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

ELIMINATE
B & O TAXES
GAS

Line No.	Description	System	Washington	Idaho
REVENUES				
1	Total General Business	(\$7,403)	(\$7,403)	
2	Total Transportation	(75)	(75)	
3	Other Revenues			
4	Total Gas Revenues	(7,478)	(7,478)	0
EXPENSES				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	(7,469)	(7,469)	0
17	Total Distribution	(7,469)	(7,469)	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses	0		
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	(7,469)	(7,469)	0
26	Operating Income before FIT	(9)	(9)	0
Federal Income Taxes				
27	Current Accrual	35.0%	(3)	(3)
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	(\$6)	(\$6)	\$0
RATE BASE				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	WORKING CAPITAL			
42	GAIN ON SALE OF BUILDING			
43	TOTAL RATE BASE	\$0	\$0	\$0

AVISTA UTILITIES
ELIMINATE B & O TAXES
TWELVE MONTHS ENDED DECEMBER 31, 2009
 Gas

	<u>Washington</u>	<u>Idaho</u>
Expense per Account 408.12 <i>(Results Report G-OTX-12A)</i>	① 7,470,361 •	1,544,395 •

Excise Tax exemption for Tribal members on Tribal land per WAC 458-20-192	① (931)	
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B&O Taxes Collected through Schedule 158 and 158A	<u>7,478,220</u>	<u>1,545,425</u>
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Net Impact on NOI Before FIT <i>(before ID SIT)</i>	<u>(\$8,790)</u>	<u>(\$1,030)</u>
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For WA & ID this adjustment eliminates the impact of Schedule
 158 and WA Sch 158A from both revenues & expense.

Σ ID = 7,469,430 •

**AVISTA UTILITIES
B & O TAX COLLECTED
TWELVE MONTHS ENDED DECEMBER 31, 2009
GAS**

DESCRIPTION	CLASS	Schedule 158	Schedule 158A (1)	12ME 12/09 Total
WASHINGTON				
GENERAL BUSINESS				
Residential	1	4,508,248.21 •	-9.37 •	4,508,238.84 •
Firm - Commercial	21	2,859,515.94 •	-921.40 •	2,858,594.54
Interruptible - Commercial	22	39,231.02 •		39,231.02
Firm - Misc Industrial	31	35,346.68 •		35,346.68
Interruptible - Misc Industrial	41	0.00		0.00
PGA Adj Commercial Lg Cust	16	-35,659.07 •		-35,659.07
PGA Adj Industrial Lg Cust	17	-2,385.63 •		-2,385.63
Total General Business		7,404,297.15	-930.77	7,403,366.38
OTHER REVENUES				
-Gas Transportation - Commercial	91	53,526.76 •		53,526.76
-Gas Transportation - Industrial	92	21,326.98 •		21,326.98
Total Other Revenues		74,853.74	0.00	74,853.74
TOTAL		7,479,150.89	-930.77	7,478,220.12
(2) Reverse Interdepartmental	80	871.97 •		871.97

DESCRIPTION	CLASS	SCH	12ME 12/09
IDAHO			
GENERAL BUSINESS			
Residential	1	158	961,471.41 •
Commercial-Firm	21	158	563,981.13 •
Commercial-Interruptible	22	158	4,017.73 •
Industrial-Firm-Misc	31	158	8,197.59 •
Industrial-Interruptible	41	158	0.00
PGA Adj Commercial Lg Cust	16	158	-687.74 •
PGA Adj Industrial Lg Cust	17	158	-8.55 •
			1,536,971.57
OTHER REVENUES			
-Gas Transportation - Commercial	91	158	8,453.15 •
-Gas Transportation - Industrial	92	158	0.00
Total Other Revenues			8,453.15
TOTAL			1,545,424.72 •
(2) Reverse Interdepartmental	80	158	0.00
SYSTEM TOTAL			<u>9,023,644.84</u>

(1) Schedule 158A reflects refunded WA excise tax embedded in rates to tribal members on tribal land per WAC 458-20-192. This amount needs to be added back to the excise tax expense to offset the elimination of the refund.

(2) Interdepartmental revenues are not subject to B&O taxes and any entries in the revenue runs are due to errors in the revenue system and the amounts should be reversed. They are not included in the expense accrual.

