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STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION  
COMMISSION  
2009 APR 30 AM 9:23

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 Gas Commission Basis Report Pursuant to WAC 480-090-257

Dear Mr. Danner:

Enclosed are two copies of the 2008 Gas Commission Basis Report for Avista Utilities. The report is being filed pursuant to WAC 480-090-257. The report is based on the period of twelve months ended December 31, 2008. This report is being supplied for informational purposes only.

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

Sincerely,

Liz M. Andrews  
Manager, Revenue Requirements

Enclosure

**AVISTA UTILITIES**

Restatement Summary  
 Washington Gas  
Twelve Months Ended December 31, 2008

Column	Description	Washington Gas		
		NOI	Rate Base	ROR
b	Per Results Report	\$12,726	\$182,999	
c	Deferred FIT Rate Base	0	(28,945)	
d	Deferred Gain on Office Building	0	(99)	
e	Gas Inventory	0	15,327	
f	Weatherization and DSM Investment	0	448	
g	Customer Advances	0	(49)	
	Actual	12,726	169,681	7.50%
h	Weather Normalization & Gas Cost Adjust	(1,126)	0	
i	Eliminate B & O Taxes	(4)	0	
j	Property Tax	93	0	
k	Uncollectible Expense	89	0	
l	Regulatory Expense Adjustment	(7)	0	
m	Injuries and Damages	214	0	
n	FIT	(10)	0	
o	Net Gains & Losses	8	0	
p	Eliminate A/R Expenses	60	0	
q	Office Space Charges to Subs	1	0	
r	Restate Excise Taxes	9	0	
s	Restate Debt Interest	(128)	0	
	Restated Total	\$11,925	\$169,681	7.03%

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

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Gas Inventory	Weatherization and DSM Investment	Customer Advances
	a	b	c	d	e	f	g
<b>REVENUES</b>							
1	Total General Business	\$221,067					
2	Total Transportation	3,443					
3	Other Revenues	153,093					
4	Total Gas Revenues	377,603	0	0	0	0	0
<b>EXPENSES</b>							
5	Exploration and Development	0					
<b>Production</b>							
6	City Gate Purchases	317,896					
7	Purchased Gas Expense	(9,103)					
8	Net Nat Gas Storage Trans	2					
9	Total Production	308,795	0	0	0	0	0
<b>Underground Storage</b>							
10	Operating Expenses	436					
11	Depreciation	276					
12	Taxes	126					
13	Total Underground Storage	838	0	0	0	0	0
<b>Distribution</b>							
14	Operating Expenses	6,123					
15	Depreciation	5,686					
16	Taxes	17,092					
17	Total Distribution	28,901	0	0	0	0	0
18	Customer Accounting	4,949			0	0	
19	Customer Service & Information	5,169					
20	Sales Expenses	442					
<b>Administrative &amp; General</b>							
21	Operating Expenses	10,045					
22	Depreciation	1,561					
23	Taxes	19					
24	Total Admin. & General	11,625	0	0	0	0	0
25	Total Gas Expense	360,719	0	0	0	0	0
26	OPERATING INCOME BEFORE FIT	16,884	0	0	0	0	0
<b>FEDERAL INCOME TAX</b>							
27	Current Accrual	1,125					
28	Deferred FIT	3,064					
29	Amort ITC	(31)					
30	NET OPERATING INCOME	\$12,726	\$0	\$0	\$0	\$0	\$0
<b>RATE BASE: PLANT IN SERVICE</b>							
31	Underground Storage	15,260					
32	Distribution Plant	240,778				448	(49)
33	General Plant	24,256					
34	Total Plant in Service	280,294	0	0	0	448	(49)
<b>ACCUMULATED DEPRECIATION</b>							
35	Underground Storage	7,581					
36	Distribution Plant	81,405					
37	General Plant	8,309					
38	Total Accum. Depreciation	97,295	0	0	0	0	0
39	DEFERRED FIT	0	(28,945)	53			
40	GAS INVENTORY	0			15,327		
41	GAIN ON SALE OF BUILDING	0		(152)			
42	TOTAL RATE BASE	\$182,999	(\$28,945)	(\$99)	\$15,327	\$448	(\$49)
43	RATE OF RETURN						

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

Line No.	DESCRIPTION	Subtotal Actual	Weather Normalization & Gas Cost Adjust	Eliminate B & O Taxes	Property Tax	Uncollectible Expense	Regulatory Expense Adjustment
	a		h	i	j	k	l
<b>REVENUES</b>							
1	Total General Business	\$221,067	\$ (9,775)	\$ (7,565)			
2	Total Transportation	3,443		(74)			
3	Other Revenues	153,093					
4	Total Gas Revenues	377,603	(9,775)	(7,639)	0	0	0
<b>EXPENSES</b>							
5	Exploration and Development	0					
Production							
6	City Gate Purchases	317,896	(7,620)				
7	Purchased Gas Expense	(9,103)					
8	Net Nat Gas Storage Trans	2					
9	Total Production	308,795	(7,620)	0	0	0	0
Underground Storage							
10	Operating Expenses	436					
11	Depreciation	276					
12	Taxes	126			(13)		
13	Total Underground Storage	838	0	0	(13)	0	0
Distribution							
14	Operating Expenses	6,123					
15	Depreciation	5,686					
16	Taxes	17,092	(375)	(7,634)	(128)		
17	Total Distribution	28,901	(375)	(7,634)	(128)	0	0
18	Customer Accounting	4,949	(28)	0	0	(137)	0
19	Customer Service & Information	5,169					
20	Sales Expenses	442					
Administrative & General							
21	Operating Expenses	10,045	(20)	1			11
22	Depreciation	1,561					
23	Taxes	19			(2)		
24	Total Admin. & General	11,625	(20)	1	(2)	0	11
25	Total Gas Expense	360,719	(8,043)	(7,633)	(143)	(137)	11
26	OPERATING INCOME BEFORE FIT	16,884	(1,732)	(6)	143	137	(11)
FEDERAL INCOME TAX							
27	Current Accrual	1,125	(606)	(2)	50	48	(4)
28	Deferred FIT	3,064					
29	Amort ITC	(31)					
30	NET OPERATING INCOME	\$12,726	(\$1,126)	(\$4)	\$93	\$89	(\$7)
<b>RATE BASE: PLANT IN SERVICE</b>							
31	Underground Storage	15,260					
32	Distribution Plant	241,177					
33	General Plant	24,256					
34	Total Plant in Service	280,693	0	0	0	0	0
<b>ACCUMULATED DEPRECIATION</b>							
35	Underground Storage	7,581					
36	Distribution Plant	81,405					
37	General Plant	8,309					
38	Total Accum. Depreciation	97,295	0	0	0	0	0
39	DEFERRED FIT	(28,892)					
40	GAS INVENTORY	15,327					
41	GAIN ON SALE OF BUILDING	(152)					
42	TOTAL RATE BASE	\$169,681	\$0	\$0	\$0	\$0	\$0
43	RATE OF RETURN	7.50%					

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

Line No.	DESCRIPTION	Injuries and Damages	FIT	Net Gains & Losses	Eliminate A/R Expenses	Office Space Charges to Subs	Restate Excise Taxes
	a	m	n	o	p	q	r
<b>REVENUES</b>							
1	Total General Business						
2	Total Transportation						
3	Other Revenues						
4	Total Gas Revenues	0	0	0	0	0	0
<b>EXPENSES</b>							
5	Exploration and Development						
	Production						
6	City Gate Purchases						
7	Purchased Gas Expense						
8	Net Nat Gas Storage Trans						
9	Total Production	0	0	0	0	0	0
	Underground Storage						
10	Operating Expenses						
11	Depreciation						
12	Taxes						
13	Total Underground Storage	0	0	0	0	0	0
	Distribution						
14	Operating Expenses			(13)			(14)
15	Depreciation						
16	Taxes						
17	Total Distribution	0	0	(13)	0	0	(14)
18	Customer Accounting			0	(92)	0	0
19	Customer Service & Information						
20	Sales Expenses						
	Administrative & General						
21	Operating Expenses	(329)				(2)	
22	Depreciation						
23	Taxes						
24	Total Admin. & General	(329)	0	0	0	(2)	0
25	Total Gas Expense	(329)	0	(13)	(92)	(2)	(14)
26	OPERATING INCOME BEFORE FIT	329	0	13	92	2	14
	FEDERAL INCOME TAX						
27	Current Accrual	115	(246)	5	32	1	5
28	Deferred FIT		256				
29	Amort ITC						
30	NET OPERATING INCOME	\$214	(\$10)	\$8	\$60	\$1	\$9
<b>RATE BASE: PLANT IN SERVICE</b>							
31	Underground Storage						
32	Distribution Plant						
33	General Plant						
34	Total Plant in Service	0	0	0	0	0	0
<b>ACCUMULATED DEPRECIATION</b>							
35	Underground Storage						
36	Distribution Plant						
37	General Plant						
38	Total Accum. Depreciation	0	0	0	0	0	0
39	DEFERRED FIT						
40	GAS INVENTORY						
41	GAIN ON SALE OF BUILDING						
42	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
43	RATE OF RETURN						

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

Line No.	DESCRIPTION	Restate Debt Interest	Restated Total
	REVENUES		
1	Total General Business		\$203,727
2	Total Transportation		3,369
3	Other Revenues		153,093
4	Total Gas Revenues	0	360,189
	EXPENSES		
5	Exploration and Development		0
	Production		
6	City Gate Purchases		310,276
7	Purchased Gas Expense		(9,103)
8	Net Nat Gas Storage Trans		2
9	Total Production	0	301,175
	Underground Storage		
10	Operating Expenses		436
11	Depreciation		276
12	Taxes		113
13	Total Underground Storage	0	825
	Distribution		
14	Operating Expenses		6,123
15	Depreciation		5,673
16	Taxes		8,941
17	Total Distribution	0	20,737
18	Customer Accounting		4,692
19	Customer Service & Information		5,169
20	Sales Expenses		442
	Administrative & General		
21	Operating Expenses		9,706
22	Depreciation		1,561
23	Taxes		17
24	Total Admin. & General	0	11,284
25	Total Gas Expense	0	344,324
26	OPERATING INCOME BEFORE FIT	0	15,865
	FEDERAL INCOME TAX		
27	Current Accrual	128	651
28	Deferred FIT		3,320
29	Amort ITC		(31)
30	NET OPERATING INCOME	(\$128)	\$11,925
	RATE BASE: PLANT IN SERVICE		
31	Underground Storage		15,260
32	Distribution Plant		241,177
33	General Plant		24,256
34	Total Plant in Service	0	280,693
	ACCUMULATED DEPRECIATION		
35	Underground Storage		7,581
36	Distribution Plant		81,405
37	General Plant		8,309
38	Total Accum. Depreciation	0	97,295
39	DEFERRED FIT		(28,892)
40	GAS INVENTORY		15,327
41	GAIN ON SALE OF BUILDING		(152)
42	TOTAL RATE BASE	\$0	\$169,681
43	RATE OF RETURN		7.03%

AVISTA UTILITIES

Commission Basis Report  
Washington Gas 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 tax depreciation 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. Gas Inventory

This adjustment increases rate base by the average of monthly average value of gas stored at the Company's Jackson Prairie underground storage facility. This restating adjustment is consistent with Docket No. UG-991607; UG-050483; UG-070805; and UG-080417.

f. Weatherization and DSM Investment

This adjustment includes the balance of company investments in Weatherization and DSM as a rate base item consistent with Docket No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

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## AVISTA UTILITIES

### Commission Basis Report Washington Gas Adjustment Descriptions Twelve Months Ended December 31, 2008

**g. 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.

**h. Weather Normalization and Gas Cost Adjustment**

This adjustment normalizes weather sensitive gas therm sales by eliminating the effect of temperature deviations above or below historical normals. This adjustment also restates therms sold to reflect the weather normalized therms and then reprices the adjusted therms sold based upon the authorized weighted average cost of gas. These restating adjustments are required per WAC 480-90-208.

**i. 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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**j. 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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**k. 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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**l. Regulatory Expense Adjustment**



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**AVISTA UTILITIES**

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

This adjustment restates regulatory expense to reflect the WUTC and IPUC assessment rates applied to revenues for the test period. This restating adjustment is consistent with Docket No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**m. 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 adjustment is consistent with Docket No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**n. 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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**o. 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.

**p. Eliminate Accounts Receivable Expenses**

This adjustment removes expenses associated with the sale of customer accounts receivable. This restating adjustment is consistent with Docket No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**q. Office Space Charges to Subsidiaries**

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**AVISTA UTILITIES**

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

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 restating adjustment is consistent with Docket No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**r. Restate Excise/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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

**s. Restate Debt Interest**

This adjustment restates debt interest using the average weighted 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 No. UE-991606/UG-991607; UE-050482/UG-050483; UE-070804/UG-070805; and UE-080416/UG-080417.

AVISTA UTILITIES

RESULTS OF OPERATION

GAS RATE OF RETURN For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis		Report ID: G-ROR-12A
Ref/Basis	Account	Description

	System	Washington	Idaho
G-OPS	Gas Net Operating Income	18,969,824	12,727,149
			6,242,675
	Adjusted Gas Net Operating Income	18,969,824	12,727,149
			6,242,675
G-APL	Gas Net Adjusted Rate Base	257,533,478	171,127,987
			86,405,491
	RATE OF RETURN	7.366%	7.437%
			7.225%

*Actual Results of Operations prior to Commission Basis Adjustments.*

AVISTA UTILITIES

RESULTS OF OPERATIONS

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

Report ID:  
 G-ALL-12A

Basis	Ref	Description	System	Washington	Idaho
1	Input	System Contract Demand	100.000%	70.930%	29.070%
2		Number of Customers	216,486	144,214	72,272
		Percent	100.000%	66.616%	33.384%
3	G-OPS	Direct Distribution Operating Expense	7,921,510	4,973,301	2,948,209
		Percent	100.000%	62.782%	37.218%
Jurisdictional Four Factor Allocator - Direct Method					
Allocation Rate Calculation - Updated 12/31/2008					
Direct O & M					
		Amount: Accounts 798 - 894	4,166,551	2,636,902	1,529,649
		Amount: Accounts 901 - 935	2,274,967	1,710,968	563,999
		Total	6,441,518	4,347,870	2,093,648
		Percentage	100.000%	67.498%	32.502%
Direct Labor					
		Amount: Accounts 798 - 894	3,754,959	2,336,399	1,418,560
		Amount: Accounts 901 - 935	1,364,719	1,095,891	268,828
		Total	5,119,678	3,432,290	1,687,388
		Percentage	100.000%	67.041%	32.959%
Total Number of Customers					
		Percentage	218,921	145,664	73,257
		Percentage	100.000%	66.537%	33.463%
Total Direct Plant					
		Percentage	270,603,379	172,560,521	98,042,858
		Percentage	100.000%	63.769%	36.231%
Total Four Factor Allocators					
		Percentage	400,000%	264,845%	135,155%
		Percentage	100.000%	66.211%	33.789%
Underground Storage & Dist Plant					
G-PLT Underground Storage					
		Distribution	21,513,637	15,259,624	6,254,013
		Total Underground Storage/Dist Plant	364,876,321	240,777,704	124,098,617
		Percentage	386,389,958	256,037,328	130,352,630
		Percentage	100.000%	66.264%	33.736%
5					
Actual Therms Purchased					
		Percentage	268,483,677	188,246,873	80,236,804
		Percentage	100.000%	70.115%	29.885%
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AVISTA UTILITIES

RESULTS OF OPERATIONS

<b>GAS ALLOCATION PERCENTAGES</b> For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: G-ALL-12A
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Input	1/1/2008	Electric	Gas North	Oregon Gas
Elec\Gas North\Oregon 4-Factor				
Direct O & M Accts 500 - 894	37,750,013	32,765,739	3,167,680	1,816,594
Direct O & M Accts 901 - 935	26,326,798	16,546,598	6,717,604	3,062,596
Direct O & M Accts 901 - 905 Utility 9 Only	2,365,645	1,467,102	898,543	XXXXXXX
Adjustments	0			
<b>Total</b>	<b>66,442,456</b>	<b>50,779,439</b>	<b>10,783,827</b>	<b>4,879,190</b>
Percentage	100.000%	76.427%	16.230%	7.343%
Direct Labor Accts 500 - 894	47,780,988	37,381,233	7,014,016	3,385,739
Direct Labor Accts 901 - 935	4,605,385	3,347,484	292,232	965,669
Direct O & M Accts 901 - 905 Utility 9 Only	2,564,972	1,590,719	974,253	XXXXXXX
<b>Total</b>	<b>54,951,345</b>	<b>42,319,436</b>	<b>8,280,501</b>	<b>4,351,408</b>
Percentage	100.000%	77.012%	15.069%	7.919%
Number of Customers at 12/31/07	662,260	351,585	215,336	95,339
Percentage	100.000%	53.089%	32.515%	14.396%
Net Direct Plant	1,973,206,694	1,604,463,392	254,636,776	114,106,526
Percentage	100.000%	81.312%	12.905%	5.783%
Total Percentages	400.000%	287.840%	76.719%	35.441%
Average (CD AA)	100.000%	71.960%	19.180%	8.860%

