AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4138 (See also, Exhibit No.__ (RLS-5), Schedule 1, for additional supporting documentation):

ER Name: Noxon Unit# 3 Runner Replacement

Pro Forma Amount: $9,265,371

Expended to date: $5,762,262

2010 Transfer to Plant Date: April 2010

Project Description:

The Company is in the middle of a multi-year program to upgrade the Noxon Rapids generating units which are currently using 1950's era technology. The upgrades on these four units are expected to improve efficiency by adding an additional 30 MW of capacity and approximately 6 aMW of energy to the Noxon Rapids project, as well as improve reliability. Illustration No. 4 below summarizes the timing and additional capacity and efficiency gains of these upgrades.

Noxon Rapids Upgrades

Noxon Rapids Unit #	Schedule of Completion	Additional Capacity	Additional Efficiency
1	April 2009	7.5 MW	4.16%
3	April 2010	7.5 MW	4.15%
2	April 2011	7.5 MW	2.42%
4	April 2012	7.5 MW	1.49%

The Unit #1 work consisted of the replacement of the stator core, rewinding the stator, installing a new turbine and performing a complete mechanical overhaul. This upgrade increased the Unit's energy efficiency by 4.16%, and increased the unit rating by 7.5 MW. The upgrade also fixed several reliability concerns for the Unit including mechanical vibration and stator age. This work was completed in 2009. The costs and additional generation of this project were pro formed, and approved for recovery, in Docket No. UE-090134.

The upgrade work on Units 3, 2 and 4 began in 2009 and will continue into 2012. **The Unit #3 upgrade, planned for completion in April 2010, is planned to increase energy efficiency by 4.15%, and boost the unit rating 7.5 MW. The costs and additional generation for Unit #3 were also pro formed, and approved for recovery, in Docket No. UE-090134.**

Unit #2 is scheduled to have a new turbine and complete mechanical overhaul between August 2010 and April 2011. This upgrade is planned to increase Unit #2 efficiency 2.42% and boost the unit rating by 7.5 MW.

The upgrade work at Unit #4 involves the installation of a new turbine and a complete mechanical overhaul from August 2011 through April 2012. The Unit #4 upgrade is planned to increase efficiency 1.49% and increase the unit rating by 7.5 MW.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

The costs associated with Unit #3, which will be completed in April 2010, will total approximately $9.3 million (system), and Unit #2, planned for completion in April 2011, will cost approximately $9.2 million (system), as further described in Company witness Mr. DeFelice's testimony. Company witness Ms. Andrews incorporates the Washington share of these costs in her adjustments. The costs for the upgrade for Noxon Rapids Unit #4 has not been included in this case, but will be included in future rate proceedings.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Start Date: July 2009

End Date: April 2010

See attached timeline at page 75.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 1, for additional supporting documentation, as listed below):

- ER Historical Cost Detail — pg. 3
- Capital Project Request (CPR) Forms, including all attachments — pg. 4 - 6
- Application for Renewable Energy Production Tax Credit Certification — pg. 7 - 38
- FERC – Order Certifying Incremental Hydropower Generation for Production Tax Credit (Noxon Rapids HED Unit #1) – Issued 01/04/10 — pg. 39 - 40
- FERC – Errata Notice for Order Certifying Incremental Hydropower Generation for Production Tax Credit (Noxon Rapids HED Unit #1 — pg. 41
- Economic Studies — pg. 43 - 73
- Project Costs — pg. 74 - 75
- Detailed Timeline — pg. 76
- Contracts — pg. 77 - 115
- Purchase Orders — pg. 116 - 128
- Other Information — pg. 129 - 183

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
CAPITAL PROJECTS

ER No.: 4137 (See also, Exhibit No.__ (RLS-5), Schedule 2, for additional supporting documentation)

ER Name: Noxon Rapids Unit 2 Runner Upgrade

Pro Forma Amount: $9,244,920

Expended to date: $1,870,729

2010 Transfer to Plant Date: April 2011

Project Description:

The Company is in the middle of a multi-year program to upgrade the Noxon Rapids generating units which are currently using 1950's era technology. The upgrades on these four units are expected to improve efficiency by adding an additional 30 MW of capacity and approximately 6 aMW of energy to the Noxon Rapids project, as well as improve reliability. The illustration below summarizes the timing and additional capacity and efficiency gains of these upgrades.

Noxon Rapids Upgrades

Noxon Rapids Unit #	Schedule of Completion	Additional Capacity	Additional Efficiency
1	April 2009	7.5 MW	4.16%
3	April 2010	7.5 MW	4.15%
2	**April 2011**	**7.5 MW**	**2.42%**
4	April 2012	7.5 MW	1.49%

The Unit #1 work consisted of the replacement of the stator core, rewinding the stator, installing a new turbine and performing a complete mechanical overhaul. This upgrade increased the Unit's energy efficiency by 4.16%, and increased the unit rating by 7.5 MW. The upgrade also fixed several reliability concerns for the Unit including mechanical vibration and stator age. This work was completed in 2009. The costs and additional generation of this project were pro formed, and approved for recovery, in Docket No. UE-090134.