source: Revenue Runs

Gas Revenue Meters Report by Location Twelve Months Ended for

State Cde	Ferc Acci	Revenue Class	Revenue Amt SUM												
			200901	200902	200903	200904	200905	200906	200907	200908	200909	200910	200911	200912	
480000	01	Total for 480000	189,163.99	149,572.14	131,058.11	109,908.71	70,287.71	36,889.83	24,832.15	22,174.63	23,053.74	36,382.57	75,864.29	92,282.54	961,471.41
481200	16	Total for 481200	189,163.99	149,572.14	131,058.11	109,908.71	70,287.71	36,889.83	24,832.15	22,174.63	23,053.74	36,382.57	75,864.29	92,282.54	961,471.41
			-249.89					-207.11					-230.74		-687.74
481200	21	Total for 481200	113,912.35	91,053.72	72,915.75	63,810.11	39,153.24	22,375.19	15,743.11	15,641.09	15,199.57	20,988.76	40,470.30	52,707.94	563,981.13
481250	22	Total for 481250	113,662.46	91,053.72	72,915.75	63,810.11	39,153.24	22,168.08	15,743.11	15,641.08	15,199.57	20,988.76	40,239.56	52,707.94	563,293.39
481300	17	Total for 481300	516.18	405.24	406.59	387.93	387.45	270.34	262.90	211.78	210.60	247.61	396.04	315.07	4,017.73
			-2.03					-4.10					-2.42		-8.55
489300	91	Total for 489300	1,465.78	1,193.37	1,146.45	936.15	562.84	381.70	345.25	331.54	292.73	315.29	593.43	632.96	8,197.59
			1,463.75	1,193.37	1,146.45	936.15	562.94	377.60	345.25	331.54	292.73	315.29	591.01	632.96	8,189.04
			1,199.76	1,061.68	726.67	854.90	707.05	577.15	385.79	409.02	410.79	423.28	934.26	762.80	8,453.15
			1,199.76	1,061.68	726.67	854.90	707.05	577.15	385.79	409.02	410.79	423.28	934.26	762.80	8,453.15
		Total for ID	306,006.14	243,286.15	206,253.57	175,898.80	111,098.39	60,283.00	41,569.20	38,768.06	39,167.43	58,367.51	118,025.16	146,701.31	1,545,424.72
480000	01	Total for 480000	902,833.90	764,131.64	662,431.83	498,924.71	313,699.19	166,495.19	107,296.14	98,131.52	102,714.26	157,912.26	330,449.61	403,227.86	4,508,248.21
481200	16	Total for 481200	902,833.90	764,131.64	662,431.83	498,924.71	313,699.19	166,495.19	107,296.14	98,131.52	102,714.26	157,912.26	330,449.61	403,227.86	4,508,248.21
			NULL	NULL	-2,337.29		-23,404.15						-9,917.63		-35,659.07
481250	21	Total for 481250	564,604.84	495,089.18	414,322.38	302,986.59	195,884.05	110,325.68	75,627.45	69,784.18	72,030.41	112,621.21	201,085.76	245,154.21	2,859,515.94
481250	22	Total for 481250	564,604.84	495,089.18	411,985.09	302,986.59	172,479.90	110,325.68	75,627.45	69,784.18	72,030.41	112,621.21	191,168.13	245,154.21	2,823,856.87
			5,751.86	5,129.80	5,094.76	4,151.63	3,357.00	2,704.74	1,617.07	1,486.24	1,379.52	1,660.92	27.94	6,869.54	39,231.02
481300	17	Total for 481300	5,751.86	5,129.80	5,094.76	4,151.63	3,357.00	2,704.74	1,617.07	1,486.24	1,379.52	1,660.92	27.94	6,869.54	39,231.02
			NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	-2,385.63		-2,385.63
481400	31	Total for 481400	7,538.92	7,152.07	5,629.32	3,717.99	1,696.89	882.47	606.74	613.12	663.77	1,071.69	2,491.94	3,281.76	35,346.68
			7,538.92	7,152.07	5,629.32	3,717.99	1,696.89	882.47	606.74	613.12	663.77	1,071.69	2,491.94	3,281.76	35,346.68
484000	80	Total for 484000	188.36	148.76	148.32	129.66	73.77	21.76	2.53	2.27	2.27	10.14	66.63	77.50	871.97
489300	91	Total for 489300	188.36	148.76	148.32	129.66	73.77	21.76	2.53	2.27	2.27	10.14	66.63	77.50	871.97
489300	92	Total for 489300	7,204.04	7,047.95	5,637.73	5,871.77	4,228.99	3,405.63	2,665.62	1,558.93	2,558.95	2,871.51	4,886.17	5,589.47	53,526.76
			1,697.24	1,935.16	1,857.75	2,150.88	1,822.75	1,564.74	1,347.35	1,807.77	1,551.15	1,876.42	1,882.30	1,833.47	21,328.98
			8,901.28	8,983.11	7,495.48	8,022.65	6,051.74	4,970.37	4,012.97	3,366.70	4,110.10	4,747.93	6,768.47	7,422.94	74,853.74
		Total for WA	1,489,819.16	1,260,634.56	1,092,784.90	817,933.23	497,358.49	285,400.21	189,162.90	173,384.03	180,900.33	278,024.15	529,587.09	666,033.81	7,480,022.66
			NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	106.31	3,281.76	32,961.05
			NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	NULL	106.31	106.31	3,281.76	32,961.05
			188.36	148.76	148.32	129.66	73.77	21.76	2.53	2.27	2.27	10.14	66.63	77.50	871.97
			188.36	148.76	148.32	129.66	73.77	21.76	2.53	2.27	2.27	10.14	66.63	77.50	871.97
			7,204.04	7,047.95	5,637.73	5,871.77	4,228.99	3,405.63	2,665.62	1,558.93	2,558.95	2,871.51	4,886.17	5,589.47	53,526.76
			1,697.24	1,935.16	1,857.75	2,150.88	1,822.75	1,564.74	1,347.35	1,807.77	1,551.15	1,876.42	1,882.30	1,833.47	21,328.98
			8,901.28	8,983.11	7,495.48	8,022.65	6,051.74	4,970.37	4,012.97	3,366.70	4,110.10	4,747.93	6,768.47	7,422.94	74,853.74
		Total for WA	1,489,819.16	1,260,634.56	1,092,784.90	817,933.23	497,358.49	285,400.21	189,162.90	173,384.03	180,900.33	278,024.15	529,587.09	666,033.81	7,480,022.66
			1,795,825.30	1,523,920.71	1,299,038.47	993,832.03	608,456.88	345,683.21	230,732.10	212,152.09	220,067.76	336,391.66	646,612.25	812,735.12	9,025,447.58
		Total	1,795,825.30	1,523,920.71	1,299,038.47	993,832.03	608,456.88	345,683.21	230,732.10	212,152.09	220,067.76	336,391.66	646,612.25	812,735.12	9,025,447.58