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Input	1/1/2008	Electric	Gas North	Oregon Gas
Elec\Gas North\Oregon 4-Factor				
Direct O & M Accts 580 - 894	4,984,274	0	3,167,680	1,816,594
Direct O & M Accts 901 - 935	9,780,200	0	6,717,604	3,062,596
Direct O & M Accts 901 - 905 Utility 9 Only	898,543	0	898,543	XXXXXXX
<b>Total</b>	<b>15,663,017</b>	<b>0</b>	<b>10,783,827</b>	<b>4,879,190</b>
Percentage	100.000%	0.000%	68.849%	31.151%
Direct Labor Accts 580 - 894	10,399,755	0	7,014,016	3,385,739
Direct Labor Accts 901 - 935	1,257,901	0	292,232	965,669
Direct O & M Accts 901 - 905 Utility 9 Only	974,253	0	974,253	XXXXXXX
<b>Total</b>	<b>12,631,909</b>	<b>0</b>	<b>8,280,501</b>	<b>4,351,408</b>
Percentage	100.000%	0.000%	65.552%	34.448%
Number of Customers at 12/31/07	310,675	0	215,336	95,339
Percentage	100.000%	0.000%	69.312%	30.688%
Net Direct Plant	365,638,826	0	251,988,153	113,650,673
Percentage	100.000%	0.000%	68.917%	31.083%
Total Percentages	400.000%	0.000%	272.630%	127.370%
Average (GD AA)	100.000%	0.000%	68.157%	31.843%

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AVISTA UTILITIES

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RESULTS OF OPERATIONS

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	1/1/2008	Electric	Gas North	Oregon Gas
	Direct O & M Accts 580 - 894		32,765,739	3,167,680	0	
	Direct O & M Accts 901 - 935		16,546,598	6,717,604	0	
	Adjustments		0	0	0	
	Total		59,197,621	49,312,337	9,885,284	
	Percentage		100.000%	83.301%	16.699%	0.000%
	Direct Labor Accts 580 - 894		44,395,249	37,381,233	7,014,016	
	Direct Labor Accts 901 - 935		3,639,716	3,347,484	292,232	
	Total		48,034,965	40,728,717	7,306,248	
	Percentage		100.000%	84.790%	15.210%	0.000%
	Number of Customers at 12/31/07		566,921	351,585	215,336	
	Percentage		100.000%	62.017%	37.983%	0.000%
	Net Direct Plant		1,850,111,655	1,598,123,502	251,988,153	
	Percentage		100.000%	86.380%	13.620%	0.000%
	Total Percentages		400,000%	316,488%	83.512%	
	Average (CD AN/ID/WA)		100.000%	79.122%	20.878%	

	System	Washington	Idaho
10	Actual Annual Throughput	382,838,600	257,352,440
	Percent	100.000%	67.222%
			32.778%

11	G-OPS Book Depreciation	10,628,562	7,113,377	3,515,185
	Percent	100.000%	66.927%	33.073%

12	G-PLT Net Gas Plant	277,231,612	182,998,774	94,232,838
	Percent	100.000%	66.009%	33.991%

13	G-PLT Net Gas General Plant	20,825,295	13,863,065	6,962,230
	Percent	100.000%	66.568%	33.432%

14	G-SCM Net Allocated Schedule M's	-31,994,502	-21,274,335	-10,720,167
	Percent	100.000%	66.494%	33.506%

99	Input Not Allocated	0.000%	0.000%	0.000%
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Situs Plant by Functional Group:		12/31/2008	
(Used to functionalize R&P Property Tax on Report G-OTX)			
	Washington	Idaho	
Input Underground Storage	34,463,930		
Input Distribution	250,850,463	140,104,069	
Input General	2,959,052	2,642,344	
Input TOTAL	288,273,445	142,746,413	

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

Report ID:  
 G-OPS-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
		<b>REVENUES</b>									
		<b>SALES OF GAS:</b>									
99	480000	Residential	190,131,406	0	190,131,406	133,210,822	0	133,210,822	56,920,584	0	56,920,584
99	4812XX	Commercial - Firm & Interruptible	105,402,859	0	105,402,859	76,035,363	0	76,035,363	29,367,496	0	29,367,496
99	4813XX	Industrial-Firm	6,101,501	0	6,101,501	3,828,411	0	3,828,411	2,273,090	0	2,273,090
99	481400	Interruptible	0	0	0	0	0	0	0	0	0
99	499XXX	Unbilled Revenue	10,963,941	0	10,963,941	7,505,570	0	7,505,570	3,458,371	0	3,458,371
99	484000	Interdepartmental Revenue	539,915	0	539,915	486,720	0	486,720	53,195	0	53,195
		<b>TOTAL SALES TO ULTIMATE CUSTOMERS</b>	<b>313,139,622</b>	<b>0</b>	<b>313,139,622</b>	<b>221,066,886</b>	<b>0</b>	<b>221,066,886</b>	<b>92,072,736</b>	<b>0</b>	<b>92,072,736</b>
		<b>OTHER OPERATING REVENUES:</b>									
99	483000	Sales for Resale	216,192,294	0	216,192,294	149,894,279	0	149,894,279	66,298,015	0	66,298,015
99	483600	Miscellaneous Service Revenues	0	0	0	0	0	0	0	0	0
99	489000	Transportation For Others	30,570	0	30,570	17,897	0	17,897	12,673	0	12,673
99	489300	Interdepartmental Revenue	3,928,175	0	3,928,175	3,442,797	0	3,442,797	485,378	0	485,378
99	489310	Rent from Gas Property	0	0	0	0	0	0	0	0	0
99	493000	Other Gas Revenues	9,643	0	9,643	9,643	0	9,643	0	0	0
99	495000	Other Gas Revenues	4,419,012	67,811	4,486,823	3,123,642	48,098	3,171,740	1,295,370	19,713	1,315,083
1		<b>TOTAL OTHER OPERATING REVENUES</b>	<b>224,579,694</b>	<b>67,811</b>	<b>224,647,505</b>	<b>156,488,258</b>	<b>48,098</b>	<b>156,536,356</b>	<b>68,091,436</b>	<b>19,713</b>	<b>68,111,149</b>
		<b>TOTAL GAS REVENUES</b>	<b>537,719,316</b>	<b>67,811</b>	<b>537,787,127</b>	<b>377,555,144</b>	<b>48,098</b>	<b>377,603,242</b>	<b>160,164,172</b>	<b>19,713</b>	<b>160,183,885</b>
		<b>PRODUCTION EXPENSES:</b>									
G-804	804805	City Gate Purchases	455,824,066	0	455,824,066	317,896,035	0	317,896,035	137,928,031	0	137,928,031
10	807000	Purchased Gas Expenses	0	0	0	0	0	0	0	0	0
6	808XXX	Net Natural Gas Storage Transactions	-13,985,151	0	-13,985,151	-9,103,155	0	-9,103,155	-4,881,996	0	-4,881,996
6	811000	Gas Used for Products Extraction	-1,126,129	0	-1,126,129	-781,546	0	-781,546	-344,583	0	-344,583
10	813000	Other Gas Expenses	0	1,165,142	1,165,142	0	783,232	783,232	0	381,910	381,910
		<b>TOTAL PRODUCTION EXPENSES</b>	<b>440,712,786</b>	<b>1,165,142</b>	<b>441,877,928</b>	<b>308,011,334</b>	<b>783,232</b>	<b>308,794,566</b>	<b>132,701,452</b>	<b>381,910</b>	<b>133,083,362</b>
		<b>UNDERGROUND STORAGE EXPENSES:</b>									
1	814000	Supervision & Engineering	0	20,862	20,862	0	14,797	14,797	0	6,065	6,065
1	824000	Other Expenses	0	322,129	322,129	0	228,486	228,486	0	93,643	93,643
1	837000	Other Equipment	0	272,007	272,007	0	192,935	192,935	0	79,072	79,072
		<b>TOTAL UNDERGROUND STORAGE OP. EXP</b>	<b>0</b>	<b>614,998</b>	<b>614,998</b>	<b>0</b>	<b>436,218</b>	<b>436,218</b>	<b>0</b>	<b>178,780</b>	<b>178,780</b>
G-ADP		Depreciation Expense	0	389,044	389,044	0	275,949	275,949	0	113,095	113,095
1	404X40	Amortization Expense	0	227	227	0	161	161	0	66	66
G-OTX		Taxes Other Than FIT	0	176,550	176,550	0	125,227	125,227	0	51,323	51,323
		<b>TOTAL UNDERGROUND STORAGE EXP</b>	<b>0</b>	<b>1,180,819</b>	<b>1,180,819</b>	<b>0</b>	<b>837,555</b>	<b>837,555</b>	<b>0</b>	<b>343,264</b>	<b>343,264</b>

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

Report ID:  
 G-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	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>											
G-ADP		Depreciation	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-OTX		Taxes Other Than FIT	8,492,657	62,194	8,554,851	5,642,523	43,607	5,686,130	2,850,134	18,587	2,868,721
		TOTAL DISTRIBUTION EXPENSES	19,435,059	0	19,435,059	17,092,129	0	17,092,129	2,342,930	0	2,342,930
			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
		TOTAL CUSTOMER ACCOUNTS EXPENSES	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
		TOTAL CUSTOMER SERVICE & INFO EXP	6,547,350	431,947	6,979,297	4,881,309	287,746	5,169,055	1,666,041	144,201	1,810,242



AVISTA UTILITIES

RESULTS OF OPERATIONS

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

Report ID:  
 G-OPS-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
<b>SALES EXPENSES:</b>											
2	912000	Demonstrating & Selling Expenses	8,913	384,102	393,015	0	255,873	255,873	8,913	128,229	137,142
2	913000	Advertising	6,040	72,447	78,487	6,040	48,261	54,301	0	24,186	24,186
2	916000	Miscellaneous Sales Expenses	131,218	38	131,256	131,218	25	131,243	0	13	13
		<b>TOTAL SALES EXPENSES</b>	<b>146,171</b>	<b>456,587</b>	<b>602,758</b>	<b>137,258</b>	<b>304,159</b>	<b>441,417</b>	<b>8,913</b>	<b>152,428</b>	<b>161,341</b>
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES:</b>											
4	920000	Salaries	23,005	4,993,569	5,016,574	3,760	3,306,292	3,310,052	19,245	1,687,277	1,706,522
4	921000	Office Supplies & Expenses	77	981,904	981,981	66	650,128	650,194	11	331,776	331,787
4	922000	Admin. Expenses Transferred - Credit	0	-24,846	-24,846	0	-16,451	-16,451	0	-8,395	-8,395
4	923000	Outside Services Employed	419	2,878,497	2,878,916	0	1,905,882	1,905,882	419	972,615	973,034
4	924000	Property Insurance Premium	0	229,265	229,265	0	151,799	151,799	0	77,466	77,466
4	925XXX	Injuries and Damages	450,000	1,202,315	1,652,315	450,000	796,065	1,246,065	0	406,250	406,250
4	926XXX	Employee Pensions and Benefits	57,155	170,732	227,887	57,155	113,043	170,198	0	57,689	57,689
4	927000	Franchise Requirements	0	0	0	0	0	0	0	0	0
4	928000	Regulatory Commission Expenses	997,290	192,912	1,190,202	664,339	127,729	792,068	332,951	65,183	398,134
4	930000	Miscellaneous General Expenses	96,958	866,404	963,362	81,550	573,655	655,205	15,408	292,749	308,157
4	931000	Rents	15,137	140,205	155,342	14,505	92,831	107,336	632	47,374	48,006
4	935000	Maintenance of General Plant	204,662	1,459,291	1,663,953	106,664	966,211	1,072,875	97,998	493,080	591,078
		<b>TOTAL ADMIN &amp; GEN OPERATING EXP</b>	<b>1,844,703</b>	<b>13,090,248</b>	<b>14,934,951</b>	<b>1,378,039</b>	<b>8,667,184</b>	<b>10,045,223</b>	<b>466,664</b>	<b>4,423,064</b>	<b>4,889,728</b>
G-ADP		Depreciation	714,726	969,941	1,684,667	509,090	642,208	1,151,298	205,636	327,733	533,369
4	404X50	Amortization - Leasehold Imp (1404.60)	0	1,976	1,976	0	1,308	1,308	0	668	668
G-CAM		Amortization - Intangible Plant--Software	0	975,227	975,227	0	645,708	645,708	0	329,519	329,519
99	404X30	Amortization - Intangible Distribution Plant	8,476	0	8,476	4,650	0	4,650	3,826	0	3,826
4	404X60	Amortization - Leased Transportation Vehicles	0	0	0	0	0	0	0	0	0
99	407X28	Amortization - Decoupling Revenue	-673,508	0	-673,508	-673,508	0	-673,508	0	0	0
99	407329	Decoupling Surcharge	431,652	0	431,652	431,652	0	431,652	0	0	0
G-OTX		Taxes Other than FIT	0	28,235	28,235	0	18,695	18,695	0	9,540	9,540
		<b>TOTAL ADMIN &amp; GENERAL EXPENSES</b>	<b>2,326,049</b>	<b>15,065,627</b>	<b>17,391,676</b>	<b>1,649,923</b>	<b>9,975,103</b>	<b>11,625,026</b>	<b>676,126</b>	<b>5,090,524</b>	<b>5,766,650</b>
		<b>TOTAL EXPENSES BEFORE FIT</b>	<b>487,680,382</b>	<b>25,009,170</b>	<b>512,690,152</b>	<b>344,129,341</b>	<b>16,588,605</b>	<b>360,717,946</b>	<b>143,551,041</b>	<b>8,421,165</b>	<b>151,972,206</b>
		<b>NET OPERATING INCOME BEFORE FIT</b>			<b>25,096,975</b>			<b>16,885,296</b>			<b>8,211,679</b>
G-FIT		FEDERAL INCOME TAX			1,152,013			1,125,005			27,008
G-FIT		DEFERRED FEDERAL INCOME TAX			5,024,446			3,063,766			1,960,680
G-DTE		AMORTIZED INVESTMENT TAX CREDIT			-49,308			-30,624			-18,684
		<b>GAS NET OPERATING INCOME</b>			<b>18,969,824</b>			<b>12,727,149</b>			<b>6,242,675</b>

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	100.000%	70.930%	29.070%
G-ALL	2	Number of Customers	100.000%	66.616%	33.384%
G-ALL	3	Direct Distribution Operating Expense	100.000%	62.782%	37.218%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	100.000%	66.211%	33.789%
G-ALL	6	Actual Therms Purchased	100.000%	70.115%	29.885%
G-ALL	10	Actual Annual Throughput	100.000%	67.222%	32.778%
G-ALL	99	Not Allocated	0.000%	0.000%	0.000%

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RESULTS OF OPERATIONS

ALLOCATION OF PURCHASED GAS COSTS  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis  
 Report ID:  
 G-804-12A

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
99	805110	Gas Exp - Rate Amortizations	-4,180,185	0	-2,461,379	0	-1,718,806	0	-1,718,806
99	805120	Gas Expense - Rate Deferrals	16,139,253	0	11,202,893	0	4,936,360	0	4,936,360
99	805980	Gas Expense - Estimated Amortizations	0	0	0	0	0	0	0
99	805990	Gas Expense - Estimated Deferrals	0	0	0	0	0	0	0
6	804000	Gas Purchases	420,585,595	0	292,614,511	0	127,971,084	0	127,971,084
1	804001	Pipeline Demand Costs	20,982,987	0	14,933,780	0	6,049,207	0	6,049,207
99	804014	GTI Contributions	115,492	0	82,170	0	33,322	0	33,322
99	804017	Transaction Fees	121,049	0	83,977	0	37,072	0	37,072
99	804140	Gas Research Contributions	0	0	0	0	0	0	0
6	804170	Gas Transaction Fees	0	0	0	0	0	0	0
6	804600	Gas Purchases - Financial	746,379	0	529,235	0	217,144	0	217,144
6	804700	Off System Gas Purchases - Bookout	1,313,496	0	910,848	0	402,648	0	402,648
6	804999	Off System Gas Purchases	0	0	0	0	0	0	0
TOTAL PURCHASED GAS COSTS			455,824,066	0	317,896,035	0	137,928,031	0	137,928,031

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	100.000%	70.930%	29.070%
G-ALL	6	Actual Therms Purchased	100.000%	70.115%	29.885%
G-ALL	99	Not Allocated	0.000%	0.000%	0.000%

ALLOCATION OF ACCOUNT 1903		Report ID:
For Twelve Months Ended December 31, 2008		G-903-12A
Average of Monthly Averages Basis		
Ref/Basis	Account	Description

		***** SYSTEM *****			***** WASHINGTON *****			***** IDAHO *****			
Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
2	903000	Customer Records & Collections	754,129	3,096,612	3,850,741	540,206	2,062,839	2,603,045	213,923	1,033,773	1,247,696
12	903920	Accts Rec Sold - Program Fees	0	28,835	28,835	0	19,034	19,034	0	9,801	9,801
12	903930	Accts Rec Sold - Maturity Yield Fees	0	114,745	114,745	0	75,742	75,742	0	39,003	39,003
		Total	754,129	3,240,192	3,994,321	540,206	2,157,615	2,697,821	213,923	1,082,577	1,296,500

