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AVISTA UTILITIES
ELECTRIC ADJUSTMENT SUMMARY
TWELVE MONTHS ENDED DECEMBER 31, 2009
(000'S OF DOLLARS)

DEFERRED FIT RATE BASE
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
REVENUES				
1	Total General Business	\$0		
2	Interdepartmental Sales			
3	Sales For Resale			
4	Total Sales of Electricity	0	0	0
5	Other Revenue			
6	Total Electric Revenue	0	0	0
EXPENSES				
Production and Transmission				
7	Operating Expenses			
8	Purchased Power			
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	0	0	0
Distribution				
12	Operating Expenses			
13	Depreciation			
14	Taxes	0	0	0
15	Total Distribution	0	0	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
Administrative & General				
19	Operating Expenses			
20	Depreciation			
21	Taxes			
22	Total Admin. & General	0	0	0
23	Total Electric Expenses	0	0	0
24	Operating Income before FIT	0	0	0
Federal Income Taxes				
25	Current Accrual (at 35%)	0	0	0
26	Deferred Income Taxes	0	0	0
27	Amortized ITC			
28	SETTLEMENT EXCHANGE POWER			
29	NET OPERATING INCOME	\$0	\$0	\$0
RATE BASE				
PLANT IN SERVICE				
30	Intangible			
31	Production			
32	Transmission			
33	Distribution			
34	General			
35	Total Plant in Service	0	0	0
36	ACCUMULATED DEPRECIATION			
37	ACCUM. PROVISION FOR AMORTIZATION			
38	Total Accum. Depreciation & Amort.	0	0	0
39	GAIN ON SALE OF BUILDING			
40	DEFERRED TAXES	(258,249)	(163,716)	(94,533)
41	TOTAL RATE BASE	(\$258,249)	(\$163,716)	(\$94,533)

C2

AVISTA UTILITIES
 Electric Accumulated Deferred Taxes
Average - Twelve Months Ended December 31, 2009

		<u>Alloc</u>	<u>Electric</u>	<u>Washington</u>	<u>Idaho</u>
		<u>Basis</u>	<u>System</u>		
ACCELERATED TAX DEPRECIATION					
Electric	Production	1	(92,048,564)	(59,711,903)	(32,336,661)
	Transmission	1	(40,850,784)	(26,499,904)	(14,350,880)
	Distribution	10	(86,816,674)	(53,024,152)	(33,792,522)
	General Utility	13	(13,850,494)	(8,663,900)	(5,186,594)
General Utility	CD AA	4	(8,732,476)	(5,666,154)	(3,066,322)
General Utility	CD AN	4	(1,296,647)	(841,342)	(455,305)
Total Accelerated Tax Depr			<u>(243,595,639)</u>	<u>(154,407,355)</u>	<u>(89,188,284)</u>
CDA Lake CDR Fund		1	(1,014,346)	(658,006)	(356,340)
CDA Lake Settlement		1	(9,915,590)	(6,432,243)	(3,483,347)
Total Plant DFIT			<u>(254,525,575)</u>	<u>(161,497,604)</u>	<u>(93,027,971)</u>
Colstrip PCB - Elec		1	(610,998)	(396,354)	(214,644)
FMB & MTN Redeemed		12	(2,878,507)	(1,822,498)	(1,056,009)
DSM (Elec-ID) Elec		D	(234,832)	0	(234,832)
Total Other Deferred FIT			<u>(3,724,337)</u>	<u>(2,218,852)</u>	<u>(1,505,485)</u>
Total Deferred FIT			<u>(258,249,912)</u>	<u>(163,716,456)</u>	<u>(94,533,456)</u>
Allocation Notes:					
Production/Transmission		1	100.000%	64.870%	35.130%
Jurisdictional four-factor		4	100.000%	64.886%	35.114%
Net electric distribution plant - AMA		10	100.000%	61.076%	38.924%
Net electric plant - AMA		12	100.000%	63.314%	36.686%

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AVISTA UTILITIES
Accumulated Deferred Taxes
Average - Twelve Months Ended December 31, 2009