The upgrade work on Units 3, 2 and 4 began in 2009 and will continue into 2012. The Unit #3 upgrade, planned for completion in April 2010, is planned to increase energy efficiency by 4.15%, and boost the unit rating 7.5 MW. The costs and additional generation for Unit #3 were also pro formed, and approved for recovery, in Docket No. UE-090134.

Unit #2 is scheduled to have a new turbine and complete mechanical overhaul between August 2010 and April 2011. This upgrade is planned to increase Unit #2 efficiency 2.42% and boost the unit rating by 7.5 MW.

The upgrade work at Unit #4 involves the installation of a new turbine and a complete mechanical overhaul from August 2011 through April 2012. The Unit #4 upgrade is planned to increase efficiency 1.49% and increase the unit rating by 7.5 MW.

AVISTA UTILITIES
CAPITAL PROJECTS

The costs associated with Unit #3, which will be completed in April 2010, will total approximately $9.3 million (system), and Unit #2, planned for completion in April 2011, will cost approximately $9.2 million (system), as further described in Company witness Mr. DeFelice's testimony. Company witness Ms. Andrews incorporates the Washington share of these costs in her adjustments. The costs for the upgrade for Noxon Rapids Unit #4 has not been included in this case, but will be included in future rate proceedings.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Start Date: July 2010

End Date: April 2011

See attached timeline at page 6.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 2, for additional supporting documentation, as listed below:

- ER Cost Detail pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4 – 5
- Economic Studies pg. 6 – 36
- Budget Summary pg. 37
- Detail timeline of project pg. 38 – 39
- Construction Agreement pg. 40 – 45
- Other Information pg. 46 – 76

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4001

ER Name: Kettle Falls Minor Blanket

Pro Forma Amount: $63,561

Expended to Date: $802

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4001 is a blanket ER and is intended to be used for items that occur throughout the year that are unplanned due to addressing safety concerns, equipment failure, correcting problems that come up, and general betterment of the operations.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed by December 31, 2010.

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4101 (See also, Exhibit No.__ (RLS-5), Schedule 3, for additional supporting documentation)

ER Name: Kettle Falls Capital Projects

Pro Forma Amount: $1,753,825

Expended to Date: $50,741

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
Project 1 - Kettle Falls Replace Service Elevator Controls	21205060	$206,000
Project 2 - Kettle Falls Replace Air Heater	21205063	$1,463,000

2010 Transfer to Plant Date: December 31, 2010

Project Description:

Project #1 - Kettle Falls - Replace Service Elevator

The existing elevator at Kettle Falls is an essential operations and maintenance tool required to move people and equipment up and down the seven floors of the operating building. The elevator is part of the original plant and was used extensively during the construction of the plant as well as the succeeding 25 years. This project is to replace the elevator motor, elevator controls, cab enclosure, door operator, and panels with new equipment to return the reliability of the elevator to a like new condition.

Project #2 - Kettle Falls – Replace Air Heater

The primary project at the Kettle Falls Generating Station is the replacement of the Air Heater. The boiler combustion air is preheated by the boiler exhaust in a tubular air heater. Due to the thermal stresses and condensation in this air heater, there are a number of tubes that have broken, cracked, or are significantly eroded. These failed tubes cause several operational issues including taxing the capacity of the ID fan and reticulating flue gas into the combustion air. This project will replace at least the first sixteen rows of tubes from tube sheet to tube sheet.

The overall improvement will increase the heat transfer between the boiler inlet and exhaust and will remove air flow restrictions. With this replacement, some capacity will be recovered that has been lost over the past several years due to corrosion of air heater tubes and the overall load of the ID Fan Motor will be reduced.

Cost of project is $1.4 million. This includes $917,280 for contract construction, for which the bid contract is included.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Offsets:

Project #1 - Kettle Falls - Replace Service Elevator

There are expected costs savings due to reduced costs for elevator service calls. An analysis of these costs were not available when the rate case was finalized, however the company will provided the analysis as the case progresses.