ALLOCATION RATIOS:

W-ALL	2	Number of Customers	100.000%	66.616%	33.384%
W-ALL	12	Net Gas Plant	100.000%	66.009%	33.991%

AVISTA UTILITIES

RESULTS OF OPERATIONS

FEDERAL INCOME TAXES--GAS For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: G-FIT-12A
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Ref/Basis	Description	System	Washington	Idaho
	Calculation of Taxable Operating Income:			
G-OPS	Operating Revenue	537,787,127	377,603,242	160,183,885
G-OPS	Operating & Maintenance Expense	481,677,696	335,958,547	145,719,149
G-OPS	Book Depreciation & Amortization	11,372,612	7,523,348	3,849,264
G-OTX	Taxes Other than FIT	19,639,844	17,236,051	2,403,793
	Net Operating Income Before FIT	25,096,975	16,885,296	8,211,679
	Less: Interest Expense	9,129,186	6,016,860	3,112,326
G-SCM	Add: Schedule M Additions	17,047,978	12,238,979	4,808,999
G-SCM	Less: Schedule M Deductions	29,724,300	19,893,114	9,831,186
	Taxable Net Operating Income	3,291,467	3,214,301	77,166
	Percent	35%	35%	35%
	Total Federal Income Tax	1,152,013	1,125,005	27,008
G-DTE	Deferred FIT	5,024,446	3,063,766	1,960,680
99	411400 Amortized Investment Tax Credit	-49,308	-30,624	-18,684
	Total FIT/Deferred FIT & ITC	6,127,151	4,158,147	1,969,004
ALLOCATION RATIOS:				
G-ALL	99 Not Allocated	0.000%	0.000%	0.000%

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AVISTA UTILITIES

RESULTS OF OPERATIONS

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

Ref/Basis	Account	Description	***** SYSTEM *****			***** WASHINGTON *****			***** IDAHO *****		
			Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
Schedule M Additions:											
	G-OPS	Book Depreciation & Amortization (997000)	9,215,859	2,398,609	11,614,468	6,156,263	1,608,941	7,765,204	3,059,596	789,668	3,849,264
12	997001	Contributions In Aid of Construction	0	304,971	304,971	0	201,308	201,308	0	103,663	103,663
2	997002	Injuries and Damages	0	1,100,321	1,100,321	0	732,990	732,990	0	367,331	367,331
12	997003	Salvage	0	-117,163	-117,163	0	-77,338	-77,338	0	-39,825	-39,825
4	997005	FAS106 Current Retiree Medical Accrual	0	-254,599	-254,599	0	-168,573	-168,573	0	-86,026	-86,026
6	997008	DSM Book Amortization	0	437,557	437,557	0	306,793	306,793	0	130,764	130,764
99	997010	Deferred Gas Credit and Refunds	11,967,134	0	11,967,134	8,749,580	0	8,749,580	3,217,554	0	3,217,554
4	997015	Airplane Lease Payments	0	57,355	57,355	0	37,975	37,975	0	19,380	19,380
12	997016	1992 Redemptions	0	638,327	638,327	0	421,353	421,353	0	216,974	216,974
4	997020	FAS87 Current Pension Accrual	0	-4,733,906	-4,733,906	0	-3,134,367	-3,134,367	0	-1,599,539	-1,599,539
99	997029	FAS 106 Post Retirement Benefits	55,561	0	55,561	55,561	0	55,561	0	0	0
99	997031	Decoupling Mechanism	-249,921	0	-249,921	-249,921	0	-249,921	0	0	0
12	997032	Interest Rate Swaps	0	-2,888,930	-2,888,930	0	-1,906,954	-1,906,954	0	-981,976	-981,976
99	997033	DSM Tariff Rider	-1,901,860	0	-1,901,860	-1,273,973	0	-1,273,973	-627,887	0	-627,887
4	997033	DSM Tariff Rider	0	0	0	0	0	0	0	0	0
1	997055	Deferred Gas Exchange	0	1,597,806	1,597,806	182,690	0	182,690	48,717	0	48,717
99	997065	Amortization of Unbilled Revenue Add-Ins	231,407	0	231,407	0	0	0	0	0	0
4	997066	Miscellaneous Schedule M Additions	0	-810,550	-810,550	0	-536,673	-536,673	0	-273,877	-273,877
TOTAL SCHEDULE M ADDITIONS			19,318,180	-2,270,202	17,047,978	13,620,200	-1,381,221	12,238,979	5,697,980	-888,981	4,808,999

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
Schedule M Deductions:											
12	997048	AFUDC	0	0	0	0	0	0	0	0	0
11	997049	Tax Depreciation	0	29,658,936	29,658,936	0	19,849,836	19,849,836	0	9,809,100	9,809,100
4	997062	Gain on Sale of Office Building	0	65,364	65,364	0	43,278	43,278	0	22,086	22,086
TOTAL SCHEDULE M DEDUCTIONS			0	29,724,300	29,724,300	0	19,893,114	19,893,114	0	9,831,186	9,831,186

ALLOCATION RATIOS:

G-ALL	1	Contract System Demand	100.000%	70.930%	29.070%
G-ALL	2	Number of Customers	100.000%	66.616%	33.384%
G-ALL	3	Direct Distribution Operating Expense	100.000%	62.782%	37.218%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	100.000%	66.211%	33.789%
G-ALL	6	Actual Thermus Purchased	100.000%	70.115%	29.885%
G-ALL	11	Book Depreciation	100.000%	66.927%	33.073%
G-ALL	12	Net Gas Plant	100.000%	66.009%	33.991%
G-ALL	99	Not Allocated	0.000%	0.000%	0.000%

AVISTA UTILITIES

RESULTS OF OPERATIONS

DEFERRED INCOME TAX EXPENSE--GAS	Report ID: G-DTE-12A
For Twelve Months Ended December 31, 2008	
Average of Monthly Averages Basis	

Ref/Basis	Account	Description	System	Washington	Idaho
14	410100	Deferred Federal Income Tax Expense - Allocated		5,797,519	2,921,342
99	410100	Deferred Federal Income Tax Exp		-2,666,184	-941,784
		SUBTOTAL		3,131,335	1,979,558
14	411100	Deferred Federal Income Tax Expense - Allocated		-3,627	-1,827
99	411100	Deferred Federal Income Tax Exp		-63,942	-17,051
		SUBTOTAL		-67,569	-18,878
		Total Deferred Federal Income Tax Expense		3,063,766	1,960,680

ALLOCATION RATIOS:

G-ALL	14	Net Allocated Schedule M's	33.506%
G-ALL	99	Not Allocated	0.000%

RESULTS OF OPERATIONS

AVISTA UTILITIES

FEDERAL INCOME TAXES--GAS NORTH For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: G-INT-12A
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Ref/Basis	Description	System	Washington	Idaho
<b>Debt</b>				
1	Washington Capital Structure Ratio		53.70%	52.06%
2	Idaho Capital Structure Ratio		6.547%	6.919%
3	Cost of Debt		3.516%	3.602%
	<b>Total Cost of Debt</b>			
	<b>Total Weighted Cost</b>		3.516%	3.602%
G-APL	Net Rate Base	257,533,478	171,127,987	86,405,491
	<b>Interest Deduction for FIT Calculation</b>			
		9,129,186	6,016,860	3,112,326

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

AVISTA UTILITIES

RESULTS OF OPERATIONS

TAXES OTHER THAN FEDERAL INCOME TAX		Report ID:
For Twelve Months Ended December 31, 2008		G-OTX-12A
Average of Monthly Averages Basis		
Ref/Basis	Account	Description

		***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
Ref/Basis	Account	Direct	Allocated	Direct	Allocated	Direct	Allocated
1	408150	0	176,550	0	125,227	0	51,323
UNDERGROUND STORAGE							
	R&P Property Tax		176,550		125,227		51,323
99	408110	8,173,442	0	8,173,442	0	0	0
99	408120	9,192,569	0	9,192,569	0	1,538,955	0
99	408130	0	0	0	0	0	0
99	408150/70	1,978,002	0	1,978,002	0	692,929	0
99	408160	0	0	0	0	0	0
99	409100	91,046	0	91,046	0	91,046	0
	TOTAL	19,435,059	0	19,435,059	0	2,342,930	0
4	408150	0	28,235	0	18,695	0	9,540
ADMINISTRATIVE & GENERAL							
	R&P Property Tax		28,235		18,695		9,540
	TOTAL TAXES OTHER THAN FIT	19,435,059	204,785	17,092,129	143,922	2,342,930	60,863
FUNCTIONALIZATION OF R&P PROPERTY							
TAX--ACCOUNT 1408.15--BASED ON							
PLANT BALANCES AT:							
G-ALL	Underground Storage	34,463,930		34,463,930	11.955%	0	0.000%
G-ALL	Distribution	390,954,532		250,850,463	87.018%	140,104,069	98.149%
G-ALL	General	5,601,396		2,959,052	1.027%	2,642,344	1.851%
	TOTAL	431,019,858		288,273,445	100.000%	142,746,413	100.000%

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	70.930%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	66.211%



AVISTA UTILITIES

RESULTS OF OPERATIONS

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

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

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
<b>PLANT IN SERVICE</b>									
<b>INTANGIBLE PLANT--SOFTWARE:</b>									
(from Report C-IPL)									
4	303000	Intangible Gas Plant	417,899	35,451	249,449	23,472	168,450	11,979	180,429
4	303100	Misc Intangible Plant--Mainframe Software	0	2,674,206	0	1,770,619	0	903,587	903,587
4	303110	Misc Intangible Plant--PC Software	0	2,256,988	0	1,494,374	0	762,614	762,614
<b>TOTAL INTANGIBLE PLANT--SOFTWARE</b>			<b>417,899</b>	<b>4,966,645</b>	<b>249,449</b>	<b>3,288,465</b>	<b>168,450</b>	<b>1,678,180</b>	<b>1,846,630</b>
<b>UNDERGROUND STORAGE PLANT:</b>									
1	350XXX	Land & Land Rights	0	472,423	0	335,090	0	137,333	137,333
1	351XXX	Structures & Improvements	0	1,125,388	0	798,238	0	327,150	327,150
1	352XXX	Wells	0	12,792,877	0	9,073,988	0	3,718,889	3,718,889
1	353000	Lines	0	858,211	0	608,729	0	249,482	249,482
1	354000	Compressor Station Equipment	0	3,968,929	0	2,815,161	0	1,153,768	1,153,768
1	355000	Measuring & Regulating Equipment	0	173,784	0	123,265	0	50,519	50,519
1	356000	Purification Equipment	0	407,617	0	289,123	0	118,494	118,494
1	357000	Other Equipment	0	1,714,408	0	1,216,030	0	498,378	498,378
<b>TOTAL UNDERGROUND STORAGE PLANT</b>			<b>0</b>	<b>21,513,637</b>	<b>0</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	60,300	0	24,670	0	24,670
6	374400	Land Easements	0	0	0	0	0	0	0
6	375000	Structures & Improvements	541,874	22,254	391,958	15,603	149,916	6,651	156,567
6	376000	Mains	181,773,732	2,512,521	116,464,044	1,761,654	65,309,688	750,867	66,060,555
6	378000	Measuring & Reg Station Equip-General	3,788,277	57,440	2,459,326	40,274	1,328,951	17,166	1,346,117
6	379000	Measuring & Reg Station Equip-City Gate	2,990,612	60,967	689,632	42,747	2,300,980	18,220	2,319,200
6	380000	Services	124,815,282	0	82,534,675	0	42,280,607	0	42,280,607
6	381000	Meters	45,745,505	0	34,363,045	0	11,382,460	0	11,382,460
6	382000	Meter Installations	0	0	0	0	0	0	0
6	383000	House Regulators	0	0	0	0	0	0	0
6	384000	House Regulator Installations	0	0	0	0	0	0	0
6	385000	Industrial Measuring & Reg Sta Equip	2,482,887	0	1,954,446	0	528,441	0	528,441
6	387000	Other Equipment	0	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION PLANT</b>			<b>362,223,139</b>	<b>2,653,182</b>	<b>238,917,426</b>	<b>1,860,278</b>	<b>123,305,713</b>	<b>792,904</b>	<b>124,098,617</b>
<b>GENERAL PLANT: (From C-GPL)</b>									
4	389XXX	Land & Land Rights	189,559	424,435	98,275	281,023	91,284	143,412	234,696
4	390XXX	Structures & Improvements	2,009,836	6,226,789	1,177,309	4,122,819	832,527	2,103,970	2,936,497
4	391XXX	Office Furniture & Equipment	0	5,685,077	0	3,764,146	0	1,920,931	1,920,931
4	392XXX	Transportation Equipment	3,537,385	502,339	2,623,875	332,604	913,510	169,735	1,083,245
4	393000	Stores Equipment	162,983	129,495	113,566	85,740	49,417	43,755	93,172
4	394000	Tools, Shop & Garage Equipment	1,432,457	1,085,721	977,670	718,867	454,787	366,854	821,641
4	395000	Laboratory Equipment	247,190	509,439	186,449	337,305	60,741	172,134	232,875
4	396XXX	Power Operated Equipment	3,467,001	559,490	2,653,203	370,444	813,798	189,046	1,002,844

AVISTA UTILITIES

RESULTS OF OPERATIONS

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

		***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
Direct	Allocated	Direct	Allocated	Direct	Allocated	Direct	Allocated
829,605	3,448,552	491,533	2,283,321	338,072	1,165,231		
2,520	150,138	1,081	99,408	1,439	50,730		
11,878,536	18,721,475	8,322,961	12,395,677	3,555,575	6,325,798		
<b>TOTAL GENERAL PLANT</b>		<b>20,718,638</b>		<b>9,881,373</b>			
<b>TOTAL PLANT IN SERVICE</b>		<b>280,293,880</b>		<b>15,050,895</b>		<b>142,080,633</b>	
0	0	0	0	0	0	0	0
374,519,574	47,854,939	247,489,836	32,804,044	127,029,738	15,050,895	142,080,633	
0	0	0	0	0	0	0	0
121,584,953	890,396	80,781,066	624,301	40,803,887	266,095	3,107,051	3,107,051
4,968,728	4,034,744	3,596,382	2,671,444	1,372,346	1,363,300	2,735,646	2,735,646
736,620	34,624	564,822	22,925	171,798	11,699	183,497	183,497
127,290,301	15,647,933	84,942,270	10,899,788	42,348,031	4,748,145	47,096,176	47,096,176
<b>TOTAL ACCUMULATED DEPRECIATION</b>		<b>95,842,058</b>		<b>4,748,145</b>		<b>47,096,176</b>	
<b>ACCUMULATED AMORTIZATION</b>		<b>1,410,425</b>		<b>0</b>		<b>719,773</b>	
0	2,130,198	0	1,410,425	0	719,773	719,773	719,773
56,082	0	30,449	0	25,633	0	25,633	25,633
0	18,387	0	12,174	0	6,213	6,213	6,213
56,082	2,148,585	30,449	1,422,599	25,633	725,986	751,619	751,619
<b>TOTAL ACCUMULATED AMORTIZATION</b>		<b>1,453,048</b>		<b>725,986</b>		<b>751,619</b>	
<b>NET GAS UTILITY PLANT</b>		<b>182,998,774</b>		<b>84,656,074</b>		<b>94,232,838</b>	
247,173,191	30,058,421	162,517,117	20,481,657	84,656,074	9,576,764	94,232,838	

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	70.930%	29.070%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	66.211%	33.789%
G-ALL	6	Actual Therms Purchased	70.115%	29.885%
G-ALL	99	Not Allocated	0.000%	0.000%

AVISTA UTILITIES

RESULTS OF OPERATIONS

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

Report ID:  
 G-APL-12A

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

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total	Direct	Allocated	Total
G-PLT		NET GAS PLANT IN SERVICE	247,173,191	30,058,421	277,231,612	162,517,117	20,481,657	182,998,774	84,656,074	9,576,764	94,232,838
12	C-DTX	ADJUSTMENTS: ACCUM. DEF. INC. TAX	0	-2,167,988	-2,167,988	0	-1,431,067	-1,431,067	0	-736,921	-736,921
12	282900	Gas General Plant	0	-40,614,939	-40,614,939	0	-26,809,515	-26,809,515	0	-13,805,424	-13,805,424
12	190180	Deferred F.I.T. - Plant In Service	0	214,518	214,518	0	141,601	141,601	0	72,917	72,917
12	283850	FAS 109 ITC	0	-878,498	-878,498	0	-579,888	-579,888	0	-298,610	-298,610
4	190850	Gas portion of Bond Redemptions	0	80,078	80,078	0	53,020	53,020	0	27,058	27,058
99	190610	Gain on Sale of General Office Bldg--GAS	1,369,298	0	1,369,298	964,001	0	964,001	405,297	0	405,297
		Contrib in Aid of Construction	1,369,298	-43,366,829	-41,997,531	964,001	-28,625,849	-27,661,848	405,297	-14,740,980	-14,335,683
		TOTAL ACCUM DEFERRED INCOME TAX									
1	164100	OTHER ADJUSTMENTS:	0	21,608,231	21,608,231	0	15,326,718	15,326,718	0	6,281,513	6,281,513
1	164200	Gas Inventory--Jackson Prairie	0	0	0	0	0	0	0	0	0
99	186710	Gas Inventory--Plymouth LNG	919,940	0	919,940	615,817	0	615,817	304,123	0	304,123
4	253850	DSM Programs	0	-228,774	-228,774	0	-151,474	-151,474	0	-77,300	-77,300
		Gain on Sale of General Office Building	919,940	21,379,457	22,299,397	615,817	15,175,244	15,791,061	304,123	6,204,213	6,508,336
		TOTAL OTHER ADJUSTMENTS									
		NET RATE BASE	249,462,429	8,071,049	257,533,478	164,096,935	7,031,052	171,127,987	85,365,494	1,039,997	86,405,491

