(0003	S OF DOLLARS)	WI	TH PRESENT RAT	ES	WITH PROPO	OSED RATES
		Actual Per			Proposed	Pro Forma
Line		Results	Total	Pro Forma	Revenues &	Proposed
No.	DESCRIPTION	Report	Adjustments	Total	Related Exp	Total
	а	. в	c	_ d	е	f
	REVENUES					
1	Total General Business	\$407,849	\$ (17,696)	\$390,153	\$69,762	\$459,915
2	Interdepartmental Sales	800	(, ,	800	,2	800
3	Sales for Resale	126,479	(59,973)	66,506		66,506
4	Total Sales of Electricity	535,128	(77,669)	457,459	69,762	527,221
5	Other Revenue	36,572	(26,892)	9,680	,	9,680
6	Total Electric Revenue	571,700	(104,561)	467,139	69,762	536,901
	EXPENSES					
	Production and Transmission					
7	Operating Expenses	175,800	2,971	178,771		100 001
8	Purchased Power	147,076	(70,456)	76,620		178,771
9	Depreciation and Amortization	23,675	8,141	•		76,620
10	Taxes	8,935	2,443	31,816		31,816
11	Total Production & Transmission	355,486		11,378	0	11,378
••	· ·	333,480	(56,901)	298,585	U	298,585
	Distribution					
12	Operating Expenses	17,279	3,643	20,922		20,922
13	Depreciation	14,599	1,841	16,440		16,440
14	Taxes	33,186	(14,044)	19,142	2,695	21,837
15	Total Distribution	65,064	(8,560)	56,504	2,695	59,199
16	Customer Accounting	8,559	25	8,584	. 181	8,765
17	Customer Service & Information	11,359	(10,649)	710	101	710
18	Sales Expenses	696	61	757		757
	Alleidand 0.0					
19	Administrative & General	25.147				
20	Operating Expenses	35,147	5,238	40,385	140	40,525
21	Depreciation Taxes	7,022	2,061	9,083		9,083
22	Total Admin. & General	42.160	252	252		252
	Total Electric Expenses	42,169	7,551	49,720	140	49,860
20	Your Electric Expenses	483,333	(68,473)	414,860	3,016	417,876
24	OPERATING INCOME BEFORE FIT	88,367	(36,088)	52,279	66,746	119,025
	FEDERAL INCOME TAX					
	Current Accrual	16.750	(17.055)	(1.00()	22.24	
	Deferred Income Taxes	16,759	(17,855)	(1,096)	23,361	22,265
	Amortized Investment Tax Credit	3,070	6,276	9,346		9,346
2,	Amortized investment Tax Credit					
28	SETTLEMENT EXCHANGE POWER				·	
29	NET OPERATING INCOME	\$68,538	(\$24,509)	\$44,029	\$43,385	¢07.414
		- 400,550	(424,507)	344,029	343,363	\$87,414
	RATE BASE					
	PLANT IN SERVICE					
30	Intangible	\$22,439	\$56,039	\$78,478		\$78,478
31	Production	656,077	106,142	762,219		762;219
32	Transmission	285,760	10,556	296,316		296,316
33	Distribution	552,007	55,301	607,308		607,308
34	General	88,036	21,562	109,598		109,598
35	Total Plant in Service	1,604,319	249,600	1,853,919	0	1,853,919
36	ACCUMULATED DEPRECIATION	543,584	67,357	610,941		610,941
37	ACCUM. PROVISION FOR AMORTIZATION	6,907	57,728	64,635		64,635
38	Total Accum. Depreciation & Amort.	550,491	125,085	675,576	0	675,576
	GAIN ON SALE OF BUILDING	•	(194)	(194)	-	(194)
40	DEFERRED TAXES		(171,073)	(171,073)		(171,073)
41	TOTAL RATE BASE	£1 052 020	(61/ 770-	#1.00= c=:		
	RATE OF RETURN	\$1,053,828	(\$46,752)	\$1,007,076	\$0	\$1,007,076
7.6 I	ATTE OF RETURN	6.50%		4.37%		8.68%

Calculation of General Revenue Requirement Washington - Electric System TWELVE MONTHS ENDED SEPTEMBER 30, 2008

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$1,007,076
. 2	Proposed Rate of Return	8.68%
3	Net Operating Income Requirement	\$87,414
4	Pro Forma Net Operating Income	\$44,029
5	Net Operating Income Deficiency	\$43,385
. 6	Conversion Factor	0.621901
7	Revenue Requirement	\$69,762
8	Total General Business Revenues	\$390,953
9	Percentage Revenue Increase	17.84%

Revenue Conversion Factor Washington - Electric System

TWELVE MONTHS ENDED SEPTEMBER 30, 2008

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.002599
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038629
5	Franchise Fees	0.000000
6	Total Expense	0.043229
7	Net Operating Income Before FIT	0.956771
8	Federal Income Tax @ 35%	0.334870
9	REVENUE CONVERSION FACTOR	0.621901

Not Done **Done**

Line	I control of the cont	Per Results	Deferred FIT	Deferred Gain on Office	Colstrip 3 AFUDC	Colstrip Common	Kettle Falls
No.	DESCRIPTION	Report b	Rate Base	Building	Elimination	AFUDC	Disallow.
	a ·	- D	С	d	e	f	g
	REVENUES						
1	Total General Business	\$407,849					
2	Interdepartmental Sales	800					
3	Sales for Resale	126,479					
4	Total Sales of Electricity	535,128	0	0	0	0	0
5	Other Revenue	36,572					
6	Total Electric Revenue	571,700	0	0	0	0	0
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	175,800					
8	Purchased Power	147,076					
9	Depreciation and Amortization	23,675			(202)		
10	Taxes	8,935			(202)		
11	Total Production & Transmission	355,486	0	0	(202)	0	0
					• •		
	Distribution	•					
12	Operating Expenses	17,279					
13	Depreciation	14,599					
14	Taxes	33,186				*	
15	Total Distribution	65,064	0	, 0	0	0	0
16	Customer Accounting	8,559					
17	Customer Service & Information	11,359					
18	Sales Expenses	696					
	Administrative & General						
19	Operating Expenses	35,147					
20	Depreciation	7,022					
21 22	Taxes Total Admin. & General	42,169	0	0	0		
				0		0	0
23	Total Electric Expenses	483,333	0	0	(202)	0 .	0
24	OPERATING INCOME BEFORE FIT	88,367	0	0	202	0	0
		•					
	FEDERAL INCOME TAX						*
25	Current Accrual	16,759					
26	Deferred Income Taxes	3,070					56
							
27	NET OPERATING INCOME	\$68,538	\$0	\$0	• \$202	\$0	(\$56)
						•	
	RATE BASE						
20	PLANT IN SERVICE	622.420					
28 29	Intangible Production	\$22,439			(5.150)	127	(5.040)
30	Transmission	656,077 285,760			(7,452)	436	(5,248)
31	Distribution	552,007					
32	General	88,036					
33	Total Plant in Service	1,604,319	0	0	(7,452)	436	(5,248)
			3	v		450	
34	ACCUMULATED DEPRECIATION	543,584			(5,496)		(3,796)
25 36	ACCUM. PROVISION FOR AMORTIZATION	6,907			(5.100)		(0.50)
36 37	Total Accum. Depreciation & Amort.	550,491	0	0	(5,496)	0	(3,796)
38	GAIN ON SALE OF BUILDING DEFERRED TAXES		(142,713)	(194) 68			598
			(172,/13)				370
39	TOTAL RATE BASE	\$1,053,828	(\$142,713)	(\$126)	(\$1,956)	\$436	(\$854)
40	RATE OF RETURN	6.50%	·				

T :			D	Settlement	0.11	Eliminate		
Line No.	DESCRIPTION	Customer Advances	Depreciation True-up	Exchange Power	Subtotal Actual	B & O Taxes	Property	Uncollect.
110.	a a	h	i i	j	Actual	k	Tax 1	Expense
	•	•	•	,			•	111
	REVENUES							
l	Total General Business				\$407,849	\$ (13,744)		
2	Interdepartmental Sales				800			
3	Sales for Resale				126,479			
4	Total Sales of Electricity	. 0	0	. 0	535,128	(13,744)	0	0
5	Other Revenue				36,572	(16)		
6	Total Electric Revenue	0	0	0	571,700	(13,760)	0	0
	EXPENSES							
	Production and Transmission				•			
7	Operating Expenses				175,800			
8	Purchased Power				147,076			
9	Depreciation and Amortization		(685)		22,788			
10	Taxes		()		8,935		2,085	
11	Total Production & Transmission	0	(685)	0	354,599	0	2,085	0
	mt - 4 - 2							
	Distribution							
12	Operating Expenses				17,279			
13	Depreciation		857		15,456			
14	Taxes	-			33,186	(13,726)	(643)	
15	Total Distribution	0	857	0	65,921	(13,726)	(643)	0
16	Customer Accounting				9.550			(108)
17	Customer Service & Information				8,559			(108)
18	Sales Expenses				11,359 696			
10	Gales Expenses				090			
	Administrative & General							
19	Operating Expenses				35,147			
20	Depreciation		(232)		6,790			
21	Taxes					•	3	
22	Total Admin. & General	0	(232)	0	41,937	0	3	0
23	Total Electric Expenses	0	(60)	0	483,071	(13,726)	1,445	(108)
24	OPERATING INCOME BEFORE FIT	0	(0	0	00.620	(24)	71.446	
24	OPERATING INCOME BEFORE FIT	U	60	0	88,629	(34)	(1,445)	108
	FEDERAL INCOME TAX							
25	Current Accrual		21		16,780	(12)	(506)	38
26	Deferred Income Taxes				3,126			
27	NET OPERATING INCOME	\$0	\$39	\$0	\$68,723	(\$22)	(\$939)	\$70
	·	*					/	
	RATE BASE							
	PLANT IN SERVICE							
28	Intangible				\$22,439			
29	Production			79,626	723,439			
30	Transmission				285,760			
31	Distribution	(231)			551,776			
32	General				88,036			
33	Total Plant in Service	(231)	0	79,626	1,671,450	0	0	0
34	ACCUMULATED DEPRECIATION				534,292			
25	ACCUM. PROVISION FOR AMORTIZATION			57,168	64,075			
36	Total Accum. Depreciation & Amort.	0	0	57,168	598,367	0	0	0
37	GAIN ON SALE OF BUILDING				(194)			
38	DEFERRED TAXES			(4,036)	(146,083)	, · · · · · · · · · · · · · · · · ·		
39	TOTAL RATE BASE	(\$231)	\$0	\$18,422	\$926,806	\$0	¢n.	¢Λ
	=	(\$231)	ÞU	\$10,422		20	\$0	
40	RATE OF RETURN				7.42%			

Line No.	DESCRIPTION	Regulatory Expense	Injuries and Damages	FIT	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Eliminate A/R Expenses	Office Space Charges to Subsidiaries
1101	a	n Expense	0	<u>ги ј</u>	q	r	s	t
•	REVENUES				•			
1	Total General Business				\$ (32,702)			
2	Interdepartmental Sales				\$ (32,702)			
3	Sales for Resale							
4	Total Sales of Electricity	0	0	0	(32,702)	0	0	(
5	Other Revenue				(,:)	Ť	Ū	`
6	Total Electric Revenue	0	0	0	(32,702)	0	0	(
	EXPENSES .							
	Production and Transmission							
7	Operating Expenses				(17,668)	9		
8	Purchased Power							
9	Depreciation and Amortization				*			
10	Taxes							
11	Total Production & Transmission	0	0	0	(17,668)	9	0	C
	Distribution							
12	Operating Expenses							
13	Depreciation							
14	Taxes				(1,262)			
15	Total Distribution	0	. 0	0	(1,262)	0	0	O
16	Customer Accounting				(104)		(516)	
17	Customer Service & Information				(101)		(310)	
18	Sales Expenses							
	Administrative & General							
19	Operating Expenses	80	86		(62)			(8
20	Depreciation				(02)			(0
21	Taxes							
22	Total Admin. & General	80	86	0	(62)	0	0	(8
23	Total Electric Expenses	80	86	0	(19,096)	9	(516)	(8
24	OPERATING INCOME BEFORE FIT	(80)	(86)	0	(13,606)	(9)	516	
	FEDERAL INCOME TAX							
25	Current Accrual	(28)	(30)	1,715	(10,946)	(3)	181	3
26	Deferred Income Taxes			36	6,184			
27	NET OPER ATING INCOME	(0.50)	(0.5)					······································
27	NET OPERATING INCOME	(\$52)	(\$56)	(\$1,751)	(\$8,844)	(\$6)	\$335	\$5
	RATE BASE							
	PLANT IN SERVICE							
28	Intangible						-	
29	Production							
30	Transmission							
31	Distribution							
32	General							
33	Total Plant in Service	0	0	0	0	0	0	0
	ACCUMULATED DEPRECIATION							
	ACCUM. PROVISION FOR AMORTIZATION							
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	0	. 0
	GAIN ON SALE OF BUILDING							
38	DEFERRED TAXES							
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0

T !		Restate		Revenue		Restate	
Line No.	DESCRIPTION	Excise Taxes	Net Gains/losses	Normalization	Misc Restating	Debt Interest	Restated TOTAL
	a	u	V V	<u>-</u>	x x	y	Z
	-					. •	
1	REVENUES Total General Business			***			
2	Interdepartmental Sales			\$28,750			\$390,153
3	Sales for Resale						800
4	Total Sales of Electricity	- 0	0	28,750	. 0	0	126,479 517,432
5	Other Revenue	V	v	432	. 0	V	36,988
6	Total Electric Revenue	0	0	29,182	0	0	554,420
	EVERYORS						•
	EXPENSES Production and Transmission						
7	Operating Expenses			(70)			
8	Purchased Power			(70)			158,071
9	Depreciation and Amortization			2,688			147,076
10	Taxes			2,000			25,476
11	Total Production & Transmission	. 0	0	2,618	0	0	11,020 341,643
			•	2,010	v	v	541,045
	Distribution			•			
12	Operating Expenses						17,279
13	Depreciation		(122)				15,334
14	Taxes	31		1,127			18,713
15	Total Distribution	31	(122)	1,127	0	0	51,326
16	Customer Accounting			76			7,907
17	Customer Service & Information			(10,688)			671
18	Sales Expenses			(,,			696
	11 11 1 1 0 0		,				
19	Administrative & General						
20	Operating Expenses Depreciation			58	(214)		35,087
21	Taxes			•			6,790
22	Total Admin. & General	0	0	58	(214)	0	41,880
23	Total Electric Expenses	31	(122)	(6,809)		. 0	
	Total Electric Expenses		(122)	(0,809)	(214)		444,123
24	OPERATING INCOME BEFORE FIT	(31)	122	35,991	214	0	110,297
	FEDERAL INCOME TAX						
25	Current Accrual	(11)	43	12.507		((00)	10.010
26	Deferred Income Taxes	(11)	43	12,597	75	(683)	19,213
							9,346
27	NET OPER ATING INCOME						•
27	NET OPERATING INCOME	(\$20)	\$79	\$23,394	\$139	\$683	\$81,738
	RATE BASE						
	PLANT IN SERVICE						
28	Intangible						\$22,439
29	Production			•			723,439
30	Transmission						285,760
31	Distribution						551,776
32	General						88,036
33	Total Plant in Service	0	0	0	0	0	1,671,450
34	ACCUMULATED DEPRECIATION						534,292
	ACCUM. PROVISION FOR AMORTIZATION						64,075
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	598,367
	GAIN ON SALE OF BUILDING						(194)
38	DEFERRED TAXES						(146,083)
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	40	\$026.806
			- JV	.DU	20	\$0	\$926,806
40	RATE OF RETURN						8.82%

Line		Pro Forma Power	Pro Forma Prod Property	Pro Forma Labor	Pro Forma Labor	Pro Forma Transmission	Pro Forma Capital Add
No.	DESCRIPTION a	Supply PF1	Adj PF2	Non-Exec PF3	Exec PF4	PF5	2008 PF6
	~		* * 4				
	REVENUES						
i	Total General Business						
2	Interdepartmental Sales	(5((22)	(2.250)				
3 4	Sales for Resale Total Sales of Electricity	(56,623)	(3,350)	0	0	0	0
5	Other Revenue	(27,028)	(304)	V	V	24	v
6	Total Electric Revenue	(83,651)	(3,654)	0	0	24	0
	EXPENSES						
7	Production and Transmission	10.017	(9.740)	1.021	0	102	
7 8	Operating Expenses Purchased Power	19,916 (66,597)	(8,749) (3,859)	1,031	9	103	
9	Depreciation and Amortization	(60,397)	(3,839)				(77)
10	Taxes		(201)				(//)
11	Total Production & Transmission	(46,681)	(13,576)	1,031	9	103	(77)
	D: (] (
12	Distribution Operating Evenences			0.43			
12 13	Operating Expenses Depreciation			842		r	296
13	Taxes						290
15	Total Distribution	0	0	842	0	0	296
16	Customer Accounting			348			
17 18	Customer Service & Information Sales Expenses			20 31			
10	omes, Expenses			51			
	Administrative & General						
19	Operating Expenses			715	230	•	
20	Depreciation						509
21	Taxes			716	220		500
22	Total Admin. & General	0	0	715	230	0	509
23	Total Electric Expenses	(46,681)	(13,576)	2,987	239	103	728
24	OPERATING INCOME BEFORE FIT	(36,970)	9,922	(2,987)	(239)	(79)	(728)
		(00,7.0)	*,*==	(=,,,,,	(237)	(,,,	(120)
	FEDERAL INCOME TAX						
25	Current Accrual	(12,940)	3,473	(1,045)	(84)	(28)	(255)
26	Deferred Income Taxes						
27	NET OPERATING INCOME	(\$24,030)	\$6,449	(\$1,942)	(\$155)	(\$51)	(\$473)
	DATEDACE						
	RATE BASE PLANT IN SERVICE						
28	Intangible		\$ (2,377)				\$349
29	Production		(14,014)				18,107
30	Transmission		(5,854)				9,165
31	Distribution		(-,)				26,515
32	General						9,697
33	Total Plant in Service	0	(22,245)	0	0	0	63,833
34	ACCUMULATED DEPRECIATION		(7.324)				35,387
25	ACCUM. PROVISION FOR AMORTIZATION						
36	Total Accum. Depreciation & Amort.	0	(7,324)	0	0	0	35,387
37	GAIN ON SALE OF BUILDING		2.121				/= 00·11
38	DEFERRED TAXES		2,421				(7,001)
39	TOTAL RATE BASE	\$0	(\$12,500)	\$0	\$0	\$0	\$21,445
40	RATE OF RETURN						
40	KATE OF RETURN						

Line	DESCRIPTION	Pro Forma Capital Add 2009	Pro Forma Noxon Gen 2010	Pro Forma Asset Management	Pro Forma Information Services	Pro Forma Spokane Rvr Relicensing	Pro Forma CDA Tribe Settlement
No.	a a	PF7	PF8	PF9	PF10	PF11	PF12
	.						
	REVENUES						
1	Total General Business						
2	Interdepartmental Sales						
3	Sales for Resale	0	0	0	0	0	0
4 5	Total Sales of Electricity Other Revenue	V	U	U	U	V	U
6	Total Electric Revenue	0	0	0	0	0	0
Ü	Total Eloctio Revenue	Ů	·	•			
	EXPENSES						
	Production and Transmission						
7	Operating Expenses			874		1,677	
8	Purchased Power						
9	Depreciation and Amortization	722	158			1,959	829
10	Taxes	477	82			2 (2)	800
11	Total Production & Transmission	1,199	240	874	0	3,636	829
	Service of the servic						
	Distribution			2.022			
12	Operating Expenses	910		2,023			-
13	Depreciation	810 429					
14 15	Taxes Total Distribution	1,239	0	2,023	0	0	0
15	Total Distribution	1,239	U	2,023	U	U	U
16	Customer Accounting						
17	Customer Service & Information						
18	Sales Expenses						
, ,	Sales Silpenses						•
	Administrative & General						
19	Operating Expenses				1,752		
20	Depreciation	1,784					
21	Taxes	249					
22	Total Admin. & General	2,033	0	0	1,752	0	0
23	Total Electric Expenses	4,471	240	2,897	1,752	3,636	829
2.5	Total Electric Expenses		2.0	2,02.	1,102		
24	OPERATING INCOME BEFORE FIT	(4,471)	(240)	(2,897)	(1,752)	(3,636)	(829)
		(, ,	` ,	, ,	. ,	, , ,	
	FEDERAL INCOME TAX						
25	Current Accrual	(1,565)	(84)	(1,014)	(613)	(1,273)	(290)
26	Deferred Income Taxes						
27	NET OPERATING INCOME	(\$2,906)	(\$156)	(\$1,883)	(\$1,139)	(\$2,363)	(\$539)
	RATE BASE						
	PLANT IN SERVICE						
28	Intangible	\$5,498				\$26,703	\$25,866
29	Production	24,825	5,464				
30	Transmission	7,245					
31	Distribution	29,017					
32	General	11,865	E 474	0	0	26,703	25,866
33	Total Plant in Service	78,450	5,464	U	0	20,703	
34	ACCUMULATED DEPRECIATION	47,867	56				663
25	ACCUM. PROVISION FOR AMORTIZATION					560	
36	Total Accum, Depreciation & Amort.	47,867	56	0	0	560	663
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES	(7,647)	(22)			(2,818)	(8,384)
_						***	a:- a:-
39	TOTAL RATE BASE	\$22,936	\$5,386	\$0	\$0	\$23,325	\$16,819

Line		Pro Forma Montana	Pro Forma Colstrip Mercury	Pro Forma Incentives	Pro Forma O&M Plant	Pro Forma Employee
No.	DESCRIPTION a	Lease PF13	Emiss. O&M	PF15	Expense PF16	Benefits PF17
	a	1113	1114	1115	1110	1117
	REVENUES					
I	Total General Business					
2	Interdepartmental Sales					
3	Sales for Resale		0	0	0	0
4	Total Sales of Electricity	0	U	U	U	U
5 6	Other Revenue Total Electric Revenue	0	0	0	0	0
Ü	Total Electric Revenue	•	Ų	v	·	
	EXPENSES					
	Production and Transmission					
7	Operating Expenses		1,873		2,269	1,041
8	Purchased Power					
9	Depreciation and Amortization	3,516				
10	Taxes	3,516	1,873	0	2,269	1,041
11	Total Production & Transmission	3,310	1,073	U	2,209	1,041
	Distribution					
12	Operating Expenses					778
13	Depreciation				*	
14	Taxes					
15	Total Distribution	0	0	0	0	778
16	Customer Accounting					. 329
17	Customer Service & Information					19
18	Sales Expenses					30
	Care Expenses					
	Administrative & General					
19	Operating Expenses			550		1,768
20	Depreciation					
21	Taxes					1.540
22	Total Admin. & General	0	0	550	0	1,768
23	Total Electric Expenses	3,516	1,873	550	2,269	3,965
	ODER ATIMO IMOOME REPORT FOR	(2.516)	(1.072)	(550)	(2.260)	(3,965)
24	OPERATING INCOME BEFORE FIT	(3,516)	(1,873)	(550)	(2,269)	(3,903)
	FEDERAL INCOME TAX					•
25	Current Accrual	(1,231)	(656)	(193)	(794)	(1,388)
26	Deferred Income Taxes					
				·		
27	NET OPERATING INCOME	(\$2,285)	(\$1,217)	(\$357)	(\$1,475)	(\$2,577)
21	NET OFERATING INCOME	(\$2,203)	(Ψ1,Ξ17)	(#337)	(#1,175)	(\$2,5 17)
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible					
29	Production	4,398				
30	Transmission					
31	Distribution					
32	General					
33	Total Plant in Service	4,398	0	0	. 0	0
34	ACCUMULATED DEPRECIATION					
25	ACCUM. PROVISION FOR AMORTIZATION					
36	Total Accum. Depreciation & Amort.	0	0	0	0	0
37	GAIN ON SALE OF BUILDING					
38	DEFERRED TAXES .	(1,539)				
39	TOTAL RATE BASE	\$2,859	\$0	\$0	\$0	\$0
40	RATE OF RETURN					

