

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

RESTATE
DEBT INTEREST
GAS

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

T₁

T₂

AVISTA UTILITIES
Restate Debt Interest
Washington - Gas
For the Twelve Months Ended December 31, 2009
(000's)

<u>Adjustment Description</u>	<u>Rate Base Adjustments</u>
b Per Results Report	\$204,811
c Deferred FIT Rate Base	(31,005)
d Deferred Gain on Office Building	(71)
e Gas Inventory	8,440
f Customer Advances	(38)
g Customer Deposits	(1,359)
h Revenue Normalization & Gas Cost Adjust	0
i Eliminate B & O Taxes	0
j Property Tax	0
k Uncollectible Expense	0
l Regulatory Expense Adjustment	0
m Injuries and Damages	0
n FIT	0
o Net Gains/losses	0
p Eliminate A/R Expenses	0
q Office Space Charges to Subs	0
r Restate Excise Taxes	0
s Misc Restating Adjustments	0
	<hr/>
Total Restated Rate Base	\$180,778
	<hr/>
Weighted Average Cost of Debt	3.51%
	<hr/>
Restated Debt Interest	\$6,345
	<hr/>
Actual Interest (G-FIT-12A)	\$6,413
	<hr/>
Increase (Decrease) in Interest Expense	(\$68)
FIT Rate	x 0.350
	<hr/>
Increase (Decrease) in FIT	\$24
	<hr/> <hr/>

AVISTA UTILITIES
AUTHORIZED COST CAPITAL
Washington - Gas

T3

<u>Component</u>	<u>Capital Structure</u>	<u>Pro Forma Cost</u>	<u>Pro Forma Weighted Cost</u>
Term Debt	53.50%	6.57%	3.51% WA Wtd Debt 3.51%
Common Equity	46.50%	10.20%	4.74%
Total	<u>100.00%</u>		<u>8.25%</u>