ALLOCATION RATIOS:

G-ALL	1	System Contract Demand	100.000%	70.930%	29.070%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method	100.000%	66.211%	33.789%
G-ALL	12	Net Gas Plant	100.000%	66.009%	33.991%
G-ALL	13	Net Gas General Plant	100.000%	66.568%	33.432%
G-ALL	99	Not Allocated	0.000%	0.000%	0.000%

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GAS ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 G-ADP-12A

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****		Total
			Direct	Allocated	Direct	Allocated	Direct	Allocated	
		UNDERGROUND STORAGE PLANT:							
G-PLT		Plant in Service	0	21,513,637	0	15,259,624	0	6,254,013	6,254,013
G-PLT	350XXX	Less Land and Land Rights	0	472,423	0	335,090	0	137,333	137,333
		Depreciable Underground Storage Plant	0	21,041,214	0	14,924,534	0	6,116,680	6,116,680
		Percentage		100.000%		0.000%		0.000%	
		ALLOCATION TO DIRECT/ALLOCATED							
		BASED ON DEPRECIABLE PLANT:							
	108X08/111X40	Accumulated Depreciation	0	10,688,169	0	7,581,118	0	3,107,051	3,107,051
	403X80	Depreciation Expense	0	389,044	0	275,949	0	113,095	113,095
		JURISDICTIONAL ALLOCATION:							
1	108X08/111X40	Accumulated Depreciation	0	10,688,169	0	7,581,118	0	3,107,051	3,107,051
1	403X80	Depreciation Expense	0	389,044	0	275,949	0	113,095	113,095
		DISTRIBUTION PLANT:							
G-PLT		Plant in Service	362,223,139	2,653,182	238,917,426	1,860,278	123,305,713	792,904	124,098,617
G-PLT	374000	Less Land and Land Rights	84,970	0	60,300	0	24,670	0	24,670
		Depreciable Distribution Plant	362,138,169	2,653,182	238,857,126	1,860,278	123,281,043	792,904	124,073,947
		Percentage		0.727%		65.957%		33.316%	
		ALLOCATION TO DIRECT/ALLOCATED							
		BASED ON DEPRECIABLE PLANT:							
	108X05	Accumulated Depreciation	890,396	122,475,349	80,781,066	624,301	40,803,887	266,095	41,069,982
	403X50	Depreciation Expense	62,194	8,554,851	5,642,523	43,607	2,850,134	18,587	2,868,721
		JURISDICTIONAL ALLOCATION:							
6	108X05	Accumulated Depreciation	121,584,953	890,396	80,781,066	624,301	40,803,887	266,095	41,069,982
6	403X50	Depreciation Expense	8,492,657	62,194	5,642,523	43,607	2,850,134	18,587	2,868,721
		GENERAL PLANT--NON-TRANSPORTATION							
G-PLT		Plant in Service	11,878,536	18,721,475	8,322,961	12,395,677	3,555,575	6,325,798	9,881,373
G-PLT	389XXX	Less Land and Land Rights	189,559	424,435	98,275	281,023	91,284	143,412	234,696
G-PLT	392XXX	Less Transportation	3,537,385	502,339	2,623,875	332,604	913,510	169,735	1,083,245
		Depreciable Non-Transport Genl Plant	8,151,592	17,794,701	5,600,811	11,782,050	2,550,781	6,012,651	8,563,432
		Percentage		68.583%		21.586%		9.831%	

AVISTA UTILITIES

RESULTS OF OPERATIONS

GAS ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 G-ADP-12A

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
			Direct	Allocated	Direct	Allocated	Direct	Allocated
		ALLOCATED ON DEPRECIABLE PLANT						
C-ADP	108X06	Accum Depr--Gas General Plant		4,034,744	5,883,009	1,269,906		578,359
	108X06	Accum Depr--Gas General Plant - Direct	3,120,463		3,120,463	2,326,476		793,987
	403X60	Depreciation Expense		967,211	1,410,278	304,423		138,644
	403X60	Depreciation Expense (Direct)	252,433		252,433	190,406		62,027
		JURISDICTIONAL ALLOCATION:						
4	108X06	Accumulated Depreciation	4,968,728	4,034,744	9,003,472	3,596,382	2,671,444	1,372,346
4	403X60	Depreciation Expense	695,500	967,211	1,662,711	494,829	640,400	200,671
		GENERAL PLANT--TRANSPORTATION						
G-PLT	392XXX	Transportation General Plant Percentage	3,537,385	502,339	4,039,724	2,623,875	332,604	913,510
				12.435%	100.000%	64.952%		22.613%
		ALLOCATED ON DEPRECIABLE PLANT						
C-ADP	1119.X7	Accum Depr--Gas General Transportation Plant		34,624	278,440	180,852		62,964
	1119.X7	Accum Depr--Gas General Transp Plant - Direct	492,804		492,804	383,970		108,834
	403X70	Depreciation Expense		2,730	21,956	14,261		4,965
		JURISDICTIONAL ALLOCATION:						
4	1119.X7	Accumulated Depreciation	736,620	34,624	771,244	564,822	22,925	171,798
4	403X70	Depreciation Expense	19,226	2,730	21,956	14,261	1,808	4,965
		ALLOCATION RATIOS:						
G-ALL	1	System Contract Demand		100.000%			70.930%	29.070%
G-ALL	4	Jurisdictional Four Factor Allocator - Direct Method		100.000%			66.211%	33.789%
G-ALL	6	Actual Terms Purchased		100.000%			70.115%	29.885%
E-ALL	99	Not Allocated		0.000%			0.000%	0.000%
		TOTAL						
			6,267,826	6,267,826	6,267,826	6,267,826	1,363,300	2,735,646
			1,135,229	1,135,229	1,135,229	1,135,229	326,811	527,482
			2,956,479	2,956,479	2,956,479	2,956,479	169,735	1,083,245
			16,069	16,069	16,069	16,069	922	5,887

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AVISTA UTILITIES

RESULTS OF OPERATIONS

ALLOCATION OF COMM AMORTIZATION EXPENSE For Twelve Months Ended December 31, 2008 Average of Monthly Averages Basis	Report ID: C-AMT-12A
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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 8	0	0	0	0
9	Utility 9	9,299	7,358	1,941	0
	<b>TOTAL</b>	<b>2,809,685</b>	<b>2,022,516</b>	<b>539,055</b>	<b>248,114</b>
7	404X32 PC Software	1,732,284	1,246,552	332,252	153,480
8	Utility 8	150,180	0	102,358	47,822
9	Utility 9	0	0	0	0
	<b>TOTAL</b>	<b>1,882,464</b>	<b>1,246,552</b>	<b>434,610</b>	<b>201,302</b>
7	404X33 PC Software Lease	0	0	0	0
8	Utility 8	0	0	0	0
9	Utility 9	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7	404X50 Leasehold Improvements	10,303	7,414	1,976	913
8	Utility 8	0	0	0	0
9	Utility 9	0	0	0	0
	<b>TOTAL</b>	<b>10,303</b>	<b>7,414</b>	<b>1,976</b>	<b>913</b>
1	404X60 Leased Transportation Vehicles	0	0	0	0
1	Gas Allocated	0	0	0	0
1	Washington Direct	0	0	0	0
1	Idaho Direct	0	0	0	0
7	Utility 7	0	0	0	0
8	Utility 8	0	0	0	0
9	Utility 9	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

ALLOCATION RATIOS:

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

AVISTA UTILITIES

RESULTS OF OPERATIONS

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
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	887,647	702,324	185,323	0
		<b>6,801,931</b>	<b>4,877,948</b>	<b>1,374,332</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:

G-ALL	7	Elec\Gas North\Oregon 4-Factor	71.960%	19.180%	8.860%
G-ALL	8	Gas North\Oregon 4-Factor	0.000%	68.157%	31.843%
G-ALL	9	Elec\Gas North 4-Factor	100.000%	20.878%	0.000%

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COMMON GENERAL PLANT		Report ID: C-GPL-12A	
For Twelve Months Ended December 31, 2008			
Average of Monthly Averages Basis			
Ref/Basis	Account	Description	Total
389XXX	Land & Land Rights		
99	Utility 0	124,681	124,681
99	Utility 1	0	0
99	Utility 2	260,130	260,130
7	Utility 7	1,926,112	1,926,112
8	Utility 8	0	0
9	Utility 9 - Wa	470,711	470,711
9	Utility 9 - Idaho	437,225	437,225
9	Utility 9 - Allocated	263,468	263,468
	TOTAL ACCOUNT	3,482,327	3,482,327
390XXX	Structures & Improvements		
99	Utility 0	2,155,586	2,155,586
99	Utility 1	851,829	851,829
99	Utility 2	2,677,148	2,677,148
7	Utility 7	28,695,601	28,695,601
8	Utility 8	0	0
9	Utility 9 - Wa	1,558,961	1,558,961
9	Utility 9 - Idaho	3,987,580	3,987,580
9	Utility 9 - Allocated	3,462,846	3,462,846
	TOTAL ACCOUNT	43,389,551	43,389,551
391XXX	Office Furniture & Equipment		
99	Utility 0	692,356	692,356
99	Utility 1	0	0
99	Utility 2	0	0
7	Utility 7	28,294,315	28,294,315
8	Utility 8	378,871	378,871
9	Utility 9 - Wa	0	0
9	Utility 9 - Idaho	0	0
9	Utility 9 - Allocated	0	0
	TOTAL ACCOUNT	29,365,542	29,365,542
392XXX	Transportation Equipment		
99	Utility 0	8,740,753	8,740,753
99	Utility 1	3,638,695	3,638,695
99	Utility 2	1,631,901	1,631,901
7	Utility 7	104,696	104,696
8	Utility 8	0	0
9	Utility 9 - Wa	737,600	737,600
9	Utility 9 - Idaho	459,881	459,881
9	Utility 9 - Allocated	627,157	627,157
	TOTAL ACCOUNT	15,940,683	15,940,683

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AVISTA UTILITIES

RESULTS OF OPERATIONS

Ref/Basis	Account	Description	***** ELECTRIC *****		***** GAS NORTH*****		***** OREGON *****	
			Direct - Wa	Direct - Idaho	Direct - Idaho	Direct - Oregon	Allocated	Total
		TOTAL ACCOUNT	1,485,298	216,774	787,988	1,137,270	129,495	292,478
99	393000	Stores Equipment						
99		Utility 0	21,486	29,498	297,238	348,222	0	0
99		Utility 1	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0
7		Utility 7	0	0	0	0	0	0
8		Utility 8	0	0	0	0	0	0
9		Utility 9 - Wa	111,022	0	0	111,022	0	29,295
9		Utility 9 - Idaho	187,276	187,276	0	187,276	49,417	49,417
9		Utility 9 - Allocated	0	490,750	490,750	490,750	0	129,495
		TOTAL ACCOUNT	132,508	216,774	787,988	1,137,270	129,495	292,478
99	394000	Tools, Shop, & Garage Equipment						
99		Utility 0	1,289,001	438,825	1,616,502	3,344,328	0	0
99		Utility 1	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0
7		Utility 7	0	0	953,697	953,697	0	0
8		Utility 8	0	0	0	0	0	0
9		Utility 9 - Wa	35,383	0	0	35,383	0	9,337
9		Utility 9 - Idaho	0	7,564	0	7,564	1,996	1,996
9		Utility 9 - Allocated	0	0	221,356	221,356	0	58,410
		TOTAL ACCOUNT	1,324,384	446,389	2,791,555	4,562,328	1,085,721	251,818
99	395000	Laboratory Equipment						
99		Utility 0	354,309	306,439	2,347,224	3,007,972	0	0
99		Utility 1	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0
7		Utility 7	0	0	174,060	174,060	0	0
8		Utility 8	0	0	0	0	0	0
9		Utility 9 - Wa	36,646	0	0	36,646	0	9,670
9		Utility 9 - Idaho	0	11,698	0	11,698	0	3,087
9		Utility 9 - Allocated	0	0	540,927	540,927	0	142,735
		TOTAL ACCOUNT	390,955	318,137	3,062,211	3,771,303	509,439	278,797
99	396XXX	Power Operated Equipment						
99		Utility 0	10,179,970	5,649,072	5,567,956	21,396,998	0	0
99		Utility 1	0	0	0	0	0	0
99		Utility 2	0	0	0	0	0	0
7		Utility 7	0	0	398,684	398,684	0	0
8		Utility 8	0	0	0	0	0	0
9		Utility 9 - Wa	250,079	0	0	250,079	0	65,989
9		Utility 9 - Idaho	0	192,388	0	192,388	0	50,766
9		Utility 9 - Allocated	0	0	322,439	322,439	0	85,082
		TOTAL ACCOUNT	10,430,049	5,841,460	6,289,079	22,560,388	559,490	49,088
		TOTAL ACCOUNT	26,680,001	10,430,049	5,841,460	22,560,388	559,490	49,088

AVISTA UTILITIES

RESULTS OF OPERATIONS

Report ID:  
C-GPL-12A  
COMMON GENERAL PLANT  
For Twelve Months Ended December 31, 2008  
Average of Monthly Averages Basis  
Ref/Basis Account Description

Ref/Basis Account	Description	***** ELECTRIC *****		***** GAS NORTH*****		***** OREGON *****	
		Direct - Wa	Direct - Idaho	Direct - Wa	Direct - Idaho	Direct - Oregon	Total
397XXX	Communication Equipment						
99	Utility 0	4,754,724	1,871,422	0	0	0	0
99	Utility 1	0	0	397,541	0	0	0
99	Utility 2	0	0	0	287,089	0	0
7	Utility 7	0	0	0	0	481,688	481,688
8	Utility 8	0	0	0	0	0	-208
9	Utility 9 - Wa	356,205	0	0	0	0	584,130
9	Utility 9 - Idaho	0	193,211	0	0	0	584,130
9	Utility 9 - Allocated	0	0	93,992	0	0	300,883
	TOTAL ACCOUNT	5,110,929	2,064,633	491,533	338,072	481,688	1,366,495
398000	Miscellaneous Equipment						
99	Utility 0	0	2,764	0	0	0	0
99	Utility 1	0	0	0	0	0	0
99	Utility 2	0	0	0	0	0	0
7	Utility 7	0	0	0	0	0	0
8	Utility 8	0	0	0	0	0	0
9	Utility 9 - Wa	4,099	0	1,081	0	0	0
9	Utility 9 - Idaho	0	5,455	0	1,439	0	0
9	Utility 9 - Allocated	0	0	0	0	0	0
	TOTAL ACCOUNT	4,099	8,219	1,081	1,439	0	54,598
	TOTAL GENERAL PLANT	23,690,204	15,359,681	8,322,961	3,555,575	6,474,828	13,118,809

ALLOCATION RATIOS:	7	8	9	99	Not Allocated
E-ALL	100.000%	71.960%	19.180%	8.860%	
E-ALL	100.000%	0.000%	68.157%	31.843%	
E-ALL	100.000%	79.122%	20.878%	0.000%	
E-ALL	0.000%	0.000%	0.000%	0.000%	

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AVISTA UTILITIES

RESULTS OF OPERATIONS

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

			Total General	Total Electric	Total Gas North	Total Oregon Gas
Accum Deprec - General Plant						
99	108X06	Utility 0	38,161,021	38,161,021	0	0
99	108X06	Utility 1 - Allocated	711,794	0	711,794	0
99	108X06	Utility 1 - Washington	2,326,476	0	2,326,476	0
99	108X06	Utility 1 - Idaho	793,987	0	793,987	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
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
Total			67,674,743	55,888,920	9,003,472	2,782,352
Accum Deprec - General Plant, Transportation						
99	108X07	Utility 0	5,751,198	5,751,198	0	0
99	108X07	Utility 1 - Allocated	138,369	0	138,369	0
99	108X07	Utility 1 - Washington	383,970	0	383,970	0
99	108X07	Utility 1 - Idaho	108,834	0	108,834	0
99	108X07	Utility 2	858,151	0	0	858,151
7	108X07	Utility 7	24,071	17,321	4,617	2,133
9	108X07	Utility 9	648,790	513,336	135,454	0
Total			7,913,383	6,281,855	771,244	860,284

