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2009 APR 30 AM 9:22  
 STATE OF  
 UTIL. AND TRANSP.  
 COMMISSION

April 29, 2009

Mr. David W. Danner, Executive Director and Secretary  
 Washington Utilities and Transportation Commission  
 1300 S. Evergreen Park Drive, S.W.  
 Olympia, WA 98504-7250

RE: 2008 Electric Commission Basis Report Pursuant to WAC 480-100-257

Dear Mr. Danner:

Enclosed are two copies of the 2008 Electric Commission Basis Report for Avista Utilities. The report is being filed pursuant to WAC 480-100-257. The report is based on the period of twelve months ended December 31, 2008. This report is being supplied for informational purposes only.

Additional Commission Basis Report (CBR) reporting requirements per WUTC Commission Orders are as follows:

Per Order No. 05, Docket No. UE-050482, the Company's 2007 annual expense for vegetation management totaled approximately \$3.6 million (Washington electric).

Per Order No. 05, Docket No. UE-070804, the Company's 2008 Wood Pole Test & Treat Program (system electric) expenses and capital expenditures totaled approximately \$844,732 and \$5.7 million, respectively. Included as Attachment A is the summary table showing the Wood Pole Test & Treat Model Budget (as reported by Avista in Docket No. UE-070804 for the years 2008 through 2017) compared to the Annual Budget and Actual expense and capital expenditures for the reporting year as requested by Staff.

If you have any questions, please contact me at (509) 495-8601.

Sincerely,

Liz M. Andrews  
 Manager, Revenue Requirements

Enclosure

**Attachment A  
AVISTA**

**Annual Wood Pole Treatment Report - System**

Year	Transmission - Capital			Distribution - Capital			TOTAL - CAPITAL					
	Model Budget	Annual Budget	Actual Expenditure	Model Budget	Annual Budget	Actual Expenditure	Model Budget	Annual Budget	Actual Expenditure			
2008	576,000	\$ 459,003	\$ 961,301	4,944,500	\$ 4,923,001	\$ 4,749,915	5,520,500	\$ 5,382,004	\$ 5,711,216			
2009	705,000		5,096,000	5,096,000		5,096,000	5,801,000		5,801,000			
2010	666,000		5,313,000	5,313,000		5,313,000	5,979,000		5,979,000			
2011	733,000		5,548,000	5,548,000		5,548,000	6,281,000		6,281,000			
2012	741,000		5,733,000	5,733,000		5,733,000	6,474,000		6,474,000			
2013	816,000		6,025,000	6,025,000		6,025,000	6,841,000		6,841,000			
2014	763,000		6,088,000	6,088,000		6,088,000	6,851,000		6,851,000			
2015	803,000		6,556,000	6,556,000		6,556,000	7,359,000		7,359,000			
2016	881,000		6,733,000	6,733,000		6,733,000	7,614,000		7,614,000			
2017	928,000		6,976,000	6,976,000		6,976,000	7,904,000		7,904,000			
<b>TOTAL - CAPITAL</b>												
Year	Transmission - Testing Exp			Transmission - Aerial Patrol Exp			Distribution - Testing Exp			TOTAL - EXPENSES		
	Model Budget	Annual Budget	Actual Expenditure	Model Budget	Annual Budget	Actual Expenditure	Model Budget	Annual Budget	Actual Expenditure	Model Budget	Annual Budget	Actual Expenditure
2008	273,000	\$356,329	\$308,672	48,000	\$41,600	\$67,248	492,000	\$356,328	\$468,812	813,000	\$ 754,257	\$ 844,732
2009	283,000		50,000	50,000		509,000	509,000		842,000	842,000		842,000
2010	293,000		52,000	52,000		527,000	527,000		872,000	872,000		872,000
2011	303,000		54,000	54,000		546,000	546,000		903,000	903,000		903,000
2012	314,000		56,000	56,000		565,000	565,000		935,000	935,000		935,000
2013	325,000		57,000	57,000		585,000	585,000		967,000	967,000		967,000
2014	336,000		60,000	60,000		605,000	605,000		1,001,000	1,001,000		1,001,000
2015	348,000		62,000	62,000		626,000	626,000		1,036,000	1,036,000		1,036,000
2016	360,000		64,000	64,000		648,000	648,000		1,072,000	1,072,000		1,072,000
2017	372,000		66,000	66,000		671,000	671,000		1,109,000	1,109,000		1,109,000

Note:  
Annual Budget is the approved Budget for the year

AVISTA UTILITIES

Restatement Summary

Washington Electric

TWELVE MONTHS ENDED DECEMBER 31, 2008

Column Description of Adjustment	Washington Electric		
	NOI	Rate Base	ROR
b Per Results Report	\$67,911	\$1,064,749	
c Deferred FIT Rate Base	0	(147,502)	
d Deferred Gain on Office Building	0	(293)	
e Colstrip 3 AFUDC Elimination	195	(1,918)	
f Colstrip Common AFUDC	0	429	
g Kettle Falls Disallow.	(56)	(834)	
h Customer Advances	0	(232)	
i Settlement Exchange Power	0	22,441	
Actual	68,050	936,840	7.26%
j Eliminate B & O Taxes	(27)	0	
k Property Tax	181	0	
l Uncollect. Expense	40	0	
m Regulatory Expense	(51)	0	
n Injuries and Damages	(94)	0	
o FIT	(29)	0	
p Eliminate WA Power Cost Defer	(4,582)	0	
q Nez Perce Settlement Adjustment	(5)	0	
r Net Gains / Losses	73	0	
s Weather Normalization	(2,682)	0	
t Eliminate A/R Expenses	370	0	
u Office Space Charges to Subsidiaries	5	0	
v Restate Excise Taxes	4	0	
w Normalized Power Supply	8,403	0	
x Restate Debt Interest	(689)	0	
Restated Total	<u>\$68,967</u>	<u>\$936,840</u>	<u>7.36%</u>



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AVISTA UTILITIES  
 ELECTRIC RESULTS OF OPERATION  
 WASHINGTON RESTATED RESULTS  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Settlement Exchange Power	Subtotal Actual	Eliminate B & O Taxes	Property Tax	Uncollect. Expense	Regulatory Expense	Injuries and Damages
	a	i	-	j	k	l	m	n
<b>REVENUES</b>								
1	Total General Business		\$415,896	\$ (13,897)				
2	Interdepartmental Sales		820					
3	Sales for Resale		144,734					
4	Total Sales of Electricity	0	561,450	(13,897)	0	0	0	0
5	Other Revenue		39,736	(16)				
6	Total Electric Revenue	0	601,186	(13,913)	0	0	0	0
<b>EXPENSES</b>								
Production and Transmission								
7	Operating Expenses		186,249					
8	Purchased Power		166,785					
9	Depreciation and Amortization		22,000					
10	Taxes		8,190		(44)			
11	Total Production & Transmission	0	383,224	0	(44)	0	0	0
Distribution								
12	Operating Expenses		17,329					
13	Depreciation		15,723					
14	Taxes		32,937	(13,871)	(232)			
15	Total Distribution	0	65,989	(13,871)	(232)	0	0	0
16	Customer Accounting		8,664			(61)		
17	Customer Service & Information		12,847					
18	Sales Expenses		571					
Administrative & General								
19	Operating Expenses		35,836				79	145
20	Depreciation		7,187					
21	Taxes				(3)			
22	Total Admin. & General	0	43,023	0	(3)	0	79	145
23	Total Electric Expenses	0	514,318	(13,871)	(279)	(61)	79	145
24	OPERATING INCOME BEFORE FIT	0	86,868	(42)	279	61	(79)	(145)
<b>FEDERAL INCOME TAX</b>								
25	Current Accrual		546	(15)	98	21	(28)	(51)
26	Deferred Income Taxes		18,272					
27	NET OPERATING INCOME	\$0	\$68,050	(\$27)	\$181	\$40	(\$51)	(\$94)
<b>RATE BASE</b>								
PLANT IN SERVICE								
28	Intangible		\$23,321					
29	Production	79,626	724,416					
30	Transmission		289,302					
31	Distribution		561,016					
32	General		91,205					
33	Total Plant in Service	79,626	1,689,260	0	0	0	0	0
34	ACCUMULATED DEPRECIATION		540,772					
25	ACCUM. PROVISION FOR AMORTIZATION	52,268	59,520					
36	Total Accum. Depreciation & Amort.	52,268	600,292	0	0	0	0	0
37	GAIN ON SALE OF BUILDING		(451)					
38	DEFERRED TAXES	(4,917)	(151,677)					
39	TOTAL RATE BASE	\$22,441	\$936,840	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN		7.26%					

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AVISTA UTILITIES  
 ELECTRIC RESULTS OF OPERATION  
 WASHINGTON RESTATED RESULTS  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	FIT	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Net Gains / Losses	Weather Normalization	Eliminate A/R Expenses
	a	o	p	q	r	s	t
<b>REVENUES</b>							
1	Total General Business		\$ (32,260)			\$ (4,314)	
2	Interdepartmental Sales						
3	Sales for Resale						
4	Total Sales of Electricity	0	(32,260)	0	0	(4,314)	0
5	Other Revenue						
6	Total Electric Revenue	0	(32,260)	0	0	(4,314)	0
<b>EXPENSES</b>							
<b>Production and Transmission</b>							
7	Operating Expenses		(23,803)	7			
8	Purchased Power						
9	Depreciation and Amortization						
10	Taxes						
11	Total Production & Transmission	0	(23,803)	7	0	0	0
<b>Distribution</b>							
12	Operating Expenses				(112)		
13	Depreciation		(1,245)			(167)	
14	Taxes					(167)	0
15	Total Distribution	0	(1,245)	0	(112)	(167)	0
16	Customer Accounting		(102)			(12)	(570)
17	Customer Service & Information						
18	Sales Expenses						
<b>Administrative &amp; General</b>							
19	Operating Expenses		(61)			(9)	
20	Depreciation						
21	Taxes					(9)	0
22	Total Admin. & General	0	(61)	0	0	(9)	0
23	Total Electric Expenses	0	(25,211)	7	(112)	(188)	(570)
24	OPERATING INCOME BEFORE FIT	0	(7,049)	(7)	112	(4,126)	570
<b>FEDERAL INCOME TAX</b>							
25	Current Accrual	(2)	(10,798)	(2)	39	(1,444)	200
26	Deferred Income Taxes	31	8,331				
27	NET OPERATING INCOME	(\$29)	(\$4,582)	(\$5)	\$73	(\$2,682)	\$370
<b>RATE BASE</b>							
<b>PLANT IN SERVICE</b>							
28	Intangible						
29	Production						
30	Transmission						
31	Distribution						
32	General						
33	Total Plant in Service	0	0	0	0	0	0
34	ACCUMULATED DEPRECIATION						
35	ACCUM. PROVISION FOR AMORTIZATION						
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	0
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES						
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN						

AVISTA UTILITIES  
ELECTRIC RESULTS OF OPERATION  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Office Space Charges to Subsidiaries	Restate Excise Taxes	Normalized Power Supply	Restate Debt Interest	Restated TOTAL
	a	u	v	w	x	y
<b>REVENUES</b>						
1	Total General Business					\$365,425
2	Interdepartmental Sales					820
3	Sales for Resale			(97,886)		46,848
4	Total Sales of Electricity	0	0	(97,886)	0	413,093
5	Other Revenue			(28,793)		10,927
6	Total Electric Revenue	0	0	(126,679)	0	424,020
<b>EXPENSES</b>						
<b>Production and Transmission</b>						
7	Operating Expenses			(45,330)		117,123
8	Purchased Power			(94,277)		72,508
9	Depreciation and Amortization					22,000
10	Taxes					8,146
11	Total Production & Transmission	0	0	(139,607)	0	219,777
<b>Distribution</b>						
12	Operating Expenses					17,329
13	Depreciation					15,611
14	Taxes		(6)			17,416
15	Total Distribution	0	(6)	0	0	50,356
16	Customer Accounting					7,919
17	Customer Service & Information					12,847
18	Sales Expenses					571
<b>Administrative &amp; General</b>						
19	Operating Expenses	(8)				35,982
20	Depreciation					7,187
21	Taxes					(3)
22	Total Admin. & General	(8)	0	0	0	43,166
23	Total Electric Expenses	(8)	(6)	(139,607)	0	334,636
24	OPERATING INCOME BEFORE FIT	8	6	12,928	0	89,384
<b>FEDERAL INCOME TAX</b>						
25	Current Accrual	3	2	4,525	689	(6,217)
26	Deferred Income Taxes					26,634
27	NET OPERATING INCOME	\$5	\$4	\$8,403	(\$689)	\$68,967
<b>RATE BASE</b>						
<b>PLANT IN SERVICE</b>						
28	Intangible					\$23,321
29	Production					724,416
30	Transmission					289,302
31	Distribution					561,016
32	General					91,205
33	Total Plant in Service	0	0	0	0	1,689,260
34	ACCUMULATED DEPRECIATION					540,772
35	ACCUM. PROVISION FOR AMORTIZATION					59,520
36	Total Accum. Depreciation & Amort.	0	0	0	0	600,292
37	GAIN ON SALE OF BUILDING					(451)
38	DEFERRED TAXES					(151,677)
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$936,840
40	RATE OF RETURN					7.36%

**AVISTA UTILITIES**

**Commission Basis Report  
Washington Electric Adjustment Descriptions  
Twelve Months Ended December 31, 2008**

**b. Per Results Report**

Results of Operations Report amounts are for the twelve months ended December 31, 2008. Dollar figures tie to the Company's financial general ledger records in total. Rate base was computed using the average-of-monthly-averages method. These amounts are a component of actual results of operations.

**c. Deferred FIT Rate Base**

These amounts reflect the deferred tax balances arising from accelerated depreciation, bond refinancing premiums, and contributions in aid of construction, which are not included in the Results of Operations Utility Plant Report. These amounts are reflected on an average-of-monthly-averages basis. These amounts are a component of actual results of operations.

**d. Deferred Gain on Office Building**

These amounts reduce rate base by the net of tax, unamortized gain on the sale of the office building. The facility was sold in December 1986 and leased back by the Company. Although the Company repurchased the building in November 2005, the Company opted to continue to amortize the deferred gain over the remaining amortization period scheduled to end in 2011. The treatment of the gain on the sale follows the Commission's Order Granting Application in Cause No. FR-86-150. These amounts are a component of actual results of operations.

**e. Colstrip 3 AFUDC Elimination**

These amounts reflect a reallocation of rate base and depreciation expense between jurisdictions. In Cause Nos. U-81-15 and U-82-10, the WUTC allowed the Company a return on a portion of Colstrip Unit 3 construction work in progress (CWIP). A much smaller amount of Colstrip Unit 3 CWIP was allowed in rate base in Case No. U-1008-144 by the IPUC. The Company eliminated the AFUDC associated with the portion of CWIP allowed in rate base in each jurisdiction. Since production facilities are allocated on the production/transmission percentages, the allocation is reversed and a direct assignment is made. These amounts are a component of actual results of operations.

**f. Colstrip Common AFUDC**

Differing amounts of Colstrip common facilities were excluded from rate base by the WUTC and IPUC until Colstrip Unit No. 4 was placed in service. The Company was allowed to accrue AFUDC on the Colstrip common facilities during the time that they were excluded from rate base. It is necessary to directly assign the AFUDC because of the differing amounts of



**AVISTA UTILITIES**

**Commission Basis Report  
Washington Electric Adjustment Descriptions  
Twelve Months Ended December 31, 2008**

common facilities excluded from rate base by the WUTC and IPUC. In September 1988, an entry was made to comply with a FERC Audit Exception, which transferred Colstrip common AFUDC from the plant accounts to account 186. These amounts reflect a direct assignment of rate base for the appropriate average of monthly averages amounts of Colstrip common AFUDC to the Washington and Idaho jurisdictions. Amortization expense associated with the Colstrip common AFUDC is charged directly to the Washington and Idaho jurisdictions through Account 406. These amounts are a component of actual results of operations.

**g. Kettle Falls Disallowance**

These amounts reflect the Kettle Falls disallowance ordered by the WUTC in Cause No. U-83-26. The WUTC disallowed both a return of and a return on \$5,247,725 of investment in Kettle Falls. The disallowed investment and related depreciation expense, FIT expense, accumulated depreciation and deferred FIT are removed. These amounts are a component of actual results of operations.

**h. Customer Advances**

These amounts decrease rate base for customer advances, as they will most likely be recorded as contributions in aid of construction at some future time. These amounts are a component of actual results of operations.

**i. Settlement Exchange Power**

These amounts reflect the rate base associated with the recovery of 64.1% of the Company's investment in Settlement Exchange Power. The 64.1% recovery level was approved by the Commission's Second Supplemental Order in Cause No. U-86-99 dated February 24, 1987. Amortization expense and deferred FIT expense recorded during the test period are reflected in results of operations. These amounts are a component of actual results of operations.

**j. Eliminate B & O Taxes**

This adjustment removes the revenues and expenses associated with local business and occupation taxes. The adjustment eliminates any timing mismatch that exists between the revenues and expenses by eliminating the revenues and expenses in their entirety. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**AVISTA UTILITIES**

**Commission Basis Report  
Washington Electric Adjustment Descriptions  
Twelve Months Ended December 31, 2008**

**k. Property Tax**

This adjustment restates the test period accrued levels of property taxes to reflect the actual amounts. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607 UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**l. Uncollectible Expense**

This adjustment restates the accrued expense to the actual level of net write-offs for the test period. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**m. Regulatory Expense Adjustment**

This adjustment restates regulatory expense to reflect the WUTC and IPUC assessment rates applied to revenues for the test period and the actual levels of FERC fees paid during the test period. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**n. Injuries and Damages**

As a result of the Commission's Order in Docket No. U-88-2380-T the Company changed to the reserve method of accounting for injuries and damages not covered by insurance. This restating adjustment replaces the accrual with actuals to adjust to the six-year rolling average of injuries and damages payments not covered by insurance. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**o. FIT Adjustment**

This adjustment removes the effect of certain Schedule M items, matches the jurisdictional allocation of other Schedule M items to related Results of Operations allocations and eliminates any prior period income tax expense. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**AVISTA UTILITIES**

**Commission Basis Report  
Washington Electric Adjustment Descriptions  
Twelve Months Ended December 31, 2008**

**p. Eliminate WA Power Cost Deferral**

This adjustment eliminates all power supply deferral and amortization entries recorded in results of operations pursuant to the deferral and recovery mechanisms authorized in Docket No. UE-000972, Docket No. UE-011595, Docket No. UE-070804, and UE-080416.

**q. Nez Perce Settlement Accounting Adjustment**

This adjustment directly assigns the Nez Perce Settlement expenses to the Washington and Idaho jurisdictions. This is necessary due to differing regulatory treatment in Idaho Case No. WWP-E-98-11 and Washington Docket No. UE-991606/UG-991607.

**r. Net Gains/Losses**

This adjustment reflects a ten-year amortization of net gains realized from the sale of real property disposed of between 1999 and 2008. This restating adjustment is made as a result of the Commission's Order in Docket No. UE-050842/UG-050483 and is consistent with Docket Nos. UE-070804/UG-070805 and UE-080416/UG-080417.

**s. Weather Normalization**

This adjustment normalizes weather sensitive electric kWh sales by eliminating the effect of temperature deviations above or below historical normals. This restating adjustment is required per WAC 480-100-208.

**t. Eliminate Accounts Receivable Expenses**

This adjustment removes expenses associated with the sale of customer accounts receivable. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**u. Office Space Charges to Subsidiaries**

This adjustment removes a portion of the office space costs (building lease and O&M costs, common area costs, copier expense and annual office furniture rental) using the percentage of labor dollars charged to subsidiary activities by employee compared to total labor dollars by employee. These percentages are applied to the employees' office space (expressed in square feet) and multiplied by office space costs/per square foot. This restating adjustment is made as a result of the Commission's Third Supplemental Order in Docket No. U-88-2380-T, which required the company to perform a space utilization study to allocate costs to subsidiaries. This

**AVISTA UTILITIES****Commission Basis Report  
Washington Electric Adjustment Descriptions  
Twelve Months Ended December 31, 2008**

restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**v. Restate Excise and Franchise Taxes**

This adjustment removes the effect of a one-month accrual lag in actual results to reflect the actual level of taxes paid. This restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**w. Normalized Power Supply**

This adjustment normalizes power supply related revenue and expenses. A dispatch simulation model is used to calculate normalized secondary sales, secondary purchases and thermal fuel costs. This restating adjustment is required per WAC 480-100-208.

**x. Restate Debt Interest**

This adjustment restates debt interest using the weighted average cost of total debt at December 31, 2008, and reflects the federal income tax effect of the restated level of interest for the test period. The methodology utilized in this restating adjustment is consistent with Docket Nos. UE-991606/UG-991607; UE-011595; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

RESULTS OF OPERATIONS

AVISTA UTILITIES

ELECTRIC RATE OF RETURN  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ROR-12A

Ref/Basis	Account	Description	System	Washington	Idaho
E-OPS		Electric Net Operating Income	109,019,580	67,910,956	41,108,624
E-ALL		Colstrip 3 AFUDC Reallocation	0	-195,348	195,348
		Adjusted Net Operating Income	109,019,580	67,715,608	41,303,972
E-APL		Electric Net Rate Base	1,478,432,455	943,251,809	535,180,646
		RATE OF RETURN	7.374%	7.179%	7.718%

*Actual Results of Operations prior to Commission basis required adjustments.*

**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ALL-12A

Basis	Ref	Description	Production/Transmission Ratio	System	Washington	Idaho
1	Input	Production/Transmission Ratio	12/31/2008	100.000%	64.420%	35.580%
2	Input	Number of Customers Percent	12/31/2008	352,352 100.000%	231,554 65.717%	120,798 34.283%
3	E-OPS	Direct Distribution Operating Expense Percent		20,192,873 100.000%	13,509,542 66.903%	6,683,331 33.097%
	Input	Jurisdictional 4-Factor Ratio	12/31/2008	14,403,963 4,987,613 19,391,576 100.000%	9,616,346 3,376,346 12,992,692 67.002%	4,787,617 1,611,267 6,398,884 32.998%
		Direct O & M Accts 500 - 598		8,589,586	5,794,987	2,794,599
		Direct Labor Accts 901 - 935		2,645,059	2,011,391	633,668
		Total Percentage		11,234,645 100.000%	7,806,378 69.485%	3,428,267 30.515%
		Number of Customers Percentage		354,732 100.000%	233,087 65.708%	121,645 34.292%
		Net Direct Plant Percentage		664,541,627 100.000%	402,643,453 60.590%	261,898,174 39.410%
4		Total Percentages Percent		400,000% 100.000%	262.785% 65.696%	137.215% 34.304%

**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ALL-12A

Basis	Ref	Description	System	Washington	Idaho
Input		Elec/Gas North/Oregon 4-Factor	Total	Electric	Gas North
		Direct O & M Accts 500 - 894	37,750,013	32,765,739	3,167,680
		Direct O & M Accts 901 - 935	26,326,798	16,546,598	6,717,604
		Accts 901 - 905 Utility 9 Only	2,365,645	1,467,102	898,543
		Adjustments	0		XXXXXXX
		Total	66,442,456	50,779,439	10,783,827
		Percentage	100.000%	76.427%	16.230%
		Direct Labor Accts 500 - 894	47,780,988	37,381,233	7,014,016
		Direct Labor Accts 901 - 935	4,605,385	3,347,484	292,232
		Accts 901 - 905 Utility 9 Only	2,564,972	1,590,719	974,253
		Total	54,951,345	42,319,436	8,280,501
		Percentage	100.000%	77.012%	15.069%
		Number of Customers at 12/31/07	662,260	351,585	215,336
		Percentage	100.000%	53.089%	32.515%
		Net Direct Plant	1,973,206,694	1,604,463,392	254,636,776
		Percentage	100.000%	81.312%	12.905%
		Total Percentages	400.000%	287.840%	76.719%
		Average (CD AA)	100.000%	71.960%	19.180%
		Gas North/Oregon 4-Factor	Total	Electric	Gas North
		Direct O & M Accts 500 - 894	4,984,274	0	3,167,680
		Direct O & M Accts 901 - 935	9,780,200	0	6,717,604
		Less: Direct O & M Accts 901 - 905	898,543	0	898,543
		Total	15,663,017	0	10,783,827
		Percentage	100.000%	0.000%	68.849%
		Direct Labor Accts 500 - 894	10,399,755	0	7,014,016
		Direct Labor Accts 901 - 935	1,257,901	0	292,232
		Less: Direct O & M Accts 901 - 905	974,253	0	974,253
		Total	12,631,909	0	8,280,501
		Percentage	100.000%	0.000%	65.552%
		Number of Customers at 12/31/07	310,675	0	215,336
		Percentage	100.000%	0.000%	69.312%
		Net Direct Plant	365,638,826	251,988,153	113,650,673
		Percentage	100.000%	0.000%	68.917%
		Total Percentages	400.000%	0.000%	127.370%
		Average (GD AA)	100.000%	0.000%	68.157%

RESULTS OF OPERATIONS

ELECTRIC ALLOCATION PERCENTAGES  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ALL-12A

Basis	Ref	Description	System	Washington	Idaho	
			Total	Electric	Gas North	Oregon Gas
Input		Elec/Gas North 4-Factor	35,933,419	32,765,739	3,167,680	0
		Direct O & M Accs 500 - 894	23,264,202	16,546,598	6,717,604	0
		Direct O & M Accs 901 - 935	0	0	0	0
		Adjustments	59,197,621	49,312,337	9,885,284	0
		Total	100.000%	83.301%	16.699%	0.000%
		Percentage				
		Direct Labor Accs 500 - 894	44,395,249	37,381,233	7,014,016	0
		Direct Labor Accs 901 - 935	3,639,716	3,347,484	292,232	0
		Total	48,034,965	40,728,717	7,306,248	0
		Percentage	100.000%	84.790%	15.210%	0.000%
		Number of Customers at 12/31/07	566,921	351,585	215,336	0
		Percentage	100.000%	62.017%	37.983%	0.000%
		Net Direct Plant	1,850,111,655	1,598,123,502	251,988,153	0
		Percentage	100.000%	86.380%	13.620%	0.000%
		Total Percentages	400.000%	316.488%	83.512%	0.000%
		Average (CD AN/ID/WA)	100.000%	79.122%	20.878%	0.000%
9						
		Net Electric Distribution Plant	629,201,240	389,222,047	239,979,193	
		Percent	100.000%	61.860%	38.140%	
10						
		Book Deprec (0403.XX, 0404.11 & 0406.XXX)	71,378,507	45,928,408	25,450,099	
		Percent	100.000%	64.345%	35.655%	
11						
		Net Electric Plant	1,677,951,332	1,064,749,022	613,202,310	
		Percent	100.000%	63.455%	36.545%	
12						
		Net Electric General Plant	79,731,146	51,136,493	28,594,653	
		Percent	100.000%	64.136%	35.864%	
13						
		Net Allocated Schedule M's	-144,042,640	-93,131,695	-50,910,945	
		Percent	100.000%	64.656%	35.344%	
14						



ELECTRIC ALLOCATION PERCENTAGES  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ALL-12A

Basis	Ref	Description	System	Washington	Idaho
99	Input	Not Allocated		0.000%	0.000%

Sinus Plant by Functional Group:  
 (Used to functionalize R&P Property Tax on  
 Report E-OTX) 12/31/2008

	Washington	Idaho	Montana	Oregon
Input Balance Date	264,370,813	162,547,348	443,565,051	160,504,848
Input Production	235,078,023	159,162,873	57,369,424	8,774,701
Input Transmission	583,524,952	373,284,740	216,631	
Input Distribution	9,231,054	10,832,156		
Input General	1,092,204,842	705,827,117	501,151,106	169,279,549
Input TOTAL				

SPECIAL MANUAL ADJUSTMENTS: 12/31/08

	System	Washington	Idaho
Adjustments to NOI (Report E-ROR):			
Colstrip 3 AFUDC Reallocation - 12/08	0	-195,348	195,348
Colstrip 3 AFUDC Reallocation - Plant (12/08)	0	-7,490,287	7,490,287
- Accum Deprec (12/08)	0	-5,572,554	5,572,554

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-OPS-12A

Ref/Basis	Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total		
			Direct	Allocated	Direct	Allocated	Direct	Allocated			
<b>REVENUE</b>											
<b>SALES OF ELECTRICITY:</b>											
99	440000	Residential	273,487,189	0	273,487,189	187,171,708	0	187,171,708	86,315,481	0	86,315,481
99	442200	Commercial - Firm & Int.	243,741,781	0	243,741,781	173,138,565	0	173,138,565	70,603,216	0	70,603,216
1	442300	Industrial	101,413,663	0	101,413,663	44,891,711	0	44,891,711	56,521,952	0	56,521,952
99	444000	Public Street & Highway Lighting	5,961,756	0	5,961,756	4,140,221	0	4,140,221	1,821,535	0	1,821,535
99	499XXX	Unbilled Revenue	10,497,152	0	10,497,152	6,553,232	0	6,553,232	3,943,920	0	3,943,920
99	448000	Interdepartmental Revenue	980,339	0	980,339	820,138	0	820,138	160,201	0	160,201
TOTAL SALES TO ULTIMATE CUSTOMERS			636,081,880	0	636,081,880	416,715,575	0	416,715,575	219,366,305	0	219,366,305
1	447XXX	Sales for Resale	0	224,672,881	224,672,881	0	144,734,270	144,734,270	0	79,938,611	79,938,611
TOTAL SALES OF ELECTRICITY			636,081,880	224,672,881	860,754,761	416,715,575	144,734,270	561,449,845	219,366,305	79,938,611	299,304,916
<b>OTHER OPERATING REVENUE:</b>											
99	451000	Miscellaneous Service Revenue	570,819	0	570,819	356,015	0	356,015	214,804	0	214,804
1	453000	Sales of Water & Water Power	0	306,684	306,684	0	197,566	197,566	0	109,118	109,118
1	454000	Rent from Electric Property	2,706,309	68,458	2,774,767	1,861,184	44,101	1,905,285	845,125	24,357	869,482
1	456XXX	Other Electric Revenues	1,631,114	55,347,992	56,979,106	1,622,526	35,655,176	37,277,702	8,588	19,692,816	19,701,404
TOTAL OTHER OPERATING REVENUE			4,908,242	55,723,134	60,631,376	3,839,725	35,896,843	39,736,568	1,068,517	19,826,291	20,894,808
TOTAL ELECTRIC REVENUE			640,990,122	280,396,015	921,386,137	420,555,300	180,631,113	601,186,413	220,434,822	99,764,902	320,199,724
<b>EXPENSE</b>											
<b>STEAM POWER GENERATION EXPENSE:</b>											
<b>OPERATION</b>											
1	500000	Supervision & Engineering	0	353,838	353,838	0	227,942	227,942	0	125,896	125,896
1	501000	Fuel	0	28,776,474	28,776,474	0	18,537,805	18,537,805	0	10,238,669	10,238,669
1	502000	Steam Expense	0	1,880,633	1,880,633	0	1,211,504	1,211,504	0	669,129	669,129
1	503000	Steam Purchased	0	0	0	0	0	0	0	0	0
1	505000	Electric Expense	0	814,258	814,258	0	524,545	524,545	0	289,713	289,713
1	506000	Miscellaneous Steam Power Generation Expense	1,346,342	2,108,809	3,455,151	1,346,342	1,358,495	2,704,837	0	750,314	750,314
1	507000	Rent	0	38,367	38,367	0	24,716	24,716	0	13,651	13,651
TOTAL STEAM POWER GENERATION EXPENSE			1,346,342	41,019,055	42,365,397	1,346,342	26,424,475	27,770,817	0	14,594,580	14,594,580
<b>MAINTENANCE</b>											
1	510000	Supervision & Engineering	0	461,747	461,747	0	297,457	297,457	0	164,290	164,290
1	511000	Structures	0	526,317	526,317	0	339,053	339,053	0	187,264	187,264
1	512000	Boiler Plant	0	4,876,983	4,876,983	0	3,141,752	3,141,752	0	1,735,231	1,735,231
1	513000	Electric Plant	0	544,537	544,537	0	350,791	350,791	0	193,746	193,746
1	514000	Miscellaneous Steam Plant	0	637,092	637,092	0	410,415	410,415	0	226,677	226,677
TOTAL STEAM POWER GENERATION EXP			1,346,342	41,019,055	42,365,397	1,346,342	26,424,475	27,770,817	0	14,594,580	14,594,580

B6

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 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
<b>HYDRAULIC POWER GENERATION EXP:</b>											
<b>OPERATION</b>											
1	535000	Supervision & Engineering	0	1,642,209	1,642,209	0	1,057,911	1,057,911	0	584,298	584,298
1	536000	Water for Power	0	744,841	744,841	0	479,827	479,827	0	265,014	265,014
1	537000	Hydraulic Expense	2,481,170	728,169	3,209,339	1,743,578	469,086	2,212,664	737,592	259,083	996,675
1	538000	Electric Expense	0	4,724,139	4,724,139	0	3,043,290	3,043,290	0	1,680,849	1,680,849
1	539000	Miscellaneous Hydraulic Power Generation Exp	0	984,206	984,206	0	634,026	634,026	0	350,180	350,180
1	540000	Rent	90,189	711,882	802,071	0	458,594	458,594	90,189	253,288	343,477
<b>MAINTENANCE</b>											
1	541000	Supervision & Engineering	0	302,771	302,771	0	195,045	195,045	0	107,726	107,726
1	542000	Structures	0	312,861	312,861	0	201,545	201,545	0	111,316	111,316
1	543000	Reservoirs, Dams, & Waterways	0	662,450	662,450	0	426,750	426,750	0	235,700	235,700
1	544000	Electric Plant	0	2,164,715	2,164,715	0	1,394,509	1,394,509	0	770,206	770,206
1	545000	Miscellaneous Hydraulic Plant	0	294,574	294,574	0	189,765	189,765	0	104,809	104,809
<b>TOTAL HYDRO POWER GENERATION EXP</b>			2,571,359	13,272,817	15,844,176	1,743,578	8,550,348	10,293,926	827,781	4,722,469	5,550,250
<b>OTHER POWER GENERATION EXPENSE:</b>											
<b>OPERATION</b>											
1	546000	Supervision & Engineering	0	1,650,998	1,650,998	0	1,063,573	1,063,573	0	587,425	587,425
1	547000	Fuel	0	107,175,031	107,175,031	0	69,042,155	69,042,155	0	38,132,876	38,132,876
1	548000	Generation Expense	0	1,666,082	1,666,082	0	1,073,290	1,073,290	0	592,792	592,792
1	549000	Miscellaneous Other Power Generation Expense	0	455,207	455,207	0	293,244	293,244	0	161,963	161,963
1	550000	Rent	0	33,433	33,433	0	21,538	21,538	0	11,895	11,895
<b>MAINTENANCE</b>											
1	551000	Supervision & Engineering	0	423,483	423,483	0	272,808	272,808	0	150,675	150,675
1	552000	Structures	0	4,186	4,186	0	2,697	2,697	0	1,489	1,489
1	553000	Generating & Electric Equipment	0	4,920,954	4,920,954	0	3,170,079	3,170,079	0	1,750,875	1,750,875
1	554000	Miscellaneous Other Power Generation Plant	0	114,800	114,800	0	73,954	73,954	0	40,846	40,846
<b>TOTAL OTHER POWER GENERATION EXP</b>			0	116,444,174	116,444,174	0	75,013,338	75,013,338	0	41,430,836	41,430,836
<b>OTHER POWER SUPPLY EXPENSE:</b>											
E-555	555XXX	Purchased Power	17,950,560	258,902,670	276,853,230	0	166,785,100	166,785,100	17,950,560	92,117,570	110,068,130
1	556000	System Control & Load Dispatching	0	500,980	500,980	0	322,731	322,731	0	178,249	178,249
E-557	557XXX	Other Expense	27,429,987	51,370,973	78,800,960	24,698,585	33,093,180	57,791,765	2,731,402	18,277,793	21,009,195
<b>TOTAL OTHER POWER SUPPLY EXPENSE</b>			45,380,547	310,774,623	556,155,170	24,698,585	200,201,011	224,899,596	20,681,962	110,573,612	131,255,574
<b>TOTAL POWER PRODUCTION O&amp;M EXP</b>			49,298,248	481,510,669	530,808,917	27,788,505	310,189,172	337,977,677	21,509,743	171,321,497	192,831,240

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-OPS-12A

Ref/Basis	Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total		
			Direct	Allocated	Direct	Allocated	Direct	Allocated			
<b>TRANSMISSION OPERATING EXPENSE:</b>											
<b>OPERATION</b>											
1	560000	Supervision & Engineering	229,019	1,998,431	2,227,450	158,213	1,287,389	1,445,602	70,806	711,042	781,848
1	561000	Load Dispatching	0	1,981,275	1,981,275	0	1,276,337	1,276,337	0	704,938	704,938
1	562000	Station Expense	0	252,115	252,115	0	162,412	162,412	0	89,703	89,703
1	563000	Overhead Line Expense	0	505,160	505,160	0	325,424	325,424	0	179,736	179,736
1	563000	Transmission of Electricity by Others	0	13,632,001	13,632,001	0	8,781,735	8,781,735	0	4,850,266	4,850,266
1	566000	Miscellaneous Transmission Expense	0	1,312,796	1,312,796	0	845,703	845,703	0	467,093	467,093
1	567000	Rent	0	100,620	100,620	0	64,819	64,819	0	35,801	35,801
<b>MAINTENANCE</b>											
1	568000	Supervision & Engineering	0	591,365	591,365	0	380,957	380,957	0	210,408	210,408
1	569000	Structures	0	279,425	279,425	0	180,006	180,006	0	99,419	99,419
1	570000	Station Equipment	0	1,237,394	1,237,394	0	797,129	797,129	0	440,265	440,265
1	571000	Overhead Lines	300	1,226,563	1,226,863	0	790,152	790,152	300	436,411	436,711
1	572000	Underground Lines	0	1,311	1,311	0	845	845	0	466	466
1	573000	Service Miscellaneous	0	7,209	7,209	0	4,644	4,644	0	2,565	2,565
<b>TOTAL TRANSMISSION OPERATING EXP</b>			229,319	23,125,665	23,354,984	158,213	14,897,552	15,055,765	71,106	8,228,113	8,299,219
<b>DEPRECIATION &amp; AMORTIZATION</b>											
1	403X40	Deprec Exp-Prod Plant (403x10, 403x20, 403x30)	0	26,423,248	26,423,248	0	17,021,856	17,021,856	0	9,401,392	9,401,392
1	404X30	Depreciation Expense--Transmission Plant	0	9,266,249	9,266,249	0	5,969,318	5,969,318	0	3,296,931	3,296,931
1	404X20	Amortization of Limited-Term Plant	2,785	91,223	94,008	2,785	58,766	61,551	0	32,457	32,457
1	405930	Amortization of Hydro Licensing Costs	0	337,715	337,715	0	217,556	217,556	0	120,159	120,159
99	406100	Amortization of Investment in Exchange Power	2,450,031	0	2,450,031	2,450,031	0	2,450,031	0	0	0
99	406100	Amort of Acq Adj--Colstrip Common AFUDC	99,047	0	99,047	31,743	0	31,743	67,304	0	67,304
1	404X60	Amortization of Citizens Utilities Organization Costs	0	0	0	0	0	0	0	0	0
1	404X60	Amortization of Leased Transportation Vehicles	0	0	0	0	0	0	0	0	0
1	404X60	Amort of Leased Transportation Vehicles (C-AMT)	0	0	0	0	0	0	0	0	0
99	407403	Disallowed Amortization Expense for K.F. Plant	-134,954	0	-134,954	-134,954	0	-134,954	0	0	0
99	407405	Amortization of Boulder Park Write Off - Idaho	-103,530	0	-103,530	0	0	0	-103,530	0	-103,530
99	407370	Amortization of Small Gen. Capital Costs	0	0	0	0	0	0	0	0	0
99	407380	Amortization of Wartsila Generators	153,132	0	153,132	153,132	0	153,132	0	0	0
99	407400	Amortization of CCX Credits	-106,320	0	-106,320	0	0	0	-106,320	0	-106,320
99	407420	Amortization of CS2 Levelized Return	-174,560	0	-174,560	0	0	0	-174,560	0	-174,560
99	407450/499	Amortization of BPA Residential Exchange Credit	-6,211,368	0	-6,211,368	-3,575,671	0	-3,575,671	-2,635,697	0	-2,635,697
E-OTX		Taxes Other Than FIT--Prod & Trans	0	12,715,825	12,715,825	0	8,191,534	8,191,534	0	4,524,291	4,524,291
<b>TOTAL DEP/AMT/TAXES OTHER THEN FIT</b>			-4,025,737	48,834,260	44,808,523	-1,072,934	31,459,030	30,386,096	-2,952,803	17,375,230	14,422,427
<b>TOTAL PRODUCTION &amp; TRANS EXPENSE</b>			45,501,830	553,470,594	598,972,424	26,873,784	356,545,754	383,419,538	18,628,046	196,924,840	215,552,886