Project #2 - Kettle Falls – Replace Air Heater

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Project #1 - Kettle Falls - Replace Service Elevator

Project Start Date	July 15, 2009
Project End Date	May 1, 2010

Project #2 - Kettle Falls – Replace Air Heater

Project Start Date (RFP going out for bid)	April 1, 2010
Project End Date	July 1, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 3, for additional supporting documentation, as listed below:

Construction Contract Request Form – Kettle Falls - Replace Service Elevator	pg. 3 - 4
Elevator Log - Kettle Falls – Replace Service Elevator	pg. 5
Construction Project Summary – Kettle Falls Replace Air Heater	pg. 6
Capital Project Request (CPR) Forms – Kettle Falls Replace Air Heater	pg. 7 - 10
Construction Contract Request Form – Kettle Falls Replace Air Heater	pg. 11 - 12
Project Specification – Kettle Falls Replace Air Heater	pg. 13 - 23
Project Contracts – Kettle Falls Replace Air Heater	pg. 24 - 29
Inspection Summary – Kettle Falls Replace Air Heater	pg. 30 - 45
Purchase Orders – Kettle Falls Replace Air Heater	pg. 46 - 51

Note: During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4116 (See also, Exhibit No.__ (RLS-5), Schedule 4, for additional supporting documentation)

ER Name: Colstrip Capital Additions

Pro Forma Amount: $2,274,588

Expended to Date: $1,160,007

2010 Transfer to Plant Date: Monthly throughout 2010

Project Description:

The Colstrip capital additions for 2010 include a major waste water treatment plant project for units 3 and 4. This project is an environmental requirement to reduce excess water inventory to help reduce the level of water in the ponds, which will help reduce the potential for seepage and improved groundwater protection. A number of other smaller capital projects will be performed, including mercury control for units 3 and 4 and the replacement of existing boiler retracts with new models with more effective soot blowers. See attached Capital Authorization forms for additional description for specific projects.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This information is generally not provided to Avista by PPLM as we are a part owner (15%) and we do not administer these projects. Our ability to approve or reject these projects is subject to our 15% vote in most cases.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 4, for additional supporting documentation, as listed below):

- Interoffice Memorandum summarizing Projects for 2010 pg. 2
- Common Capital Allocation Worksheet pg. 3
- Capital Project Authorization Form Index pg. 4-6
- Capital Project Authorization Forms pg. 7-53

Note: During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4115 (See also, Exhibit No.__ (RLS-5), Schedule 5, for additional supporting documentation)

ER Name: Kettle Falls Ash Landfill

Pro Forma Amount: $78,418

Expended to Date: $0

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4115 is a blanket ER and is intended to be used for items that occur throughout the year required to maintain the landfill for the ash created through the electric generation process at the Kettle Falls Generating Station. The landfill is monitored by the Northeast Tri-County Health District (under authorization from the Washington Department of Ecology) and is required to be maintained in accordance with permitted conditions.

These conditions can include providing and engineered cover over a mature section of the landfill, and proper development of a new section for ash disposal purposes.

The Company has spent approximately $17,370 on average over the past five years.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This project will be completed in 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 5, for additional supporting documentation, as listed below):

ER Cost Detail for 2005 – 2009 pg. 2

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4104 (See also, Exhibit No.__ (RLS-5), Schedule 6, for additional supporting documentation)

ER Name: Nine Mile Capital Projects

Pro Forma Amount: $3,954,206

Expended to Date: $182,645

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
Nine Mile HED Spillway Gate Installation	20505009	$5,092,072

Note: Costs have increased since the 2010 budget was finalized.

2010 Transfer to Plant Date: December 31, 2010

Project Description:

Nine Mile Spillway Gate Installation – This project is for the installation of a Spillway Gate System as required by a FERC License Agreement. Per FERC License Agreement and Commission Orders, Item 239, Article 301. "*Start of Construction.* The licensee shall commence installing the rubber dam within two years from the issuance date of the license and shall complete construction within 5 years from the issuance date of the license." Per requirement noted the construction should be completed by November 22, 2010.

More specifically, this project is the installation a new pneumatically operated spill gate on the Nine Mile spillway section. This will improve operational performance by not requiring extended operation at lower head as well as eliminate the annual downstream risk associated with tripping flashboards.

Offsets:

Nine Mile Spillway Gate Installation –

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition this project will eliminate the need to install/remove the flashboards on an annual basis, which creates savings of approximately $75,000 of O&M costs.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Timeline:

Nine Mile Spillway Gate Installation –

Project Start Date	January 23, 2009
Project End Date	December 12, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 6, for additional supporting documentation, as listed below):

Nine Mile Spillway Gate Installation –

Detailed Project Costs thru 03/15/2010	pg.3
Capital Project Request (CPR) Forms, including all attachments	pg. 4 - 7
Detailed Timeline of Project	pg. 8
Basis for Design	pg. 9 - 209
Project Contracts	pg. 210 – 228
FERC License	pg. 229 – 395

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4105 (See also, Exhibit No.__ (RLS-5), Schedule 7, for additional supporting documentation)

ER Name: Noxon Rapids Capital Projects

Pro Forma Amount: $7,551,000

Expended to Date: $954,178

Listing of Projects:

Project #	Description	Total Costs	Costs Through March 15, 2010
40105054	Noxon Rapids Forebay and Rack Monitoring	326,657.53	261,096.65
40105074	Noxon Replace GSU Transformers	6,700,500.30	539,369.95
40105061	Noxon Rapids Remodel Control Room	377,961.79	153,711.76
	Noxon Rapids Replace Fork Lift	53,126.00	-
	Noxon Rapids Replace Downstream Warning System	93,016.00	-
2010 Transfer to Plant		7,551,261.62	954,178.36

Project Description:

Project 40105061 – Forebay and Rack Monitoring

This project is to design and install a standard monitoring and indication system for sumps, forebay and tailrace at the Noxon Rapids Hydro Facility.

