

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

ELIMINATION OF IDAHO PCA
& WA POWER COST DEFERRALS
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
REVENUES				
1	Total General Business	(\$32,762)	(\$32,762)	
2	Interdepartmental Sales			
3	Sales For Resale	0		
4	Total Sales of Electricity	(32,762)	(32,762)	0
5	Other Revenue			
6	Total Electric Revenue	(32,762)	(32,762)	0
EXPENSES				
Production and Transmission				
7	Operating Expenses	(31,567)	(31,567)	
8	Purchased Power	0	0	0
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	(31,567)	(31,567)	0
Distribution				
12	Operating Expenses			
13	Depreciation			
14	Taxes	(1,265)	(1,265)	0
15	Total Distribution	(1,265)	(1,265)	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	(32,998)	(32,998)	0
24	Operating Income before FIT	236	236	0
Federal Income Taxes				
25	Current Accrual	35.0% (10,966)	(10,966)	
26	Deferred Income Taxes	11,049	11,049	
27	Amortized ITC - Noxon			
28	NET OPERATING INCOME	\$153	\$153	\$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

T
1

T₂

Avista Corporation
 Eliminate Washington ERM
 12 Months Ended December 31, 2009

	Surcharge Revenue	557.29 Amortization	557.28 Deferrals	410.1 FIT
Jan-09	\$3,839,898	\$3,672,191	\$0	-\$1,285,267
Feb-09	3,410,947	3,261,973	0	-1,141,691
Mar-09	3,087,016	2,952,188	0	-1,033,266
Apr-09	2,566,162	2,454,085	0	-858,930
May-09	2,327,923	2,226,250	0	-779,188
Jun-09	2,363,338	2,260,122	-90,753	-759,279
Jul-09	2,252,944	2,154,547	-2,892,576	258,310
Aug-09	2,635,440	2,520,337	171,919	-942,290
Sep-09	2,554,676	2,443,101	680,658	-1,093,316
Oct-09	2,280,062	2,180,480	1,151,996	-1,166,367
Nov-09	2,569,462	2,457,241	978,756	-1,202,599
Dec-09	2,874,342	2,748,805	0	-962,082
Total	\$32,762,210	\$31,331,320	\$0	-\$10,965,965

Revenue Related Expenses (2004 Conversion Factor from UE-050482)

Excise Tax	0.038607	\$1,264,851
Uncollect.	0.003168	103,791
Commission Fee	0.001900	62,248
Total	0.043675	\$1,430,890

Account 557 as Recorded

Deferrals	\$0
Amortizations	31,331,320 Debit
Net	\$31,331,320 Debit

Account 410.10 -\$10,965,965 Credit

Adjustment (\$000)	Remove Surcharge Revenue	Remove Deferral & Amort.	Subtotal	Remove Lehman Bros. Bankruptcy Proceeds(1)	Total Adjustment
Revenue	-\$32,762		-\$32,762		-\$32,762
Account 557		-\$31,331	-31,331	-\$236	-31,567
Excise tax	-1,265		-1,265		-1,265
Uncollectibles	-104		-104		-104
Other (commission fees)	-62		-62		-62
Total expenses	-1,431	-31,331	-32,762	-236	-32,998
Net income before income taxes	-31,331	31,331	0	236	236
FIT	0.35	-10,966	10,966	0	83
Net income	-\$20,365	\$20,365	\$0	\$153	\$153

(1) In March 2009 Washington's share of the net proceeds from the sale of Avista's Lehman Brothers bankruptcy claim to Silver Point Capital was credited to Account 182350.ED.WA and debited to Account 557290.ED.WA (see 200903 DJ 481-WA ERM journal). This adjustment reverses the effect of that entry.

13

Avista Corporation Journal Entry

Effective Date: 200903

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Cheryl Kettner

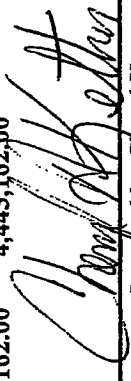

Submitted by: Cheryl Kettner

Last Saved: 04/06/2009 4:41 PM

Seq.	Co.#	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL			WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	2,952,188.00	2,952,188.00	WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	75,182.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		0.00	WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	0.00		WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	0.00		Accrue interest on current year deferral balance
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	25,618.00		Accrue interest on previous year deferral balance
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		100,800.00	Non-utility interest income
120	001	186010 - REGULATORY ASSET ERM 100% COMPANY	ED	WA	DL		1,154,359.00	Track 100% company band accumulation
130	001	186020 - REGULATORY ASSET ERM 100% CONTRA	ED	WA	DL	1,154,359.00		Contra account for 100% company band accumulation
140	001	186030 - REGULATORY ASSET ERM 50% COMPANY	ED	WA	DL	0.00	0.00	Track 50% company band accumulation
150	001	186035 - REGULATORY ASSET ERM 50% CONTRA	ED	WA	DL	0.00	0.00	Contra account for 50% company band accumulation
160	001	186040 - REGULATORY ASSET ERM 10% COMPANY	ED	WA	DL	0.00	0.00	Track 10% company band accumulation
170	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL	235,815.00		Contra account for 10% company band accumulation
180	001	557290 - WA ERM AMORTIZATION	ED	WA	DL		235,815.00	Lehman Settlement
190	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		4,443,162.00	Lehman Settlement
TOTALS:						4,443,162.00	4,443,162.00	

Explanation:

Record current month deferred power supply costs, interest, and DFIT per WA accounting order.


 Prepared by Cheryl Kettner
 Date: 4/6/09
 Reviewed by: 
 Date: 4/6/09

Approved for Entry _____ Date _____
 Corporate Accounting use Only