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-OPS-12A

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
***** SYSTEM ***** WASHINGTON ***** IDAHO *****											
***** DISTRIBUTION EXPENSES:											
OPERATION:											
3	580000	Supervision & Engineering	344,283	1,046,949	1,391,232	234,082	700,440	934,522	110,201	346,509	456,710
3	582000	Station Expense	617,048	4,627	621,675	374,289	3,096	377,385	242,759	1,531	244,290
3	583000	Overhead Line Expense	967,256	1,008,559	1,975,815	642,492	674,756	1,317,248	324,764	333,803	658,567
3	584000	Underground Line Expense	896,607	0	896,607	607,632	0	607,632	288,975	0	288,975
3	585000	Street Light & Signal System Operation Expense	194,819	120	194,939	41,021	80	41,101	153,798	40	153,838
3	586000	Meter Expense	1,301,460	6,758	1,308,218	1,296,859	4,521	1,301,380	4,601	2,237	6,838
3	587000	Customer Installations Expense	822,910	2,455	825,365	375,381	1,642	377,023	447,529	813	448,342
3	588000	Miscellaneous Distribution Expense	2,688,483	2,408,931	5,097,414	1,842,223	1,611,647	3,453,870	846,260	797,284	1,643,544
3	589000	Rent	2,462	188,980	191,442	2,293	126,433	128,726	169	62,547	62,716
***** MAINTENANCE:											
3	590000	Supervision & Engineering	500,997	870,670	1,371,667	341,744	582,504	924,248	159,253	288,166	447,419
3	591000	Structures	293,909	605	294,514	232,629	405	233,034	61,280	200	61,480
3	592000	Station Equipment	749,215	1,732	750,947	591,780	1,159	592,939	157,435	573	158,008
3	593000	Overhead Lines	7,978,353	5,066	7,983,419	4,856,139	3,389	4,859,528	3,122,214	1,677	3,123,891
3	594000	Underground Lines	1,059,210	0	1,059,210	747,750	0	747,750	311,460	0	311,460
3	595000	Line Transformers	521,213	157,712	678,925	465,008	105,514	570,522	56,205	52,198	108,403
3	596000	Street Light & Signal System Maintenance Exp	610,966	0	610,966	468,566	0	468,566	142,400	0	142,400
3	597000	Meters	145,070	0	145,070	99,526	0	99,526	45,544	0	45,544
3	598000	Miscellaneous Distribution Expense	498,612	4,951	503,563	290,128	3,312	293,440	208,484	1,639	210,123
99	403X50	TOTAL DISTRIBUTION OPERATING EXP	20,192,873	5,708,115	25,900,988	13,509,542	3,818,898	17,328,440	6,683,331	1,889,217	8,572,548
E-OTX		Depreciation Expense--Distribution Plant	24,527,036	0	24,527,036	15,723,466	0	15,723,466	8,803,570	0	8,803,570
		Taxes Other Than FIT--Distribution	36,962,927	0	36,962,927	32,936,916	0	32,936,916	4,026,011	0	4,026,011
		TOTAL DISTRIBUTION EXPENSES	81,682,836	5,708,115	87,390,951	62,169,924	3,818,898	65,988,822	19,512,912	1,889,217	21,402,129
***** CUSTOMER ACCOUNTS EXPENSES:											
2	901000	Supervision	0	490,861	490,861	0	322,579	322,579	0	168,282	168,282
2	902000	Meter Reading Expenses	2,305,194	7,944	2,313,138	2,015,701	5,221	2,020,922	289,493	2,723	292,216
E-903	903XXX	Customer Records & Collection Expenses	1,529,857	5,960,681	7,490,538	1,060,381	3,896,716	4,957,097	469,476	2,063,965	2,533,441
2	904000	Uncollectible Accounts	0	1,927,667	1,927,667	0	1,266,805	1,266,805	0	660,862	660,862
2	905000	Misc Customer Accounts	0	147,464	147,464	0	96,909	96,909	0	50,555	50,555
		TOTAL CUSTOMER ACCOUNTS EXPENSES	3,835,051	8,534,617	12,369,668	3,076,082	5,588,230	8,664,312	758,969	2,946,387	3,705,356
***** CUSTOMER SERVICE & INFO EXPENSES:											
E-908	908XXX	Customer Assistance Expenses	16,044,840	508,470	16,553,310	12,337,381	334,151	12,671,532	3,707,459	174,319	3,881,778
2	909000	Advertising	65,367	47,299	112,666	49,159	31,083	80,242	16,208	16,216	32,424
2	910000	Misc Customer Service & Info Exp	0	145,297	145,297	0	95,485	95,485	0	49,812	49,812
		TOTAL CUSTOMER SERVICE & INFO EXP	16,110,207	701,066	16,811,273	12,386,540	460,719	12,847,259	3,723,667	240,347	3,964,014

Ref/Basis	Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
<b>SALES EXPENSES:</b>									
2	911000	Supervision	0	0	0	0	0	0	0
2	912000	Demonstrating & Selling Expenses	14,552	424,827	0	269,620	14,552	140,655	155,207
2	913000	Advertising	9,861	128,150	9,861	77,736	0	40,553	40,553
2	916000	Miscellaneous Sales Expenses	213,488	61	213,549	40	0	21	21
		<b>TOTAL SALES EXPENSES</b>	<b>237,901</b>	<b>528,625</b>	<b>223,349</b>	<b>347,396</b>	<b>14,552</b>	<b>181,229</b>	<b>195,781</b>
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES:</b>									
4	920000	Salaries	229,766	18,952,153	156,832	12,450,806	72,934	6,501,347	6,574,281
4	921000	Office Supplies & Expenses	294	3,782,093	251	2,484,491	43	1,297,308	1,297,351
4	922000	Admin Exp Transferred--Credit	0	-38,836	0	-25,514	0	-13,322	-13,322
4	923000	Outside Services Employed	165	10,997,065	0	7,224,632	165	3,772,433	3,772,598
4	924000	Property Insurance Premium	0	1,015,509	0	667,149	0	348,360	348,360
4	925XXX	Injuries and Damages	-13,719	2,982,224	-13,719	1,959,202	0	1,023,022	1,023,022
4	926XXX	Employee Pensions and Benefits	345,396	840,794	256,614	552,368	88,782	288,426	377,208
4	927000	Franchise Requirements	5,950	0	0	0	5,950	0	5,950
1	928000	Regulatory Commission Expenses	1,829,577	2,954,127	1,079,557	1,903,049	750,020	1,051,078	1,801,098
4	930000	Miscellaneous General Expenses	367,443	2,835,187	309,052	1,862,604	58,391	972,583	1,030,974
4	931000	Rents	65,871	524,695	54,588	344,704	11,283	179,991	191,274
4	935000	Maintenance of General Plant	662,960	6,656,538	195,972	4,373,079	466,988	2,283,459	2,750,447
		<b>TOTAL ADMIN &amp; GEN OPERATING EXP</b>	<b>3,493,703</b>	<b>51,501,255</b>	<b>2,039,147</b>	<b>33,796,570</b>	<b>1,454,556</b>	<b>17,704,685</b>	<b>19,159,241</b>
E-ADP		Depreciation Expense--General Plant	1,984,085	5,520,020	1,217,588	3,626,433	766,497	1,893,587	2,660,084
E-CAM		Amortization--Intangible Plant--Software	0	3,558,822	0	2,338,004	0	1,220,818	1,220,818
4		Amortization of Leasehold Imp (404X50)	0	7,414	0	4,871	0	2,543	2,543
		<b>TOTAL ADMIN &amp; GENERAL EXPENSES</b>	<b>5,477,788</b>	<b>60,587,511</b>	<b>3,256,735</b>	<b>39,765,878</b>	<b>2,221,053</b>	<b>20,821,633</b>	<b>23,042,686</b>
		<b>TOTAL EXPENSES BEFORE FIT</b>	<b>152,845,613</b>	<b>629,530,528</b>	<b>107,986,414</b>	<b>406,526,875</b>	<b>44,859,199</b>	<b>223,003,653</b>	<b>267,862,852</b>
		<b>NET OPERATING INCOME BEFORE FIT</b>		<b>139,009,996</b>		<b>86,673,124</b>			<b>52,336,872</b>
E-FIT		FEDERAL INCOME TAX--Normal Accrual		-2,532,907		545,856			-3,078,763
E-FIT		DEFERRED FEDERAL INCOME TAX		32,523,323		18,216,312			14,307,011
		<b>ELECTRIC NET OPERATING INCOME</b>		<b>109,019,580</b>		<b>67,910,956</b>			<b>41,108,624</b>
<b>ALLOCATION RATIOS:</b>									
E-ALL	1	Production/Transmission Ratio		100.000%		64.420%			35.580%
E-ALL	2	Number of Customers		100.000%		65.717%			34.283%
E-ALL	3	Direct Distribution Operating Expense		100.000%		66.903%			33.097%
E-ALL	4	Jurisdictional 4-Factor Ratio		100.000%		65.696%			34.304%
E-ALL	12	Net Electric Plant		100.000%		63.455%			36.545%
E-ALL	99	Not Allocated		0.000%		0.000%			0.000%

RESULTS OF OPERATIONS

AVISTA UTILITIES

ALLOCATION OF PURCHASED POWER COSTS  
 EXPENSES--ACCOUNT 0555  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-555-12A

Ref/Basis Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total
		Direct	Allocated	Direct	Allocated	Direct	Allocated	
1	555000 PURPA	0	176,251,690	0	113,541,339	0	62,710,351	62,710,351
99	555380 Idaho - WPI Amortization/Poiltach Purchases	17,950,560	0	0	0	17,950,560	0	17,950,560
1	555550 Exchanges - Non Monetary	0	-277,615	0	-178,840	0	-98,775	-98,775
1	555700 Bookout Purchases	0	82,248,809	0	52,984,683	0	29,264,126	29,264,126
1	555710 Intercompany Purchase	0	679,786	0	437,918	0	241,868	241,868
TOTAL ACCOUNT 0555		17,950,560	258,902,670	0	166,785,100	17,950,560	92,117,570	110,068,130

ALLOCATION RATIOS:

E-ALL 1 Production/Transmission Ratio  
 E-ALL 99 Not Allocated

100.000%  
 0.000%

64.420%  
 0.000%

35.580%  
 0.000%

RESULTS OF OPERATIONS

AVISTA UTILITIES

ALLOCATION OF OTHER POWER SUPPLY EXP  
 EXPENSE--ACCOUNT 0557  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-557-12A

Ref/Basis	Account	Description	***** SYSTEM *****			***** WASHINGTON *****			***** IDAHO *****		
			Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
1	557000	Other Expenses	0	5,101,579	5,101,579	0	3,286,437	3,286,437	0	1,815,142	1,815,142
1	557010	Other Power Supply Expense - Financial	0	0	0	0	0	0	0	0	0
1	557150	Fuel - Economic Dispatch	0	43,103,119	43,103,119	0	27,767,029	27,767,029	0	15,336,090	15,336,090
1	557160	Power Supply Expense - Miscellaneous	0	3,054,809	3,054,809	0	1,967,908	1,967,908	0	1,086,901	1,086,901
99	557161	Unbilled Add-Ons	1,147,654	0	1,147,654	398,253	0	398,253	749,401	0	749,401
1	557170	Broker Fees - Power	0	111,466	111,466	0	71,806	71,806	0	39,660	39,660
1	557200	Nez Perce	818,702	0	818,702	497,498	0	497,498	321,204	0	321,204
99	557280	Washington ERM Deferred	-7,048,583	0	-7,048,583	-7,048,583	0	-7,048,583	0	0	0
99	557290	Washington ERM Amortization	30,851,417	0	30,851,417	30,851,417	0	30,851,417	0	0	0
99	557380	Idaho PCA Deferred	-10,028,833	0	-10,028,833	0	0	0	-10,028,833	0	-10,028,833
99	557390	Idaho PCA Amortization	11,689,630	0	11,689,630	0	0	0	11,689,630	0	11,689,630
1	557610	Other Expenses - Exposure	0	0	0	0	0	0	0	0	0
TOTAL ACCOUNT 0557			27,429,987	51,370,973	78,800,960	24,698,585	33,093,180	57,791,765	2,731,402	18,277,793	21,009,195

ALLOCATION RATIOS:

E-ALL	1	Production/Transmission Ratio	100.0000%	64.420%	35.580%
E-ALL	99	Not Allocated	0.0000%	0.000%	0.0000%



RESULTS OF OPERATIONS

A VISTA UTILITIES

ALLOCATION OF CUSTOMER ACCOUNTING EXPENSES--ACCOUNT 0903	Report ID: E-903-12A
For Twelve Months Ended December 31, 2008	
Average of Monthly Averages Basis	

Ref/Basis	Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
2	903000	Customer Records and Collections	1,529,857	5,056,007	1,060,381	3,322,656	469,476	1,733,351	2,202,827
12	903920	A/R Sold - Program Fees	0	181,687	0	115,289	0	66,398	66,398
'12	903930	A/R Sold - Maturity Yield Fee	0	722,987	0	458,771	0	264,216	264,216
TOTAL ACCOUNT 0903			1,529,857	5,960,681	1,060,381	3,896,716	469,476	2,063,965	2,533,441

ALLOCATION RATIOS:

E-ALL	2	Number of Customers	100.000%	65.717%	34.283%
E-ALL	12	Net Electric Plant	100.000%	63.455%	36.545%

RESULTS OF OPERATIONS

AVISTA UTILITIES

ALLOCATION OF CUSTOMER ASSISTANCE EXPENSE--ACCOUNT 0908  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-908-12A

Ref/Basis	Account	Description	SYSTEM ***** WASHINGTON ***** IDAHO *****		WASHINGTON *****		IDAHO *****				
			Direct	Allocated	Total	Direct	Allocated	Total			
2	908000	Customer Assistance Expense	650	508,470	509,120	0	334,151	334,151	650	174,319	174,969
99	908600	DSM Tariff Rider Expense Offset	14,001,141	0	14,001,141	11,599,549	0	11,599,549	2,401,592	0	2,401,592
99	908610	Limited Income Tax Refund Program	245,460	0	245,460	245,460	0	245,460	0	0	0
99	908690	Schedule 91 Amortization included in Unbilled	517,296	0	517,296	492,372	0	492,372	24,924	0	24,924
99	908990	DSM Amortization	1,280,293	0	1,280,293	0	0	0	1,280,293	0	1,280,293
TOTAL ACCOUNT 0908			16,044,840	508,470	16,553,310	12,337,381	334,151	12,671,532	3,707,459	174,319	3,881,778

ALLOCATION RATIOS:

E-ALL	1	Production/Transmission Ratio	100.000%	64.420%	35.580%
E-ALL	2	Number of Customers	100.000%	65.717%	34.283%
E-ALL	99	Not Allocated	0.000%		

<b>FEDERAL INCOME TAXES--ELECTRIC</b>	<b>Report ID:</b>
For Twelve Months Ended December 31, 2008	<b>E-FIT-12A</b>
Average of Monthly Averages Basis	

Ref/Basis	Description	System	Washington	Idaho
<b>Calculation of Taxable Operating Income:</b>				
E-OPS	Operating Revenue	921,386,137	601,186,413	320,199,724
E-OPS	Operating & Maintenance Expense	665,007,314	428,279,915	236,727,399
E-OPS	Book Depreciation & Amortization	67,690,075	45,104,924	22,585,151
E-OTX	Taxes Other than FIT	49,678,752	41,128,450	8,550,302
	Net Operating Income Before FIT	139,009,996	86,673,124	52,336,872
E-INT	Less: Interest Expense	52,441,941	33,164,734	19,277,207
E-SCM	Add: Schedule M Additions	54,779,459	34,783,082	19,996,377
E-SCM	Less: Schedule M Deductions	143,353,286	83,362,006	59,991,280
	Taxable Net Operating Income	-2,005,772	4,929,466	-6,935,238
	Tax Rate	35.00%	35.00%	35.00%
	Total Federal Income Tax	-702,020	1,725,313	-2,427,333
1	Production Tax Credit	(1,830,887)	(1,179,457)	(651,430)
	Total Net Federal Income Tax	-2,532,907	545,856	-3,078,763
E-DTE	Deferred FIT	32,523,323	18,216,312	14,307,011
	Total Net FIT/Deferred FIT	29,990,416	18,762,168	11,228,248

**ALLOCATION RATIOS:**

E-ALL	1	Production/Transmission Ratio	64.420%	35.580%
E-ALL	99	Not Allocated	0.000%	0.000%

RESULTS OF OPERATIONS

ELECTRIC SCHEDULE M ITEMS  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-SCM-12A

Ref/Basis	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****	
		Direct	Allocated	Direct	Allocated	Direct	Allocated
	Schedule M Additions:						
12	997001 Contributions In Aid of Construction	0	6,259,362	0	3,971,878	0	2,287,484
2	997002 Injuries and Damages	0	135,500	0	89,047	0	46,453
12	997003 Salvage	0	-1,760,187	0	-1,116,927	0	-643,260
99	997004 Boulder Park Write Off	-103,531	0	0	0	-103,531	0
4	997005 FAS106 Current Retiree Medical Accrual	0	-955,212	0	-627,536	0	-327,676
4	997006 Hardware/Software/Furniture Lease Payments	0	0	0	0	0	0
99	997007 Idaho PCA	1,660,797	1,660,797	0	0	1,660,797	0
99	997008 Idaho DSM Book Amortization	1,280,293	1,280,293	0	0	1,280,293	0
1	997009 Rathdrum Turbine Lease	0	-33,828	0	-21,792	0	-12,036
1	997012 N.E. Tank Farm Diesel Spill	0	-36,933	0	-23,792	0	-13,141
4	997015 Airplane Lease Payments	0	215,186	0	141,369	0	73,817
12	997016 Redemption Expense Amortization	0	2,589,843	0	1,643,385	0	946,458
99	997017 Amort - Invest in Exch Pwr (405.92,.93,.95,.98)	2,450,030	2,450,030	2,450,030	0	0	0
99	997018 DSM Tariff Rider	-3,356,438	0	-1,587,899	0	-1,768,539	0
4	997018 DSM Tariff Rider	128,720	320,000	0	210,227	0	109,773
1	997019 CSS Temporary Service Fees	0	128,720	73,800	0	54,920	0
4	997020 FAS87 Current Pension Accrual	0	-17,760,785	0	-11,668,125	0	-6,092,660
99	997021 Wartsilla Generators Amortization	1,018,612	1,018,612	746,901	0	271,711	0
4	997022 Sale Leaseback of General Office Building	0	0	0	0	0	0
1	997023 Wood Power Buyout (Idaho Only)	0	0	0	0	0	0
99	997024 Kettle Falls Disallowance	-134,953	0	-134,953	0	0	0
1	997025 BPA C&RD Receipts	0	0	0	0	0	0
99	997028 RTO Funding Amortization	229,017	0	158,212	0	70,805	0
99	997029 FAS106 Post Retirement Benefits	339,357	339,357	250,574	0	88,783	0
12	997032 Interest Rate Swaps	0	-10,838,756	0	-6,877,733	0	-3,961,023
99	997033 BPA Residential Exchange	3,749,629	0	3,140,405	0	609,224	0
99	997034 Montana Hydro Settlement	-4,208,309	0	-2,779,808	0	-1,428,501	0
2	997066 Miscellaneous Schedule M Additions	0	-325,940	0	-214,198	0	-111,742
99	997064 Chicago Climate Exchange	754,484	0	0	0	754,484	0
99	997065 Amortization - Unbilled Revenue Add-Ins	1,345,857	0	747,631	0	598,226	0
E-OPS	997000 Book Depreciation (403.XX, 404.XX & 406.XX)	26,612,953	45,204,691	16,975,582	29,236,804	9,637,371	15,967,887
	TOTAL SCHEDULE M ADDITIONS	31,766,518	23,012,941	20,040,475	14,742,607	11,726,043	8,270,334
			54,779,459		34,783,082		19,996,377

RESULTS OF OPERATIONS

ELECTRIC SCHEDULE M ITEMS  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-SCM-12A

Ref/Basis	Description	SYSTEM ***** WASHINGTON ***** IDAHO *****		WASHINGTON ***** IDAHO *****		***** IDAHO *****	
		Direct	Allocated	Direct	Allocated	Direct	Allocated
Schedule M Deductions:							
1	997041 Rathdrum Turbine Lease, Tax	0	3,836,433	0	2,471,430	0	1,365,003
99	997043 Washington Deferred Power Costs	-23,802,834	-23,802,834	-23,802,834	-23,802,834	0	0
1	997044 Non-Monetary Power Costs	0	277,615	0	178,840	0	98,775
1	997045 Section 199 Manufacturing Deduction	0	2,830,351	0	1,823,312	0	1,007,039
4	997046 Nez Perce Settlement	27,800	-11,004	33,012	-7,229	-5,212	-8,987
99	997047 Clark Fork Preventive Maint. Exp (PME's)	274,403	0	0	0	274,403	0
12	997048 AFUDC	0	0	0	0	0	0
11	997049 Tax Depreciation	0	132,192,709	0	85,059,399	0	47,133,310
99	997050 CS2 Levelized Return	174,560	174,560	0	0	174,560	0
99	997051 Wind Generation AFUDC - ID	35,194	0	0	0	35,194	0
99	997058 Colstrip Settlement - ID	331,056	0	0	0	331,056	0
99	997059 Colstrip Settlement - WA	-742,474	0	-742,474	0	0	0
4	997062 Gain on Sale of Office Bldg	0	196,092	0	128,825	0	67,267
4	997063 CDA Lake Settlement	0	27,733,385	0	18,219,725	0	9,513,660
TOTAL SCHEDULE M DEDUCTIONS		-23,702,295	167,055,581	-24,512,296	107,874,302	810,001	59,181,279

ALLOCATION RATIOS:

Code	Item	Ratio	Ratio
E-ALL	1	Production/Transmission	Ratio
E-ALL	2	Number of Customers	35.580%
E-ALL	3	Direct Distribution Operating Expense	34.283%
E-ALL	4	Jurisdictional 4-Factor Ratio	33.097%
E-ALL	10	Net Electric Distribution Plant	34.304%
E-ALL	11	Book Deprec (0403.XX, 0404.11 & 0406.XX)	38.140%
E-ALL	12	Net Electric Plant	35.655%
E-ALL	99	Not Allocated	36.545%
			0.000%

RESULTS OF OPERATIONS

AVISTA UTILITIES

DEFERRED INCOME TAX EXP--ELECTRIC  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-DTE-12A

Ref/Basis	Acct No	Description	System	Washington	Idaho
14	410100	Deferred Federal Income Tax Expense - Allocated		27,379,334	14,966,827
99	410100	Deferred Federal Income Tax Expense - Washington		-6,407,027	0
99	410100	Deferred Federal Income Tax Expense - Idaho		968,457	968,457
		Sub-Total		20,972,307	15,935,284
14	411100	Deferred Federal Income Tax Expense - Allocated		-1,675	-915
99	411100	Deferred Federal Income Tax Expense - Washington		-2,754,320	0
99	411100	Deferred Federal Income Tax Expense - Idaho		-1,627,358	-1,627,358
		Sub-Total		-2,755,995	-1,628,273
		Total Deferred Federal Income Tax Expense		18,216,312	14,307,011

E-ALL	14	Net Allocated Schedule M's	100.000%	64.656%	35.344%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%

FEDERAL INCOME TAXES--ELECTRIC		Report ID:
For Twelve Months Ended December 31, 2008		E-INT-12A
Average of Monthly Averages Basis		
Ref/Basis	Description	System

Ref/Basis	Description	System	Washington	Idaho
<b>Debt</b>				
1	Washington Capital Structure Ratio		53.70%	
2	Idaho Capital Structure Ratio		6.547%	52.06%
3	Cost of Debt		3.516%	6.919%
	<b>Total Weighted Cost</b>			<b>3.602%</b>
E-APL	Net Rate Base		943,251,809	535,180,646
	Interest Deduction for FIT Calculation		33,164,734	19,277,207
			<b>52,441,941</b>	<b>19,277,207</b>

- 1 From last WA GRC (UE-080416)
- 2 From last ID GRC (AVU-E-08-1)
- 3 Debt Cost from Treasury

TAXES OTHER THAN FEDERAL INCOME TAX  
For Twelve Months Ended December 31, 2008  
Average of Monthly Averages Basis

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>PRODUCTION &amp; TRANSMISSION</b>											
1	408130	State Excise Tax	0	17,970	17,970	0	11,576	11,576	0	6,394	6,394
1	408140	State Kwh Generation Tax	0	1,512,007	1,512,007	0	974,035	974,035	0	537,972	537,972
1	408150	R&P Property Tax--Production	0	6,656,084	6,656,084	0	4,287,849	4,287,849	0	2,368,235	2,368,235
1	408180	R&P Property Tax--Transmission	0	4,556,192	4,556,192	0	2,935,099	2,935,099	0	1,621,093	1,621,093
1	409100	State Income Tax--Montana & Oregon	0	-26,428	-26,428	0	-17,025	-17,025	0	-9,403	-9,403
<b>TOTAL PRODUCTION &amp; TRANSMISSION</b>			<b>0</b>	<b>12,715,825</b>	<b>12,715,825</b>	<b>0</b>	<b>8,191,534</b>	<b>8,191,534</b>	<b>0</b>	<b>4,524,291</b>	<b>4,524,291</b>
<b>DISTRIBUTION</b>											
99	408110	State Excise Tax	15,719,153	0	15,719,153	15,719,153	0	15,719,153	0	0	0
99	408120	Municipal Occupation & License Tax	16,504,012	0	16,504,012	13,959,887	0	13,959,887	2,544,125	0	2,544,125
99	408160	Miscellaneous State or Local Tax--WA & ID	46,513	0	46,513	0	0	0	46,513	0	46,513
99	408170	R&P Property Tax--Distribution	4,743,071	0	4,743,071	3,257,876	0	3,257,876	1,485,195	0	1,485,195
99	409100	State Income Tax--Idaho	-49,822	0	-49,822	0	0	0	-49,822	0	-49,822
<b>TOTAL DISTRIBUTION</b>			<b>36,962,927</b>	<b>0</b>	<b>36,962,927</b>	<b>32,936,916</b>	<b>0</b>	<b>32,936,916</b>	<b>4,026,011</b>	<b>0</b>	<b>4,026,011</b>
<b>TOTAL TAXES OTHER THAN FIT</b>			<b>36,962,927</b>	<b>12,715,825</b>	<b>49,678,752</b>	<b>32,936,916</b>	<b>8,191,534</b>	<b>41,128,450</b>	<b>4,026,011</b>	<b>4,524,291</b>	<b>8,550,302</b>

ALLOCATION RATIOS:

E-ALL	1	Production/Transmission Ratio	100.000%	64.420%	35.580%
E-ALL	4	Jurisdictional 4-Factor Ratio	100.000%	65.696%	34.304%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%



ELECTRIC UTILITY PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-PLT-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>PLANT IN SERVICE</b>											
<b>INTANGIBLE PLANT:</b>											
1	301000	Organization	0	0	0	0	0	0	0	0	0
1	302000	Franchises & Consents	862	15,259,132	15,259,994	862	9,829,933	9,830,795	0	5,429,199	5,429,199
1	303000	Misc Intangible Plant	153,179	2,058,167	2,211,346	153,179	1,325,871	1,479,050	0	732,296	732,296
4	C-IPL	Misc Intangible Plant	0	134,350	134,350	0	88,263	88,263	0	46,087	46,087
4	C-IPL	Misc Intangible Plt-Mainframe Software (303100)	0	10,423,751	10,423,751	0	6,847,987	6,847,987	0	3,575,764	3,575,764
4	C-IPL	Misc Intangible Plant-PC Software (303110)	0	7,724,180	7,724,180	0	5,074,477	5,074,477	0	2,649,703	2,649,703
		<b>TOTAL INTANGIBLE PLANT</b>	<b>154,041</b>	<b>35,599,580</b>	<b>35,753,621</b>	<b>154,041</b>	<b>23,166,531</b>	<b>23,320,572</b>	<b>0</b>	<b>12,433,049</b>	<b>12,433,049</b>
<b>STEAM PRODUCTION PLANT:</b>											
1	310XXX	Land & Land Rights	0	2,232,530	2,232,530	0	1,438,196	1,438,196	0	794,334	794,334
1	311XXX	Structures & Improvements	0	124,679,295	124,679,295	0	80,318,402	80,318,402	0	44,360,893	44,360,893
1	312000	Boiler Plant	0	162,498,322	162,498,322	0	104,681,419	104,681,419	0	57,816,903	57,816,903
1	314000	Turbogenerator Units	0	48,118,828	48,118,828	0	30,998,149	30,998,149	0	17,120,679	17,120,679
1	315000	Accessory Electric Equipment	0	26,339,923	26,339,923	0	16,968,178	16,968,178	0	9,371,745	9,371,745
1	316000	Miscellaneous Power Plant Equipment	0	15,340,261	15,340,261	0	9,882,196	9,882,196	0	5,458,065	5,458,065
1	317000	Asset Recovery Obligation (NOT PICKED UP)	0	0	0	0	0	0	0	0	0
		<b>TOTAL STEAM PRODUCTION PLANT</b>	<b>0</b>	<b>379,209,159</b>	<b>379,209,159</b>	<b>0</b>	<b>244,286,540</b>	<b>244,286,540</b>	<b>0</b>	<b>134,922,619</b>	<b>134,922,619</b>
<b>HYDRAULIC PRODUCTION PLANT:</b>											
1	330XXX	Land & Land Rights	0	55,945,378	55,945,378	0	36,040,013	36,040,013	0	19,905,365	19,905,365
1	331XXX	Structures & Improvements	0	39,544,569	39,544,569	0	25,474,611	25,474,611	0	14,069,958	14,069,958
1	332XXX	Reservoirs, Dams, & Waterways	0	112,490,803	112,490,803	0	72,466,575	72,466,575	0	40,024,228	40,024,228
1	333000	Waterwheels, Turbines, & Generators	0	121,104,336	121,104,336	0	78,015,413	78,015,413	0	43,088,923	43,088,923
1	334000	Accessory Electric Equipment	0	30,269,545	30,269,545	0	19,499,641	19,499,641	0	10,769,904	10,769,904
1	335XXX	Miscellaneous Power Plant Equipment	0	6,246,239	6,246,239	0	4,023,827	4,023,827	0	2,222,412	2,222,412
1	336000	Roads, Railroads, & Bridges	0	1,999,563	1,999,563	0	1,288,118	1,288,118	0	711,445	711,445
		<b>TOTAL HYDRAULIC PRODUCTION PLANT</b>	<b>0</b>	<b>367,600,433</b>	<b>367,600,433</b>	<b>0</b>	<b>236,808,198</b>	<b>236,808,198</b>	<b>0</b>	<b>130,792,235</b>	<b>130,792,235</b>
<b>OTHER PRODUCTION PLANT:</b>											
1	340200	Land & Land Rights	0	877,555	877,555	0	565,321	565,321	0	312,234	312,234
1	341000	Structures & Improvements	0	15,602,367	15,602,367	0	10,051,045	10,051,045	0	5,551,322	5,551,322
1	342000	Fuel Holders, Producers, & Accessories	0	21,064,587	21,064,587	0	13,569,807	13,569,807	0	7,494,780	7,494,780
1	343000	Prime Movers	0	21,876,780	21,876,780	0	14,093,022	14,093,022	0	7,783,758	7,783,758
1	344000	Generators	0	197,190,689	197,190,689	0	127,030,242	127,030,242	0	70,160,447	70,160,447
1	345000	Accessory Electric Equipment	0	15,269,905	15,269,905	0	9,836,873	9,836,873	0	5,433,032	5,433,032
1	346000	Miscellaneous Power Plant Equipment	0	1,333,303	1,333,303	0	858,914	858,914	0	474,389	474,389
99	347000	Asset Recovery Obligation (NOT PICKED UP)	0	0	0	0	0	0	0	0	0
		<b>TOTAL OTHER PRODUCTION PLANT</b>	<b>0</b>	<b>273,215,186</b>	<b>273,215,186</b>	<b>0</b>	<b>176,005,224</b>	<b>176,005,224</b>	<b>0</b>	<b>97,209,962</b>	<b>97,209,962</b>
		<b>TOTAL PRODUCTION PLANT</b>	<b>0</b>	<b>1,020,024,778</b>	<b>1,020,024,778</b>	<b>0</b>	<b>657,099,962</b>	<b>657,099,962</b>	<b>0</b>	<b>362,924,816</b>	<b>362,924,816</b>

ELECTRIC UTILITY PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-PLT-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>TRANSMISSION PLANT:</b>											
1	350XXX	Land & Land Rights	0	14,067,243	14,067,243	0	9,062,118	9,062,118	0	5,005,125	5,005,125
1	352XXX	Structures & Improvements	0	15,350,569	15,350,569	0	9,888,837	9,888,837	0	5,461,732	5,461,732
1	353000	Station Equipment	0	168,491,930	168,491,930	0	108,542,501	108,542,501	0	59,949,429	59,949,429
1	354000	Towers & Fixtures	0	17,089,155	17,089,155	0	11,008,834	11,008,834	0	6,080,321	6,080,321
1	355000	Poles & Fixtures	0	126,849,816	126,849,816	0	81,716,651	81,716,651	0	45,133,165	45,133,165
1	356000	Overhead Conductors & Devices	0	101,275,388	101,275,388	0	65,241,605	65,241,605	0	36,033,783	36,033,783
1	357000	Underground Conductors & Devices	0	2,002,001	2,002,001	0	1,289,689	1,289,689	0	712,312	712,312
1	358000	Underground Conductors & Devices	0	2,120,030	2,120,030	0	1,365,723	1,365,723	0	754,307	754,307
1	359000	Roads & Trails	0	1,841,064	1,841,064	0	1,186,013	1,186,013	0	655,051	655,051
		<b>TOTAL TRANSMISSION PLANT</b>	<b>0</b>	<b>449,087,196</b>	<b>449,087,196</b>	<b>0</b>	<b>289,301,971</b>	<b>289,301,971</b>	<b>0</b>	<b>159,785,225</b>	<b>159,785,225</b>
<b>DISTRIBUTION PLANT:</b>											
99	360200	Land & Land Rights	3,995,922	0	3,995,922	3,024,401	0	3,024,401	971,521	0	971,521
99	360400	Land Easements	14,590	0	14,590	10,213	0	10,213	4,377	0	4,377
99	361000	Structures & Improvements	11,388,786	0	11,388,786	8,180,460	0	8,180,460	3,208,326	0	3,208,326
99	362000	Station Equipment	83,416,239	0	83,416,239	53,159,243	0	53,159,243	30,256,996	0	30,256,996
99	364000	Poles, Towers, & Fixtures	190,499,503	0	190,499,503	115,562,450	0	115,562,450	74,937,053	0	74,937,053
99	365000	Overhead Conductors & Devices	125,231,434	0	125,231,434	73,881,563	0	73,881,563	51,349,871	0	51,349,871
99	366000	Underground Conduit	68,330,534	0	68,330,534	41,550,607	0	41,550,607	26,779,927	0	26,779,927
99	367000	Underground Conductors & Devices	110,131,679	0	110,131,679	69,942,396	0	69,942,396	40,189,283	0	40,189,283
99	368000	Line Transformers	155,534,370	0	155,534,370	99,604,046	0	99,604,046	55,930,324	0	55,930,324
99	369XXX	Services	107,501,342	0	107,501,342	66,146,105	0	66,146,105	41,355,237	0	41,355,237
99	370000	Meters	24,683,455	0	24,683,455	15,256,476	0	15,256,476	9,426,979	0	9,426,979
99	373XXX	Street Light & Signal Systems	26,963,644	0	26,963,644	14,930,304	0	14,930,304	12,033,340	0	12,033,340
99	374000	Asset Recovery Obligation (NOT PICKED UP)	0	0	0	0	0	0	0	0	0
		<b>TOTAL DISTRIBUTION PLANT</b>	<b>907,691,498</b>	<b>0</b>	<b>907,691,498</b>	<b>561,248,264</b>	<b>0</b>	<b>561,248,264</b>	<b>346,443,234</b>	<b>0</b>	<b>346,443,234</b>
<b>GENERAL PLANT: (From Report C-GPL)</b>											
4	389XXX	Land & Land Rights	820,284	1,617,265	2,437,549	372,436	1,062,478	1,434,914	447,848	554,787	1,002,635
4	390XXX	Structures & Improvements	5,945,668	23,987,679	29,933,347	1,671,161	15,758,946	17,430,107	4,274,507	8,228,733	12,503,240
4	391XXX	Office Furniture & Equipment	0	21,052,945	21,052,945	0	13,830,943	13,830,943	0	7,222,002	7,222,002
4	392XXX	Transportation Equipment	5,995,397	4,264,385	10,259,782	4,253,683	2,801,530	7,055,213	1,741,714	1,462,855	3,204,569
4	393000	Stores Equipment	349,282	787,988	1,137,270	132,508	517,677	650,185	216,774	270,311	487,085
4	394000	Tools, Shop & Garage Equipment	1,770,773	2,791,555	4,562,328	1,324,384	1,833,940	3,158,324	446,389	957,615	1,404,004
4	395000	Laboratory Equipment	709,092	3,062,211	3,771,303	390,955	2,011,750	2,402,705	318,137	1,050,461	1,368,598
4	396XXX	Power Operated Equipment	16,271,509	6,289,079	22,560,588	10,430,049	4,131,673	14,561,722	5,841,460	2,157,406	7,998,866
4	397XXX	Communications Equipment	7,175,562	38,463,760	45,639,322	5,110,929	25,269,152	30,380,081	2,064,633	13,194,608	15,259,241
4	398000	Miscellaneous Equipment	12,318	451,786	464,104	4,099	296,805	300,904	8,219	154,981	163,200
99	399100	Asset Recovery Obligation (NOT PICKED UP)	0	0	0	0	0	0	0	0	0
		<b>TOTAL GENERAL PLANT</b>	<b>39,049,885</b>	<b>102,768,653</b>	<b>141,818,538</b>	<b>23,690,204</b>	<b>67,514,894</b>	<b>91,205,098</b>	<b>15,359,681</b>	<b>35,253,759</b>	<b>50,613,440</b>
<b>TOTAL PLANT IN SERVICE</b>											
99	107XXX	CONSTRUCTION WORK IN PROGRESS	946,895,424	1,607,480,207	2,554,375,631	585,092,509	1,037,083,358	1,622,173,867	361,802,915	570,396,849	932,199,764
		<b>GROSS ELECTRIC PLANT</b>	<b>946,895,424</b>	<b>1,607,480,207</b>	<b>2,554,375,631</b>	<b>585,092,509</b>	<b>1,037,083,358</b>	<b>1,622,173,867</b>	<b>361,802,915</b>	<b>570,396,849</b>	<b>932,199,764</b>

RESULTS OF OPERATIONS

AVISTA UTILITIES

ELECTRIC UTILITY PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 E-PLT-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>ACCUMULATED DEPRECIATION</b>											
1	108X01	Steam Production Plant	0	240,628,287	240,628,287	0	155,012,742	155,012,742	0	85,615,545	85,615,545
1	108000	Hydro Production Plant	0	87,461,809	87,461,809	0	56,342,897	56,342,897	0	31,118,912	31,118,912
1	108X03	Other Production Plant	0	49,414,611	49,414,611	0	31,832,892	31,832,892	0	17,581,719	17,581,719
1	108X04	Transmission Plant	0	147,509,798	147,509,798	0	95,025,812	95,025,812	0	52,483,986	52,483,986
E-ADP	108X05	Distribution Plant	278,490,258	0	278,490,258	172,026,217	0	172,026,217	106,464,041	0	106,464,041
E-ADP	108X06	General Plant - Non-Transportation	13,931,294	41,874,243	55,805,537	8,239,129	27,509,703	35,748,832	5,692,165	14,364,540	20,056,705
E-ADP	108X07	General Plant - Transportation	3,670,865	2,610,990	6,281,855	2,604,457	1,715,316	4,319,773	1,066,408	895,674	1,962,082
1	108X01	Less: Prod. Plt. Asset Recovery Oblig. (Note 1)	0	-209,118	-209,118	0	-134,714	-134,714	0	-74,404	-74,404
<b>TOTAL ACCUMULATED DEPRECIATION</b>			<b>296,092,417</b>	<b>569,290,620</b>	<b>865,383,037</b>	<b>182,869,803</b>	<b>367,304,648</b>	<b>550,174,451</b>	<b>113,222,614</b>	<b>201,985,972</b>	<b>315,208,586</b>
<b>ACCUMULATED AMORTIZATION</b>											
1	111X20/30	Intangible Plant--Production & Transmission	9,749	3,337,397	3,347,146	9,749	2,149,951	2,159,700	0	1,187,446	1,187,446
4	111X60	Leased Transportation Equipment	0	0	0	0	0	0	0	0	0
4	111X70	Leased Power Operated Equipment	110,678	432	111,110	110,678	284	110,962	0	148	148
4	111X06	Leasehold Improvements (From Report C-AAM)	0	69,050	69,050	0	45,363	45,363	0	23,687	23,687
E-CAM	111X08	Intangible Plant-Computer Software	0	7,513,956	7,513,956	0	4,936,369	4,936,369	0	2,577,587	2,577,587
<b>TOTAL ACCUMULATED AMORTIZATION</b>			<b>120,427</b>	<b>10,920,835</b>	<b>11,041,262</b>	<b>120,427</b>	<b>7,131,967</b>	<b>7,252,394</b>	<b>0</b>	<b>3,788,868</b>	<b>3,788,868</b>
<b>NET ELECTRIC UTILITY PLANT</b>			<b>650,682,580</b>	<b>1,027,268,752</b>	<b>1,677,951,332</b>	<b>402,102,279</b>	<b>662,646,743</b>	<b>1,064,749,022</b>	<b>248,580,301</b>	<b>364,622,009</b>	<b>613,202,310</b>

ALLOCATION RATIOS:

E-ALL	1	Production/Transmission Ratio	100.000%	64.420%	35.580%
E-ALL	4	Jurisdictional 4-Factor Ratio	100.000%	65.696%	34.304%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%

NOTE 1 - Asset Recovery Obligation Accounts 317000, 347000, 374000 and 399100 are automatically eliminated, however, the Accumulated Depreciation has to be removed manually.

