments			
18	121 Nonutility Property	5,536,702	5,438,891	2%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(921,820)	(920,905)	0%
20	123 Investments in Associated Companies	12,047,000	12,047,000	
21	123.1 Investments in Subsidiary Companies	118,714,423	112,232,104	6%
22	124 Other Investments	16,439,055	13,980,638	18%
23	128 Other Special Funds	9,154,874	10,897,909	-16%
	Long-Term Derivative Instruments	1,092,593	853,757	28%
24	TOTAL Other Property & Investments	162,062,827	154,529,394	5%
25				
26	Current & Accrued Assets			
27	131 Cash	2,624,516	3,949,469	-34%
28	132-134 Special Deposits	2,716,333	19,283,082	-86%
29	135 Working Funds	799,065	864,092	-8%
30	136 Temporary Cash Investments	251,390		
31	141 Notes Receivable	234,901		
32	142 Customer Accounts Receivable	159,703,153	182,617,384	-13%
33	143 Other Accounts Receivable	5,188,679	8,417,179	-38%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(4,653,167)	(4,830,036)	4%
35	145 Notes Receivable - Associated Companies	314,682	5,720,836	-94%
36	146 Accounts Receivable - Associated Companies	700,835	286,696	144%
37	151 Fuel Stock	4,120,767	3,170,050	30%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	23,875,397	26,655,710	-10%
41	155 Merchandise			
42	156 Other Material & Supplies			
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed			
	164 Gas Storage	17,276,287	13,028,710	33%
45	165 Prepayments	16,090,480	7,938,050	103%
46	171 Interest & Dividends Receivable	31,981	30,982	3%
47	172 Rents Receivable	830,718	1,360,262	-39%
48	174 Miscellaneous Current & Accrued Assets	429,169	752,953	-43%
49	176 Derivative Instruments Assets - Hedges	12,496,801	37,419,857	-67%
	Long-Term Derivative Instruments	(1,092,593)	(853,757)	-28%
50	TOTAL Current & Accrued Assets	241,939,394	305,811,519	-21%

BALANCE SHEET

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1				
2	Assets and Other Debits (cont.)			
3				
4	Deferred Debits			
5				
6	181 Unamortized Debt Expense	13,532,890	12,505,134	8%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	182.3 Other Regulatory Assets	559,831,454	381,581,939	
10	183 Prelim. Survey & Investigation Charges	3,894,551	875,153	345%
11	184 Clearing Accounts			
12	185 Temporary Facilities			
13	186 Miscellaneous Deferred Debits	15,701,369	13,312,292	18%
14	187 Deferred Losses from Disposition of Util. Plant			
15	188 Research, Devel. & Demonstration Expend.			
16	189 Unamortized Loss on Reacquired Debt	21,635,414	19,417,103	11%
17	190 Accumulated Deferred Income Taxes	148,425,469	70,239,422	111%
18	191 Unrecovered Purchased Gas Costs	(6,916,577)	(12,074,780)	43%
18	TOTAL Deferred Debits	756,104,570	485,856,263	56%
19				
20	TOTAL Assets & Other Debits	3,942,643,717	3,899,240,723	1%
	Account Title	This Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24				
25	201 Common Stock Issued	863,316,222	869,342,827	-1%
26	202 Common Stock Subscribed			
27	204 Preferred Stock Issued			
28	205 Preferred Stock Subscribed			
29	207 Premium on Capital Stock			
30	211 Miscellaneous Paid-In Capital	10,942,942	8,089,025	35%
31	213 (Less) Discount on Capital Stock			
32	214 (Less) Capital Stock Expense	14,977,565	19,561,527	-23%
33	215 Appropriated Retained Earnings	377,687,824	413,009,873	-9%
34	216 Unappropriated Retained Earnings	(747,337)	(5,918,024)	87%
35	217 (Less) Reacquired Capital Stock			
36	219 Accumulated Other Comprehensive Income	(6,700,160)	(5,819,930)	
36	TOTAL Proprietary Capital	1,259,477,056	1,298,265,298	-3%
37				
38	Long Term Debt			
39				
40	221 Bonds	1,336,700,000	1,376,700,000	-3%
41	222 (Less) Reacquired Bonds	(83,700,000)	(83,700,000)	
42	223 Advances from Associated Companies	51,547,000	51,547,000	
43	224 Other Long Term Debt			
44	225 Unamortized Premium on Long Term Debt	204,316	195,433	5%
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.	(1,656,685)	(1,482,644)	-12%
46	TOTAL Long Term Debt	1,303,094,631	1,343,259,789	-3%