REVENUES Substitution	Line No.	DESCRIPTION	Pro Forma Insurance	Pro Forma Clark Fork PM&E	Pro Forma TOTAL
REVENUES	110.		PF18		
1 Total General Business \$390, 153 2 Interdepartmental Sales \$66, 506 3 Sales for Resale \$66, 506 4 Total Sales of Electricity \$0					
Interdepartmental Sales		•			****
Sales for Resale					
Total Sales of Electricity 0 0 457,459 5 5 5 5 5 5 5 5 5		•			
Content Revenue Content Re		•		0	
EXPENSES Production and Transmission Fooduction and Amortization Fooduction and Fooduction and Fooduction and Fooduction Fooduction and Fooduction and Fooduction Fooduction and Fooduction and Fooduction and Fooduction Fooduction and Fooduction and Fooduction and Fooduction and Fooduction Fooduction and Fooduc			U	V	
EXPENSES Production and Transmission Operating Expenses 656 178,771 7 7 7 7 7 7 7 7 7			0	0	
Production and Transmission	v	Your Blooms Neverland			,
Operating Expenses		EXPENSES			
Purchased Power 75,620 9 Depreciation and Amortization 31,816 11,378 11 Total Production & Transmission 0 656 298,585 11,378 11 Total Production & Transmission 0 656 298,585 11,378 11 Total Production & Transmission 0 656 298,585 20,922 20,922 21 Depreciation 20,922 21 Depreciation 20,922 21 21 21 22 22 22 23 23		Production and Transmission			
Depreciation and Amortization 11,378 11,37	7			656	
Taxes	_				
Distribution Distribution Distribution Distribution Distribution Depreciation Depr		•			
Distribution				656	
12	11	Total Production & Transmission	V	050	270,505
12		Distribution			
15 Depreciation 16,440 14 Taxes 19,142 19,143 19,083 1757 19,083 10,083	12				20,922
Total Distribution		•			16,440
16 Customer Accounting 8,584 17 Customer Service & Information 710 18 Sales Expenses 757 19 Operating Expenses 283 40,385 20 Depreciation 9,083 21 Taxes 252 22 Total Admin. & General 283 0 49,720 23 Total Electric Expenses 283 656 4114,860 24 OPERATING INCOME BEFORE FIT (283) (656) 52,279 FEDERAL INCOME TAX (99) (230) (1,096) 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 0 0 1,853,919 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,341 35 ACCUMULATED DEPRECIATION 610,341 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (1941) 38 DEFERRED TAXES 50 \$0 \$1,007,076 39 TOTAL RATE BASE \$0 \$0 \$1,007,076 40 TOTAL RATE BASE \$0 \$0 \$1,007,076 50 TOTAL RATE BASE \$0 \$0 \$0 \$1,007,076 50 TOTAL RATE BASE \$0 \$0 \$0 \$1,007,076 50 TOTAL RATE BASE \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	14	Taxes		W. 184	
17 Customer Service & Information 710 18 Sales Expenses 757 Administrative & General 79 Operating Expenses 283 40,385 20 Depreciation 9,083 17 Taxes 283 0 49,720 22 Total Admin. & General 283 0 49,720 23 Total Electric Expenses 283 656 414,860 24 OPERATING INCOME BEFORE FIT (283) (656) 52,279 FEDERAL INCOME TAX (99) (230) (1,096) 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 35 ACCUMULATED DEPRECIATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES 50 \$50 \$1,007,076	15	Total Distribution	0	0	56,504
17 Customer Service & Information 710 18 Sales Expenses 757 Administrative & General 79 Operating Expenses 283 40,385 20 Depreciation 9,083 17 Taxes 283 0 49,720 22 Total Admin. & General 283 0 49,720 23 Total Electric Expenses 283 656 414,860 24 OPERATING INCOME BEFORE FIT (283) (656) 52,279 FEDERAL INCOME TAX (99) (230) (1,096) 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 35 ACCUMULATED DEPRECIATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES 50 \$50 \$1,007,076					0.504
Sales Expenses 757					
Administrative & General 19					
Operating Expenses 283 40,385 20 Depreciation 9,083 2522 Total Admin. & General 283 0 49,7720 2522 Total Electric Expenses 283 656 414,860 240 240 252 2	18	Sales Expenses			757
Operating Expenses 283 40,385 20 Depreciation 9,083 2522 Total Admin. & General 283 0 49,7720 2522 Total Electric Expenses 283 656 414,860 240 240 252 2		Administrative & General			
Taxes 252	19		283		40,385
Total Admin. & General 283 0 49,720	20	•			9,083
Total Electric Expenses 283 656	21	Taxes			
24 OPERATING INCOME BEFORE FIT (283) (656) 52,279 FEDERAL INCOME TAX 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 RATE BASE PLANT IN SERVICE *** *** *** *** 28 Intangible \$78,478 ***	22	Total Admin. & General	283	0	49,720
FEDERAL INCOME TAX 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 RATE BASE PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 0 1,853,919 4 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES 50 \$0 \$1,007,076	23	Total Electric Expenses	283	656	414,860
FEDERAL INCOME TAX 25 Current Accrual (99) (230) (1,096) 26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 RATE BASE PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 0 1,853,919 4 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES 50 \$0 \$1,007,076					
Current Accrual	24	OPERATING INCOME BEFORE FIT	. (283)	(656)	52,279
Current Accrual		FEDERAL INCOME TAY	•		
26 Deferred Income Taxes 9,346 27 NET OPERATING INCOME (\$184) (\$426) \$44,029 RATE BASE PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM, PROVISION FOR AMORTIZATION 64,635 36 Total Accum, Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076	25		(99)	(230)	(1.096)
27 NET OPERATING INCOME (\$184) (\$426) \$44,029 RATE BASE PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076			(>>)	(200)	
RATE BASE PLANT IN SERVICE Intangible \$78,478 Production 762,219 Transmission 296,316 Transmission 607,308 General 109,598 Total Plant in Service 0 0 1,853,919 ACCUMULATED DEPRECIATION 610,941 ACCUM. PROVISION FOR AMORTIZATION 64,635 Total Accum. Depreciation & Amort. 0 0 0 675,576 GAIN ON SALE OF BUILDING (194) DEFERRED TAXES (171,073) TOTAL RATE BASE \$0 \$0 \$1,007,076	20	Solotton moone rand			· · · · · · · · · · · · · · · · · · ·
RATE BASE PLANT IN SERVICE Intangible \$78,478 Production 762,219 Transmission 296,316 Transmission 607,308 General 109,598 Total Plant in Service 0 0 1,853,919 ACCUMULATED DEPRECIATION 610,941 ACCUM. PROVISION FOR AMORTIZATION 64,635 Total Accum. Depreciation & Amort. 0 0 0 675,576 GAIN ON SALE OF BUILDING (194) DEFERRED TAXES (171,073) TOTAL RATE BASE \$0 \$0 \$1,007,076				(#104)	044.000
PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076	27	NET OPERATING INCOME	(\$184)	(\$426)	\$44,029
PLANT IN SERVICE 28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076		PATEDAGE			
28 Intangible \$78,478 29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM, PROVISION FOR AMORTIZATION 64,635 36 Total Accum, Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
29 Production 762,219 30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076	20				\$78 478
30 Transmission 296,316 31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
31 Distribution 607,308 32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
32 General 109,598 33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
33 Total Plant in Service 0 0 1,853,919 34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
34 ACCUMULATED DEPRECIATION 610,941 25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076			0	0	
25 ACCUM. PROVISION FOR AMORTIZATION 64,635 36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					610 941
36 Total Accum. Depreciation & Amort. 0 0 675,576 37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076					
37 GAIN ON SALE OF BUILDING (194) 38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076			n	n -	
38 DEFERRED TAXES (171,073) 39 TOTAL RATE BASE \$0 \$0 \$1,007,076		•	v	Ü	
39 TOTAL RATE BASE \$0 \$0 \$1,007,076					(171,073)
					0
40 RATE OF RETURN 4.37%	39	TOTAL RATE BASE	\$0	\$0	\$1,007,076
	40	RATE OF RETURN			4.37%

Restatement Summary Washington Electric TWELVE MONTHS ENDED SEPTEMBER 30, 2008

		Wa	shington Elect	ric
Column	n Description of Adjustment	NOI	Rate Base	ROR
b	Per Results Report	\$68,538	\$1,053,828	
с	Deferred FIT Rate Base	0	(142,713)	
d	Deferred Gain on Office Building	0	(126)	
е	Colstrip 3 AFUDC Elimination	202	(1,956)	
f	Colstrip Common AFUDC	0	436	
g	Kettle Falls Disallow.	(56)	(854)	
h	Customer Advances	, o	(231)	
i	Depreciation True-up	39	, o	
j	Settlement Exchange Power	0	18,422	
J	Actual	68,723	926,806	7.42%
		,	,	
k	Eliminate B & O Taxes	(22)	0	
1	Property Tax	(939)	0	
m	Uncollect. Expense	70	0	
n	Regulatory Expense	(52)	0	
О	Injuries and Damages	(56)	0	
p	FIT	(1,751)	0	
q	Eliminate WA Power Cost Defer	(8,844)	0	
r	Nez Perce Settlement Adjustment	(6)	0	
S	Eliminate A/R Expenses	335	Ó	
t	Office Space Charges to Subsidiaries	5	0	
u	Restate Excise Taxes	(20)	0	
v	Net Gains/losses	. 79	0	
W	Revenue Normalization	23,394	0	
X	Misc Restating	139	0	
У	Restate Debt Interest	683	0	
	Restated Total	<u>\$81,738</u>	\$926,806	8.82%
PF1	Pro Forma Power Supply	(24,030)	0	
PF2	Pro Forma Prod Property Adj	6,449	(12,500)	
PF3	Pro Forma Labor Non-Exec	(1,942)	0	
PF4	Pro Forma Labor Exec	(155)	0	
PF5	Pro Forma Transmission Rev/Exp	(51)	0	
PF6	Pro Forma Capital Add 2008	(473)	21,445	
PF7	Pro Forma Capital Add 2009	(2,906)	22,936	
PF8	Pro Forma Noxon Gen 2010	(156)	5,386	
PF9	Pro Forma Asset Management	(1,883)	0	
PF10	Pro Forma Information Services	(1,139)	0	
PF11	Pro Forma Spokane Rvr Relicensing	(2,363)	23,325	
PF12	Pro Forma CDA Tribe Settlement	(539)	16,819	
PF13	Pro Forma Montana Lease	(2,285)	2,859	
PF14	Pro Forma Colstrip Mercury Emiss. O&M	(1,217)	0	
PF15	Pro Forma Incentives	(357)	0	
PF16	Pro Forma O&M Plant Expense	(1,475)	ő	
PF17	Pro Forma Employee Benefits	(2,577)	ő	
PF18	Pro Forma Insurance	(184)	0	
PF19	Pro Forma Clark Fork PM&E	(426)	0	
/	Pro Forma Total	\$44,029		4.37%
		<u> </u>	+-,007,070	

PER RESULTS OF OPERATIONS REPORTS ELECTRIC

Line	(,				
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$618,817	\$407,849	\$210,968
2	Interdepartmental Sales		945	800	145
3	Sales For Resale		195,819	126,479	69,340
4	Total Sales of Electricity		815,581	535,128	280,453
5	Other Revenue		56,326	36,572	19,754
6	Total Electric Revenue	_	871,907	571,700	300,207
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		256,659	175,800	80,859
8	Purchased Power		246,147	147,076	99,071
9	Depreciation and Amortization		35,050	23,675	11,375
10	Taxes		13,833	8,935	4,898
11	Total Production & Transmission		551,689	355,486	196,203
	Distribution				
12	Operating Expenses		25,859	17,279	8,580
13	Depreciation		22,950	14,599	8,351
14	Taxes		37,353	33,186	4,167
15	Total Distribution		86,162	65,064	21,098
16	Customer Accounting		12,202	8,559	3,643
17	Customer Service & Information		15,319	11,359	3,960
18	Marketing		957	696	261
	Administrative & General				
19	Operating Expenses		54,408	35,147	19,261
20	Depreciation		10,882	7,022	3,860
21	Taxes		0	0	0
22	Total Admin. & General		65,290	42,169	23,121
23	Total Electric Expenses		731,619	483,333	248,286
24	Operating Income before FIT		140,288	88,367	51,921
	Federal Income Taxes				
25	Current Accrual	35.0%	18,789	16,759	2,030
26	Deferred Income Taxes		10,648	3,070	7,578
	Amortized ITC		0	0	0
	SETTLEMENT EXCHANGE POWER				
27	NET OPERATING INCOME		\$110,851	\$68,538	\$42,313
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		\$34,522	\$22,439	\$12,083
29	Production		1,015,757	656,077	359,680
30	Transmission		442,422	285,760	156,662
31	Distribution		893,140	552,007	341,133
32	General		137,854	88,036	49,818
33	Total Plant in Service		2,523,695	1,604,319	919,376
34	ACCUMULATED DEPRECIATION		854,139	543,584	310,555
35	ACCUM. PROVISION FOR AMORTIZATION		10,571	6,907	3,664
36	Total Accum. Depreciation & Amort.		864,710	550,491	314,219
37	GAIN ON SALE OF BUILDING		•	•	•
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$1,658,985	\$1,053,828	\$605,157

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

(000'S OF DOLLARS)

WASHINGTON DEFERRED FIT RATE BASE

	(000 3 Of DOBE/11(3)		LLLCTRAC	
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
	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
				<u> </u>
27	NET OPERATING INCOME	\$0	\$0	\$0
	RATE BASE		•	
	PLANT IN SERVICE			
28	Intangible			
29	Production			
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	0	0	0
34	ACCUMULATED DEPRECIATION			
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	0	0	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES	(225,120)	(142,713)	(82,407)
39	TOTAL RATE BASE	(\$225,120)	(\$142,713)	(\$82,407)
	•			

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

WELVE MONTHS ENDED SEPTEMBER 30, (000'S OF DOLLARS)

DEFERRED GAIN ON OFFICE BUILDING

	(000'S OF DOLLARS)		<u>EL</u>	ECTRIC	
Line No.	DESCRIPTION		System W	ashington	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		
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	35.0%	0	0	0
26	Deferred Income Taxes				
27	NET ODED ATING INCOME	-	\$0	\$0	90
27	NET OPERATING INCOME		\$0	40	\$0
28	RATE BASE				
29	PLANT IN SERVICE				
30	Intangible				
31	Production				4.
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
	GAIN ON SALE OF BUILDING		(194)	(194)	0
39	DEFERRED TAXES		68	68	0

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S OF DOLLARS)

COLSTRIP #3 AFUDC ELIMINATION REALLOCATION

Line No.				
	DESCRIPTION	System	Washington	Idaho
	REVENUES			
1	Total General Business	\$0		
2.	Interdepartmental Sales			
3	Sales For Resale	<u> </u>		
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	(202)	(202)	
10	Taxes			,
11	Total Production & Transmission	(202)	(202)	0
	Distribution			
12	Operating Expenses			
13	Depreciation			
14	Taxes	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	(202)	(202)	0
24	Operating Income before FIT	202	202	0
	Federal Income Taxes			
25	Current Accrual	35.0% 0		
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$202	\$202	\$0
	RATE BASE			
	PLANT IN SERVICE			
28	Intangible			
29	Production	(7,452)	(7,452)	0
30	Transmission	, , - ,		
31	Distribution			
32	General			
33	Total Plant in Service	(7,452)	(7,452)	0
34	ACCUMULATED DEPRECIATION	(5,496)		0
35	ACCUM. PROVISION FOR AMORTIZATION	, , ,	• • • •	
	Total Accum. Depreciation & Amort.	(5,496)	(5,496)	0
36	1	* * * *	• • •	
	GAIN ON SALE OF BUILDING			
36	GAIN ON SALE OF BUILDING DEFERRED TAXES			

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

(000'S OF DOLLARS)

COLSTRIP#3 COMMON AFUDC ADJUSTMENT ELECTRIC

No. DESCRIPTION System Washington REVENUES \$0 \$0 1 Total General Business \$0 \$0 2 Interdepartmental Sales \$0 \$0 3 Sales For Resale \$0 \$0 4 Total Sales of Electricity ** \$0 \$0 5 Other Revenue \$0 \$0 6 Total Electric Revenue \$0 \$0 Production and Transmission \$0 \$0 7 Operating Expenses \$0 \$0 8 Purchased Power \$0 \$0 9 Depreciation and Amortization \$0 \$0 10 Taxes \$0 \$0 11 Total Production & Transmission \$0 \$0 12 Operating Expenses \$0 \$0 13 Depreciation \$0 \$0 14 Taxes \$0 \$0 15 Total Distribution \$0 \$0 16 Customer Accounting \$0 \$0 17 Customer Service & Information \$0 \$0	0 0 0
1 Total General Business \$0 2 Interdepartmental Sales 3 Sales For Resale 4 Total Sales of Electricity	0
2	0
3 Sales For Resale	0
Total Sales of Electricity 0 0 0	0
Other Revenue Total Electric Revenue Total Electric Revenue EXPENSES Production and Transmission Operating Expenses Purchased Power Depreciation and Amortization Taxes Total Production & Transmission Operating Expenses Distribution Operating Expenses Depreciation Taxes Total Distribution Customer Accounting Customer Service & Information Marketing Administrative & General	0
EXPENSES Production and Transmission Operating Expenses Purchased Power Depreciation and Amortization Taxes Total Production & Transmission Operating Expenses Depreciation and Amortization Taxes Total Production & Transmission Oo Distribution Coperating Expenses Depreciation Taxes Oo Customer Accounting Customer Accounting Customer Service & Information Marketing Administrative & General	0
EXPENSES Production and Transmission Operating Expenses Purchased Power Depreciation and Amortization Taxes Total Production & Transmission Operating Expenses Depreciation Taxes Total Distribution Customer Accounting Customer Service & Information Marketing Administrative & General	0
Production and Transmission Operating Expenses Purchased Power Depreciation and Amortization Taxes Total Production & Transmission Operating Expenses Operating Expenses Total Distribution Customer Accounting Customer Service & Information Marketing Administrative & General	
7 Operating Expenses 8 Purchased Power 9 Depreciation and Amortization 10 Taxes 11 Total Production & Transmission 0 0 Distribution 12 Operating Expenses 13 Depreciation 14 Taxes 0 15 Total Distribution 0 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	
8 Purchased Power 9 Depreciation and Amortization 10 Taxes 11 Total Production & Transmission 0 0 Distribution 12 Operating Expenses 13 Depreciation 14 Taxes	
9 Depreciation and Amortization 10 Taxes 11 Total Production & Transmission 0 0 Distribution 12 Operating Expenses 13 Depreciation 14 Taxes 15 Total Distribution 0 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	
10 Taxes 11 Total Production & Transmission 0 Distribution	
Distribution Operating Expenses Depreciation Taxes Total Distribution Customer Accounting Customer Service & Information Marketing Administrative & General	
Distribution 12 Operating Expenses 13 Depreciation 14 Taxes 0 15 Total Distribution 0 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	
12 Operating Expenses 13 Depreciation 14 Taxes 0 15 Total Distribution 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	0
13 Depreciation 14 Taxes 0 15 Total Distribution 0 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	0
14 Taxes 0 15 Total Distribution 0 0 16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	0
Total Distribution 0 0 Customer Accounting Customer Service & Information Marketing Administrative & General	0
16 Customer Accounting 17 Customer Service & Information 18 Marketing Administrative & General	0
17 Customer Service & Information 18 Marketing Administrative & General	
17 Customer Service & Information 18 Marketing Administrative & General	
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 35.0% 0	
26 Deferred Income Taxes	
27 NET OPERATING INCOME \$0 \$0	\$0
RATE BASE	
PLANT IN SERVICE	
28 Intangible	
29 Production 436 436	0
30 Transmission	
31 Distribution	
32 General	
33 Total Plant in Service 436 436	0
34 ACCUMULATED DEPRECIATION	
35 ACCUM. PROVISION FOR AMORTIZATION	
36 Total Accum. Depreciation & Amort. 0 0	0
37 GAIN ON SALE OF BUILDING	
38 DEFERRED TAXES	
39 TOTAL RATE BASE \$436 \$436	. \$0

KETTLE FALLS DISALLOWANCE ELECTRIC

	(0003 OF DOLLARS)	_			
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		0		
10	Taxes				· · ·
11	Total Production & Transmission		0	. 0	0
	Distribution				
12	Operating Expenses				
13	Depreciation		0		^
14	Taxes	_	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		56	56	0
27	NET OPER ATING INCOME	_	(056)	(457)	# 0
27	NET OPERATING INCOME		(\$56)	(\$56)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		(5,248)	(5,248)	0
30	Transmission				
31	Distribution				
32	General	_			
33	Total Plant in Service		(5,248)	(5,248)	0
34	ACCUMULATED DEPRECIATION		(3,796)	(3,796)	0
35	ACCUM. PROVISION FOR AMORTIZATION	_			
36	Total Accum. Depreciation & Amort.		(3,796)	(3,796)	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES	_	598	598	0
39	TOTAL RATE BASE	_	(\$854)	(\$854)	\$0_

CUSTOMER ADVANCES **ELECTRIC**

	(000'S OF DOLLARS)	E	ELECTRIC	
Line No.	DESCRIPTION	System	Washington	Idaho
- 101	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		
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	
24	Operating Income before FIT	0	0	0
	Federal Income Taxes			
25	Current Accrual 35.0%	6 0	0	0
26	Deferred income Taxes			
27	NET OPERATING INCOME	\$0	\$0	\$0
	RATE BASE			
	PLANT IN SERVICE			
28	Intangible			
29	Production			
30	Transmission			
31	Distribution	(231)	(231)	0
32	General			
33	Total Plant in Service	(231)	(231)	0
34	ACCUMULATED DEPRECIATION	•		
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	0	0	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES			
39	TOTAL RATE BASE	(\$231)	(\$231)	\$0

DEPRECIATION TRUE-UP ADJUSTMENT

	(0003 Of DODDARG)		· · · · · · · · · · · · · · · · · · ·		
Line No.	DESCRIPTION ·	S	System	Washington	Idaho
110.	REVENUES .	<u></u>	<u> </u>		
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale				
4	Total Sales of Electricity		0	0	0
5	Other Revenue				
			0	0	0
6	Total Electric Revenue		Ū	v	v
	EXPENSES				
	Production and Transmission				
7	Operating Expenses				
8	Purchased Power				
9	Depreciation and Amortization		(685)	(685)	. 0
10	Taxes				
11	Total Production & Transmission		(685)	(685)	0
	Distribution				
12	Operating Expenses				
13	Depreciation		857	857	0
14	Taxes		0		0
15	Total Distribution		857	857	0
			0		
16	Customer Accounting		0		
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0		
20	Depreciation		(232)	(232)	0
21	Taxes		, ,		
22	Total Admin. & General		(232)	(232)	0
23	Total Electric Expenses		(60)	(60)	0
24	Operating Income before FIT		60	60	0
					•
	Federal Income Taxes		21	21	0
25	Current Accrual (at 35%)		21	21	0
26	Deferred income Taxes				
27	NET OPERATING INCOME		\$39	\$39	\$0
	•				
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		0		
29	Production		0		
30	Transmission		0		
31	Distribution		0		
32	General		0		
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				=
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES		0		
20	TOTAL DATE DACE		\$0	\$0	\$0
39	TOTAL RATE BASE		Φ0	ΨΟ	Ψ0

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	. 0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
·	
EXPENSES	•
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	0
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	
Total Distribution	0
·	
Customer Accounting	0
Customer Service & Information	. 0
Marketing	0
	•
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	. 0
Total Electric Expenses	0
0 1 0 000	0
Operating Income before SIT	0
Idaha Stata Incomo Tou	
Idaho State Income Tax Adjusted Rate of 0.012216	\$0
Adjusted Rate of 0.012216	20

SETTLEMENT EXCHANGE POWER ELECTRIC

	(000.2 OF DOLLARS)	E	LECTRIC	· · · · · · · · · · · · · · · · · · ·
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	0	0	0
10	Taxes			
11	Total Production & Transmission	0	0	0
	Distribution			
12	Operating Expenses			
13	Depreciation			
14	Taxes			
15	Total Distribution	0	0	U
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	NET OPERATING INCOME	\$0	\$0	\$0
	RATE BASE		•	
	PLANT IN SERVICE			
28	Intangible			
29	Production	79,626	79,626	
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	79,626	79,626	. 0
34	ACCUMULATED DEPRECIATION			
35	ACCUM. PROVISION FOR AMORTIZATION	57,168	57,168	
36	Total Accum. Depreciation & Amort.	57,168	57,168	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES	(4,036)	(4,036)	
39	TOTAL RATE BASE	\$18,422	\$18,422	\$0