RESULTS OF OPERATIONS

ADJUSTMENTS TO NET ELECTRIC UTIL PLT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Ref/Basis Description (Accounts) Report ID:  
 E-APL-12A

		***** SYSTEM ***** WASHINGTON ***** IDAHO *****			***** WASHINGTON ***** IDAHO *****			***** IDAHO *****		
Ref/Basis	Description (Accounts)	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
E-PLT	NET ELECTRIC PLANT IN SERVICE	650,682,580	1,027,268,752	1,677,951,332	402,102,279	662,646,743	1,064,749,022	248,580,301	364,622,009	613,202,310
	ADJUSTMENTS:									
	ACCUMULATED DEFERRED INCOME TAX:									
12	FAS 109 Electric Plant (182310, 283170)	0	0	0	0	0	0	0	0	0
99	CIAC--Distribution Plant (190610)	11,746,462	0	11,746,462	7,445,123	0	7,445,123	4,301,339	0	4,301,339
4	Deferred Gain on Sale of General Office (190850)	0	240,218	240,218	0	157,814	157,814	0	82,404	82,404
12	Deferred F.I.T. - Plant In Service (282900)	0	-226,052,951	-226,052,951	0	-143,441,900	-143,441,900	0	-82,611,051	-82,611,051
4	Deferred FIT - Common Plant (From Report C-DTX)	0	-8,146,327	-8,146,327	0	-5,351,811	-5,351,811	0	-2,794,516	-2,794,516
99	ADFIT - Boulder Park Idaho Write Off (190040)	676,659	0	676,659	0	0	0	676,659	0	676,659
99	ADFIT - MT Lease Payments (283365)	-736,974	0	-736,974	0	0	0	-736,974	0	-736,974
12	Electric portion of Bond Redemptions (283850)	0	-3,295,969	-3,295,969	0	-2,091,457	-2,091,457	0	-1,204,512	-1,204,512
1	Colstrip PCB (283200)	0	-680,779	-680,779	0	-438,558	-438,558	0	-242,221	-242,221
	TOTAL ACCUM DEFERRED INCOME TAX	11,686,147	-237,935,808	-226,249,661	7,445,123	-151,165,912	-143,720,789	4,241,024	-86,769,896	-82,528,872
	OTHER ADJUSTMENTS:									
99	Kettle Falls Disallowed Plant (101003)	-7,311,234	0	-7,311,234	-5,247,725	0	-5,247,725	-2,063,509	0	-2,063,509
99	Kettle Falls Disallowed Accumulated Depr (108030)	5,334,335	0	5,334,335	3,828,782	0	3,828,782	1,505,553	0	1,505,553
99	Boulder Park Disallowed Plant (101050)	-2,600,000	0	-2,600,000	0	0	0	-2,600,000	0	-2,600,000
99	Boulder Park Disallowed Accumulated Depr (108050)	650,466	0	650,466	0	0	0	650,466	0	650,466
1	Weatherization Loans - Sandpoint (124350)	65,211	0	65,211	0	0	0	65,211	0	65,211
99	DSM Programs (186710)	1,923,911	0	1,923,911	0	0	0	1,923,911	0	1,923,911
99	Invest in Exchange Power (124900, 124930)	27,358,284	0	27,358,284	27,358,284	0	27,358,284	0	0	0
99	Colstrip Common AFUDC (186100)	3,466,641	0	3,466,641	1,110,999	0	1,110,999	2,355,642	0	2,355,642
99	Colstrip Disallowed AFUDC (111100)	-2,129,507	0	-2,129,507	-682,470	0	-682,470	-1,447,037	0	-1,447,037
E-ALL	Colstrip 3 AFUDC Reallocation	0	0	0	-1,917,733	0	-1,917,733	1,917,733	0	1,917,733
99	Interest accrued on PGB Ratebase Credit - Washington	-1,775,675	0	-1,775,675	-1,775,675	0	-1,775,675	0	0	0
99	Montana Riverbed Settlement (186360)	2,105,641	0	2,105,641	0	0	0	2,105,641	0	2,105,641
99	Nez Perce Settlement - Idaho (186800)	329,033	0	329,033	0	0	0	329,033	0	329,033
4	Gain on Sale of General Office Bldg (253850)	0	-686,322	-686,322	0	-450,886	-450,886	0	-235,436	-235,436
	TOTAL OTHER ADJUSTMENTS	27,417,106	-686,322	26,730,784	22,674,462	-450,886	22,223,576	4,742,644	-235,436	4,507,208
	NET RATE BASE	689,785,833	788,646,622	1,478,432,455	432,221,864	511,029,945	943,251,809	257,563,969	277,616,677	535,180,646
	ALLOCATION RATIOS:									
E-ALL	1 Production/Transmission Ratio	100.000%			64.420%					35.580%
E-ALL	4 Jurisdictional 4-Factor Ratio	100.000%			65.696%					34.304%
E-ALL	12 Net Electric Plant	100.000%			63.455%					36.545%
E-ALL	13 Net Electric General Plant	100.000%			64.136%					35.864%
E-ALL	99 Not Allocated	0.000%			0.000%					0.000%

ALLOCATION OF COMM AMORTIZATION EXPENSE  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 C-AMT-12A

Ref/Basis	Description	Total	Allocation to Electric	Allocation to Gas North	Allocation to Oregon Gas
7	404X31 Mainframe Software	2,800,386	2,015,158	537,114	248,114
8	Utility 7	0	0	0	0
9	Utility 8	9,299	7,358	1,941	0
	TOTAL	2,809,685	2,022,516	539,055	248,114
7	404X32 PC Software	1,732,284	1,246,552	332,252	153,480
8	Utility 7	150,180	0	102,358	47,822
9	Utility 8	0	0	0	0
	TOTAL	1,882,464	1,246,552	434,610	201,302
7	404X33 PC Software Lease	0	0	0	0
8	Utility 7	0	0	0	0
9	Utility 8	0	0	0	0
	TOTAL	0	0	0	0
7	404X50 Leasehold Improvements	10,303	7,414	1,976	913
8	Utility 7	0	0	0	0
9	Utility 8	0	0	0	0
	TOTAL	10,303	7,414	1,976	913
7	404X60 Leased Transportation Vehicles	0	0	0	0
8	Utility 7	0	0	0	0
9	Utility 8	0	0	0	0
	TOTAL	0	0	0	0

ALLOCATION RATIOS:

G-ALL	7	Elec/WWP Gas/WPNG 4-Factor	71.960%	19.180%	8.860%
G-ALL	8	WWP Gas/WPNG Gas 4-Factor	0.000%	68.157%	31.843%
G-ALL	9	Elec/WWP Gas 4-Factor	79.122%	20.878%	0.000%

ALLOCATION OF COMM DEPRECIATION EXPENSE For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: C-DEP-12A
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Ref/Basis	Description	Total	Allocation to Electric	Allocation to Gas North	Allocation to Oregon Gas
7	403X60 Utility 7	5,802,702	4,175,624	1,112,958	514,119
8	Utility 8	111,582	0	76,051	35,531
9	Utility 9	691,310	546,978	144,332	0
9	Utility 9 - Washington	82,405	65,200	17,205	0
9	Utility 9 - Idaho	113,932	90,145	23,787	0
<b>TOTAL</b>		<b>6,801,931</b>	<b>4,877,947</b>	<b>1,374,333</b>	<b>549,650</b>
7	403X70 Utility 7	1,897	1,365	364	168
8	Utility 8	0	0	0	0
9	Utility 9	12,087	9,563	2,524	0
<b>TOTAL ACCOUNT 403</b>		<b>13,984</b>	<b>10,928</b>	<b>2,888</b>	<b>168</b>

ALLOCATION RATIOS:

Ref/Basis	Description	Allocation to Electric	Allocation to Gas North	Allocation to Oregon Gas
G-ALL 7	Elec\WWP Gas\WPNG 4-Factor	71.960%	19.180%	8.860%
G-ALL 8	WWP Gas\WPNG Gas 4-Factor	0.000%	68.157%	31.843%
G-ALL 9	Elec\WWP Gas 4-Factor	79.122%	20.878%	0.000%

RESULTS OF OPERATIONS

COMMON GENERAL PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 C-GPL-12A

Ref/Basis	Account	Description	ELECTRIC		GAS NORTH		OREGON GAS		Total
			Direct - Wa	Direct - Idaho	Direct - Wa	Direct - Idaho	Direct - Oregon	Allocated	
99	389XXX	Land & Land Rights							
		Utility 0	0	101,907	22,774	0	0	0	0
		Utility 1	0	0	0	0	0	0	0
		Utility 2	0	0	0	0	0	260,130	260,130
7		Utility 7	0	0	1,386,030	0	0	170,654	170,654
8		Utility 8	0	0	0	0	0	0	0
9		Utility 9 - Wa	372,436	0	0	0	0	0	0
9		Utility 9 - Idaho	0	345,941	0	91,284	0	0	0
9		Utility 9 - Allocated	0	0	208,461	0	55,007	0	0
		TOTAL ACCOUNT	372,436	447,848	1,617,265	91,284	424,435	170,654	430,784
99	390XXX	Structures & Improvements							
		Utility 0	437,680	1,119,454	598,452	0	0	0	0
		Utility 1	0	0	0	0	0	0	0
		Utility 2	0	0	0	0	0	0	851,829
7		Utility 7	0	0	20,649,354	0	5,503,816	0	2,677,148
8		Utility 8	0	0	0	0	0	0	0
9		Utility 9 - Wa	1,233,481	0	0	0	0	0	325,480
9		Utility 9 - Idaho	0	3,155,053	0	832,527	0	0	832,527
9		Utility 9 - Allocated	0	0	2,739,873	0	722,973	0	722,973
		TOTAL ACCOUNT	1,671,161	4,274,507	23,987,679	832,527	6,226,789	2,677,148	5,219,578
99	391XXX	Office Furniture & Equipment							
		Utility 0	0	0	692,356	0	0	0	0
		Utility 1	0	0	0	0	0	0	0
		Utility 2	0	0	0	0	0	0	0
7		Utility 7	0	0	20,360,589	0	5,426,850	0	2,506,876
8		Utility 8	0	0	0	0	258,227	0	120,644
9		Utility 9 - Wa	0	0	0	0	0	0	0
9		Utility 9 - Idaho	0	0	0	0	0	0	0
9		Utility 9 - Allocated	0	0	0	0	0	0	0
		TOTAL ACCOUNT	0	0	21,052,945	0	5,685,077	0	2,627,520
99	392XXX	Transportation Equipment							
		Utility 0	3,670,079	1,377,847	3,692,827	0	0	0	0
		Utility 1	0	0	0	817,496	351,320	0	0
		Utility 2	0	0	0	0	0	0	0
7		Utility 7	0	0	75,339	0	20,081	0	1,631,901
8		Utility 8	0	0	0	0	0	0	0
9		Utility 9 - Wa	583,604	0	0	153,996	0	0	0
9		Utility 9 - Idaho	0	363,867	0	96,014	0	0	96,014
9		Utility 9 - Allocated	0	0	496,219	0	130,938	0	130,938
		TOTAL ACCOUNT	4,253,683	1,741,714	4,264,385	913,510	502,339	1,631,901	1,641,177

COMMON GENERAL PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Ref/Basis Account Description

		ELECTRIC *****		GAS NORTH *****		GAS NORTH *****		OREGON GAS *****	
Ref/Basis	Account Description	Direct - Wa	Direct - Idaho	Allocated	Total	Direct - Wa	Direct - Idaho	Allocated	Total
<b>393000 Stores Equipment</b>									
99	Utility 0	21,486	29,498	297,238	348,222	0	0	0	0
99	Utility 1	0	0	0	0	84,271	0	0	84,271
99	Utility 2	0	0	0	0	0	0	55,550	55,550
7	Utility 7	0	0	0	0	0	0	0	0
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9 - Wa	111,022	0	0	111,022	29,295	0	0	29,295
9	Utility 9 - Idaho	0	187,276	0	187,276	0	49,417	0	49,417
9	Utility 9 - Allocated	0	0	490,750	490,750	0	0	129,495	129,495
	<b>TOTAL ACCOUNT</b>	<b>132,508</b>	<b>216,774</b>	<b>787,988</b>	<b>1,137,270</b>	<b>113,566</b>	<b>49,417</b>	<b>129,495</b>	<b>292,478</b>
<b>394000 Tools, Shop, &amp; Garage Equipment</b>									
99	Utility 0	1,289,001	438,825	1,616,502	3,344,328	0	0	0	0
99	Utility 1	0	0	0	0	968,333	452,791	427,710	1,848,834
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	953,697	953,697	0	0	254,196	254,196
8	Utility 8	0	0	0	0	0	0	345,405	345,405
9	Utility 9 - Wa	35,383	0	0	35,383	9,337	0	0	9,337
9	Utility 9 - Idaho	0	7,564	0	7,564	0	1,996	0	1,996
9	Utility 9 - Allocated	0	0	221,356	221,356	0	0	58,410	58,410
	<b>TOTAL ACCOUNT</b>	<b>1,324,384</b>	<b>446,389</b>	<b>2,791,555</b>	<b>4,562,328</b>	<b>977,670</b>	<b>454,787</b>	<b>1,085,721</b>	<b>2,518,178</b>
<b>395000 Laboratory Equipment</b>									
99	Utility 0	354,309	306,439	2,347,224	3,007,972	0	0	0	0
99	Utility 1	0	0	0	0	176,779	57,654	308,791	543,224
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	174,060	174,060	0	0	46,394	46,394
8	Utility 8	0	0	0	0	0	0	11,519	11,519
9	Utility 9 - Wa	36,646	0	0	36,646	9,670	0	0	9,670
9	Utility 9 - Idaho	0	11,698	0	11,698	0	3,087	0	3,087
9	Utility 9 - Allocated	0	0	540,927	540,927	0	0	142,735	142,735
	<b>TOTAL ACCOUNT</b>	<b>390,955</b>	<b>318,137</b>	<b>3,062,211</b>	<b>3,771,303</b>	<b>186,449</b>	<b>60,741</b>	<b>509,439</b>	<b>756,629</b>
<b>396XXX Power Operated Equipment</b>									
99	Utility 0	10,179,970	5,649,072	5,567,956	21,396,998	0	0	0	0
99	Utility 1	0	0	0	0	2,587,214	763,032	368,144	3,718,390
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	398,684	398,684	0	0	106,264	106,264
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9 - Wa	250,079	0	0	250,079	65,989	0	0	65,989
9	Utility 9 - Idaho	0	192,388	0	192,388	0	50,766	0	50,766
9	Utility 9 - Allocated	0	0	322,439	322,439	0	0	85,082	85,082
	<b>TOTAL ACCOUNT</b>	<b>10,430,049</b>	<b>5,841,460</b>	<b>6,289,079</b>	<b>22,560,588</b>	<b>2,653,203</b>	<b>813,798</b>	<b>559,490</b>	<b>4,026,491</b>
	<b>TOTAL ACCOUNT</b>					<b>43,834</b>		<b>49,088</b>	<b>92,922</b>



COMMON GENERAL PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 C-GPL-12A

Ref/Basis	Account	Description	Total		Direct - Wa		Direct - Idaho		Total		Direct - Wa		Direct - Idaho		Total	
			Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Oregon	Allocated
397XXX	Communication Equipment															
99		Utility 0	4,754,724	1,871,422	27,883,235	34,509,381	0	0	0	0	0	0	0	0	0	0
99		Utility 1	0	0	0	0	397,541	287,089	0	684,630	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0	0	0	0	0	0	481,688	-208	481,480
7		Utility 7	0	0	4,744,247	4,744,247	0	0	1,264,517	1,264,517	0	0	0	0	584,130	584,130
8		Utility 8	0	0	0	0	0	0	644,011	644,011	0	0	0	0	300,883	300,883
9		Utility 9 - Wa	356,205	0	0	356,205	93,992	0	0	93,992	0	0	0	0	0	0
9		Utility 9 - Idaho	0	193,211	0	193,211	0	50,983	0	50,983	0	0	0	0	0	0
9		Utility 9 - Allocated	0	0	5,836,278	5,836,278	0	0	1,540,024	1,540,024	0	0	0	0	0	0
		TOTAL ACCOUNT	5,110,929	2,064,633	38,463,760	43,639,322	491,533	338,072	3,448,552	4,278,157	481,688	884,805	1,366,493			

Ref/Basis	Account	Description	Total		Direct - Wa		Direct - Idaho		Total		Direct - Wa		Direct - Idaho		Total	
			Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Wa	Allocated	Direct - Oregon	Allocated	Total	
398000	Miscellaneous Equipment															
99		Utility 0	0	2,764	1,077	3,841	0	0	0	0	0	0	0	0	0	0
99		Utility 1	0	0	0	0	0	0	30,027	30,027	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7		Utility 7	0	0	443,441	443,441	0	0	118,193	118,193	0	0	0	0	54,598	54,598
8		Utility 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		Utility 9 - Wa	4,099	0	0	4,099	1,081	0	0	1,081	0	0	0	0	0	0
9		Utility 9 - Idaho	0	5,455	0	5,455	0	1,439	0	1,439	0	0	0	0	0	0
9		Utility 9 - Allocated	0	0	7,268	7,268	0	0	1,918	1,918	0	0	0	0	0	0
		TOTAL ACCOUNT	4,099	8,219	451,786	464,104	1,081	1,439	150,138	152,658	0	54,598	54,598			

TOTAL GENERAL PLANT		23,690,204	15,359,681	102,768,633	141,818,538	8,322,961	3,555,575	18,721,475	30,600,011	6,474,828	6,643,981	13,118,809
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ALLOCATION RATIOS:

E-ALL	7	Elec/Gas North/Oregon 4-Factor	100.000%	71.960%	19.180%	8.860%
E-ALL	8	Gas North/Oregon 4-Factor	100.000%	0.000%	68.157%	31.843%
E-ALL	9	Elec/Gas North 4-Factor	100.000%	79.122%	20.878%	0.000%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%	0.000%

<b>ACCUMULATED DEPRECIATION</b> <b>COMMON GENERAL PLANT</b> For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis		Report ID: C-ADP-12A
Ref/Basis	Account	Description

Ref/Basis	Account	Description	Total General	Total Electric	Total Gas North	Total Oregon Gas
<b>Accumulated Depreciation - General Plant</b>						
99	108X06	Utility 0	38,161,021	38,161,021	0	0
99	108X06	Utility 0 Asset Recovery Obligation (Note 1)	-83,383	-83,383	0	0
99	108X06	Utility 1	3,832,257	0	3,832,257	0
99	108X06	Utility 2	1,764,893	0	0	1,764,893
7	108X06	Utility 7	9,306,038	6,696,625	1,784,898	824,515
7	108X06	Utility 7 - Asset Recovery Obligation (Note 1)	-332,973	-239,607	-63,864	-29,501
7	108X06	Utility 7 (Office Furniture Lease)	0	0	0	0
7	108X06	Utility 7 (Communication Equip Lease)	0	0	0	0
8	108X06	Utility 8	698,567	0	476,122	222,445
9	108X06	Utility 9	14,244,940	11,270,881	2,974,059	0
		<b>Total</b>	<b>67,591,360</b>	<b>55,805,537</b>	<b>9,003,472</b>	<b>2,782,352</b>

<b>Accumulated Depreciation - General Plant, Transportation</b>						
99	108X07	Utility 0	5,751,198	5,751,198	0	0
99	108X07	Utility 1	631,173	0	631,173	0
99	108X07	Utility 1	0	0	0	0
99	108X07	Utility 2	858,151	0	0	858,151
7	108X07	Utility 7	24,071	17,321	4,617	2,133
8	108X07	Utility 8	0	0	0	0
9	108X07	Utility 9	648,790	513,336	135,454	0
9	108X07	Utility 9	0	0	0	0
		<b>Total</b>	<b>7,913,383</b>	<b>6,281,855</b>	<b>771,244</b>	<b>860,284</b>

**ALLOCATION RATIOS:**

		Elec/Gas North/Oregon 4-Factor	Total Electric	Total Gas North	Total Oregon Gas
E-ALL	7	100.000%	71.960%	19.180%	8.860%
E-ALL	8	100.000%	0.000%	68.157%	31.843%
E-ALL	9	100.000%	79.122%	20.878%	0.000%
E-ALL	99	0.000%	0.000%	0.000%	0.000%

Note 1 Removes Asset Recovery Obligation related to the Main Office Building, the asset cost is already removed.

RESULTS OF OPERATIONS

COMMON ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis Ref/Basis Account Description Report ID: E-ADP-12A

		***** SYSTEM ***** WASHINGTON ***** IDAHO *****			***** WASHINGTON ***** IDAHO *****		
Ref/Basis Account	Description	Direct	Allocated	Total	Direct	Allocated	Total
<b>DISTRIBUTION PLANT:</b>							
E-PLT	Plant in Service	907,691,498	0	907,691,498	561,248,264	0	561,248,264
E-PLT	Less Land and Land Rights	3,995,922	0	3,995,922	3,024,401	0	3,024,401
360200	Depreciable Distribution Plant	903,695,576	0	903,695,576	558,223,863	0	558,223,863
	Percentage	0.000%	0.000%	100.000%	61.771%	0.000%	38.229%
<b>ALLOCATION BASED ON DEPRECIABLE PLANT</b>							
108X05	Accumulated Depreciation	0	0	278,490,258	172,026,217	106,464,041	278,490,258
<b>JURISDICTIONAL ALLOCATION:</b>							
99	Accumulated Depreciation	278,490,258	0	278,490,258	172,026,217	106,464,041	278,490,258
<b>GENERAL PLANT - NON TRANSPORTATION</b>							
E-PLT	General Plant in Service	39,049,885	102,768,653	141,818,538	23,690,204	67,514,894	91,205,098
E-PLT	Less: General Land and Land Rights	820,284	1,617,265	2,437,549	372,436	1,062,478	1,434,914
E-PLT	Less: General Transportation Plant	5,995,397	4,264,385	10,259,782	4,253,683	2,801,530	7,055,213
392XXXX	Depreciable Non Transport General Plant	32,234,204	96,887,003	129,121,207	19,064,085	63,650,886	82,714,971
	Percentage	75.036%	75.036%	100.000%	14.764%	10.200%	10.200%
<b>ALLOCATION BASED ON DEPRECIABLE PLANT</b>							
108X06	Accumulated Depreciation--Electric General Plant	41,874,243	55,805,537	97,679,780	8,239,129	5,692,165	13,931,294
C-ADP	Common Depreciation Expense (C-DEP)	3,543,652	4,722,602	8,266,254	697,245	481,705	1,178,950
4	Washington Depreciation Expense (C-DEP)	65,200	65,200	130,400	65,200	0	130,400
4	Idaho Depreciation Expense (C-DEP)	90,145	90,145	180,290	90,145	0	180,290
4	Depreciation Expense	1,930,505	2,539,691	4,470,196	428,695	180,492	609,187
	Total Depreciation Expense	1,943,482	5,474,157	7,417,639	1,191,140	3,596,303	4,787,443
<b>JURISDICTIONAL ALLOCATION:</b>							
4	Accumulated Depreciation--Electric General Plant	13,931,294	41,874,243	55,805,537	8,239,129	5,692,165	13,931,294
4	Depreciation Expense (C-DEP)	1,178,950	3,543,652	4,722,602	697,245	481,705	1,178,950
99	Depreciation Expense (C-DEP) Directly Assigned	155,345	0	155,345	65,200	0	65,200
4	Depreciation Expense	609,187	1,930,505	2,539,692	428,695	1,268,265	1,696,960
	Total Depreciation Expense	1,943,482	5,474,157	7,417,639	1,191,140	3,596,303	4,787,443
<b>GENERAL PLANT--TRANSPORTATION</b>							
E-PLT	Transportation General Plant	5,995,397	4,264,385	10,259,782	4,253,683	2,801,530	7,055,213
	Percentage	41.564%	41.564%	100.000%	41.460%	16.976%	16.976%
<b>ALLOCATION BASED ON DEPRECIABLE PLANT</b>							
108X07	Accumulated Depreciation--Electric General Plant	2,610,990	6,281,855	8,892,845	2,604,457	1,715,316	4,319,773
4	Depreciation Expense (C-DEP)	4,542	10,928	15,470	4,531	2,984	7,515
4	Depreciation Expense	34,217	41,321	75,538	21,917	12,300	34,217
	Total Depreciation Expense	40,603	45,863	86,466	26,448	30,130	56,578
<b>JURISDICTIONAL ALLOCATION:</b>							
4	Accum Depreciation--Electric Genl Plant (Electric Portion)	3,670,865	2,610,990	6,281,855	2,604,457	1,715,316	4,319,773
4	Depreciation Expense (C-DEP)	6,386	4,542	10,928	4,531	2,984	7,515
4	Depreciation Expense	34,217	41,321	75,538	21,917	12,300	34,217
	Total Depreciation Expense	40,603	45,863	86,466	26,448	30,130	56,578

ALLOCATION RATIOS:  
 E-ALL 4 Jurisdictional 4-Factor Ratio 100.000%  
 E-ALL 99 Not Allocated 0.000%

COMMON INTANGIBLE PLANT--SOFTWARE  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 C-IPL-12A

Ref/Basis Account	Description	ELECTRIC		GAS NORTH		GAS NORTH		OREGON GAS	
		Direct - Wa	Direct - Idaho	Direct - Idaho	Allocated	Direct	Allocated	Direct	Allocated
303000	Intangible Plant								
99	Utility 0	0	0	0	0	0	0	0	0
99	Utility 1	0	0	0	0	0	0	0	0
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	0	0	0	0	0	0
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9	0	0	0	0	0	0	0	0
	TOTAL ACCOUNT	169,801	134,350	134,350	35,451	35,451	0	0	0
		587,700	134,350	134,350	35,451	168,450	0	0	0
303100	Misc Intangible Plant--Mainframe Software								
99	Utility 0	0	0	0	0	0	0	0	0
99	Utility 1	0	0	0	0	0	0	0	0
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	0	0	0	0	46,440	0
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9	0	0	0	0	0	0	0	0
	TOTAL ACCOUNT	14,379,718	10,423,751	10,423,751	2,674,206	2,674,206	46,440	1,235,321	1,281,761
303110	Misc Intangible Plant--PC Software								
99	Utility 0	0	0	0	0	0	0	0	0
99	Utility 1	0	0	0	0	0	0	0	0
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	0	0	0	0	0	0
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9	0	0	0	0	0	0	0	0
	TOTAL ACCOUNT	1,121,729	1,121,729	1,121,729	7,811	7,811	0	0	0
303120	Misc Intangible Plant--Leased PC Software								
99	Utility 0	0	0	0	0	0	0	0	0
99	Utility 1	0	0	0	0	0	0	0	0
99	Utility 2	0	0	0	0	0	0	0	0
7	Utility 7	0	0	0	0	0	0	0	0
8	Utility 8	0	0	0	0	0	0	0	0
9	Utility 9	0	0	0	0	0	0	0	0
	TOTAL ACCOUNT	11,022,727	7,724,180	7,724,180	2,256,988	2,256,988	0	1,041,559	1,041,559
		25,990,145	18,282,281	18,282,281	4,966,645	5,384,544	46,440	2,276,880	2,323,320

ALLOCATION RATIOS:

E-ALL 7	Elec/Gas North/Oregon 4-Factor	100.0000%	71.960%	19.180%	8.860%
E-ALL 8	Gas North/Oregon 4-Factor	100.0000%	0.0000%	68.157%	31.843%
E-ALL 9	Elec/Gas North 4-Factor	100.0000%	79.122%	20.878%	0.000%
E-ALL 99	Not Allocated	0.0000%	0.000%	0.000%	0.000%

RESULTS OF OPERATIONS

AVISTA UTILITIES

ACCUMULATED AMORTIZATION		Report ID:
COMMON PLANT		C-AAM-12A
For Twelve Months Ended December 31, 2008		
Average of Monthly Averages Basis		

Ref/Basis	Account	Description	Total	Allocation To Electric	Allocation to Gas North	Allocation to Oregon Gas
Accum Amort--Software (111X31, 111X32)						
99		Utility 0	768,547	768,547	0	0
99		Utility 1	3,059	0	3,059	0
99		Utility 2	0	0	0	0
99		Utility 2 - Oregon	9,675	0	0	9,675
99		Utility 2 - California	0	0	0	0
7		Utility 7	9,369,032	6,741,955	1,796,980	830,096
8		Utility 8	484,410	0	330,159	154,251
9		Utility 9	4,366	3,454	912	0
Total			10,639,089	7,513,956	2,131,110	994,022

Accum Amort--Leasehold Improvements (111X50/60)

99		Utility 0	0	0	0	0
99		Utility 1	0	0	0	0
99		Utility 2	0	0	0	0
7		Utility 7	86,796	62,458	16,647	7,690
8		Utility 8	0	0	0	0
9		Utility 9	8,332	6,592	1,740	0
Total			95,128	69,050	18,387	7,690

ALLOCATION RATIOS:

E-ALL	7	Elec/Gas North/Oregon 4-Factor	100.000%	71.960%	19.180%	8.860%
E-ALL	8	Gas North/Oregon 4-Factor	100.000%	0.000%	68.157%	31.843%
E-ALL	9	Elec/Gas North 4-Factor	100.000%	79.122%	20.878%	0.000%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%	0.000%

RESULTS OF OPERATIONS

COMMON ACCUMULATED AMORTIZATION & AMORTIZATION EXPENSE--SOFTWARE		Report ID: E-CAM-12A
For Twelve Months Ended December 31, 2008		
Average of Monthly Averages Basis		
Ref/Basis	Account	Description

		***** SYSTEM ***** WASHINGTON ***** IDAHO *****		***** WASHINGTON *****		***** IDAHO *****		
Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total
Plant in Service								
E-PLT	303100	Misc Intangible Plant - Mainframe Software	0	10,423,751	10,423,751	0	6,847,987	6,847,987
E-PLT	303110	Misc Intangible Plant - PC Software	0	7,724,180	7,724,180	0	5,074,477	5,074,477
E-PLT	303120	Misc Intangible Plant - Leased PC Software	0	0	0	0	0	0
		Total Intangible Plant - Software	0	18,147,931	18,147,931	0	11,922,464	11,922,464
		Percentage		100.000%	100.000%		0.000%	0.000%
ALLOCATION BASED ON DEPRECIABLE PLANT:								
C-AAM	111	Accumulated Amortization (111.38 & .48)		7,513,956	7,513,956	0	0	0
		Amortization Expense (404X3X)		3,558,822	3,558,822	0	0	0
JURISDICTIONAL ALLOCATION:								
4	111	Accumulated Amortization (111.38 & .48)		7,513,956	7,513,956	0	4,936,369	4,936,369
4		Amortization Expense (404X3X)		3,558,822	3,558,822	0	2,338,004	2,338,004
ALLOCATION RATIOS:								
E-ALL	4	Jurisdictional 4-Factor Ratio		100.000%			65.696%	
							34.304%	

ACCUMULATED DEFERRED FIT NON UTILITY - SPECIFIC GENERAL PLANT For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: C-DTX-12A
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Ref/Basis	Account	Description	Total	Electric	Gas North	Oregon Gas
Deferred FIT - Common Plant (For Report APL)						
7	282900	Utility 7	-9,595,830	-6,905,159	-1,840,480	-850,191
8	282900	Utility 8	0	0	0	0
9	282900	Utility 9	-1,568,676	-1,241,168	-327,508	0
		Total	-11,164,506	-8,146,327	-2,167,988	-850,191

ALLOCATION RATIOS:

E-ALL	7	Elec/Gas North/Oregon 4-Factor	100.000%	71.960%	19.180%	8.860%
E-ALL	8	Gas North/Oregon 4-Factor	100.000%	0.000%	68.157%	31.843%
E-ALL	9	Elec/Gas North 4-Factor	100.000%	79.122%	20.878%	0.000%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%	0.000%

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

DEFERRED FIT RATE BASE

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	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
27	Amortized ITC			
28	SETTLEMENT EXCHANGE POWER			
29	NET OPERATING INCOME	\$0	\$0	\$0
	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	(232,717)	(147,502)	(85,215)
41	TOTAL RATE BASE	(\$232,717)	(\$147,502)	(\$85,215)



AVISTA UTILITIES  
 Electric Accumulated Deferred Taxes  
Average - Twelve Months Ended December 31, 2008

		<u>Alloc</u>	<u>Electric</u>	<u>Washington</u>	<u>Idaho</u>	
		<u>Basis</u>	<u>System</u>			
<b>ACCELERATED TAX DEPRECIATION</b>						
Electric	Production	1	(93,853,164)	(60,460,208)	(33,392,956)	
	Transmission	1	(41,318,566)	(26,617,420)	(14,701,146)	
	Distribution	10	(83,517,729)	(51,664,067)	(31,853,662)	
	General Utility	13	(13,046,749)	(8,367,663)	(4,679,086)	
General Utility	CD AA	4	(6,923,998)	(4,548,790)	(2,375,208)	
General Utility	CD AN	4	(1,206,327)	(792,509)	(413,818)	
Total Accelerated Tax Depr			<u>(239,866,533)</u>	<u>(152,450,657)</u>	<u>(87,415,876)</u>	
CIAC (Dist-WA) Elec		D	7,478,960	7,478,960		
CIAC (Dist-ID) Elec		D	4,320,889		4,320,889	
Colstrip PCB - Elec		1	(680,779)	(438,558)	(242,221)	
FMB & MTN Redeemed		12	(3,295,969)	(2,091,457)	(1,204,512)	
DSM (Elec-ID) Elec		D	(673,369)	0	(673,369)	
Total Other Deferred FIT			<u>7,149,732</u>	<u>4,948,945</u>	<u>2,200,787</u>	
Total Deferred FIT			<u>(232,716,801)</u>	<u>(147,501,712)</u> ✓	<u>(85,215,089)</u>	
<b>Allocation Notes:</b>						
Production/Transmission		1	100.000%	64.420%	35.580%	✓
Jurisdictional four-factor		4	100.000%	65.696%	34.304%	✓
Net electric distribution plant - AMA		10	100.000%	61.860%	38.140%	✓
Net electric plant - AMA		12	100.000%	63.455%	36.545%	✓
Net electric general plant - AMA		13	100.000%	64.136%	35.864%	✓
Direct		D				

Source of Allocation Factors: Results of Operations Report E-ALL-12A  
 Source of Allocation Factors: Results of Operations Report E-PLT-12A

AVISTA UTILITIES  
Accumulated Deferred Taxes  
Average - Twelve Months Ended December 31, 2008