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%

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

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 *****		OREGON *****	
			Direct - Wa	Direct - Idaho	Direct - Idaho	Allocated	Direct	Allocated
			Total	Total	Total	Total	Total	Total
303000	Intangible Plant		0	0	0	0	0	0
99	Utility 0		0	0	0	0	0	0
99	Utility 1		417,899	0	168,450	0	0	417,899
99	Utility 2		0	0	0	0	0	0
7	Utility 7		0	0	0	0	0	0
8	Utility 8		0	0	0	0	0	0
9	Utility 9		169,801	0	0	0	0	169,801
	TOTAL ACCOUNT		587,700	134,350	168,450	35,451	0	453,350
303100	Misc Intangible Plant--Mainframe Software		390,599	0	0	0	0	390,599
99	Utility 0		0	0	0	0	0	0
99	Utility 1		0	0	0	0	0	0
99	Utility 2		46,440	0	0	0	0	46,440
7	Utility 7		13,942,679	10,033,152	0	2,674,206	0	2,674,206
8	Utility 8		0	0	0	0	0	0
9	Utility 9		0	0	0	0	0	0
	TOTAL ACCOUNT		14,379,718	10,423,751	0	2,674,206	46,440	1,235,321
303110	Misc Intangible Plant--PC Software		1,121,729	0	0	0	0	1,121,729
99	Utility 0		0	0	0	0	0	0
99	Utility 1		7,811	0	0	7,811	0	7,811
99	Utility 2		0	0	0	0	0	0
7	Utility 7		9,175,168	6,602,451	0	1,759,797	0	812,920
8	Utility 8		718,019	0	0	489,380	0	228,639
9	Utility 9		0	0	0	0	0	0
	TOTAL ACCOUNT		11,022,727	7,724,180	0	2,256,988	0	1,041,559
303120	Misc Intangible Plant-- Leased PC Software		0	0	0	0	0	0
99	Utility 0		0	0	0	0	0	0
99	Utility 1		0	0	0	0	0	0
99	Utility 2		0	0	0	0	0	0
7	Utility 7		0	0	0	0	0	0
8	Utility 8		0	0	0	0	0	0
9	Utility 9		0	0	0	0	0	0
	TOTAL ACCOUNT		0	0	0	0	0	0
	TOTAL		25,990,145	18,282,281	168,450	4,966,645	46,440	2,276,880
								2,323,320

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%

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
		Accum Amort--Intangible Plt (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
		Total	10,634,723	7,510,502	2,130,198	994,022

Accum Amort--Leasehold Improvements (111X50, 111X60)

99		Utility 0	0	0	0	0
99		Utility 1 - Allocated	0	0	0	0
99		Utility 1 - Washington	0	0	0	0
99		Utility 1 - Idaho	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%

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GAS ACCUMULATED AMORTIZATION AND AMORTIZATION EXPENSE--SOFTWARE  
 For Twelve Months Ended December 31, 2008  
 Average of Monthly Averages Basis

Report ID:  
 G-CAM-12A

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
			Direct	Allocated	Direct	Allocated	Direct	Allocated
				Total		Total		Total
		PLANT IN SERVICE:						
G-PLT	303100	Misc Intangible Plant - Mainframe Software	0	2,674,206	0	1,770,619	0	903,587
G-PLT	303110	Misc Intangible Plant - PC Software	0	2,256,988	0	1,494,374	0	762,614
G-PLT	303120	Misc Intangible Plant - PC Software Lease	0	0	0	0	0	0
			0	4,931,194	0	3,264,993	0	1,666,201
		Percentage		100.000%		0.000%		0.000%
		ALLOCATION TO DIRECT/ALLOCATED						
		BASED ON PLANT:						
C-AAM	111X31/X32	Accumulated Amortization	2,130,198	2,130,198	0	0	0	0
	404X3X	Amortization Expense	975,227	975,227	0	0	0	0
		JURISDICTIONAL ALLOCATION:						
4	111X31/X32	Accumulated Amortization	0	2,130,198	0	1,410,425	0	719,773
4	404X3X	Amortization Expense	0	975,227	0	645,708	0	329,519

ALLOCATION RATIOS:

G-ALL 4 Jurisdictional Four Factor Allocator - Direct Method 100.000%

66.211%

33.789%

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
--	-------------------------

Ref/Basis	Account	Description	Total	Electric	Gas North	Oregon Gas
Deferred FIT - General 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%

B29

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

WASHINGTON  
 DEFERRED FIT RATE BASE  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual (at 35%)	0	0	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES	(28,945)	(28,945)	0
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	(\$28,945)	(\$28,945)	\$0



C2

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

	<u>Alloc Basis</u>	<u>Gas System</u>	<u>Washington</u>	<u>Idaho</u>
<b>ACCELERATED TAX DEPRECIATION</b>				
Gas North	NDP	(42,088,912)	(27,672,197)	(14,416,715)
General Utility CD AA	4	(1,845,502)	(1,221,925)	(623,577)
General Utility CD AN	4	(318,315)	(210,760)	(107,555)
Total Accelerated Tax Depr		<u>(44,252,729)</u>	<u>(29,104,882)</u>	<u>(15,147,847)</u>
CIAC (Gas-WA) Gas	D	954,974	954,974	
CIAC (Gas-ID) Gas	D	401,502		401,502
FMB & MTN Redeemed	12	(878,498)	(579,888)	(298,610)
DSM (Gas-WA) Gas	D	(215,536)	(215,536)	
DSM (Gas-ID) Gas	D	(106,443)		(106,443)
Total Other Deferred FIT		<u>155,999</u>	<u>159,550</u>	<u>(3,551)</u>
Total Deferred FIT		<u>(44,096,730)</u>	<u>(28,945,332)</u>	<u>(15,151,398)</u>

Allocation Notes:

Jurisdictional four-factor	4	100.000%	66.211%	33.789%
Net gas plant - AMA	12	100.000%	66.009%	33.991%
Net gas general plant - AMA	13	100.000%	66.568%	33.432%
Net distribution plant - AMA	NDP			
Gross (1)		364,876,321	240,777,704	124,098,617
A/D (1)		<u>(122,475,349)</u>	<u>(81,405,367)</u>	<u>(41,069,982)</u>
Net Distribution Plant		242,400,972	159,372,337	83,028,635
Percent		100.000%	65.747%	34.253%
Direct	D			

Source of Allocation Factors: Results of Operations Report G-PLT-12A  
 (1) Source: Results of Operations (G-PLT-12A)

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

		<u>Total 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>
<b>Average of Monthly Averages</b>					
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%

C4

**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>

Source: General Ledger

C5

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)

C6

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

Source: General Ledger

	CIAC (Dist-WA) 190610 ED WA	CIAC (Dist-ID) 190610 ED ID	CIAC (Gas-WA) 190610 GD WA	CIAC (Gas-ID) 190610 GD ID	CIAC (Gas-OR) 190610 GD OR	Rate Base
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

	Colstrip PCB Elec 283200 ED AN	Bond Redemp. 283850 CD AA
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)

	DSM Elec-ID 283720 ED ID	DSM Gas-WA 283720 GD WA	DSM Gas-ID 283720 GD ID
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)

C7

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

Ferc Acct:283850		Ferc Acct Desc:ADFIT FMB & MTN REDEEMED	Service:CD	Jurisdiction:AA
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>	

Ca

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

Ferc Acct:283720		Ferc Acct Desc:ADFIT DSM		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance		Monthly Activity		Ending Balance
200801		-274,407.87	9,812.05		-264,595.82
200802		-264,595.82	9,812.05		-254,783.77
200803		-254,783.77	9,812.05		-244,971.72
200804		-244,971.72	9,812.05		-235,159.67
200805		-235,159.67	9,812.05		-225,347.62
200806		-225,347.62	9,812.05		-215,535.57
200807		-215,535.57	9,812.05		-205,723.52
200808		-205,723.52	9,812.05		-195,911.47
200809		-195,911.47	9,812.05		-186,099.42
200810		-186,099.42	9,812.05		-176,287.37
200811		-176,287.37	9,812.05		-166,475.32
200812		-166,475.32	9,812.05		-156,663.27
<b>Sum: 117,744.60</b>					

C9

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

Ferc Acct:283720 Ferc Acct Desc:ADFIT DSM Service:GD Jurisdiction:ID			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	-124,143.57	2,950.03	-121,193.54
200802	-121,193.54	2,950.03	-118,243.51
200803	-118,243.51	2,950.03	-115,293.48
200804	-115,293.48	2,950.03	-112,343.45
200805	-112,343.45	2,950.03	-109,393.42
200806	-109,393.42	2,950.03	-106,443.39
200807	-106,443.39	2,950.03	-103,493.36
200808	-103,493.36	2,950.03	-100,543.33
200809	-100,543.33	2,950.03	-97,593.30
200810	-97,593.30	2,950.03	-94,643.27
200811	-94,643.27	2,950.03	-91,693.24
200812	-91,693.24	2,950.03	-88,743.21
<b>Sum: 35,400.36</b>			



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

DEFERRED GAIN  
ON OFFICE BUILDING  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual	35.0%	0	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES	80	53	27
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING	(228)	(152)	(76)
42	TOTAL RATE BASE	(\$148)	(\$99)	(\$49)

D1

**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
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>	(1,830,192)	640,592	(1,372,644)	480,436	(457,548)	160,156
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>	(10,981,152)	3,843,552	(8,235,864)	2,882,616	(2,745,288)	960,936
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--Gas**

	System	Washington	Idaho
Per Gas Allocation Note 2:	100.000%	66.616%	33.384%
Deferred Gain	(228,774)	(152,400)	(76,374)
Deferred Taxes	80,077	53,344	26,733
<b>Net Gas Adj</b>	<b>(148,697)</b>	<b>(99,056)</b>	<b>(49,641)</b>

GL Account Balance

Ferc Account : '253850'

Ferc Acct	253850	Ferc Acct Desc	DEF GAIN ON BLDG SALE/LEASEBAC	Service	GD
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Jurisdiction	AN	Statind	DL
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Period	Beginning Balance	Monthly Activity	Ending Balance
200712	-266,903.00	5,447.00	-261,456.00
200801	-261,456.00	5,447.00	-256,009.00
200802	-256,009.00	5,447.00	-250,562.00
200803	-250,562.00	5,447.00	-245,115.00
200804	-245,115.00	5,447.00	-239,668.00
200805	-239,668.00	5,447.00	-234,221.00
200806	-234,221.00	5,447.00	-228,774.00
200807	-228,774.00	5,447.00	-223,327.00
200808	-223,327.00	5,447.00	-217,880.00
200809	-217,880.00	5,447.00	-212,433.00
200810	-212,433.00	5,447.00	-206,986.00
200811	-206,986.00	5,447.00	-201,539.00
200812	-201,539.00	5,447.00	-196,092.00



Total for All Values: 70,811.00  
 Sum: 70,811.00

GL Account Balance

Ferc Account : '190850'

Ferc Acct	190850	Ferc Acct Desc	ADFIT GAIN GENERAL OFFICE BLDG	Service	GD
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Jurisdiction	AN	Statind	DL
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Period	Beginning Balance	Monthly Activity	Ending Balance
200712	93,419.55	-1,906.00	91,513.55
200801	91,513.55	-1,906.00	89,607.55
200802	89,607.55	-1,906.00	87,701.55
200803	87,701.55	-1,906.00	85,795.55
200804	85,795.55	-1,906.00	83,889.55
200805	83,889.55	-1,906.00	81,983.55
200806	81,983.55	-1,906.00	80,077.55
200807	80,077.55	-1,906.00	78,171.55
200808	78,171.55	-1,906.00	76,265.55
200809	76,265.55	-1,906.00	74,359.55
200810	74,359.55	-1,906.00	72,453.55
200811	72,453.55	-1,906.00	70,547.55
200812	70,547.55	-1,906.00	68,641.55

Total for All Values: -24,778.00

Sum: -24,778.00

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

Report ID:  
G-ALL-12A

Basis	Ref	Description	System	Washington	Idaho
1	Input	System Contract Demand	100.000%	70.930%	29.070%
2		Number of Customers	216,486	144,214	72,272
		Percent	100.000%	66.616%	33.384%
3	G-OPS	Direct Distribution Operating Expense	7,921,510	4,973,301	2,948,209
		Percent	100.000%	62.782%	37.218%
Jurisdictional Four Factor Allocator - Direct Method					
Allocation Rate Calculation - Updated 12/31/2008					
Direct O & M					
		Amount: Accounts 798 - 894	4,166,551	2,636,902	1,529,649
		Amount: Accounts 901 - 935	2,274,967	1,710,968	563,999
		Total	6,441,518	4,347,870	2,093,648
		Percentage	100.000%	67.498%	32.502%
Direct Labor					
		Amount: Accounts 798 - 894	3,754,959	2,336,399	1,418,560
		Amount: Accounts 901 - 935	1,364,719	1,095,891	268,828
		Total	5,119,678	3,432,290	1,687,388
		Percentage	100.000%	67.041%	32.959%
Total Number of Customers					
		Percentage	218,921	145,664	73,257
			100.000%	66.537%	33.463%
Total Direct Plant					
		Percentage	270,603,379	172,560,521	98,042,858
			100.000%	63.769%	36.231%
Total Four Factor Allocators					
		Percent	400,000%	264,845%	135,155%
			100.000%	66.211%	33.789%
Underground Storage & Dist Plant					
G-PLT		Underground Storage	21,513,637	15,259,624	6,254,013
G-PLT		Distribution	364,876,321	240,777,704	124,098,617
		Total Underground Storage/Dist Plant	386,389,958	256,037,328	130,352,630
		Percent	100.000%	66.264%	33.736%
5					
6	Input	Actual Therms Purchased	268,483,677	188,246,873	80,236,804
		Percent	100.000%	70.115%	29.885%

D5

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

GAS INVENTORY  
 ADJUSTMENT  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
	Production			
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
	Underground Storage			
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
	Distribution			
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
	Administrative and General			
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
	Federal Income Taxes			
27	Current Accrual	35.0%	0	0
28	Deferred FIT			
29	Amort ITC			
30	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY	15,327	15,327	0
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$15,327	\$15,327	\$0

E.

**AVISTA UTILITIES**  
**Calculation of Gas Inventory**  
**Twelve Months Ended December 31, 2008**

**GAS IN STORAGE:**

		<u>Jackson Prairie</u>
		Acct 164100 GDAN
	Dec-07	11,597,586
	Dec-08	<u>25,582,737</u>
	Total	37,180,323
	Divide by 2	+ 2
	Beg/End mo avg.	18,590,162
	Jan-08	7,272,449
	Feb-08	1,988,738
	Mar-08	4,450
	Apr-08	605,606
	May-08	10,364,088
	Jun-08	19,710,482
	Jul-08	39,749,627
	Aug-08	42,062,187
	Sep-08	40,133,925
	Oct-08	40,140,986
	Nov-08	<u>38,676,072</u>
	Totals	\$259,298,772
		<u>+12</u>
	Average Monthly Average	\$21,608,231

	<u>Total</u>	<u>Washington</u>	<u>Idaho</u>
Allocation to Jurisdictions:			
Allocation Note 1	100.00%	70.93%	29.07% ✓
System Contract Demand-SGS-1 Demand			

INVENTORY STORAGE ADJ	21,608,231	15,326,718	6,281,513
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**NOTES:**

(1) From account balance listing - Jackson Prairie.