ELIMINATE
B & O TAXES
ELECTRIC

T :	(000'S OF DOLLARS)			ELECTRIC	
Line No.	DESCRIPTION	<u> </u>	System	Washington	Idaho
	REVENUES				
1	Total General Business		(\$13,744)	(\$13,744)	
2	Interdepartmental Sales				
3	Sales For Resale	_	(12.744)	(12.744)	
4	Total Sales of Electricity Other Revenue		(13,744)	(13,744)	0
5 6	Total Electric Revenue	_	(16) (13,760)	(16)	0
O	Total Electric Revenue		(13,700)	(13,700)	U
	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		(13,726)	(13,726)	0
15	Total Distribution	_	(13,726)	(13,726)	0
16	Customer Accounting				
17	Customer Service & Information				
. 18	Marketing				
	Administrative & General				
19	Operating Expenses		0	0	
20	Depreciation				
21 22	Taxes Total Admin. & General	_	0	0	0
23	Total Electric Expenses		(13,726)	(13,726)	0
23	Total Electric Expenses		(13,720)	(13,720)	0
24	Operating Income before FIT		(34)	(34)	. 0
	Federal Income Taxes				
25	Current Accrual	35.0%	(12)	(12)	0
26	Deferred Income Taxes		, , ,	, ,	
			 		
27	NET OPERATING INCOME		(\$22)	(\$22)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	_	0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0
- /			Ψ.	ΨV	

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

ELIMINATE B & O TAXES ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	
Total Production & Transmission	0
Distribution	
Operating Expenses	. 0
Depreciation	0
Taxes	0_
Total Distribution	0
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	0
Total Electric Expenses	0
Operating Income before SIT	0
Idaho State Income Tax	
Adjusted Rate of 0.03	12216 \$0_

PROPERTY TAX ADJUSTMENT ELECTRIC

	(000'S OF DOLLARS)	EL	ECTRIC	
Line No.	DESCRIPTION	System W	/ashington	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	2,085	2,085	0
11	Total Production & Transmission	2,085	2,085	0
	Distribution			•
12	Operating Expenses			
13	Depreciation			
14	Taxes	(643)	(643)	0
15	Total Distribution	(643)	(643)	0
16	Customer Accounting			
. 17	Customer Service & Information			2
18	Marketing			
. •	Administrative & General			
19	Operating Expenses		4	
20	Depreciation			
21	Taxes	3	3	0
22	Total Admin. & General	3	3	0
23	Total Electric Expenses	1,445	1,445	0
. 24	Operating Income before FIT	(1,445)	(1,445)	0
	Federal Income Taxes			
25	Current Accrual (at 35%)	(506)	(506)	0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$939)	(\$939)	\$0
	RATE BASE			
	PLANT IN SERVICE			
28	Intangible			
29	Production			
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	0	0	0
34	ACCUMULATED DEPRECIATION			
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	0	0	0
37	GAIN ON SALE OF BUILDING		•	
38	DEFERRED TAXES			
39	TOTAL RATE BASE	. \$0	\$0	\$0
37	TO THE WITE DIGE			

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

PROPERTY TAX ADJUSTMENT ELECTRIC

Description	Idaho	
REVENUES		
Total General Business	\$0	
Interdepartmental Sales	0	
Sales For Resale	0	
Total Sales of Electricity	0	,
Other Revenue	0	
Total Electric Revenue	0	
EXPENSES		
Production and Transmission		
Operating Expenses	. 0	
Purchased Power	0	
Depreciation and Amortization	0	
Taxes	0	
Total Production & Transmission	0	
Distribution		
Operating Expenses	0 .	
Depreciation	0	
Taxes	0	
Total Distribution	0	
Customer Accounting	0	
Customer Service & Information	0	
Marketing	0	
Administrative & General		
Operating Expenses	0	
Depreciation Depreciation	0	
Taxes	0	
Total Admin. & General	0	
Total Electric Expenses	0	
Operating Income before SIT	0	
Idaho State Income Tax		
Adjusted Rate of 0.012216	\$0	

UNCOLLECTIBLE EXPENSE ELECTRIC

	(000 3 OF DOLLARS)		EEEETIGE			
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 11	Taxes Total Production & Transmission	0	0	0		
12	Distribution Operating Expenses					
13	Depreciation					
14	Taxes	0		0		
15	Total Distribution	0	0	0		
. 16	Customer Accounting	(108)	(108)	0		
17	Customer Service & Information	(/	` ,			
18	Marketing					
	Administrative & General					
19	Operating Expenses					
20	Depreciation Depreciation					
21	Taxes					
22	Total Admin. & General	0	0	0		
23	Total Electric Expenses	(108)	(108)	0_		
24	Operating Income before FIT	108	108	0		
	Federal Income Taxes					
25	Current Accrual (at 35%)	. 38	38	0		
26	Deferred Income Taxes	,				
		·				
27	NET OPERATING INCOME	\$70	\$70	\$0		
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible					
29	Production					
30	Transmission					
31	Distribution					
32	General					
33	Total Plant in Service	0	0	0		
34	ACCUMULATED DEPRECIATION					
35 36	ACCUM. PROVISION FOR AMORTIZATION Total Accum. Depreciation & Amort.	0	0	0		
36 37	GAIN ON SALE OF BUILDING	V	U	V		
38	DEFERRED TAXES					
				-		
39	TOTAL RATE BASE	\$0	\$0	\$0		

CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

UNCOLLECTIBLE EXPENSE ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	. 0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	0
Distribution	
Operating Expenses	0
Depreciation	. 0
Taxes	0
Total Distribution	0
Customer Accounting	0
Customer Service & Information	0
Marketing	. 0
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	0
Total Electric Expenses	0
Operating Income before SIT	0
Idaho State Income Tax	
Adjusted Rate of 0.012216	\$0

REGULATORY EXPENSE ADJUSTMENT ELECTRIC

	(000'S OF DOLLARS)	_	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			U	U	U	
	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 Depreciation					
14	Taxes		0		0	
			0		0	
15	Total Distribution		0	0	0	
16	Customer Accounting					
17	Customer Service & Information					
18	Marketing					
	Administrative & General				;	
19	Operating Expenses		80	80	0	
20	Depreciation					
21	Taxes					
22	Total Admin. & General	_	80	80	0	
23	Total Electric Expenses	_	80	80	0	
23	Total Electric Expenses					
24	Operating Income before FIT		(80)	(80)	0	
	Federal Income Taxes					
25	Current Accrual	35.0%	(28)	(28)	0	
26	Deferred Income Taxes					
		_				
27	NET OPERATING INCOME		(\$52)	(\$52)	\$0	
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible					
29	Production					
30	Transmission					
31	Distribution					
32 [.]	General			•		
33	Total Plant in Service		0	0	0	
34	ACCUMULATED DEPRECIATION			•		
35	ACCUM. PROVISION FOR AMORTIZATION					
36	Total Accum. Depreciation & Amort.		0	0	0	
37	GAIN ON SALE OF BUILDING					
38	DEFERRED TAXES					
39	TOTAL RATE BASE		\$0	\$0	\$0	

. CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

REGULATORY EXPENSE ADJUSTMENT ELECTRIC

Description	. Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	0
· · · · · · · · · · · · · · · · · · ·	
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	
Total Distribution	0
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	0
Depreciation	. 0
Taxes	0
Total Admin. & General	0
Total Electric Expenses	0
•	
Operating Income before SIT	0
· · · · · · · · · · · · · · · · · · ·	
Idaho State Income Tax	
Adjusted Rate of 0.012216	\$0

ELECTRIC ADJUSTMENT SUMMARY

TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S OF DOLLARS)

INJURIES AND DAMAGES ELECTRIC

Line		_	*		
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale		0		
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
15	Total Distribution	_	0	0	0
16	Customer Accounting		0		
17	Customer Service & Information				
18	Marketing		•		
	Administrative & General				
19	Operating Expenses		86	86	0
20	Depreciation		-		
21	Taxes				
22	Total Admin. & General	-	86	86	0
23	Total Electric Expenses	-	86	86	0
		_		10.6	
24	Operating Income before FIT		(86)	(86)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(30)	(30)	0
26	Deferred Income Taxes				
		_			*
27	NET OPERATING INCOME		(\$56)	(\$56)	. \$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				•
32	General			,	
33	Total Plant in Service	_	0	0	0
33 34	ACCUMULATED DEPRECIATION		U	V	0
35	ACCUM. PROVISION FOR AMORTIZATION				
		-	0	0	0
36	Total Accum. Depreciation & Amort.		U	U	U
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES				
		_	ф л	ው ስ	60
39	TOTAL RATE BASE	=	\$0	\$0	\$0

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

INJURIES AND DAMAGES ELECTRIC

Idaho
\$0
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\$0

(Including Production Tax Credit) FEDERAL INCOME TAX ELECTRIC

	(000'S OF DOLLARS)	ELECTRIC				
Line	PERCENTAGE	System	Washington	Idaho		
No.	DESCRIPTION		vi asimgton	Tauro		
	REVENUES	\$0				
1	Total General Business	JU				
2	Interdepartmental Sales					
3	Sales For Resale	0	0	. 0		
4	Total Sales of Electricity	Ū	U	v		
5	Other Revenue		0	0		
6	Total Electric Revenue	. 0	U	U		
	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					
12						
13	Depreciation	0	•	0		
14	Taxes		0			
15	Total Distribution		v	v		
16	Customer Accounting					
17	Customer Service & Information		•			
18	Marketing					
	Administrative & General					
10	Operating Expenses					
19 20	Depreciation					
21	Taxes					
	Total Admin. & General	0	0	0		
22		0	0	0		
23	Total Electric Expenses					
24	Operating Income before FIT	0	0	0		
	Federal Income Taxes					
25	Current Accrual (at 35%)	1,715	1,715	0		
26	Deferred Income Taxes	36	36	0		
27	NET OPERATING INCOME	(\$1,751)	(\$1,751)	\$0		
	RATE BASE	•				
	PLANT IN SERVICE					
28	Intangible					
29	Production					
	Transmission					
30	Distribution					
31						
32	General Tetal Plant in Samina	0	0	0		
33	Total Plant in Service	V	J	J		
34	ACCUMULATED DEPRECIATION					
35	ACCUM. PROVISION FOR AMORTIZATION	0	0	0		
36	Total Accum. Depreciation & Amort.	U	υ	V		
37	GAIN ON SALE OF BUILDING					
38	DEFERRED TAXES					
39	TOTAL RATE BASE	\$0	\$0	\$0		
3)	TOTAL MATERIAL		 			

ELIMINATION OF IDAHO PCA & WA POWER COST DEFERRALS ELECTRIC

	(000'S OF DOLLARS)		_	ELECTRIC		
Line No.	DESCRIPTION			System	Washington	Idaho
	REVENUES					
1	Total General Business			(\$32,702)	(\$32,702)	
2	Interdepartmental Sales					
3	Sales For Resale			0		
4	Total Sales of Electricity			(32,702)	(32,702)	0
5	Other Revenue					
6	Total Electric Revenue			(32,702)	(32,702)	0
	EXPENSES					
	Production and Transmission					
7	Operating Expenses			(17,668)	(17,668)	
8	Purchased Power			0	0	0
9	Depreciation and Amortization					
10	Taxes		_			
11	Total Production & Transmission			(17,668)	(17,668)	0
	Distribution					
12	Operating Expenses					
13	Depreciation					
14	Taxes			(1,262)	(1,262)	0
15	Total Distribution			(1,262)	(1,262)	0
16	Customer Accounting			(104)	(104)	
17	Customer Service & Information					,
18	Marketing					
	Administrative & General					
19	Operating Expenses			(62)	(62)	
20	Depreciation					
21	Taxes					
22	Total Admin. & General			(62)	(62)	0
23	Total Electric Expenses			(19,096)	(19,096)	0
24	Operating Income before FIT			(13,606)	(13,606)	0
	Federal Income Taxes					
25	Current Accrual	35	5.0%	(10,946)	(10,946)	
26	Deferred Income Taxes			6,184	6,184	
27	NET OPED ATING INCOME		. —	(#O 044)	(#0 044)	Φ.Δ.
27	NET OPERATING INCOME			(\$8,844)	(\$8,844)	\$0
	RATE BASE					
	PLANT IN SERVICE	•				
28	Intangible					
29	Production					
30	Transmission					
31	Distribution					
32	General		_			
33	Total Plant in Service			0	0	0
34	ACCUMULATED DEPRECIATION					
35	ACCUM. PROVISION FOR AMORTIZATION	٧				
36	Total Accum. Depreciation & Amort.			0	0	0
37	GAIN ON SALE OF BUILDING					
38	DEFERRED TAXES		_			
39	TOTAL RATE BASE			\$0	\$0	\$0
			_			

NEZ PERCE SETTLEMENT ACCOUNTING ADJUSTMENT ELECTRIC

	(000'S OF DOLLARS)	_		ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale		. 0		
4	Total Sales of Electricity	· <u></u>	0	0	0
5	Other Revenue				
6	Total Electric Revenue		0	0	0
	EXPENSES		,		
	Production and Transmission				
7	Operating Expenses		9	9	0
8	Purchased Power				
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		.9	9	0
	Distribution				
12	Operating Expenses				
13	Depreciation				
14	Taxes	_	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		9	9	0
24	Operating Income before FIT		(9)	(9)	0
	Federal Income Taxes				•
25	Current Accrual	35.0%	(3)	(3)	0
26	Deferred Income Taxes				
2.7	NET OPER LENIO NICOLE	_		(0.0)	# O
27	NET OPERATING INCOME		(\$6)	(\$6)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	-	0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0
		_			

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

NEZ PERCE SETTLEMENT ACCOUNTING ADJUSTMENT ELECTRIC

Description		Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity		0
Other Revenue		0
Total Electric Revenue		. 0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power		0
Depreciation and Amortization	•	0
Taxes	•	0
Total Production & Transmission		0
Distribution	•	
Operating Expenses		0
Depreciation .		. 0
Taxes		
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing .		0
Administrative & General		
Operating Expenses		0
Depreciation	•	0
Taxes		0
Total Admin. & General		0
Total Electric Expenses		0
		. 0
Operating Income before SIT		0
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0

NET GAINS & LOSSES **ELECTRIC**

Line					
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0 .	\$0	\$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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		0		
11	Total Production & Transmission	_	0	0	0
	Distribution				
12	Operating Expenses		. 0	0	0
13	Depreciation		(122)	(122)	
14	Taxes		0	0	0
15	Total Distribution		(122)	(122)	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General			•	
19	Operating Expenses		0	0	0
20	. Depreciation				
21	Taxes				•
22	Total Admin. & General	_	0	0	0
23	Total Electric Expenses		(122)	(122)	0
24	Operating Income before FIT		122	122	0
	Federal Income Taxes				•
25	Current Accrual	35.0%	43	43	0 -
26	Deferred Income Taxes				
27	NET OPERATING INCOME		\$79	· \$79	\$0
	RATE BASE				
	PLANT IN SERVICE				
20			•		
28 29	Intangible Production		0		
			U		
30	Transmission Distribution				
31					
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES	_	0		
39	TOTAL RATE BASE	_	\$0	\$0	\$0

ELIMINATE

/R EXPENSES	5
ELECTRIC	

	(000'S OF DOLLARS)			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
15	Total Distribution		0	0	0
16	Customer Accounting		(516)	(516)	0
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		(516)	(516)	0
24	Operating Income before FIT		516	516	0
	Federal Income Taxes				
25	Current Accrual	35.09	6 181	181	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME		\$335	\$335	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0

ELIMINATE A/R EXPENSES ELECTRIC

Description	Idaho	
REVENUES		
Total General Business	. \$0	
Interdepartmental Sales	0	
Sales For Resale	0	
Total Sales of Electricity	0	
Other Revenue	0	
Total Electric Revenue	0	
EXPENSES		
Production and Transmission		
Operating Expenses	0	
Purchased Power	0 .	
Depreciation and Amortization	0	
Taxes	0	
Total Production & Transmission	0	
Distribution		
Operating Expenses	0	
Depreciation	0	
Taxes		
Total Distribution	0	
Customer Accounting	0	
Customer Service & Information	0	
Marketing	0	
Administrative & General		
Operating Expenses	0	
Depreciation	0	
Taxes	0_	
Total Admin. & General	0	
Total Electric Expenses	0	
Operating Income before SIT	0	
Idaho State Income Tax		
Adjusted Rate of 0.012216	\$0	

AVISTA UTILITIES.

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S OF DOLLARS)

OFFICE SPACE CHARGES TO SUBSIDIARIES

ELECTRIC

Line	(0000 or Dobbinto)	_			
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		
15	Total Distribution		0	0	. 0
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General			(0)	
19	Operating Expenses		(8)	(8)	
20	Depreciation				
21	Taxes				
22	Total Admin, & General		(8)	(8)	0
23	Total Electric Expenses		(8)	(8)	0
24	Operating Income before FIT		8	8	0
	Federal Income Taxes			_	
25	Current Accrual	35.0%	3	3	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME		\$5	\$5	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				
32	General Total Plant in Service		0	0	0
33	ACCUMULATED DEPRECIATION		U	U	U
34	ACCUMULATED DEPRECIATION ACCUM. PROVISION FOR AMORTIZATION				
35		-			
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES			<u></u>	
39	TOTAL RATE BASE		\$0	\$0	\$0
					

RESTATE EXCISE TAXES
ELECTRIC

	(000 G CI DOLLI IIIO)	·- <u></u> -	· · · · · · · · · · · · · · · · · · ·	- Contract	
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		31	31	
15	Total Distribution	_	31	31	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		31	31	0
		_			
24	Operating Income before FIT		(31)	(31)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(11)	(11)	0
26	Deferred Income Taxes		•		
		· · ·			
27	NET OPERATING INCOME		(\$20)	(\$20)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		•		
30	Transmission				
31	Distribution				
32	General				
		_	^	0	0
33	Total Plant in Service		0	U	U
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION	_			
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0
33	TOTAL MALE DAGE		J ∪	Ψ	<u>Ψ</u> 0

REVENUE NORMALIZATION ELECTRIC

	(000 3 OF DOLLARS)			ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$28,750	\$28,750	
2	Interdepartmental Sales				
3	Sales For Resale				
4	Total Sales of Electricity	_	28,750	28,750	0
5	Other Revenue		432	432	
6	Total Electric Revenue		29,182	29,182	0
U	Total Electric Revenue		2,,102		
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		(70)	(70)	
8	Purchased Power				
9	Depreciation and Amortization		2,688	2,688	
10	Taxes		•	,	
11	Total Production & Transmission		2,618	2,618	0
	Distribution				
12	Operating Expenses				
13	Depreciation Depreciation				
14	Taxes		1,127	1,127	0
15	Total Distribution		1,127	1,127	0
15	Total Distribution		-,	-,	
16	Customer Accounting		76	76	
17	Customer Service & Information		(10,688)	(10,688)	
18	Marketing		. (,,	, , ,	
			•		
	Administrative & General				
19	Operating Expenses		58	58	
20	Depreciation				
21	Taxes		<u></u>		
22	Total Admin. & General		58	58	0
23	Total Electric Expenses		(6,809)	(6,809)	0
24	Operating Income before FIT		35,991	35,991	0
	C.F. C.				
	Federal Income Taxes				
25	Current Accrual	35.0%	12,597	12,597	0
26	Deferred Income Taxes			0	
27	NET OPERATING INCOME		\$23,394	\$23,394	\$0
	DATEDACE				
	RATE BASE				
20	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission	•			
31	Distribution				
32	General				
33	Total Plant in Service		0	0	. 0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
			Ф.О.	.	60
39	TOTAL RATE BASE		\$0	\$0	\$0

0

ELECTRIC

Description	<u> </u>	Idaho	
REVENUES	<u> </u>		
Total General Business		\$0	
Interdepartmental Sales		0	
Sales For Resale		0	
Total Sales of Electricity		0	
Other Revenue		0	
Total Electric Revenue		. 0	
EXPENSES			
Production and Transmission			
Operating Expenses		0	
Purchased Power		0	
Depreciation and Amortization		0	
Taxes		0	
Total Production & Transmission		0	
Distribution	•		
Operating Expenses		0	
Depreciation		0	
Taxes		0_	
Total Distribution		0	
Customer Accounting		0	
Customer Service & Information		0	
Marketing		0	
Administrative & General			
Operating Expenses		0	
Depreciation		0	
Taxes		0	
Total Admin. & General		0	
Total Electric Expenses		0	
Operating Income before SIT		0	
Idaho State Income Tax			
Adjusted Rate of	0.012216	\$0	

MISCELLANEOUS RESTATING ADJUSTMENTS ELECTRIC

Line	(0000 01 5 055 1110)				
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		0		
11	Total Production & Transmission	_	0	0	0
	Distribution				
12	Operating Expenses		0	0	0
13	Depreciation				
14	Taxes		0	0	0
15	Total Distribution		0	. 0	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		. 0	0	. 0
	Administrative & General				
19	Operating Expenses		(214)	(214)	0
20	Depreciation				
21	Taxes				<u> </u>
22	Total Admin. & General		(214)	(214)	0
23	Total Electric Expenses	_	(214)	(214)	0
24	Operating Income before FIT		214	214	0
	Federal Income Taxes				
25	Current Accrual	35.0%	75	75	0
26	Deferred Income Taxes				
		_			
27	NET OPERATING INCOME		\$139	\$139	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING		-	-	-
38	DEFERRED TAXES		0		
39	TOTAL RATE BASE		\$0	\$0	\$0
		=			

RESTATE DEBT INTEREST ELECTRIC

	(0003 OI DOLLARS)		ELECTRIC	
Line No.	DESCRIPTION	System	Washington	Idaho
110.	REVENUES		TT dollington	rauno
1	Total General Business	\$0		
		3 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
12	Distribution Operating Expenses			
	• •			
13	Depreciation	0		0
14	Taxes	0		0
15	Total Distribution	0	0	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
	Administrative & General			
10				
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%)	(683)	(683)	0
26	Deferred income Taxes	(,	,	
20	· ·			
27	NET OPERATING INCOME	\$683	\$683	\$0
	RATE BASE			
	PLANT IN SERVICE			
28	Intangible			
29	Production			
	Transmission			
30				
31	Distribution			
32	General			
33	Total Plant in Service	0	0	0
34	ACCUMULATED DEPRECIATION		•	
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	. 0	0	0
37	GAIN ON SALE OF BUILDING	•	-	-
38	DEFERRED TAXES			
39	TOTAL RATE BASE	\$0	\$0	\$0

RESTATE DEBT INTEREST ELECTRIC

Description		Idaho
REVENUES	*	
Total General Business	-	\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity	-	0
Other Revenue		0
Total Electric Revenue	_	0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power		0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission	·	0
Distribution		
Operating Expenses		0
Depreciation		0
Taxes		
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		. 0
Administrative & General	•	
Operating Expenses		0
Depreciation		0
Taxes		0
Total Admin. & General	· · ·	0
	· _	
Total Electric Expenses	-	0
Operating Income before SIT	-	0
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0

AVISTA UTILITIES

Restate Debt Interest - Proforma

Washington - Electric For the Twelve Months Ended September 30, 2008

(000's)

	(000's)	
		Rate Base
	Adjustment Description	Adjustments
b	Per Results Report	1,053,828
c	Deferred FIT Rate Base	(142,713)
d	Deferred Gain on Office Building	- (126)
e	Colstrip 3 AFUDC Elimination	(1,956)
f	Colstrip Common AFUDC	436
g	Kettle Falls Disallow.	(854)
h	Customer Advances	(231)
i	Depreciation True-up	0
j	Settlement Exchange Power	18,422
k	Eliminate B & O Taxes	0
1	Property Tax	0
m	Uncollect. Expense	0
n	Regulatory Expense	0
0	Injuries and Damages	0
p	FIT	0
q	Eliminate WA Power Cost Defer	0
r	Nez Perce Settlement Adjustment	0
S	Eliminate A/R Expenses	0
t	Office Space Charges to Subsidiaries	. 0
u	Restate Excise Taxes	. 0
v	Net Gains/losses	0
W	Revenue Normalization	0
x	Misc Restating	0
У	Restate Debt Interest	0
PF1	Pro Forma Power Supply	0
PF2	Pro Forma Prod Property Adj	(12,500)
PF3	Pro Forma Labor Non-Exec	0
PF4	Pro Forma Labor Exec	0
PF5	Pro Forma Transmission Rev/Exp	0
PF6	Pro Forma Capital Add 2008	21,445
PF7	Pro Forma Capital Add 2009	22,936
PF8	Pro Forma Noxon Gen 2010	5,386
PF9	Pro Forma Asset Management	0
PF10	Pro Forma Information Services	0
PF11	Pro Forma Spokane Rvr Relicensing	23,325
PF12	Pro Forma CDA Tribe Settlement	16,819
PF13	Pro Forma Montana Lease	2,859
PF14	Pro Forma Colstrip Mercury Emiss. O&M	. 0
PF15	Pro Forma Incentives	0
PF16	Pro Forma O&M Plant Expense	0
PF17	Pro Forma Employee Benefits	0
PF18	Pro Forma Insurance	0
PF19	Pro Forma Clark Fork PM&E	0
PF20	Pro Forma Open	0
	Restated Rate Base	1,007,076
	Weighted Average Cost of Debt	3.45%
	Restated Debt Interest	\$34,744
	Interest Per Results (E-FIT-12A)	32,793
	Increase (Decrease) in Interest Expense	1,951
	FIT Rate	x 0.350
	Increase (Decrease) in FIT	-\$683