Project 40105074 – A Bank GSU Replacement Project

This project is to install three new new Generation Step-up (GSU) transformers and one new spare GSU needed for Noxon. The existing GSU's are 50 years old and the output from the upgraded turbine-generators will exceed their capacity. These new transformers are required to match the additional capacity being gained from the Noxon Unit upgrades. Also the existing transformers are 50 years old and will soon be reaching the end of their useful life. Replacing these transformers allowed for the opportunity to move and replace the existing lightning arrestors to the top of the GSU. This provides better protection and locates them away from falling ice.

ABB was contracted in 2008 to design, manufacture, deliver, provide installation supervision, and commission the four GSU transformers in the summer of 2010.

The three GSUs should be on-line and operational roughly around September 1, 2010. The spare should be commissioned and available the following week.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

The new GSU's will be roughly 50% more efficient than the existing transformer, saving a potential $125,000 a year in loss reductions.

Project 40105061 - HED Control Room Remodel

This project is to remodel the Noxon Rapids HED Control room. The remodel includes removal of existing control board and relocation of controls, installation of a raised floor, installation of new control board for emergency spill gates and propane generator, installation of new lighting system, new cabinets and counters, sound proofing, conference room and audio visual equipment. The upgrade also includes replacement of chairs, remodel of plant manager's office and kitchen area.

Offsets:

All of this generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition, the A Bank GSU Replacement Project decreases the amount of electrical losses by approximately $125,000.

Timeline:

Project 40105061 – Forebay and Rack Monitoring

The project started in 2008 and will be completed by December 31, 2010.

Project 40105074 – A Bank GSU Replacement Project

Project Start Date	February 1, 2009
Project End Date	September 7, 2010

Project 40105061 - HED Control Room Remodel

Project Start Date	September 26, 2008
Project End Date	September 7, 2010

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 7, for additional supporting documentation, as listed below):

Project Cost Detail	pg.4 - 5
Noxon Rapids – Forebay and Tailrace	
Capital Project Request (CPR) Forms, including all attachments	pg. 6 - 7
Noxon Rapids - HED Control Room Remodel	
Capital Project Request (CPR) Forms, including all attachments	pg. 8 - 12
Noxon Rapids - GSU Replacement Project A Bank	
Capital Project Request (CPR) Forms, including all attachments	pg. 13 - 17
Economic Studies	pg. 18 - 31
Summary Timeline of Project	pg. 32
Detailed Timeline of Project	pg. 33 - 34
Contractor Selection Criteria	pg. 35 - 114
Other Information	pg. 115 – 118

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 6103 (See also, Exhibit No.__ (RLS-5), Schedule 8, for additional supporting documentation)

ER Name: Clark Fork PM&E Capital Costs

Proforma Amount: $3,595,000

Expended to date: $0

2010 Transfer to Plant Date: $449,000 transferred in March, June and September 2010 and $3,357,000 transferred in December 2010.

Project Description:

Multiple projects are planned for 2010 as part of the protection, mitigation and enhancement (PME) plans. These projects were agreed to as part of the Clark Fork settlement agreement and FERC license received in 2001. A listing of projects and the corresponding FERC requirement is attached.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. The Company expects no other offsets will be realized from these capital projects.

Timeline:

The 2010 Annual Implementation Plan is attached. The Company has submitted the plan and expects approval by March 17, 2010. The approved plan will be finalized on April 12, 2010. All of the projects will begin after that date and will be completed by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 8, for additional supporting documentation, as listed below):

- Detail of Projects Pg. 2
- 2010 Annual Implementation Plan Pg. 3
- Application for License Pg. 4 - 10
- Copies of License Requirements Pg. 11 - 64

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 6107 (See also, Exhibit No.__ (RLS-5), Schedule 9, for additional supporting documentation)

ER Name: Spokane River PM&E Capital Costs

Pro Forma Amount: $457,000

Expended to date: $0

2010 Transfer to Plant Date: December 2010

Project Description:

Multiple projects are planned for 2010 as part of the protection, mitigation and enhancement (PME) plans. These projects were agreed to as part of the Spokane settlement agreement and FERC license received in June 2009. See listing attached of the projects that will be completed in 2010. In addition, the requirement from the license is attached.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. No other offsets are expected for this project.