		<u>Total</u> <u>System</u>	<u>Electric</u>	<u>Gas - North</u>	<u>Gas - South</u>
Electric		(231,736,208)	(231,736,208)		
GAS North		(42,088,912)		(42,088,912)	
GAS Oregon		(18,935,938)			(18,935,938)
General Utility	CD AA	(9,622,010)	(6,923,998)	(1,845,502)	(852,510)
General Utility	CD AN	(1,524,642)	(1,206,327)	(318,315)	
Total Accelerated Tax Depr		<u>(303,907,710)</u>	<u>(239,866,533)</u>	<u>(44,252,729)</u>	<u>(19,788,448)</u>

**Average of Monthly Averages**

CIAC (Dist-WA) Elec	190610 ED WA	7,478,960	7,478,960		
CIAC (Dist-ID) Elec	190610 ED ID	4,320,889	4,320,889		
CIAC (Gas-WA) Gas	190610 GD WA	954,974		954,974	
CIAC (Gas-ID) Gas	190610 GD ID	401,502		401,502	
CIAC (Gas-OR) Gas	190610 GD OR	264,054			264,054
Colstrip PCB	283200 ED AN	(680,779)	(680,779)		
FMB & MTN Redeemed	283850 CD AA	(4,580,279)	(3,295,969)	(878,498)	(405,813)
DSM (Elec-ID) Elec	283720 ED ID	(673,369)	(673,369)		
DSM (Gas-WA) Gas	283720 GD WA	(215,536)		(215,536)	
DSM (Gas-ID) Gas	283720 GD ID	(106,443)		(106,443)	
Total Other Deferred FIT		<u>7,163,973</u>	<u>7,149,732</u>	<u>155,999</u>	<u>(141,759)</u>
Total Deferred FIT		<u>(296,743,737)</u>	<u>(232,716,801)</u>	<u>(44,096,730)</u>	<u>(19,930,207)</u>

Results of Operations DFIT					(19,232,070)
DFIT per AMA Calculation					<u>(19,930,207)</u>
DFIT Adjustment					698,137

Source of Allocation Factors: Results of Operations Report E-ALL-12A

CD AA - 7	100.000%	71.960%	19.180%	8.860%	✓
CD AN - 9	100.000%	79.122%	20.878%	0.000%	✓

**AVISTA UTILITIES**  
**Accumulated Deferred Taxes**  
**Associated with Accelerated Tax Depreciation**  
**Estimated Balance at 12/31/2008**

	<u>Alloc</u>	<u>Balance at 12/31/2007</u>	<u>Balance at 12/31/2008</u>	<u>Average Balance 12/31/2008</u>
Electric - 282900	ED AN	(219,900,877)	(243,571,538)	(231,736,208)
Gas North - 282900	GD AN	(38,778,025)	(45,399,798)	(42,088,912)
Oregon Gas - 282900	GD OR	(16,901,937)	(20,969,939)	(18,935,938)
General Utility - 282900	CD AA	(9,101,736)	(10,142,283)	(9,622,010)
General Utility - 282900	CD AN	(1,450,338)	(1,598,945)	(1,524,642)
<b>Total Accelerated Tax Depr</b>		<u>(286,132,913)</u>	<u>(321,682,503)</u>	<u>(303,907,708)</u>
CIACs		12,804,071	14,036,684	13,420,378
BAF & Acquisition adjustments		(652,126)	(1,081,738)	(866,932)
<b>Total Plant for Rate Base</b>		<u>(273,980,968)</u>	<u>(308,727,557)</u>	<u>(291,354,263)</u>

*Rdy*

Source: General Ledger

AVISTA UTILITIES

Account	General Ledger	Serv	Juris	Dec-07	Dec-08
190610	ADFIT CIAC DISTRIBUTION	ED	ID	4,088,496	4,553,281
190610	ADFIT CIAC DISTRIBUTION	ED	WA	7,076,711	7,881,208
190610	ADFIT CIAC DISTRIBUTION	GD	ID	404,283	398,721
190610	ADFIT CIAC DISTRIBUTION	GD	OR	272,993	255,115
190610	ADFIT CIAC DISTRIBUTION	GD	WA	961,588	948,359
				<u>12,804,071</u>	<u>14,036,684</u>
282900	ADFIT	CD	AA	(9,101,736)	(10,142,283)
282900	ADFIT	CD	AN	(1,450,338)	(1,598,945)
282900	ADFIT	ED	AN	(219,900,877)	(243,571,538)
282900	ADFIT	GD	AN	(38,778,025)	(45,399,798)
282900	ADFIT	GD	OR	(16,901,937)	(20,969,939)
282680	ADFIT OREGON WPNG ACQUISITION - NONOP	GD	OR	(905,627)	(1,170,418)
				<u>(287,038,540)</u>	<u>(322,852,921)</u>
282190	ADFIT NON-UTILITY PLANT	ZZ	ZZ	(53,699)	(58,175)
282380	ADFIT SANDPOINT ACQUISITION - NONOP	ZZ	ZZ	307,200	146,855
				<u>253,501</u>	<u>88,680</u>
	Total DFIT per General Ledger			(273,980,968)	(308,727,557)

✓

AVISTA UTILITIES  
Accumulated Deferred Taxes  
AMA Twelve Months Ended December 31, 2008

Source: General Ledger

	<u>CIAC (Dist-WA)</u> <u>190610 ED WA</u>	<u>CIAC (Dist-ID)</u> <u>190610 ED ID</u>	<u>CIAC (Gas-WA)</u> <u>190610 GD WA</u>	<u>CIAC (Gas-ID)</u> <u>190610 GD ID</u>	<u>CIAC (Gas-OR)</u> <u>190610 GD OR</u>	<u>Rate Base</u>
Dec-07	7,076,711	4,088,496	961,588	404,283	272,993	12,804,071
Dec-08	7,881,208	4,553,281	948,359	398,721	255,115	14,036,684
Total	14,957,919	8,641,777	1,909,947	803,004	528,108	
Average	7,478,960	4,320,889	954,974	401,502	264,054	13,420,379

	<u>Colstrip PCB</u> <u>Elec</u> <u>283200 ED AN</u>	<u>Bond Redemp.</u> <u>283850 GD AA</u>
Dec-07	(714,895)	(5,388,226)
Dec-08	(646,663)	(4,223,395)
Total	(1,361,558)	(9,611,621)
Average	(680,779)	(4,805,811)
Jan-08	(709,209)	(5,332,812)
Feb-08	(703,523)	(4,691,255)
Mar-08	(697,837)	(4,637,622)
Apr-08	(692,151)	(4,583,988)
May-08	(686,465)	(4,530,355)
Jun-08	(680,779)	(4,520,855)
Jul-08	(675,093)	(4,471,301)
Aug-08	(669,407)	(4,421,728)
Sep-08	(663,721)	(4,372,115)
Oct-08	(658,035)	(4,322,541)
Nov-08	(652,349)	(4,272,968)
Total	(8,169,348)	(54,963,351)
Average of monthly averages	(680,779)	(4,580,279)

	<u>DSM</u> <u>Elec-ID</u> <u>283720 ED ID</u>	<u>DSM</u> <u>Gas-WA</u> <u>283720 GD WA</u>	<u>DSM</u> <u>Gas-ID</u> <u>283720 GD ID</u>
Dec-07	(897,420)	(274,408)	(124,144)
Dec-08	(449,318)	(156,663)	(88,743)
Total	(1,346,738)	(431,071)	(212,887)
Average	(673,369)	(215,536)	(106,444)
Jan-08	(860,078)	(264,596)	(121,194)
Feb-08	(822,736)	(254,784)	(118,244)
Mar-08	(785,395)	(244,972)	(115,293)
Apr-08	(748,053)	(235,160)	(112,343)
May-08	(710,711)	(225,348)	(109,393)
Jun-08	(673,369)	(215,536)	(106,443)
Jul-08	(636,027)	(205,724)	(103,493)
Aug-08	(598,685)	(195,911)	(100,543)
Sep-08	(561,343)	(186,099)	(97,593)
Oct-08	(524,001)	(176,287)	(94,643)
Nov-08	(486,660)	(166,475)	(91,693)
Total	(8,080,427)	(2,586,428)	(1,277,319)
Average of monthly averages	(673,369)	(215,536)	(106,443)

GL Account Balance Ferc Account : '283200' , Accounting Period : '2008%'

Ferc Acct:283200		Ferc Acct Desc:ADFIT COLSTRIP PCB		Service:ED	Jurisdiction:AN
Accounting Period	Beginning Balance		Monthly Activity	Ending Balance	
200801		-714,894.92	5,686.01	-709,208.91	
200802		-709,208.91	5,686.01	-703,522.90	
200803		-703,522.90	5,686.01	-697,836.89	
200804		-697,836.89	5,686.01	-692,150.88	
200805		-692,150.88	5,686.01	-686,464.87	
200806		-686,464.87	5,686.01	-680,778.86	
200807		-680,778.86	5,686.01	-675,092.85	
200808		-675,092.85	5,686.01	-669,406.84	
200809		-669,406.84	5,686.01	-663,720.83	
200810		-663,720.83	5,686.01	-658,034.82	
200811		-658,034.82	5,686.01	-652,348.81	
200812		-652,348.81	5,686.01	-646,662.80	
			<b>Sum:</b>	<b>68,232.12</b>	

GL Account Balance Ferc Account : '283850' , Accounting Period : '2008%'

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	-5,388,226.13	55,413.98	-5,332,812.15
200802	-5,332,812.15	641,557.35	-4,691,254.80
200803	-4,691,254.80	53,633.26	-4,637,621.54
200804	-4,637,621.54	53,633.26	-4,583,988.28
200805	-4,583,988.28	53,633.26	-4,530,355.02
200806	-4,530,355.02	9,500.37	-4,520,854.65
200807	-4,520,854.65	49,553.44	-4,471,301.21
200808	-4,471,301.21	49,573.35	-4,421,727.86
200809	-4,421,727.86	49,613.18	-4,372,114.68
200810	-4,372,114.68	49,573.35	-4,322,541.33
200811	-4,322,541.33	49,573.35	-4,272,967.98
200812	-4,272,967.98	49,573.35	-4,223,394.63
<b>Sum:</b>			<b>1,164,831.50</b>

GL Account Balance Ferc Account : '283720' , Accounting Period : '2008%'

Ferc Acct Desc:ADFIT DSM Service:ED Jurisdiction:ID			
Acct:283720			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	-897,420.19	37,341.87	-860,078.32
200802	-860,078.32	37,341.87	-822,736.45
200803	-822,736.45	37,341.87	-785,394.58
200804	-785,394.58	37,341.87	-748,052.71
200805	-748,052.71	37,341.87	-710,710.84
200806	-710,710.84	37,341.87	-673,368.97
200807	-673,368.97	37,341.87	-636,027.10
200808	-636,027.10	37,341.87	-598,685.23
200809	-598,685.23	37,341.87	-561,343.36
200810	-561,343.36	37,341.87	-524,001.49
200811	-524,001.49	37,341.87	-486,659.62
200812	-486,659.62	37,341.87	-449,317.75
<b>Sum: 448,102.44</b>			



AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

DEFERRED GAIN  
ON OFFICE BUILDING  
**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		
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	0	0	0
26	Deferred Income Taxes	35.0%		
27	NET OPERATING INCOME	\$0	\$0	\$0
28	RATE BASE			
29	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
	GAIN ON SALE OF BUILDING	(686)	(451)	(235)
39	DEFERRED TAXES	240	158	82
41	TOTAL RATE BASE	(\$446)	(\$293)	(\$153)

D.

**AVISTA UTILITIES**  
**SALE/LEASEBACK OF GENERAL OFFICE FACILITY**  
**RATE BASE ADJUSTMENT - DEFERRED GAIN AND RELATED TAXES**  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**

**CALCULATION OF AVERAGE OF MONTHLY AVERAGES:**

PERIOD	COMPANY		ELECTRIC		GAS	
	Deferred Gain Bal	Deferred Tax Bal	Deferred Gain Bal	Deferred Tax Bal	Deferred Gain Bal	Deferred Tax Bal
	253.850	190.850	253.850	190.850	253.850	190.850
			(ED)		(GD)	
Dec 2007	(1,045,824)	366,046	(784,368)	274,532	(261,456)	91,514
Dec 2008	(784,368)	274,546	(588,276)	205,904	(196,092)	68,642
<b>TOTAL</b>	<b>(1,830,192)</b>	<b>640,592</b>	<b>(1,372,644)</b>	<b>480,436</b>	<b>(457,548)</b>	<b>160,156</b>
Divide by 2	+2	+2	+2	+2	+2	+2
Beg/End Mo Avg	(915,096)	320,296	(686,322)	240,218	(228,774)	80,078
Jan 2008	(1,024,036)	358,421	(768,027)	268,813	(256,009)	89,608
Feb 2008	(1,002,248)	350,796	(751,686)	263,094	(250,562)	87,702
Mar 2008	(980,460)	343,171	(735,345)	257,375	(245,115)	85,796
Apr 2008	(958,672)	335,546	(719,004)	251,656	(239,668)	83,890
May 2008	(936,884)	327,921	(702,663)	245,937	(234,221)	81,984
Jun 2008	(915,096)	320,296	(686,322)	240,218	(228,774)	80,078
Jul 2008	(893,308)	312,671	(669,981)	234,499	(223,327)	78,172
Aug 2008	(871,520)	305,046	(653,640)	228,780	(217,880)	76,266
Sep 2008	(849,732)	297,421	(637,299)	223,061	(212,433)	74,360
Oct 2008	(827,944)	289,796	(620,958)	217,342	(206,986)	72,454
Nov 2008	(806,156)	282,171	(604,617)	211,623	(201,539)	70,548
<b>TOTAL</b>	<b>(10,981,152)</b>	<b>3,843,552</b>	<b>(8,235,864)</b>	<b>2,882,616</b>	<b>(2,745,288)</b>	<b>960,936</b>
Divide by 12	+12	+12	+12	+12	+12	+12
Ave Monthly Average	(915,096)	320,296	(686,322)	240,218	(228,774)	80,077

**Allocation to Jurisdictions--Electric**

	System	Washington	Idaho
Per Electric Allocation Note 2:	100.000%	65.717%	34.283%
Deferred Gain	(686,322)	(451,030)	(235,292)
Deferred Taxes	240,218	157,864	82,354
<b>Net Electric Adj</b>	<b>(446,104)</b>	<b>(293,166)</b>	<b>(152,938)</b>

D3

Ferc Acct	253850	Ferc Acct Desc	DEF GAIN ON BLDG SALE/LEASEBAC	Service	ED
Jurisdiction	AN	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-800,709.00	16,341.00	-784,368.00
200801	-784,368.00	16,341.00	-768,027.00
200802	-768,027.00	16,341.00	-751,686.00
200803	-751,686.00	16,341.00	-735,345.00
200804	-735,345.00	16,341.00	-719,004.00
200805	-719,004.00	16,341.00	-702,663.00
200806	-702,663.00	16,341.00	-686,322.00
200807	-686,322.00	16,341.00	-669,981.00
200808	-669,981.00	16,341.00	-653,640.00
200809	-653,640.00	16,341.00	-637,299.00
200810	-637,299.00	16,341.00	-620,958.00
200811	-620,958.00	16,341.00	-604,617.00
200812	-604,617.00	16,341.00	-588,276.00
Total for All Values: 212,433.00			
Sum: 212,433.00			

D4

**GL Account Balance**

**Ferc Account : '190850'**

Ferc Acct	190850	Ferc Acct Desc	ADFIT GAIN GENERAL OFFICE BLDG	Service	ED
Jurisdiction	AN	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	280,250.65	-5,719.00	274,531.65
200801	274,531.65	-5,719.00	268,812.65
200802	268,812.65	-5,719.00	263,093.65
200803	263,093.65	-5,719.00	257,374.65
200804	257,374.65	-5,719.00	251,655.65
200805	251,655.65	-5,719.00	245,936.65
200806	245,936.65	-5,719.00	240,217.65
200807	240,217.65	-5,719.00	234,498.65
200808	234,498.65	-5,719.00	228,779.65
200809	228,779.65	-5,719.00	223,060.65
200810	223,060.65	-5,719.00	217,341.65
200811	217,341.65	-5,719.00	211,622.65
200812	211,622.65	-5,719.00	205,903.65
		Total for All Values: -74,347.00	
		Sum: -74,347.00	

RESULTS OF CALCULATIONS

AVISTA UTILITIES

**ELECTRIC ALLOCATION PERCENTAGES**  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-ALL-12A

Basis	Ref	Description	Production/Transmission Ratio	12/31/2008	System	Washington	Idaho
1	Input	Production/Transmission Ratio		12/31/2008	100.000%	64.420%	35.580%
2	Input	Number of Customers Percent		12/31/2008	352,352 100.000%	231,554 65.717%	120,798 34.283%
3	E-OPS	Direct Distribution Operating Expense Percent			20,192,873 100.000%	13,509,542 66.903%	6,683,331 33.097%
	Input	Jurisdictional 4-Factor Ratio		12/31/2008			
		Direct O & M Accts 500 - 598			14,403,963	9,616,346	4,787,617
		Direct O & M Accts 901 - 935			4,987,613	3,376,346	1,611,267
		Total			19,391,576	12,992,692	6,398,884
		Percentage			100.000%	67.002%	32.998%
		Direct Labor Accts 500 - 598			8,589,586	5,794,987	2,794,599
		Direct Labor Accts 901 - 935			2,645,059	2,011,391	633,668
		Total			11,234,645	7,806,378	3,428,267
		Percentage			100.000%	69.485%	30.515%
		Number of Customers			354,732	233,087	121,645
		Percentage			100.000%	65.708%	34.292%
		Net Direct Plant			664,541,627	402,643,453	261,898,174
		Percentage			100.000%	60.590%	39.410%
4		Total Percentages			400.000%	262.785%	137.215%
		Percent			100.000%	65.696%	34.304%

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AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

COLSTRIP #3 AFUDC  
ELIMINATION REALLOCATION  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
Production and Transmission				
7	Operating Expenses			
8	Purchased Power			
9	Depreciation and Amortization	(195)	(195)	0
10	Taxes			
11	Total Production & Transmission	(195)	(195)	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	(195)	(195)	0
24	Operating Income before FIT	195	195	0
Federal Income Taxes				
25	Current Accrual	0		
26	Deferred Income Taxes	35.0%		
27	NET OPERATING INCOME	\$195	\$195	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
28	Intangible			
29	Production	(7,490)	(7,490)	0
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	(7,490)	(7,490)	0
34	ACCUMULATED DEPRECIATION	(5,572)	(5,572)	0
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	(5,572)	(5,572)	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES			
39	TOTAL RATE BASE	(\$1,918)	(\$1,918)	\$0



AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

COLSTRIP #3  
COMMON AFUDC ADJUSTMENT  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	0		
26	Deferred Income Taxes	35.0%		
27	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
28	Intangible			
29	Production	1,338	429	909
30	Transmission			
31	Distribution			
32	General			
33	Total Plant in Service	1,338	429	909
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	\$1,338	\$429	\$909



**AVISTA UTILITIES  
COLSTRIP COMMON AFUDC ADJUSTMENT  
TWELVE MONTHS ENDED December 31, 2008**

AVERAGE MONTHLY AVERAGES (13 Month average)

PERIOD	WASHINGTON (acct 186100 / 111100 WA)	IDAHO (acct 186100 / 111100 ID)
Annual Amortization	31,743	67,304
Dec 2007	444,401	942,256
Dec 2008	412,658	874,952
	857,059	1,817,208
	÷ 2	÷ 2
Average of beginning and ending months	428,530	908,604
Jan 2008	441,756	936,647
Feb 2008	439,111	931,038
Mar 2008	436,466	925,429
Apr 2008	433,821	919,820
May 2008	431,176	914,211
Jun 2008	428,531	908,602
Jul 2008	425,886	902,993
Aug 2008	423,241	897,384
Sept 2008	420,596	891,775
Oct 2008	417,951	886,166
Nov 2008	415,306	880,557
	5,142,371	10,903,226
	÷ 12	÷ 12
AVERAGE OF MONTHLY AVERAGES	428,531	908,602

Source: General Ledger, see attached

GL Account Balance Ferc Account : '186100' , Accounting Period : '2008%'

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	1,110,999.00	0.00	1,110,999.00
200802	1,110,999.00	0.00	1,110,999.00
200803	1,110,999.00	0.00	1,110,999.00
200804	1,110,999.00	0.00	1,110,999.00
200805	1,110,999.00	0.00	1,110,999.00
200806	1,110,999.00	0.00	1,110,999.00
200807	1,110,999.00	0.00	1,110,999.00
200808	1,110,999.00	0.00	1,110,999.00
200809	1,110,999.00	0.00	1,110,999.00
200810	1,110,999.00	0.00	1,110,999.00
200811	1,110,999.00	0.00	1,110,999.00
200812	1,110,999.00	0.00	1,110,999.00
<b>Sum: 0.00</b>			

12/31/2007	1,110,999.00
	<u>-666,598.47</u>
	444,400.53
12/31/2008	1,110,999.00
	<u>-698,341.35</u>
	412,657.65

GL Account Balance Ferc Account : '111100' , Accounting Period : '2008%'

Ferc Acct:111100		Ferc Acct Desc:ACC AMT COLSTRIP AFUDC COMMON	Service:ED	Jurisdiction:WA
Accounting Period	Beginning Balance		Monthly Activity	Ending Balance
200801	-666,598.47		-2,645.24	-669,243.71
200802	-669,243.71		-2,645.24	-671,888.95
200803	-671,888.95		-2,645.24	-674,534.19
200804	-674,534.19		-2,645.24	-677,179.43
200805	-677,179.43		-2,645.24	-679,824.67
200806	-679,824.67		-2,645.24	-682,469.91
200807	-682,469.91		-2,645.24	-685,115.15
200808	-685,115.15		-2,645.24	-687,760.39
200809	-687,760.39		-2,645.24	-690,405.63
200810	-690,405.63		-2,645.24	-693,050.87
200811	-693,050.87		-2,645.24	-695,696.11
200812	-695,696.11		-2,645.24	-698,341.35
			<b>Sum: -31,742.88</b>	

GL Account Balance Ferc Account : '186100' , Accounting Period : '2008%'

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	2,355,642.00	0.00	2,355,642.00
200802	2,355,642.00	0.00	2,355,642.00
200803	2,355,642.00	0.00	2,355,642.00
200804	2,355,642.00	0.00	2,355,642.00
200805	2,355,642.00	0.00	2,355,642.00
200806	2,355,642.00	0.00	2,355,642.00
200807	2,355,642.00	0.00	2,355,642.00
200808	2,355,642.00	0.00	2,355,642.00
200809	2,355,642.00	0.00	2,355,642.00
200810	2,355,642.00	0.00	2,355,642.00
200811	2,355,642.00	0.00	2,355,642.00
200812	2,355,642.00	0.00	2,355,642.00
<b>Sum: 0.00</b>			

12/31/2007	2,355,642.00
	-1,413,385.44
	<u>942,256.56</u>
12/31/2008	2,355,642.00
	-1,480,689.48
	<u>874,952.52</u>

GL Account Balance Ferc Account : '111100' , Accounting Period : '2008%'

Ferc		Ferc Acct Desc:ACC AMT COLSTRIP AFUDC	Service:ED	Jurisdiction:ID
Acct:111100		COMMON		
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
200801	-1,413,385.44	-5,608.67	-1,418,994.11	
200802	-1,418,994.11	-5,608.67	-1,424,602.78	
200803	-1,424,602.78	-5,608.67	-1,430,211.45	
200804	-1,430,211.45	-5,608.67	-1,435,820.12	
200805	-1,435,820.12	-5,608.67	-1,441,428.79	
200806	-1,441,428.79	-5,608.67	-1,447,037.46	
200807	-1,447,037.46	-5,608.67	-1,452,646.13	
200808	-1,452,646.13	-5,608.67	-1,458,254.80	
200809	-1,458,254.80	-5,608.67	-1,463,863.47	
200810	-1,463,863.47	-5,608.67	-1,469,472.14	
200811	-1,469,472.14	-5,608.67	-1,475,080.81	
200812	-1,475,080.81	-5,608.67	-1,480,689.48	
		<b>Sum: -67,304.04</b>		

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

KETTLE FALLS DISALLOWANCE  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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			
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	
27	NET OPERATING INCOME	(\$56)	(\$56)	\$0
<b>RATE BASE</b>				
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	(3,830)	(3,830)	0
35	ACCUM. PROVISION FOR AMORTIZATION			
36	Total Accum. Depreciation & Amort.	(3,830)	(3,830)	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES	584	584	
39	TOTAL RATE BASE	(\$834)	(\$834)	\$0

AVISTA UTILITIES

Kettle Falls  
Reserve Balance and Amortization  
State of Washington  
December 1986 - December 2018

		Washington				
		Reserve Balance	Amortization (32 Years)	Cumulative Amortization	Accumulated Depreciation	Amortization (Remaining 14 Years)
	Dec 1986	(\$5,247,725)			(\$405,000)	
1	Dec 1987	(5,083,733)	(\$163,992)	(\$163,992)	(405,000)	
2	Dec 1988	(4,919,741)	(163,992)	(327,984)	(405,000)	
3	Dec 1989	(4,755,749)	(163,992)	(491,976)	(405,000)	
4	Dec 1990	(4,591,757)	(163,992)	(655,968)	(405,000)	
5	Dec 1991	(4,427,765)	(163,992)	(819,960)	(405,000)	
6	Dec 1992	(4,263,773)	(163,992)	(983,952)	(405,000)	
7	Dec 1993	(4,099,781)	(163,992)	(1,147,944)	(405,000)	
8	Dec 1994	(3,935,789)	(163,992)	(1,311,936)	(405,000)	
9	Dec 1995	(3,771,797)	(163,992)	(1,475,928)	(405,000)	
10	Dec 1996	(3,607,805)	(163,992)	(1,639,920)	(405,000)	
11	Dec 1997	(3,443,813)	(163,992)	(1,803,912)	(405,000)	
12	Dec 1998	(3,279,821)	(163,992)	(1,967,904)	(405,000)	
13	Dec 1999	(3,115,829)	(163,992)	(2,131,896)	(405,000)	
14	Dec 2000	(2,951,837)	(163,992)	(2,295,888)	(405,000)	
15	Dec 2001	(2,787,845)	(163,992)	(2,459,880)	(405,000)	
16	Dec 2002	(2,623,853)	(163,992)	(2,623,872)	(405,000)	
17	Dec 2003	(2,459,861)	(163,992)	(2,787,864)	(405,000)	
18	Dec 2004	(2,295,869)	(163,992)	(2,951,856)	(405,000)	
19	Dec 2005	(2,131,877)	(163,992)	(3,115,848)	(376,068)	28,932
20	Dec 2006	(1,967,885)	(163,992)	(3,279,840)	(347,136)	28,932
21	Dec 2007	(1,803,893)	(163,992)	(3,443,832)	(318,204)	28,932
22	Dec 2008	(1,639,901)	+ (163,992)	(3,607,824)	(289,272)	* 28,932
23	Dec 2009	(1,475,909)	(163,992)	(3,771,816)	(260,340)	28,932
24	Dec 2010	(1,311,917)	(163,992)	(3,935,808)	(231,408)	28,932
25	Dec 2011	(1,147,925)	(163,992)	(4,099,800)	(202,476)	28,932
26	Dec 2012	(983,933)	(163,992)	(4,263,792)	(173,544)	28,932
27	Dec 2013	(819,941)	(163,992)	(4,427,784)	(144,612)	28,932
28	Dec 2014	(655,949)	(163,992)	(4,591,776)	(115,680)	28,932
29	Dec 2015	(491,957)	(163,992)	(4,755,768)	(86,748)	28,932
30	Dec 2016	(327,965)	(163,992)	(4,919,760)	(57,816)	28,932
31	Dec 2017	(163,973)	(163,992)	(5,083,752)	(28,884)	28,932
32	Dec 2018	0	(163,973)	(5,247,725)	0	28,884
	Test Period Amortization		-\$163,992 + \$28,932 =	(\$135,060)		
	Amortization per ROO			(\$134,954)		
	Adjustment			(\$106)	(rounds to zero)	

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 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
<b>TRANSMISSION OPERATING EXPENSE:</b>											
<b>OPERATION</b>											
1	560000	Supervision & Engineering	229,019	1,998,431	2,227,450	158,213	1,287,389	1,445,602	70,806	711,042	781,848
1	561000	Load Dispatching	0	1,981,275	1,981,275	0	1,276,337	1,276,337	0	704,938	704,938
1	562000	Station Expense	0	252,115	252,115	0	162,412	162,412	0	89,703	89,703
1	563000	Overhead Line Expense	0	505,160	505,160	0	325,424	325,424	0	179,736	179,736
1	565000	Transmission of Electricity by Others	0	13,632,001	13,632,001	0	8,781,735	8,781,735	0	4,850,266	4,850,266
1	566000	Miscellaneous Transmission Expense	0	1,312,796	1,312,796	0	845,703	845,703	0	467,093	467,093
1	567000	Rent	0	100,620	100,620	0	64,819	64,819	0	35,801	35,801
<b>MAINTENANCE</b>											
1	568000	Supervision & Engineering	0	591,365	591,365	0	380,957	380,957	0	210,408	210,408
1	569000	Structures	0	279,425	279,425	0	180,006	180,006	0	99,419	99,419
1	570000	Station Equipment	0	1,237,394	1,237,394	0	797,129	797,129	0	440,265	440,265
1	571000	Overhead Lines	300	1,226,563	1,226,863	0	790,152	790,152	300	436,711	436,711
1	572000	Underground Lines	0	1,311	1,311	0	845	845	0	466	466
1	573000	Service Miscellaneous	0	7,209	7,209	0	4,644	4,644	0	2,565	2,565
<b>TOTAL TRANSMISSION OPERATING EXP</b>			<b>229,319</b>	<b>23,125,665</b>	<b>23,354,984</b>	<b>158,213</b>	<b>14,897,552</b>	<b>15,055,765</b>	<b>71,106</b>	<b>8,228,113</b>	<b>8,299,219</b>
<b>OTHER TRANSMISSION OPERATING EXPENSE:</b>											
1	403X40	Deprec Exp-Prod Plant (403x10, 403x20, 403x30)	0	26,423,248	26,423,248	0	17,021,856	17,021,856	0	9,401,392	9,401,392
1	403X30	Depreciation Expense--Transmission Plant	0	9,266,249	9,266,249	0	5,969,318	5,969,318	0	3,296,931	3,296,931
1	404X20	Amortization of Limited-Term Plant	2,785	91,223	94,008	2,785	58,766	61,551	0	32,457	32,457
1	404X20	Amortization of Hydro Licensing Costs	0	337,715	337,715	0	217,556	217,556	0	120,159	120,159
99	405930	Amortization of Investment in Exchange Power	2,450,031	0	2,450,031	2,450,031	0	2,450,031	0	0	0
99	406100	Amort of Acq Adj--Colstrip Common AFUDC	99,047	0	99,047	31,743	0	31,743	67,304	0	67,304
1	404X10	Amortization of Citizens Utilities Organization Costs	0	0	0	0	0	0	0	0	0
1	404X60/70	Amortization of Leased Transportation Vehicles	0	0	0	0	0	0	0	0	0
1	404X60	Amort of Leased Transportation Vehicles (C-AMT)	0	0	0	0	0	0	0	0	0
99	407403	Disallowed Amortization Expense for K.F. Plant	-134,954	0	-134,954	-134,954	0	-134,954	0	0	0
99	407405	Amortization of Boulder Park Write Off - Idaho	-103,530	0	-103,530	0	0	0	-103,530	0	-103,530
99	407370	Amortization of Small Gen. Capital Costs	0	0	0	0	0	0	0	0	0
99	407380	Amortization of Wartsila Generators	153,132	0	153,132	153,132	0	153,132	0	0	0
99	407400	Amortization of CCX Credits	-106,320	0	-106,320	0	0	0	-106,320	0	-106,320
99	407420	Amortization of CCS2 Levelized Return	-174,560	0	-174,560	0	0	0	-174,560	0	-174,560
99	407450/499	Amortization of BPA Residential Exchange Credit	-6,211,368	0	-6,211,368	-3,575,671	0	-3,575,671	-2,635,697	0	-2,635,697
E-OTX		Taxes Other Than FIT--Prod & Trans	0	12,715,825	12,715,825	0	8,191,534	8,191,534	0	4,524,291	4,524,291
<b>TOTAL DEP/AMT/TAXES OTHER THEN FIT</b>			<b>-4,025,737</b>	<b>48,834,260</b>	<b>44,808,523</b>	<b>-1,072,934</b>	<b>31,459,030</b>	<b>30,386,096</b>	<b>-2,952,803</b>	<b>17,375,230</b>	<b>14,422,427</b>
<b>TOTAL PRODUCTION &amp; TRANS EXPENSE</b>			<b>45,501,830</b>	<b>553,470,594</b>	<b>598,972,424</b>	<b>26,873,784</b>	<b>356,545,754</b>	<b>383,419,538</b>	<b>18,628,046</b>	<b>196,924,840</b>	<b>215,552,886</b>



## AVISTA UTILITIES

**Kettle Falls  
AMA Disallowance  
State of Washington  
Twelve Months Ended December 31, 2008**

	<u>Disallowance</u>	<u>Cumulative Amortization</u>	<u>Accumulated Depreciation</u>
Dec-07	\$5,247,725	\$3,443,832	\$318,204
Dec-08	5,247,725	3,607,824	289,272
<b>Total</b>	<b>\$10,495,450</b>	<b>\$7,051,656</b>	<b>\$607,476</b>
Divide by 2	÷ 2	÷ 2	÷ 2
<b>Average</b>	<b>\$5,247,725</b>	<b>\$3,525,828</b>	<b>\$303,738</b>
Jan-08	5,247,725	3,457,498	315,793
Feb-08	5,247,725	3,471,164	313,382
Mar-08	5,247,725	3,484,830	310,971
Apr-08	5,247,725	3,498,496	308,560
May-08	5,247,725	3,512,162	306,149
Jun-08	5,247,725	3,525,828	303,738
Jul-08	5,247,725	3,539,494	301,327
Aug-08	5,247,725	3,553,160	298,916
Sep-08	5,247,725	3,566,826	296,505
Oct-08	5,247,725	3,580,492	294,094
Nov-08	5,247,725	3,594,158	291,683
<b>Total</b>	<b>\$62,972,700</b>	<b>\$42,309,936</b>	<b>\$3,644,856</b>
Divide by 12	÷ 12	÷ 12	÷ 12
<b>Average of Monthly Averages</b>	<b>\$5,247,725 ✓</b>	<b>\$3,525,828</b>	<b>\$303,738</b>
<b>Total AMA Cum. Amort. &amp; Accum. Depr.</b>		<b>\$3,829,566 ✓</b>	

AVISTA UTILITIES

Deferred FIT Associated with the  
Kettle Falls Disallowance  
State of Washington  
1983 - 2008  
\*\*\*\*\*

Disallowance	\$5,247,725	
Tax Basis at 95%	\$4,985,339	(Reflects ITC basis reduction.)

Book Depreciation Rates		
*****		
1983	1/35/12=	0.002381
1984-2017	1/35=	0.028571

Deferred taxes have been adjusted to a 35-year life.  
(In service for 1 month.)