Inputs

Twelve Month Period Ending

TWELVE MONTHS ENDED SEPTEMBER 30, 2008

Idaho State Income Tax Rate of

0.012216

Company Name

AVISTA UTILITIES

. Inputs

updated tm 1/5/09

PRO FORMA
POWER SUPPLY
ADJUSTMENT
ELECTRIC

	(000'S OF DOLLARS)			LECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale		(56,623)	(56,623)	
4	Total Sales of Electricity		(56,623)	(56,623)	0
5	Other Revenue		(27,028)	(27,028)	
6	Total Electric Revenue		(83,651)	(83,651)	0
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		19,916	19,916	
8	Purchased Power		(66,597)	(66,597)	
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		(46,681)	(46,681)	0
	Distribution				
12	Operating Expenses				
13	Depreciation				
14	Taxes		0		
15	Total Distribution		0	0	0
16	Customer Accounting				
17	Customer Service & Information		•		
18	Marketing				
	Administrative & General		•		
19	Operating Expenses		0		
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	(46,681)	(46,681)	0
24	Operating Income before FIT		(36,970)	(36,970)	0
	Federal Income Taxes			(10.040)	0
25	Current Accrual	35.0%	(12,940)	(12,940)	0
26	Deferred Income Taxes				
27	NICT OPED ATING INCOME	_	(\$24,030)	(\$24,030)	\$0
27	NET OPERATING INCOME			(\$21,030)	•
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		,		
29	Production				
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	_	0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES	_			
39	TOTAL RATE BASE	•	\$0	\$0	\$0_
	•	=			

PRO FORMA PRODUCTION PROPERTY ADJUSTMENT ELECTRIC

	(000 b of Bobbinto)			
Line No.	DESCRIPTION	System	Washington	Idaho
110.	REVENUES			
1	Total General Business	\$0		
2	Interdepartmental Sales			
3	Sales For Resale	(3,350)	(3,350)	
4	Total Sales of Electricity	(3,350)	(3,350)	0
		(304)	(304)	
5	Other Revenue	(3,654)	(3,654)	0
6	Total Electric Revenue	(3,034)	(3,034)	v
	EXPENSES			
	Production and Transmission		(0.77.40)	
7	Operating Expenses	(8,749)	(8,749)	
8	Purchased Power	(3,859)	(3,859)	
9	Depreciation and Amortization	(767)	(767)	
10	Taxes	(201)	(201)	
11	Total Production & Transmission	(13,576)	(13,576)	0
	Distribution			
12	Operating Expenses			
13	Depreciation .			
14	Taxes	0		
15	Total Distribution	0	0	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
	Administrative & General			
19	Operating Expenses	0		
20	Depreciation			
21	Taxes			
22	Total Admin. & General	0	. 0	0
23	Total Electric Expenses	(13,576)	(13,576)	0
			0.000	
24	Operating Income before FIT	9,922	9,922	0
	Federal Income Taxes			
25	Current Accrual 35.	0% 3,473	3,473	0
26	Deferred Income Taxes			
			·	
27	NET OPERATING INCOME	\$6,449	\$6,449	\$0
	RATE BASE			•
	PLANT IN SERVICE			
28	Intangible	(2,377)	(\$2,377)	
	Production	(14,014)	(14,014)	
29	Transmission	(5,854)	(5,854)	
30		(3,034)	(3,03.1)	
31	Distribution			
32	General	(22.245)	(22.245)	0
33	Total Plant in Service	(22,245)	(22,245)	U
34	ACCUMULATED DEPRECIATION	(7,324)	(7,324)	
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	(7,324)	(7,324)	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES	2,421	2,421	
-39	TOTAL RATE BASE	(\$12,500)	(\$12,500)	\$0

AVISTA UTILITIES

AVERAGE PRODUCTION AND TRANSMISSION COST WASHINGTON ELECTRIC TWELVE MONTHS ENDED SEPTEMBER 30, 2008

			Produ	ction/Transmiss	ion
Colum	n Description of Adjustment	(000's)	Revenue	Expense	Rate Base
b	Per Results Report	` ′	159,899	355,486	615,840
. с	Deferred FIT Rate Base		,	-	(86,478)
d	Deferred Gain on Office Building			-	(, ,
е	Colstrip 3 AFUDC Elimination		_	(202)	(1,956)
f	Colstrip Common AFUDC	•	_	()	436
g	Kettle Falls Disallow.		-		(854)
h	Customer Advances			-	
i	Depreciation True-up		_	(685)	_
j	Settlement Exchange Power		_	(000)	18,422
J	Actual		159,899	354,599	545,410
k	Eliminate B & O Taxes			_	
1	Property Tax			2,085	
m	Uncollect. Expense			2,003	
n	Regulatory Expense			_	
0 ′	Injuries and Damages			_	
р	FIT			_	
q	Eliminate WA Power Cost Defer			(17,668)	
r	Nez Perce Settlement Adjustment			(17,008)	
s	Eliminate A/R Expenses			-	
t	Office Space Charges to Subsidiaries			-	
u	Restate Excise Taxes			_	
v	Net Gains/losses			-	
w	Revenue Normalization		171	2,618	
x	Misc Restating		1,1	2,016	
y	Restate Debt Interest			-	
y	Restated Total		160.070	341,643	545 410
	restated Total		160,070	341,043	545,410
PF1	Pro Forma Power Supply		(83,651)	(46,681)	-
PF2	Pro Forma Prod Property Adj		(3,654)	(13,576)	(12,500)
PF3	Pro Forma Labor Non-Exec		•	1,031	
PF4	Pro Forma Labor Exec			9	
PF5	Pro Forma Transmission Rev/Exp		24	103	-
PF6	Pro Forma Capital Add 2008			(77)	6,190
PF7	Pro Forma Capital Add 2009			1,199	5,375
PF9	Pro Forma Asset Management			874	-
PF11	Pro Forma Spokane Rvr Relicensing			3,636	23,325
PF12	Pro Forma CDA Tribe Settlement			829	16,819
PF13	Pro Forma Montana Lease			3,516	2,859
PF14	Pro Forma Colstrip Mercury Emiss. O&M			1,873	-
PF15	Pro Forma Incentives			´-	
PF16	Pro Forma O&M Plant Expense			2,269	-
PF17	Pro Forma Employee Benefits			1,041	_
PF18	Pro Forma Insurance			´-	
PF19	Pro Forma Clark Fork PM&E			656	-
	Pro Forma Total		72,789	298,345	587,478

AVISTA UTILITIES

AVERAGE PRODUCTION AND TRANSMISSION COST WASHINGTON ELECTRIC TWELVE MONTHS ENDED SEPTEMBER 30, 2008

Proposed Production and Transmission Revenue Requirement Calculation of Proposed Retail Revenue Credit Rate

Line 1	Prod/Trans	Pro Forma Rate Base	(\$000's) \$587,478	Debt Cost
2		Proposed Rate of Return	8.680%	3.45%
3	Rate Base	Net Operating Income Requirement	\$50,993	
4	Tax Effect	Net Operating Income Requirement (Rate Base x Debt Cost x -35%)	(\$7,094)	
5	Net Expense	Net Operating Income Requirement (Expense - Revenue)	225,556	
6	Tax Effect	Net Operating Income Requirement (Net Expense x35%)	(\$78,945)	
7	Total Prod/Trans	Net Operating Income Requirement	\$190,511	
8	1 - Tax Rate	Conversion Factor (Excl. Rev. Rel. Exp.)	0.65	
9	Prod/Trans	Revenue Requirement	\$293,093	
10	12ME Sept 2008	WA Normalized Retail Load MWh	5,487,574	
11	Prod/Trans Rev F	Requirement per kWh (Retail Revenue Credit Rate)	\$ 0.05341	

PRO FORMA LABOR NON-EXECUTIVE ADJUSTMENT ELECTRIC

, ·	(000'S OF DOLLARS)		ELECTRIC			
Line No.			System	Washington	Idaho	
	REVENUES			<u> </u>		
1	Total General Business		\$0			
2	Interdepartmental Sales					
3	Sales For Resale					
4	Total Sales of Electricity		0	0	0	
5	Other Revenue		0		0	
6	Total Electric Revenue	_	0	0	0	
	EXPENSES					
	Production and Transmission					
7	Operating Expenses		1,430 .	1,031	399	
8	Purchased Power					
9	Depreciation and Amortization					
10	Taxes					
. 11	Total Production & Transmission		1,430	1,031	399	
	Distribution					
12	Operating Expenses		1,136	842	294	
13	Depreciation					
14	Taxes		(13)		. (13)	
15	Total Distribution		1,123	842	281	
16	Customer Accounting		441	348	93	
17	Customer Service & Information		27	20	7	
18	Marketing		38	31	7	
	Administrative & General					
19	Operating Expenses		994	715	279	
20	Depreciation					
21	Taxes					
22	Total Admin. & General		994	715	279	
23	Total Electric Expenses		4,053	2,987	1,066	
24	Operating Income before FIT		(4,053)	(2,987)	(1,066)	
	Federal Income Taxes					
25	Current Accrual	35.0%	(1,418)	(1,045)	(373)	
26	Deferred Income Taxes				•	
27	NET OPERATING INCOME		(\$2,635)	(\$1,942)	(\$693)	
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible	•				
29	Production					
30	Transmission					
31	Distribution					
32	General					
33	Total Plant in Service		0	0	0	
34	ACCUMULATED DEPRECIATION		-	-	· ·	
35	ACCUM. PROVISION FOR AMORTIZATION					
36	Total Accum. Depreciation & Amort.	-	0	0	0	
37	GAIN ON SALE OF BUILDING		v		Ü	
38	DEFERRED TAXES					
39	TOTAL RATE BASE		\$0	\$0	\$0	
22	I O I LE KATE DAGE		3 0	⊅U		

LABOR NON-EXECUTIVE ADJUSTMENT ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0_
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	399
Purchased Power	. 0
Depreciation and Amortization	. 0
Taxes	0
Total Production & Transmission	399
Distribution	
Operating Expenses	294
Depreciation	0
Taxes	0
Total Distribution	294
Customer Accounting	93
Customer Service & Information	. 7
Marketing	7
Administrative & General	
Operating Expenses	279
Depreciation	0
Taxes	0
Total Admin. & General	279
Total Electric Expenses	1,079
Operating Income before SIT	(1,079)
Idaho State Income Tax	
Adjusted Rate of 0.012216	(\$13)

PRO FORMA LABOR EXECUTIVE ADJUSTMENT ELECTRIC

	(0000 Of DODES INO)	_			
Line No.	DESCRIPTION		System	Washington	Idaho
110.	REVENUES		5,51111		
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale				
4	Total Sales of Electricity	_	0	0	0
5	Other Revenue		0		0
6	Total Electric Revenue		0	0	0
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		14	9	5
8	Purchased Power				
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		14	9	5
	Distribution .				
12	Operating Expenses				
13	Depreciation		(0)		(0)
14	Taxes		(2)		(2)
15	Total Distribution		(2)	0	(2)
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General			•••	104
19	Operating Expenses		354	230	124
20	Depreciation	•			
21	Taxes		2.7.1	220	124
22	Total Admin. & General		354	230	124
23	Total Electric Expenses	_	366	239	127
24	Operating Income before FIT		(366)	(239)	(127)
	Federal Income Taxes			•	
25	Current Accrual	35.0%	(128)	(84)	(44)
26	Deferred Income Taxes				
27	NET OPERATING INCOME	_	(\$238)	(\$155)	(\$83)
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				-
30	Transmission				
31	Distribution				
. 32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0_
		<u></u>			

LABOR EXECUTIVE ADJUSTMENT ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	5
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	. 5
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Distribution	0
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	124
Depreciation Depreciation	0
Taxes	0
Total Admin. & General	124
Total Admin. & Golforn	
Total Electric Expenses	129
Operating Income before SIT	(129)
Idaho State Income Tax	
Adjusted Rate of 0.012216	(\$2)

PRO FORMA TRANSMISSION REV/EXP ELECTRIC

Line	(0000 01 2 022,110)	_		····	
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$0
2	Interdepartmental Sales				
3	Sales For Resale				
4	Total Sales of Electricity		0	0	0
5	Other Revenue		24	24	0
6	Total Electric Revenue		24	24	0
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		\$103	103	0
8	Purchased Power				
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		103	103	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		0	0	
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	103	103	0
24	Operating Income before FIT		(79)	(79)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(28)	(28)	0
26	Deferred Income Taxes				
27	NET OPER ATIMO IMCOME	_	(\$51)	(\$51)	\$0
27	NET OPERATING INCOME		(\$31)	(451)	40
	RATE BASE		•		
20	PLANT IN SERVICE				
28	Intangible	•			
29	Production				
30	Transmission				
31	Distribution			•	
32	General Camping		^		0
33	Total Plant in Service		0	0	υ
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION	_			
36	Total Accum. Depreciation & Amort.		0	0	0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES				
			•	**	
39	TOTAL RATE BASE		\$0	\$0	- \$0

PRO FORMA TRANSMISSION REV/EXP ELECTRIC

Description		Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity	·	0
Other Revenue		0
Total Electric Revenue	·	0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power		0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission		0
Distribution	•	
Operating Expenses	•	0
Depreciation		0
Taxes		0
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		0
Administrative & General		
Operating Expenses		0
Depreciation		0
Taxes		0
Total Admin. & General		0
Total Admin. & General		<u> </u>
Total Electric Expenses		0
Operating Income before SIT		0
Idaho State Income Tax		
Adjusted Rate of	0.012216	<u>\$0</u>

PRO FORMA CAPITAL ADDITIONS 2008 ELECTRIC

	(000'S OF DOLLARS)		E.	LECTRIC	
Line No.	DESCRIPTION		System V	Vashington .	Idaho
110.	REVENUES		5,500		
1.	Total General Business		\$0		
2	Interdepartmental Sales		Ψ		
3	Sales For Resale				
4	Total Sales of Electricity		0	0	0
	· · · · · · · · · · · · · · · · · · ·		0	U	0
5	Other Revenue		0	0	0
6	Total Electric Revenue		U	U	U
	EXPENSES				
	Production and Transmission				
7	Operating Expenses				
8	Purchased Power				
9	Depreciation and Amortization		(77)	(77)	0
10	Taxes		0	0	0
11	Total Production & Transmission		(77)	(77)	0
	Distribution				4
12	Operating Expenses				
13	Depreciation		296	296	0
14	Taxes		0	0	0
15	Total Distribution	_	296	296	0
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0		
20	Depreciation		509	509	0
21	Taxes		0	0	U
22	Total Admin. & General		509	509	0
		_	728	728	0
23	Total Electric Expenses	_	120	120	U
24	Operating Income before FIT		(728)	(728)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(255)	(255)	Q
26	Deferred Income Taxes				·
		_			
27	NET OPERATING INCOME		(\$473)	(\$473)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		\$349	\$349	\$0
29	Production		18,107	18,107	0
30	Transmission		9,165	9,165	0
31	Distribution		26,515	26,515	0
32	General		9,697	9,697	0
33	· Total Plant in Service	_	63,833	63,833	0
	ACCUMULATED DEPRECIATION		35,387	35,387	0
35	ACCUM. PROVISION FOR AMORTIZATION		0	55,567	
36	Total Accum. Depreciation & Amort.		35,387	35,387	0
37	GAIN ON SALE OF BUILDING		0	33,301	
38	DEFERRED TAXES		(7,001)	(7,001)	0_
39	TOTAL RATE BASE		\$21,445	\$21,445	\$0
37	. O D TOTTE DITOR	_	<u> </u>	,	

PRO FORMA CAPITAL ADDITIONS 2008 ELECTRIC

Description		Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity		0
Other Revenue		0
Total Electric Revenue	·	0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power	•	0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission	_	0
Distribution		
Operating Expenses		0
Depreciation		0
Taxes	<u> </u>	0
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		0
Administrative & General		
Operating Expenses		0
Depreciation		0
Taxes	<u> </u>	0
Total Admin. & General		0
Total Electric Expenses	- -	0
Operating Income before SIT	· _	0
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0

PRO FORMA CAPITAL ADDITIONS 2009

ELECTRIC

Line					
No.	DESCRIPTION	_	System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		0		
	Purchased Power		V		
8 9			722	722	0
	Depreciation and Amortization		477	477	. 0
10	Taxes	_			0
11	Total Production & Transmission		1,199	1,199	U
	Distribution				
12	Operating Expenses				
13	Depreciation		810	810	0
14	Taxes		429	429	0
15	Total Distribution		1,239	1,239	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		U	O .	v
18	· · · · · · · · · · · · · · · · · · ·				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation		1,784	1,784	0
21	Taxes		249	249	0
22	Total Admin. & General		2,033	2,033	0
23	Total Electric Expenses		4,471	4,471	0
	•				
24	Operating Income before FIT		(4,471)	(4,471)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(1,565)	(1,565)	0
26	Deferred Income Taxes	557575	(-3 /	. (-,,	
20	Scioned moonie ruicis	_			
2.7	NET OPER LEWIS INCOME		(#2.00C)	/#2 004)	\$0
27	NET OPERATING INCOME		(\$2,906)	(\$2,906)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		\$5,498	\$5,498	\$0
29	Production		24,825	24,825	0
30	Transmission		7,245	7,245	0
31	Distribution		29,017	29,017	0
32	General		11,865	11,865	0
33	Total Plant in Service	_	78,450	78,450	0
33 34	ACCUMULATED DEPRECIATION		47,867	47,867	0
			47,007	47,007	O
35	ACCUM. PROVISION FOR AMORTIZATION		. 47 067	17 047	0
36	Total Accum. Depreciation & Amort.		47,867	47,867	U
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES		(7,647)	(7,647)	0
50	DELEKTED TYALO		(1,071)		
39	TOTAL RATE BASE	=	\$22,936	\$22,936	\$0

PRO FORMA CAPITAL ADDITIONS 2009 ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	. 0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	0
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Distribution	0
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	0
Total Electric Expenses	0
Operating Income before SIT	0
Idaho State Income Tax	
Adjusted Rate of 0.012216	\$0

PRO FORMA
NOXON GENERATION 2010

ELECTRIC

Line		_			
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		158	158	. 0
10	Taxes		82	82	
11	Total Production & Transmission	_	240	240	0
	Distribution				
12	Operating Expenses				
13	Depreciation		0	. 0	0
14	Taxes		0	0	0
15	Total Distribution	_	0	0	0
16	Customer Accounting		0	0	
17	Customer Service & Information				
18	Marketing				· •
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation		0	0	0
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	240	240	0
24	Operating Income before FIT		(240)	(240)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(84)	(84)	0
26	Deferred Income Taxes		(- /	,	
		_			
27	NET OPERATING INCOME		(\$156)	(\$156)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		\$0	\$0	\$0
29	Production		5,464	5,464	0
30	Transmission		0	0	0
31	Distribution		0	0	0
32	General		0	0	0
33	Total Plant in Service	_	5,464	5,464	0
34	ACCUMULATED DEPRECIATION		56	56	0
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	-	56	56	0
37	GAIN ON SALE OF BUILDING			2.0	3
38	DEFERRED TAXES	_	(22)	(22)	0
39	TOTAL RATE BASE		\$5,386	\$5,386	\$0
		<u>-</u>			

PRO FORMA INFORMATION SERVICES

ELECTRIC

DESCRIPTION System Washington Idah	Line		_			
1 Total General Business \$0	No.	DESCRIPTION		System	Washington	Idaho
1						
3 Sales For Resale	1			. \$0	\$0	\$0
Total Sales of Electricity 0 0 0 0 0 0 0 0 0	2	•				
1	3	Sales For Resale	·		· <u></u>	
EXPENSES Production and Transmission Production and Amorization Production Production Production & Toola Production & Transmission Production Production & Transmission Production & Production Production & Transmission Production Production & Production Production & Production Production & Production Pr	4	Total Sales of Electricity		. 0	0	0
EXPENSES Production and Transmission Operating Expenses O	5	Other Revenue				
Production and Transmission	6	Total Electric Revenue		0	0	0
7 Operating Expenses 0 0 0 0 0 0 0 0 0		EXPENSES				
7 Operating Expenses 0 0 0 0 0 0 0 0 0						
8 Purchased Power Purchased Power 9 Depreciation and Amortization 0 0 Distribution Distribution 12 Operating Expenses 0 0 0 14 Taxes 0 0 0 15 Total Distribution 0 0 0 16 Customer Accounting 0 0 0 17 Customer Service & Information 0 0 0 18 Marketing 0 0 0 10 Depreciation 0 0 0 18 Marketing 0 0 0 10 Depreciation 0 0 0 20 Depreciation 1,752 1,752 0 21 Taxes 1,752 1,752 0 22 Total Admin. & General 1,752 1,752 0 23 Total Electric Expenses 1,752 1,752 0 24 Current Account account Taxes 1,752 1,752 0 25 Current Account Experiation 3 (613) <	7			n	0	0
9 Depreciation and Amortization 0 0 10 Taxes 0 0 0 Distribution 12 Operating Expenses 0 0 0 13 Depreciation 0 0 0 14 Taxes 0 0 0 15 Total Distribution 0 0 0 16 Customer Accounting 0 0 0 17 Customer Service & Information 0 0 0 18 Marketing 0 0 0 0 19 Operating Expenses 1,752 1,752 0 20 Depreciation 1 1,752 1,752 0 21 Taxes 1,752 1,752 0 22 Total Admin, & General 1,752 1,752 0 23 Total Electric Expenses 1,752 1,752 0 24 Operating Income before FIT (1,752) (1,752) 0 25 Current Accrual 35.0% (613) (613) 0 26 Deferred Income Taxes				v	v	v
1				. 0	0	
Total Production & Transmission					U	
Distribution 12 Operating Expenses 0			_			
12	11	Total Production & Transmission		0	0	0
13						
Taxes		· · ·		0	0	0
Total Distribution	13	Depreciation				
16 Customer Accounting 0 0 0 0 0 17 Customer Service & Information 0 0 0 0 18 Marketing 0 0 0 0 0 19 Marketing 0 0 0 0 0 19 Administrative & General	14	Taxes	<u></u>	. 0	0	0
17 Customer Service & Information 0 0 0 18 Marketing 0 0 0 Administrative & General 1,752 1,752 0 20 Depreciation 1,752 1,752 0 21 Taxes 1,752 1,752 0 23 Total Admin. & General 1,752 1,752 0 24 Operating Income before FIT (1,752) (1,752) 0 24 Operating Income Taxes Current Accrual 35.0% (613) (613) 0 26 Deferred Income Taxes (\$1,139) (\$1,139) \$0 27 NET OPERATING INCOME (\$1,139) \$(\$1,139) \$0 RATE BASE PLANT IN SERVICE Production 0 0 0 30 Transmission 0 0 0 0 31 Distribution 0 0 0 0 32 General 0 <td>15</td> <td>Total Distribution</td> <td></td> <td>0</td> <td>0</td> <td>0</td>	15	Total Distribution		0	0	0
17 Customer Service & Information 0 0 0 18 Marketing 0 0 0 Administrative & General 1,752 1,752 0 20 Depreciation 1,752 1,752 0 21 Taxes 1,752 1,752 0 23 Total Admin. & General 1,752 1,752 0 24 Operating Income before FIT (1,752) (1,752) 0 24 Operating Income Taxes Current Accrual 35.0% (613) (613) 0 26 Deferred Income Taxes (\$1,139) (\$1,139) \$0 27 NET OPERATING INCOME (\$1,139) \$(\$1,139) \$0 RATE BASE PLANT IN SERVICE Production 0 0 0 30 Transmission 0 0 0 0 31 Distribution 0 0 0 0 32 General 0 <td>16</td> <td>Customer Accounting</td> <td>•</td> <td>0</td> <td>0</td> <td>0</td>	16	Customer Accounting	•	0	0	0
18 Marketing 0 0 0 Administrative & General 1,752 1,752 0 20 Depreciation 1,752 1,752 0 21 Taxes 1,752 1,752 0 22 Total Admin. & General 1,752 1,752 0 23 Total Electric Expenses 1,752 1,752 0 24 Operating Income before FIT (1,752) (1,752) 0 Federal Income Taxes 25 Current Accrual 35.0% (613) (613) 0 26 Deferred Income Taxes (\$1,139) (\$1,139) \$0 RATE BASE PLANT IN SERVICE 28 Intangible 9 Production 0 0 0 30 Transmission 1 Distribution 31 Distribution 9 Ceneral 32 General 0 0 0 33 Total Plant in Service 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM, PROVISION FOR AMORTIZATION 0 0 0 <td>17</td> <td></td> <td></td> <td>0</td> <td>0</td> <td>0</td>	17			0	0	0
19	18	Marketing		0	0	0
19		Administrative & General				
Depreciation Taxes Total Admin. & General 1,752 1,752 0	10			1.752	1 752	0
Taxes				1,702	1,702	•
1,752 1,752 0						
23 Total Electric Expenses 1,752 1,752 0			_	1.750	1.752	
24 Operating Income before FIT						
Federal Income Taxes 25 Current Accrual 35.0% (613) (613) 0	23	Total Electric Expenses	_	1,732	1,732	<u> </u>
25 Current Accrual 35.0% (613) (613) 0	24	Operating Income before FIT		(1,752)	(1,752)	0
Deferred Income Taxes		Federal Income Taxes		N.		
Deferred Income Taxes	25	Current Accrual	35.0%	(613)	(613)	0
RATE BASE PLANT IN SERVICE 28	26			,		
RATE BASE PLANT IN SERVICE 28						
PLANT IN SERVICE 28 Intangible 0 29 Production 0 30 Transmission 31 Distribution 32 General 0 0 0 33 Total Plant in Service 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0	27	NET OPERATING INCOME		(\$1,139)	(\$1,139)	\$0
28 Intangible 29 Production 0 30 Transmission 31 31 Distribution 32 32 General 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0		RATE BASE				
29 Production 0 30 Transmission 31 31 Distribution 32 32 General 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0		PLANT IN SERVICE				
29 Production 0 30 Transmission 31 31 Distribution 32 32 General 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0	28	Intangible				
30 Transmission 31 Distribution 32 General 33 Total Plant in Service 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0		_		0		
31 Distribution 32 General 33 Total Plant in Service 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0				· ·		
32 General 33 Total Plant in Service 0 0 0 34 ACCUMULATED DEPRECIATION 0 0 35 ACCUM. PROVISION FOR AMORTIZATION 0 0 0 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 0 0 0 38 DEFERRED TAXES 0 0 0						
Total Plant in Service 0 0 0 0 ACCUMULATED DEPRECIATION 0 ACCUM. PROVISION FOR AMORTIZATION Total Accum. Depreciation & Amort. 0 0 0 GAIN ON SALE OF BUILDING DEFERRED TAXES 0						
ACCUMULATED DEPRECIATION 0 35 ACCUM. PROVISION FOR AMORTIZATION 36 Total Accum. Depreciation & Amort. 0 0 0 37 GAIN ON SALE OF BUILDING 38 DEFERRED TAXES 0						
35 ACCUM. PROVISION FOR AMORTIZATION 36 Total Accum. Depreciation & Amort. 37 GAIN ON SALE OF BUILDING 38 DEFERRED TAXES 40 0					U	U
Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING DEFERRED TAXES 0 0 0 0		•		0		
37 GAIN ON SALE OF BUILDING 38 DEFERRED TAXES 0						
38 DEFERRED TAXES 0				0	0	0
				Δ		
39 TOTAL RATE BASE \$0 \$0 \$0	٥د					
	39	TOTAL RATE BASE		\$0	\$0	\$0

