

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

REGULATORY EXPENSE
ADJUSTMENT
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			
17	Customer Service & Information			
18	Marketing			
Administrative & General				
19	Operating Expenses	72	72	0
20	Depreciation			
21	Taxes			
22	Total Admin. & General	72	72	0
23	Total Electric Expenses	72	72	0
24	Operating Income before FIT	(72)	(72)	0
Federal Income Taxes				
25	Current Accrual	35.0%	(25)	0
26	Deferred Income Taxes			
27	Amortized ITC - Noxon			
28	NET OPERATING INCOME	(\$47)	(\$47)	\$0
RATE BASE				
PLANT IN SERVICE				
29	Intangible			
30	Production			
31	Transmission			
32	Distribution			
33	General			
34	Total Plant in Service	0	0	0
35	ACCUMULATED DEPRECIATION			
36	ACCUM. PROVISION FOR AMORTIZATION			
37	Total Accum. Depreciation & Amort.	0	0	0
38	GAIN ON SALE OF BUILDING			
39	WORKING CAPITAL			
40	DEFERRED TAXES			
41	TOTAL RATE BASE	\$0	\$0	\$0

Q1

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Avista Utilities
Calculation of Regulatory Expense Adjustment - Electric
Twelve Months Ended December 31, 2009

	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Revised Expense:			
WUTC (1)	921,168	921,168	
IPUC (1)	412,497		412,497
FERC (2) (3)	2,174,407	1,410,886	763,521
Total Revised Expense	<u>3,508,072</u>	<u>2,332,054</u>	<u>1,176,018</u>
Allocation basis #4 (3)	100.000%	64.886%	35.114%
Less Accrual: (4)			
WUTC	843,865	843,865	
IPUC	366,389		366,389
FERC (3)	2,182,407	1,416,077	766,331
Total Accrual	<u>3,392,662</u>	<u>2,259,942</u>	<u>1,132,719</u>
Adjustment	<u>115,411</u>	<u>72,112</u>	<u>43,299</u>

NOTES:

- (1) Source of revised WUTC and IPUC fees are shown on the following pages.
- (2) Actual FERC payments.
- (3) FERC fees are apportioned to jurisdictions using allocation basis #4 from the Supplemental Operating Report, E-ALL-12A.
- (4) See attached schedules for accrual figures.

Q3

Transaction Analysis Selection: Accounting Period : '2009%' , GI Ferc Account : '928000' , Statind Parameter 1 : 'DL'

Project Number:02805036	Ferc Acct:928000	Task Number:928000	Service:ED	Jurisdiction:WA	Ava Jet:102-MISC A
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Source Id	Accounting Period	Transaction Amount
PA	200901	68,767.00
	200902	68,767.00
	200903	68,767.00
	200904	70,838.31
	200905	70,838.33
	200906	70,838.33
	200907	70,838.33
	200908	70,838.33
	200909	70,838.33
	200910	70,838.33
	200911	70,838.33
	200912	70,857.62
Total		843,865.24

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FERC HYDRO CHARGES
242300 ED AN