Timeline:

The recreation and land use plan is expected to be submitted to FERC no later than June 18, 2010, for review and approval. FERC has 60 days to respond.

Once approval is received the bidding process will begin for engineering and design of projects, which is approximately a 30-day process.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 9, for additional supporting documentation, as listed below:

- Detail of projects pg. 2
- Copies of FERC License pg. 3-12

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4000 (See also, Exhibit No.__ (RLS-5), Schedule 10, for additional supporting documentation)

ER Name: Hydro Minor Blanket

Pro Forma Amount: $419,338

Expended to Date: $112,753

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
Cabinet Gorge HED Crane Buss Replacement	30405031	$ 297,500

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4000 is a blanket ER and is intended to be used for items that occur throughout the year that are unplanned due to addressing safety concerns, equipment failure, correcting problems that come up, and general betterment of the operations.

Cabinet Gorge HED – Gantry Crane Buss Replacement

The present power supply buss to the crane has worn out its useful life and does not work properly. The system of energized bus and travelling pickups on the crane are not reliable and the crane has shut off in the middle of work, and presents a significant safety issue. This project would replace the stationary power bus, install a new pickup system on the crane, and replace one of the brakes on the main hook.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Timeline:

General -

Project Start Date	Various
Project End Date	Various

Cabinet Gorge HED – Gantry Crane Buss Replacement

Project Start Date	April 1, 2009
Project End Date	April 30, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 10, for additional supporting documentation, as listed below:

Cabinet Gorge HED – Gantry Crane Buss Replacement

Costs	pg. 3
Capital Project Request (CPR) Forms	pg. 4-10
Construction Contract Request Form	pg. 11-12
Detailed Project Description	pg. 13-20
Project Contracts	pg. 21-24

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4003

ER Name: FERC Hydro Safety Minor Blanket

Pro Forma Amount: $49,963

Expended to Date: $0

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4003 is a blanket ER and is intended to be used for FERC or State Dam Safety. FERC License Compliance, State Permit requirements or similar regulation compliance items that occur throughout the year that are unplanned. These funds are used for enhancements or mitigation of items identified internally or by regulators that need to be addressed in a timely manner.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed by December 31, 2010.

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4004 **(See also, Exhibit No.__ (RLS-5), Schedule 11, for additional supporting documentation)**

ER Name: Spokane River License Implementation

Pro Forma Amount: $339,370

Expended to Date: $71,046

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
Post Falls HED Gate Automation	30005025	$253,000

2010 Transfer to Plant Date: December 31, 2010

Project Description:

General – ER4004 is a blanket ER and is intended to be used for the Spokane River Project FERC License Compliance. These funds are used for enhancements or mitigation of items identified internally or by regulators that need to be addressed in order to assure compliance with our licenses

Post Falls HED Gate Automation - On June 18, 2009, the Federal Energy Regulatory Commission (FERC) issued a new license for the Spokane River Hydroelectric Project (FERC Project No. 2545). Article 401 of the FERC license incorporated the Washington Department of Ecology Certification Conditions Under Section 401 of the Federal Clean water Act in accordance with the FERC license the Post Falls HED is subject to river flow and project release requirements.

The Spokane River license requires a new minimum flow and down ramping requirements. North Channel gate automation will make it much easier to comply with these requirements. With the equipment already installed for automating the large sector gate, installation of new motor starters, gate position indication and PLC expansion will enable remote control of the eight North Channel tainter gates and more precise control of the flows necessary to comply with our minimum flow and down ramp rate restrictions.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Post Falls HED Gate Automation –

Without this project, plant staff would be subject to call out and some scheduled overtime in order to manage the flows to the license. A course calculation that estimates an overtime call out for operations is about $2,300 /yr. The estimated savings was not available at the time the Company's revenue requirement was finalized, and therefore is not currently reflected in the proposed revenue requirement. The other offset of this project is the reduced risk of penalty due to non-compliance with the FERC license and the Idaho 401 Water Quality Certification.

Timeline:

Post Falls HED Gate Automation –

Project Start Date	October 23, 2009
Project End Date	June 1, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 11, for additional supporting documentation, as listed below:

Project Cost Detail	pg.	3
Capital Project Request (CPR) Forms, including all attachments	pg.	4
Project Detailed Costs – Support for above CPR	pg.	5 - 9
Post Falls Estimated Operator Overtime	pg.	10 - 11
FERC License Required Water Quality Permits	pg.	12 - 53

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4103 (See also, Exhibit No.__ (RLS-5), Schedule 12, for additional supporting documentation)

ER Name: Long Lake Capital Projects

Pro Forma Amount: $427,186

Expended to Date: $168,784

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
#1 Long Lake HED Forebay and Tailrace Monitoring	20305025	$206,000
#2 Long Lake HED Replace Powerhouse Roof	n/a	$427,000