PRO FORMA ASSET MANAGEMENT

12 T	TO COL	FDIA

Line		_			
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		874	874	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	0
10	Taxes		0		
11	Total Production & Transmission		874	874	0
	Distribution				
12	Operating Expenses		2,023	2,023	0
13	Depreciation .		•	ŕ	
14	Taxes		0	0	0
15	Total Distribution		2,023	2,023	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	. 0	0
18	Marketing		0	0	. 0
	Administrative & General				
19	Operating Expenses		0		
20	Depreciation		0	0	0
21	Taxes				
22					·
23	Total Admin. & General		0	0	. 0
23	Total Electric Expenses		2,897	2,897	0
24	Operating Income before FIT		(2,897)	(2,897)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(1,014)	(1,014)	0
26	Deferred Income Taxes			(-,,	·
27	NET OPERATING INCOME		(\$1,883)	(\$1,883)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission	,			
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0	ŭ	Ŭ
35	ACCUM. PROVISION FOR AMORTIZATION		Ÿ		
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING		U	U	U
38	DEFERRED TAXES		. 0		
39	TOTAL RATE BASE		\$0	\$0	\$0
	. C. LEIGHE DIOL		JV	D U	ĎΨ

PRO FORMA ASSET MANAGEMENT ELECTRIC

Description	`Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	.0
Taxes	0
Total Production & Transmission	0
pistribution	
Operating Expenses	. 0
Depreciation	0
Taxes	
Total Distribution	0
ustomer Accounting	0
Customer Service & Information	. 0
Marketing	. 0
dministrative & General	
Operating Expenses	0
Depreciation	0
Taxes	. 0
Total Admin. & General	0
otal Electric Expenses	0 .
Operating Income before SIT	
daho State Income Tax	
Adjusted Rate of 0.012216	\$0
v	

AVISTA UTILITIES

ELECTRIC ADJUSTMENT SUMMARY

TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S OF DOLLARS)

PRO FORMA SPOKANE RIVER RELICENSING

ELEC'	FRIC

	(000'S OF DOLLARS)			ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
110.	REVENUES		System	··· uog.co	
1	Total General Business		\$0	\$0	\$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		1,677	1,677	0
8	Purchased Power				
9	Depreciation and Amortization		1,959	1,959	0
10	Taxes		. 0		
11	Total Production & Transmission		3,636	3,636	0
10	Distribution		0	0	0
12	Operating Expenses		0	0	0
13	Depreciation		^	0	
14	Taxes		0	0	0
15	Total Distribution		0	U	Ü
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	<u></u>	3,636	3,636	0
24	Operating Income before FIT		(3,636)	(3,636)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(1,273)	(1,273)	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME	_	(\$2,363)	(\$2,363)	\$0
2,			(42,5 65)	(\$\pi_10\ 50\)	**
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		26,703	\$26,703	\$0
29	Production		•		
30	Transmission				
31	Distribution				
32	General	_			
33	Total Plant in Service		26,703	26,703	0
34	ACCUMULATED DEPRECIATION	•			
35	ACCUM. PROVISION FOR AMORTIZATION		560	560	0
36	Total Accum. Depreciation & Amort.		560	560	0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES		(2,818)	(2,818)	
39	TOTAL RATE BASE		\$23,325	\$23,325	\$0
39	TOTAL MATE DAGE	_	ΨLJ,JLJ	لكال, لكات	90

PRO FORMA SPOKANE RIVER RELICENSING ELECTRIC

Description		Idaho
REVENUES		
Total General Business	•	\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity		0
Other Revenue		0
Total Electric Revenue		0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power		0
Depreciation and Amortization		0
Taxes		0_
Total Production & Transmission		0
Distribution	ł	
Operating Expenses		0
Depreciation .		0
Taxes		
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		. 0
Administrative & General		
Operating Expenses		0
Depreciation		0
Taxes		0
Total Admin. & General		0
Total Electric Expenses		0
Operating Income before SIT		0
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0

PRO FORMA CDA TRIBE SETTLEMENT ELECTRIC

	(000'S OF DOLLARS)	_	<u> </u>	ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
110.	REVENUES			<u> </u>	
1	Total General Business		\$0	\$0	\$0
2	Interdepartmental Sales				
3	Sales For Resale				
4	Total Sales of Electricity	_	. 0	0	0
	Other Revenue		. •	Ü	· ·
5 6	Total Electric Revenue	_	0	0	0
U	Total Electric Revenue		·		
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		0	0	0
8	Purchased Power				
. 9	Depreciation and Amortization		. 829	829	0
10	Taxes		0		
11	Total Production & Transmission	_	829	829	0
	Distribution				
12	Operating Expenses		0	0	0
13	Depreciation Depreciation		v	ŭ	•
	-		0	0	0
14 15	Taxes Total Distribution	_	0	0	0
13	Total Distribution		v	Ū	
16	Customer Accounting		0	0	0
17	Customer Service & Information		0 ·	0	0
18	Marketing		0	0	0
	Administrative & General		0	0	0
19	Operating Expenses		0	0	U
20	Depreciation				
21	Taxes	_			
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	829	829	0
24	Operating Income before FIT		(829)	(829)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(290)	(290)	0
26	Deferred Income Taxes		,	•	
		_	·		
27	NET OPERATING INCOME		(\$539)	(\$539)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible		25,866	\$25,866	
29	Production		0	0	0
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	25,866	25,866	. 0
33 34	ACCUMULATED DEPRECIATION		663	663	. •
			005	005	
35	ACCUM. PROVISION FOR AMORTIZATION	_	663	663	0
36 37	Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING		. 003	003	U
38	DEFERRED TAXES		(8,384)	(8,384)	0
					# A
39	TOTAL RATE BASE	=	\$16,819	\$16,819	\$0

PRO FORMA CDA TRIBE SETTLEMENT ELECTRIC

Description	•	Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales -		.0
Sales For Resale		0
Total Sales of Electricity		
Other Revenue	•	0
Total Electric Revenue		0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power	•	0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission		0
. District		
Distribution	•	_
Operating Expenses		0
Depreciation		0
Taxes		
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		0
wai keting	•	U
. Administrative & General		
Operating Expenses		0
Depreciation		0
Taxes		0
Total Admin. & General		0
Total Electric Expenses		0
		_
Operating Income before SIT		
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0
rajusta rutta or		Ψ

AVISTA UTILITIES

ELECTRIC ADJUSTMENT SUMMARY

TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S OF DOLLARS)

PRO FORMA COLSTRIP MERCURY EMISSIONS O&M

ELECTRIC

	(000'S OF DOLLARS)		BLECTRIC		
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$0
2	Interdepartmental Sales				
3	Sales For Resale	_			
4	Total Sales of Electricity		0	0	0
5	Other Revenue	<u> </u>			·
6	Total Electric Revenue		0	0	0
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		1,873	1,873	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		0	1.072	0
11	Total Production & Transmission		1,873	1,873	U
	Distribution		0	٥	0
12	Operating Expenses		0	0	U
13	Depreciation		0	. 0	0
14	Taxes		0	0	0
15	Total Distribution		U	U	. 0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		. 0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses		1,873	1,873	0
24	Operating Income before FIT		(1,873)	(1,873)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(656)	(656)	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME	_	(\$1,217)	(\$1,217)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible	•			*
29	Production		0		
30	Transmission				
31	Distribution				
32	General	• _			
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0 .	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES		0		
39	TOTAL RATE BASE	_	\$0	\$0	\$0

AVISTA UTILITIES ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

PRO FORMA MONTANA LEASE

•	(000'S OF DOLLARS)			ELECTRIC	
Line	, ,				
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES		•	di O	40
1	Total General Business		\$0	\$0	\$0
2	Interdepartmental Sales				
3	Sales For Resale			<u> </u>	
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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization		3,516	3,516	0
10	Taxes		0		
11	Total Production & Transmission	_	3,516	3,516	0
	Distribution				
12	Operating Expenses		0	0	0
13	Depreciation				
14	Taxes		0	0	0
15	Total Distribution		0	0	0
1.6	C stand A samuling		0	0	0
16	Customer Accounting				0
17	Customer Service & Information		0	0	
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0_
23	Total Electric Expenses	_	3,516	3,516	
24	Operating Income before FIT		(3,516)	(3,516)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(1,231)	(1,231)	0
26	Deferred Income Taxes		0		
		_			
27	NET OPERATING INCOME		(\$2,285)	(\$2,285)	\$0
	RATE BASE		•		
	PLANT IN SERVICE				
28	Intangible				
29	Production		4,398	4,398	0
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	4,398	4,398	0
34	ACCUMULATED DEPRECIATION		0	1,000	
			V		
35 26	ACCUM. PROVISION FOR AMORTIZATION	_	0	0	0
36 37	Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING		U		J
38	DEFERRED TAXES		(1,539)	(1,539)	0
39	TOTAL RATE BASE		\$2,859	\$2,859	\$0
3)		_	+-,~~	,	

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

PRO FORMA MONTANA LEASE ELECTRIC

Description		Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales	•	0
Sales For Resale		0
Total Sales of Electricity		0
Other Revenue		0
Total Electric Revenue		0
EXPENSES		
Production and Transmission		
Operating Expenses		0
Purchased Power		0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission		0
Distribution		
Operating Expenses		0
Depreciation		0
Taxes		
Total Distribution		
Customer Accounting		0
Customer Service & Information		0
Marketing		0
Administrative & General		
Operating Expenses		0
Depreciation		0
Taxes		, 0
Total Admin. & General		0
Total Electric Expenses		
Operating Income before SIT		0
Operating income octore 311		
Idaho State Income Tax		
Adjusted Rate of	0.012216	\$0

AVISTA UTILITIES

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

PRO FORMA INCENTIVES

	(000'S OF DOLLARS)	ELECTRIC			
Line					
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		0	0	. 0
8	Purchased Power		v	v	v
9	Depreciation and Amortization		0	0	
			0		
10	Taxes				
11	Total Production & Transmission		0	0	0
10	Distribution		^	. 0	0
12	Operating Expenses		0	. 0	0
13	Depreciation		_		_
14	Taxes		0	0	0
15	Total Distribution		0	0	0
16	Customer Accounting		0	0	. 0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		550	550	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General	_	550	550	0
23	Total Electric Expenses		550	550	0
23	Total Bioditio Exponses	_		230	
24	Operating Income before FIT		(550)	(550)	0
	Federal Income Taxes	•			
25	Current Accrual	35.0%	(193)	(193)	0
26	Deferred Income Taxes	33.070	(175)	(175)	· ·
20	Bolottoa moomo raxes	_			
27	NET OPERATING INCOME		(\$357)	(\$357)	\$0
	RATE BASE		-		
	PLANT IN SERVICE				•
28	Intangible				
29	Production		0		
30	Transmission				1
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
				U	U
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES	_	0		
39	TOTAL RATE BASE		\$0	\$0	\$0

PRO FORMA
O&M GENERATION PLANT EXPENSE

TOT	ECTRIC	

	(000'S OF DOLLARS)]	ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES	-		<u> </u>	10,110
1	Total General Business		\$0	\$0	\$0
2	Interdepartmental Sales		**	**	-
3	Sales For Resale				
4	Total Sales of Electricity	-	0	0	0
5	Other Revenue		, and the second	v	. •
6	Total Electric Revenue		0	0	0
	EXPENSES	. •			
	Production and Transmission				
. 7	Operating Expenses		2,269	2,269	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		0		
11	Total Production & Transmission		2,269	2,269	0
	Distribution			•	
12	Operating Expenses		0	. 0	0
13	Depreciation				
14	Taxes		0	0	0
15	Total Distribution		0	0	.0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	. 0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	2,269	2,269	0
24	Operating Income before FIT		(2,269)	(2,269)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(794)	(794)	0
26	Deferred Income Taxes		,	(,,,,	
27	NET OPERATING INCOME	4,000,000	(\$1,475)	(\$1,475)	\$0
			(41,173)	(\$1,175)	Ψ0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		0	. 0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION		·		
36	Total Accum. Depreciation & Amort.		0	0	0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES		0		
		_			
39	TOTAL RATE BASE		\$0	\$0	\$0

(Pension/Med Insur)
PRO FORMA
EMPLOYEE BENEFITS

100 K	EO	TD	
14.1	MA.	1 K	IL.

	(000'S OF DOLLARS)		ELECTRIC	
Line No.	DESCRIPTION	System	Washington	Idaho
	REVENUES			
1	Total General Business	\$0	\$0	\$0
2	Interdepartmental Sales			
3	Sales For Resale			
4	Total Sales of Electricity	0	0	0
	Other Revenue	V	Ū	v
5		0	0	0
6	Total Electric Revenue	. 0	U	
	EXPENSES			
	Production and Transmission			
7	Operating Expenses	1,041	1,041	0
8	Purchased Power			
9	Depreciation and Amortization	. 0	0	
10	Taxes	0_		
11	Total Production & Transmission	1,041	1,041	0
	Distribution			
12	Operating Expenses	778	778	0
13	Depreciation			
14	Taxes	0	0	0
15	Total Distribution	778	. 778	0
16	Customer Accounting	329	329	0
16	Customer Service & Information	19	19	0
17 18	Marketing	30	30	0
	Administrative & General	1.50	1.770	0
19	Operating Expenses	1,768	1,768	0
20	Depreciation			
21	Taxes			
22	Total Admin. & General	1,768	1,768	0
23	Total Electric Expenses	3,965	3,965	0
	a de la companya de			
24	Operating Income before FIT	(3,965)	(3,965)	0
	Federal Income Taxes			•
25	Current Accrual 35.	0% (1,388)	(1,388)	. 0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$2,577)	(\$2,577)	\$0
21	NET OF EXAMING INCOME	(\$2,577)	(42,577)	4.0
	RATE BASE			
	PLANT IN SERVICE			
28	Intangible			
29	Production	0		
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	0	0	0
34	ACCUMULATED DEPRECIATION	0	Ť	
34 35	ACCUM. PROVISION FOR AMORTIZATION	U		
		0.	0	0
36	Total Accum. Depreciation & Amort.	U		U
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES	0		
20	DELENGED TAALS			
39	TOTAL RATE BASE	\$0	\$0	\$0

AVISTA UTILITIES

ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

(000'S OF DOLLARS)

PRO FORMA
INSURANCE
ELECTRIC

	(000 S OF DOLLARS)	_	ואַנ	LECT RIC	
Line No.	DESCRIPTION		System W	ashington	Idaho
	REVENUES		4		
1	Total General Business		\$0	\$0	\$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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization	•	0	0	
10	Taxes		0		
11	Total Production & Transmission		0	0	0
	Distribution		·		
12	Operating Expenses		0	0	0
13	Depreciation		_		
14	Taxes		0	0	0
15	Total Distribution		0	0	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		283	283	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		283	283	0
23	Total Electric Expenses	_	283	283	0 -
24	Operating Income before FIT		(283)	(283).	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(99)	(99)	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME	_	(\$184)	(\$184)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission		·		
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION		-		
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES		0		
39	TOTAL RATE BASE		\$0	\$0	\$0_

PRO FORMA CLARK FORK PM&Es ELECTRIC

Line	,	_			
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		656	656	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		0		
11	Total Production & Transmission	_	656	656	0
	Distribution				*
12	Operating Expenses		0	0	0
13	Depreciation				
14	Taxes		0	0	0
15	Total Distribution	_	0	0	0
		•		0	0
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses		656	656	0
24	Operating Income before FIT		(656)	(656)	0
	Federal Income Taxes				
25	Current Accrual	35.0%	(230)	(230)	0
26	Deferred Income Taxes	_			
27	NET OPERATING INCOME		(\$426)	(\$426)	\$0
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
			0	Q	v
34	ACCUMULATED DEPRECIATION		U		
35	ACCUM. PROVISION FOR AMORTIZATION	_		0	0
36	Total Accum. Depreciation & Amort.		0	U	Ü
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES		0		
		_		20	# C
39	TOTAL RATE BASE	_	\$0	\$0	\$0

AVISTA UTILITIES

ELECTRIC ADJUSTMENT SUMMARY

DEFERRED TAXES

TOTAL RATE BASE

38

39

PRO FORMA

TWELVE MONTHS ENDED SEPTEMBER 30, 2008 **ELECTRIC** (000'S OF DOLLARS) Line Washington Idaho DESCRIPTION System No. **REVENUES** \$0 \$0 \$0 Total General Business 1 2 Interdepartmental Sales 3 Sales For Resale 0 0 0 4 Total Sales of Electricity 5 Other Revenue 0 0 0 Total Electric Revenue **EXPENSES** Production and Transmission 0 0 0 7 Operating Expenses Purchased Power 8 0 0 Depreciation and Amortization 0 10 Taxes 0 0 0 Total Production & Transmission 11 Distribution 0 0 0 12 Operating Expenses Depreciation 13 0 Taxes 14 0 0 0 15 **Total Distribution** 0 0 0 Customer Accounting 16 0 0 17 Customer Service & Information 0 0 0 Marketing 18 Administrative & General 0 0 19 Operating Expenses 0 20 Depreciation 21 Taxes 0 0 0 Total Admin. & General 22 0 0 0 23 Total Electric Expenses 0 0 0 Operating Income before FIT 24 Federal Income Taxes 0 0 0 35.0% 25 Current Accrual 26 Deferred Income Taxes \$0 \$0 \$0 27 NET OPERATING INCOME RATE BASE PLANT IN SERVICE 28 Intangible 29 Production 0 Transmission 30 31 Distribution 32 General 0 0 0 Total Plant in Service 33 0 ACCUMULATED DEPRECIATION 34 ACCUM. PROVISION FOR AMORTIZATION 35 0 0 0 Total Accum. Depreciation & Amort. 36 GAIN ON SALE OF BUILDING 37

0

\$0

\$0

\$0

WORKPAPERS

In support of

Exhibit No.___(EMA-2)

Docket No. UE-09__

Witness: Elizabeth M. Andrews

POWER SUPPLY NORMALIZED ADJUSTMENT ELECTRIC

Line					
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES		••		
1	Total General Business		\$0		
2	Interdepartmental Sales		(100.275)	(100.275)	
3	Sales For Resale	_	(100,275)	(100,275)	0
4	Total Sales of Electricity		(100,275)	(100,275)	U
5	Other Revenue		(29,202)	(29,202)	0
6	Total Electric Revenue		(129,477)	(129,477)	U
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		(17,182)	(17,182)	
8	Purchased Power		(98,483)	(98,483)	
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		(115,665)	(115,665)	0
	Distribution				
12	Operating Expenses				
13	Depreciation Depreciation				
14	Taxes		0		
15	Total Distribution		0	0	0
16	Contains Associating				
16	Customer Accounting				•
17	Customer Service & Information				
18	Marketing				
	Administrative & General		0		
19	Operating Expenses		0	0	
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	(115,665)	(115,665)	0
24	Operating Income before FIT		(13,812)	(13,812)	
	Federal Income Taxes				
25	Current Accrual	35.0%	(4,834)	(4,834)	
26	Deferred Income Taxes				
20	Deterror messive raises				
27	NET OPERATING INCOME		(\$8,978)	(\$8,978)	\$0
27	NET OPERATING INCOME		(\$0,570)	(4-,,	
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution	•			
32	General				
33	Total Plant in Service	_	0	. 0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION			•	
		_	0	0	0
36	Total Accum. Depreciation & Amort.		J	v	· ·
37	GAIN ON SALE OF BUILDING		*		
38	DEFERRED TAXES	-			
39	TOTAL RATE BASE		\$0	\$0	\$0
٠,		=			

AVISTA UTILITIES Ending Balance CWIP December 31, 2005 <u>Jurisdictional Allocation</u>

	Allocator	System	Washington	Idaho
ELECTRIC				
Intangible	1	725	474	251
Production/Transmission	1	31,534,698	20,614,232	10,920,466
•	-			
Direct Distribution	99	10,466,843	4,698,232	5,768,611
Allocated Distribution	10	0	0	0
Direct General	99	189,786 0	144,719 0	45,067 0
Allocated General	4	U	U	U
Allocated Common	4	3,691,978	2,407,539	1,284,439
Subtotal Electric		45,884,030	27,865,195	18,018,835
Percent		100.000%	60.730%	39.270%
Electric Overhead		64,559	39,206	25,353
TOTAL ELECTRIC		45,948,589	27,904,402	18,044,187
Allocation Factors - From Roo E-AL	L-12A			
Production Transmission Ratio	4	100.000%	65.370%	. 34.630%
Jurisdictional Four Factor	4	100.000%	65.210%	34.790%
Net Electric Distribution Plant	10	100.000%	62.220%	37.780%
Direct Assignment	99	0.000%	0.000%	0.000%
			51.723% 78%	27.595% 81%
	Allocator	System	Washington	Idaho
<u>GAS</u>				
Intangible	4	0	0	0
Underground Storage	IC	0	0	0
Direct Distribution	99	3,589,862	1,698,005	1,891,857
Allocated Distribution	6	36,151	25,786	1,691,657
		, -	,	,
Direct General	99	50,341	39,788	10,553
Allocated General	4	0	0	. 0
Allocated Common	4	1,223,071	840,959	382,112
Subtotal Gas		4,899,425	2,604,539	2,294,886
Percent		100.000%	53.160%	46.840%
Gas Overhead		-741,959	-394,426	-347,533
TOTAL GAS		4,157,466	2,210,112	1,947,353
Allocation Factors - From ROO G-A	LL-12A			
System Contract Demand	1C	100.000%	73.060%	26.940%
Jurisdictional Four Factor	4	100.000%	68.758%	31.242%
Actual Therms Purchased	6	100.000%	71.329%	28.671%
Direct Assignment	99	0.000%	0.000% 14.22%	0.000% <i>6.46%</i>
CD WA / CD ID			21.6%	19.0%