FERC ELECTRIC CHARGES
242310 ED AN

	FERC HYDRO CHARGES 242300 ED AN			FERC ELECTRIC CHARGES 242310 ED AN		
	Expense Accrual	Payments	Ending Balance	Expense Accrual	Payments	Ending Balance
Jan-09	(159,000.00)		(159,000.00)	(20,833.00)		(20,833.00)
Feb-09	(159,000.00)		(318,000.00)	(20,833.00)		(41,666.00)
Mar-09	(159,000.00)		(477,000.00)	(20,833.00)		(62,499.00)
Apr-09	(159,000.00)		(636,000.00)	(20,833.00)		(83,332.00)
May-09	(159,000.00)		(795,000.00)	(20,833.00)		(104,165.00)
Jun-09	(159,000.00)		(954,000.00)	(20,833.00)		(124,998.00)
Jul-09	(159,000.00)		(1,113,000.00)	(20,833.00)		(145,831.00)
Aug-09	(159,000.00)	1,925,648.40	653,648.40	(20,833.00)	248,759.00	82,095.00
Sep-09	(184,648.40)		469,000.00	(19,596.00)		62,499.00
Oct-09	(159,000.00)		310,000.00	(20,833.00)		41,666.00
Nov-09	(159,000.00)		151,000.00	(20,833.00)		20,833.00
Dec-09	(159,000.00)		(8,000.00)	(20,833.00)		-
	<u>(1,933,648.40)</u>	<u>1,925,648.40</u>	<u>(2,876,351.60)</u>	<u>(248,759.00)</u>	<u>248,759.00</u>	<u>(376,231.00)</u>
	②	①		②	①	

Total FERC payments

$\Sigma \textcircled{1} = 2,174,407.40$

Allocate to Jurisdictions

64.886%	1,410,885.99
35.114%	763,521.41
	<u>2,174,407.40</u>

Total FERC Accrual

$\Sigma \textcircled{2} = (2,182,407.40)$

Allocate to Jurisdictions

64.886%	(1,416,076.87)
35.114%	(766,330.53)
	<u>(2,182,407.40)</u>

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**Avista Utilities
WUTC and IPUC Filing Fees Adjustment
Twelve Months Ended December 31, 2009**

	WUTC AND IPUC FEES		
	Total	Washington	Idaho
Electric Revenues: (1)			
Sales to Ultimate Consumers:			
(499) Unbilled	6,581,138	• 5,578,730	• 1,002,408
(440) Residential	312,711,086	• 211,801,968	• 100,909,118
(442) Commercial / Industrial	378,051,384	• 235,374,870	• 142,676,514
(444) Public Street & Highway	6,607,434	• 4,481,319	• 2,126,115
(448) Interdepartmental Revenues	1,075,772	• 870,528	• 205,244
Total Sales to Ultimate Consumers	705,026,814	458,107,415	246,919,399
Other Operating Revenues:			
(451) Misc Service Revenues	651,836	• 409,201	• 242,635
(453) Sales of Water/Water Power	381,238	• 247,309	• 133,929
(454) Rent from Electric Property	2,742,428	• 1,845,037	• 897,391
Total Other Operating Revenues	3,775,502	2,501,547	1,273,955
Total Electric Subject to Fees	708,802,316	460,608,962	248,193,354
Fee Calculation			
First \$50,000 @ .001 (Washington)		0.001000	
Fee Rate (2)		0.002000	0.001662
REGULATORY FEES	1,333,665	921,168	412,497

- Electric excludes: Most of Acct 456 , Other Elec Revenues and Acct 447, Sales for Resale on the basis that those services are resold and taxed at the retail level.
- Electric includes: Acct 448, Interdepartmental Revenues, since Avista is end user.

Notes:
 (1) Figures from Results report E-OPS-12A
 (2) Rate from 2009 Commission Fees letters/orders: WA, 04/28/09 (per website form); ID, 05/7/09

RESULTS OF OPERATIONS

AVISTA UTILITIES
 ELECTRIC OPERATING STATEMENT
 For Twelve Months Ended December 31, 2009
 Average of Monthly Averages Basis