BALANCE SHEET

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent	4,491,191	4,193,852	7%
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages	700,447	240,000	192%
9	228.3 Accumulated Provision for Pensions & Benefits	283,984,764	122,512,892	132%
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds		2,489,686	-100%
12	Long-Term Derivative Instruments	26,310,290	18,355,040	43%
	230 Asset Retirement Obligations	3,167,936	2,847,207	
13	TOTAL Other Noncurrent Liabilities	318,654,628	150,638,677	112%
14				
15	Current & Accrued Liabilities			
16				
17	231 Notes Payable	52,000,000	171,000,000	-70%
18	232 Accounts Payable	116,147,642	107,675,819	8%
19	233 Notes Payable to Associated Companies	598		
20	234 Accounts Payable to Associated Companies	709,623	810,911	-12%
21	235 Customer Deposits	3,323,152	3,393,269	-2%
22	236 Taxes Accrued	22,309,642	22,103,801	1%
23	237 Interest Accrued	12,038,698	13,444,066	-10%
24	238 Dividends Declared			
25	241 Tax Collections Payable	120,427	115,213	5%
26	242 Miscellaneous Current & Accrued Liabilities	61,331,657	55,243,462	11%
27	243 Obligations Under Cap. Leases - Current	258,586	297,339	-13%
28	245 Derivative Instrument Liabilities - Hedges	57,258,651	29,230,059	96%
29	Long-Term Derivative Instruments	(26,310,290)	(18,355,041)	-43%
30	TOTAL Current & Accrued Liabilities	299,188,386	384,958,898	-22%
31				
32	Deferred Credits			
33				
34	252 Customer Advances for Construction	947,342	1,459,117	-35%
35	253 Other Deferred Credits	26,169,966	25,359,333	3%
36	254 Other Regulatory Liabilities	55,244,962	71,742,330	-23%
37	255 Accumulated Deferred Investment Tax Credits	12,613,058	12,387,031	2%
38	257 Unamortized Gain on Reacquired Debt	2,355,118	2,225,581	6%
39	281-283 Accumulated Deferred Income Taxes	664,898,570	608,944,669	9%
40	TOTAL Deferred Credits	762,229,016	722,118,061	6%
41				
42	TOTAL LIABILITIES & OTHER CREDITS	3,942,643,717	3,899,240,723	1%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents	6,222,448	6,222,448	
6	303 Miscellaneous Intangible Plant	203,854	203,854	
7				
8	TOTAL Intangible Plant	6,426,302	6,426,302	
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights	1,289,096	1,289,096	0%
15	311 Structures & Improvements	101,239,544	102,377,273	-1%
16	312 Boiler Plant Equipment	128,972,834	131,174,797	-2%
17	313 Engines & Engine Driven Generators	6,770	6,770	
18	314 Turbogenerator Units	38,982,365	39,632,586	-2%
19	315 Accessory Electric Equipment	16,249,342	16,249,773	0%
20	316 Miscellaneous Power Plant Equipment	13,329,211	13,748,987	-3%
21	317 Asset Retirement Costs	134,588	134,588	
22	TOTAL Steam Production Plant	300,203,750	304,613,871	-1%
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment			
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant			
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights	43,221,607	43,228,147	0%
38	331 Structures & Improvements	15,636,887	15,968,035	-2%
39	332 Reservoirs, Dams & Waterways	34,318,074	35,137,837	-2%
40	333 Water Wheels, Turbines & Generators	88,323,099	88,323,282	0%
41	334 Accessory Electric Equipment	14,222,997	14,313,742	-1%
42	335 Miscellaneous Power Plant Equipment	3,407,398	3,407,398	
43	336 Roads, Railroads & Bridges	246,562	246,562	
44				
45	TOTAL Hydraulic Production Plant	199,376,624	200,625,004	-1%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights			
7	341 Structures & Improvements			
8	342 Fuel Holders, Producers & Accessories			
9	343 Prime Movers			
10	344 Generators			
11	345 Accessory Electric Equipment			
12	346 Miscellaneous Power Plant Equipment			
13				
14	TOTAL Other Production Plant			
15				
16	TOTAL Production Plant	499,580,374	505,238,874	-1%
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	1,356,919	1,387,035	-2%
21	352 Structures & Improvements	477,761	477,956	0%
22	353 Station Equipment	28,823,429	29,234,250	-1%
23	354 Towers & Fixtures	16,067,223	16,068,848	0%
24	355 Poles & Fixtures	7,949,686	7,966,880	0%
25	356 Overhead Conductors & Devices	16,014,219	16,016,934	0%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails	367,476	367,476	
29				
30	TOTAL Transmission Plant	71,056,713	71,519,379	-1%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights			
35	361 Structures & Improvements	15,881	15,881	0%
36	362 Station Equipment	158,906	176,241	-10%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	43,805	49,592	-12%
39	365 Overhead Conductors & Devices	10,665	10,848	-2%
40	366 Underground Conduit	46	46	
41	367 Underground Conductors & Devices	637	637	
42	368 Line Transformers	1,819	1,723	6%
43	369 Services	127	127	
44	370 Meters	199	469	-58%
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems	467	467	
48				
49	TOTAL Distribution Plant	232,552	256,031	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2013