Year	Book Deprec. Rate	Book Deprec. Amount	Tax Deprec. Rate	Tax Deprec. Amount	Book-Tax Depreciation	Tax Rate	Deferred Tax Expense	Deferred Tax Balance
****	*****	*****	*****	*****	*****	*****	*****	*****
1983	0.002381	\$11,870	0.05	\$249,267	(\$237,397)	0.460000	\$109,203	(\$109,203)
1984	0.028571	142,436	0.10	498,534	(356,098)	0.460000	163,805	(273,008)
1985	0.028571	142,436	0.09	448,681	(306,245)	0.460000	140,873	(413,881)
1986	0.028571	142,436	0.08	398,827	(256,391)	0.460000	117,940	(531,821)
1987	0.028571	142,436	0.07	348,974	(206,538)	0.400000	82,615	(614,436)
1988	0.028571	142,436	0.07	348,974	(206,538)	0.340000	70,223	(684,659)
1989	0.028571	142,436	0.06	299,120	(156,684)	0.340000	53,273	(737,932)
1990	0.028571	142,436	0.06	299,120	(156,684)	0.340000	53,273	(791,205)
1991	0.028571	142,436	0.06	299,120	(156,684)	0.340000	53,273	(844,478)
1992	0.028571	142,436	0.06	299,120	(156,684)	0.340000	53,273	(897,751)
1993	0.028571	142,436	0.06	299,120	(156,684)	0.350000	54,839	(952,590)
1994	0.028571	142,436	0.06	299,120	(156,684)	0.350000	54,839	(1,007,429)
1995	0.028571	142,436	0.06	299,120	(156,684)	0.350000	54,839	(1,062,268)
1996	0.028571	142,436	0.06	299,120	(156,684)	0.350000	54,839	(1,117,107)
1997	0.028571	142,436	0.06	299,120	(156,684)	0.350000	54,839	(1,171,946)
1998	0.028571	142,436	0	0	142,436	0.393355	-56,028	(1,115,918)
1999	0.028571	142,436	0	0	142,436	0.393355	-56,028	(1,059,890)
2000	0.028571	142,436	0	0	142,436	0.393355	-56,028	(1,003,862)
2001	0.028571	142,436	0	0	142,436	0.393355	-56,028	(947,834)
2002	0.028571	142,436	0	0	142,436	0.393355	-56,028	(891,806)
2003	0.028571	142,436	0	0	142,436	0.393355	-56,028	(835,778)
2004	0.028571	142,436	0	0	142,436	0.393355	-56,028	(779,750)
2005	0.028571	142,436	0	0	142,436	0.393355	-56,028	(723,722)
2006	0.028571	142,436	0	0	142,436	0.393355	-56,028	(667,694)
2007	0.028571	142,436	0	0	142,436	0.393355	-56,028	(611,666)
2008	0.028571	142,436	0	0	142,436	0.393355	-56,028	(555,638)
2009	0.028571	142,436	0	0	142,436	0.393355	-56,028	(499,610)
2010	0.028571	142,436	0	0	142,436	0.393355	-56,028	(443,582)
2011	0.028571	142,436	0	0	142,436	0.393355	-56,028	(387,554)
2012	0.028571	142,436	0	0	142,436	0.393355	-56,028	(331,526)
2013	0.028571	142,436	0	0	142,436	0.393355	-56,028	(275,498)
2014	0.028571	142,436	0	0	142,436	0.393355	-56,028	(219,470)
2015	0.028571	142,436	0	0	142,436	0.393355	-56,028	(163,442)
2016	0.028571	142,436	0	0	142,436	0.393355	-56,028	(107,414)
2017	0.028571	142,436	0	0	142,436	0.393355	-56,028	(51,386)
2018	0.026190	130,645	0	0	130,645	0.393355	-51,390	4
		<u>4,985,339</u>		<u>4,985,337</u>			<u>-4</u>	

Deferred Tax Balance at December 31, 2007	(\$611,666)
Deferred Tax Balance at December 31, 2008	(\$555,638)
	<u>(\$1,167,304)</u>

(\$583,652) AMA ✓

Tax Expense Recorded for the Test Period

	Depreciation	Tax Expense	
Tax Depreciation	\$0	\$0	Current
Book-Tax Depreciation	142,436	(56,028)	Deferred ✓
Book Depreciation	<u>\$142,436</u>	<u>(\$56,028)</u>	Net

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

H<sub>1</sub>

CUSTOMER  
ADVANCES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	0	0	0
26	Deferred income Taxes	35.0%		
27	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
28	Intangible			
29	Production			
30	Transmission			
31	Distribution	(1,121)	(232)	(889)
32	General			
33	Total Plant in Service	(1,121)	(232)	(889)
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	(\$1,121)	(\$232)	(\$889)

**AVISTA UTILITIES  
CUSTOMER ADVANCES  
AVERAGE OF MONTHLY AVERAGE SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008**

Account Number	TOTAL	ELECTRIC		GAS	
		Washington	Idaho	Washington	Idaho
252100 CDAA	\$653	\$289	\$178	\$123	\$63
252100 ED	(1,121,546)	(232,613)	(888,933)		
252100 GD	(122,505)			(48,947)	(73,558)
TOTALS	(\$1,243,398)	(\$232,324)	(\$888,755)	(\$48,824)	(\$73,495)

**AVISTA UTILITIES  
 ALLOCATION OF UNASSIGNED CUSTOMER ADVANCES  
 TWELVE MONTHS ENDED DECEMBER 31, 2008**

	<b>Distribution</b>		<b>Unassigned Advances</b>
	<b>Plant</b>	<b>Percentage</b>	<b>Account 252100</b>
<b>WWP Elec</b>			
WA	561,248,264	38.27%	289
ID	346,443,234	23.63%	178
<b>WWP Gas</b>			
WA	238,917,426	16.29%	123
ID	123,305,713	8.41%	63
<b>WPNG Gas</b>			
OR	196,507,381	13.40%	101
<b>TOTAL</b>	<b>1,466,422,018</b>	<b>100.00%</b>	<b>754</b>

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**AVISTA UTILITIES**  
**RATE BASE ADJUSTMENT - CUSTOMER ADVANCES**  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**

**CALCULATION OF AVERAGE OF MONTHLY AVERAGES:**

PERIOD	TOTAL	ELECTRIC		GAS	
	Customer Advance Bal 252000	Wash 252000	Idaho 252000	Wash 252000	Idaho 252000
	CDAAs				
Dec 2007	0				
Dec 2008	0				
TOTAL	0				
Divide by 2	÷2				
Beg/End Mo Avg	0				
Jan 2008	5,120				
Feb 2008	2,062				
Mar 2008	2,404				
Apr 2008	0				
May 2008	0				
Jun 2008	0				
Jul 2008	0				
Aug 2008	0				
Sep 2008	0				
Oct 2008	0				
Nov 2008	(533)				
TOTAL	9,053				
Divide by 12	÷12				
	754	See allocation of unassigned customer advances worksheet.			
Ave Monthly Average	653	289	178	123	63

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**AVISTA UTILITIES  
RATE BASE ADJUSTMENT - CUSTOMER ADVANCES  
TWELVE MONTHS ENDED DECEMBER 31, 2008**

**CALCULATION OF AVERAGE OF MONTHLY AVERAGES:**

<b>PERIOD</b>		<b>TOTAL</b>	<b>ELECTRIC</b>	
		<b>Customer Advance Bal 252000</b>	<b>EDWA Wash 252000</b>	<b>EDID Idaho 252000</b>
			WA	ID
Dec	2007	(1,132,649)	(232,448)	(900,201)
Dec	2008	(1,141,051)	(245,878)	(895,173)
<b>TOTAL</b>		<b>(2,273,700)</b>	<b>(478,326)</b>	<b>(1,795,374)</b>
Divide by 2		÷2	÷2	÷2
<b>Beg/End Mo Avg</b>		<b>(1,136,850)</b>	<b>(239,163)</b>	<b>(897,687)</b>
Jan	2008	(1,150,177)	(232,448)	(917,729)
Feb	2008	(1,102,459)	(232,448)	(870,011)
Mar	2008	(1,102,859)	(232,448)	(870,411)
Apr	2008	(1,103,950)	(232,448)	(871,502)
May	2008	(1,101,292)	(232,448)	(868,844)
Jun	2008	(1,090,944)	(214,278)	(876,666)
Jul	2008	(1,087,705)	(211,908)	(875,797)
Aug	2008	(1,123,967)	(210,328)	(913,639)
Sep	2008	(1,163,467)	(249,828)	(913,639)
Oct	2008	(1,145,921)	(249,828)	(896,093)
Nov	2008	(1,148,951)	(253,778)	(895,173)
<b>TOTAL</b>		<b>(13,458,542)</b>	<b>(2,791,351)</b>	<b>(10,667,191)</b>
Divide by 12		÷12	÷12	÷12
<b>Ave Monthly Average</b>		<b>(1,121,545)</b>	<b>(232,613)</b>	<b>(888,933)</b>

**AVISTA UTILITIES  
RATE BASE ADJUSTMENT - CUSTOMER ADVANCES  
TWELVE MONTHS ENDED DECEMBER 31, 2008**

**CALCULATION OF AVERAGE OF MONTHLY AVERAGES:**

PERIOD	TOTAL		GAS	
	Customer	GDWA	GDWA	GDID
	Advance Bal	Wash	Idaho	Idaho
	252000	252000	252000	252000
Dec 2007	(133,285)	(59,727)	(73,558)	(73,558)
Dec 2008	(122,036)	(48,478)	(73,558)	(73,558)
<b>TOTAL</b>	<b>(255,321)</b>	<b>(108,205)</b>	<b>(147,116)</b>	<b>(147,116)</b>
Divide by 2	÷2	÷2	÷2	÷2
Beg/End Mo Avg	(127,661)	(54,103)	(73,558)	(73,558)
Jan 2008	(122,036)	(48,478)	(73,558)	(73,558)
Feb 2008	(122,036)	(48,478)	(73,558)	(73,558)
Mar 2008	(122,036)	(48,478)	(73,558)	(73,558)
Apr 2008	(122,036)	(48,478)	(73,558)	(73,558)
May 2008	(122,036)	(48,478)	(73,558)	(73,558)
Jun 2008	(122,036)	(48,478)	(73,558)	(73,558)
Jul 2008	(122,036)	(48,478)	(73,558)	(73,558)
Aug 2008	(122,036)	(48,478)	(73,558)	(73,558)
Sep 2008	(122,036)	(48,478)	(73,558)	(73,558)
Oct 2008	(122,036)	(48,478)	(73,558)	(73,558)
Nov 2008	(122,036)	(48,478)	(73,558)	(73,558)
<b>TOTAL</b>	<b>(1,470,057)</b>	<b>(587,361)</b>	<b>(882,696)</b>	<b>(882,696)</b>
Divide by 12	÷12	÷12	÷12	÷12
<b>Ave Monthly Average</b>	<b>(122,505)</b>	<b>(48,947)</b>	<b>(73,558)</b>	<b>(73,558)</b>

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GL Account Balance

Ferc Account : '252000'

Ferc Acct	252000	Ferc Acct Desc	CUSTOMER ADVANCE ASSIGNED TO P	Service	CD
Jurisdiction	AA	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	0.40	-0.40	0.00
200801	0.00	5,120.00	5,120.00
200802	5,120.00	-3,058.20	2,061.80
200803	2,061.80	342.50	2,404.30
200804	2,404.30	-2,404.30	0.00
200805	0.00	0.00	0.00
200806	0.00	0.00	0.00
200807	0.00	0.00	0.00
200808	0.00	0.00	0.00
200809	0.00	0.00	0.00
200810	0.00	0.00	0.00
200811	0.00	-532.63	-532.63
200812	-532.63	532.63	0.00
Total for All Values: -0.40			
Sum: -0.40			

GL Account Balance

Ferc Account : '252000'

Ferc Acct	252000	Ferc Acct Desc	CUSTOMER ADVANCE ASSIGNED TO P	Service	ED
Jurisdiction	WA	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	<del>245,087.50</del>	12,640.00	-232,447.50
200801	-232,447.50	0.00	-232,447.50
200802	-232,447.50	0.00	-232,447.50
200803	-232,447.50	0.00	-232,447.50
200804	-232,447.50	0.00	-232,447.50
200805	-232,447.50	0.00	-232,447.50
200806	-232,447.50	18,170.00	-214,277.50
200807	-214,277.50	2,370.00	-211,907.50
200808	-211,907.50	1,580.00	-210,327.50
200809	-210,327.50	-39,500.00	-249,827.50
200810	-249,827.50	0.00	-249,827.50
200811	-249,827.50	-3,950.00	-253,777.50
200812	-253,777.50	7,900.00	-245,877.50
		Total for All Values: -790.00	
		Sum: -790.00	

GL Account Balance

Ferc Account : '252000'

Ferc Acct	252000	Ferc Acct Desc	CUSTOMER ADVANCE ASSIGNED TO P	Service	ED
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Jurisdiction	ID	Statind	DL
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Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-899,368.91	-832.13	-900,201.04
200801	-900,201.04	-17,528.20	-917,729.24
200802	-917,729.24	47,718.70	-870,010.54
200803	-870,010.54	-400.22	-870,410.76
200804	-870,410.76	-1,091.40	-871,502.16
200805	-871,502.16	2,658.00	-868,844.16
200806	-868,844.16	-7,821.47	-876,665.63
200807	-876,665.63	869.00	-875,796.63
200808	-875,796.63	-37,842.00	-913,638.63
200809	-913,638.63	0.00	-913,638.63
200810	-913,638.63	17,545.40	-896,093.23
200811	-896,093.23	920.00	-895,173.23
200812	-895,173.23	0.00	-895,173.23

Total for All Values: 4,195.68

Sum: 4,195.68

GL Account Balance

Ferc Account : '252000'

Ferc Acct	252000	Ferc Acct Desc	CUSTOMER ADVANCE ASSIGNED TO P		Service	GD
Jurisdiction	WA	Statind	DL			

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-59,727.20	0.00	-59,727.20
200801	-59,727.20	11,249.23	-48,477.97
200802	-48,477.97	0.00	-48,477.97
200803	-48,477.97	0.00	-48,477.97
200804	-48,477.97	0.00	-48,477.97
200805	-48,477.97	0.00	-48,477.97
200806	-48,477.97	0.00	-48,477.97
200807	-48,477.97	0.00	-48,477.97
200808	-48,477.97	0.00	-48,477.97
200809	-48,477.97	0.00	-48,477.97
200810	-48,477.97	0.00	-48,477.97
200811	-48,477.97	0.00	-48,477.97
200812	-48,477.97	0.00	-48,477.97
		Total for All Values: 11,249.23	
		Sum: 11,249.23	



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GL Account Balance

Ferc Account : '252000'

Ferc Acct	252000	Ferc Acct Desc	CUSTOMER ADVANCE ASSIGNED TO P	Service	GD
Jurisdiction	ID	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-73,557.60	0.00	-73,557.60
200801	-73,557.60	0.00	-73,557.60
200802	-73,557.60	0.00	-73,557.60
200803	-73,557.60	0.00	-73,557.60
200804	-73,557.60	0.00	-73,557.60
200805	-73,557.60	0.00	-73,557.60
200806	-73,557.60	0.00	-73,557.60
200807	-73,557.60	0.00	-73,557.60
200808	-73,557.60	0.00	-73,557.60
200809	-73,557.60	0.00	-73,557.60
200810	-73,557.60	0.00	-73,557.60
200811	-73,557.60	0.00	-73,557.60
200812	-73,557.60	0.00	-73,557.60
		Total for All Values:	0.00
		Sum:	0.00



RESULTS OF ... RATIONS

AVISTA UTILITIES

ELECTRIC UTILITY PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 E-PLT-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>TRANSMISSION PLANT:</b>											
1	350XXX	Land & Land Rights	0	14,067,243	14,067,243	0	9,062,118	9,062,118	0	5,005,125	5,005,125
1	352XXX	Structures & Improvements	0	15,350,569	15,350,569	0	9,888,837	9,888,837	0	5,461,732	5,461,732
1	353000	Station Equipment	0	168,491,930	168,491,930	0	108,542,501	108,542,501	0	59,949,429	59,949,429
1	354000	Towers & Fixtures	0	17,089,155	17,089,155	0	11,008,834	11,008,834	0	6,080,321	6,080,321
1	355000	Poles & Fixtures	0	126,849,816	126,849,816	0	81,716,651	81,716,651	0	45,133,165	45,133,165
1	356000	Overhead Conductors & Devices	0	101,275,388	101,275,388	0	65,241,605	65,241,605	0	36,033,783	36,033,783
1	357000	Underground Conduit	0	2,002,001	2,002,001	0	1,289,689	1,289,689	0	712,312	712,312
1	358000	Underground Conductors & Devices	0	2,120,030	2,120,030	0	1,365,723	1,365,723	0	754,307	754,307
1	359000	Roads & Trails	0	1,841,064	1,841,064	0	1,186,013	1,186,013	0	655,051	655,051
		<b>TOTAL TRANSMISSION PLANT</b>	<b>0</b>	<b>449,087,196</b>	<b>449,087,196</b>	<b>0</b>	<b>289,301,971</b>	<b>289,301,971</b>	<b>0</b>	<b>159,785,225</b>	<b>159,785,225</b>
<b>DISTRIBUTION PLANT:</b>											
99	360200	Land & Land Rights	3,995,922	0	3,995,922	3,024,401	0	3,024,401	971,521	0	971,521
99	360400	Land Easements	14,590	0	14,590	10,213	0	10,213	4,377	0	4,377
99	361000	Structures & Improvements	11,388,786	0	11,388,786	8,180,460	0	8,180,460	3,208,326	0	3,208,326
99	362000	Station Equipment	83,416,239	0	83,416,239	53,159,243	0	53,159,243	30,256,996	0	30,256,996
99	364000	Poles, Towers, & Fixtures	190,499,503	0	190,499,503	115,562,450	0	115,562,450	74,937,053	0	74,937,053
99	365000	Overhead Conductors & Devices	125,231,434	0	125,231,434	73,881,563	0	73,881,563	51,349,871	0	51,349,871
99	366000	Underground Conduit	68,330,534	0	68,330,534	41,550,607	0	41,550,607	26,779,927	0	26,779,927
99	367000	Underground Conductors & Devices	110,131,679	0	110,131,679	69,942,396	0	69,942,396	40,189,283	0	40,189,283
99	368000	Line Transformers	155,534,370	0	155,534,370	99,604,046	0	99,604,046	55,930,324	0	55,930,324
99	369XXX	Services	107,501,342	0	107,501,342	66,146,105	0	66,146,105	41,355,237	0	41,355,237
99	370000	Meters	24,683,455	0	24,683,455	15,256,476	0	15,256,476	9,426,979	0	9,426,979
99	373XXX	Street Light & Signal Systems	26,963,644	0	26,963,644	14,930,304	0	14,930,304	12,033,340	0	12,033,340
99	374000	Asset Recovery Obligation (NOT PICKED UP)	907,691,498	0	907,691,498	561,248,264	0	561,248,264	346,443,234	0	346,443,234
		<b>TOTAL DISTRIBUTION PLANT</b>	<b>907,691,498</b>	<b>0</b>	<b>907,691,498</b>	<b>561,248,264</b>	<b>0</b>	<b>561,248,264</b>	<b>346,443,234</b>	<b>0</b>	<b>346,443,234</b>
<b>GENERAL PLANT: (From Report C-GPL)</b>											
4	389XXX	Land & Land Rights	820,284	1,617,265	2,437,549	372,436	1,062,478	1,434,914	447,848	554,787	1,002,635
4	390XXX	Structures & Improvements	5,945,668	23,987,679	29,933,347	1,671,161	15,758,946	17,430,107	4,274,507	8,228,733	12,503,240
4	391XXX	Office Furniture & Equipment	0	21,052,945	21,052,945	0	13,830,943	13,830,943	0	7,222,002	7,222,002
4	392XXX	Transportation Equipment	5,995,397	4,264,385	10,259,782	4,253,683	2,801,530	7,055,213	1,741,714	1,462,855	3,204,569
4	393000	Stores Equipment	349,282	787,988	1,137,270	132,508	517,677	650,185	216,774	270,311	487,085
4	394000	Tools, Shop & Garage Equipment	1,770,773	2,791,555	4,562,328	1,324,384	1,833,940	3,158,324	446,389	957,615	1,404,004
4	395000	Laboratory Equipment	709,092	3,062,211	3,771,303	390,955	2,011,750	2,402,705	318,137	1,050,461	1,368,598
4	396XXX	Power Operated Equipment	16,271,509	6,289,079	22,560,588	10,430,049	4,131,673	14,561,722	5,841,460	2,157,406	7,998,866
4	397XXX	Communications Equipment	7,175,562	38,463,760	45,639,322	5,110,929	25,269,152	30,380,081	2,064,633	13,194,608	15,259,241
4	398000	Miscellaneous Equipment	12,318	451,786	464,104	4,099	296,805	300,904	8,219	154,981	163,200
99	399100	Asset Recovery Obligation (NOT PICKED UP)	39,049,885	102,768,653	141,818,538	23,690,204	67,514,894	91,205,098	15,359,681	35,253,759	50,613,440
		<b>TOTAL GENERAL PLANT</b>	<b>39,049,885</b>	<b>102,768,653</b>	<b>141,818,538</b>	<b>23,690,204</b>	<b>67,514,894</b>	<b>91,205,098</b>	<b>15,359,681</b>	<b>35,253,759</b>	<b>50,613,440</b>
<b>TOTAL PLANT IN SERVICE</b>											
99	107XXX	CONSTRUCTION WORK IN PROGRESS	946,895,424	1,607,480,207	2,554,375,631	585,092,509	1,037,083,358	1,622,175,867	361,802,915	570,396,849	932,199,764
		<b>GROSS ELECTRIC PLANT</b>	<b>946,895,424</b>	<b>1,607,480,207</b>	<b>2,554,375,631</b>	<b>585,092,509</b>	<b>1,037,083,358</b>	<b>1,622,175,867</b>	<b>361,802,915</b>	<b>570,396,849</b>	<b>932,199,764</b>

GAS UTILITY PLANT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 G-PLT-12A

\*\*\*\*\* IDAHO \*\*\*\*\*

\*\*\*\*\* WASHINGTON \*\*\*\*\*

\*\*\*\*\* SYSTEM \*\*\*\*\*

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>PLANT IN SERVICE</b>											
<b>INTANGIBLE PLANT--SOFTWARE:</b>											
(from Report C-IPL)											
4	303000	Intangible Gas Plant	417,899	35,451	453,350	249,449	23,472	272,921	168,450	11,979	180,429
4	303100	Misc Intangible Plant--Mainframe Software	0	2,674,206	2,674,206	0	1,770,619	1,770,619	0	903,587	903,587
4	303110	Misc Intangible Plant--PC Software	0	2,256,988	2,256,988	0	1,494,374	1,494,374	0	762,614	762,614
		<b>TOTAL INTANGIBLE PLANT--SOFTWARE</b>	<b>417,899</b>	<b>4,966,645</b>	<b>5,384,544</b>	<b>249,449</b>	<b>3,288,465</b>	<b>3,537,914</b>	<b>168,450</b>	<b>1,678,180</b>	<b>1,846,630</b>
<b>UNDERGROUND STORAGE PLANT:</b>											
1	350000	Land & Land Rights	0	472,423	472,423	0	335,090	335,090	0	137,333	137,333
1	351000	Structures & Improvements	0	1,125,388	1,125,388	0	798,238	798,238	0	327,150	327,150
1	352000	Wells	0	12,792,877	12,792,877	0	9,073,988	9,073,988	0	3,718,889	3,718,889
1	353000	Lines	0	858,211	858,211	0	608,729	608,729	0	249,482	249,482
1	354000	Compressor Station Equipment	0	3,968,929	3,968,929	0	2,815,161	2,815,161	0	1,153,768	1,153,768
1	355000	Measuring & Regulating Equipment	0	173,784	173,784	0	123,265	123,265	0	50,519	50,519
1	356000	Purification Equipment	0	407,617	407,617	0	289,123	289,123	0	118,494	118,494
1	357000	Other Equipment	0	1,714,408	1,714,408	0	1,216,030	1,216,030	0	498,378	498,378
		<b>TOTAL UNDERGROUND STORAGE PLANT</b>	<b>0</b>	<b>21,513,637</b>	<b>21,513,637</b>	<b>0</b>	<b>15,259,624</b>	<b>15,259,624</b>	<b>0</b>	<b>6,254,013</b>	<b>6,254,013</b>
<b>DISTRIBUTION PLANT:</b>											
6	374200	Land & Land Rights	84,970	0	84,970	60,300	0	60,300	24,670	0	24,670
6	374400	Land Easements	0	0	0	0	0	0	0	0	0
6	375000	Structures & Improvements	541,874	22,254	564,128	391,958	15,603	407,561	149,916	6,651	156,567
6	376000	Mains	181,773,732	2,512,521	184,286,253	116,464,044	1,761,654	118,225,698	65,309,688	750,867	66,060,555
6	378000	Measuring & Reg Station Equip-General	3,788,277	57,440	3,845,717	2,459,326	40,274	2,499,600	1,328,951	17,166	1,346,117
6	379000	Measuring & Reg Station Equip-City Gate	2,990,612	60,967	3,051,579	689,632	42,747	732,379	2,300,980	18,220	2,319,200
6	380000	Services	124,815,282	0	124,815,282	82,534,675	0	82,534,675	42,280,607	0	42,280,607
6	381000	Meters	45,745,505	0	45,745,505	34,363,045	0	34,363,045	11,382,460	0	11,382,460
6	382000	Meter Installations	0	0	0	0	0	0	0	0	0
6	383000	House Regulators	0	0	0	0	0	0	0	0	0
6	384000	House Regulator Installations	0	0	0	0	0	0	0	0	0
6	385000	Industrial Measuring & Reg Sta Equip	2,482,887	0	2,482,887	1,954,446	0	1,954,446	528,441	0	528,441
6	387000	Other Equipment	0	0	0	0	0	0	0	0	0
		<b>TOTAL DISTRIBUTION PLANT</b>	<b>362,223,139</b>	<b>2,653,182</b>	<b>364,876,321</b>	<b>238,917,426</b>	<b>1,860,278</b>	<b>240,777,704</b>	<b>123,305,713</b>	<b>792,904</b>	<b>124,098,617</b>
<b>GENERAL PLANT: (From C-GPL)</b>											
4	389000	Land & Land Rights	189,559	424,435	613,994	98,275	281,023	379,298	91,284	143,412	234,696
4	390000	Structures & Improvements	2,009,836	6,226,789	8,236,625	1,177,309	4,122,819	5,300,128	832,527	2,103,970	2,936,497
4	391000	Office Furniture & Equipment	0	5,685,077	5,685,077	0	3,764,146	3,764,146	0	1,920,931	1,920,931
4	392000	Transportation Equipment	3,537,385	502,339	4,039,724	2,623,875	332,604	2,956,479	913,510	169,735	1,083,245
4	393000	Stores Equipment	162,983	129,495	292,478	113,566	85,740	199,306	49,417	43,755	93,172
4	394000	Tools, Shop & Garage Equipment	1,432,457	1,085,721	2,518,178	977,670	718,867	1,696,537	454,787	366,854	821,641
4	395000	Laboratory Equipment	247,190	509,439	756,629	186,449	337,305	523,754	60,741	172,134	232,875
4	396000	Power Operated Equipment	3,467,001	559,490	4,026,491	2,653,203	370,444	3,023,647	813,798	189,046	1,002,844

AVISTA UTILITIES

RESULTS OF OPERATIONS

GAS UTILITY PLANT		Report ID: W-PLT-12A
For Twelve Months Ended December 31, 2008		
Average of Monthly Average Basis		
Ref/Basis	Account	Description

		***** SYSTEM *****		***** OREGON *****		*****	
Ref/Basis	Account	Direct	Allocated	Total	Direct	Allocated	Total
<b>PLANT IN SERVICE</b>							
<b>INTANGIBLE PLANT:</b>							
99	301000	0	0	0	0	0	0
99	302000	0	0	0	0	0	0
99	303000	335,528	0	335,528	335,528	0	335,528
99	303110	1,281,761	0	1,281,761	1,281,761	0	1,281,761
99	303110	1,041,559	0	1,041,559	1,041,559	0	1,041,559
99	303120	2,658,848	0	2,658,848	2,658,848	0	2,658,848
<b>TOTAL INTANGIBLE PLANT</b>							
<b>UNDERGROUND STORAGE PLANT:</b>							
99	350200	0	0	0	0	0	0
99	351200	217	0	217	217	0	217
99	352000	876,165	0	876,165	876,165	0	876,165
99	353000	12,889	0	12,889	12,889	0	12,889
99	354000	605,060	0	605,060	605,060	0	605,060
99	357000	0	0	0	0	0	0
<b>TOTAL UNDERGROUND STORAGE PLANT</b>							
<b>PRODUCTION PLANT:</b>							
99	304000	7,628	0	7,628	7,628	0	7,628
99	305000	0	0	0	0	0	0
99	311XXXX	58	0	58	58	0	58
<b>TOTAL PRODUCTION PLANT</b>							
<b>DISTRIBUTION PLANT:</b>							
99	374200	17,965	0	17,965	17,965	0	17,965
99	374400	0	0	0	0	0	0
99	375000	237,717	0	237,717	237,717	0	237,717
99	376000	107,665,510	0	107,665,510	107,665,510	0	107,665,510
99	378000	1,712,773	0	1,712,773	1,712,773	0	1,712,773
99	379000	1,215,747	0	1,215,747	1,215,747	0	1,215,747
99	380000	54,971,073	0	54,971,073	54,971,073	0	54,971,073
99	381000	29,826,052	0	29,826,052	29,826,052	0	29,826,052
99	385000	860,005	0	860,005	860,005	0	860,005
99	387000	539	0	539	539	0	539
<b>TOTAL DISTRIBUTION PLANT</b>							
		1,494,331	0	1,494,331	1,494,331	0	1,494,331
		7,628	0	7,628	7,628	0	7,628
		58	0	58	58	0	58
		7,686	0	7,686	7,686	0	7,686
		17,965	0	17,965	17,965	0	17,965
		237,717	0	237,717	237,717	0	237,717
		107,665,510	0	107,665,510	107,665,510	0	107,665,510
		1,712,773	0	1,712,773	1,712,773	0	1,712,773
		1,215,747	0	1,215,747	1,215,747	0	1,215,747
		54,971,073	0	54,971,073	54,971,073	0	54,971,073
		29,826,052	0	29,826,052	29,826,052	0	29,826,052
		860,005	0	860,005	860,005	0	860,005
		539	0	539	539	0	539
		196,507,381	0	196,507,381	196,507,381	0	196,507,381



AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

SETTLEMENT  
EXCHANGE POWER  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	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
27	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
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	52,268	52,268	
36	Total Accum. Depreciation & Amort.	52,268	52,268	0
37	GAIN ON SALE OF BUILDING			
38	DEFERRED TAXES	(4,917)	(4,917)	
39	TOTAL RATE BASE	\$22,441	\$22,441	\$0

Avista Corporation  
 Settlement Exchange Power (WNP3) Adjustment - Washington  
 12 Months Ended 12/31/08

	<u>Monthly</u>	<u>Annual</u>
Normal amortization	\$204,169.23	\$2,450,030.76
Amount recorded for 12ME 12/31/08		<u>2,450,030.76</u>
Adjustment		\$0.00
Normal deferred FIT expense	-\$36,692.00	-\$440,304.00
Amount recorded for 12ME 12/31/08		<u>-440,304.00</u>
Adjustment		\$0.00
RATE BASE (\$000's)		
Production		\$79,626
Accum. amort. (AMA 2008 - 6/08 balance)		52,268
Deferred FIT (AMA 2008 - 6/08 balance)		<u>-4,917</u>
Total rate base		<u><u>\$22,441</u></u>

Avista Corporation  
Settlement Exchange Power (WNP3) Adjustment

Accumulated Amortization - Account 124930.ED.WA

Period	Amorization	Balance
200613	0	-48,592,669.52
200701	-204,169.23	-48,796,838.75
200702	-204,169.23	-49,001,007.98
200703	-204,169.23	-49,205,177.21
200704	-204,169.23	-49,409,346.44
200705	-204,169.23	-49,613,515.67
200706	-204,169.23	-49,817,684.90
200707	-204,169.23	-50,021,854.13
200708	-204,169.23	-50,226,023.36
200709	-204,169.23	-50,430,192.59
200710	-204,169.23	-50,634,361.82
200711	-204,169.23	-50,838,531.05
200712	-204,169.23	-51,042,700.28
	<u>-2,450,030.76</u>	
200713	0	-51,042,700.28
200801	-204,169.23	-51,246,869.51
200802	-204,169.23	-51,451,038.74
200803	-204,169.23	-51,655,207.97
200804	-204,169.23	-51,859,377.20
200805	-204,169.23	-52,063,546.43
200806	-204,169.23	-52,267,715.66
200807	-204,169.23	-52,471,884.89
200808	-204,169.23	-52,676,054.12
200809	-204,169.23	-52,880,223.35
200810	-204,169.23	-53,084,392.58
200811	-204,169.23	-53,288,561.81
200812	-204,169.23	-53,492,731.04
	<u>-2,450,030.76</u>	

← AMA

Deferred Federal Income Tax - Account 283120.ED.WA

Period	Amorization	Balance
200613	0	-5,577,171.00
200701	36,692.00	-5,540,479.00
200702	36,692.00	-5,503,787.00
200703	36,692.00	-5,467,095.00
200704	36,692.00	-5,430,403.00
200705	36,692.00	-5,393,711.00
200706	36,692.00	-5,357,019.00
200707	36,692.00	-5,320,327.00
200708	36,692.00	-5,283,635.00
200709	36,692.00	-5,246,943.00
200710	36,692.00	-5,210,251.00
200711	36,692.00	-5,173,559.00
200712	36,692.00	-5,136,867.00
	<u>440,304.00</u>	
200713	0	-5,136,867.00
200801	36,692.00	-5,100,175.00
200802	36,692.00	-5,063,483.00
200803	36,692.00	-5,026,791.00
200804	36,692.00	-4,990,099.00
200805	36,692.00	-4,953,407.00
200806	36,692.00	-4,916,715.00
200807	36,692.00	-4,880,023.00
200808	36,692.00	-4,843,331.00
200809	36,692.00	-4,806,639.00
200810	36,692.00	-4,769,947.00
200811	36,692.00	-4,733,255.00
200812	36,692.00	-4,696,563.00
	<u>440,304.00</u>	

← AMA

Detail Balances (AWA CORP) - 001.124930 ED.WA.DL

Balance Type: **Actual**      Currency Type: **Entered**  
Factor: **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200801	USD	-204,169.23		51,246,869.51	
200802	USD	-204,169.23		51,451,038.74	
200803	USD	-204,169.23		51,655,207.97	
200804	USD	-204,169.23		51,859,377.20	
200805	USD	-204,169.23		52,063,546.43	
200806	USD	-204,169.23		52,267,715.66	
200807	USD	-204,169.23		52,471,884.89	
200808	USD	-204,169.23		52,676,054.12	
200809	USD	-204,169.23		52,880,223.35	
200810	USD	-204,169.23		53,084,392.58	
200811	USD	-204,169.23		53,288,561.81	
200812	USD	-204,169.23		53,492,731.04	

Journal Details      Summary Balances

Balance Type **Actual** Currency Type **Entered**  
Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200801	USD	36,692.00		5,100,175.00	
200802	USD	36,692.00		5,063,483.00	
200803	USD	36,692.00		5,026,791.00	
200804	USD	36,692.00		4,990,099.00	
200805	USD	36,692.00		4,953,407.00	
200806	USD	36,692.00		4,916,715.00	
200807	USD	36,692.00		4,880,023.00	
200808	USD	36,692.00		4,843,331.00	
200809	USD	36,692.00		4,806,639.00	
200810	USD	36,692.00		4,769,947.00	
200811	USD	36,692.00		4,733,255.00	
200812	USD	36,692.00		4,696,563.00	

Journal Details

Summary Balances

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

ELIMINATE  
B & O TAXES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	(\$16,445)	(\$13,897)	(\$2,548)
2	Interdepartmental Sales			
3	Sales For Resale			
4	Total Sales of Electricity	(16,445)	(13,897)	(2,548)
5	Other Revenue	(16)	(16)	0
6	Total Electric Revenue	(16,461)	(13,913)	(2,548)
<b>EXPENSES</b>				
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	(16,425)	(13,871)	(2,554)
15	Total Distribution	(16,425)	(13,871)	(2,554)
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	(16,425)	(13,871)	(2,554)
24	Operating Income before FIT	(36)	(42)	6
Federal Income Taxes				
25	Current Accrual	(13)	(15)	2
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$23)	(\$27)	\$4
<b>RATE BASE</b>				
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 DECEMBER 31, 2008  
 (000'S) OF DOLLARS

ELIMINATE  
 B & O TAXES  
 ELECTRIC

Description	Idaho
<b>REVENUES</b>	
Total General Business	(\$2,548)
Interdepartmental Sales	0
Sales For Resale	0
Total Sales of Electricity	<u>(2,548)</u>
Other Revenue	0
Total Electric Revenue	<u>(2,548)</u>
<b>EXPENSES</b>	
Production and Transmission	
Operating Expenses	0
Purchased Power	0
Depreciation and Amortization	0
Taxes	0
Total Production & Transmission	<u>0</u>
Distribution	
Operating Expenses	0
Depreciation	0
Taxes	(2,554)
Total Distribution	<u>(2,554)</u>
Customer Accounting	0
Customer Service & Information	0
Marketing	0
Administrative & General	
Operating Expenses	0
Depreciation	0
Taxes	0
Total Admin. & General	<u>0</u>
Total Electric Expenses	<u>(2,554)</u>
Operating Income before SIT	<u>6</u>
Idaho State Income Tax	
Adjusted Rate of	0.010721
	<u>\$0</u>

**AVISTA UTILITIES**  
**ELIMINATE B & O TAXES**  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**  
 Electric

	<u>Washington</u>	<u>Idaho</u>
<b>Expense per Account 408.12</b> <i>(Results Report E-OTX-12A)</i>	13,959,887	2,554,125
<b>Excise Tax exemption for Tribal members</b> <b>on Tribal land per WAC 458-20-192</b>	(89,310)	
<b>B&amp;O Taxes Collected through Schedule 58 and 58A</b>	13,913,024	2,548,305
<b>Net Impact on NOI Before FIT</b> <i>(before ID SIT)</i>	<u>(\$42,447)</u>	<u>\$5,820</u>

For WA & ID this adjustment eliminates the impact of Schedule  
 58 and WA Sch 58A from both revenues & expense.