		<u>Total System</u>	<u>Electric</u>	<u>Gas - North</u>	<u>Gas - South</u>
Electric		(233,566,516)	(233,566,516)		
GAS North		(44,690,294)		(44,690,294)	
GAS Oregon		(21,601,695)			(21,601,695)
General Utility	CD AA	(12,121,032)	(8,732,476)	(2,344,935)	(1,043,621)
General Utility	CD AN	(1,641,242)	(1,296,647)	(344,595)	
Total Accelerated Tax Depr		<u>(313,620,779)</u>	<u>(243,595,639)</u>	<u>(47,379,824)</u>	<u>(22,645,316)</u>
Average of Monthly Averages					
CDA Lake CDR Fund	283324 ED AN	(1,014,346)	(1,014,346)		
CDA Lake Settlement	283382 ED AN	(9,915,590)	(9,915,590)		
Colstrip PCB	283200 ED AN	(610,998)	(610,998)		
FMB & MTN Redeemed	283850 CD AA	(3,995,485)	(2,878,507)	(772,967)	(344,011)
DSM (Elec-ID) Elec	283720 ED ID	(234,832)	(234,832)		
DSM (Gas-WA) Gas	283720 GD WA	(100,196)		(100,196)	
DSM (Gas-ID) Gas	283720 GD ID	(71,043)		(71,043)	
Total Other Deferred FIT		<u>(15,942,490)</u>	<u>(14,654,273)</u>	<u>(944,206)</u>	<u>(344,011)</u>
Total Deferred FIT		<u>(329,563,269)</u>	<u>(258,249,912)</u>	<u>(48,324,030)</u>	<u>(22,989,327)</u>

Source of Allocation Factors: Results of Operations Report E-ALL-12A

CD AA - 7	100.000%	72.044%	19.346%	8.610%
CD AN - 9	100.000%	79.004%	20.996%	0.000%

C4

AVISTA UTILITIES
Accumulated Deferred Taxes
Associated with Accelerated Tax Depreciation
Estimated Balance at 12/31/2009

	<u>Alloc</u>	<u>Balance at 12/31/2008 *</u>	<u>Balance at 12/31/2009 **</u>	<u>Average Balance 12/31/2009 **</u>
Electric - 282900	ED AN	(220,061,848) 1)	(247,071,184)	(233,566,516)
Gas North - 282900	GD AN	(41,100,768) 2)	(48,279,819)	(44,690,294)
Oregon Gas - 282900	GD OR	(19,351,201) 3)	(23,852,188)	(21,601,695)
General Utility - 282900	CD AA	(10,142,283)	(14,099,780)	(12,121,032)
General Utility - 282900	CD AN	(1,598,945)	(1,683,538)	(1,641,242)
Total Accelerated Tax Depr		<u>(292,255,045)</u> (See C5)	<u>(334,986,509)</u> (See C6)	<u>(313,620,777)</u>

Source: General Ledger

* Includes CIACs which are in Account 190xxx

** CIACs are in 282xxx resulting from conversion of Acufile to PowerTax

- 1) Includes \$11,075,201 decrease for Bonus Depreciation not taken on 2008 Tax Return
- 2) Includes \$ 2,951,950 decrease for Bonus Depreciation not taken on 2008 Tax Return
- 3) Includes \$ 1,363,623 decrease for Bonus Depreciation not taken on 2008 Tax Return

15,390,774 (to C5)

**Trial Balance
Balance as of 12-31-2008**

				YTD-Actual 200811	PTD-Actual 200812	YTD-Actual 200812
001	190610	ADFIT CIAC DISTRIBUTION	ED ID	4,522,354.72	30,926.00	4,553,280.72
001	190610	ADFIT CIAC DISTRIBUTION	ED WA	7,827,678.30	53,530.00	7,881,208.30
001	190610	ADFIT CIAC DISTRIBUTION	GD ID	397,594.83	1,126.00	398,720.83
001	190610	ADFIT CIAC DISTRIBUTION	GD OR	254,102.53	1,012.00	255,114.53
001	190610	ADFIT CIAC DISTRIBUTION	GD WA	945,681.49	2,678.00	948,359.49
001	282900	ADFIT	CD AA	(10,059,017.53)	(83,265.00)	(10,142,282.53)
001	282900	ADFIT	CD AN	(1,573,819.33)	(25,126.00)	(1,598,945.33)
001	282900	ADFIT	ED AN	(230,977,727.74)	(12,593,810.00)	(243,571,537.74)
001	282900	ADFIT	GD AN	(42,003,732.45)	(3,396,066.00)	(45,399,798.45)
001	282900	ADFIT	GD OR	(19,320,073.87)	(1,649,865.00)	(20,969,938.87)
						<u>(307,645,819.05)</u>