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights			
5	390 Structures & Improvements			
6	391 Office Furniture & Equipment			
7	392 Transportation Equipment	223,597	241,542	-7%
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment	189,951	189,951	
10	395 Laboratory Equipment			
11	396 Power Operated Equipment	61,556	61,556	0%
12	397 Communication Equipment	847,299	910,446	-7%
13	398 Miscellaneous Equipment	8,576	8,576	
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	1,330,979	1,412,071	
17				
18	TOTAL Electric Plant in Service	578,626,920	584,852,658	

MONTANA DEPRECIATION SUMMARY

Year: 2013

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Intangible Plant	6,426,302	1,257,901	3,618	
2	Steam Production	304,613,871	210,945,039	215,616,094	N/A
3	Nuclear Production				
4	Hydraulic Production	200,625,004	30,101,093	33,425,704	N/A
5	Other Production				
6	Transmission	71,519,379	23,890,508	22,472,242	N/A
7	Distribution	256,031	74,892	11,403	N/A
8	General	1,412,071	2,807,566	6,371	N/A
9	TOTAL	584,852,658	269,076,999	271,535,432	

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	1,889,076	2,253,167	19%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	2,490,351	2,540,766	2%
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies	4,379,427	4,793,933	9%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

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

STATEMENT OF CASH FLOWS

Year: 2013

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	78,210,066	111,076,833	42%
6	Depreciation	112,091,663	117,173,574	5%
7	Amortization	12,954,915	(3,144,520)	-124%
8	Deferred Income Taxes - Net	19,589,845	20,846,650	6%
9	Investment Tax Credit Adjustments - Net	2,212,172	(226,027)	-110%
10	Change in Operating Receivables - Net	12,838,942	(30,523,370)	-338%
11	Change in Materials, Supplies & Inventories - Net	4,331,613	2,417,981	-44%
12	Change in Operating Payables & Accrued Liabilities - Net	31,767,362	(4,903,140)	-115%
13	Allowance for Funds Used During Construction (AFUDC)	(4,054,947)	(6,065,628)	-50%
14	Change in Other Assets & Liabilities - Net	(5,431,633)	(11,623,849)	-114%
15	Other Operating Activities (explained on attached page)	11,470,953	9,024,083	-21%
16	Net Cash Provided by/(Used in) Operating Activities	275,980,951	204,052,587	-26%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(268,743,138)	(294,363,192)	-10%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets			
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates	(19,138,510)	(4,891,325)	74%
26	Other Investing Activities (explained on attached page)	12,817,234	3,896,816	-70%
27	Net Cash Provided by/(Used in) Investing Activities	(275,064,414)	(295,357,701)	-7%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt	80,000,000	90,000,000	13%
32	Preferred Stock			
33	Common Stock	29,078,745	4,609,006	-84%
34	Long-Term Debt to Affiliated Trusts			
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(11,324,884)	(50,258,586)	-344%
39	Preferred Stock			
40	Common Stock			
41	Long-Term Debt to Affiliated Trusts			
42	Net (Decrease)/Increase in Short-Term Debt	(9,000,000)	119,000,000	1422%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(68,552,375)	(73,276,102)	-7%
45	Other Financing Activities (explained on attached page)	(19,310,473)	2,369,386	112%
46	Net Cash Provided by (Used in) Financing Activities	891,013	92,443,704	10275%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	1,807,550	1,138,590	-37%
49	Cash and Cash Equivalents at Beginning of Year	1,867,421	3,674,971	97%
50	Cash and Cash Equivalents at End of Year	3,674,971	4,813,561	31%

STATEMENT OF CASH FLOWS

Year: 2013

	Description	Last Year	This Year	% Change
1	Detail of Lines 15, 26 and 45			
2	Line 15: Other Operating Activities			
3	Cash paid/(received) for foreign currency hedges	35,881	(30,270)	-184%
4	Write-off of Reardan wind generation assets	-	2,533,578	
5	Change in allowance for uncollectible receivables	3,973,772	4,792,409	21%
6	Regulatory Gas Cost and Power Cost Adjustment	1,704,991	1,284,946	-25%
7	Non-cash stock compensation	4,549,448	5,036,659	11%
8	Subsidiary earnings	1,206,861	(4,593,239)	-481%
9	Total Line 15	11,470,953	9,024,083	-21%
10				
11	Line 26: Other Investing Activities			
	Federal grant payments received	8,277,036	3,409,479	-59%
	Changes in other property and investments	4,540,198	(2,248,761)	-150%
12	Notes receivable	-	-	
13	Total Line 26	12,817,234	1,160,718	-91%
10	Line 45: Other Financing Activities			
	Cash received (paid) in interest rate swap agreement	(18,546,870)	2,900,680	116%
11	Premiums paid for repurchase of debt			
12	Debt Issuance costs	(763,603)	(531,294)	30%
13	Total Line 45	(19,310,473)	2,369,386	112%