Ferc Acct 164100		Ferc Acct Desc GAS STORED UNDERGND-408AVA-JP		Service	GD
Jurisdiction	AN	Statind	DL		
Period	Beginning Balance	Monthly Activity		Ending Balance	
200712	13,362,298.11	-1,764,711.75		11,597,586.36	
200801	11,597,586.36	-4,325,137.01		7,272,449.35	
200802	7,272,449.35	-5,283,711.06		1,988,738.29	
200803	1,988,738.29	-1,984,288.47		4,449.82	
200804	4,449.82	601,156.16		605,605.98	
200805	605,605.98	9,758,481.62		10,364,087.60	
200806	10,364,087.60	9,346,394.35		19,710,481.95	
200807	19,710,481.95	20,039,144.94		39,749,626.89	
200808	39,749,626.89	2,312,560.39		42,062,187.28	
200809	42,062,187.28	-1,928,262.12		40,133,925.16	
200810	40,133,925.16	7,060.94		40,140,986.10	
200811	40,140,986.10	-1,464,913.61		38,676,072.49	
200812	38,676,072.49	-13,093,335.60		25,582,736.89	
Total for All Values: 12,220,438.78					
Sum: 12,220,438.78					



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

Report ID:  
 G-ALL-12A

Basis	Ref	Description	System	Washington	Idaho
1	Input	System Contract Demand	100.000%	70.930%	29.070%
2		Number of Customers	216,486	144,214	72,272
		Percent	100.000%	66.616%	33.384%
3	G-OPS	Direct Distribution Operating Expense	7,921,510	4,973,301	2,948,209
		Percent	100.000%	62.782%	37.218%
<p><b>Jurisdictional Four Factor Allocator - Direct Method</b>                      Allocation Rate Calculation - Updated 12/31/2008</p>					
<p>Direct O &amp; M</p>					
		Amount: Accounts 798 - 894	4,166,551	2,636,902	1,529,649
		Amount: Accounts 901 - 935	2,274,967	1,710,968	563,999
		Total	6,441,518	4,347,870	2,093,648
		Percentage	100.000%	67.498%	32.502%
<p>Direct Labor</p>					
		Amount: Accounts 798 - 894	3,754,959	2,336,399	1,418,560
		Amount: Accounts 901 - 935	1,364,719	1,095,891	268,828
		Total	5,119,678	3,432,290	1,687,388
		Percentage	100.000%	67.041%	32.959%
<p>Total Number of Customers</p>					
		Percentage	218,921	145,664	73,257
			100.000%	66.537%	33.463%
<p>Total Direct Plant</p>					
		Percentage	270,603,379	172,560,521	98,042,858
			100.000%	63.769%	36.231%
<p>Total Four Factor Allocators</p>					
		Percent	400,000%	264,845%	135.155%
			100.000%	66.211%	33.789%
<p>Underground Storage &amp; Dist Plant</p>					
<p>G-PLT Underground Storage</p>					
G-PLT		Distribution	21,513,637	15,259,624	6,254,013
		Total Underground Storage/Dist Plant	364,876,321	240,777,704	124,098,617
		Percent	386,389,958	256,037,328	130,352,630
			100.000%	66.264%	33.736%
<p>Actual Therms Purchased</p>					
6	Input	Percent	268,483,677	188,246,873	80,236,804
			100.000%	70.115%	29.885%

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

DSM INVESTMENT  
RATE BASE  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information	0	0	0
20	Sales			
Administrative and General				
21	Operating Expenses	0		
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual	0	0	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant	702	448	254
33	General Plant			
34	Total Plant in Service	702	448	254
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant	0		
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$702	\$448	\$254

F<sub>1</sub>

# AVISTA UTILITIES

## Gas DSM Adjustment For the Year Ended December 31, 2008

Balances at December 31, 2008

	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Rate Base			
December 31, 2008 Gas DSM Investment Balance Assigned to Jurisdictions As Completed by vintage System Contract Demand 1C	701,161	✓ 447,610	253,551

<b>AVISTA UTILITIES</b>														
Summary - DSM Balances by Service														
Period Ended 12/31/08														
			Lost Margin	LM AFUCE		Lost Margin		Program		Program		Program		Total
				Amort	AFUCE	Amort	AFUCE	Admin	Costs	M&E	Amort	AFUCE	Amort	
<b>Electric Programs</b>	<b>Workorders</b>	<b>186,501.51</b>	<b>186.55</b>	<b>186.57</b>	<b>186.59</b>	<b>186.71</b>	<b>186.72</b>	<b>186.73</b>	<b>186.75</b>	<b>186.77</b>	<b>186.79</b>	<b>186.79</b>	<b>186.79</b>	
1791/1891	28,524.12	-1,596.38	1,596.38	1,596.38	-28,524.12	434,494.59	917,592.00	266.36	-93,410.69	98,220.01	-1,325,144.89	32,017.38		
1792/1892	-24,281.25	0.00	0.00	0.00	24,281.25	986,807.24	6,416,422.10	51,649.69	-419,144.68	443,585.06	-7,207,822.84	271,496.57		
1805/1905	-255,397.05	0.00	0.00	0.00	255,397.05	2,099,956.65	29,502,396.11	348,490.29	-1,991,914.44	2,044,576.22	-31,464,694.56	538,810.27		
1814/1914	138,403.97	-7,394.62	7,394.62	7,394.62	-138,403.97	1,112,914.09	4,253,234.81	107,383.57	-210,750.66	215,482.93	-5,396,721.78	81,542.96		
1847/1947	24,545.26	-1,402.29	1,402.29	1,402.29	-24,545.26	214,779.28	245,363.30	64,969.19	-34,323.54	34,323.54	-525,111.77	0.00		
1848/1948	87,134.00	-4,151.32	4,151.32	4,151.32	-87,134.00	71,566.23	2,472,276.45	11,231.46	-113,475.22	118,180.70	-2,459,997.85	99,781.77		
1849/1949	58,211.52	-2,689.67	2,689.67	2,689.67	-58,211.52	242,345.56	2,038,620.46	49,109.16	-116,353.95	118,678.95	-2,292,528.05	39,872.13		
1873/1973	13,891.83	-729.01	729.01	729.01	-13,891.83	0.00	408,188.29	0.00	-20,464.96	20,914.28	-401,619.76	7,017.85		
1874/1974	6,056.00	-304.49	304.49	304.49	-6,056.00	18,132.61	212,883.37	2,339.67	-10,142.26	10,342.21	-229,198.88	4,356.72		
1875/1975	21,631.23	-1,461.57	1,461.57	1,461.57	-21,631.23	0.00	648,571.52	0.00	-35,315.38	36,224.19	-638,134.30	11,346.03		
1876/1976	292,137.51	-17,507.09	17,507.09	17,507.09	-292,137.51	203,150.01	911,854.25	36,260.39	-87,298.39	87,298.39	-1,151,264.65	0.00		
1877/1977	0.00	0.00	0.00	0.00	0.00	253,971.02	1,362,778.06	36,428.65	-61,968.08	62,993.47	-1,630,097.18	24,105.94		
WA-Electric Commercial Energy Code	1880	0.00	0.00	0.00	0.00	180,181.81	25,195.27	0.00	0.00	0.00	-205,377.08	0.00		
ID-Sandpoint DSM	9801						1,700,805.46				-1,527,387.95	173,417.51		
<b>TOTAL</b>	<b>390,857.14</b>	<b>-37,236.44</b>	<b>37,236.44</b>	<b>37,236.44</b>	<b>-390,857.14</b>	<b>5,818,299.09</b>	<b>51,116,181.45</b>	<b>708,128.43</b>	<b>-3,194,562.25</b>	<b>3,290,819.95</b>	<b>-56,455,101.54</b>	<b>1,283,765.13</b>		
<b>WWP Gas Programs</b>	<b>Workorders</b>	<b>186.50</b>	<b>186.55</b>	<b>186.57</b>	<b>186.59</b>	<b>186.71</b>	<b>186.72</b>	<b>186.73</b>	<b>186.75</b>	<b>186.77</b>	<b>186.79</b>	<b>186.79</b>		
Gas Weatherization	1816/1916	0.00	0.00	0.00	0.00	259,687.49	1,799,961.05	63,761.74	-184,869.51	209,072.21	-1,880,614.59	266,998.39		
Gas Low Income Weatherization	0/1950/9601	0.00	0.00	0.00	0.00	40,757.70	695,583.89	12,844.57	-63,651.93	68,414.30	-699,551.88	54,396.65		
Gas Commercial & Industrial	1851/1951	0.00	0.00	0.00	0.00	46,731.05	212,943.42	4,194.55	-17,631.99	18,944.33	-246,956.55	18,224.81		
Gas Res Appliance Efficiency-Furnace	1852/1952	0.00	0.00	0.00	0.00	352,575.86	2,377,118.05	75,535.55	-324,147.00	366,707.27	-2,486,248.53	361,541.20		
Gas Showerheads	1853/1953	0.00	0.00	0.00	0.00	97,193.40	353,034.24	26,125.21	-74,110.36	74,110.36	-476,352.85	0.00		
Gas Res Appliance Efficiency-Water He	1878/1978	0.00	0.00	0.00	0.00	137,108.39	507,320.42	18,607.55	-78,248.45	78,248.45	-663,036.36	0.00		
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>934,053.89</b>	<b>5,945,961.07</b>	<b>201,069.17</b>	<b>-742,659.24</b>	<b>815,496.92</b>	<b>-6,452,760.76</b>	<b>701,161.05</b>		

<b>AVISTA UTILITIES</b>													
Washington - DSM Balances by Service													
Period Ended 12/31/08													
	Workorders	Lost Margin	LM AFUCE Amort	Lost Margin AFUCE	Lost Margin Amort	AFUCE Amort	Transfer	Program AFUCE	Program Amort	Program AFUCE	Program Amort		
<b>Electric Programs</b>		<b>186,50,51</b>	<b>186,55</b>	<b>186,57</b>	<b>186,59</b>	<b>186,75</b>	<b>186,76</b>	<b>186,77</b>	<b>186,79</b>	<b>186,77</b>	<b>186,79</b>	<b>Total</b>	
Schedule 67	1791/1891	17,933.07	-861.24	861.24	-17,933.07	-11,348.10	938,558.67	11,348.10	-938,558.67	11,348.10	-938,558.67	0.00	
Regular Water Heat Conversion	1792/1892	0.00	0.00	0.00	0.00	-210,663.07	5,227,271.09	210,663.07	-5,227,271.09	210,663.07	-5,227,271.09	0.00	
Regular Combo Conversion	1805/1905	0.00	0.00	0.00	0.00	-922,966.87	22,405,043.61	922,966.87	-22,405,043.61	922,966.87	-22,405,043.61	0.00	
Electric Commercial & Industrial	1814/1914	106,756.65	-4,429.44	4,429.44	-106,756.65	-92,847.19	3,834,247.85	92,847.19	-3,834,247.85	92,847.19	-3,834,247.85	0.00	
Compact Fluorescents	1847/1947	17,646.52	-1,009.91	1,009.91	-17,646.52	-17,669.43	368,743.43	17,669.43	-368,743.43	17,669.43	-368,743.43	0.00	
Low Income Combo Conversion	1848/1948	87,134.00	-4,151.32	4,151.32	-87,134.00	-73,347.98	1,796,686.34	73,347.98	-1,796,686.34	73,347.98	-1,796,686.34	0.00	
MAP	1849/1949	36,739.89	-1,632.71	1,632.71	-36,739.89	-69,249.60	1,637,866.94	69,249.60	-1,637,866.94	69,249.60	-1,637,866.94	0.00	
Electric Weatherization	1873/1973	8,505.87	-400.82	400.82	-8,505.87	-11,458.88	286,784.94	11,458.88	-286,784.94	11,458.88	-286,784.94	0.00	
Low Income Water Heat Conversion	1874/1974	6,056.00	-304.49	304.49	-6,056.00	-6,011.83	164,110.21	6,011.83	-164,110.21	6,011.83	-164,110.21	0.00	
Electric Low Income Weatherization	1875/1975	9,944.65	-541.68	541.68	-9,944.65	-16,902.67	454,418.11	16,902.67	-454,418.11	16,902.67	-454,418.11	0.00	
Electric Showerheads	1876/1976	180,596.74	-10,168.80	10,168.80	-180,596.74	-45,507.51	810,135.64	45,507.51	-810,135.64	45,507.51	-810,135.64	0.00	
Electric C/I Fuel Efficiency	1877/1977	0.00	0.00	0.00	0.00	-36,488.16	1,161,569.03	36,488.16	-1,161,569.03	36,488.16	-1,161,569.03	0.00	
WA-Electric Commercial Energy Code	1880	0.00	0.00	0.00	0.00	0.00	205,377.08	0.00	-205,377.08	0.00	205,377.08	0.00	
ID-Sandpoint DSM	9801	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>		<b>471,313.39</b>	<b>-23,500.41</b>	<b>23,500.41</b>	<b>-471,313.39</b>	<b>-1,514,461.29</b>	<b>39,290,812.94</b>	<b>1,514,461.29</b>	<b>-39,290,812.94</b>	<b>1,514,461.29</b>	<b>-39,290,812.94</b>	<b>0.00</b>	
<b>WWP Gas Programs</b>		<b>186,50</b>	<b>186,55</b>	<b>186,57</b>	<b>186,59</b>	<b>186,75</b>	<b>186,76</b>	<b>186,77</b>	<b>186,79</b>	<b>186,77</b>	<b>186,79</b>	<b>Total</b>	
Gas Weatherization	1816/1916	0.00	0.00	0.00	0.00	-135,432.00	1,617,066.01	150,484.68	-1,453,810.56	150,484.68	-1,453,810.56	178,308.13	
Gas Low Income Weatherization	50/1950/9601	0.00	0.00	0.00	0.00	-47,398.44	570,509.94	49,155.60	-549,064.44	49,155.60	-549,064.44	23,202.66	
Gas Commercial & Industrial	1851/1951	0.00	0.00	0.00	0.00	-13,230.48	201,819.30	13,720.50	-194,603.04	13,720.50	-194,603.04	7,706.28	
Gas Res Appliance Efficiency-Furnace	1852/1952	0.00	0.00	0.00	0.00	-235,844.52	2,121,746.50	262,052.02	-1,909,561.02	262,052.02	-1,909,561.02	238,392.98	
Gas Showerheads	1853/1953	0.00	0.00	0.00	0.00	-52,798.51	358,169.33	52,798.51	-358,169.33	52,798.51	-358,169.33	0.00	
Gas Res Appliance Efficiency-Water Heat	1878/1978	0.00	0.00	0.00	0.00	-56,409.13	503,502.37	56,409.13	-503,502.37	56,409.13	-503,502.37	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-541,113.08</b>	<b>5,372,813.45</b>	<b>584,620.44</b>	<b>-4,968,710.76</b>	<b>584,620.44</b>	<b>-4,968,710.76</b>	<b>447,610.05</b>	



<b>AVISTA UTILITIES</b>												
Idaho - DSM Balances by Service												
Period Ended 12/31/08												
	LM AFUCE	Lost Margin	Lost Margin	Lost Margin	AFUCE	Program	Program	Program	Program	Program	Program	
	Amort	AFUCE	Amort	Amort	Amort	Transfer	AFUCE	Amort	Amort	Amort	Amort	Total
<b>Electric Programs</b>	<b>186.55</b>	<b>186.57</b>	<b>186.50/51</b>	<b>186.55</b>	<b>186.75</b>	<b>186.76</b>	<b>186.77</b>	<b>186.75</b>	<b>186.59</b>	<b>186.79</b>	<b>186.79</b>	
Schedule 67	1791/1891	1792/1892	1805/1905	1814/1914	1847/1947	1848/1948	1849/1949	1873/1973	1874/1974	1875/1975	1876/1976	1877/1977
Regular Water Heat Conversion	735.14	0.00	10,591.05	735.14	-82,062.59	413,794.28	232,921.99	-208,481.61	24,281.25	86,871.91	86,871.91	32,017.38
Regular Combo Conversion	0.00	0.00	-24,281.25	0.00	-208,481.61	2,227,607.94	1,121,609.35	-1,068,947.57	255,397.05	232,921.99	232,921.99	271,496.57
Electric Commercial & Industrial	0.00	0.00	31,647.32	2,965.18	-117,903.47	1,639,284.62	122,635.74	-156,654.11	-31,647.32	1,121,609.35	1,121,609.35	538,810.27
Compact Fluorescents	-392.38	0.00	6,898.74	-392.38	-16,654.11	156,368.34	16,654.11	-40,127.24	-6,898.74	16,654.11	16,654.11	81,542.96
Low Income Combo Conversion	0.00	0.00	0.00	0.00	-40,127.24	758,387.80	44,832.72	-663,311.51	0.00	44,832.72	44,832.72	99,781.77
MAP	-1,056.96	1,056.96	21,471.63	-1,056.96	-47,104.35	692,208.24	49,429.35	-654,661.11	-21,471.63	49,429.35	49,429.35	39,872.13
Electric Weatherization	-328.19	328.19	5,385.96	-328.19	-9,006.08	121,403.35	9,455.40	-114,834.82	-5,385.96	9,455.40	9,455.40	7,017.85
Low Income Water Heat Conversion	0.00	0.00	0.00	0.00	-4,130.43	69,245.44	4,330.38	-65,088.67	0.00	4,330.38	4,330.38	4,356.72
Electric Low Income Weatherization	-919.89	919.89	11,686.58	-919.89	-18,412.71	194,153.41	19,321.52	-183,716.19	-11,686.58	19,321.52	19,321.52	11,346.03
Electric Showerheads	-7,338.29	7,338.29	111,540.77	-7,338.29	-41,790.88	341,129.01	41,790.88	-341,129.01	-111,540.77	41,790.88	41,790.88	0.00
Electric C/I Fuel Efficiency	0.00	0.00	0.00	0.00	-25,479.92	491,608.70	26,505.31	-468,528.15	0.00	26,505.31	26,505.31	24,105.94
WA-Electric Commercial Energy Code	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ID-Sandpoint DSM						1,700,805.46						173,417.51
<b>TOTAL</b>	<b>-13,736.03</b>	<b>13,736.03</b>	<b>-80,456.25</b>	<b>-13,736.03</b>	<b>-1,680,100.96</b>	<b>18,351,796.03</b>	<b>1,776,358.66</b>	<b>-17,164,288.60</b>	<b>80,456.25</b>	<b>1,776,358.66</b>	<b>1,776,358.66</b>	<b>1,283,765.13</b>
<b>WWP Gas Programs</b>	<b>186.50</b>	<b>186.57</b>	<b>186.50</b>	<b>186.55</b>	<b>186.75</b>	<b>186.76</b>	<b>186.77</b>	<b>186.75</b>	<b>186.59</b>	<b>186.79</b>	<b>186.79</b>	
Gas Weatherization	1816/1916	50/1950/9601	1851/1951	1852/1952	1853/1953	1878/1978						
Gas Low Income Weatherization	0.00	0.00	0.00	0.00	0.00	506,344.27	58,587.53	-426,804.03	0.00	58,587.53	58,587.53	88,690.26
Gas Commercial & Industrial	0.00	0.00	0.00	0.00	-4,401.51	62,049.72	5,223.83	-52,353.51	0.00	19,258.70	19,258.70	31,193.99
Gas Res Appliance Efficiency-Furnace	0.00	0.00	0.00	0.00	-88,302.48	683,482.96	104,655.25	-576,687.51	0.00	104,655.25	104,655.25	123,148.22
Gas Showerheads	0.00	0.00	0.00	0.00	-21,311.85	118,183.52	21,311.85	-118,183.52	0.00	21,311.85	21,311.85	0.00
Gas Res Appliance Efficiency-Water Heat	0.00	0.00	0.00	0.00	-21,839.32	159,533.99	21,839.32	-159,533.99	0.00	21,839.32	21,839.32	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-201,546.16</b>	<b>1,708,270.68</b>	<b>230,876.48</b>	<b>-1,484,050.00</b>	<b>0.00</b>	<b>230,876.48</b>	<b>230,876.48</b>	<b>253,551.00</b>

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GL Account Balance

Ferc Account : '186710' , Accounting Period : '200812'

Ferc Acct	186710	Ferc Acct Desc	REGULATORY ASSET CONSERVATION
Accounting Period	200812		

Service	Jurisdiction	Beginning Balance	Monthly Activity	Ending Balance
GD	ID	261,979.67	-8,428.67	253,551.00
ED	ID	1,390,456.18	-106,691.05	1,283,765.13
GD	WA	475,644.47	-28,034.42	447,610.05
			<b>Sum: -143,154.14</b>	

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

CUSTOMER  
ADVANCES  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	\$0		
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes			
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual (at 35%)	0	0	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$0	\$0	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant	(122)	(49)	(73)
33	General Plant			
34	Total Plant in Service	(122)	(49)	(73)
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	(\$122)	(\$49)	(\$73)



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**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 CDA	\$653	\$289	\$178	\$123	\$63
252100 ED	(1,121,546)	(232,613)	(888,933)		
252100 GD	(122,505)			(48,947)	(73,558)
<b>TOTALS</b>	<b>(\$1,243,398)</b>	<b>(\$232,324)</b>	<b>(\$888,755)</b>	<b>(\$48,824)</b>	<b>(\$73,495)</b>

**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				
Ave Monthly Average	653	289	178	123	63
	754	See allocation of unassigned customer advances worksheet.			