Less Bonus Deprec.
adj for 2008 Tax 15,390,774

200812 YTD
adjusted 292,255,045 *

* ~~to~~ C4

C6

Trial Balance
Balance as of 12-31-2009

					YTD-Actual 200911	PTD-Actual 200912	YTD-Actual 200912
001	282900	ADFIT	CD	AA	(11,706,042.53)	(2,393,737.00)	(14,099,779.53)
001	282900	ADFIT	CD	AN	(1,610,229.33)	(73,309.00)	(1,683,538.33)
001	282900	ADFIT	ED	AN	(227,238,181.72)	(19,833,002.00)	(247,071,183.72)
001	282900	ADFIT	GD	AN	(44,470,838.13)	(3,808,981.00)	(48,279,819.13)
001	282900	ADFIT	GD	OR	(21,157,610.34)	(2,694,578.00)	(23,852,188.34)
							<u>(334,986,509.05)</u>

to C4

C7

AVISTA UTILITIES
Accumulated Deferred Taxes
AMA Twelve Months Ended December 31, 2009

	CDA CDR Fund Elec <u>283324 ED AN</u>	CDA Settlement Elec <u>283382 ED AN</u>
Dec-08	0	(9,706,685)
Dec-09	(3,482,500)	(13,698,226)
Total	<u>(3,482,500)</u>	<u>(23,404,911)</u>
Average	(1,741,250)	(11,702,456)
Jan-09	0	(9,709,793)
Feb-09	0	(9,697,495)
Mar-09	0	(9,680,181)
Apr-09	0	(9,662,446)
May-09	0	(9,645,229)
Jun-09	0	(9,627,218)
Jul-09	0	(9,611,435)
Aug-09	(3,490,016)	(9,593,419)
Sep-09	15,818	(9,576,331)
Oct-09	(3,474,198)	(10,255,777)
Nov-09	(3,482,500)	(10,225,303)
Total	<u>(12,172,146)</u>	<u>(118,987,083)</u>
Average of monthly averages	(1,014,346)	(9,915,590)

Source: General Ledger

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AVISTA UTILITIES
Accumulated Deferred Taxes
AMA Twelve Months Ended December 31, 2009

	Colstrip PCB Elec <u>283200 ED AN</u>	Bond Redemp. <u>283850 CD AA</u>
Dec-08	(646,663)	(4,223,395)
Dec-09	(575,160)	(3,708,385)
Total	<u>(1,221,823)</u>	<u>(7,931,780)</u>
Average	(610,912)	(3,965,890)
Jan-09	(640,762)	(4,238,210)
Feb-09	(634,861)	(4,188,636)
Mar-09	(628,960)	(4,140,865)
Apr-09	(622,982)	(4,093,235)
May-09	(617,004)	(4,045,604)
Jun-09	(611,026)	(3,997,974)
Jul-09	(605,049)	(3,950,343)
Aug-09	(599,071)	(3,902,713)
Sep-09	(593,093)	(3,855,082)
Oct-09	(587,115)	(3,807,452)
Nov-09	(581,137)	(3,759,821)
Total	<u>(7,331,972)</u>	<u>(47,945,825)</u>
Average of monthly averages	(610,998)	(3,995,485)

	DSM Elec-ID <u>283720 ED ID</u>	DSM Gas-WA <u>283720 GD WA</u>	DSM Gas-ID <u>283720 GD ID</u>
Dec-08	(449,318)	(156,663)	(88,743)
Dec-09	(80,224)	(48,981)	(53,343)
Total	<u>(529,542)</u>	<u>(205,644)</u>	<u>(142,086)</u>
Average	(264,771)	(102,822)	(71,043)
Jan-09	(411,976)	(146,851)	(85,793)
Feb-09	(374,634)	(137,039)	(82,843)
Mar-09	(337,292)	(127,227)	(79,893)
Apr-09	(299,950)	(117,415)	(76,943)
May-09	(262,608)	(107,603)	(73,993)
Jun-09	(225,267)	(97,413)	(71,043)
Jul-09	(187,919)	(89,341)	(68,093)
Aug-09	(150,861)	(81,269)	(65,143)
Sep-09	(112,230)	(73,197)	(62,193)
Oct-09	(100,299)	(65,125)	(59,243)
Nov-09	(90,180)	(57,053)	(56,293)
Total	<u>(2,817,987)</u>	<u>(1,202,355)</u>	<u>(852,516)</u>
Average of monthly averages	(234,832)	(100,196)	(71,043)