LONG TERM DEBT

Year: 2013

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1									
2	<u>Medium-Term Notes</u>								
3	FMBS - SERIES A 7.53%	5-6-93	5-5-23	5,500,000	4,494,277	5,500,000	9.36%	514,744	9.36%
4	FMBS - SERIES A 7.54%	5-7-93	5-5-23	1,000,000	816,822	1,000,000	9.37%	93,747	9.37%
5	FMBS - SERIES A 7.39%	5-11-93	5-11-18	7,000,000	5,717,753	7,000,000	9.29%	650,114	9.29%
6	FMBS - SERIES A 7.45%	6-9-93	6-11-18	15,500,000	13,188,963	15,500,000	8.95%	1,387,715	8.95%
7	FMBS - SERIES A 7.18%	8-12-93	8-11-23	7,000,000	6,945,636	7,000,000	7.24%	507,064	7.24%
8									
9	<u>Pollution Control Bonds</u>								
10									
11	Colstrip 2010A PCBs due 2032	12-15-10	10-1-32	66,700,000	66,700,000	66,700,000			
12	Colstrip 2010B PCBs due 2034	12-15-10	3-1-34	17,000,000	17,000,000	17,000,000			
13	Reacquired Bonds Colstrip 2010A			(66,700,000)	(66,700,000)	(66,700,000)			
14	Reacquired Bonds Colstrip 2010B			(17,000,000)	(17,000,000)	(17,000,000)			
15									
16									
17	<u>First Mortgage Bonds</u>								
18	6.37% Issued June 1998	6-19-98	6-19-28	25,000,000	24,653,047	25,000,000	6.48%	1,618,863	6.48%
19	5.45% Issued November 2004	11-18-04	12-1-19	90,000,000	88,567,919	90,000,000	5.61%	5,815,420	6.46%
20	6.25% Issued Nov/Dec 2005	11-17-05	12-1-35	150,000,000	152,264,565	150,000,000	6.14%	9,332,891	6.22%
21	5.70% Issued Dec 2006	12-15-06	7-1-37	150,000,000	141,337,696	150,000,000	6.12%	9,179,674	6.12%
22	5.95% Issued April 2008	4-2-08	6-1-18	250,000,000	230,523,581	250,000,000	7.03%	17,603,224	7.04%
23	5.125% Issued Sept 2009	9-22-09	4-1-22	250,000,000	255,040,618	250,000,000	4.91%	12,268,615	4.91%
24	3.89% Issued Dec. 2010	12-20-10	12-20-20	52,000,000	45,342,997	52,000,000	5.58%	2,900,325	5.58%
25	5.55% Issued Dec. 2010	12-20-10	12-20-40	35,000,000	29,477,345	35,000,000	6.79%	2,375,887	6.79%
26	4.45% Issued Dec. 2011	12-14-11	12-14-41	85,000,000	73,750,167	85,000,000	5.34%	4,538,863	5.34%
27	4.23% Issued Nov. 2012	11-30-13	11-29-47	80,000,000	60,617,277	80,000,000	5.87%	4,694,097	5.87%
28	0.84% Issued Aug. 2013	8-14-13	8-14-16	90,000,000	92,388,542	90,000,000	-0.04%	(39,568)	-0.04%
29									
30	Junior Subordinated Debentures	6-3-97	6-1-37	51,547,000	52,020,039	51,547,000	1.24%	755,927	1.47%
31									
32	TOTAL			1,344,547,000	1,277,147,243	1,344,547,000		74,197,603	5.52%

PREFERRED STOCK