Report ID:
 E-OPS-12A

***** SYSTEM ***** WASHINGTON ***** IDAHO *****

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
REVENUE											
SALES OF ELECTRICITY:											
99	440000	Residential	312,711,086	0	312,711,086	211,801,968	0	211,801,968	100,909,118	0	100,909,118
99	442200	Commercial - Firm & Int.	271,128,403	0	271,128,403	190,517,481	0	190,517,481	80,610,922	0	80,610,922
1	442300	Industrial	106,922,981	0	106,922,981	44,857,389	0	44,857,389	62,065,592	0	62,065,592
99	444000	Public Street & Highway Lighting	6,607,434	0	6,607,434	4,481,319	0	4,481,319	2,126,115	0	2,126,115
99	499XXX	Unbilled Revenue	6,581,138	0	6,581,138	5,578,730	0	5,578,730	1,002,408	0	1,002,408
99	448000	Interdepartmental Revenue	1,075,772	0	1,075,772	870,528	0	870,528	205,244	0	205,244
TOTAL SALES TO ULTIMATE CUSTOMERS			705,026,814	0	705,026,814	458,107,415	0	458,107,415	246,919,399	0	246,919,399
1	447XXX	Sales for Resale	0	198,516,063	198,516,063	0	128,777,370	128,777,370	0	69,738,693	69,738,693
TOTAL SALES OF ELECTRICITY			705,026,814	198,516,063	903,542,877	458,107,415	128,777,370	586,884,785	246,919,399	69,738,693	316,658,092
OTHER OPERATING REVENUE:											
99	451000	Miscellaneous Service Revenue	651,836	0	651,836	409,201	0	409,201	242,635	0	242,635
1	453000	Sales of Water & Water Power	0	381,238	381,238	0	247,309	247,309	0	133,929	133,929
1	454000	Rent from Electric Property	2,667,908	74,520	2,742,428	1,796,696	48,341	1,845,037	871,212	26,179	897,391
1	456XXX	Other Electric Revenues	248,390	43,462,489	43,710,879	212,619	28,194,117	28,406,736	35,771	15,268,372	15,304,143
TOTAL OTHER OPERATING REVENUE			3,568,134	43,918,247	47,486,381	2,418,516	28,489,167	30,908,283	1,149,618	15,428,480	16,578,098
TOTAL ELECTRIC REVENUE			708,594,948	242,434,310	951,029,258	460,525,931	157,267,137	617,793,068	248,069,017	85,167,173	333,236,190
EXPENSE											
STEAM POWER GENERATION EXPENSE:											
OPERATION											
1	500000	Supervision & Engineering	0	514,450	514,450	0	333,724	333,724	0	180,726	180,726
1	501000	Fuel	0	22,358,344	22,358,344	0	14,503,858	14,503,858	0	7,854,486	7,854,486
1	502000	Steam Expense	0	2,614,109	2,614,109	0	1,695,773	1,695,773	0	918,336	918,336
1	505000	Electric Expense	0	699,318	699,318	0	453,648	453,648	0	245,670	245,670
1	506000	Miscellaneous Steam Power Generation Expense	153,771	2,629,935	2,783,706	0	1,706,039	1,706,039	153,771	923,896	1,077,667
1	507000	Rent	0	29,773	29,773	0	19,314	19,314	0	10,459	10,459
TOTAL STEAM POWER GENERATION EXPENSE:			153,771	38,852,368	39,006,139	0	25,203,532	25,203,532	153,771	13,648,836	13,802,607
MAINTENANCE											
1	510000	Supervision & Engineering	0	500,139	500,139	0	324,440	324,440	0	175,699	175,699
1	511000	Structures	0	546,526	546,526	0	354,531	354,531	0	191,995	191,995
1	512000	Boiler Plant	0	5,457,086	5,457,086	0	3,540,012	3,540,012	0	1,917,074	1,917,074
1	513000	Electric Plant	0	2,565,316	2,565,316	0	1,664,120	1,664,120	0	901,196	901,196
1	514000	Miscellaneous Steam Plant	0	937,372	937,372	0	608,073	608,073	0	329,299	329,299
TOTAL MAINTENANCE			0	14,006,369	14,006,369	0	9,491,176	9,491,176	0	5,136,169	5,136,169
TOTAL STEAM POWER GENERATION EXP			153,771	52,858,737	53,006,139	0	34,694,708	34,694,708	153,771	18,787,001	18,940,676

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190,517,481 +
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