AVISTA UTILITIES Ending Balance CWIP December 31, 2005 <u>Jurisdictional Allocation</u>

	Allocator	System	Oregon	California	
WPNG					
Intangible	4	0	0	0	
Production	99	0	0	0	
Transmission	99	0	0	0	
Distribution	99	5,343,895	5,343,895	0	
Direct General	99	60,350	60,350	0	
Allocated General	4	0	0	0	
Allocated Common	4	505,164	505,164	0	
Subtotal WPNG		5,909,409	5,909,409	0	
Percent		100.000%	100.000%	0.000%	
WPNG Overhead		-128,404	-128,404	0	
TOTAL WPNG		5,781,006	5,781,006	0	
Allocation Factors - From Roo W-A	LL-12A				
Jurisdictional Four Factor	4	100.000%	100.000%	0.000%	
Direct Assignment	99	0.000%	0.000%	0.000%	
	Allocator	Total Company	WWP Electric	WWP Gas	WPNG
COMMON					
Common All - CDAA	7	. 5,129,512	3,713,716	1,001,178	414,618
Common Gas - GDAA	8	318,107	0	227,561	90,546
Common WWP - CDAN	9	-27,406	-21,738	-5,668	0
Total Common		5,420,213	3,691,978	1,223,071	505,164
Allocation Factors					
Utility 7	7	100.000%	72.399%	19.518%	8.083%
Utility 8	8	100.000%	0.000%	71.536%	28.464%
Utility 9	9	100.000%	79.318%	20.682%	0.000%

AVISTA UTILITIES Ending Balance CWIP June 30, 2006 <u>Jurisdictional Allocation</u>

	Allocator	System	Washington	Idaho
ELECTRIC				
Intangible	1	0	0	0
Production/Transmission	1	47,301,935	30,921,275	16,380,660
Direct Distribution	99	10,451,650	3,531,060	6,920,591
Allocated Distribution	10	0	0	0
Direct General	99	125,479	101,752	23,727
Allocated General	4	0	0	0
Allocated Common	4	5,397,895	3,519,967	1,877,928
Subtotal Electric	÷ *	63,276,958	38,074,053	25,202,905
Percent		100.000%	60.170%	39.830%
Electric Overhead		-194,760	-117,188	-77,572
TOTAL ELECTRIC		63,082,198	37,956,865	25,125,333
Allocation Factors - From Roo E-	ALL-12A			
Production Transmission Ratio	1	100.000%	65.370%	34.630%
Jurisdictional Four Factor	4	100.000%	65.210%	34.790%
Net Electric Distribution Plant	10	100.000%	62.190%	37.810%
Direct Assignment	99	0.000%	0.000%	0.000%
			52.297%	27.901%
CD WA / CD ID	Allocator	System	79% Washington	82% Idaho
GAS				
Intangible	4	0	0	0
Underground Storage	1C	0	0	0
Direct Distribution	99	3,507,087	1,908,825	1,598,263
Allocated Distribution	6	66,368	47,031	19,337
Direct General	99	31,752	26,491	5,261
Allocated General	4	0	0	0
Allocated Common	4	1,348,973	927,527	421,446
Subtotal Gas		4,954,180	2,909,873	2,044.307
Percent		100.000%	58.736%	41.264%
Gas Overhead		-474,160	-278,501	-195,659
TOTAL GAS		4,480,021	2,631,372	1,848,648
Allocation Factors - From ROO C	G-ALL-12A			
System Contract Demand	1C	100.000%	73.350%	26.650%
Jurisdictional Four Factor	4	100.000%	. 68.758%	31.242%
Actual Therms Purchased	6	100.000%	70.864%	29.136%
Direct Assignment	99	0.000%	0.000% 13.62%	0.000% 6.19%
CD WA / CD ID			20.7%	18.1%

AVISTA UTILITIES Ending Balance CWIP June 30, 2006 <u>Jurisdictional Allocation</u>

	Allocator	System	Oregon	California	
WPNG					
Intangible	4	0	0	0	
Production	99	0	0	0	
Transmission	99	0	0	0	
Distribution	99	3,247,834	3,247,834	0	
Direct General	99	0	0	0	
Allocated General	4	0	0	0	,
Allocated Common	4	580,709	580,709	0	
Subtotal WPNG		3,828,544	3,828,544	0	
Percent		100.000%	100.000%	0.000%	
WPNG Overhead		-182,164	-182,164	0	
TOTAL WPNG		3,646,379	3,646,379	0	
Allocation Factors - From Roo W-	-ALL-12A				
Jurisdictional Four Factor	4	100.000%	100.000%	0.000%	
Direct Assignment	99	0.000%	0.000%	0.000%	
	Allocator	Total Company	WWP Electric	WWP Gas	WPNG
COMMON	7 modulos	Total Company			
Common All - CDAA	7	7,190,553	5,288,005	1,321,839	580,709
Common Gas - GDAA	8	0	0	0	0
Common WWP - CDAN	9	137,023	109,890	27,133	0
Total Common	·	7,327,576	5,397,895	1,348,973	580,709
Allocation Factors					
Utility 7	7	100.000%	73.541%	18.383%	8.076%
Utility 8	8	100.000%	0.000%	69.885%	30.115%
Utility 9	9	100.000%	80.198%	19.802%	0.000%

AVISTA UTILITIES Ending Balance CWIP December 31, 2006 <u>Jurisdictional Allocation</u>

	Allocator	System	Washington	Idaho
<u>ELECTRIC</u>				
Intangible	1	-388	-255	-132
Production/Transmission	1	65,434,093	43,075,263	22,358,830
Discret Distribution	99	11,569,058	4,239,179	7,329,879
Direct Distribution Allocated Distribution	10	11,309,038	4,235,175	0
Anocated Distribution	10	Ť	·	
Direct General	99	174,580	41,827	132,753
Allocated General	4	0	0	0
		4.770.144	2 150 212	1 (11 922
Allocated Common	4	4,770,144	3,158,312	1,611,832
Subtotal Electric		81,947,487	50,514,326	31,433,161
Percent		100.000%	61.642%	38.358%
Electric Overhead		-965,846	-595,370	-370,476
TOTAL ELECTRIC		80,981,641	49,918,956	31,062,685
TOTAL ELECTRIC		00,701,041	17,710,700	31,002,000
Allocation Factors - From Roo E-	-ALL-12A			
Production Transmission Ratio	1	100.000%	65.830%	34.170%
Jurisdictional Four Factor	4	100.000%	66.210%	33.790%
Net Electric Distribution Plant	10	100.000%	62.175%	37.825%
Direct Assignment	99	0.000%	0.000%	0.000%
			53.099% 80%	<i>27.099%</i> 82%
	Allocator	System	Washington	Idaho
GAS	7 Hiodator			
Intangible	4	0	0	0
	10	0	0	0
Underground Storage	1C	0	U	U
Direct Distribution	99	1,868,905	533,972	1,334,933
Allocated Distribution	6	134,238	95,681	38,557
	•			
Direct General	99	40,790	10,772	30,019
Allocated General	4	0	0	. 0
Allocated Common	4	1,233,204	851,589	381,615
Anocated Common		1,233,201	35 1,5 37	
Subtotal Gas		3,277,137	1,492,013	1,785,124
Percent		100.000%	45.528%	54.472%
		111 041	-50,964	-60.976
Gas Overhead		-111,941	-30,904	-00,970
TOTAL GAS		3,165,197	1,441,049	1,724,147
Allocation Factors - From ROO			70. 2.700/	24 45004
System Contract Demand	1C	100.000%	73.350%	26.650%
Jurisdictional Four Factor	4	100.000%	69.055%	30.945%
Actual Therms Purchased	6	100.000%	71.277%	28.723%
Direct Assignment	99	0.000%	0.000%	0.000% . 6.13%
CD WA / CD ID			13.67% 20.5%	0.13% 18.4%
CD WA / CD ID			20.370	10.470

AVISTA UTILITIES Ending Balance CWIP December 31, 2006 <u>Jurisdictional Allocation</u>

	Allocator	System	Oregon	California	
<u>WPNG</u>	 -	•			
Intangible	4	0	0	0	
Production	99	0	0	0	
Transmission	99	0	0	0	
Distribution	99	4,839,659	4,839,659	0	
Direct General	99	0	0	0	
Allocated General	4	0	0	0	
Allocated Common	4	505,848	505,848	0	
Subtotal WPNG		5,345,507	5,345,507	0	
Percent		100.000%	100.000%	0.000%	
WPNG Overhead		-314,545	-314,545	0	
TOTAL WPNG		5,030,962	5,030,962	0	
Allocation Factors - From Roo W	/-ALL-12A				
Jurisdictional Four Factor	4	100.000%	100.000%	0.000%	
Direct Assignment	99 .	0.000%	0.000%	0.000%	
	Allocator	Total Company	WWP Electric	WWP Gas	WPNG
COMMON	/·				
Common All - CDAA	7	6,040,472	4,442,223	1,110,420	487,828
Common Gas - GDAA	8	59,835	0	41,816	18,019
Common WWP - CDAN	9	408,889	327,921	80,968	0
Total Common		6,509,196	4,770,144	1,233,204	505,848
Allocation Factors					
Utility 7	7	100.000%	73.541%	18.383%	8.076%
Utility 8	8	100.000%	0.000%	69.885%	30.115%
Utility 9 .	9	100.000%	80.198%	19.802%	0.000%

AVISTA UTILITIES Average CWIP for the Twelve Months Ended 12/31/06 Jurisdictional Allocation

	System	Washington	Idaho	Oregon
TOTAL ELECTRIC	63,273,657	38,434,272	24,839,384	
TOTAL GAS	4,070,676	2,228,477	1,842,199	
TOTAL WPNG	4,526,182			4,526,182
	71,870,514			

WA RATE INCREASE NORMALIZATION ELECTRIC

	(000'S OF DOLLARS)	_	E	LECTRIC	
Line No.	DESCRIPTION		System \	Vashington	Idaho
	REVENUES	-			
1	Total General Business		\$0	\$0	\$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		0	0	
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0	0	. 0
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	35.0%	0	0	0
26	Deferred Income Taxes				
27	NET OPERATING INCOME		\$0	\$0	\$0
	RATE BASE			÷	
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service	_	0	0	0
34	ACCUMULATED DEPRECIATION		v	Ü	3
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	_	, 0	0	0
37	GAIN ON SALE OF BUILDING		, 0	U	U
38	DEFERRED TAXES	_	·		
39	TOTAL RATE BASE		\$0	\$0	\$0

	OF DOLLARS)	*	×	*	*	*	*	*
Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Colstrip 3 AFUDC Elimination	Colstrip Common AFUDC	mixed mixed Disallow.	0 Customer Advances
140.	a a	b	C	d	е	f	g	h
							•	
	REVENUES .							
1	Total General Business	\$618,817						
2	Interdepartmental Sales	945						
3	Sales for Resale	195,819			-			
4	Total Sales of Electricity	815,581 56,326						i.
5 .	Other Revenue	871,907						
6	Total Electric Revenue	871,707						
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	256,659						
8	Purchased Power	246,147						
9	Depreciation and Amortization	35,050			(202)			
10	Taxes	13,833						
11	Total Production & Transmission	551,689			(202)			
	Distribution							
12	Operating Expenses	25,859						
13	Depreciation	22,950						
14	Taxes	37,353 86,162						
15	Total Distribution	80,102						
17	Customer Accounting	12,202					*	
16 17	Customer Service & Information	15,319						
18	Sales Expenses	957	•					
10	Sales Expenses							
	Administrative & General							
19	Operating Expenses	54,408						
20	Depreciation	10,882						
21	Taxes							
22	Total Admin. & General	65,290						
		-21 (10			(202)			
23	Total Electric Expenses	731,619			(202)			
٠.	ONCE ATTAIC INCOME DECORE EIT	140,288			202			
24	OPERATING INCOME BEFORE FIT	140,288			202			
	FEDERAL INCOME TAX							
25	Current Accrual	18,789						
26	Deferred Income Taxes	10,648					56	
20	Doloned Meeting Tailed							
			•					
							6 (56)	
27	NET OPERATING INCOME	\$110,851			\$202		\$ (56)	
	RATE BASE							
	PLANT IN SERVICE	#2.1.722						
28	Intangible	\$34,522			(7,452)	436	5 (5,248)	
29	Production	1,015,757			(7,432)	430	(5,240)	
30	Transmission	442,422 893,140						(231)
31	Distribution	137,854						,,,
32	General Total Plant in Service	2,523,695			(7,452)	436	5 (5,248)	(231
33	TOTAL FRANK IN SELVICE	¥,525,075			(-,)		, ,,	
34	ACCUMULATED DEPRECIATION	854,139			(5,496)		(3,796)	
35	ACCUM. PROVISION FOR AMORTIZATION	10,571			, , ,		·	
36	Total Accum. Depreciation & Amort.	864,710			(5,496)		(3,796)	
37	GAIN ON SALE OF BUILDING	•		(194))			
38	DEFERRED TAXES		(225,120) 68			598	
						_		\$ (231
		\$1,658,985	\$ (225,120	(126)	\$ (1,956)	\$436	5 \$ (854)	57731

(000 5	OF DOLLARS)	* *	*	*	*	*
		mixed	mixed	#REF!	0	#REF!
Line		mixed	mixed	#REF!	Subtotal	#REF!
No.	DESCRIPTION	mixed	mixed	#REF!	Actual	#REF!
	а	i	j	k		1
	PENCH NO					
	REVENUES			#REF!	\$618,817	#REF!
1	Total General Business			#REF!	945	#REF!
2	Interdepartmental Sales			#REF!	195,819	#REF!
3 4	Sales for Resale	-		#REF!	815,581	#REF!
5	Total Sales of Electricity Other Revenue			#REF!	56,326	#REF!
6	Total Electric Revenue			#REF!	871,907	#REF!
U	Total Electric Revenue			#REF!	,0,1,,00	#REF!
	EXPENSES			#REF!		#REF!
	Production and Transmission			#REF!		#REF!
7	Operating Expenses			#REF!	256,659	#REF!
8	Purchased Power			#REF!	246,147	#REF!
9	Depreciation and Amortization	(685)		#REF!	34,163	#REF!
10	Taxes	(003)		#REF!	13,833	#REF!
11	Total Production & Transmission	(685)		#REF!	550,802	#REF!
11	Total Froduction & Transmission	(003)		#REF!	,	#REF!
	Distribution			#REF!		#REF!
12	Operating Expenses			#REF!	25,859	#REF!
12	Depreciation	857		#REF!	23,807	#REF!
	•	7.69		#REF!	37,353	#REF!
14	Taxes	857		#REF!	87,019	#REF!
15	Total Distribution	100		#REF!	07,017	#REF!
				#REF!	12,202	#REF!
16	Customer Accounting			#REF! .	15,319	#REF!
17	Customer Service & Information			#REF!	957	#REF!
18	Sales Expenses	•		#REF!	931	#REF!
				#REF!		#REF!
	Administrative & General				54.409	#REF!
19	Operating Expenses	(222)		#REF!	54,408	#REF!
20	Depreciation	(232)		#REF!	10,650	#REF!
21	Taxes	(222)		#REF!	65,058	#REF!
22	Total Admin. & General	(232)		#REF!	. 65,038	#KEIT:
23	Total Electric Expenses	(60)		#REF!	731,357	#REF!
				#REF!		#REF!
24	OPERATING INCOME BEFORE FIT	60		#REF!	140,550	#REF!
				#REF!		#REF!
	FEDERAL INCOME TAX			#REF!		#REF!
25	Current Accrual	21		#REF!	18,810	#REF!
26	Deferred Income Taxes			#REF!	10,704	#REF!
		·				
	NET ODER ATING NICOVE	420		#REF! #REF!	\$111,036	#REF! #REF!
27	NET OPERATING INCOME	\$39			3111,030	
				#REF!		#REF!
	RATE BASE			#REF!		#REF!
	PLANT IN SERVICE			#REF!	62 4 522	#REF!
28	Intangible			#REF!	\$34,522	#REF!
29	Production	2,630	79,626	#REF!	1,085,749	#REF!
30	Transmission			#REF!	442,422	#REF!
31	Distribution			#REF!	892,909	#REF!
32	General			#REF!	137,854	#REF!
33	Total Plant in Service	2,630	79,626	#REF!	2,593,456	#REF!
34	ACCUMULATED DEPRECIATION			#REF!	844,847	#REF!
35	ACCUM. PROVISION FOR AMORTIZATION		57,168	#REF!	67,739	#REF!
36	Total Accum. Depreciation & Amort.		57,168	#REF!	912,586	#REF!
37	GAIN ON SALE OF BUILDING		57,100	#REF!	(194)	#REF!
38	DEFERRED TAXES		(4,036)	#REF!	(228,490)	#REF!
ەر	DELEGALD TAALS		(1,020)	#REF!	(===,,,,,)	#REF!
					¢1 (C2 10)	
39	TOTAL RATE BASE	\$2,630	\$18,422	#REF!	\$1,452,186	#REF!

(000.2	G OF DOLLARS)	*	*	*	*	*	*	*
Line		Eliminate B & O	0 Property	0 Uncollect.	0 Regulatory	Injuries and	0	Restate Debt
No.	DESCRIPTION a	Taxes	Tax n	Expense 0	Expense p	Damages q	FIT	Interest
	u			v	P	*	•	-
	REVENUES							
1	Total General Business	\$ (13,744)						
2	Interdepartmental Sales							
3	Sales for Resale	(12.744)						
4	Total Sales of Electricity	(13,744)						
5 6	Other Revenue Total Electric Revenue	(16)	· · · · · · · ·					
U	Total Electric Revenue	(15,700)						
	EXPENSES							
	Production and Transmission	,						
7	Operating Expenses							
8	Purchased Power							
9	Depreciation and Amortization		2.00					
10	Taxes		2,085					
11	Total Production & Transmission		2,085					
	Distribution							
12	Operating Expenses							
13	Depreciation							
14	Taxes	(13,726)	(643)					
15	Total Distribution	(13,726)	(643)					
16	Customer Accounting			(108)				
17	Customer Service & Information							
18	Sales Expenses							
	Administrative & General							
19	Operating Expenses				80	86		
20	Depreciation							
21	Taxes		3					
22	Total Admin. & General		3		80	86		
23	Total Electric Expenses	(13,726)	1,445	(108)	. 80	86		
		(34)	(1,445)	108	(80)	(86)		
24	OPERATING INCOME BEFORE FIT	(34)	(1,443)	108	(80)	(60)		
	FEDERAL INCOME TAX							
25	Current Accrual	(12)	(506)	38	(28)	(30)	1,715	(683)
26	Deferred Income Taxes		•				36	
27	NET OPERATING INCOME	\$ (22)	\$ (939)	\$70	\$ (52)	\$ (56)	\$(1,751)	\$683
	RATE BASE							
	PLANT IN SERVICE							
28	Intangible							
29	Production		•					
30	Transmission	_						
31	Distribution							
32	General					*		
33	Total Plant in Service							
2.4	ACCUMULATED DEDRECLATION				•			
34	ACCUMULATED DEPRECIATION							
35	ACCUM. PROVISION FOR AMORTIZATION	-						
36 37	Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING							
38	DEFERRED TAXES							
					, -111-			
39	TOTAL RATE BASE							· -
40	RATE OF RETURN							

40 RATE OF RETURN

		*	*	×	*	*	*	*
		mixed	mixed	#REF!	#REF!	#REF!	#REF!	#REF!
ine		mixed	mixed	#REF!	#REF!	#REF!	#REF!	#REF!
0.	DESCRIPTION	mixed	mixed	#REF!	#REF!	#REF!	#REF!	#REF!
	а	t	u	v	W .	х	у	z -
	REVENUES							
	Total General Business	\$ (32,702)		#REF!	#REF!	#REF!	#REF!	#REF!
	Interdepartmental Sales			#REF!	#REF!	#REF!	#REF!	#REF!
	Sales for Resale			#REF!	#REF!	#REF!	#REF!	#REF!
	Total Sales of Electricity	(32,702)		#REF!	#REF!	#REF!	#REF!	#REF!
	Other Revenue			#REF!	#REF!	#REF!	#REF!	#REF!
	Total Electric Revenue	(32,702)		#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
	EXPENSES			#REF!	#REF!	#REF!	#REF!	#REF!
	Production and Transmission			#REF!	#REF!	#REF!	#REF!	#REF!
	Operating Expenses	(17,668)		#REF!	#REF!	#REF!	#REF!	#REF!
	Purchased Power			#REF!	#REF!	#REF!	#REF!	#REF!
	Depreciation and Amortization			#REF!	#REF!	#REF!	#REF!	#REF!
	Taxes			#REF!	#REF!	#REF!	#REF!	#REF!
	Total Production & Transmission	(17,668)		#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
	Distribution			#REF!	#REF!	#REF!	#REF!	#REF!
	Operating Expenses			#REF!	#REF!	#REF!	#REF!	#REF!
	Depreciation	,		#REF!	#REF!	#REF!	#REF!	#REF!
	Taxes	(1,262)		· #REF!	#REF!	#REF!	#REF!	#REF!
	Total Distribution	(1,262)		#REF!	#REF!	#REF!		
				#REF!	#REF!	#REF!	#REF!	#REF! #REF!
	Customer Accounting	(104)		#REF!	#REF!	#REF!	#REF!	
	Customer Service & Information			#REF!	#REF!	#REF!	#REF! #REF!	#REF! #REF!
	Sales Expenses			#REF!	#REF!	#REF!		
				#REF!	#REF!	#REF!	#REF!	#REF! #REF!
	Administrative & General	((2)		#REF!	#REF!	#REF!	#REF!	#REF!
)	Operating Expenses	(62)		#REF!	#REF!	#REF!	#REF!	
)	Depreciation			#REF!	#REF!	#REF!	#REF!	#REF! #REF!
1	Taxes			#REF!	#REF!	#REF!	#REF!	#REF!
-	Total Admin. & General	(62)		#REF!	#KEF!	#KET!	#KEF:	#KEI;
,	Total Electric Expenses	(19,096)		#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
ļ	OPERATING INCOME BEFORE FIT	(13,606)		#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
	FEDERAL INCOME TAX			#REF!	#REF!	#REF!	#REF!	#REF!
;	Current Accrual	(10,946)		#REF!	#REF!	#REF!	#REF!	#REF!
5	Deferred Income Taxes	6,184		#REF!	#REF!	#REF!	#REF!	#REF!
			•					
				#REF!	#REF!	#REF!	#REF!	#REF!
•	NET OPERATING INCOME	\$ (8,844)		#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
	RATE BASE			#REF!	#REF!	#REF!	#REF!	#REF!
	PLANT IN SERVICE			#REF!	#REF!	#REF!	#REF!	#REF!
	Intangible			#REF!	#REF!	#REF!	#REF!	#REF!
)	Production			#REF!	#REF!	#REF!	#REF!	#REF!
	Transmission			#REF!	#REF!	#REF!	#REF!	#REF!
	Distribution			#REF!	#REF!	#REF!	#REF!	#REF!
	General			#REF!	#REF!	#REF!	#REF!	#REF!
	Total Plant in Service			#REF!	#REF!	#REF!	#REF!	#REF!
	ACCUMULATED DEPRECIATION			#REF!	#REF!	#REF!	#REF!	#REF!
	ACCUM. PROVISION FOR AMORTIZATION			#REF!	#REF!	#REF!	#REF!	#REF!
,	Total Accum. Depreciation & Amort.	•		#REF!	#REF!	#REF!	#REF!	#REF!
	GAIN ON SALE OF BUILDING			#REF!	#REF!	#REF!	#REF!	#REF!
3	DEFERRED TAXES			#REF!	#REF!	#REF!	#REF!	#REF!
				#REF!	#REF!	#REF!	#REF!	#REF!
						#REF!	#REF!	#REF!