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4103 is intended to be used for planned capital improvement projects at the Long Lake HED

#1 Long Lake HED Forebay and Tailrace Monitoring – This project began in 2009 and was inadvertently omitted from the 2010 budget. This project work is to install stilling columns and transmitters at various locations to support multiple efforts to improve dam safety through better water level monitoring of both upstream, trash rack differential, and downstream water levels. In addition, this work will include the installation of several water quality monitoring probes that are required by our new Spokane River FERC licenses. These monitoring probes include a Dissolved Oxygen (DO) sensor and Total Dissolved Gas (TDG) sensors to be used to gather base line data and to quantify various tests that are to be conducted in the next few years as part of the license compliance.

#2 Long Lake HED Replace Powerhouse Roof

This project is to replace the existing roof on the Long Lake Power House Roof. The present roof system leaks and the leakage is increasing. The roof has been patched and repaired a number of times to where repairs are no longer effective. The construction

AVISTA UTILITIES
2010 CAPITAL PROJECTS

costs per contract total $319,000 and other project costs such as labor, engineering and AFUDC are $108,000.

Offsets:

#1 Long Lake HED Forebay and Tailrace Monitoring –

There are no anticipated offsets to this project

#2 Long Lake HED Replace Powerhouse Roof –

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition, this will create labor savings of approximately $2,000, as labor was needed to patch and repair leaks as they occurred.

Timeline:

#1 Long Lake HED Forebay and Tailrace Monitoring

Project Start Date	January 9, 2009
Project End Date	October 31, 2010

#2 Long Lake HED Replace Powerhouse Roof

Project Start Date	May 1, 2010
Project End Date	November 30, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 12, for additional supporting documentation, as listed below):

- Costs pg. 3
- Capital Project Request (CPR) Forms for #1 Forebay pg. 4-8
- Project Summary pg. 9
- 2009 #2 Little Falls Re-Roof Contract (cost basis) pg. 10-13

Note: During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4106 (See also, Exhibit No.__ (RLS-5), Schedule 13, for additional supporting documentation)

ER Name: Post Falls Capital Projects

Pro Forma Amount: $300,000

Expended to Date: $28,012

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4106 is intended to be used for planned capital improvement projects at the Post Falls HED. Of the $300,000 balance there is one large project for the Post Falls Forebay Tailwater Monitoring system for approximately $150,000. This project is for the installation of the forebay, tailwater monitoring, and indication system. With this monitoring, it will bring Post Falls to the new hydro plant standard, as well as being the recommended monitoring by FERC. This project will also include installing controls for the north channel spillway to ensure proper flows as outlined in the Spokane River relicense agreement. The remaining balance of $150,000, are for miscellaneous small projects at the Post Falls HED.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition, the projects will create efficiencies for the plant operators and as a result there will be labor savings of approximately $1,560, which has been pro formed in the case.

Timeline:

These projects will be completed and put in to service by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 13, for additional supporting documentation, as listed below):

Project Cost Detail	pg. 2
Capital Project Request (CPR) Forms	pg. 3 - 6

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4108 (See also, Exhibit No.__ (RLS-5), Schedule 14, for additional supporting documentation)

ER Name: System Battery Replacement Projects

Pro Forma Amount: $68,470

Expended to Date: $184

2010 Transfer to Plant Date: December 31, 2010

ER Description:

ER4108 is intended to be used for planned station protection and control battery replacements projects at all generating facilities.

We spent $51,205 during 2009 and on average we have spent $121,000 per year over the past five years.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 14, for additional supporting documentation, as listed below):

History of costs pg. 2 - 6

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4109 (See also, Exhibit No.__ (RLS-5), Schedule 15, for additional supporting documentation)

ER Name: Upper Falls HED Capital Projects

Pro Forma Amount: $130,785

Expended to Date: $63,925

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4109 is intended to be used for planned capital improvement projects at the Upper Falls HED

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 15, for additional supporting documentation, as listed below):

Cost Detail pg. 2 - 3

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4117 (See also, Exhibit No.__ (RLS-5), Schedule 16, for additional supporting documentation)

ER Name: Monroe Street HED Capital Projects

Pro Forma Amount: $126,614

Expended to Date: $0

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4117 is intended to be used for planned capital improvement projects at the Monroe Street HED

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This project will be completed in 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 16, for additional supporting documentation, as listed below):

Construction Project Summary	pg.	2
Monroe Street HED Case Study	pg.	3 - 9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 6001

ER Name: Hydro Generation Minor Blanket

Pro Forma Amount: $25,000

Expended to date: $0

2010 Transfer to Plant Date: December 31, 2010

Project Description:

This project is for minor capital maintenance at the Hydro facilities.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This project will be completed by December 31, 2010.