**AVISTA UTILITIES  
B & O TAX COLLECTED  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
ELECTRIC**

DESCRIPTION	CLASS	Schedule 58	Schedule 58A (1)	12ME 12/08 Total
<b>WASHINGTON-E6</b>				
<b>GENERAL BUSINESS</b>				
Residential	1	6,125,149.29	-43,258.01	6,081,891.28
Commercial	21	7,191,524.90	-44,210.15	7,147,314.75
Industrial-Firm-Misc	31	479,474.69	-6.12	479,468.57
-Firm-Pumping	39	5,343.35	-865.99	4,477.36
Street Lighting	51	185,061.43	-969.80	184,091.63
Total General Business		13,986,553.66	-89,310.07	13,897,243.59
<b>OTHER REVENUES</b>				
-Theft of Service	18	0.00	0.00	0.00
-Energy Exchanger	61-63	0.00	0.00	0.00
-Rent Electric Prop.	85	15,579.38	0.00	15,579.38
-Other Electric Rev.	86	200.64	0.00	200.64
Total Other Revenues		15,780.02	0.00	15,780.02
<b>TOTAL</b>		14,002,333.68	-89,310.07	13,913,023.61
(2) Reverse Interdepartmental	80	303.91		303.91

DESCRIPTION	CLASS	SCH	12ME 12/08
<b>IDAHO-E6</b>			
<b>GENERAL BUSINESS</b>			
Residential	1	58	1,128,166.62
Commercial	21	58	1,322,218.56
Industrial-Firm-Misc	31	58	65,928.50
-Firm-Pumping	39	58	2,645.38
Street Lighting	51	58	29,063.50
Total General Business			2,548,022.56
-Theft of Service	18	58	0.00
-Rent Electric Prop.	85	58	282.72
Total Other Revenues			282.72
<b>TOTAL</b>			2,548,305.28
(2) Reverse Interdepartmental	80	58	28.81
<b>SYSTEM TOTAL</b>			<u>16,461,328.89</u>

- (1) Schedule 58A reflects refunded WA excise tax embedded in rates to tribal members on tribal land per WAC 458-20-192. This amount needs to be added back to the excise tax expense to offset the elimination of the refund.
- (2) Interdepartmental revenues are not subject to B&O taxes and any entries in the revenue runs are due to errors in the revenue system and the amounts should be reversed. They are not included in the expense accrual.

source: Revenue Runs

Electric Revenue Report by Location Current Month and Year-to-Date for Accounting Period : 200812 , Rate Schedule : 058

Accounting Period:200812 Rate Schedule:058

State Code	Ferc Acct	Revenue Class	Meters	Usage	Revenue Amt	Total M	Avg M	MD Usa	YTD Revenue Amt
ID	440000	01	0	0	\$130,768.33	0	0	0	\$1,128,166.62
		<b>Total for 440000</b>	<b>0</b>	<b>0</b>	<b>\$130,768.33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$1,128,166.62</b>
	442200	21	0	0	\$125,259.35	0	0	0	\$1,322,218.56
		<b>Total for 442200</b>	<b>0</b>	<b>0</b>	<b>\$125,259.35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$1,322,218.56</b>
	442300	31	0	0	\$4,438.17	0	0	0	\$65,928.50
		39	0	0	\$206.43	0	0	0	\$2,645.38
		<b>Total for 442300</b>	<b>0</b>	<b>0</b>	<b>\$4,644.60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$68,573.88</b>
	444000	51	0	0	\$2,704.63	0	0	0	\$29,063.50
		<b>Total for 444000</b>	<b>0</b>	<b>0</b>	<b>\$2,704.63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$29,063.50</b>
	448000	80	0	0	\$16.03	0	0	0	\$28.81
		<b>Total for 448000</b>	<b>0</b>	<b>0</b>	<b>\$16.03</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$28.81</b>
	454000	85	0	0	\$26.27	0	0	0	\$282.72
		<b>Total for 454000</b>	<b>0</b>	<b>0</b>	<b>\$26.27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$282.72</b>
	<b>Total for ID</b>			<b>0</b>	<b>0</b>	<b>\$263,419.21</b>	<b>0</b>	<b>0</b>	<b>0</b>
WA	440000	01	0	0	\$607,365.16	0	0	0	\$6,125,149.29
		<b>Total for 440000</b>	<b>0</b>	<b>0</b>	<b>\$607,365.16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$6,125,149.29</b>
	442200	21	0	0	\$611,269.33	0	0	0	\$7,191,524.90
		<b>Total for 442200</b>	<b>0</b>	<b>0</b>	<b>\$611,269.33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$7,191,524.90</b>
	442300	31	0	0	\$39,304.37	0	0	0	\$479,474.69
		39	0	0	\$208.47	0	0	0	\$5,343.35
		<b>Total for 442300</b>	<b>0</b>	<b>0</b>	<b>\$39,512.84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$484,818.04</b>
	444000	51	0	0	\$15,547.86	0	0	0	\$185,061.43
		<b>Total for 444000</b>	<b>0</b>	<b>0</b>	<b>\$15,547.86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$185,061.43</b>
	448000	80	0	0	\$26.09	0	0	0	\$303.91
		<b>Total for 448000</b>	<b>0</b>	<b>0</b>	<b>\$26.09</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$303.91</b>
	454000	85	0	0	\$950.63	0	0	0	\$15,579.38
		<b>Total for 454000</b>	<b>0</b>	<b>0</b>	<b>\$950.63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$15,579.38</b>
	456000	86	0	0	\$16.72	0	0	0	\$200.64
<b>Total for 456000</b>		<b>0</b>	<b>0</b>	<b>\$16.72</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$200.64</b>	
<b>Total for WA</b>			<b>0</b>	<b>0</b>	<b>\$1,274,688.63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$14,002,637.59</b>
<b>Total for 058</b>			<b>0</b>	<b>0</b>	<b>\$1,538,107.84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$16,550,971.68</b>
<b>Total for 058</b>			<b>0</b>	<b>0</b>	<b>\$1,538,107.84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$16,550,971.68</b>

Electric Revenue Report by Location Current Month and Year-to-Date for Accounting Period : 200812 , Rate Schedule : 058A

Accounting Period:200812 Rate Schedule:058A

State Code	Ferc Acct	Revenue Class	Meters	Usage	Revenue Amt	Total M	Avg M	MD Usa	YTD Revenue Amt
WA	440000	01	0	0	-\$4,744.76	0	0	0	-\$43,258.01
		<b>Total for 440000</b>	<b>0</b>	<b>0</b>	<b>-\$4,744.76</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$43,258.01</b>
	442200	21	0	0	-\$4,339.27	0	0	0	-\$44,210.15
		<b>Total for 442200</b>	<b>0</b>	<b>0</b>	<b>-\$4,339.27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$44,210.15</b>
	442300	31	0	0	-\$0.51	0	0	0	-\$6.12
		39	0	0	-\$55.81	0	0	0	-\$865.99
		<b>Total for 442300</b>	<b>0</b>	<b>0</b>	<b>-\$56.32</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$872.11</b>
	444000	51	0	0	-\$41.67	0	0	0	-\$969.80
		<b>Total for 444000</b>	<b>0</b>	<b>0</b>	<b>-\$41.67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$969.80</b>
	<b>Total for WA</b>			<b>0</b>	<b>0</b>	<b>-\$9,182.02</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total for 058A</b>			<b>0</b>	<b>0</b>	<b>-\$9,182.02</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$89,310.07</b>
<b>Total for 058A</b>			<b>0</b>	<b>0</b>	<b>-\$9,182.02</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$89,310.07</b>

Transaction Analysis Selection: Accounting Period : '2008%', GI Ferc Account : '408%'

Accounting Ferc Period:<All Acct:408120 >	Ferc Acct Desc:TAXES OTHER THAN INC-MUN/OCCUP	Source Id:<All>	Transaction Desc:<All>
---	---	-----------------	------------------------

Transaction Amount		Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
Service	Jurisdiction			
ED	ID	2,544,125.26	NULL	NULL
	WA	13,959,887.22	NULL	NULL
GD	ID	1,558,955.31	1,558,955.31	NULL
	OR	4,266,014.39	NULL	4,266,014.39
	WA	7,633,613.85	7,633,613.85	NULL
Total for <All>		29,962,596.03		
Total		16,504,012.48	9,192,569.16	4,266,014.39

AVISTA UTILITIES  
 ELECTRIC ADJUSTMENT SUMMARY  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

PROPERTY TAX  
 ADJUSTMENT  
 ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
Production and Transmission				
7	Operating Expenses			
8	Purchased Power			
9	Depreciation and Amortization			
10	Taxes	(44)	(44)	0
11	Total Production & Transmission	(44)	(44)	0
Distribution				
12	Operating Expenses			
13	Depreciation			
14	Taxes	(232)	(232)	0
15	Total Distribution	(232)	(232)	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
Administrative & General				
19	Operating Expenses			
20	Depreciation			
21	Taxes	(3)	(3)	0
22	Total Admin. & General	(3)	(3)	0
23	Total Electric Expenses	(279)	(279)	0
24	Operating Income before FIT	279	279	0
Federal Income Taxes				
25	Current Accrual (at 35%)	98	98	0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$181	\$181	\$0
<b>RATE BASE</b>				
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

Property Tax Adjustment-Electric  
For the Twelve Months Ended December 31, 2008

		System	Washington	Idaho
Property Tax Adjustment				
Prod/Trans		-68,073	-43,853	-24,220
Distribution		-275,122	-231,947	-43,175
General		-4,926	-3,236	-1,690
Idaho SIT	0.012216	844		844
Total expenses		-347,277	-279,036	-68,241
Operating income before FIT		347,277	279,036	68,241
FIT	0.350	121,547	97,663	23,884
Net operating income		225,730	181,373	44,357

## AVISTA UTILITIES

Property Tax Adjustment-Electric  
For the Twelve Months Ended December 31, 2008

Functionalization based on Plant Balances at 12/31/2008

	System	Washington	Idaho	Montana	Oregon
Production	34,532	-105,085	-18,802	7,849	150,570
Transmission	-102,605	-93,441	-18,411	1,015	8,232
Distribution	-275,122	-231,947	-43,179	4	0
General	-4,926	-3,673	-1,253	0	0
<b>Total</b>	<b>-348,120</b>	<b>-434,146</b>	<b>-81,644</b>	<b>8,868</b>	<b>158,802</b>

Allocation Percentages

Production	24.205%	23.029%	88.509%	94.816%
Transmission	21.523%	22.550%	11.448%	5.184%
Distribution	53.426%	52.886%	0.043%	0.000%
General	0.846%	1.535%	0.000%	0.000%
<b>Total</b>		<b>100.000%</b>	<b>100.000%</b>	<b>100.000%</b>

Allocate to each state based on function:

		System	Washington	Idaho
<b>WA Property Tax Adjustment</b>				
Prod/Trans	1	-198,526	-127,890	-70,636
Distribution	99	-231,947	-231,947	0
General	4	-3,673	-2,413	-1,260
<b>Total</b>		<b>-434,146</b>	<b>-362,250</b>	<b>-71,896</b>
<b>ID Property Tax Adjustment</b>				
Prod/Trans	1	-37,213	-23,973	-13,240
Distribution	99	-43,179	0	-43,179
General	4	-1,253	-823	-430
<b>Total</b>		<b>-81,645</b>	<b>-24,796</b>	<b>-56,849</b>
<b>MT Property Tax Adjustment</b>				
Prod/Trans	1	8,864	5,710	3,154
Distribution	99	4	0	4
General	4	0	0	0
<b>Total</b>		<b>8,868</b>	<b>5,710</b>	<b>3,158</b>
<b>OR Property Tax Adjustment</b>				
Prod/Trans	1	158,802	102,300	56,502
Distribution	99	0	0	0
General	4	0	0	0
<b>Total</b>		<b>158,802</b>	<b>102,300</b>	<b>56,502</b>
<b>Prod/Trans Total</b>		<b>-68,073</b>	<b>-43,853</b>	<b>-24,220</b>
<b>Distribution Total</b>		<b>-275,122</b>	<b>-231,947</b>	<b>-43,175</b>
<b>General Total</b>		<b>-4,926</b>	<b>-3,236</b>	<b>-1,690</b>
<b>Total Adjustment</b>		<b>-348,121</b>	<b>-279,036</b>	<b>-69,085</b>

Allocation Notes

Prod/Trans Alloc Ratio	1	100.000%	64.420%	35.580%	✓
Jurisdictional 4 Factor Ratio	4	100.000%	65.696%	34.304%	✓
Direct	99	0.000%	0.000%	0.000%	

AVISTA UTILITIES

Property Tax Adjustment  
For the Twelve Months Ended December 31, 2008

	<u>Electric</u>	<u>Gas</u>
<u>Washington</u>		
Current Period Expense	5,831,000	1,329,000
Accrual per Results by State (Situs)	6,265,146	1,476,790
Adjustment	<u>(434,146)</u>	<u>(147,790)</u>
<u>Idaho</u>		
Current Period Expense	2,952,000	625,000
Accrual per Results by State (Situs)	3,033,644	705,997
Adjustment	<u>(81,644)</u>	<u>(80,997)</u>
<u>Montana</u>		
Current Period Expense	6,669,000	
Accrual per Results by State (Situs)	6,660,132	
Adjustment	<u>8,868</u>	
<u>Oregon</u>		
Current Period Expense	13,000	
Gyote Springs Expense	138,000	
Subtotal Expense	<u>151,000</u>	
Accrual per Results by State (Situs)	-7,802	
Adjustment	<u>158,802</u>	
<u>Colstrip Indirect (Note 1)</u>		
Current Period Expense	4,228	
Accrual per Results	4,228	
Adjustment	<u>0</u>	
Total	<u>(348,120)</u>	<u>(228,787)</u>
<u>Total</u>		
Current Period Expense	15,607,228	1,954,000
Amount reflected in results (E-OTX-12A & G-OTX-12A)	15,955,348	2,182,787
Adjustment	<u>(348,120)</u>	<u>(228,787)</u>

PROPERTY TAX ESTIMATES FOR RATES - as of 12/08/2008

SUMMARY:

ELECTRIC:

WASHINGTON  
 EST ADJ TO WASH  
 IDAHO  
 MONTANA  
 OREGON - Transm line only  
 OREGON - Coyote Springs

SUBTOTAL

GAS:

WASHINGTON  
 IDAHO  
 OREGON  
 OTHER  
 SUBTOTAL

TOTAL EST TAX

	Actual 2008	Actual 2007	Actual (1) / Estimate (2) & (3) 2008	Estimate 2009
	6,548	5,924	5,831	6,580
	2,767	2,670	2,952	3,668
	5,937	6,174	6,669	6,923
	14	14	13	14
	143	143	138	3,105
	15,408	14,924	15,603	20,277
	1,746	1,555	1,329	1,857
	587	609	625	763
	1,522	1,573	1,759	1,915
	0	0	0	0
	3,855	3,735	3,713	4,534
	19,263	18,660	19,317	24,811
				5,495 In thousands
				CS 2 full assessment

TOTAL DR  
 £0 = 151

- (1) Montana and Oregon for 2008 and 2008/2009 accrual were adjusted in November 2008 to actual payments.
- (2) Idaho hasn't been trued up yet for the 2008 accrual. The Kootenai County payments haven't been rec'd yet. ( Kootenai Co has software problems and the bills are late - again)
- (3) Washington reflects a partial revision based on preliminary assessed values. Values in Washington aren't final and actual levies won't be determined until early 2009 for the 2008 accrual trueup.
- (4) Please note that Oregon is accrued on a FISCAL year basis - July 1 to June 30. The CS 2 accrual will change materially on 7/1/2009.



GAS ALLOCATION PERCENTAGES		Report ID:
For Twelve Months Ended December 31, 2008		G-ALL-12A
Average of Monthly Averages Basis		

Input	Elec/Gas North 4-Factor	Electric	Gas North	Oregon Gas	1/1/2008
Direct O & M Accts 580 - 894	32,765,739	3,167,680	0	0	
Direct O & M Accts 901 - 935	16,546,598	6,717,604	0	0	
Adjustments	0	0	0	0	
Total	49,312,337	9,885,284	0	0	
Percentage	83.301%	16.699%	0.000%	0.000%	
Direct Labor Accts 580 - 894	37,381,233	7,014,016	0	0	
Direct Labor Accts 901 - 935	3,347,484	292,232	0	0	
Total	40,728,717	7,306,248	0	0	
Percentage	84.790%	15.210%	0.000%	0.000%	
Number of Customers at 12/31/07	351,585	215,336	0	0	
Percentage	62.017%	37.983%	0.000%	0.000%	
Net Direct Plant	1,598,123,502	251,988,153	0	0	
Percentage	86.380%	13.620%	0.000%	0.000%	
Total Percentages	316,488%	83.512%	0.000%	0.000%	
Average (CD AN/ID/WA)	79.122%	20.878%	0.000%	0.000%	
9					
System	Washington	Idaho			
Actual Annual Throughput	257,352,440	125,486,160			12/31/2008
Percent	67.222%	32.778%			
10					
G-OPS Book Depreciation	7,113,377	3,515,185			
Percent	66.927%	33.073%			
11					
G-PLT Net Gas Plant	182,998,774	94,232,838			
Percent	66.009%	33.991%			
12					
G-PLT Net Gas General Plant	13,863,065	6,962,230			
Percent	66.568%	33.432%			
13					
G-SCM Net Allocated Schedule M's	-21,274,335	-10,720,167			
Percent	66.494%	33.506%			
14					
99 Input Not Allocated	0.000%	0.000%	0.000%		

Input	Washington	Idaho	12/31/2008
Situs Plant by Functional Group: (Used to functionalize R&P Property Tax on Report G-OTX)			
Underground Storage	34,463,930		
Distribution	250,850,463	140,104,069	
General	2,959,052	2,642,344	
Input TOTAL	288,273,445	142,746,413	

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

UNCOLLECTIBLE  
EXPENSE  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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			
15	Total Distribution	1	0	1
16	Customer Accounting	(136)	(61)	(75)
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	(135)	(61)	(74)
24	Operating Income before FIT	135	61	74
Federal Income Taxes				
25	Current Accrual (at 35%)	47	21	26
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$88	\$40	\$48
<b>RATE BASE</b>				
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  
UNCOLLECTIBLES ADJUSTMENT  
TWELVE MONTHS ENDED DECEMBER 31, 2008**

**CALCULATION OF ADJUSTMENT:**

	<u>SYSTEM</u>	<u>WASHINGTON</u>	<u>IDAHO</u>
<b>ELECTRIC</b>			
Actual Net Write-offs (1)	1,790,738	1,205,325	585,413
Less:			
Accrual for Write-offs (2)	<u>1,927,667</u>	<u>1,266,805</u>	<u>660,862</u>
Equals			
Net Under (Over) Accrued	<u><u>(136,929)</u></u>	<u><u>(61,480)</u></u>	<u><u>(75,449)</u></u>
<b>GAS</b>			
Actual Net Write-offs (1)	896,273	649,306	246,967
Less:			
Accrual for Write-offs (2)	<u>1,180,623</u>	<u>786,484</u>	<u>394,139</u>
Equals			
Net Under (Over) Accrued	<u><u>(284,350)</u></u>	<u><u>(137,178)</u></u>	<u><u>(147,172)</u></u>

Notes:

- (1) Actual Net Write-offs from calculation below, "Allocation of Write-offs to Services."
- (2) Accrual for Write-offs from E-OPS and G-OPS Results of Operations reports, Account 904 totals.



**ALLOCATION OF WRITE-OFFS TO SERVICES:**

	Sales to Ultimate Customers (1) (a)	Percent (b)	Allocated Net Write-offs (2) (c)
<b>WASHINGTON TOTALS</b>			
Electric	416,715,575	64.990%	1,205,325
Gas	224,509,683	35.010%	649,306
Total	<u>641,225,258</u>	100.000%	<u>1,854,631</u>
<b>IDAHO TOTALS</b>			
Electric	219,366,305	70.330%	585,413
Gas	92,558,114	29.670%	246,967
Total	<u>311,924,419</u>	100.000%	<u>832,380</u>
<b>Total Company</b>	<u><u>953,149,677</u></u>		<u><u>2,687,011</u></u>

- (1) Sales to Ultimate Customers plus Transportation Revenue from E-OPS and G-OPS Results of Operations reports.
- (2) Allocated Write-offs from Account 144xxx Query.

**AVISTA UTILITIES  
 UNCOLLECTIBLES ADJUSTMENT  
 TWELVE MONTHS ENDED DECEMBER 31, 2008**

	<u>Acct 144 Sub</u>	<u>Amount</u>
<u>Washington</u>		
Write-Offs WA	200	3,569,334.91
Reinstatements WA	600	(1,178,728.62)
Recoveries WA	700	(535,974.85)
		1,854,631.44
 <u>Idaho</u>		
Write-Offs ID	200	1,457,575.31
Reinstatements ID	600	(391,760.35)
Recoveries ID	700	(233,435.41)
		832,379.55

ELECTRIC OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 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
<b>DISTRIBUTION EXPENSES:</b>											
<b>OPERATION:</b>											
3	580000	Supervision & Engineering	344,283	1,046,949	1,391,232	234,082	700,440	934,522	110,201	346,509	456,710
3	582000	Station Expense	617,048	4,627	621,675	374,289	3,096	377,385	242,759	1,531	244,290
3	583000	Overhead Line Expense	967,256	1,008,559	1,975,815	642,492	674,756	1,317,248	324,764	333,803	658,567
3	584000	Underground Line Expense	896,607	0	896,607	607,632	0	607,632	288,975	0	288,975
3	585000	Street Light & Signal System Operation Expense	194,819	120	194,939	41,021	80	41,101	153,798	40	153,838
3	586000	Meter Expense	1,301,460	6,758	1,308,218	1,296,859	4,521	1,301,380	4,601	2,237	6,838
3	587000	Customer Installations Expense	822,910	2,455	825,365	375,381	1,642	377,023	447,529	813	448,342
3	588000	Miscellaneous Distribution Expense	2,688,483	2,408,931	5,097,414	1,842,223	1,611,647	3,453,870	846,260	797,284	1,643,544
3	589000	Rent	2,462	188,980	191,442	2,293	126,433	128,726	169	62,547	62,716
<b>MAINTENANCE:</b>											
3	590000	Supervision & Engineering	500,997	870,670	1,371,667	341,744	582,504	924,248	159,253	288,166	447,419
3	591000	Structures	293,909	605	294,514	232,629	405	233,034	61,280	200	61,480
3	592000	Station Equipment	749,215	1,732	750,947	591,780	1,159	592,939	157,435	573	158,008
3	593000	Overhead Lines	7,978,353	5,066	7,983,419	4,856,139	3,389	4,859,528	3,122,214	1,677	3,123,891
3	594000	Underground Lines	1,059,210	0	1,059,210	747,750	0	747,750	311,460	0	311,460
3	595000	Line Transformers	521,213	157,712	678,925	465,008	105,514	570,522	56,205	52,198	108,403
3	596000	Street Light & Signal System Maintenance Exp	610,966	0	610,966	468,566	0	468,566	142,400	0	142,400
3	597000	Meters	145,070	0	145,070	99,526	0	99,526	45,544	0	45,544
3	598000	Miscellaneous Distribution Expense	498,612	4,951	503,563	290,128	3,312	293,440	208,484	1,639	210,123
99	403X50	TOTAL DISTRIBUTION OPERATING EXP	20,192,873	5,708,115	25,900,988	13,509,542	3,818,898	17,328,440	6,683,331	1,889,217	8,572,548
E-OTX		Depreciation Expense--Distribution Plant	24,527,036	0	24,527,036	15,723,466	0	15,723,466	8,803,570	0	8,803,570
		Taxes Other Than FIT--Distribution	36,962,927	0	36,962,927	32,936,916	0	32,936,916	4,026,011	0	4,026,011
		TOTAL DISTRIBUTION EXPENSES	81,682,836	5,708,115	87,390,951	62,169,924	3,818,898	65,988,822	19,512,912	1,889,217	21,402,129
<b>CUSTOMER ACCOUNTS EXPENSES:</b>											
2	901000	Supervision	0	490,861	490,861	0	322,579	322,579	0	168,282	168,282
2	902000	Meter Reading Expenses	2,305,194	7,944	2,313,138	2,015,701	5,221	2,020,922	289,493	2,723	292,216
E-903	903XXX	Customer Records & Collection Expenses	1,529,857	5,960,681	7,490,538	1,060,381	3,896,716	4,957,097	469,476	2,063,965	2,533,441
2	904000	Uncollectible Accounts	0	1,927,667	1,927,667	0	1,266,805	1,266,805	0	660,862	660,862
2	905000	Misc Customer Accounts	0	147,464	147,464	0	96,909	96,909	0	50,555	50,555
		TOTAL CUSTOMER ACCOUNTS EXPENSES	3,835,051	8,534,617	12,369,668	3,076,082	5,588,230	8,664,312	758,969	2,946,387	3,705,356
<b>CUSTOMER SERVICE &amp; INFO EXPENSES:</b>											
E-908	908XXX	Customer Assistance Expenses	16,044,840	508,470	16,553,310	12,337,381	334,151	12,671,532	3,707,459	174,319	3,881,778
2	909000	Advertising	65,367	47,299	112,666	49,159	31,083	80,242	16,208	16,216	32,424
2	910000	Misc Customer Service & Info Exp	0	145,297	145,297	0	95,485	95,485	0	49,812	49,812
		TOTAL CUSTOMER SERVICE & INFO EXP	16,110,207	701,066	16,811,273	12,386,540	460,719	12,847,259	3,723,667	240,347	3,964,014

GAS OPERATING STATEMENT  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 G-OFS-12A

Ref/Basis	Account	Description	***** SYSTEM *****			***** WASHINGTON *****			***** IDAHO *****		
			Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>DISTRIBUTION EXPENSES:</b>											
<b>OPERATION</b>											
3	870000	Supervision & Engineering	206,394	411,676	618,070	131,331	258,458	389,789	75,063	153,218	228,281
3	871000	Distribution Load Dispatching	0	0	0	0	0	0	0	0	0
3	874000	Mains & Services Expenses	1,604,959	156,152	1,761,111	1,090,931	98,035	1,188,966	514,028	58,117	572,145
3	875000	Measuring & Reg Sta Exp-General	161,834	0	161,834	70,385	0	70,385	91,449	0	91,449
3	876000	Measuring & Reg Sta Exp-Industrial	7,397	0	7,397	5,900	0	5,900	1,497	0	1,497
3	877000	Measuring & Reg Sta Exp-City Gate	210,892	0	210,892	145,480	0	145,480	65,412	0	65,412
3	878000	Meter & House Regulator Expenses	1,180,513	235	1,180,748	555,108	148	555,256	625,405	87	625,492
3	879000	Customer Installation Expenses	1,252,696	0	1,252,696	714,686	0	714,686	538,010	0	538,010
3	880000	Other Expenses	1,073,181	444,358	1,517,539	684,209	278,977	963,186	388,972	165,381	554,353
3	881000	Rents	1,050	18,595	19,645	60	11,674	11,734	990	6,921	7,911
<b>MAINTENANCE</b>											
3	885000	Supervision & Engineering	90,186	0	90,186	78,197	0	78,197	11,989	0	11,989
3	886000	Structures & Improvements	0	0	0	0	0	0	0	0	0
3	887000	Mains	1,115,601	203	1,115,804	928,376	127	928,503	187,225	76	187,301
3	889000	Measuring & Reg Sta Exp-General	153,820	21,214	175,034	92,901	13,319	106,220	60,919	7,895	68,814
3	890000	Measuring & Reg Sta Exp-Industrial	125,580	93,495	219,075	42,619	58,698	101,317	82,961	34,797	117,758
3	891000	Measuring & Reg Sta Exp-City Gate	29,043	0	29,043	15,953	0	15,953	13,090	0	13,090
3	892000	Services	338,174	206,191	544,365	154,447	129,451	283,898	183,727	76,740	260,467
3	893000	Meters & House Regulators	369,184	455,035	824,219	261,764	285,680	547,444	107,420	169,355	276,775
3	894000	Other Equipment	1,006	23,669	24,675	954	14,860	15,814	52	8,809	8,861
<b>TOTAL DISTRIBUTION OPERATING EXP</b>			7,921,510	1,830,823	9,752,333	4,973,301	1,149,427	6,122,728	2,948,209	681,396	3,629,605
G-ADP		Depreciation	8,492,657	62,194	8,554,851	5,642,523	43,607	5,686,130	2,850,134	18,587	2,868,721
G-OTX		Taxes Other Than FIT	19,435,059	0	19,435,059	17,092,129	0	17,092,129	2,342,930	0	2,342,930
<b>TOTAL DISTRIBUTION EXPENSES</b>			35,849,226	1,893,017	37,742,243	27,707,953	1,193,034	28,900,987	8,141,273	699,983	8,841,256
<b>CUSTOMER ACCOUNTS EXPENSES:</b>											
2	901000	Supervision	0	300,634	300,634	0	200,270	200,270	0	100,364	100,364
2	902000	Meter Reading Expenses	1,344,671	4,865	1,349,536	1,201,358	3,241	1,204,599	143,313	1,624	144,937
G-903	903XXX	Customer Records & Collection Expenses	754,129	3,240,192	3,994,321	540,206	2,157,615	2,697,821	213,923	1,082,577	1,296,500
2	904000	Uncollectible Accounts	0	1,180,623	1,180,623	0	786,484	786,484	0	394,139	394,139
2	905000	Misc Customer Accounts	0	90,317	90,317	0	60,166	60,166	0	30,151	30,151
<b>TOTAL CUSTOMER ACCOUNTS EXPENSES</b>			2,098,800	4,816,631	6,915,431	1,741,564	3,207,776	4,949,340	357,236	1,608,855	1,966,091
<b>CUSTOMER SERVICE &amp; INFO EXPENSES:</b>											
2	908XXX	Customer Assistance Expenses	6,547,350	311,839	6,859,189	4,881,309	207,735	5,089,044	1,666,041	104,104	1,770,145
2	909000	Advertising	0	28,969	28,969	0	19,298	19,298	0	9,671	9,671
2	910000	Misc Customer Service & Info Exp	0	91,139	91,139	0	60,713	60,713	0	30,426	30,426
<b>TOTAL CUSTOMER SERVICE &amp; INFO EXP</b>			6,547,350	431,947	6,979,297	4,881,309	287,746	5,169,055	1,666,041	144,201	1,810,242

GL Account Balance

Ferc Account : '144200'

Ferc Acct 144200		Ferc Acct Desc ACCUMULATED RETAIL WRITE-OFFS		Service	CD
Jurisdiction	WA	Statind	DL		
Period	Beginning Balance	Monthly Activity		Ending Balance	
200712	36,983,396.19	153,403.22		37,136,799.41	
200801	37,136,799.41	184,519.15		37,321,318.56	
200802	37,321,318.56	169,103.29		37,490,421.85	
200803	37,490,421.85	181,930.62		37,672,352.47	
200804	37,672,352.47	203,536.24		37,875,888.71	
200805	37,875,888.71	350,139.98		38,226,028.69	
200806	38,226,028.69	404,218.39		38,630,247.08	
200807	38,630,247.08	380,336.19		39,010,583.27	
200808	39,010,583.27	382,765.31		39,393,348.58	
200809	39,393,348.58	337,315.42		39,730,664.00	
200810	39,730,664.00	314,102.65		40,044,766.65	
200811	40,044,766.65	266,030.16		40,310,796.81	
200812	40,310,796.81	241,934.29		40,552,731.10	
		Total for All Values: 3,569,334.91			
		Sum: 3,569,334.91			

## GL Account Balance

Ferc Account : '144600'

Ferc Acct	144600	Ferc Acct Desc	ACCUMULATED RETAIL REINSTATEME	Service	CD
Jurisdiction	WA	Statind	DL		
Period	Beginning Balance	Monthly Activity	Ending Balance		
200712	-5,427,083.39	-63,873.64	-5,490,957.03		
200801	-5,490,957.03	-223,617.57	-5,714,574.60		
200802	-5,714,574.60	-60,052.36	-5,774,626.96		
200803	-5,774,626.96	-86,024.26	-5,860,651.22		
200804	-5,860,651.22	-76,411.43	-5,937,062.65		
200805	-5,937,062.65	-87,791.85	-6,024,854.50		
200806	-6,024,854.50	-85,173.12	-6,110,027.62		
200807	-6,110,027.62	-78,007.81	-6,188,035.43		
200808	-6,188,035.43	-72,735.83	-6,260,771.26		
200809	-6,260,771.26	-74,819.43	-6,335,590.69		
200810	-6,335,590.69	-96,386.87	-6,431,977.56		
200811	-6,431,977.56	-86,017.07	-6,517,994.63		
200812	-6,517,994.63	-87,817.38	-6,605,812.01		
		Total for All Values: -1,178,728.62			
		Sum: -1,178,728.62			



## GL Account Balance

Ferc Account : '144700'

Ferc Acct	144700	Ferc Acct Desc	ACCUMULATED RETAIL RECOVERIES	Service	CD
Jurisdiction	WA	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-6,097,687.89	-28,098.01	-6,125,785.90
200801	-6,125,785.90	-34,442.51	-6,160,228.41
200802	-6,160,228.41	-68,700.28	-6,228,928.69
200803	-6,228,928.69	-40,994.17	-6,269,922.86
200804	-6,269,922.86	-31,967.21	-6,301,890.07
200805	-6,301,890.07	-32,416.54	-6,334,306.61
200806	-6,334,306.61	-40,171.25	-6,374,477.86
200807	-6,374,477.86	-42,593.91	-6,417,071.77
200808	-6,417,071.77	-42,054.76	-6,459,126.53
200809	-6,459,126.53	-45,115.77	-6,504,242.30
200810	-6,504,242.30	-52,875.57	-6,557,117.87
200811	-6,557,117.87	-36,276.96	-6,593,394.83
200812	-6,593,394.83	-40,267.91	-6,633,662.74
		Total for All Values: -535,974.85	
		Sum: -535,974.85	

Ferc Acct	144200	Ferc Acct Desc	ACCUMULATED RETAIL WRITE-OFFS	Service	CD
Jurisdiction	ID	Statind	DL		

Period	Beginning Balance	Monthly Activity	Ending Balance
200712	17,454,447.90	63,899.23	17,518,347.13
200801	17,518,347.13	64,009.29	17,582,356.42
200802	17,582,356.42	73,633.89	17,655,990.31
200803	17,655,990.31	71,196.20	17,727,186.51
200804	17,727,186.51	100,190.07	17,827,376.58
200805	17,827,376.58	170,776.23	17,998,152.81
200806	17,998,152.81	201,690.41	18,199,843.22
200807	18,199,843.22	159,612.76	18,359,455.98
200808	18,359,455.98	165,937.90	18,525,393.88
200809	18,525,393.88	129,665.67	18,655,059.55
200810	18,655,059.55	106,827.13	18,761,886.68
200811	18,761,886.68	83,450.99	18,845,337.67
200812	18,845,337.67	66,685.54	18,912,023.21
		Total for All Values:	1,457,575.31
		Sum:	1,457,575.31

**GL Account Balance**

**Ferc Account : '144600'**

Ferc Acct	144600	Ferc Acct Desc	ACCUMULATED RETAIL REINSTATEME	Service	CD
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Jurisdiction	ID	Statind	DL
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Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-2,947,969.91	-30,857.91	-2,978,827.82
200801	-2,978,827.82	-29,698.19	-3,008,526.01
200802	-3,008,526.01	-28,066.30	-3,036,592.31
200803	-3,036,592.31	-32,106.96	-3,068,699.27
200804	-3,068,699.27	-29,854.25	-3,098,553.52
200805	-3,098,553.52	-26,559.36	-3,125,112.88
200806	-3,125,112.88	-24,794.23	-3,149,907.11
200807	-3,149,907.11	-24,884.52	-3,174,791.63
200808	-3,174,791.63	-29,029.01	-3,203,820.64
200809	-3,203,820.64	-36,904.40	-3,240,725.04
200810	-3,240,725.04	-39,026.26	-3,279,751.30
200811	-3,279,751.30	-31,023.23	-3,310,774.53
200812	-3,310,774.53	-28,955.73	-3,339,730.26
Total for All Values: -391,760.35			
Sum: -391,760.35			

## GL Account Balance

Ferc Account : '144700'

Ferc Acct	144700	Ferc Acct Desc	ACCUMULATED RETAIL RECOVERIES	Service	CD
Jurisdiction	ID	Statind	DL		
Period	Beginning Balance	Monthly Activity	Ending Balance		
200712	-2,905,617.68	-10,703.48	-2,916,321.16		
200801	-2,916,321.16	-14,964.89	-2,931,286.05		
200802	-2,931,286.05	-28,300.15	-2,959,586.20		
200803	-2,959,586.20	-19,137.74	-2,978,723.94		
200804	-2,978,723.94	-15,456.13	-2,994,180.07		
200805	-2,994,180.07	-17,660.38	-3,011,840.45		
200806	-3,011,840.45	-19,211.84	-3,031,052.29		
200807	-3,031,052.29	-20,796.11	-3,051,848.40		
200808	-3,051,848.40	-17,949.36	-3,069,797.76		
200809	-3,069,797.76	-26,635.32	-3,096,433.08		
200810	-3,096,433.08	-13,864.16	-3,110,297.24		
200811	-3,110,297.24	-11,834.40	-3,122,131.64		
200812	-3,122,131.64	-16,921.45	-3,139,053.09		
		Total for All Values: -233,435.41			
		Sum: -233,435.41			

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

REGULATORY EXPENSE  
ADJUSTMENT  
**ELECTRIC**

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	79	79	
20	Depreciation			
21	Taxes			
22	Total Admin. & General	79	79	0
23	Total Electric Expenses	79	79	0
24	Operating Income before FIT	(79)	(79)	0
Federal Income Taxes				
25	Current Accrual	35.0%	(28)	0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$51)	(\$51)	\$0
<b>RATE BASE</b>				
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 Regulatory Expense Adj-Electric**  
**Twelve Months Ended December 31, 2008**

	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Revised Expense:			
WUTC (1)	838,299	838,299	
IPUC (1)	552,943		552,943
FERC (2) (3)	2,106,450	1,383,853	722,597
Total Revised Expense	<u>3,497,692</u>	<u>2,222,152</u>	<u>1,275,540</u>
Allocation basis #4 (3)	100.000%	65.696%	34.304%
Less Accrual: (4)			
WUTC	746,339	746,339	
IPUC	509,717		509,717
FERC (3)	2,125,450	1,396,336	729,114
Total Accrual	<u>3,381,506</u>	<u>2,142,675</u>	<u>1,238,831</u>
<b>ADJUSTMENT</b>	<u>116,186</u>	<u>79,478</u>	<u>36,708</u>

NOTES:

- (1) Source of revised WUTC and IPUC fees are shown on the following pages.
- (2) FERC accruals and payments from Resource Accounting.
- (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.