	•	*	*	*	×	*
		#REF!	0	#REF!	#REF!	#REF!
Line		#REF!	Restated	#REF!	#REF!	#REF!
No.	DESCRIPTION	#REF!	TOTAL	#REF!	#REF!	#REF!
	a	aa	i	PF1	PF2	PF3
	•					
	REVENUES .					
1	Total General Business	#REF!	\$601,121	#REF!	#REF!	#REF!
2		#REF!	945	#REF!	#REF!	#REF!
	Interdepartmental Sales	#REF!	195,819	#REF!	#REF!	#REF!
3	Sales for Resale	#REF!	797,885	#REF!	#REF!	#REF!
4	Total Sales of Electricity	,	·	#REF!	#REF!	#REF!
5	Other Revenue	#REF!	56,742 854,627	#REF!	#REF!	#REF!
6	Total Electric Revenue	#REF!	634,027	#REF!	#REF!	#REF!
		#REF!		#REF!	#REF!	#REF!
	EXPENSES	#REF!			#REF!	#REF!
	Production and Transmission	#REF!	220.452	#REF!		
7	Operating Expenses	#REF!	239,453	#REF!	#REF!	#REF!
8	Purchased Power	#REF!	246,147	#REF!	#REF!	#REF!
9	Depreciation and Amortization	#REF!	36,851	#REF!	#REF!	#REF!
10	Taxes	#REF!	15,918	#REF!	#REF!	#REF!
11	Total Production & Transmission	#REF!	538,369	#REF!	#REF!	#REF!
		#REF!		#REF!	#REF!	#REF!
	Distribution	#REF!		#REF!	#REF!	#REF!
12	Operating Expenses	#REF!	25,859	#REF!	#REF!	#REF!
13	Depreciation	#REF!	23,685	#REF!	#REF!	#REF!
14	Taxes	#REF!	22,874	#REF!	#REF!	#REF!
15	Total Distribution	#REF!	72,418	#REF!	#REF!	#REF!
		#REF!		#REF!	#REF!	#REF!
16	Customer Accounting	#REF!	11,550	#REF!	#REF!	#REF!
17	Customer Service & Information	#REF!	4,631	#REF!	#REF!	#REF!
18	Sales Expenses	#REF!	957	#REF!	#REF!	#REF!
10	Silies Expenses	#REF!		#REF!	#REF!	#REF!
	Administrative & General	#REF!		#REF!	#REF!	#REF!
10		#REF!	54,348	#REF!	#REF!	#REF!
19	Operating Expenses	#REF!	10,650	#REF!	#REF!	#REF!
20	Depreciation		3	#REF!	#REF!	#REF!
21	Taxes	#REF!	65,001	#REF!	#REF!	#REF!
22	Total Admin. & General	#REF!	03,001	#KEF:	#KLU:	#ICEL
		#DECI	402.026	#REF!	#REF!	#REF!
23	Total Electric Expenses	#REF!	692,926		#REF!	#REF!
		#REF!	161 701	#REF!		#REF!
24	OPERATING INCOME BEFORE FIT	#REF!	161,701	#REF!	#REF!	#REF!
	•	#REF!		#REF!	#REF!	
	FEDERAL INCOME TAX	#REF!		#REF!	#REF!	#REF!
25	Current Accrual	#REF!	21,062	#REF!	#REF!	#REF!
26	Deferred Income Taxes	#REF!	16,924	#REF!	#REF!	#REF!
		#REF!	•	#REF!	#REF!	#REF!
27	NET OPERATING INCOME	#REF!	\$123,715	#REF!	#REF!	#REF!
		#REF!		#REF!	#REF!	#REF!
	RATE BASE	#REF!		#REF!	#REF!	#REF!
	PLANT IN SERVICE .	#REF!		#REF!	#REF!	#REF!
28	Intangible	#REF!	\$34,522	#REF!	#REF!	#REF!
28 29	Production	#REF!	1,085,749	#REF!	#REF!	#REF!
	Transmission	#REF!	442,422	#REF!	#REF!	#REF!
30		#REF!	892,909	#REF!	#REF!	#REF!
31	Distribution	#REF!	137,854	#REF!	#REF!	#REF!
32	General				#REF!	#REF!
33	Total Plant in Service	#REF!	2,593,456	#REF!	#KET!	#NEF!
			0	"DEE!	#DEE!	No cc.
34	ACCUMULATED DEPRECIATION	#REF!	844,847	#REF!	#REF!	#REF!
35	ACCUM. PROVISION FOR AMORTIZATION	#REF!	67,739	#REF!	#REF!	#REF!
36	Total Accum. Depreciation & Amort.	#REF!	912,586	#REF!	#REF!	#REF!
37	GAIN ON SALE OF BUILDING	#REF!	(194)	#REF!	#REF!	#REF!
38	DEFERRED TAXES	#REF!	(228,490)	#REF!	#REF!	#REF!
		#REF!		#REF!	#REF!	#REF!
	TOTAL RATE BASE	#REF!	\$1,452,186	#REF!	#REF!	#REF!
39	TOTAL RATE BASE					

40 RATE OF RETURN

	•	*	×	*	*	*	. *	*
		#REF!	#REF!	#REF!	#REF!	#REF!	Pro Forma	Pro Forma
Line		#REF!	#REF!	#REF!	#REF!	#REF!	mixed	Capital Add
No.	DESCRIPTION	#REF!	#REF!	#REF!	#REF!	#REF!	mixed	mixed
	а	PF4	PF5	PF6	PF7	PF8	PF9	
						•		
	REVENUES	#REF!	#REF!	#REF!	#REF!	#REF!		
1	Total General Business							
2	Interdepartmental Sales	#REF!	#REF!	#REF!	#REF!	#REF!		
3	Sales for Resale	#REF!	#REF!	#REF!	#REF!	#REF!		
4	Total Sales of Electricity	#REF!	#REF!	#REF!	#REF!	#REF!		
5	Other Revenue	#REF!	#REF!	#REF!	#REF!	#REF!		
6	Total Electric Revenue	#REF!	#REF!	#REF!	#REF!	#REF!		
		#REF!	#REF!	#REF!	#REF!	#REF!		
	EXPENSES	#REF!	#REF!	#REF!	#REF!	#REF!		
	Production and Transmission	#REF!	#REF!	#REF!	#REF!	#REF!		,
7	Operating Expenses	#REF!	#REF!	#REF!	#REF!	#REF!		
8	Purchased Power	#REF!	#REF!	#REF!	#REF! .	#REF!		
9	Depreciation and Amortization	#REF!	#REF!	#REF!	#REF!	#REF!	(77)	722
10	Taxes	#REF!	#REF!	#REF!	#REF!	#REF!		477
11	Total Production & Transmission	#REF!	#REF!	#REF!	#REF!	#REF!	(77)	1,199
		#REF!	#REF!	#REF!	#REF!	#REF!	, ,	
	Distribution	#REF!	#REF!	#REF!	#REF!	#REF!		
12	Operating Expenses	#REF!	#REF!	#REF!	#REF!	#REF!		
13	Depreciation	#REF!	#REF!	#REF!	#REF!	#REF!	296	810
14	Taxes		#REF!	#REF!	#REF!	#REF!	270	429
		#REF!	#REF!	#REF!	#REF!	#REF!	296	1,239
15	Total Distribution	#REF!					290	1,239
		#REF!	#REF!	#REF!	#REF!	#REF!		
16	Customer Accounting	#REF!	#REF!	#REF!	#REF!	#REF!		
17	Customer Service & Information	#REF!	#REF!	#REF!	#REF!	#REF!		
18	Sales Expenses	#REF!	#REF!	#REF!	#REF!	#REF!		
		#REF!	#REF!	#REF!	#REF!	#REF!		
	Administrative & General	#REF!	#REF!	#REF!	#REF!	#REF!		
19	Operating Expenses	#REF!	#REF!	#REF!	#REF!	#REF!		
20	Depreciation	#REF!	#REF!	#REF!	#REF!	#REF!	509	1,784
21	Taxes	#REF!	#REF!	#REF!	#REF!	#REF!		249
22	Total Admin. & General	#REF!	#REF!	#REF!	#REF!	#REF!	509	2,033
				#P.554	#B.DE!	un co.	720	4.471
23	Total Electric Expenses	#REF!	#REF!	#REF!	#REF!	#REF!	728	4,471
2.4	OPERATING INCOME DEFORE FIT		#REF!	#REF!	#REF!	#REF!	(728)	(4,471)
24	OPERATING INCOME BEFORE FIT	#REF!					(720)	(4,471)
		#REF!	#REF!	#REF!	#REF!	#REF!		
	FEDERAL INCOME TAX	#REF!	#REF!	#REF!	#REF!	#REF!		
25	Current Accrual	· #REF!	#REF!	#REF!	#REF!	#REF!	(255)	(1,565)
26	Deferred Income Taxes	#REF!	#REF!	#REF!	#REF!	#REF!		
		#REF!	#REF!	#REF!	#REF!	#REF!		
27	NET OPED ATING INCOME	#REF!	#REF!	#REF!	#REF!	#REF!	\$ (473)	\$ (2,906)
27	NET OPERATING INCOME						\$ (473)	\$ (2,900)
		#REF!	#REF!	#REF!	#REF!	#REF!		
	RATE BASE .	#REF!	#REF!	#REF!	#REF!	#REF!	•	
	PLANT IN SERVICE	#REF!	#REF!	#REF!	#REF!	#REF!		
28	Intangible	#REF!	#REF!	#REF!	#REF!	#REF!	\$349	\$5,498
29	Production	#REF!	#REF!	#REF!	#REF!	#REF!	18,107	24,825
30	Transmission	#REF!	#REF!	#REF!	#REF!	#REF!	9,165	7,245
31	Distribution	#REF!	#REF!	#REF!	#REF!	#REF!	26,515	29,017
32	General	#REF!	#REF!	#REF!	#REF!	#REF!	9,697	11,865
33	Total Plant in Service	#REF!	#REF!	#REF!	#REF!	#REF!	63,833	78,450
34	ACCUMULATED DEPRECIATION	#REF!	#REF!	#REF!	#REF!	#REF!	35,387	47,867
35	ACCUM. PROVISION FOR AMORTIZATION	#REF!	#REF!	#REF!	#REF!	#REF!	100,00	77,007
		#REF!		#REF!	#REF!	#REF!	35,387	47,867
36	Total Accum. Depreciation & Amort.		#REF!				33,361	47,007
37	GAIN ON SALE OF BUILDING	#REF!	#REF!	#REF!	#REF!	#REF!	/= 00···	,- , , -
38	DEFERRED TAXES	#REF!	#REF!	#REF!	#REF!	#REF!	(7,001)	(7,647)
		#REF!	#REF!	#REF!	#REF!	#REF!		
39	TOTAL RATE BASE	#REF!	#REF!	#REF!	#REF!	#REF!	\$21,445	\$22,936

		×	*	*
		mixed	mixed	#REF!
Line		mixed	mixed	#REF!
	DESCRIPTION			#REF!
No.	DESCRIPTION	mixed	mixed	
	a		aa	1 _
	REVENUES			
1	Total General Business	•	\$390,153	
			800	
2	Interdepartmental Sales			
3	Sales for Resale		66,506	
4	Total Sales of Electricity		457,459	
5	Other Revenue		9,680	
6	Total Electric Revenue		467,139	
U	Total Electric Revenue		171,121	
*				
	EXPENSES			
	Production and Transmission			
7	Operating Expenses		178,771	
8	Purchased Power		76,620	
9	Depreciation and Amortization		31,816	
10	Taxes		11,378	
11	Total Production & Transmission		298,585	
	Distribution			
			20.022	
12	Operating Expenses		20,922	
13	Depreciation		16,440	
14	Taxes		19,142	
15	Total Distribution		56,504	
15	Total Distribution			
			0.504	"DEE!
16	Customer Accounting		8,584	#REF!
17	Customer Service & Information		710	#REF!
18	Sales Expenses		757	#REF!
	Sales Expenses			#REF!
				#REF!
	Administrative & General			
19	Operating Expenses		40,385	#REF!
20	Depreciation		9,083	#REF!
21	Taxes		252	#REF!
22	Total Admin. & General		49,720	#REF!
22	Total Admin. & General		47,720	
			1110/0	#DEEL
23	Total Electric Expenses		414,860	#REF!
				#REF!
24	OPERATING INCOME BEFORE FIT		52,279	#REF!
				#REF!
	PEDERAL INCOME TAY			#REF!
	FEDERAL INCOME TAX			
25	Current Accrual		(1,096)	#REF!
26	Deferred Income Taxes		9,346	#REF!
				We men
				#REF!
27	NET OPERATING INCOME		\$44,029	#REF!
				#REF!
	DATEDACE			#REF!
	RATE BASE			
	PLANT IN SERVICE			#REF!
28	Intangible		\$78.478	#REF!
29	Production		762,219	#REF!
30	Transmission		296,316	#REF!
			607,308	#REF!
31	Distribution			
32	General		109,598	#REF!
33	Total Plant in Service		1.853,919	#REF!
2.4	ACCUMULATED DEPRECIATION		610,941	#REF!
34				
35	ACCUM. PROVISION FOR AMORTIZATION		64,635	#REF!
36	Total Accum. Depreciation & Amort.		675,576	#REF!
37	GAIN ON SALE OF BUILDING		(194)	#REF!
38	DEFERRED TAXES		(171,073)	#REF!
38	DELEKKED IAACS		(171,070)	#REF!
			£1 007 67/	
39	TOTAL RATE BASE		\$1,007,076	#REF!
	DATE OF BETURN			#REF!
40	RATE OF RETURN			WINLI.

RESTATE DEBT INTEREST ELECTRIC

	(000'S OF DOLLARS)	<u> </u>			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			ŭ	·		
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
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%)		#REF!		#REF!	#REF!	
26	Deferred income Taxes						
. 27	Amortized ITC						
28	SETTLEMENT EXCHANGE POWER	-					
29	NET OPERATING INCOME		#REF!		#REF!	#REF!	
	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					_ 	
41	TOTAL RATE BASE			\$ 0	\$0		\$ 0
-7.1	. O . HE RATE BINDE	=	<u>.</u>				

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

RESTATE DEBT INTEREST ELECTRIC

Description	Idaho
REVENUES	
Total General Business	\$0
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	0
Other Revenue	0
Total Electric Revenue	0
EXPENSES	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	. 0
Total Production & Transmission	0
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	
Total Distribution .	0
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	0
Total Flactor Function	0
Total Electric Expenses	<u>~</u> _
Operating Income before SIT	0
Idaho State Income Tax	
Adjusted Rate of 0.012216	

PRO FORMA
POWER SUPPLY
ADJUSTMENT
ELECTRIC

Line	,			<u> </u>	
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale		(20,920)		(20,920)
4	Total Sales of Electricity	-	(20,920)	0	(20,920)
5	Other Revenue		(4,624)		(4,624)
6	Total Electric Revenue		(25,544)	0	(25,544)
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		(10,719)		(10,719)
8	Purchased Power		(14,480)		(14,480)
9	Depreciation and Amortization				
10	Taxes			<u> </u>	
11	Total Production & Transmission		(25,199)	0	(25,199)
•	Distribution				
12	Operating Expenses				
13	Depreciation				
14	Taxes		(4)		(4)
15	Total Distribution		(4)	0	(4)
16	Customer Accounting		÷		
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0		0
20	Depreciation Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses		(25,203)	0	(25,203)
			(0.11)	0	(241)
24	Operating Income before FIT		(341)	0	(341)
	Federal Income Taxes				
25	Current Accrual	35.0%	(119)	0	(119)
26	Deferred Income Taxes				
			(\$222\	\$0	(\$222)
27	NET OPERATING INCOME		(\$222)	ΨO	(4222)
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				• •
31	Distribution				
32	General	_			
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION				
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	_	. 0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES				
39	TOTAL RATE BASE		\$0	\$0	\$0
57	TOTALIGITE BIOD .				

CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

PRO FORMA POWER SUPPLY ADJUSTMENT ELECTRIC

Description		Idaho	
REVENUES	· .		
Total General Business		\$0	
Interdepartmental Sales		0	
Sales For Resale		(20,920)	
Total Sales of Electricity		(20,920)	
Other Revenue		(4,624)	
Total Electric Revenue		(25,544)	
EXPENSES			
Production and Transmission			•
Operating Expenses		(10,719)	
Purchased Power		(14,480)	
Depreciation and Amortization		0	
Taxes		0	
Total Production & Transmission		(25,199)	
Distribution			
Operating Expenses		0	
Depreciation	•	0	
Taxes			
Total Distribution		0	
Customer Accounting		0	
Customer Service & Information		0	
Marketing		0	
<u> </u>			
Administrative & General			
Operating Expenses		0	
Depreciation		0	
Taxes		0	-
Total Admin. & General		0	
Total Electric Expenses		(25,199)	
Operating Income before SIT		(345)	
Idaho State Income Tax			
Adjusted Rate of	0.012216	(\$4)	

PRO FORMA PRODUCTION PROPERTY ADJUSTMENT ELECTRIC

Line	(00000120221115)				
No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale		0		
4	Total Sales of Electricity	_	0	0	. 0
5	Other Revenue		(2,568)		(2,568)
6	Total Electric Revenue	-	(2,568)	0	(2,568)
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		(8,447)		(8,447)
8	Purchased Power		0		
9	Depreciation and Amortization	•			
10	Taxes				
11	Total Production & Transmission		(8,447)	0	(8,447)
10	Distribution Operating Functions				
12	Operating Expenses				
13	Depreciation		0		
14	Taxes		0	0	0
15	Total Distribution		U		U
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0		
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses	_	(8,447)	0	(8,447)
24	Operating Income before FIT		5,879	0	5,879
	Federal Income Taxes		•		
25	Current Accrual	35.0%	2,058	0	2,058
26	Deferred Income Taxes	33.070	2,036		2,030
20	beterred meome raxes				
27	NET OPERATING INCOME		\$3,821	\$0	\$3,821
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		#DIV/0!		#DIV/0!
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		#DIV/0!	0	#DIV/0!
34	ACCUMULATED DEPRECIATION				
35	ACCUM, PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.	· —	0	0	0
37	GAIN ON SALE OF BUILDING		•	-	·
38	DEFERRED TAXES				
		_		40	(15.17.110.1
39	TOTAL RATE BASE	<u></u>	#DIV/0!	\$0	#DIV/0!

AVISTA UTILITIES

Production Property Adjustment Calculation Idaho Electric

TWELVE MONTHS ENDED DECEMBER 31, 2007

				Producti	on/Transmissio	n
Column	Description of Adjustment	(000's)	Revenue		Expense	Rate Base
b	Per Results Report		77	,820	196,203	345,448
С	Deferred FIT Rate Base				-	(45,974)
d	Deferred Gain on Office Building				-	
e	Colstrip 3 AFUDC Elimination			-	· -	-
f	Colstrip Common AFUDC			-	-	-
g	Kettle Falls & Boulder Park Disallow.			-	-	-
h	Customer Advances				-	
i	Weatherizn and DSM Investment			-		2,630
	Actual		77	,820	196,203	302,104
	•					
-	Subtotal Actual				196,203	
j	Depreciation True-up			-	-	#DIV/0!
k	Eliminate B & O Taxes				-	
1	Property Tax				-	
m	Uncollect. Expense				=	
n	Regulatory Expense				-	
0	Injuries and Damages				-	
p	FIT				-	
q	Idaho PCA				-	
r	Nez Perce Settlement Adjustment				-	
t	Clark Fork PM&E				523	
u	Revenue Normalization Adjustment				-	
v	Restate Debt Interest				-	
w	Misc Restating				<u>-</u>	
	Restated Total		77	,820	196,726	#DIV/0!
			.0 -		(05.100)	
PF1	Pro Forma Power Supply		(25	5,544)	(25,199)	- La taga di Tudi
PF2	Pro Forma Production Factor Adj				200	
PF3	Pro Forma Labor Non-Exec		•		399	
PF4	Pro Forma Labor Exec				5	
PF5	Pro Forma Transmission Rev/Exp				-	12 571
PF6	Pro Forma Capital Add 2007			-	-	12,571
PF7	Pro Forma Capital Add 2008				-	(3,571)
PF8	Pro Forma Asset Management				-	-
PF9	Pro Forma Spokane Rvr Relicensing				-	-
PF10	Pro Forma CDA Tribe Settlement				-	-
PF11	Pro Forma Montana Lease				_	-
PF12	• •				-	-
PF13	Pro Forma Incentives				-	
	Pro Forma Total		52	2,276	171,931	#DIV/0!
	2009 ID Retail Load in Power Supply 2007 ID Normalized Retail Load Production Factor	3,120,008 2,966,725 0,950871	Excludes	Potlatch (Generation Loa Generation Loa	d passed through PCA @ d passed through PCA @
	2007 Production/Transmission Costs		\$49	7.708	\$163,484	#DIV/0!
	Production Property Adjustment		(\$2	2,568)	(\$8,447)	#DIV/0!

AVISTA UTILITIES

Calculation of General Revenue Requirement IDAHO - Electric System

TWELVE MONTHS ENDED SEPTEMBER 30, 2008

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	#DIV/0!
2	Proposed Rate of Return	8.74%
3	Net Operating Income Requirement	#DIV/0!
4	Pro Forma Net Operating Income	\$43,971
5	Net Operating Income Deficiency	#DIV/0!
6	Conversion Factor	0.6395623
7	Revenue Requirement	#DIV/0!
8	Total General Business Revenues	\$211,113
9	Percentage Revenue Increase	#DIV/0!