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 6100 (See also, Exhibit No.__ (RLS-5), Schedule 17, for additional supporting documentation)

ER Name: Clark Fork License/Compliance

Pro Forma Amount: $400,049

Expended to date: $227,590

2010 Transfer to Plant Date: December 31, 2010

Project Description:

The Noxon Tech Office is being built to replace the existing office which is currently being housed in a trailer. This trailer was not designed to be utilized as many years as it has and the current state of repair would be more costly than the construction of a new permanent office building. The cost of this project is $400,000 and is included on page 4 of the attachments.

The Company has also incurred $224,000 of costs for projects that were started in 2008 and 2009, which did not get completed by December 31, 2009. These projects were inadvertently omitted from the 2010 Transfer to Plant information and therefore omitted from the Pro Forma adjustment. These projects, descriptions and associated costs are included as an attachment on pages 2-3.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed 12/31/2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 17, for additional supporting documentation, as listed below):

Costs	pg. 2-3
Capital Project Request (CPR) Forms	pg. 4-7

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4114 (See also, Exhibit No.__ (RLS-5), Schedule 18, for additional supporting documentation)

ER Name: CS2 Joint Share Projects

Pro Forma Amount: $342,000

Expended to Date: $121,106

2010 Transfer to Plant Date: Monthly throughout 2010

Project Description:

There are a number of project improvements planned for 2010 from 3rd party operators, including the upgrade the Attemperator valve, which is part of the heat recovery steam generator, to enhance steam temperature control and system reliability. Other smaller projects planned for 2010 include the replacement of heat exchangers, installation of ammonia dilution heating equipment, battery replacement, and several smaller PGE/Avista shared projects to improve safety and reliability.

We spent $490,103 during 2009 and on average we have spent $238,630 per year over the past five years.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

These projects will be completed by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 18, for additional supporting documentation, as listed below):

Project Summary	pg. 2
History of costs	pg. 3

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4132 (See also, Exhibit No.__ (RLS-5), Schedule 19, for additional supporting documentation)

ER Name: CS2 Capital Projects

Pro Forma Amount: $855,000

Expended to date: $34,171.28

2010 Transfer to Plant Date: Monthly during 2010

Project Description:

Other - Coyote Springs 2 (CS2) Capital Projects

There are a number of project improvements planned for 2010, including the upgrade of the Attemperator valve, which is part of the heat recovery steam generator, to enhance steam temperature control and system reliability. Other smaller projects planned for 2010 include the replacement of heat exchangers, installation of ammonia dilution heating equipment, battery replacement, and several smaller PGE/Avista shared projects to improve safety and reliability.

Improvements that are listed under ER 4132 along with expected dollars are as follows:

Description	Amount	Project Number
Steam Turbine Attemperator	300,000	61005028
Blanket for Emergent work	200,000	61005027
CCW Heat Exchangers	100,000	-
Ammonia Dilution Heating	50,000	-
Battery Replacement	60,000	-
Fuel gas heating	50,000	-
Penthouse ventilation	50,000	-
Exciter Upgrade	35,000	-
Platforms	10,000	61005025
Total	**855,000**	

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Improvements are due to be completed during 2010.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 19, for additional supporting documentation, as listed below:

- ER Cost Detail pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4 - 6

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4113 (See also, Exhibit No.__ (RLS-5), Schedule 20, for additional supporting documentation)

ER Name: Boulder Park Generating Station Capital Projects

Pro Forma Amount: $410,000

Expended to Date: $556,943

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4113 is intended to be used for planned capital improvement projects at the Boulder Park Generating Station

Boulder Park Generating Station – Spare Engine Purchase/Storage

The engine models that are installed at Boulder Park are no longer actively made by Wärtsila, the engine manufacturer. While it is still supported, spare parts are not quickly available from Wärtsila should a forced outage occur. The company has actively pursued the sale of this spare engine for a number of years with no success. Since this engine has been purchased, it is considered a strategic benefit for our operation to have this engine available for spare parts at our site to service our station.

This project is to modify the building to store engine, transfer engine cost from Suspense account and relocate engine to boulder Park from Finland. The engine was shipped from Finland in 2009 and stored at a temporary platform at the Boulder Park GS site.

In the first part of 2010 we will construct a permanent extension to the present building to house this unit for long term care and storage.