Year: 2013

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

COMMON STOCK

Year: 2013

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price		Price/ Earnings Ratio
							High	Low	
1									
2									
3									
4	January								
5									
6	February								
7									
8	March	59,866,000	21.43	0.71	0.305		27.48	24.10	
9									
10	April								
11									
12	May								
13									
14	June	59,937,000	21.57	0.43	0.305		29.26	25.68	
15									
16	July								
17									
18	August								
19									
20	September	59,994,000	21.48	0.19	0.305		29.21	25.55	
21									
22	October								
23									
24	November								
25									
26	December	60,037,000	21.61	0.53	0.305		28.45	25.88	
27									
28									
29									
30									
31									
32	TOTAL Year End	60,077,000	21.61	1.85	1.22	34.05%	28.19		15.2

MONTANA EARNED RATE OF RETURN

Year: 2013

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

MONTANA COMPOSITE STATISTICS

Year: 2013

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	584,853
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	4,794
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(271,535)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	318,111
14	Revenues & Expenses (000 Omitted)	
15		
16		
17	400 Operating Revenues	63
18		
19	403 - 407 Depreciation & Amortization Expenses	10,461
20	Federal & State Income Taxes	105
21	Other Taxes	9,159
22	Other Operating Expenses	35,390
23	TOTAL Operating Expenses	55,114
24		
25	Net Operating Income	(55,051)
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	NET INCOME	(55,051)
31	Customers (Intrastate Only)	
32		
33		
34	Year End Average:	
35	Residential	9
36	Commercial	7
37	Industrial	
38	Other	11
39		
40	TOTAL NUMBER OF CUSTOMERS	27
41	Other Statistics (Intrastate Only)	
42		
43		
44	Average Annual Residential Use (Kwh)	18,778
45	Average Annual Residential Cost per (Kwh) (Cents) *	8.39
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	131.36
48	Gross Plant per Customer	64,984

MONTANA CUSTOMER INFORMATION

Year: 2013

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		9	7	11	27
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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25						
26						
27						
28						
29						
30						
31						
32	TOTAL Montana Customers		9	7	11	27