(000'S	OF DOLLARS)				WITH PROPO	OPOSED RATES		
Line		Actual Per Results	Total	Pro Forma	Proposed Revenues &	Pro Forma Proposed		
No.	DESCRIPTION	Report b	Adjustments c	Total	Related Exp	Total f		
	u		-		ū	,		
	REVENUES							
1	Total General Business	\$210,968		\$210,968	#DIV/0!	#DIV/0!		
2	Interdepartmental Sales	145		145		145		
3	Sales for Resale	69,340	(20,920)	48,420	(ID *** / 0 /	48,420		
4	Total Sales of Electricity	280,453	(20,920)	259,533	#DIV/0!	#DIV/0!		
5	Other Revenue	19,754	(7,192)	12,562	#DIV/0!	12,562 #DIV/0!		
6	Total Electric Revenue	300,207	(28,112)	272,095	#DIV/0!	#DIV/0!		
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	80,859	(18,239)	62,620		62,620		
8	Purchased Power	99,071	(14,480)	84,591		84,591		
9	Depreciation and Amortization	11,375	. 215	11,590		11,590		
10	Taxes	4,898		4,898		4,898		
11	Total Production & Transmission	196,203	(32,504)	163,699	0	163,699		
	Distribution	8,580	294	8,874		8,874		
12	Operating Expenses	8,351	692	9,043		9,043		
13	Depreciation	4,167	297	4,464	#DIV/0!	#DIV/0!		
14	Taxes Total Distribution	21,098	1,283	22,381	#DIV/0!	#DIV/0!		
15	Total Distribution	11,070	1,203	22,501				
16	Customer Accounting	3,643	93	3,736	#DIV/0!	#DIV/0!		
17	Customer Service & Information	3,960	7	3,967		3,967		
18	Sales Expenses	261	7	268		268		
	Administrative & General	10.261	403	19,664	#DIV/0!	#DIV/0!		
19	Operating Expenses	19,261 3,860	403	3,860	#D1 770:	3,860		
20	Depreciation Taxes	3,800		3,000		5,500		
21 22	Total Admin. & General	23,121	403	23,524	#DIV/0!	#DIV/0!		
23	Total Electric Expenses	248,286	(30,711)	217,575	#DIV/0!	#DIV/0!		
24	OPERATING INCOME BEFORE FIT	51,921	2,599	54,520	#DIV/0!	#DIV/0!		
	TROPP II DIGOVE TIV							
25	FEDERAL INCOME TAX	2,030	1,016	3,046	#DIV/0!	#DIV/0!		
25	Current Accrual Deferred Income Taxes	7,578	(75)	7,503		7,503		
26 27	Amortized Investment Tax Credit	7,570	(73)	1,505		,,		
21	Amortized investment Tax Credit							
28	SETTLEMENT EXCHANGE POWER							
	VCD 0000 VCOVC	¢12.212	\$1,658	\$43,971	#DIV/0!	#DIV/0!		
29	NET OPERATING INCOME	\$42,313	800,18	543,971	#DIV/0!	#BITTO:		
	RATE BASE							
	PLANT IN SERVICE							
30	Intangible	\$12,083		\$12,083		\$12,083		
31	Production	359,680	#DIV/0!	#DIV/0!		#DIV/0!		
32	Transmission	156,662		156,662		156,662		
33	Distribution	341,133	22,253	363,386		363,386		
34	General	49,818		49,818		49,818		
35	Total Plant in Service	919,376	#DIV/0!	#DIV/0!	. 0	#DIV/0!		
36	ACCUMULATED DEPRECIATION	310,555		310,555		310,555		
37	ACCUM. PROVISION FOR AMORTIZATION	3,664	332	3,996		3,996		
38	Total Accum. Depreciation & Amort.	314,219	332	314,551	0	314,551		
39	GAIN ON SALE OF BUILDING		•					
40	DEFERRED TAXES		(82,476)	(82,476)		(82,476)		
	TOTAL DATE DAGE	¢405 157	#DIV/01	#DIV/0!	\$0	#DIV/0!		
41	TOTAL RATE BASE	\$605,157 6.99%	#DIV/0!	#DIV/0!	.50	#DIV/0!		
42	RATE OF RETURN	6.99%		#D14/0!		,,D1170:		

AVISTA UTILITIES CALCULATION OF CONVERSION FACTOR: IDAHO ELECTRIC TWELVE MONTHS ENDED DECEMBER 31, 2007

Revenue:	1.000000
Expense:	
Uncollectibles (1)	0.002151
Commission Fees (2)	0.002491
Idaho Income Tax (3)	0.011416
Total Expense	0.016058
Net Operating Income Before FIT	0.983942
Federal Incom 0.35	0.344380
REVENUE CONVERSION FACTOR	0.639562

Completed Not Yet Updated

Line		Per Results	Deferred FIT	Deferred Gain on Office	Colstrip 3 AFUDC	Colstrip Common	Kettle Falls & Boulder Park	Customer
No.	DESCRIPTION	Report	Rate Base	Building d	Elimination e	AFUDC f	Disallow.	Advances h
	a .	b	C	u	e		9	п
	REVENUES							
1	Total General Business	\$210,968						
2	Interdepartmental Sales	145						
3	Sales for Resale	69,340						
4	Total Sales of Electricity	280,453	0	0	0	0	0	0
5	Other Revenue	19,754					0	0
6	Total Electric Revenue	300,207	0	0	0	0	U	U
	EXPENSES	*						
	Production and Transmission							
7	Operating Expenses	80,859		•	•			
8	Purchased Power	99,071						
9	Depreciation and Amortization	11,375						
10	Taxes	4,898						
11	Total Production & Transmission	196,203	0	0	0	0	0	0
	Distribution							
12	Operating Expenses	8,580						
13	Depreciation	8,351						
14	Taxes	4,167						
15	Total Distribution	21,098	0	0	0	0	0	0
14	Customer Accounting	3,643						
16 17	Customer Accounting Customer Service & Information	3,960						
18	Sales Expenses	261						
10	Sales Expenses	201						
	Administrative & General							
19	Operating Expenses	19,261					•	
20	Depreciation	3,860						
21	Taxes						<u> </u>	_
22	Total Admin. & General	23,121	0	0	0	0	0	0
23	Total Electric Expenses	248,286	0	. 0	0	0	0	0
	,							
24	OPERATING INCOME BEFORE FIT	51,921	0	0	0	0	0	0
	FEDERAL INCOME TAX							
25	Current Accrual	2,030						
26	Deferred Income Taxes	7,578						
27	NET OPERATING INCOME	\$42,313	\$0	\$0	. \$0	\$0	\$0	\$0
-								
	RATE BASE							
	PLANT IN SERVICE		•					
28	Intangible	\$12,083						
29	Production	359,680						
30	Transmission	156,662						
31	Distribution	341,133						
32.	General	49,818						
33	Total Plant in Service	919,376	0	0	0	0	0	0
34	ACCUMULATED DEPRECIATION	310,555						
35	ACCUM. PROVISION FOR AMORTIZATION	3,664						
36	Total Accum. Depreciation & Amort.	314,219	0	0	0	0	0	0
37	GAIN ON SALE OF BUILDING							
38	DEFERRED TAXES		(82,407)					
39	TOTAL RATE BASE	\$605,157	(\$82,407)	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN	6.99%						

Line		Weatherizn and DSM	Subtotal	Depreciation	Eliminate B & O	Property Tox	Uncollect. Expense	Regulatory Expense
No.	DESCRIPTION a	Investment i	Actual	True-up	Taxes k	Tax 1	m	n
	u	•		,				
	REVENUES							
I	Total General Business		\$210,968					
2	Interdepartmental Sales		145					
3	Sales for Resale		69,340	0	0	0	0	0
4	Total Sales of Electricity	0	280,453 19,754	U	U	U	v	· ·
5 6	Other Revenue Total Electric Revenue	0	300,207	0	0	0	0	0
	EXPENSES							
	Production and Transmission							
7	Operating Expenses		80,859					
8	Purchased Power		99,071					
9	Depreciation and Amortization		11,375					
10	Taxes		4,898					
11	Total Production & Transmission	0	196,203	0	0	0	0	0
	Distribution							
12	Operating Expenses		8,580					
13	Depreciation		8,351					
14 15	Taxes Total Distribution	0	4,167 21,098	0	0	0	0	0
			2 (42					
16	Customer Accounting		3,643 3,960					
17 18	Customer Service & Information Sales Expenses		261					
	Administrative & General							
19	Operating Expenses		19,261					
20	Depreciation		3,860					
21	Taxes							
22	Total Admin. & General	0	23,121	0	0	0	. 0	
23	Total Electric Expenses	0	248,286	0	0	0	. 0	
24	OPERATING INCOME BEFORE FIT	0	51,921	0	0	0	0	. 0
	FEDERAL INCOME TAX							
25	Current Accrual		2,030					
26	Deferred Income Taxes		7,578					
						60	50	\$1
27	NET OPERATING INCOME	\$0	\$42,313	\$0	\$0	\$0	\$0	\$0
	RATE BASE							
	PLANT IN SERVICE		612.002					
28	Intangible	2.620	\$12,083					
29	Production	2,630	362,310 156,662					
30 31	Transmission Distribution		341,133					
31 32	General		49,818					
33	Total Plant in Service	2,630	922,006	0	0	0	0	(
34	ACCUMULATED DEPRECIATION		310.555					
35	ACCUM, PROVISION FOR AMORTIZATION		3,664					
36	Total Accum, Depreciation & Amort.	0	314,219	0	0	0	0	(
37	GAIN ON SALE OF BUILDING		(00.100)			•		
38	DEFERRED TAXES		(82,407)	<u> </u>				
39	TOTAL RATE BASE	\$2,630	\$525,380	\$0	\$0	\$0	\$0	\$(
	RATE OF RETURN		8.05%					

Line		Injuries and Damages	FIT	Idaho PCA	Nez Perce Settlement Adjustment	Eliminate A/R Expenses	Clark Fork PM&E	Revenue Normalization Adjustment
No.	DESCRIPTION a	O	p	q	r r	S	t	u
	- · · · · · · · · · · · · · · · · · · ·		•	-				
	REVENUES							
I	Total General Business							
2	Interdepartmental Sales							
3	Sales for Resale	0	0	0	0	0	0	0
4 5	Total Sales of Electricity Other Revenue	v	v	•				
6	Total Electric Revenue	0	0	0	0	0	0	0
	EXPENSES							
	Production and Transmission						523	
7	Operating Expenses						323	
8	Purchased Power							
9 .10	Depreciation and Amortization Taxes							
11	Total Production & Transmission	0	0	0	0	0	523	0
	Distribution							
12	Operating Expenses							
13	Depreciation							
14	Taxes						(6)	
15	Total Distribution	0	0	0	0	0	(6)	0
16	Customer Accounting							
17	Customer Service & Information							*
18	Sales Expenses							
	Administrative & General				,			
19	Operating Expenses							
20	Depreciation							
21 22	Taxes Total Admin. & General		0	0	0	0	0	0
23	Total Electric Expenses	0	0	0	0	0	517	0
23	Foral Electric Expenses							0
24	OPERATING INCOME BEFORE FIT	0	0	0	0	0	(517)	U
	FEDERAL INCOME TAX						(181)	
25	Current Accrual						(161)	
26	Deferred Income Taxes							
27	NET OPERATING INCOME	\$0	\$0	\$0	\$0	\$0	(\$336)	\$0_
	RATE BASE	-						
20	PLANT IŅ SERVICE Intangible							
28 29	Production							
30	Transmission							
31	Distribution							
32	General						0	0
33	Total Plant in Service	0	0	0	0	0	U	U
34	ACCUMULATED DEPRECIATION							
35	ACCUM. PROVISION FOR AMORTIZATION		0	0	0	0	0	0
36 37	Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING		U	v	v	v	•	
38	DEFERRED TAXES							
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN							

Line		Restate Debt	Restated	Pro Forma Power	Pro Forma Production	Pro Forma Labor	Pro Forma Labor
No.	DESCRIPTION	Interest	TOTAL	Supply	Factor Adj	Non-Exec	Exec
	a	v	-	PFI	PF2	PF3	PF4
	-			*			
	REVENUES		#210°069				
1	Total General Business		\$210,968				
2	Interdepartmental Sales		145	(20,020)			
3	Sales for Resale		69,340	(20,920)	0	0	0
4	Total Sales of Electricity	0	280,453	(20,920)	-	U	U
5	Other Revenue		19,754	(4,624)	(2,568)	0	0
6	Total Electric Revenue	0	300,207	(25,544)	(2,568)	U	U
	EXPENSES						
	Production and Transmission						
7	Operating Expenses		81;382	(10,719)	(8,447)	399	5
8	Purchased Power		99,071	(14,480)			
9	Depreciation and Amortization		11,375				
10	Taxes		4,898				
11	Total Production & Transmission	0	196,726	(25,199)	(8,447)	399	5
	D1 - 1 - 1						
	Distribution		0 500			294	
12	Operating Expenses		8,580			294	
13	Depreciation		8,351	(4)		(12)	(2)
14	Taxes		4,161	(4)		(13)	(2)
15	Total Distribution	0	21,092	(4)	0	281	(2)
16	Customer Accounting		3,643		•	93	
17	Customer Service & Information		3,960			7	
18	Sales Expenses		261			7	
	Administrative & General		19.261			279	124
19	Operating Expenses		,			219	124
20	Depreciation		3,860				
21 22	Taxes Total Admin. & General		23,121	0	0	279	124
		0			(8,447)	1,066	127
23	Total Electric Expenses		248,803	(25,203)	(8,447)	1,000	127
24	OPERATING INCOME BEFORE FIT	0	51,404	(341)	5,879	(1,066)	(127)
	FEDERAL INCOME TAX						
25	Current Accrual		1,849	(119)	2,058	(373)	(44)
26	Deferred Income Taxes		7,578				
							
27	NET OPERATING INCOME	\$0	\$41,977	(\$222)	\$3,821	(\$693)	(\$83)
	RATE BASE						
	PLANT IN SERVICE						
28	Intangible		\$12,083				
29	Production		362,310		#DIV/0!		
30	Transmission		156,662				
31	Distribution		341,133				
32	General		49,818		((D1) ((0)		
33	Total Plant in Service	0	922,006	0	#DIV/0!	0	0
34	ACCUMULATED DEPRECIATION		310,555				
35	ACCUM. PROVISION FOR AMORTIZATION		3,664				
36	Total Accum. Depreciation & Amort.	0	314,219	0	0	0	0
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES		(82,407)				,
		\$0	\$525,380	\$0	#DIV/0!	\$0	\$0
39	TOTAL RATE BASE	ייה					

Line		Pro Forma Transmission	Pro Forma Capital Add	Pro Forma Capital Add	Pro Forma Asset	Pro Forma Spokane Rvr	Pro Forma CDA Tribe Settlement
No.	DESCRIPTION a	Rev/Exp PF5	2007 PF6	2008 PF7	Management PF8	Relicensing PF9	PF10
	REVENUES						
1	Total General Business						
2	Interdepartmental Sales Sales for Resale						
4	Total Sales of Electricity	0	0	0	0	0	0
5	Other Revenue	v	·	_			
6	Total Electric Revenue	0	0	0	0	0	0
	EXPENSES						
	Production and Transmission						
7	Operating Expenses						
8	Purchased Power						
9	Depreciation and Amortization						
10	Taxes						0
11	Total Production & Transmission	0	0	0	0	0	U
	Distribution						
12	Operating Expenses						
13	Depreciation						
14	Taxes						
15	Total Distribution	0	0	0	0	0	0
16	Customer Accounting						
17	Customer Service & Information						
18	Sales Expenses		•				
	Administrative & General						
19	Operating Expenses						
20	Depreciation						
21	Taxes						
22	Total Admin. & General	0	0	0	0	0	0
23	Total Electric Expenses	0	0	0	0	0	. 0
24	OPERATING INCOME BEFORE FIT	0	0	. 0	0	0	. 0
	PEDERAL INCOME TAY						
25	FEDERAL INCOME TAX Current Accrual						
26	Deferred Income Taxes						
20	Deferred income taxes						
27	NET OPERATING INCOME	\$0	\$0	\$0	\$0	\$0	\$0
	DATE DAGE						
	RATE BASE						
20	PLANT IN SERVICE						
28	Intangible Production						
29 30	Production Transmission						
31	Distribution -						
32	General						
33	Total Plant in Service	0	0	0	0	0	C
34	ACCUMULATED DEPRECIATION						
35	ACCUM. PROVISION FOR AMORTIZATION				•		
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	(
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES						
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0

Line No.	DESCRIPTION	Pro Forma Montana Lease	Pro Forma Colstrip Mercury Emiss. O&M	Pro Forma Incentives	Pro Forma ID AMR	Pro Forma CS2 Levelized Adj
1.10.	a a	- PF11	PF12	PF13	PF14	PF15
	REVENUES					
I	Total General Business					
2	Interdepartmental Sales					
3	Sales for Resale					
4	Total Sales of Electricity	0	0	0	0	0
5	Other Revenue					
6	Total Electric Revenue	0	0	0	0	0
	EXPENSES					
	Production and Transmission					
7	Operating Expenses					
8	Purchased Power					
9	Depreciation and Amortization					215
10	Taxes					
11	Total Production & Transmission	0	0	0	0	215
	Distribution					
12	Operating Expenses					
13	Depreciation				692	
14	Taxes				322	
15	Total Distribution	0	0	0	1,014	0
16	Customer Accounting					
17	Customer Service & Information					
18	Sales Expenses					
10	Administrative & General					
19 20	Operating Expenses Depreciation					
21	Taxes					
22	Total Admin. & General	0	0	0	0	0
23	Total Electric Expenses	0	0	0	1,014	215
	Total Electric Expenses				1,011	
24	OPERATING INCOME BEFORE FIT	0	0	0	(1,014)	(215)
	FEDERAL INCOME TAX					
25	Current Accrual				(325)	
26	Deferred Income Taxes					(75)
						
27	NET OPERATING INCOME	\$0	\$0	\$0	(\$689)	(\$140)
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible					
29	Production					
30	Transmission					
31	Distribution				22,253	
32	General				•••	
33	Total Plant in Service	0	0	0	22,253	0
34	ACCUMULATED DEPRECIATION				222	
35	ACCUM. PROVISION FOR AMORTIZATION				332	
36	Total Accum. Depreciation & Amort.	0	0	0	332	. 0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES				(69)	
39	TOTAL RATE BASE	\$0	\$0	\$0	\$21,852	\$0
40	RATE OF RETURN					

Line		Pro Forma Open	Pro Forma Open			Pro Forma
No.	DESCRIPTION	DEL	PF17	blank PF	blank PF	TOTAL PFT
	a .	PF16	FF17	r r	11	
	REVENUES					
1	Total General Business					\$210,968
2	Interdepartmental Sales					145
3	Sales for Resale					48,420
4	Total Sales of Electricity	0	0			259,533
5	Other Revenue					12,562
6	Total Electric Revenue	0	0			272,095
	EXPENSES					
	Production and Transmission					
7	Operating Expenses					62,620
8	Purchased Power					84,591
9	Depreciation and Amortization					11,590
10	Taxes					4,898
11	Total Production & Transmission	0	0	0	0	163,699
	Distribution		_			
12	Operating Expenses					8,874
13	Depreciation					9,043
14	Taxes					4,464
15	Total Distribution	0	0	0	0	22,381
16	Customer Accounting					3,736
17	Customer Service & Information					3,967
18	Sales Expenses					268
	Administrative & General					
19	Operating Expenses					19,664
20	Depreciation					3,860
21	Taxes					
22	Total Admin. & General	0	0	0	0	23,524
23	Total Electric Expenses	0	0	0	0	217,575
24	OPERATING INCOME BEFORE FIT	0	0	0	0	54,520
	FEDERAL INCOME TAX					
25	Current Accrual					3,046
26	Deferred Income Taxes					7,503
27	NET OPERATING INCOME	\$0	\$0	\$0	\$0	\$43,971
	RATE BASE					
	PLANT IN SERVICE					
28	Intangible	`				\$12,083
29	Production					#DIV/0!
30	Transmission					156,662
31	Distribution					363,386
32	General					49,818
33	Total Plant in Service	0	. 0	0	0	#DIV/0!
34	ACCUMULATED DEPRECIATION					310,555
35	ACCUM. PROVISION FOR AMORTIZATION					3,990
36	Total Accum, Depreciation & Amort.	0	C	0	0	314,55
37	GAIN ON SALE OF BUILDING					
38	DEFERRED TAXES					(82,476
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	#DIV/0!
	IIII AI KAIR BANK					

WEATHERIZATION & DEMAND SIDE MANAGEMENT INVESTMENT

	C1	

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CLARK FORK PM&E ADJUSTMENT ELECTRIC

Line	(000 b of bobbano)	_		BEBETHE	
No.	DESCRIPTION		System	Washington	Idaho
110.	REVENUES		System	,, 40111151011	744110
1	Total General Business		\$0		
2	Interdepartmental Sales		•		
3	Sales For Resale		0		0
4	Total Sales of Electricity	_	0	0	0
5	Other Revenue		0		0
6	Total Electric Revenue		0	0	0
	EXPENSES				
	Production and Transmission				
7	Operating Expenses		523		523
8	Purchased Power	4	0		0
9	Depreciation and Amortization				
10	Taxes				
11	Total Production & Transmission		523	0	523
	Distribution				
12	Operating Expenses				
13	Depreciation				
14	Taxes		(6)		(6)
15	Total Distribution		(6)	0	(6)
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General				
19	Operating Expenses		0		0
20	Depreciation				
21	Taxes				
22	Total Admin. & General	_	0	0	0
23	Total Electric Expenses		517	0	517
24	Operating Income before FIT		(517)	0	(517)
	Federal Income Taxes			•	
25	Current Accrual	35.0%	(181)		(181)
26	Deferred Income Taxes				
25	NET OPER LENGTH ON LOOME		(#227)		(#226)
27	NET OPERATING INCOME		(\$336)	\$0	(\$336)
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production				
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION				*
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37	GAIN ON SALE OF BUILDING				
38	DEFERRED TAXES			- W- · ·	
39	TOTAL RATE BASE		\$0	\$0	\$0_
		=			

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

CLARK FORK PM&E ADJUSTMENT ELECTRIC

Description		Idaho
REVENUES		
Total General Business		\$0
Interdepartmental Sales		0
Sales For Resale		0
Total Sales of Electricity	•	0
Other Revenue		0
Total Electric Revenue		0
EXPENSES		
Production and Transmission		
Operating Expenses		523
Purchased Power		0
Depreciation and Amortization		0
Taxes		0
Total Production & Transmission		523
Distribution		
Operating Expenses		0
Depreciation		. 0
Taxes		
Total Distribution		0
Customer Accounting		0
Customer Service & Information		0
Marketing		0
Administrative & General		
Operating Expenses		0
Depreciation		0 .
Taxes		0
Total Admin. & General		0
Total Electric Expenses		523
Operating Income before SIT		(523)
Idaho State Income Tax		
Adjusted Rate of	0.012216	(\$6)

AVISTA UTILITIES ELECTRIC ADJUSTMENT SUMMARY TWELVE MONTHS ENDED SEPTEMBER 30, 2008

(000'S OF DOLLARS)

PRO FORMA
ID AMR
ELECTRIC

	(0003 OF DOLLARS)	_		ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho .
1.0.	REVENUES		System	, usinington	1000
1	Total General Business		\$0	\$0	\$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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization		0	0	
10	Taxes		. 0	v	
11	Total Production & Transmission		0	0	0
	Distribution				
12	Operating Expenses		0	0	0
13	Depreciation		692		692
14	Taxes		322	0	322
15	Total Distribution	_	1,014	. 0	1,014
16	Customer Accounting		0	0	0
17	Customer Service & Information		0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		0	0	0
23	Total Electric Expenses		1,014	0	1,014
24	Operating Income before FIT		(1,014)	. 0	(1,014)
	Federal Income Taxes				
25	Current Accrual	35.0%	(325)	0	(325)
26	Deferred Income Taxes				
27	NET OPERATING INCOME		(\$689)	\$0	(\$689)
21	NET OF EXAMING INCOME		. (3089)	\$0	(\$009)
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible				
29	Production		0		
30	Transmission		0		
31	Distribution		22,253		22,253
32	General				
33	Total Plant in Service	_	22,253	0	22,253
34	ACCUMULATED DEPRECIATION		0		-
35	ACCUM. PROVISION FOR AMORTIZATION		332		332
36	Total Accum. Depreciation & Amort.		332	0	332
37	GAIN ON SALE OF BUILDING		33 2	Ū	55 2
38	DEFERRED TAXES		(69)		(69)
39	TOTAL RATE BASE		\$21,852	\$0	\$21,852

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED SEPTEMBER 30, 2008 (000'S) OF DOLLARS

PRO FORMA ID AMR ELECTRIC

Description	Idaho	
REVENUES		
Total General Business	\$0	•
Interdepartmental Sales	0	
Sales For Resale	0	
Total Sales of Electricity	0	
Other Revenue	0	
Total Electric Revenue	0	
EXPENSES		
Production and Transmission		
Operating Expenses	0	
Purchased Power	0	
Depreciation and Amortization	0	
Taxes	0	
Total Production & Transmission	0	
Distribution		
Operating Expenses	0	
Depreciation	692	
Taxes	330	
Total Distribution	1,022	
Customer Accounting	. 0	
Customer Service & Information	0	
Marketing	0	
Administrative & General		
Operating Expenses	0	
Depreciation	0	
Taxes	0	
Total Admin. & General	0	
Total Electric Expenses	1,022	
Operating Income before SIT	(1,022)	
Idaho State Income Tax		
Adjusted Rate of 0.012216	(\$12)	

CS2 LEVELIZATION PRO FORMA

ELECTRIC

	(000'S OF DOLLARS)			ELECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
	REVENUES				
1	Total General Business		\$0	\$0	\$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		0	0	0
8	Purchased Power				
9	Depreciation and Amortization		215	0	215
10	Taxes		0		
11	Total Production & Transmission		215	0	215
	Distribution				
12	Operating Expenses		0	0	0
13	Depreciation				
14	Taxes		0	0	0
15	Total Distribution		0	0	. 0
16	Customer Accounting		0	0	. 0
17	Customer Service & Information		. 0	0	0
18	Marketing		0	0	0
	Administrative & General				
19	Operating Expenses		0	0	0
20	Depreciation				
21	Taxes				
22	Total Admin. & General		. 0	0	0
23	Total Electric Expenses		215	0	215
24	Operating Income before FIT		(215)	0	(215)
	Federal Income Taxes				
25	Current Accrual		-		
26	Deferred Income Taxes	35.0%	(75)	0	(75)
27	NET OPERATING INCOME		(\$140)	\$0	(\$140)
			V ,		,
	RATE BASE				
	PLANT IN SERVICE				
28	Intangible .				
29	Production		0		
30	Transmission				
31	Distribution				
32	General				
33	Total Plant in Service		0	0	0
34	ACCUMULATED DEPRECIATION		0		
35	ACCUM. PROVISION FOR AMORTIZATION				
36	Total Accum. Depreciation & Amort.		0	0	0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES		0		
		_		**	**
39	TOTAL RATE BASE		\$0	\$0	\$0