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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</b>	<b>EDWA Wash</b>	<b>EDID Idaho</b>
		<b>252000</b>	<b>252000</b>	<b>252000</b>
			<b>WA</b>	<b>ID</b>
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>

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

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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			

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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	-245,087.50	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	

Ga

GL Account Balance

Ferc Account : '252000'

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

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



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GL Account Balance  
Ferc Account : '252000'

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

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	Meters	107,501,342	0	107,501,342	66,146,105	0	66,146,105	41,355,237	0	41,355,237
99	370000	Street Light & Signal Systems	24,683,455	0	24,683,455	15,256,476	0	15,256,476	9,426,979	0	9,426,979
99	373XXX	Asset Recovery Obligation (NOT PICKED UP)	26,963,644	0	26,963,644	14,930,304	0	14,930,304	12,033,340	0	12,033,340
99	374000	TOTAL DISTRIBUTION PLANT	<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>

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
4	399100	Asset Recovery Obligation (NOT PICKED UP)	0	0	0	0	0	0	0	0	0
99	399100	TOTAL GENERAL PLANT	<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>15,559,681</b>	<b>35,253,759</b>	<b>50,613,440</b>

99	107XXX	TOTAL PLANT IN SERVICE	<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>
99	107XXX	CONSTRUCTION WORK IN PROGRESS	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
99	107XXX	GROSS ELECTRIC PLANT	<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

Ref/Basis	Account	Description	***** SYSTEM *****			***** WASHINGTON *****			***** IDAHO *****		
			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 Encasements	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	730,867	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

\*\*\*\*\* SYSTEM \*\*\*\*\* OREGON \*\*\*\*\*

Ref/Basis	Account	Description	Direct	Allocated	Total	Direct	Allocated	Total
<b>PLANT IN SERVICE</b>								
<b>INTANGIBLE PLANT:</b>								
99	301000	Intangible Plant - Organization	0	0	0	0	0	0
99	302000	Intangible Plant - Franchises	0	0	0	0	0	0
99	303000	Intangible Plant - Miscellaneous	335,528	0	335,528	335,528	0	335,528
99	303110	Misc Intang Plt-Mainframe Software (From C-IPL)	1,281,761	0	1,281,761	1,281,761	0	1,281,761
99	303110	Misc Intangible Plt--PC Software (From C-IPL)	1,041,559	0	1,041,559	1,041,559	0	1,041,559
99	303120	Misc Intang Plt-PC Software Lease (From C-IPL)	0	0	0	0	0	0
		<b>TOTAL INTANGIBLE PLANT</b>	<b>2,658,848</b>	<b>0</b>	<b>2,658,848</b>	<b>2,658,848</b>	<b>0</b>	<b>2,658,848</b>
<b>UNDERGROUND STORAGE PLANT:</b>								
99	350200	Land Easements	0	0	0	0	0	0
99	351200	S & I Compress Station	217	0	217	217	0	217
99	352000	Wells	876,165	0	876,165	876,165	0	876,165
99	353000	Lines	12,889	0	12,889	12,889	0	12,889
99	354000	Compressor Sta Equipment	605,060	0	605,060	605,060	0	605,060
99	357000	Other Equipment	0	0	0	0	0	0
		<b>TOTAL UNDERGROUND STORAGE PLANT</b>	<b>1,494,331</b>	<b>0</b>	<b>1,494,331</b>	<b>1,494,331</b>	<b>0</b>	<b>1,494,331</b>
<b>PRODUCTION PLANT:</b>								
99	304000	Land & Land Rights	7,628	0	7,628	7,628	0	7,628
99	305000	Structures & Improvements	0	0	0	0	0	0
99	311XXX	LPG Equipment	58	0	58	58	0	58
		<b>TOTAL PRODUCTION PLANT</b>	<b>7,686</b>	<b>0</b>	<b>7,686</b>	<b>7,686</b>	<b>0</b>	<b>7,686</b>
<b>DISTRIBUTION PLANT:</b>								
99	374200	Land & Land Rights	17,965	0	17,965	17,965	0	17,965
99	374400	Land Easements	0	0	0	0	0	0
99	375000	Structures & Improvements	237,717	0	237,717	237,717	0	237,717
99	376000	Mains	107,665,510	0	107,665,510	107,665,510	0	107,665,510
99	378000	Measuring & Reg Station Equip-General	1,712,773	0	1,712,773	1,712,773	0	1,712,773
99	379000	Measuring & Reg Station Equip-City Gate	1,215,747	0	1,215,747	1,215,747	0	1,215,747
99	380000	Services	54,971,073	0	54,971,073	54,971,073	0	54,971,073
99	381000	Meters	29,826,052	0	29,826,052	29,826,052	0	29,826,052
99	385000	Industrial Measuring & Reg Sta Equip	860,005	0	860,005	860,005	0	860,005
99	387000	Other Equipment	539	0	539	539	0	539
		<b>TOTAL DISTRIBUTION PLANT</b>	<b>196,507,381</b>	<b>0</b>	<b>196,507,381</b>	<b>196,507,381</b>	<b>0</b>	<b>196,507,381</b>

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

WEATHER NORMALIZATION  
AND GAS COST ADJUSTMENT  
**GAS**

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	(\$13,774)	(\$9,775)	(\$3,999)
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	(13,774)	(9,775)	(3,999)
<b>EXPENSES</b>				
5	Exploration & Development Production			
6	City Gate Purchases	(10,702)	(7,620)	(3,082)
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	(10,702)	(7,620)	(3,082)
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	(385)	(375)	(10)
17	Total Distribution	(385)	(375)	(10)
18	Customer Accounting	(39)	(28)	(11)
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses	(31)	(20)	(11)
22	Depreciation			
23	Taxes			
24	Total Admin. & General	(31)	(20)	(11)
25	Total Gas Expense	(11,157)	(8,043)	(3,114)
26	Operating Income before FIT	(2,617)	(1,732)	(885)
Federal Income Taxes				
27	Current Accrual (at 35%)	(916)	(606)	(310)
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	(\$1,701)	(\$1,126)	(\$575)
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

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AVISTA UTILITIES

Weather Adjustment  
Revenue Related Expenses  
Washington and Idaho Gas

TWELVE MONTHS ENDED DECEMBER 31, 2008

Washington Gas

Revenue adjustment			(\$9,774,953)
Purchased Gas Cost			(7,619,792)
Distribution taxes			
WA excise tax	0.038409		(375,442)
Customer accounting			
Uncollectibles	0.002892		(28,270)
Administrative & general			
Commission fees	0.002000		
Franchise fees	0.000000		
Total A&G	0.002000		<u>(19,550)</u>
Total expense			<u>(8,043,054)</u>
Operating income before FIT			(1,731,899)
FIT	35.0%		<u>(606,165)</u>
Net operating income			(1,125,734)

Idaho Gas

Revenue adjustment			(\$3,999,077)
Purchased Gas Cost			(3,082,376)
Distribution taxes			
Idaho state income tax	0.012214		(11,197)
Customer accounting			
Uncollectibles	0.002668		(10,670)
Administrative & general			
Commission fees	0.002507		<u>(10,026)</u>
Total expense			<u>(3,114,269)</u>
Operating income before FIT			(884,808)
FIT	35.0%		<u>(309,683)</u>
Net operating income			(\$575,125)

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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
WA Res Sched 101	-5,581,534	-1,625,444	-416,643	-1,367,204	-1,617,211	557,674	-386,382	0	0	0	148,581	1,206,396	-2,081,301
No of Cust	130,071	129,776	129,941	129,950	129,861	129,773	129,580	129,559	129,589	130,026	130,323	131,009	131,465
Usage/DDH	0.1002	0.1002	0.1002	0.1002	0.0877	0.0877	0.0877	0.0000	0.0000	0.0000	0.0877	0.0877	0.1002
WA Com Sched 101	-1,231,812	-360,460	-92,293	-303,071	-277,240	95,602	-66,569	0	0	0	25,401	205,089	-458,271
No of Cust	11,701	11,689	11,691	11,700	11,691	11,683	11,724	11,684	11,699	11,692	11,700	11,696	11,757
Usage/DDH	0.2467	0.2467	0.2467	0.2467	0.1670	0.1670	0.1670	0.0000	0.0000	0.0000	0.1670	0.1670	0.2467
WA Ind Sched 101	-16,387	-4,906	-1,229	-4,031	-3,658	1,262	-866	0	0	0	335	2,705	-5,999
No of Cust	88	92	90	90	87	87	86	87	87	86	87	87	89
Usage/DDH	0.4266	0.4266	0.4266	0.4266	0.2961	0.2961	0.2961	0.0000	0.0000	0.0000	0.2961	0.2961	0.4266
WA Com Sched 111	-2,103,044	-611,581	-157,438	-515,550	-584,352	200,228	-138,023	0	0	0	52,639	426,030	-774,997
No of Cust	1,973	1,973	1,984	1,980	1,996	1,982	1,969	1,962	1,955	1,963	1,964	1,968	1,978
Usage/DDH	2.4798	2.4798	2.4798	2.4798	2.0617	2.0617	2.0617	0.0000	0.0000	0.0000	2.0617	2.0617	2.4798
ID Res Sched 101	-2,397,245	-698,292	-178,696	-586,207	-739,627	255,862	-177,813	0	0	0	68,576	556,085	-897,133
No of Cust	63,967	63,771	63,747	63,732	63,520	63,679	63,778	63,836	63,782	64,021	64,330	64,586	64,818
Usage/DDH	0.0876	0.0876	0.0876	0.0876	0.0820	0.0820	0.0820	0.0000	0.0000	0.0000	0.0820	0.0820	0.0876
ID Com Sched 101	-644,221	-188,935	-48,493	-157,669	-165,239	57,152	-39,737	0	0	0	15,349	123,270	-239,919
No of Cust	7,360	7,348	7,367	7,300	7,314	7,331	7,346	7,394	7,364	7,374	7,421	7,379	7,382
Usage/DDH	0.2057	0.2057	0.2057	0.2057	0.1591	0.1591	0.1591	0.0000	0.0000	0.0000	0.1591	0.1591	0.2057
ID Ind Sched 101	-12,345	-3,799	-933	-3,148	-2,677	924	-650	0	0	0	249	2,037	-4,348
No of Cust	71	74	71	73	69	69	70	72	71	71	70	71	67
Usage/DDH	0.4107	0.4107	0.4107	0.4107	0.2732	0.2732	0.2732	0.0000	0.0000	0.0000	0.2732	0.2732	0.4107
ID Com Sched 111	-582,431	-163,587	-42,388	-137,785	-137,229	47,542	-33,250	0	0	0	13,014	118,317	-247,065
No of Cust	778	739	748	741	753	756	762	772	763	765	780	878	883
Usage/DDH	1.7709	1.7709	1.7709	1.7709	1.2834	1.2834	1.2834	0.0000	0.0000	0.0000	1.2834	1.2834	1.7709
ID Com Sched 121	-4,729	-1,628	-417	-1,368	-1,365	404	-373	0	0	0	18	0	0
No of Cust	5	7	7	7	7	6	8	7	7	7	1	0	0
Usage/DDH	1.861	1.861	1.861	1.861	1.373	1.373	1.373	0	0	0	1.373	1.373	1.861
WA subtotal	-8,932,777	-2,602,391	-667,603	-2,189,856	-2,482,461	854,766	-591,840	0	0	0	226,956	1,840,220	-3,320,568
ID subtotal	-3,636,242	-1,054,613	-270,510	-884,809	-1,044,772	361,480	-251,450	0	0	0	97,188	799,709	-1,388,465





Weather Sensitivity Regression Summary for Jan 1998 to Dec 2007

Adj R <sup>2</sup>	Dependent Variable	Shoulder Mo Heating		Winter Mo Heating		Usage/Cust Base Load	Usage/Cust 2007 Low	Durbin Watson Test Result
		Apr, May, Jun, Oct, Nov	Dec, Jan, Feb, Mar	Dec, Jan, Feb, Mar	Dec, Jan, Feb, Mar			
<b>Washington Gas</b>								
0.98	WR101	0.0877	0.1002	0.1002	0.1002	15	14	No autocorrelation
0.974	WC101	0.1670	0.2467	0.2467	0.2467	12	17	No autocorrelation
0.950	WI101	0.2961	0.4266	0.4266	0.4266	0	12	No autocorrelation
0.979	WT101	0.0945	0.1124	0.1124	0.1124	15	14	No autocorrelation
0.979	WR111	0.0000	0.0000	0.0000	0.0000	0	440	Positive autocorrelation
	WC111	2.0617	2.4798	2.4798	2.4798	504	499	No autocorrelation
	WI111	0.0000	0.0000	0.0000	0.0000	0	1,718	Positive autocorrelation
0.981	WT111	2.1200	2.5216	2.5216	2.5216	530	516	No autocorrelation
	WC121	0.0000	0.0000	0.0000	0.0000	0	11,076	Positive autocorrelation

235 customers  
46 customers  
27 customers

Adj R <sup>2</sup>	Dependent Variable	Shoulder Mo Heating		Winter Mo Heating		Usage/Cust Base Load	Usage/Cust 2007 Low	Durbin Watson Test Result
		Apr, May, Jun, Oct, Nov	Dec, Jan, Feb, Mar	Dec, Jan, Feb, Mar	Dec, Jan, Feb, Mar			
<b>Idaho Gas</b>								
0.985	IR101	0.0820	0.0876	0.0876	0.0876	15	14	No autocorrelation
0.973	IC101	0.1591	0.2057	0.2057	0.2057	22	19	No autocorrelation
0.961	II101	0.2732	0.4107	0.4107	0.4107	0	3	No autocorrelation
0.983	IT101	0.0907	0.1000	0.1000	0.1000	15	14	No autocorrelation
0.970	IR111	0.0000	0.0000	0.0000	0.0000	0	404	Positive autocorrelation
	IC111	1.2834	1.7709	1.7709	1.7709	715	600	No autocorrelation
	II111	0.0000	0.0000	0.0000	0.0000	0	1466	Positive autocorrelation
0.969	IT111	1.3730	1.8610	1.8610	1.8610	755	618	No autocorrelation

44 customers  
25 customers

Dependent Variable Name Code  
*1st letter*  
W = Washington Jurisdiction  
I = Idaho Jurisdiction  
*2nd letter*  
R = Residential Class  
C = Commercial Class  
I = Industrial Class  
T = Total Schedule  
Numerical reference  
Rate Schedule

CALENDAR MONTHLY DDH & DDC	AVISTA UTILITIES Weather Normalization Degree Day Comparison 12 Months Ended December 2008									
	1984 - 2008		1984 - 2008		1984 - 2008		1984 - 2008		ADJUSTMENT	
	ACTUAL DDH	ACTUAL DDC	25 YEAR AVG DDH	25 YEAR AVG DDC	25 YEAR AVG DDH	25 YEAR AVG DDC	NORM - ACT DDH	NORM - ACT DDC	ADJUSTMENT DDH	ADJUSTMENT 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