**Avista Utilities**  
**WUTC Filing Fees Adjustment**  
**Twelve Months Ended December 31, 2008**

	WUTC AND IPUC FEES		
	Total	Washington	Idaho
<b>Electric Revenues: (1)</b>			
Sales to Ultimate Consumers:			
(499) Unbilled	10,497,152	6,553,232	3,943,920
(440) Residential	273,487,189	187,171,708	86,315,481
(442) Commercial / Industrial	345,155,444	218,030,276	127,125,168
(444) Public Street & Highway	5,961,756	4,140,221	1,821,535
(448) Interdepartmental Revenues	980,339	820,138	160,201
Total Sales to Ultimate Consumers	636,081,880	416,715,575	219,366,305
Other Operating Revenues:			
(451) Misc Service Revenues	570,819	356,015	214,804
(453) Sales of Water/Water Power	306,684	197,566	109,118
(454) Rent from Electric Property	2,774,767	1,905,285	869,482
Total Other Operating Revenues	3,652,270	2,458,866	1,193,404
<b>Total Electric Subject to Fees</b>	639,734,150	419,174,441	220,559,709
<b>Fee Calculation</b>			
First \$50,000 @ .001 (Washington)		0.001000	
Fee Rate (2)		0.002000	0.002507
<b>REGULATORY FEES</b>	<b>1,391,242</b>	<b>838,299</b>	<b>552,943</b>

- Electric excludes: Most of Acct 456 , Other Elect 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 2008 Commission Fees letters/orders: WA, 04/15/08 (per website form); ID, 04/25/08

<u>Ferc Acct</u>	<u>Service</u>	<u>Juris</u>	<u>StatInd</u>	<u>Period</u>	<u>GL Tran I</u>	<u>Subj Tran ID</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Elec Amt</u>	<u>Project</u>	<u>Task</u>
928000	ED	WA	DL	200801	43337.3	PA.3524915.1	PA	\$62,642.00	\$62,642.00	02805036	928000
928000	ED	WA	DL	200802	44745.4	PA.3614512.1	PA	\$62,642.00	\$62,642.00	02805036	928000
928000	ED	WA	DL	200803	46029.5	PA.3695735.1	PA	\$62,642.00	\$62,642.00	02805036	928000
928000	ED	WA	DL	200804	47577.1	PA.3794435.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200805	48992.2	PA.3915849.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200806	50328.7	PA.4018274.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200807	52019.3	PA.4124311.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200808	53457.8	PA.4225922.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200809	54902.1	PA.4313442.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200810	56601.6	PA.4439876.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200811	58159.2	PA.4531681.1	PA	\$62,045.89	\$62,045.89	02805036	928000
928000	ED	WA	DL	200812	59940.2	PA.4632394.1	PA	\$62,045.88	\$62,045.88	02805036	928000
									\$746,339		



<u>Ferc Acct</u>	<u>Service</u>	<u>Juris</u>	<u>StatInd</u>	<u>Period</u>	<u>GL Tran</u>	<u>Subl Tran</u>	<u>Tran ID</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Elec Amt</u>	<u>Project</u>	<u>Task</u>
928000	ED	ID	DL	200801	43337.2	PA.3524916.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200802	44745.3	PA.3614513.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200803	46029.4	PA.3695736.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200804	47577.1	PA.3794436.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200805	48992.2	PA.3915850.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200806	50328.7	PA.4018275.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200807	52019.3	PA.4124312.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200808	53457.8	PA.4225923.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200809	54902.1	PA.4313443.1	PA	PA	\$42,333.00	\$42,333.00	03805013	928000
928000	ED	ID	DL	200810	56601.6	PA.4439877.1	PA	PA	\$42,907.00	\$42,907.00	03805013	928000
928000	ED	ID	DL	200811	58159.1	PA.4531682.1	PA	PA	\$42,907.00	\$42,907.00	03805013	928000
928000	ED	ID	DL	200812	59940.2	PA.4632395.1	PA	PA	\$42,906.00	\$42,906.00	03805013	928000
										\$509,717		

<u>Ferc Acct</u>	<u>Service</u>	<u>Juris</u>	<u>Period</u>	<u>GL Tran</u>	<u>Subl Tran ID</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Elec Amt</u>	<u>Jrnl Name</u>
242300	ED	AN	200801	43358.6	PA.3524949.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200802	44713.9	PA.3613831.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200803	46138.4	PA.3706997.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200804	47570.6	PA.3793974.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200805	48859.2	PA.3910529.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200806	50293.1	PA.4017003.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200807	51904.3	APD.2534168	AP	1,867,187.00	1,867,187.00	Purchase Invoices USD
242300	ED	AN	200807	52080.1	PA.4125297.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200808	53457.3	PA.4225889.1	PA	(150,000.00)	(150,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200809	54902.3	PA.4313388.1	PA	(217,187.00)	(217,187.00)	Miscellaneous Transaction USD
242300	ED	AN	200810	56717.3	PA.4441054.1	PA	(155,000.00)	(155,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200811	58203.6	PA.4532018.1	PA	(155,000.00)	(155,000.00)	Miscellaneous Transaction USD
242300	ED	AN	200812	59664.4	PA.4621324.1	PA	(159,000.00)	(159,000.00)	Miscellaneous Transaction USD
						Accrual	(1,886,187.00)	(1,886,187.00)	
						Payment	1,867,187.00	1,867,187.00	

<u>Ferc Acct</u>	<u>Service</u>	<u>Juris</u>	<u>Period</u>	<u>GL Tran</u>	<u>Subl Tran ID</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Elec Amt</u>	<u>Jrnl Name</u>
242310	ED	AN	200801	43358.7	PA.3524950.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200802	44713.1	PA.3613865.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200803	46138.4	PA.3706996.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200804	47570.6	PA.3793837.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200805	48859.2	PA.3910511.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200806	50293.1	PA.4017000.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200807	52080.1	PA.4125282.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200808	52057.7	APD.2541788	AP	239,263.00	239,263.00	Purchase Invoices USD
242310	ED	AN	200808	53457.3	PA.4225873.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200809	54902.3	PA.4313349.1	PA	(10,100.00)	(10,100.00)	Miscellaneous Transaction USD
242310	ED	AN	200810	56717.3	PA.4440984.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200811	58203.6	PA.4531892.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
242310	ED	AN	200812	59664.4	PA.4621269.1	PA	(20,833.00)	(20,833.00)	Miscellaneous Transaction USD
						Accrual	(239,263.00)	(239,263.00)	
						Payment	239,263.00	239,263.00	

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

INJURIES  
AND DAMAGES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	145	145	0
20	Depreciation			
21	Taxes			
22	Total Admin. & General	145	145	0
23	Total Electric Expenses	145	145	0
24	Operating Income before FIT	(145)	(145)	0
Federal Income Taxes				
25	Current Accrual	35.0%	(51)	(51)
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$94)	(\$94)	\$0
<b>RATE BASE</b>				
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  
Electric System  
Injuries and Damages Adjustment  
Account 925  
Twelve Months Ended December 31, 2008**

	<u>12 Month Actuals (Avg)</u>		
	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Accrual per Results			
Directly Assigned	0	0	0
Allocated (4)	227,083	149,184	77,899
Total	<u>227,083</u>	<u>149,184</u>	<u>77,899</u>
Revised Annual Accrual-Direct	421,154	294,590	126,565
Increase (Decrease) in Expense	<u>194,071</u>	<u>145,406</u>	<u>48,666</u>
Idaho SIT	@ 0.012216 (594)	0	(594)
Operating Income Before FIT	(193,477)	(145,406)	(48,072)
FIT Expense @ 35%	<u>(67,717)</u>	<u>(50,892)</u>	<u>(16,825)</u>
Net Operating Income	<u>(125,760)</u>	<u>(94,514)</u>	<u>(31,247)</u>
Allocation Note 4: Jurisdictional Four Factor	100.000%	65.696%	34.304% ✓

**Avista Utilities  
Injuries and Damages Adjustment  
Twelve Months Ended December 31, 2008**

**Six Year Average Injuries and Damages Payments**

Year	Electric			Gas		
	Washington	Idaho	Total	Washington	Idaho	Total
2003	71,525	78,015	149,540	18,018	81,242	99,260
2004	58,871	291,950	350,821	22,292	13,964	36,256
2005	127,808	55,027	182,835	17,372	8,033	25,405
2006	645,996	223,631	869,627	24,876	7,844	32,720
2007	815,064	67,456	882,520	12,656	119,316	131,972
2008	48,274	43,309	91,583	66,083	70,493	136,576
6 yr Avg	<b>294,590</b>	<b>126,565</b>	<b>421,154</b>	<b>26,883</b>	<b>50,149</b>	<b>77,031</b>

Transaction Analysis Selection: GI Ferc Account : '2282%' , Statind Parameter 1 : 'DL'

Source Id: <All>	Accounting Period: <All>	Transaction Desc: <All>
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Ferc Acct	Service	Jurisdiction	Transaction Amount	Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
228200	ED	AN	-227,083.13	-227,083.13	0	0
	GD	AN	-786,896.80	0	-786,896.80	0
		AS	-2,405.43	0	0	-2,405.43
		WA	-450,000.00	0	-450,000.00	0
228210	ED	ID	43,308.92	43,308.92	0	0
		WA	48,274.21	48,274.21	0	0
	GD	ID	70,492.53	0	70,492.53	0
		OR	2,405.43	0	0	2,405.43
		WA	66,083.29	0	66,083.29	0
Total			-1,235,820.98	-135,500.00	-1,100,320.98	.00

Transaction Analysis Selection: GI Ferc Account : '925100%' , Statind Parameter 1 : 'DL'

Accounting Period: <All>

Source Id: <All>	Accounting Period: <All>	Account	Ava Jet:208-DC PAY	Transaction Desc	Transaction Amount	Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
925100	ED	AN	WAID Electric - Provision for	227,083.13	227,083.13	0	0	0
	GD	AA	OR Gas - Provision for Major/M	2,405.43	0	1,639.47	765.96	
			WAID Gas - Provision for Major	786,896.80	0	536,325.25	250,571.55	
Total				1,016,385.36	227,083.13	537,964.72	251,337.51	

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

FEDERAL  
INCOME TAX  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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%)	(33)	(2)	(31)
26	Deferred Income Taxes	48	31	17
27	NET OPERATING INCOME	(\$15)	(\$29)	\$14
<b>RATE BASE</b>				
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  
Electric FIT Adjustment  
For the Twelve Months Ended December 31, 2008

	System	Washington	Idaho
<b>Deferred FIT Adjustment</b>			
(1) <b>Injuries and Damages</b>			
Elim Orig Alloc	47,425	30,663	16,762
(4) <b>Colstrip Settlement</b>			
Record DFIT expense	402,332	251,798	150,534
(5) <b>CCX DFIT</b>			
Reverse DFIT expense	(9,915)	(186,588)	176,673
<b>Total Deferred FIT Adjustment</b>	<b>47,425</b>	<b>30,663</b>	<b>16,762</b>

<b>Effective Tax Rate Test</b>			
Net Operating Income Before FIT	139,009,996	86,673,124	52,336,872
Less: Allocated Interest Charges	52,441,941	33,164,734	19,277,207
	86,568,055	53,508,390	33,059,665
Current FIT per ROO	(702,020)	1,725,313	(2,427,333)
Deferred FIT per ROO	32,523,323	18,216,312	14,307,011
Adjustment to FIT	15,303	29,146	(13,843)
Adjusted FIT Expense	31,836,606	19,970,771	11,865,835
Effective Tax Rate	36.78%	37.32%	35.89%
Adj for WNP3 tax effect on WA		417,206	
		36.54%	
<b>Net FIT/DFIT Adj</b>	<b>15,303</b>	<b>29,146</b>	<b>(13,843)</b>

AVISTA UTILITIES  
Electric FIT Adjustment  
For the Twelve Months Ended December 31, 2008

	System	Washington	Idaho
Taxable NOI per Results (Per E-FIT-12A)	(2,005,772)	4,929,466	(6,935,238)
<b>Schedule M Reallocations and Adjustments</b>			
(1) <b>Injuries and Damages</b>			
Elim Orig Alloc	(135,500)	(89,047)	(46,453)
(2) <b>Residential Exchange</b>			
Elim Orig Alloc	(3,749,629)	(3,140,406)	(609,223)
Add Reallocation	3,707,720	3,139,486	568,234
(3) <b>Montana Hydro Settlement</b>			
Elim Orig Alloc	2,779,808	2,779,808	
Add Reallocation	(2,694,176)	(2,694,176)	
Reallocated Taxable NOI	(2,097,549)	4,925,131	(7,022,680)
FIT Normal Accrual per Results (Per E-FIT-12A)	(702,020)	1,725,313	(2,427,333)
Adjusted FIT Normal Accrual	(734,142)	1,723,796	(2,457,938)
<b>Total Current FIT Adjustment</b>	<b>(32,122)</b>	<b>(1,517)</b>	<b>(30,605)</b>

FIT Adjustments and Reallocations  
 Electric System  
 For the Twelve Months Ended December 31, 2008

(1) **Injuries and Damages**

Reverse Schedule M and Deferred Tax amounts for actual payment and accrual so that tax expense reflects the accrued level of injuries & damages expense which is adjusted in Injuries & Damages Adjustment.

	AMOUNT
SCH M	\$135,500
DFIT	(47,425)

*(corrects variance b/w Sch M & DFIT)*

	Allocation	
Sch M	\$135,500	# 2
WA	89,047	65.717%
ID	46,453	34.283%

	N/A	Reallocation
Sch M		# 4
WA	0	65.696%
ID	0	34.304%

	Allocation	
DFIT	(\$47,425)	# 14
WA	(30,663)	64.656%
ID	(16,762)	35.344%

	N/A	Reallocation
DFIT		# 4
WA	0	65.696%
ID	0	34.304%

(2) **Residential Exchange**

Adjust Schedule M to match utility DFIT - Sch M includes both operating amort and non-oper interest expense.

	AMOUNT
Sch M WA	\$3,140,406
Sch M ID	\$609,223
DFIT WA	(\$1,098,820)
DFIT ID	(\$198,882)
s/h/b Sch M WA	\$3,139,486
s/h/b Sch M ID	\$568,234

	Allocation	
Sch M	\$3,749,629	Direct
WA	3,140,406	83.752%
ID	609,223	16.248%

	Re-Allocation
Sch M	\$3,707,720
WA	3,139,486
ID	568,234
	84.674%
	15.326%

(3) **Montana Hydro Settlement**

Adjust Schedule M to match utility DFIT - Sch M includes both operating amort and non-oper interest expense.

	AMOUNT
Sch M WA	(\$2,779,808)
DFIT WA	\$942,962
s/h/b Sch M WA	(\$2,694,176)

	Allocation	
Sch M	(\$2,779,808)	Direct
WA	(2,779,808)	100.000%

	Re-Allocation
Sch M	(\$2,694,176)
WA	(2,694,176)
	100.000%

(4) **Colstrip Settlement**

Adjust DFIT to match Sch M -  
 No DFIT expense recorded per books  
 NJS029 200809 Sch M  
 NSJ030 200809 DFIT journal (balance sheet only)

	AMOUNT
Sch M WA	\$0
Sch M ID	(\$738,101)
Sch M AN	\$0
DFIT WA	(\$731,086)
DFIT ID	(\$142,466)
DFIT AN	\$729,555
DFIT s/b ED ID	\$258,335

12/31/08 balance before DFIT adjustment	
DFIT	Direct / N14
WA	(731,086)
ID	(142,466)
AN (WA)	471,701
AN (ID)	257,854
	(143,997)

12/31/08 balance after DFIT adjustment	
DFIT	Direct / N4
WA	731,086
ID	400,801
AN (WA)	(479,288)
AN (ID)	(250,267)
	402,332

(5) **CCX DFIT**

No Schedule M recorded  
 Eliminate associated DFIT

	AMOUNT
Sch M	\$0
DFIT ED WA	\$524,938
DFIT ED AN	(\$515,023)
DFIT s/b zero	

DFIT	Direct / N14
WA	524,938
AN (WA)	(338,350)
AN (ID)	(176,673)

DFIT	Direct / N4
WA	(524,938)
AN (WA)	338,350
AN (ID)	176,673
	(9,915)

Acct	Schedule M Additions / (Deductions)	Electric	Sch M
997000	Book Depreciation	71,817,644	1
997001	Contributions In Aid of Construction	6,259,362	2
997002	Injuries and Damages	135,500	3
997003	Salvage	(1,760,187)	4
997004	Boulder Park Write Off	(103,531)	5
997005	FAS106 Current Retiree Medical	(955,212)	6
997007	Idaho PCA	1,660,797	7
997008	DSM Book Amortization-ID	1,280,293	8
997009	Rathdrum Turbine Lease	(33,828)	9
997012	N.E. Tank Farm Diesel Spill	(36,933)	10
997015	Airplane Lease Payments	215,186	11
997016	Redemption Expense Amortization	2,589,843	12
997017	Investment in Exch Pwr - Amort	2,450,030	13
997018	DSM Tariff Rider	(3,356,438)	14
997018	DSM Tariff Rider AN	320,000	14a
997019	CSS Temporary Service Fees	128,720	15
997020	FAS87 Current Pension Accrual	(17,760,785)	16
997021	Wartsila Generators Amortization	1,018,612	17
997024	Kettle Falls Disallowance	(134,953)	18
997025	BPA C&RD Receipts	-	19
997028	RTO Funding Amortization	229,017	20
997029	FAS106 Post Retirement Benefits	339,357	21
997032	Interest Rate Swaps	(10,838,756)	22
997033	BPA Residential Exchange	3,749,629	23
997034	Montana Hydro Settlement	(4,208,309)	24
997041	Rathdrum Turbine Lease, Tax	(3,836,433)	25
997043	Washington Deferred Power Costs	23,802,834	26
997044	Non-Monetary Power Costs	(277,615)	27
997045	Section 199 Manufacturing Deduction	(2,830,351)	28
997046	Nez Perce Settlement	(16,796)	29
997047	Clark Fork PME's	(274,403)	30
997048	AFUDC		31
997049	Tax Depreciation	(132,192,709)	32
997050	CS2 Levelized Return	(174,560)	33
997051	Wind Generation AFUDC - ID	(35,194)	34
997058	Colstrip Settlement - ID	(738,101)	35
997059	Colstrip Settlement - WA	-	36
997062	Gain on Sale of Office Bldg	(196,092)	37
997063	CDA Lake Settlement	(27,733,385)	38
997064	Chicago Climate Exchange	754,484	39
997065	Unbilled Revenue Add-Ons Amort	1,345,857	40
997066	Miscellaneous Schedule M	(325,940)	41
	Total Schedule M per Results/Corp	(89,723,346)	
	Corp Accounting Sch Ms	(91,657,686)	
	AFUDC - not picked up for Results	(1,934,909)	
		(89,722,777)	
	Eliminate Kettle Falls ED WA Sch M	134,953	
	Total Schedule M per ROO adjusted	(89,587,824)	
	Difference is Book Depreciaton	(569)	
	Misc Sch M:		
	Uncollectibles - Retail	125,086	42a
	Uncollectibles-Sales for Resale	2,705,100	42b
	Deferred Comp	(4,856,348)	42c
	Paid Time Off	427,699	42d
	Transp Book Depr	999,769	42e
	Transp Tax Depr		42f
	Meal Disallow-no DFIT	272,755	42g
	Total Misc Sch M	(325,939)	
	ROO - Misc Sch M's	(325,940)	
	Difference - rounding	1	

Electric Schedule M/DFIT Comparison									
Twelve Months Ended December 31, 2008									
Sch M Line No.	Alloc Sch M	Alloc DFIT	Adj. Ref.	Sch M	Calc per N. DFIT	Per DFIT booked	Diff?	Explanation	
1,4,9,11,25,31,32	various	N14		(64,790,558)	22,475,881	22,475,881	(2,015,792)	Pre-1981 Flow through increasing as tax depreciation ends on old plant	
2	12	N14		6,259,362	(2,190,777)				
15	1	N14		73,800	(25,830)				
15	1	N14		54,920	(19,222)				
16	4	N14		(17,760,785)	6,216,275	6,216,274	0		
6	4	N14		(955,212)	334,324	334,324	0		
21	99	D-WA		250,574	(87,701)	(87,698)	(2)		
21	99	D-ID		88,782	(31,074)	(31,071)	(3)		
42c	2	N14		(4,856,348)	1,699,722	1,699,722	0		
42a	2	N14		427,699	(149,695)	(149,695)	0		
3	2	N14	(1)	135,500	(47,425)	(47,425)	-	Reverse	
7	99	D-ID		1,660,797	(581,279)	(581,281)	2	ID PCA & Small Gen	
14	99	D-WA		(1,587,898)	555,764	555,764	0		
14	99	D-ID		(1,768,539)	618,989	618,989	0		
14a	4	N14		320,000	(112,000)	(112,000)	-		
23	99	D-WA	(2)	3,140,406	(1,099,142)	(1,098,820)	(322)	SCH M includes both operating amort and non-oper interest expense	
23	99	D-ID	(2)	609,223	(213,228)	(198,882)	(14,346)	SCH M includes both operating amort and non-oper interest expense	
12	12	N12		2,589,843	(906,445)	(906,445)	(0)		
13	99	D-WA		2,450,030	(857,511)	(440,304)	(417,207)	OK Tax Basis different from Book Basis	
8	99	D-ID		1,280,293	(448,103)	(448,102)	(0)		
42a	2	N14		125,086	(43,780)	(43,780)	(0)		
42b	2	N14		2,705,100	(946,785)	(946,785)	-		
29	99	D-ID		5,212	(1,824)	(1,822)	(3)		
29	99	D-WA		(22,008)	7,703	7,703	(1)		
41	99	D-ID		(274,403)	96,041	96,040	2		
36	4	N14		(196,092)	68,632	68,628	4		
43	99	D-WA		23,802,834	(8,330,992)	(8,330,991)	(1)		
27	1	N14		(277,615)	97,165	97,164	2		
19	1	N14							
10	1	N14		(36,933)	12,927	12,926	0		
28	1	n/a		(2,830,351)				Perm Diff	
42g	2	n/a		272,755				Perm Diff	
5	99	D-ID		(103,531)	36,236	36,236	0		
37	99	D-WA		747,631	(261,671)	(261,671)	(0)		
37	99	D-ID		598,226	(209,379)	(209,379)	0		
33	99	D-ID		(174,560)	61,096	61,097	(1)		
20	99	D-WA		158,213	(55,375)	(55,375)	(0)		
20	99	D-ID		70,806	(24,782)	(24,782)	0		
24	99	D-WA		(2,779,808)	972,933	942,962	29,971	SCH M includes both operating amort and non-oper interest expense	
24	99	D-ID		(1,428,501)	499,975	499,975	1		
22	12	N14		(10,838,756)	3,793,565	3,793,564	0		
18	99	D-WA		(134,953)	47,234	88,045	(40,811)		
34	99	D-ID		(35,194)	12,318	12,318	(0)		
36	99	D-WA			0	0	0	Corp. Acct. recorded DFIT between 236000 & 283366	
35	99	D-ID		(738,101)	258,335	258,335	0	No DFIT expense recorded	
4	4	N14							
38	4	N14		(27,733,385)	9,706,685	9,706,685	(0)		
39	99	D-ID		754,484	(264,069)	(264,069)	-		
17	99	D-WA		785,184	(274,814)	(274,815)	0		
17	99	D-ID		233,428	(81,700)	(81,700)	-		
				(89,723,343)	30,508,011	32,985,740	(2,477,728)		
					Allocation	DFIT	Results DFIT	DFIT	Adjusted Results
11	4	N12		215,186	N14	42,199,039	42,343,571	144,532	144,532
32	11	N12		(32,192,709)	D-WA	(8,955,199)	(9,161,347)	(206,148)	206,148
4,31	12	N12		(1,760,187)	D-ID	(658,901)	(658,901)	(400,801)	(400,801)
42c, 42f	E-OPS	N12		71,817,644		32,985,740	32,523,323	(462,417)	462,417
9,25	2	N12		999,769					
	1	N12		(3,870,261)					
				(64,790,558)					
					DJ114 200811		Debit	411100 ED WA	524,938
							Credit	190000 ED WA	(524,938)
					NS1010 200810		Credit	410100 ED AN	(515,023)
							Credit	411100 ED AN	(70,000)
							Debit	190000 ED AN	585,023
									Not eliminated; need to reverse
									Not eliminated; need to reverse

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

ELIMINATION OF IDAHO PCA  
& WA POWER COST DEFERRALS  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	(\$32,260)	(\$32,260)	
2	Interdepartmental Sales			
3	Sales For Resale	0		
4	Total Sales of Electricity	(32,260)	(32,260)	0
5	Other Revenue			
6	Total Electric Revenue	(32,260)	(32,260)	0
<b>EXPENSES</b>				
Production and Transmission				
7	Operating Expenses	(23,803)	(23,803)	
8	Purchased Power	0	0	0
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	(23,803)	(23,803)	0
Distribution				
12	Operating Expenses			
13	Depreciation			
14	Taxes	(1,245)	(1,245)	0
15	Total Distribution	(1,245)	(1,245)	0
16	Customer Accounting	(102)	(102)	
17	Customer Service & Information			
18	Marketing			
Administrative & General				
19	Operating Expenses	(61)	(61)	
20	Depreciation			
21	Taxes			
22	Total Admin. & General	(61)	(61)	0
23	Total Electric Expenses	(25,211)	(25,211)	0
24	Operating Income before FIT	(7,049)	(7,049)	0
Federal Income Taxes				
25	Current Accrual	(10,798)	(10,798)	
26	Deferred Income Taxes	8,331	8,331	
27	NET OPERATING INCOME	(\$4,582)	(\$4,582)	\$0
<b>RATE BASE</b>				
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 Corporation  
 Eliminate Washington ERM  
 12 Months Ended December 31, 2008

	Surcharge Revenue	557.29 Amortization	557.28 Deferrals	410.1 FIT
Jan-08	3,450,542	3,299,841	0	-1,154,944
Feb-08	3,497,199	3,344,459	0	-1,170,561
Mar-08	2,775,361	2,654,146	0	-928,951
Apr-08	2,687,902	2,570,506	-5,031,019	861,180
May-08	2,351,537	2,248,832	-2,246,069	-967
Jun-08	2,232,692	2,135,181	381,488	-880,834
Jul-08	2,293,924	2,193,738	3,638,385	-2,041,243
Aug-08	2,638,528	2,523,291	-802,920	-602,130
Sep-08	2,604,833	2,491,067	-1,552,524	-328,490
Oct-08	2,348,522	2,245,950	791,468	-1,063,096
Nov-08	2,415,237	2,309,752	20,755	-815,677
Dec-08	2,964,111	2,834,654	-2,248,147	-205,277
Total	\$32,260,388	\$30,851,417	-\$7,048,583	-\$8,330,990

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

Excise Tax	0.038607	\$1,245,477
Uncollect.	0.003168	102,201
Commission Fee	0.001900	61,295
Total	0.043675	\$1,408,973

Account 557 as Recorded

Deferrals	-\$7,048,583
Amortizations	30,851,417 Debit
Net	\$23,802,834 Debit

Account 410.10 -\$8,330,990 Credit

Adjustment (\$000)	Remove Surcharge Revenue	Remove Deferral & Amort.	Total Adjustment
Revenue	-\$32,260		-\$32,260
Account 557		-\$23,803	-23,803
Excise tax	-1,245		-1,245
Uncollectibles	-102		-102
Other (commission fees)	-61		-61
Total expenses	-1,408	-23,803	-25,211
Net income before income taxes	-30,852	23,803	-7,049
FIT	0.35	8,331	-2,467
Net income	-\$20,054	\$15,472	-\$4,582



AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

NEZ PERCE SETTLEMENT  
ACCOUNTING ADJUSTMENT  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
Production and Transmission				
7	Operating Expenses	7	7	0
8	Purchased Power			
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	7	7	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	7	7	0
24	Operating Income before FIT	(7)	(7)	0
Federal Income Taxes				
25	Current Accrual	35.0%	(2)	(2)
26	Deferred Income Taxes			
27	NET OPERATING INCOME	(\$5)	(\$5)	\$0
<b>RATE BASE</b>				
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  
 Nez Perce Settlement  
 Commission Basis Adjustment  
 12 months ended 12/31/08

		SYS - ELEC	Wash	Idaho	
Note 1 - Prod/Trans Ratio		100.000%	64.420%	35.580%	
Agreement Period is 45 years					
Washington	Allocated Annual Payments	783,800	\$504,920		
Idaho	Allocated Annual Payments - Levelized	\$872,500		\$310,436	
Directly Assigned	Account 557 2008 Recorded Amounts	\$818,702	\$497,498	\$321,204	
	Adjustment to Account 557	-\$3,346	\$7,422	-\$10,768	
	Federal Income Tax	-35%	1,171	-2,598	3,769
	Net Expense Adjustment	-2,175	4,824	-6,999	
Per Washington Docket No. UE-991606	1/31/2000 - 1/31/2043 Annual Payments Total Annual Payments	835,498			
	Annual Payments Direct Idaho	51,670			
	Annual Payments Allocated Electric	783,828			
Per Idaho Case No. WWP-E-98-11	Lump Sum Payment 1/31/99	2,500,000			
	1/31/2000 - 1/31/2043 Annual Payments	835,498			
	Total Payments over 45 Years	39,261,912			
	Levelized Amortization	872,500			

ALLOCATION OF OTHER POWER SUPPLY EXP  
 EXPENSE--ACCOUNT 0557  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Ref/Basis	Account	Description	SYSTEM *****		WASHINGTON *****		IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
1	557000	Other Expenses	0	5,101,579	0	3,286,437	0	1,815,142	1,815,142
1	557010	Other Power Supply Expense - Financial	0	0	0	0	0	0	0
1	557150	Fuel - Economic Dispatch	0	43,103,119	0	27,767,029	0	15,336,090	15,336,090
1	557160	Power Supply Expense - Miscellaneous	0	3,054,809	0	1,967,908	0	1,086,901	1,086,901
99	557161	Unbilled Add-Ons	1,147,654	0	398,253	0	749,401	0	749,401
1	557170	Broker Fees - Power	0	111,466	0	71,806	0	39,660	39,660
1	557200	Nez Percé	818,702	0	497,498	0	321,204	0	321,204
99	557280	Washington ERM Deferred	-7,048,583	0	-7,048,583	0	0	0	0
99	557290	Washington ERM Amortization	30,851,417	0	30,851,417	0	0	0	0
99	557380	Idaho PCA Deferred	-10,028,833	0	0	0	-10,028,833	0	-10,028,833
99	557390	Idaho PCA Amortization	11,689,630	0	0	0	11,689,630	0	11,689,630
1	557610	Other Expenses - Exposure	0	0	0	0	0	0	0
TOTAL ACCOUNT 0557			27,429,987	51,370,973	24,698,585	33,093,180	2,731,402	18,277,793	21,009,195

ALLOCATION RATIOS:

E-ALL	1	Production/Transmission Ratio	100.000%	64.420%	35.580%
E-ALL	99	Not Allocated	0.000%	0.000%	0.000%

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

R1

NET GAINS  
AND LOSSES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	(112)	(112)	
14	Taxes	0	0	0
15	Total Distribution	(112)	(112)	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	(112)	(112)	0
24	Operating Income before FIT	112	112	0
Federal Income Taxes				
25	Current Accrual	35.0%	39	39
26	Deferred Income Taxes			0
27	NET OPERATING INCOME	\$73	\$73	\$0
<b>RATE BASE</b>				
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

AVISTAR UTILITIES  
 AMORTIZATION OF GAINS/LOSSES ON SALES OF REAL PROPERTY  
 For the Year Ended September 30, 2008

ELECTRIC Year	Gain(Loss)	AMORTIZATION PERIOD												TOTAL				
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		2010	2011		
1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	435,627	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	435,630
2000	24,577	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	24,580
2001	9,684	968	968	968	968	968	968	968	968	968	968	968	968	968	968	968	968	9,680
2002	108,034	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	10,803	108,030
2003	(116,425)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(11,643)	(104,787)
2004	110,176	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	11,018	88,144
2005	244,184	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	24,418	170,926
2006	65,410	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	39,246
2007	166,676	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	16,668	83,340
2008	72,171	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	7,217	28,868
Total	1,120,114	0	43,563	46,021	46,989	57,792	46,149	57,167	81,585	88,126	104,794	112,011	68,448	65,990	65,022	65,022	65,022	883,657

GAS Year	Gain(Loss)	AMORTIZATION PERIOD												TOTAL				
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		2010	2011		
1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	94,593	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	94,590
2000	7,096	710	710	710	710	710	710	710	710	710	710	710	710	710	710	710	710	7,100
2001	3,918	392	392	392	392	392	392	392	392	392	392	392	392	392	392	392	392	3,920
2002	25,315	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	2,532	25,320
2003	(2,137)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(214)	(1,926)
2004	61	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	48
2005	625	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	441
2006	99	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	60
2007	25	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	15
2008	3,407	341	341	341	341	341	341	341	341	341	341	341	341	341	341	341	341	1,364
Total	133,002	0	9,459	10,169	10,561	13,093	12,879	12,885	12,948	12,958	12,961	13,302	3,843	3,133	2,741	2,741	2,741	130,932

Avista Utilities		Property Dispositions		12 Months Ended December 31, 2008		Svcl		Gain		Total		WA		ID		North		WA		ID		OR		TOTAL	
Description		Juris		Alloc		Electric		Electric		Electric		Gas		Gas		Gas		Gas		Gas		Gas		TOTAL	
1	Colstrip Land	34,609	ED	1	22,295	12,314																		34,609	
2	Barker Rd 115kv Sub Land- Transmission	229,700	ED	1	147,973	81,727																		229,700	
3	Kahlotus Sub Land	606	ED	1	390	216																		606	
4	Pine St. Sub Land	185,625	ED	1	119,580	66,045																		185,625	
5	Transmission Land - Quit Claim	(1,452)	ED	1	(935)	(517)																		(1,452)	
6	Cabinet Gorge Land	(356,931)	ED	1	(229,935)	(126,996)																		(356,931)	
7	Vehicles	1,806	7	4	854	446																		1,806	
8	Vehicles	(333)	7	4	(158)	(82)																		(333)	
9	Cardboard Compactor	740	7	4	350	183																		740	
10	Surplus Lube Oil	187	ED	1	120	67																		187	
11	Misc Equipment	12,566	7	4	5,940	3,102																		12,566	
12	Obsolete Material	5,127	7	4	2,424	1,265																		5,127	
13	Office Supplies/scrap metal	6,890	7	4	3,257	1,701																		6,890	
	LM 2500 60hz Gen Set (Note 1)	887,000	4		0	0																		887,000	
	Wartsila Units (Note 1)	(195,480)			0	0																		(195,480)	
	Misc	33	7	4	16	8																		33	
	Total Gain	1,364,889			72,171	39,479																		810,693	
	Total Loss	(3554,196)																							
	Net Gain	810,693			GL Balance 421,100 & 421,200																				
	Remove LM 2500 and Wartsila Units (Note 1)	(891,520)			0	0																		(891,520)	
	Net Gain for Amortization	119,173			72,171	39,479																		119,172	
	Service allocators:																								
	ED (Electric Direct)																								
	7 (4-Factor, Common All Services)	100.000%																						8.860%	
	9 (4-Factor, Common Electric and Gas North)	100.000%																							
	Jurisdictional allocators:																								
	1 (Production/Transmission Ratio)	100.000%																							
	4 (Jurisdictional 4-Factor)	100.000%																							
	Net Gain for Amortization	119,173			72,171	39,479																		119,172	
	Remove LM 2500 and Wartsila Units (Note 1)	(891,520)			0	0																		(891,520)	
	Net Gain for Amortization	119,173			72,171	39,479																		119,172	
	Service allocators:																								
	ED (Electric Direct)																								
	7 (4-Factor, Common All Services)	100.000%																						8.860%	
	9 (4-Factor, Common Electric and Gas North)	100.000%																							
	Jurisdictional allocators:																								
	1 (Production/Transmission Ratio)	100.000%																							
	4 (Jurisdictional 4-Factor)	100.000%																							
	Net Gain for Amortization	119,173			72,171	39,479																		119,172	
	Remove LM 2500 and Wartsila Units (Note 1)	(891,520)			0	0																		(891,520)	
	Net Gain for Amortization	119,173			72,171	39,479																		119,172	

Note 1: These generators were obtained during the energy crisis and were recently sold. We did not allocate because the Wartsila unit is being accounted for elsewhere. The LM2500 is being and is accounted for as a non-utility asset and is not used in useful. Therefore, we did not include this as part of our amortization schedule.

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

WEATHER  
NORMALIZATION  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	(\$6,409)	(\$4,314)	(\$2,095)
2	Interdepartmental Sales			
3	Sales For Resale			
4	Total Sales of Electricity	(6,409)	(4,314)	(2,095)
5	Other Revenue			
6	Total Electric Revenue	(6,409)	(4,314)	(2,095)
<b>EXPENSES</b>				
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	(189)	(167)	(22)
15	Total Distribution	(189)	(167)	(22)
16	Customer Accounting	(18)	(12)	(6)
17	Customer Service & Information			
18	Marketing			
Administrative & General				
19	Operating Expenses	(14)	(9)	(5)
20	Depreciation			
21	Taxes			
22	Total Admin. & General	(14)	(9)	(5)
23	Total Electric Expenses	(221)	(188)	(33)
24	Operating Income before FIT	(6,188)	(4,126)	(2,062)
Federal Income Taxes				
25	Current Accrual	35.0%	(2,166)	(1,444)
26	Deferred Income Taxes			(722)
27	NET OPERATING INCOME	(\$4,022)	(\$2,682)	(\$1,340)
<b>RATE BASE</b>				
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			
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

Weather Adjustment  
Revenue Related Expenses  
Washington and Idaho Electric  
TWELVE MONTHS ENDED DECEMBER 31, 2008

<u>Washington Electric</u>			
Revenue adjustment			(\$4,314,180)
Distribution taxes			
WA excise tax	0.038618		(166,605)
Customer accounting			
Uncollectibles	0.002892		(12,479)
Administrative & general			
Commission fees	0.002000		
Franchise fees	0.000000		
Total A&G	0.002000		<u>(8,628)</u>
Total expense			<u>(187,712)</u>
Operating income before FIT			(4,126,468)
FIT	35.0%		<u>(1,444,264)</u>
Net operating income			(\$2,682,204)
-----			
<u>Idaho Electric</u>			
Revenue adjustment			(\$2,094,605)
Distribution taxes			
Idaho state income tax	0.012214		(25,584)
Customer accounting			
Uncollectibles	0.002669		(5,591)
Administrative & general			
Commission fees	0.002507		<u>(5,251)</u>
Total expense			<u>(36,426)</u>
Operating income before FIT			(2,058,179)
FIT	35.0%		<u>(720,363)</u>
Net operating income			(\$1,337,816)



Rate Group	Total	January	February	March	April	May	June	July	August	September	October	November	December
Normal DDH	6,678	1,118	920	775	541	323	142	34	34	189	542	890	1,170
Actual DDH	7,052	1,243	952	880	683	274	176	8	52	142	529	785	1,328
Unbilled DDH	-374	-125	-32	-105	-142	49	-34	26	-18	47	13	105	-158
Normal DDC	441	0	0	0	0	14	50	185	157	34	1	0	0
Actual DDC	478	0	0	0	0	27	60	182	176	29	4	0	0
Unbilled DDC	-37	0	0	0	0	-13	-10	3	-19	5	-3	0	0

Rate Group

WA Res Sched 11	-52,844,111	-14,297,603	-3,669,923	-12,027,320	-11,242,276	3,866,174	-4,575,015	569,716	-3,608,603	954,223	1,029,176	8,342,203	-18,184,863
No of Cust	198,702	198,854	199,383	199,141	198,922	198,245	197,659	197,530	197,552	198,507	198,913	199,622	200,094
Usage/DDH	0.5752	0.5752	0.5752	0.5752	0.3980	0.3980	0.3980	0.0000	0.0000	0.0000	0.3980	0.3980	0.5752
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.9614	0.9614	0.9614	0.9614	0.0000	0.0000	0.0000
WA Res Sched 11	-883,873	-250,255	-64,359	-210,959	-168,623	58,217	-51,864	3,430	-21,846	5,756	15,636	126,779	-325,785
No of Cust	7,727	7,621	7,656	7,648	7,686	7,690	7,703	7,726	7,769	7,778	7,785	7,815	7,849
Usage/DDH	0.2627	0.2627	0.2627	0.2627	0.1545	0.1545	0.1545	0.0000	0.0000	0.0000	0.1545	0.1545	0.2627
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1480	0.1480	0.1480	0.1480	0.0000	0.0000	0.0000
WA Com Sched 11	-3,963,359	-840,049	-215,731	-705,492	-398,793	-416,906	-301,552	61,428	-389,700	102,413	-91,384	294,340	-1,061,933
No of Cust	19,025	19,011	19,071	19,007	19,040	19,023	19,094	18,998	19,030	19,004	19,007	19,005	19,013
Usage/DDH	0.3535	0.3535	0.3535	0.3535	0.1475	0.1475	0.1475	0.0000	0.0000	0.0000	0.1475	0.1475	0.3535
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.2418	2.2418	1.0778	1.0778	1.0778	1.0778	2.2418	2.2418	0.0000
WA Res Sched 21	-519,361	-139,997	-35,839	-115,941	-84,193	29,462	-37,689	4,918	-31,150	8,197	8,142	66,639	-191,910
No of Cust	74	71	71	70	71	72	75	75	75	75	75	76	77
Usage/DDH	15.7743	15.7743	15.7743	15.7743	8.3508	8.3508	8.3508	0.0000	0.0000	0.0000	8.3508	8.3508	15.7743
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	21.8597	21.8597	21.8597	21.8597	0.0000	0.0000	0.0000
ID Res Sched 11	-27,338,706	-7,508,400	-1,909,626	-6,264,501	-6,067,332	2,092,594	-2,315,601	260,847	-1,647,214	436,061	558,973	4,525,844	-9,500,351
No of Cust	98,896	99,449	98,801	98,778	98,519	98,469	98,332	98,772	98,484	99,071	99,142	99,385	99,551
Usage/DDH	0.6040	0.6040	0.6040	0.6040	0.4337	0.4337	0.4337	0.0000	0.0000	0.0000	0.4337	0.4337	0.6040
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.8803	0.8803	0.8803	0.8803	0.0000	0.0000	0.0000
ID Res Sched 11	-493,500	-139,249	-35,281	-115,930	-77,993	27,154	-28,476	2,941	-18,538	4,910	7,290	59,385	-179,713
No of Cust	4,290	4,278	4,234	4,240	4,238	4,276	4,260	4,303	4,283	4,311	4,327	4,364	4,368
Usage/DDH	0.2604	0.2604	0.2604	0.2604	0.1296	0.1296	0.1296	0.0000	0.0000	0.0000	0.1296	0.1296	0.2604
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2278	0.2278	0.2278	0.2278	0.0000	0.0000	0.0000
ID Com Sched 11	-3,465,228	-883,228	-224,808	-736,484	-685,266	236,709	-384,883	66,505	-419,584	110,485	63,082	511,392	-1,119,148
No of Cust	14,567	14,626	14,542	14,519	14,505	14,520	14,524	14,596	14,540	14,549	14,585	14,639	14,662
Usage/DDH	0.4831	0.4831	0.4831	0.4831	0.3327	0.3327	0.3327	0.0000	0.0000	0.0000	0.3327	0.3327	0.4831
Usage/DDC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.5188	1.5188	1.5188	1.5188	0.0000	0.0000	0.0000
Total Electric Adjustment	-89,508,138	-24,058,781	-6,155,567	-20,176,627	-18,724,476	5,893,404	-7,695,080	969,785	-6,136,635	1,622,045	1,590,915	13,926,582	-30,563,703
WA subtotal	-58,210,704	-15,527,904	-3,985,852	-13,059,712	-11,893,885	3,536,947	-4,966,120	639,492	-4,051,299	1,070,589	961,570	8,829,961	-19,764,491
ID subtotal	-31,297,434	-8,530,877	-2,169,715	-7,116,915	-6,830,591	2,356,457	-2,728,960	330,293	-2,085,336	551,456	629,345	5,096,621	-10,799,212