Source: General Ledger

C9

GL Account Balance Ferc Account : '283324' , Accounting Period : '2009%'

Ferc Acct Desc:ADFIT LAKE CDA CDR/IPA FUNDS Service:ED Jurisdiction:AN
Ferc Acct:283324

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200908	0.00	-3,490,015.67	-3,490,015.67
200909	-3,490,015.67	3,505,833.33	15,817.66
200910	15,817.66	-3,490,015.67	-3,474,198.01
200911	-3,474,198.01	-8,302.00	-3,482,500.01
200912	-3,482,500.01	0.00	-3,482,500.01
Sum:			-3,482,500.01

C10

GL Account Balance Ferc Account : '283382' , Accounting Period : '2009%'

Ferc Acct Desc:ADFIT LAKE CDA STORAGE SETTLEM Service:ED Jurisdiction:AN
Acct:283382

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200901	-9,706,684.92	-3,107.87	-9,709,792.79
200902	-9,709,792.79	12,297.34	-9,697,495.45
200903	-9,697,495.45	17,314.88	-9,680,180.57
200904	-9,680,180.57	17,734.33	-9,662,446.24
200905	-9,662,446.24	17,217.09	-9,645,229.15
200906	-9,645,229.15	18,011.63	-9,627,217.52
200907	-9,627,217.52	15,782.28	-9,611,435.24
200908	-9,611,435.24	18,015.81	-9,593,419.43
200909	-9,593,419.43	17,088.28	-9,576,331.15
200910	-9,576,331.15	-679,445.43	-10,255,776.58
200911	-10,255,776.58	30,473.60	-10,225,302.98
200912	-10,225,302.98	-3,472,922.89	-13,698,225.87
Sum:			-3,991,540.95

C11

GL Account Balance Ferc Account : '283200' , Accounting Period : '2009%'

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200901	-646,662.80	5,901.00	-640,761.80
200902	-640,761.80	5,901.00	-634,860.80
200903	-634,860.80	5,901.00	-628,959.80
200904	-628,959.80	5,977.81	-622,981.99
200905	-622,981.99	5,977.81	-617,004.18
200906	-617,004.18	5,977.81	-611,026.37
200907	-611,026.37	5,977.81	-605,048.56
200908	-605,048.56	5,977.81	-599,070.75
200909	-599,070.75	5,977.81	-593,092.94
200910	-593,092.94	5,977.81	-587,115.13
200911	-587,115.13	5,977.81	-581,137.32
200912	-581,137.32	5,977.81	-575,159.51

C12

GL Account Balance Ferc Account : '283850' , Accounting Period : '2009%'

Ferc Acct:283850		Ferc Acct Desc:ADFIT FMB & MTN REDEEMED		Service:CD	Jurisdiction:AA
Accounting Period	Beginning Balance		Monthly Activity	Ending Balance	
200901		-4,223,394.63	-14,814.94	-4,238,209.57	
200902		-4,238,209.57	49,573.39	-4,188,636.18	
200903		-4,188,636.18	47,770.94	-4,140,865.24	
200904		-4,140,865.24	47,630.53	-4,093,234.71	
200905		-4,093,234.71	47,630.53	-4,045,604.18	
200906		-4,045,604.18	47,630.53	-3,997,973.65	
200907		-3,997,973.65	47,630.53	-3,950,343.12	
200908		-3,950,343.12	47,630.53	-3,902,712.59	
200909		-3,902,712.59	47,630.53	-3,855,082.06	
200910		-3,855,082.06	47,630.53	-3,807,451.53	
200911		-3,807,451.53	47,630.53	-3,759,821.00	
200912		-3,759,821.00	51,436.23	-3,708,384.77	