This project was started in 2009 and had spent $533,422, however the project was not complete, so it was not transferred.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Timeline:

Boulder Park Generating Station – Spare Engine Purchase/Storage

Project Start Date	June 1, 2009
Project End Date	June 30, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 20, for additional supporting documentation, as listed below):

Boulder Park Generating Station – Spare Engine Purchase/Storage

Capital Project Budget Item Summary	pg. 3
Construction Contract Request Form	pg. 4 - 5
Capital Project Request (CPR) Form	pg. 6 - 10
Cost Detail	pg. 11

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4002 (See also, Exhibit No.__ (RLS-5), Schedule 21, for additional supporting documentation)

ER Name: Combustion Turbine Minor Blanket

Pro Forma Amount: $86,961

Expended to Date: $71,429

2010 Transfer to Plant Date: December 31, 2010

Project Description:

Two of the projects that will transfer are:

- **31005014 –** RCT CEMS Data Logger Replacement
  - The 2 current ESC 8816 Data loggers one for each unit have become obsolete. The current data loggers have not been produced since 2005 and ESC will no longer provide parts or product support.
- **31005016 –** RCT Install Air Compressors
  - This project is to install air compressor systems for each unit at Rathdrum to supply air to the emissions analyzer and air powered tools for maintenance.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads.

Timeline:

This project will be completed in 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 21, for additional supporting documentation, as listed below:

Detail of costs through March 14, 2010. pg. 2

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4118(See also, Exhibit No.__ (RLS-5), Schedule 22, for additional supporting documentation)

ER Name: Northeast Combustion Turbine Capital Projects

Pro Forma Amount: $212,817

Expended to Date: $728,476

Major Project(s) (over $200,000):

Project Name	Project Number	Amount
Northeast CT Install Control and Storage Building	21305013	$290,000
Northeast CT Control Upgrade	21305008	$909,000

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4118 is intended to be used for planned capital improvement projects at the Northeast CT.

1. **Northeast CT Install Control and Storage Building -** The shop storage and office facilities at the Northeast CT have been in need of replacement or enhancement for several years. There is also a need to relocate the 125V DC battery rack out of the control room. In addition, the air start pack has caused issues in the past with drain lines from the tanks freezing. Including a "closet" in the new building to contain the battery rack and enclosing the air pack in the new building will solve these two issues. These three building requirements are to be handled as one construction project in order to simplify the contract & construction process as well as possibly combining multiple needs into one solution.
2. **Northeast CT Control Upgrade -** The Northeast CT has experienced a number of start failures over the past few years due to the age and condition of the control system. These failures are causing concerns in Avista's ability to meet its WECC reserve requirements as this is the main use for this plant. The project under will be done in two parts. The main part will replace the present relay-based Hamilton Standard controller with a new microprocessor type controller. In addition, related plant systems will be replaced as determined during the design process and cost analysis after proposals are received from the contractors. The second part will add all necessary equipment to send SCADA information, evaluate and redesign the current battery equipment and location, and any other minor equipment that needs to be replaced or rewired. The Northeast CT Control Upgrade project was started in 2009 and not completed. This project inadvertently did not get included in the 2010 transfers to plant.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Northeast CT Install Control and Storage Building –

Project Start Date	August 15, 2009
Project End Date	September 30, 2010

Northeast CT Control Upgrade –

Project Start Date	September 15, 2007
Project End Date	January 31, 2010

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 22, for additional supporting documentation, as listed below):

Project #1 - Northeast CT Install Control and Storage Building –

ER Costs Through March 15, 2010	pg. 3
Capital Project Request (CPR) Forms and support (Project 1)	pg. 4 - 7
Construction Contract Request Form	pg. 8 - 9

Project #2 - Northeast CT Control Upgrade –

Capital Project Request (CPR) Forms and support (Project 2)	pg. 10 - 13
Construction Agreement	pg. 14 – 20
Construction Agreement Supplement No. 1	pg. 21 – 22
Scope of Work	pg. 23 – 33
Basis of Design	pg. 34 – 43
Technical Specification	pg. 44 – 137
Reliability Record	pg. 138 – 139
Purchase Orders	pg. 140 – 150

Note: During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
2010 CAPITAL PROJECTS

ER No.: 4121 (See also, Exhibit No.__ (RLS-5), Schedule 23, for additional supporting documentation)

ER Name: Control Network Blanket

Pro Forma Amount: $192,847

Expended to Date: $140,227

2010 Transfer to Plant Date: December 31, 2010

Project Description:

ER4121 is used for items that are needed to manage the computer network and communications system used to manage and control the generating assets. These include addressing NERC cyber requirements, hardware and software upgrades, phone systems, surveillance systems, warning systems and other items that are both planned and unplanned. These items are for the general betterment of the security, operations, and communications of the generating assets.

See project cost details attached, which identifies four projects that were started in 2009 and will be completed and put in to services during 2010.

Offsets:

This generation plant investment is included in the power cost calculation (Aurora model) and included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Projects will be completed by December 31, 2010.

Attachment Index (See Exhibit No.__ (RLS-5), Schedule 23, for additional supporting documentation, as listed below):

Project Cost Detail	pg. 2 - 3
Capital Project Request (CPR) Forms	pg. 4 - 18

Note: During the course of Avista's pending general rate case, updated information will be available for audit.