Summarize by Schedule

WA Sch 1	-52,844,111	-14,297,603	-3,669,923	-12,027,320	-11,242,276	3,866,174	-4,575,015	569,716	-3,608,603	954,223	1,029,176	8,342,203	-18,184,863
WA Sch 11	-4,847,232	-1,090,304	-280,090	-916,451	-567,416	-358,689	-353,416	64,858	-411,546	108,169	-75,748	421,119	-1,387,718
WA Sch 21	-519,361	-139,997	-35,839	-115,941	-84,193	29,462	-37,689	4,918	-31,150	8,197	8,142	66,639	-191,910
ID Sch 1	-27,338,706	-7,508,400	-1,909,626	-6,264,501	-6,067,332	2,092,594	-2,315,601	260,847	-1,647,214	436,061	558,973	4,525,844	-9,500,351
ID Sch 11	-3,958,728	-1,022,477	-260,089	-852,414	-763,259	263,863	-413,359	69,446	-438,122	115,395	70,372	570,777	-1,298,861
ID Sch 21	0	0	0	0	0	0	0	0	0	0	0	0	0
Tail Block Base Rates (Excluding Adder Schedules ERM, BPA ResX, and PP Rider)													
WA Sch 1	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377	0.07377
WA Sch 11	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032	0.08032
WA Sch 21	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110	0.05110
Tail Block Base Rates (Excluding Adder Schedules PCA, BPA ResX, and PP Rider)													
ID Sch 1	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612	0.06612
ID Sch 11	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223	0.06223
ID Sch 21	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097	0.04097
Revenue Adjustment													
WA Sch 1	(\$3,898,310)	(\$1,054,734)	(\$270,730)	(\$887,255)	(\$829,343)	\$285,208	(\$337,499)	\$42,028	(\$266,207)	\$70,393	\$75,922	\$615,404	(\$1,341,497)
WA Sch 11	(\$389,330)	(\$87,573)	(\$22,497)	(\$73,609)	(\$45,575)	(\$28,810)	(\$28,386)	\$5,209	(\$33,055)	\$8,688	(\$6,084)	\$33,824	(\$111,462)
WA Sch 21	(\$26,540)	(\$7,154)	(\$1,831)	(\$5,925)	(\$4,302)	\$1,506	(\$1,926)	\$251	(\$1,592)	\$419	\$416	\$3,405	(\$9,807)
Total WA	(\$4,314,180)												
ID Sch 1	(\$1,843,137)	(\$496,455)	(\$126,264)	(\$414,209)	(\$401,172)	\$138,362	(\$153,108)	\$17,247	(\$108,914)	\$28,832	\$41,453	\$335,637	(\$704,546)
ID Sch 11	(\$251,468)	(\$63,629)	(\$16,185)	(\$53,046)	(\$47,498)	\$16,420	(\$25,723)	\$4,322	(\$27,264)	\$7,181	\$4,927	\$39,960	(\$90,933)
ID Sch 21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total ID	(\$2,094,605)												

Weather Sensitivity Regression Summary for Jan 98 to Dec 07

Adj R <sup>2</sup>	Dependent Variable	Shoulder Mo. Heating		Winter Mo Heating		Shoulder Mo Cooling		Summer Mo Cooling		Usage/Cust Base Load	Usage/Cust 2007 Low	Durbin Watson test results
		Apr, May, Jun, Oct, Nov	Heating	Dec, Jan, Feb, Mar	Heating	Apr, May, Oct, Nov	Cooling	Jun, Jul, Aug, Sep	Cooling			
<b>Washington Electric</b>												
0.939	WR1	0.3980	0.5752	0.000	0.9614	677	785	No Autocorrelation				
0.927	WR11	0.1545	0.2627	0.000	0.1480	354	368	No Autocorrelation				
0.831	WC11	0.1475	0.3535	2.2418	1.0778	1,393	1,395	inconclusive				19,007 Customers
0.888	WT11	0.0000	0.0000	0.000	0.0000	0	1,720	Positive Autocorrelation				107 Customers
0.902	WR21	0.1056	0.3202	0.000	0.6454	1,157	1,116	inconclusive				5 year only
		8.3508	15.7743	0.000	21.8597	34,184	34,395	No Autocorrelation				5 year only
<b>Idaho Electric</b>												
0.971	IR1	0.4337	0.6040	0.000	0.8803	651	757	No Autocorrelation				5 year, 10 year incon
0.935	IR11	0.1296	0.2604	0.000	0.2278	280	308	No Autocorrelation				5 year only
0.832	IC11	0.3327	0.4831	0.000	1.5188	1,484	1,517	No Autocorrelation				5 year only
0.841	IT11	0.0000	0.0000	0.000	0.0000	0	2,124	Positive Autocorrelation				129 Customers
		0.2949	0.4330	0.000	1.2460	1,223	1,256	No Autocorrelation				5 year only
		0.000	0.000	0.000	0.000	0	34,054	Positive Autocorrelation				23 Customers

Dependent Variable Name Code

*1st letter*

W = Washington Jurisdiction

I = Idaho Jurisdiction

*2nd letter*

R = Residential Class

C = Commercial Class

I = Industrial Class

*Numerical reference*

Rate Schedule

AVISTA UTILITIES										
Weather Normalization										
Degree Day Comparison										
12 Months Ended December 2008										
CALENDAR MONTHLY DDH & DDC	ACTUAL DDH	ACTUAL DDC	1984 - 2008		1984 - 2008		ADJUSTMENT		ADJUSTMENT	
			25 YEAR AVG DDH	25 YEAR AVG DDC	25 YEAR AVG DDH	25 YEAR AVG DDC	NORM - ACT DDH	NORM - ACT DDC		
Jan - 08	1,243	0	1,118	0	0	0	-125	0	0	0
Feb - 08	952	0	920	0	0	0	-32	0	0	0
Mar - 08	880	0	775	0	0	0	-105	0	0	0
Apr - 08	683	0	541	0	0	0	-142	0	0	0
May - 08	274	27	323	14	14	14	49	-13	-13	-13
Jun - 08	176	60	142	50	50	50	-34	-10	-10	-10
Jul - 08	8	182	34	185	185	185	26	3	3	3
Aug - 08	52	176	34	157	157	157	-18	-19	-19	-19
Sep - 08	142	29	189	34	34	34	47	5	5	5
Oct - 08	529	4	542	1	1	1	13	-3	-3	-3
Nov - 08	785	0	890	0	0	0	105	0	0	0
Dec - 08	1,328	0	1,170	0	0	0	-158	0	0	0
	7,052	478	6,678	441	441	441	-374	-37	-37	-37

Spokane AP Weather Station  
 25 Year Rolling Average Heating Degree Days Calculation

	July	August	September	October	November	December	January	February	March	April	May	June	Heating Season Total
1	0	27	194	553	894	1,126	1,239	952	880	683	274	176	6,998
2	8	30	170	552	879	1,122	1,208	864	684	548	270	136	6,471
3	11	22	229	489	919	1,258	905	949	812	525	301	104	6,524
4	16	34	204	480	857	1,020	1,128	842	711	503	260	166	6,221
5	9	1	151	418	1,056	1,083	1,196	945	668	455	315	131	6,428
6	28	26	219	678	839	962	957	885	745	588	365	90	6,382
7	33	20	100	588	744	1,136	1,063	934	938	581	412	137	6,686
8	51	43	285	572	1,134	1,245	1,168	1,060	795	634	320	201	7,508
9	75	36	181	540	703	1,030	1,143	908	799	496	363	142	6,416
10	0	20	101	565	748	1,119	1,010	836	769	594	448	186	6,396
11	35	15	116	549	785	1,098	1,058	749	721	505	276	90	5,997
12	35	49	281	603	949	1,241	1,130	928	794	642	264	154	7,070
13	21	88	146	648	742	1,120	1,217	1,045	880	556	471	143	7,077
14	26	13	81	558	970	1,071	1,045	771	771	578	262	170	6,316
15	151	83	217	457	1,063	1,051	904	998	713	469	262	160	6,528
16	32	60	232	481	916	1,297	1,331	1,102	834	578	192	165	7,220
17	15	16	108	574	918	992	1,024	750	598	477	206	61	5,739
18	37	42	54	610	774	1,356	1,212	716	866	568	406	248	6,889
19	22	76	149	554	805	1,048	976	968	739	454	373	166	6,330
20	47	16	240	361	856	1,171	1,113	1,205	873	473	364	65	6,784
21	51	50	116	474	799	1,206	1,240	850	775	477	330	173	6,541
22	81	4	311	488	902	1,193	1,186	831	710	417	253	86	6,462
23	0	64	343	622	1,363	1,409	1,076	927	680	595	357	67	7,503
24	21	18	264	662	870	1,381	1,345	1,117	895	501	280	128	7,482
25	55	2	230	468	765	1,508	1,065	880	715	621	460	194	6,963
84-08	34	34	189	542	890	1,170	1,118	920	775	541	323	142	6,678
83-07	37	34	189	543	894	1,171	1,105	912	768	536	324	139	6,652
NOAA 1971 - 2000 Normal	44	42	196	554	897	1,168	1,169	916	790	557	338	149	6,820
08 vs NOAA Change	-10	-8	-7	-12	-7	2	-51	4	-15	-16	-15	-7	-142
08 vs 07 Change	-3	0	0	-1	-4	-1	13	8	7	5	-1	3	26

Spokane AP Weather Station  
25 Year Rolling Average Cooling Degree Days Calculation

	January	February	March	April	May	June	July	August	September	October	November	December	Cooling Season Total
1	0	0	0	0	27	60	182	176	29	4	0	0	478
2	0	0	0	0	7	56	338	143	32	0	0	0	576
3	0	0	0	0	41	66	285	161	62	0	0	0	615
4	0	0	0	0	13	32	179	174	11	0	0	0	409
5	0	0	0	0	0	96	249	225	1	0	0	0	571
6	0	0	0	0	12	58	266	174	66	2	0	0	578
7	0	0	0	0	0	63	231	81	30	0	0	0	405
8	0	0	0	0	29	19	146	213	54	0	0	0	461
9	0	0	0	0	0	29	146	129	16	0	0	0	320
10	0	0	0	0	7	41	118	210	14	0	0	0	390
11	0	0	0	0	6	22	325	234	110	0	0	0	697
12	0	0	0	0	14	9	122	209	30	6	0	0	390
13	0	0	0	0	0	16	198	150	17	0	0	0	381
14	0	0	0	0	14	29	119	59	38	0	0	0	259
15	0	0	0	0	9	37	280	159	43	0	0	0	528
16	0	0	0	0	36	27	11	64	34	0	0	0	172
17	0	0	0	0	25	159	124	209	11	8	0	0	536
18	0	0	0	0	0	0	139	187	20	0	0	0	346
19	0	0	0	0	0	42	213	157	68	0	0	0	480
20	0	0	0	0	0	49	145	78	9	0	0	0	281
21	0	0	0	0	12	63	169	128	67	0	0	0	439
22	0	0	0	8	20	94	110	97	53	1	0	0	383
23	0	0	0	0	65	109	57	247	8	0	0	0	486
24	0	0	0	0	15	36	317	68	0	0	0	0	436
25	0	0	0	0	3	28	155	181	23	1	0	0	391
84-08	0	0	0	0	14	50	185	157	34	1	0	0	441
83-07	0	0	0	0	15	48	181	159	33	1	0	0	437
NOAA 1971 - 2000 Normal	0	0	0	1	11	46	155	154	26	1	0	0	394
08 vs NOAA Change	0	0	0	-1	3	4	30	3	8	0	0	0	47
08 vs 07 Change	0	0	0	0	-1	2	4	-2	1	0	0	0	4

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

ELIMINATE  
A/R EXPENSES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	(570)	(570)	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	(570)	(570)	0
24	Operating Income before FIT	570	570	0
Federal Income Taxes				
25	Current Accrual	200	200	0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$370	\$370	\$0
<b>RATE BASE</b>				
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

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**AVISTA UTILITIES**  
**ACCOUNTS RECEIVABLE EXPENSE ELIMINATION**  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**

		<u>Washington ELECTRIC</u>	<u>Washington GAS</u>
Eliminate Expense			
(1) Accounts Receivable Sold - Program Fees	Account 903920	-114,476	-18,539
(1) Accounts Receivable Sold - Maturity Yield Fees	Account 903930	<u>-455,532</u>	<u>-73,772</u>
Total Expense Adjustment		<u><u>-570,008</u></u>	<u><u>-92,311</u></u>

(1) Source: Results of Operations Reports E-903-12A & G-903-12A



ALLOCATION OF CUSTOMER ACCOUNTING EXPENSES--ACCOUNT 0903 For Twelve Months Ended December 31, 2008 Ending Balance Basis	Report ID: E-903-12E
---	-------------------------

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

Ref/Basis Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
2	903000 Customer Records and Collections	1,529,857	5,056,007	6,585,864	1,060,381	3,322,201	4,382,582	469,476	1,733,806	2,203,282
12	903920 A/R Sold - Program Fees	0	181,687	181,687	0	114,476	114,476	0	67,211	67,211
12	903930 A/R Sold - Maturity Yield Fee	0	722,987	722,987	0	455,532	455,532	0	267,455	267,455
TOTAL ACCOUNT 0903		1,529,857	5,960,681	7,490,538	1,060,381	3,892,209	4,952,590	469,476	2,068,472	2,537,948

ALLOCATION RATIOS:

E-ALL	2	Number of Customers	100.000%	65.708%	34.292%
E-ALL	12	Net Electric Plant	100.000%	63.007%	36.993%

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

OFFICE SPACE CHARGES  
TO SUBSIDIARIES  
**ELECTRIC**

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	(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
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$5	\$5	\$0
<b>RATE BASE</b>				
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**  
**ALLOCATION OF OFFICE SPACE CHARGES**  
**TO SUBSIDIARIES**  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**

	<u>TOTAL</u>	<u>ELECTRIC</u>	<u>GAS</u>	<u>WPNG</u>
Total Company Allocation to Subsidiaries --	\$16,400	\$11,801	\$3,145	\$1,453
Per utility 4 factor note 7 *	100.000%	71.960%	19.180%	8.860%
Per jurisdictional 4 factor note 4 * (WA portion only).		65.696%	66.211%	
Allocation to WA by service	<u>\$9,836</u>	<u>\$7,753</u>	<u>\$2,083</u>	

\* See Results of Operations Report E-ALL-12A and G-ALL-12A

**Avista Utilities**  
**Subsidiary Office Space Analysis:**  
**Office Space Charges for Employees**  
**Charging Time to Subsidiary Projects**  
**For The Twelve Months Ended December 31, 2008**

Total hours charged 7,316.00

**(Excluding Executive Officers)**  
Hours charged 5,269.00

	FTEs	2.53	a	
Standard office space		100	b	square feet
		\$14.07	c	Office Space Cost / per sq ft.
Furniture/Phones/Computer		\$2,484	d	Annual Cost/Workstation
		<u>\$ 9,857</u>		a*b*c+ a*d

**(Executive Officers)**  
Hours charged 2,047.00

	FTEs	0.98	a	
Average Executive Square footage		296	b	square feet
		\$14.07	c	Office Space Cost / per sq ft.
Furniture/Phones/Computer		\$2,484	d	Annual Cost/Workstation
		<u>\$ 6,543</u>		a*b*c+ a*d
		<u>\$ 16,400</u>		<b>All Employees</b>

**Notes:**  
Office space rate is \$13.67, developed by Facilities, plus \$0.40 for copier expense - total is \$14.07  
Approximate annual incremental costs for furniture, phone and personal computer is \$2,484 per workstation.

Transaction Analysis Selection: Accounting Period : '2008%' , Organization : '%', Project Number : '%', MAC : '343'

Accounting Period:<All>	Report Category:<All>	Summary Exp Category:Labor	Mac:343
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Expenditure Organization	Project Desc	Transaction Amount		Transaction Qty SUM		
				TOTAL	Energy	Other
F50	AdvantagelQ Billing	.00	.00			
K51	Capital sub billing	.00	.00			
K07	AdvantagelQ Billing	27.54	1.00	1.00		1.00
E50	AdvantagelQ Billing	75.12	6.00	6.00		6.00
S50	AdvantagelQ Billing	125.44	8.00	8.00		8.00
E54	AdvantagelQ Billing	294.06	16.00	16.00		16.00
Y55	Avista Subsidiary Support	385.38	7.20	7.20		7.20
Z08	AdvantagelQ Billing	713.99	40.00	40.00		40.00
V08	Avista Subsidiary Support	1,303.23	42.00	42.00		42.00
B09	AIQ Costs	606.98	11.00	11.00		11.00
	AdvantagelQ Billing	1,000.00	40.00	40.00		40.00
M54	Avista Subsidiary Support	2,153.92	101.00	101.00		101.00
P09	AdvantagelQ Billing	1,291.92	28.00	28.00		28.00
	Avista Clean Energy Test Site	668.50	15.00	15.00		15.00
	Incremental Deal Costs	780.79	17.00	17.00		17.00
F54	Avista Subsidiary Support	914.69	14.00	14.00		14.00
	Capital sub billing	3,777.59	196.00	196.00		196.00
Z89	Avista Energy Sub Billing	4,844.69	80.80	80.80	80.80	
	Avista Subsidiary Support	5,338.93	63.38	63.38		63.38
	Capital sub billing	116.83	4.00	4.00		4.00
	Incremental Deal Costs	.00	.00	-		.00
	Pentzer sub billing	.00	.00	-		.00
	Wind Power Project	.00	.00	-		.00
Y01	Avista Subsidiary Support	12,880.19	353.60	353.60		353.60
F52	AdvantagelQ Billing	16,240.79	32.00	32.00		32.00
J54	Avista Subsidiary Support	17,718.21	254.00	254.00		254.00
E14	Avista Subsidiary Support	21,231.50	715.00	715.00		715.00
Y54	Avista Subsidiary Support	21,522.39	351.60	351.60		351.60
D54	Avista Subsidiary Support	10,777.68	204.00	204.00		204.00
	Capital sub billing	39,079.67	1,816.00	1,816.00		1,816.00
C54	Avista Energy Billing	10,000.80	203.00	203.00	203.00	
	Avista Energy Sub Billing	29,193.06	576.00	576.00	576.00	
	Avista Subsidiary Support	23,724.36	484.00	484.00		484.00
	Pentzer sub billing	1,469.13	33.00	33.00		33.00
J01	Avista Energy Sub Billing	124,368.81	1,744.00	1,744.00	1,744.00	
	Wind Power Project	39,999.72	416.00	416.00		416.00
			7,872.58	7,872.58	2,603.80	5,268.78
Officers:						
E01	Avista Subsidiary Support	275,006.14	2,047.20	2047.2	0	2,047.20
Subs:						
40E	Avista Energy Billing	119,894.24	358.53			
S03	AdvantagelQ Billing	22,001,156.93	1,071,883.07			
	Avista Energy Billing	.00	.00			
	Avista Energy Sub Billing	.00	.00			
	Development Upriver Dam	.00	.00			
	VPnet Billing	-45.76	.00			
Total		22,788,637.46	1,082,161.38			

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

RESTATE EXCISE  
TAXES  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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	(6)	(6)	
15	Total Distribution	(6)	(6)	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	(6)	(6)	0
24	Operating Income before FIT	6	6	0
Federal Income Taxes				
25	Current Accrual	2	2	0
26	Deferred Income Taxes			
27	NET OPERATING INCOME	\$4	\$4	\$0
<b>RATE BASE</b>				
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**

**Restate Public Utility Excise Tax to Actual  
TWELVE MONTHS ENDED SEPTEMBER 30, 2008**

* Actual Payments:	Electric	Gas
Jan-08	1,491,180.26	1,330,603.79
Feb-08	1,621,389.68	1,452,168.52
Mar-08	1,340,348.75	989,779.78
Apr-08	1,312,547.89	917,453.32
May-08	1,180,323.81	627,104.08
Jun-08	1,141,127.35	342,404.01
Jul-08	1,135,353.31	221,979.66
Aug-08	1,269,557.57	187,820.36
Sep-08	1,261,227.39	201,194.68
Oct-08	1,339,378.57	288,133.74
Nov-08	1,189,838.46	598,786.14
Dec-08	1,444,679.82	1,020,455.60
<hr/>		
Total Actual Payments	\$15,726,952.86	\$8,177,883.68
Deduct Washington State Excise Tax amount reflected in results	\$15,704,846	\$8,173,442
Add Back Timing Difference (1)	(\$28,313)	(\$18,866)
<hr/>		
Adjustment of Washington State Excise Tax	<b>(\$6,206)</b>	<b>(\$14,424)</b>
<hr/>		

\* Source: Combined Monthly Excise Tax Return Lines 52 (Electric), 53 (Gas),  
(these values now incorporate LIHEAP tax credit and Renewable energy credits  
as assigned to service).

(1)	LIHEAP Tax credit assigned to service	(217,147.30)	(144,764.86)
	LIHEAP Tax credit benefit to acct 908610	245,460.03	163,631.31
		<hr/>	<hr/>
		28,312.73	18,866.45
	One Month Lag Timing Difference		
	908610 prior period amount for Dec 2007 recorded in Jan 2008	(28,299.67)	(18,866.45)
	Unexplained Difference	13.06	0.00

Transaction Analysis Selection: Accounting Period : '2008%' , GI Ferc Account : '408%'

Accounting Period: <All>	Source Id: <All>
Accounting Acct: 408110	

Service	Jurisdiction	Transaction Desc	Transaction Amount	Electric Amt SUM	Gas North Amt SUM	South Amt SUM
ED	WA	WA Electric Excise LIHEAP Ta	-40,806.17	-40,806.17	NULL	NULL
		WA Electric Excise LIHEAP Tax	-176,341.13	-176,341.13	NULL	NULL
		WA Electric Excise Tax Current	10,967,790.36	10,967,790.36	NULL	NULL
		WA Electric Excise Tax Current	5,307,753.80	5,307,753.80	NULL	NULL
		WA Electric Excise Tax True	-382,656.06	-382,656.06	NULL	NULL
		WA Electric Excise Tax True Up	29,104.81	29,104.81	NULL	NULL
		WA Natural gas "Other" 1Qtr	7,098.92	7,098.92	NULL	NULL
		WA Natural gas "Other" 2Qtr	3,839.77	3,839.77	NULL	NULL
		WA Natural gas "Other" 3Qtr 20	3,474.55	3,474.55	NULL	NULL
		WA Natural gas "Other" 4Qtr	-105.76	-105.76	NULL	NULL
		Sub-total	15,719,153.09	15,719,153.09		
GD	WA	WA Gas Excise LIHEAP Tax Cre	-27,204.11	NULL	-27,204.11	NULL
		WA Gas Excise LIHEAP Tax Credi	-117,560.75	NULL	-117,560.75	NULL
		WA Gas Excise Tax Current Mo	6,150,377.15	NULL	6,150,377.15	NULL
		WA Gas Excise Tax Current Mont	2,196,978.27	NULL	2,196,978.27	NULL
		WA Gas Excise Tax True Up Ap	-3,054.01	NULL	-3,054.01	NULL
		WA Gas Excise Tax True Up Augu	-2,214.82	NULL	-2,214.82	NULL
		WA Gas Excise Tax True Up De	-4,981.35	NULL	-4,981.35	NULL
		WA Gas Excise Tax True Up Fe	-5,411.96	NULL	-5,411.96	NULL
		WA Gas Excise Tax True Up Ja	-3,939.68	NULL	-3,939.68	NULL
		WA Gas Excise Tax True Up Ju	-4,977.32	NULL	-4,977.32	NULL
		WA Gas Excise Tax True Up Ma	-9,551.75	NULL	-9,551.75	NULL
		WA Gas Excise Tax True Up Nove	18,937.65	NULL	18,937.65	NULL
		WA Gas Excise Tax True Up Octo	-11,751.69	NULL	-11,751.69	NULL
		WA Gas Excise Tax True Up Sept	-2,203.15	NULL	-2,203.15	NULL
		Sub-total	8,173,442.48		8,173,442.48	
Total for <All>			23,892,595.57	15,719,153.09	8,173,442.48	
Total			23,892,595.57	15,719,153.09	8,173,442.48	

Electric (217,147.30) LIHEAP Tax Credits

Electric 15,921,992.91 WA Excise Tax

Electric 14,307.48 Other 408110 Electric Tax expens

Gas (144,764.86) LIHEAP Tax Credits

Gas 8,318,207.34 WA Excise Tax



Transaction Analysis Selection: Accounting Period : '2008%', GI Ferc Account : '908%'

Accounting Period: <All>	Ferc Acct: 908610	Source Id: <All>
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Service	Jurisdiction	Transaction Desc	Transaction Amount	Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
ED	WA	2007 Balance Available LIHEAP	28,299.67	28,299.67	NULL	NULL
		Aug 08 LIHEAP credit from St.	37,064.96	37,064.96	NULL	NULL
		Issue Correction	607.25	607.25	NULL	NULL
		July 08 LIHEAP credits from St	40,806.17	40,806.17	NULL	NULL
		Manual Returns	-606.40	-606.40	NULL	NULL
		Nov08 LIHEAP credit from St. o	44,713.12	44,713.12	NULL	NULL
		Oct 08 LIHEAP credit from St.	43,389.40	43,389.40	NULL	NULL
		Sept 08 LIHEAP credit from St.	51,173.65	51,173.65	NULL	NULL
		NULL	12.21	12.21	NULL	NULL
		Sub-total	245,460.03	245,460.03	NULL	NULL
GD	WA	2007 Balance Available LIHEAP	18,866.45	18,866.45	NULL	NULL
		Aug 08 LIHEAP credit from St.	24,709.98	24,709.98	NULL	NULL
		July 08 LIHEAP credits from St	27,204.11	27,204.11	NULL	NULL
		Nov08 LIHEAP credit from St. o	29,808.74	29,808.74	NULL	NULL
		Oct 08 LIHEAP credit from St.	28,926.27	28,926.27	NULL	NULL
		Sept 08 LIHEAP credit from St.	34,115.76	34,115.76	NULL	NULL
Sub-total	163,631.31	163,631.31	163,631.31	163,631.31		
Total for <All>			409,091.34			
Total			409,091.34	245,460.03	163,631.31	

AVISTA UTILITIES  
ELECTRIC ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

POWER SUPPLY  
NORMALIZED ADJUSTMENT  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	\$0		
2	Interdepartmental Sales			
3	Sales For Resale	(151,949)	(97,886)	(54,063)
4	Total Sales of Electricity	(151,949)	(97,886)	(54,063)
5	Other Revenue	(44,695)	(28,793)	(15,902)
6	Total Electric Revenue	(196,644)	(126,679)	(69,965)
<b>EXPENSES</b>				
Production and Transmission				
7	Operating Expenses	(70,366)	(45,330)	(25,036)
8	Purchased Power	(146,348)	(94,277)	(52,071)
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	(216,714)	(139,607)	(77,107)
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	0	
20	Depreciation			
21	Taxes	82		82
22	Total Admin. & General	82	0	82
23	Total Electric Expenses	(216,632)	(139,607)	(77,025)
24	Operating Income before FIT	19,988	12,928	7,060
Federal Income Taxes				
25	Current Accrual	35.0%	6,996	4,525
26	Deferred Income Taxes			2,471
27	NET OPERATING INCOME	\$12,992	\$8,403	\$4,589
<b>RATE BASE</b>				
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 Corporation  
WA Power Supply Adjustment  
Commission Basis Power Supply Adjustment

	<u>Power Supply Adjustment</u>	<u>Less Idaho Direct Potlatch Adjustment (1)</u>	<u>System Net Power Supply Adjustment</u>	<u>Total Washington Adjustment</u> 64.42%	<u>Total Idaho Adjustment</u> 35.58%
<b>P/T Allocation Percentages</b>					
447 Sales for Resale	-\$151,949		-\$151,949	-\$97,886	-\$54,063
453 Sales of Water and Water Power	0		0	0	0
454 Misc Rents	0		0	0	0
456 Other Electric Revenue	-44,695		-44,695	-28,793	-15,902
<b>Total Revenue</b>	<b>-196,644</b>	<b>0</b>	<b>-196,644</b>	<b>-126,679</b>	<b>-69,965</b>
501 Thermal Fuel Expense	804		804	518	286
546 Other Power Gen Supvsn & Eng	0		0	0	0
547 Other Fuel Expense	-25,362		-25,362	-16,338	-9,024
536 Water for Power	0		0	0	0
555 Purchased Power	-164,299	-17,951	-146,348	-94,277	-52,071
549 Misc Other Gen Expense	0		0	0	0
550 Rents	0		0	0	0
556 System Control & Dispatch	0		0	0	0
557 Other Expenses	-45,808		-45,808	-29,510	-16,298
565 Trans. of Elec. by Others	0		0	0	0
<b>Total Expense</b>	<b>-234,665</b>	<b>-17,951</b>	<b>-216,714</b>	<b>-139,607</b>	<b>-77,107</b>
<b>Net Income Before Income Taxes</b>	<b>38,021</b>	<b>17,951</b>	<b>20,070</b>	<b>12,928</b>	<b>7,142</b>
<b>Idaho State Income Tax</b>					<b>82</b>
<b>Net Income before FIT</b>				<b>12,928</b>	<b>7,060</b>
<b>Federal Income Tax</b>				<b>4,525</b>	<b>2,471</b>
<b>Net Income</b>				<b>\$8,403</b>	<b>\$4,589</b>

(1) The Potlatch cogeneration purchase is directly assigned to Idaho. The power supply worksheets remove Potlatch cogeneration. It is necessary to add back the Potlatch cogeneration removal so that the adjustment only reflects system power supply revenue and expense amounts that are allocated to jurisdictions.

If it was determined necessary to normalize the Potlatch cogeneration amount, any adjustment would be directly assigned to Idaho.

**Avista Corp.**  
**Commission Basis Report - Washington Jurisdiction**  
**System Numbers - 2008 Actual and 2008 Normalized**

Line No.		Jan 08 - Dec 08 Actuals	Adjustment	Jan 08 - Dec 08 Normalized
<u>555 PURCHASED POWER</u>				
1	Modeled Short-Term Market Purchases	\$177,337	-\$137,151	\$40,186
2	Rocky Reach	2,116	0	2,116
3	Wanapum	5,715	0	5,715
4	Wells	1,315	0	1,315
5	Wells - Colville Share	2,801	0	2,801
6	Priest Rapids Project	5,253	0	5,253
7	Grant Displacement	4,625	0	4,625
8	Douglas Settlement	472	0	472
9	WNP-3	13,283	-844	12,439
10	Deer Lake-IP&L	7	0	7
11	Small Power	1,086	0	1,086
12	Stimson	2,000	0	2,000
13	Spokane-Upriver	1,776	0	1,776
14	Douglas Exchange Capacity	1,576	-1,576	0
15	Seattle Exchange Capacity	1,699	-1,699	0
16	Black Creek Index Purchase	13	-4	9
17	Non-Monetary	-278	278	0
18	Contract A	6,808	0	6,808
19	Contract B	6,764	0	6,764
20	Contract C	6,675	0	6,675
21	Contract D	7,576	0	7,576
22	NWestern Load Following Deviation Energy	2,075	-2,075	0
23	BPA NT Deviation Energy	2,931	-2,931	0
24	Potlatch Co-Gen Purchase	17,951	-17,951	0
25	Spinning Reserve	1,500	0	1,500
26	Ancillary Services	680	-680	0
27	PPM Wind Purchase	3,211	334	3,545
28	<b>Total Account 555</b>	<b>276,967</b>	<b>-164,299</b>	<b>112,668</b>
<u>557 OTHER EXPENSES</u>				
29	Broker Commission Fees	111	0	111
30	REC Purchases	350	0	350
31	Bad Debt Reserve	2,705	-2,705	0
32	GST True Up	26	-26	0
33	Natural Gas Fuel Purchases	43,077	-43,077	0
34	<b>Total Account 557</b>	<b>46,269</b>	<b>-45,808</b>	<b>461</b>
<u>501 THERMAL FUEL EXPENSE</u>				
35	Kettle Falls - Wood Fuel	7,500	-26	7,474
36	Kettle Falls - Start-Up Gas	23	0	23
37	Colstrip - Coal	19,609	831	20,440
38	Colstrip - Oil	139	0	139
39	<b>Total Account 501</b>	<b>27,271</b>	<b>804</b>	<b>28,075</b>
<u>547 OTHER FUEL EXPENSE</u>				
40	Coyote Springs Gas	97,863	-22,142	75,721
41	Gas Transportation Charge	5,581	0	5,581
42	Rathdrum Gas	1,332	-1,116	216
43	Northeast CT Gas	268	-246	22
44	Boulder Park Gas	1,838	-1,756	82
45	Kettle Falls CT Gas	293	-102	191
46	<b>Total Account 547</b>	<b>107,175</b>	<b>-25,362</b>	<b>81,813</b>
<u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u>				
47	WNP-3	789	0	789

**Avista Corp.**  
**Commission Basis Report - Washington Jurisdiction**  
**System Numbers - 2008 Actual and 2008 Normalized**

Line No.		Jan 08 - Dec 08		Jan 08 - Dec 08
		Actuals	Adjustment	Normalized
48	Sand Dunes-Warden	20	0	20
49	Black Creek Wheeling	0	0	0
50	Wheeling for System Sales & Purchases	541	0	541
51	PTP for Colstrip & Coyote	8,434	0	8,434
52	BPA Townsend-Garrison Wheeling	1,173	0	1,173
53	Avista on BPA - Borderline	1,399	0	1,399
54	Kootenai for Worley	42	0	42
55	Sagle-Northern Lights	136	0	136
56	Garrison-Burke	455	0	455
57	PGE Firm Wheeling	643	0	643
58	<b>Total Account 565</b>	<b>13,632</b>	<b>0</b>	<b>13,632</b>
<u>536 WATER FOR POWER</u>				
59	Headwater Benefits Payments	653	0	653
<u>549 MISC OTHER GENERATION EXPENSE</u>				
60	Rathdrum Municipal Payment	175	0	175
61	<b>TOTAL EXPENSE</b>	<b>472,142</b>	<b>-234,665</b>	<b>237,477</b>
<u>447 SALES FOR RESALE</u>				
62	Short-Term Market Sales	162,354	-104,051	58,303
63	Peaker (PGE) Capacity Sale	1,800	0	1,800
64	Nichols Pumping Sale	3,285	262	3,547
65	Sovereign/Kaiser DES	560	-499	61
66	Pend Oreille DES & Spinning	444	-54	390
67	Northwestern Load Following	5,504	-2,690	2,814
68	Naturener Glacier Wind	106	0	106
69	SMUD Sale	47,832	-42,079	5,753
70	Ancillary Services	680	-680	0
71	Spokane Energy Service Fee - Peaker Sale	-51	0	-51
72	BPA NT Deviation Energy	2,159	-2,159	0
73	<b>Total Account 447</b>	<b>224,673</b>	<b>-151,949</b>	<b>72,724</b>
<u>456 OTHER ELECTRIC REVENUE</u>				
74	Renewable Energy Credit Sales	3	0	3
75	Gas Not Consumed Sales Revenue	44,695	-44,695	0
76	<b>Total Account 456</b>	<b>44,698</b>	<b>-44,695</b>	<b>3</b>
<u>453 SALES OF WATER AND WATER POWER</u>				
77	Upstream Storage Revenue	307	0	307
<u>454 MISC RENTS</u>				
78	Colstrip Rents	25	0	25
79	<b>TOTAL REVENUE</b>	<b>269,703</b>	<b>-196,644</b>	<b>73,059</b>
80	<b>TOTAL NET EXPENSE</b>	<b>202,439</b>	<b>-38,020</b>	<b>164,419</b>
81	Potlatch Purchase Assigned to Idaho		17,951	
82	<b>Total Adjustment Including Potlatch</b>		<b>-20,069</b>	

AVISTA UTILITIES  
 ELECTRIC ADJUSTMENT SUMMARY  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

RESTATE  
 DEBT INTEREST  
 ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
<b>REVENUES</b>				
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
<b>EXPENSES</b>				
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%)	689	689	0
26	Deferred income Taxes			
27	NET OPERATING INCOME	(\$689)	(\$689)	\$0
<b>RATE BASE</b>				
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**  
**Restate Debt Interest - Proforma**  
**Washington - Electric**  
**For the Twelve Months Ended December 31, 2008**  
(000's)

<u>Adjustment Description</u>	<u>Rate Base Adjustments</u>
b Per Results Report	1,064,749
c Deferred FIT Rate Base	(147,502)
d Deferred Gain on Office Building	(293)
e Colstrip 3 AFUDC Elimination	(1,918)
f Colstrip Common AFUDC	429
g Kettle Falls Disallow.	(834)
h Customer Advances	(232)
i Settlement Exchange Power	22,441
j Eliminate B & O Taxes	0
k Property Tax	0
l Uncollect. Expense	0
m Regulatory Expense	0
n Injuries and Damages	0
o FIT	0
p Eliminate WA Power Cost Defer	0
q Nez Perce Settlement Adjustment	0
r Net Gains / Losses	0
s Weather Normalization	0
t Eliminate A/R Expenses	0
u Office Space Charges to Subsidiaries	0
v Restate Excise Taxes	0
w Normalized Power Supply	0
	<hr/>
Restated Rate Base	936,840
	<hr/>
Weighted Average Cost of Debt	<b>3.33%</b>
	<hr/>
Restated Debt Interest	\$31,197
	<hr/>
Actual Interest (E-FIT-12A)	33,165
	<hr/>
Increase (Decrease) in Interest Expense	(1,968)
FIT Rate	x 0.350
	<hr/>
Increase (Decrease) in FIT	<u>\$689</u>

**AVISTA UTILITIES  
CALCULATION OF CONVERSION FACTOR: WASHINGTON ELECTRIC  
TWELVE MONTHS ENDED DECEMBER 31, 2008**

Revenue:		1.000000
Expense:		
Uncollectibles (1)		0.002892
Commission Fees (2)		0.002000
Washington Excise Tax (3)		0.038618
Franchise Fees (4)		0.000000
Total Expense		<u>0.043510</u>
Net Operating Income Before FIT		0.956490
Federal Income Tax @	35.00%	0.334771
REVENUE CONVERSION FACTOR		<u>0.621718</u>

**NOTES:**

(1) Calculation of Effective Uncollectibles Rate:

Net Write-Offs *		1,205,325
Divided by:		
Sales to Ultimate Customers **		<u>416,715,575</u>
EFFECTIVE RATE		<u>0.002892</u>

\* From Uncollectibles Adjustment Workpapers.

\*\* From Results of Operations Report E-OPS-12A

(2) WUTC fees rate per Regulatory Fee Calculation Schedule, Annual Report Year 2008

(3) Calculation of Effective Washington Excise Tax Rate:

Nominal Rate *		0.038730
Multiplied by		
Uncollectibles Factor:		
Revenue	1.000000	
Less:		
Effective Uncol Rate	0.002892	0.997108
EFFECTIVE RATE		<u>0.038618</u>

\* From Combined Excise Tax Return.

(4) Calculation of Franchise Fee Rate:

Total Fees Paid (Obsolete, all have expired) *		0
Divided by:		
Sales to Ultimate Customers **		<u>416,715,575</u>
EFFECTIVE RATE		<u>0.000000</u>

\* From Excise/Franchise Tax Adjustment Workpapers.

\*\* From Results of Operations Report E-OPS-12A