Gas Revenue Meters Report by Location Twelve Months Ended for

State Cde	Ferc Acct	Revenue Class	Period	Revenue Amt SUM												
				200901	200902	200903	200904	200905	200906	200907	200908	200909	200910	200911	200912	
WA	480000	01		-0.84	-0.93	-0.84	-0.84	-0.89	-0.74	-0.79	-0.63	-0.75	-0.79	-0.61	-0.72	-9.37
		Total for 480000		-0.84	-0.93	-0.84	-0.84	-0.89	-0.74	-0.79	-0.63	-0.75	-0.79	-0.61	-0.72	-9.37
	481200	21		-198.7	-175.3	-121.01	-102.27	-52.8	-35.78	-36.83	-30.15	-31.54	-40.08	-42.35	-54.59	-921.4
		Total for 481200		-198.7	-175.3	-121.01	-102.27	-52.8	-35.78	-36.83	-30.15	-31.54	-40.08	-42.35	-54.59	-921.4
		Total for WA		<u>-199.54</u>	<u>-176.23</u>	<u>-121.85</u>	<u>-103.11</u>	<u>-53.69</u>	<u>-36.52</u>	<u>-37.62</u>	<u>-30.78</u>	<u>-32.29</u>	<u>-40.87</u>	<u>-42.96</u>	<u>-55.31</u>	<u>-930.77</u>
		Total		-199.54	-176.23	-121.85	-103.11	-53.69	-36.52	-37.62	-30.78	-32.29	-40.87	-42.96	-55.31	-930.77

TAXES OTHER THAN FEDERAL INCOME TAX
 For Twelve Months Ended December 31, 2009
 Average of Monthly Averages Basis

Report ID:
 G-OTX-12A

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
			Direct	Allocated	Direct	Allocated	Direct	Allocated
1	408150	UNDERGROUND STORAGE R&P Property Tax	0	196,660	0	137,564	0	59,096
99	408110	DISTRIBUTION State Excise Tax	7,886,533	0	7,886,533	0	0	0
99	408120	Municipal Occupation & License Tax	9,014,756	0	7,470,361	1,544,395	0	1,544,395
99	408130	Excise Tax	0	0	0	0	0	0
99	408150/70	R&P Property Tax (See Below)	2,126,332	0	1,431,446	694,886	0	694,886
99	408160	Miscellaneous State or Local Tax	0	0	0	0	0	0
99	409100	State Income Tax	92,143	0	92,143	0	0	92,143
		TOTAL	19,119,764	0	16,788,340	2,331,424	0	2,331,424
4	408150	ADMINISTRATIVE & GENERAL R&P Property Tax	0	29,999	0	20,382	0	9,617
		TOTAL TAXES OTHER THAN FIT	19,119,764	226,659	16,788,340	157,946	68,713	2,400,137
		FUNCTIONALIZATION OF R&P PROPERTY TAX--ACCOUNT 1408.15--BASED ON PLANT BALANCES AT: 12-31-2008						
G-ALL		Underground Storage	34,463,930	196,660	34,463,930	196,660	0	0
G-ALL		Distribution	390,954,532	2,126,332	250,850,463	1,431,446	140,104,069	694,886
G-ALL		General	5,601,396	29,999	2,959,052	16,894	2,642,344	13,105
		TOTAL	431,019,858	2,352,991	288,273,445	1,645,000	142,746,413	707,991

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	100.000%	69.950%	30.050%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	100.000%	67.943%	32.057%

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Transaction Analysis Selection: Organization : '%', Project Number : '%', Task : '%'

Accountin Ferc Acct: Source Id:<All> Task Number:<All>

Service	Jurisdiction	Transaction Amount	Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
ED	ID	2,955,247.84	2,955,247.84 0		0
	OR	-165.64	-165.64 0		0
	WA	15,480,504.12	15,480,504.12 0		0
GD	ID	1,544,394.93 0		1,544,394.93 0	
	OR	4,261,831.90 0		0	4,261,831.90
	WA	7,470,360.87 0		7,470,360.87 0	
Total		31,712,174.02	18,435,586.32	9,014,755.80	4,261,831.90