MONTANA EMPLOYEE COUNTS

Year: 2013

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	39	38	39
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL Montana Employees	39	38	39

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2013

	Project Description	Total Company	Total Montana
1			
2	Noxon Rapids Capital Projects Upgrades	4,450,000	4,450,000
3			
4	Clark Fork Improvement	8,881,196	3,391,835
5			
6	Colstrip Capital Projects Upgrades	8,787,205	8,787,205
7			
8	Regulating Hydro Project	2,833,000	849,900
9			
10	Other	750,000	105,000
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
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36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50	TOTAL	25,701,401	17,583,940

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2013

System						
		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	21	1800	1574	1,319,333	356,419
2	Feb.	21	1900	1408	1,256,836	457,520
3	Mar.	19	800	1394	1,307,820	492,443
4	Apr.	23	800	1284	1,346,675	606,125
5	May	10	1700	1304	1,329,388	591,874
6	Jun.	28	1700	1406	1,142,424	424,485
7	Jul.	2	1700	1577	1,078,803	268,224
8	Aug.	14	1600	1473	1,000,408	213,044
9	Sep.	12	1700	1385	886,374	200,650
10	Oct.	30	800	1271	989,947	261,232
11	Nov.	21	1800	1415	1,088,750	288,147
12	Dec.	8	1800	1669	1,190,894	249,422
13	TOTAL				13,937,652	4,409,585

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

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,521,530	Sales to Ultimate Consumers (Include Interdepartmental)	8,909,409
3	Nuclear			
4	Hydro - Conventional	3,645,832		
5	Hydro - Pumped Storage		Requirements Sales for Resale	
6	Other	1,861,743		
7	(Less) Energy for Pumping			
8	NET Generation	7,029,105	Non-Requirements Sales for Resale	4,409,585
9	Purchases	6,911,072		
10	Power Exchanges			
11	Received	554,654	Energy Furnished Without Charge	
12	Delivered	(557,179)		
13	NET Exchanges	(2,525)		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	12,202
15	Received	2,977,704		
16	Delivered	(2,977,704)		
17	NET Transmission Wheeling		Total Energy Losses	606,456
18	Transmission by Others Losses			
19	TOTAL	13,937,652	TOTAL	13,937,652

SOURCES OF ELECTRIC SUPPLY

Year: 2013

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3					
4	Thermal	Kettle Falls	Kettle Falls, WA	51	294,379
5	Hydro	Little Falls	Ford, WA	36	176,539
6	Hydro	Long Lake	Ford, WA	89	504,779
7	Hydro	Monroe Street	Spokane, WA	17	104,654
8	Hydro	Nine Mile	Spokane, WA	19	82,922
9	Hydro	Upper Falls	Spokane, WA	12	68,384
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	49	222
12	Combustion -				
13	Turbine	Kettle Falls Bi-fuel	Kettle Falls, WA	8	5,632
14	Combustion -				
15	Turbine	Boulder Park	Spokane, WA	25	25,921
16					
17					
18	Idaho:				
19	Hydro	Cabinet Gorge	Clark Fork, ID	269	1,042,427
20	Hydro	Post Falls	Post Falls, ID	19	84,904
21	Combustion -				
22	Turbine	Rathdrum	Rathdrum, ID	169	33,688
23					
24					
25					
26	Montana:				
27	Thermal	Colstrip #3 and #4	Colstrip, MT	230	1,227,151
28	Hydro	Noxon	Thompson Falls, MT	524	1,581,223
29					
30	Oregon:				
31	Combustion -				
32	Turbine	Coyote Springs 2	Boardman, OR	309	1,796,280
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total			1,826	7,029,105

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2013

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

Electric Universal System Benefits Programs

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

Montana Conservation & Demand Side Management Programs

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

MONTANA CONSUMPTION AND REVENUES

Year: 2013

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$14,187	\$13,552	169	162	9	9
2	Commercial - Small	23,100	4,061	251	45	7	2
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities						
11	Interdepartmental	25,520	26,576	284	292	11	12
12							
13	TOTAL	\$62,807	\$44,189	704	499	27	23