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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	2007 - 2008	0	27	194	553	894	1,126	952	880	683	274	176	6,998
2	2006 - 2007	8	30	170	552	879	1,122	864	684	548	270	136	6,471
3	2005 - 2006	11	22	229	489	919	1,258	949	812	525	301	104	6,524
4	2004 - 2005	16	34	204	480	857	1,020	842	711	503	260	166	6,221
5	2003 - 2004	9	1	151	418	1,056	1,083	945	668	455	315	131	6,428
6	2002 - 2003	28	26	219	678	839	962	885	745	588	365	90	6,382
7	2001 - 2002	33	20	100	588	744	1,136	934	938	581	412	137	6,686
8	2000 - 2001	51	43	285	572	1,134	1,245	1,060	795	634	320	201	7,508
9	1999 - 2000	75	36	181	540	703	1,030	908	799	496	363	142	6,416
10	1998 - 1999	0	20	101	565	748	1,119	836	769	594	448	186	6,396
11	1997 - 1998	35	15	116	549	785	1,098	749	721	505	276	90	5,997
12	1996 - 1997	35	49	281	603	949	1,241	928	794	642	264	154	7,070
13	1995 - 1996	21	88	146	648	742	1,120	1,045	880	556	471	143	7,077
14	1994 - 1995	26	13	81	558	970	1,071	771	771	578	262	170	6,316
15	1993 - 1994	151	83	217	457	1,063	1,051	998	713	469	262	160	6,528
16	1992 - 1993	32	60	232	481	916	1,297	1,102	834	578	192	165	7,220
17	1991 - 1992	15	16	108	574	918	992	750	598	477	206	61	5,739
18	1990 - 1991	37	42	54	610	774	1,356	716	866	568	406	248	6,889
19	1989 - 1990	22	76	149	554	805	1,048	968	739	454	373	166	6,330
20	1988 - 1989	47	16	240	361	856	1,171	1,205	873	473	364	65	6,784
21	1987 - 1988	51	50	116	474	799	1,206	850	775	477	330	173	6,541
22	1986 - 1987	81	4	311	488	902	1,193	831	710	417	253	86	6,462
23	1985 - 1986	0	64	343	622	1,363	1,409	927	680	595	357	67	7,503
24	1984 - 1985	21	18	264	662	870	1,381	1,117	895	501	280	128	7,482
25	1983 - 1984	55	2	230	468	765	1,508	880	715	621	460	194	6,963
84-08	25 Year Average	34	34	189	542	890	1,170	920	775	541	323	142	6,678
83-07	25 Year Average	37	34	189	543	894	1,171	912	768	536	324	139	6,652
NOAA 1971 - 2000 Normal		44	42	196	554	897	1,168	916	790	557	338	149	6,820
08 vs NOAA Change		-10	-8	-7	-12	-7	2	4	-15	-16	-15	-7	-142
08 vs 07 Change		-3	0	0	-1	-4	-1	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

Hg

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

ELIMINATE  
B & O TAXES  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	(\$9,116)	(\$7,565)	(\$1,551)
2	Total Transportation	(82)	(74)	(8)
3	Other Revenues			
4	Total Gas Revenues	(9,198)	(7,639)	(1,559)
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	(9,193)	(7,634)	(1,559)
17	Total Distribution	(9,193)	(7,634)	(1,559)
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses	1	1	
22	Depreciation			
23	Taxes			
24	Total Admin. & General	1	1	0
25	Total Gas Expense	(9,192)	(7,633)	(1,559)
26	Operating Income before FIT	(6)	(6)	0
Federal Income Taxes				
27	Current Accrual	35.0%	(2)	(2)
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	(\$4)	(\$4)	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

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AVISTA UTILITIES  
 CALCULATION OF IDAHO STATE INCOME TAX  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000's OF DOLLARS)

ELIMINATE  
 B & O TAXES  
 GAS

Line No.	Description	Idaho
REVENUES		
1	Total General Business	(\$1,551)
2	Total Transportation	(8)
3	Other Revenues	0
4	Total Gas Revenues	(1,559)
EXPENSES		
5	Exploration & Development	0
Production		
6	City Gate Purchases	0
7	Purchased Gas Expense	0
8	Net Nat. Gas Storage Trans	0
9	Total Production	0
Underground Storage		
10	Operating Expenses	0
11	Depreciation	0
12	Taxes	0
13	Total Underground Storage	0
Distribution		
14	Operating Expenses	0
15	Depreciation	0
16	Taxes	(1,559)
17	Total Distribution	(1,559)
18	Customer Accounting	0
19	Customer Service & Information	0
20	Sales	0
Administrative and General		
21	Operating Expenses	0
22	Depreciation	0
23	Taxes	0
24	Total Admin. & General	0
25	Total Gas Expense	(1,559)
26	Operating Income before FIT and SIT	0
27	Idaho State Income Tax	\$0
	Adjusted Rate of	0.010721

I<sub>3</sub>

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

	<u>Washington</u>	<u>Idaho</u>
Expense per Account 408.12 <i>(Results Report E-OTX-12A)</i>	7,633,614	1,558,955
Excise Tax exemption for Tribal members on Tribal land per WAC 458-20-192	(996)	
B&O Taxes Collected through Schedule 158 and 158A	<u>7,638,491</u>	<u>1,559,160</u>
Net Impact on NOI Before FIT <i>(before ID SIT)</i>	<u>(\$5,872)</u>	<u>(\$205)</u>

For WA & ID this adjustment eliminates the impact of Schedule 158 and WA Sch 158A from both revenues & expense.



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

DESCRIPTION	CLASS	Schedule 158	Schedule 158A (1)	12ME 12/08 Total
<b>WASHINGTON</b>				
<b>GENERAL BUSINESS</b>				
Residential	1	4,534,983.04	-1.05	4,534,981.99
Firm - Commercial	21	2,958,174.15	-994.46	2,957,179.69
Interruptible - Commercial	22	36,056.25		36,056.25
Firm - Misc Industrial	31	44,878.08		44,878.08
Interruptible - Misc Industrial	41	0.00		0.00
PGA Adj Commercial Lg Cust	16	-8,593.32		-8,593.32
PGA Adj Industrial Lg Cust	17	0.00		0.00
Total General Business		7,565,498.20	-995.51	7,564,502.69
<b>OTHER REVENUES</b>				
-Gas Transportation - Commercial	91	50,626.20		50,626.20
-Gas Transportation - Industrial	92	23,361.74		23,361.74
Total Other Revenues		73,987.94	0.00	73,987.94
<b>TOTAL</b>		7,639,486.14	-995.51	7,638,490.63
(2) Reverse Interdepartmental	80	439.02		439.02

DESCRIPTION	CLASS	SCH	12ME 12/08
<b>IDAHO</b>			
<b>GENERAL BUSINESS</b>			
Residential	1	158	972,138.05
Commercial-Firm	21	158	566,294.65
Commercial-Interruptible	22	158	3,769.44
Industrial-Firm-Misc	31	158	8,924.86
Industrial-Interruptible	41	158	0.00
PGA Adj Commercial Lg Cust	16	158	-191.49
PGA Adj Industrial Lg Cust	17	158	-325.87
			1,550,609.64
<b>OTHER REVENUES</b>			
-Gas Transportation - Commercial	91	158	8,540.39
-Gas Transportation - Industrial	92	158	9.60
Total Other Revenues			8,549.99
<b>TOTAL</b>			1,559,159.63
(2) Reverse Interdepartmental	80	158	0.00
<b>SYSTEM TOTAL</b>			9,197,650.26

(1) Schedule 158A 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

Gas Revenue Report by Location Current Month and Year-to-Date for Accounting Period : 200812 , Rate Schedule : 158

Accounting Period:200812	Rate Schedule:158
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State Cde	Ferc Acct	Revenue Class	Meters	Usage	Revenue Amt	Total M	Avg ND Us	YTD Revenue Amt
ID	480000	01	0	0	\$127,598.95	0	0	\$972,138.05
		<b>Total for 480000</b>	<b>0</b>	<b>0</b>	<b>\$127,598.95</b>	<b>0</b>	<b>0</b>	<b>\$972,138.05</b>
	481200	16	0	0	\$0.00	0	0	-\$191.49
		21	0	0	\$70,138.43	0	0	\$566,294.65
		<b>Total for 481200</b>	<b>0</b>	<b>0</b>	<b>\$70,138.43</b>	<b>0</b>	<b>0</b>	<b>\$566,103.16</b>
	481250	22	0	0	\$368.80	0	0	\$3,769.44
		<b>Total for 481250</b>	<b>0</b>	<b>0</b>	<b>\$368.80</b>	<b>0</b>	<b>0</b>	<b>\$3,769.44</b>
	481300	17	0	0	\$0.00	0	0	-\$325.87
		31	0	0	\$1,080.27	0	0	\$8,924.86
		<b>Total for 481300</b>	<b>0</b>	<b>0</b>	<b>\$1,080.27</b>	<b>0</b>	<b>0</b>	<b>\$8,598.99</b>
	489300	91	0	0	\$619.50	0	0	\$8,540.39
		92	0	0	\$0.00	0	0	\$9.60
		<b>Total for 489300</b>	<b>0</b>	<b>0</b>	<b>\$619.50</b>	<b>0</b>	<b>0</b>	<b>\$8,549.99</b>
	<b>Total for ID</b>			<b>0</b>	<b>0</b>	<b>\$199,805.95</b>	<b>0</b>	<b>0</b>
WA	480000	01	0	0	\$560,598.72	0	0	\$4,534,983.04
		<b>Total for 480000</b>	<b>0</b>	<b>0</b>	<b>\$560,598.72</b>	<b>0</b>	<b>0</b>	<b>\$4,534,983.04</b>
	481200	16	0	0	\$0.00	0	0	-\$8,593.32
		21	0	0	\$361,524.91	0	0	\$2,958,174.15
		<b>Total for 481200</b>	<b>0</b>	<b>0</b>	<b>\$361,524.91</b>	<b>0</b>	<b>0</b>	<b>\$2,949,580.83</b>
	481250	22	0	0	\$3,664.95	0	0	\$36,056.25
		<b>Total for 481250</b>	<b>0</b>	<b>0</b>	<b>\$3,664.95</b>	<b>0</b>	<b>0</b>	<b>\$36,056.25</b>
	481300	31	0	0	\$5,588.23	0	0	\$44,878.08
		<b>Total for 481300</b>	<b>0</b>	<b>0</b>	<b>\$5,588.23</b>	<b>0</b>	<b>0</b>	<b>\$44,878.08</b>
	484000	80	0	0	\$81.76	0	0	\$439.02
		<b>Total for 484000</b>	<b>0</b>	<b>0</b>	<b>\$81.76</b>	<b>0</b>	<b>0</b>	<b>\$439.02</b>
	489300	91	0	0	\$4,717.56	0	0	\$50,626.20
		92	0	0	\$1,834.61	0	0	\$23,361.74
		<b>Total for 489300</b>	<b>0</b>	<b>0</b>	<b>\$6,552.17</b>	<b>0</b>	<b>0</b>	<b>\$73,987.94</b>
<b>Total for WA</b>			<b>0</b>	<b>0</b>	<b>\$938,010.74</b>	<b>0</b>	<b>0</b>	<b>\$7,639,925.16</b>
<b>Total for 158</b>			<b>0</b>	<b>0</b>	<b>\$1,137,816.69</b>	<b>0</b>	<b>0</b>	<b>\$9,199,084.79</b>
<b>Total for 158</b>			<b>0</b>	<b>0</b>	<b>\$1,137,816.69</b>	<b>0</b>	<b>0</b>	<b>\$9,199,084.79</b>

Gas Revenue Report by Location Current Month and Year-to-Date for Accounting Period : 200812 , Rate Schedule : 158A

Accounting Period:200812	Rate Schedule:158A
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State Cde	Ferc Acct	Revenue Class	Meters	Usage	Revenue Amt	Total M	Avg ND Us	YTD Revenue Amt
WA	480000	01	0	0	-\$0.21	0	0	-\$1.05
		<b>Total for 480000</b>	<b>0</b>	<b>0</b>	<b>-\$0.21</b>	<b>0</b>	<b>0</b>	<b>-\$1.05</b>
	481200	21	0	0	-\$80.50	0	0	-\$994.46
		<b>Total for 481200</b>	<b>0</b>	<b>0</b>	<b>-\$80.50</b>	<b>0</b>	<b>0</b>	<b>-\$994.46</b>
<b>Total for WA</b>			<b>0</b>	<b>0</b>	<b>-\$80.71</b>	<b>0</b>	<b>0</b>	<b>-\$995.51</b>
<b>Total for 158A</b>			<b>0</b>	<b>0</b>	<b>-\$80.71</b>	<b>0</b>	<b>0</b>	<b>-\$995.51</b>
<b>Total for 158A</b>			<b>0</b>	<b>0</b>	<b>-\$80.71</b>	<b>0</b>	<b>0</b>	<b>-\$995.51</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>
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		Transaction Amount	Electric Amt SUM	Gas North Amt SUM	Gas South Amt SUM
Service	Jurisdiction				
ED	ID	2,544,125.26	2,544,125.26	NULL	NULL
	WA	13,959,887.22	13,959,887.22	NULL	NULL
GD	ID	1,558,955.31	NULL	1,558,955.31	NULL
	OR	4,266,014.39	NULL	NULL	4,266,014.39
	WA	7,633,613.85	NULL	7,633,613.85	NULL
Total for <All>		29,962,596.03			
Total		29,962,596.03	16,504,012.48	9,192,569.16	4,266,014.39

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

PROPERTY TAX  
ADJUSTMENT  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development Production			
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
<b>Underground Storage</b>				
10	Operating Expenses			
11	Depreciation			
12	Taxes	(13)	(13)	0
13	Total Underground Storage	(13)	(13)	0
<b>Distribution</b>				
14	Operating Expenses			
15	Depreciation			
16	Taxes	(128)	(128)	0
17	Total Distribution	(128)	(128)	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
<b>Administrative and General</b>				
21	Operating Expenses			
22	Depreciation			
23	Taxes	(2)	(2)	0
24	Total Admin. & General	(2)	(2)	0
25	Total Gas Expense	(143)	(143)	0
26	Operating Income before FIT	143	143	0
<b>Federal Income Taxes</b>				
27	Current Accrual (at 35%)	50	50	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$93	\$93	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

J<sub>2</sub>

AVISTA UTILITIES

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

		System	Washington	Idaho
Property Tax Adjustment				
Underground Storage		-17,668	-12,532	-5,136
Distribution		-208,102	-128,604	-79,498
Administrative and General		-3,017	-1,998	-1,019
Idaho SIT	0.012216	1,046		1,046
Total expenses		-227,741	-143,134	-84,607
Operating income before FIT		227,741	143,134	84,607
FIT	0.350	79,709	50,097	29,612
Net operating income		148,032	93,037	54,995

AVISTA UTILITIES

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

Functionalization based on Plant Balances at 12/31/2008

	System	Washington	Idaho
Underground Storage	-17,668	-17,668	0
Distribution	-208,102	-128,604	-79,498
General	-3,017	-1,518	-1,499
<b>Total</b>	<b>-228,787</b>	<b>-147,790</b>	<b>-80,997</b>

Allocation Percentages

Underground Storage	11.955%	0.000%
Distribution	87.018%	98.149%
General	1.027%	1.851%
<b>Total</b>	<b>100.000%</b>	<b>100.000%</b>

	Alloc.	System	Washington	Idaho
<b>WA Property Tax Adjustment</b>				
Underground Storage	1C	-17,668	-12,532	-5,136
Distribution	99	-128,604	-128,604	0
General	4	-1,518	-1,005	-513
<b>Total</b>		<b>-147,790</b>	<b>-142,141</b>	<b>-5,649</b>
<b>ID Property Tax Adjustment</b>				
Underground Storage	1C	0	0	0
Distribution	99	-79,498	0	-79,498
General	4	-1,499	-993	-506
<b>Total</b>		<b>-80,997</b>	<b>-993</b>	<b>-80,004</b>
<b>Underground Storage Total</b>		<b>-17,668</b>	<b>-12,532</b>	<b>-5,136</b>
<b>Distribution Total</b>		<b>-208,102</b>	<b>-128,604</b>	<b>-79,498</b>
<b>General Total</b>		<b>-3,017</b>	<b>-1,998</b>	<b>-1,013</b>
<b>Total Adjustment</b>		<b>-228,787</b>	<b>-143,134</b>	<b>-85,653</b>

Allocation Notes

System Contract Demand--SGS-1	1C	100.000%	70.930%	29.070%
Jurisdictional 4 Factor	4	100.000%	66.211%	33.789%
Direct	99	0.000%	0.000%	0.000%

J4

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	(434,146)	(147,790)
<u>Idaho</u>		
Current Period Expense	2,952,000	625,000
Accrual per Results by State (Situs)	3,033,644	705,997
Adjustment	(81,644)	(80,997)
<u>Montana</u>		
Current Period Expense	6,669,000	
Accrual per Results by State (Situs)	6,660,132	
Adjustment	8,868	
<u>Oregon</u>		
Current Period Expense	13,000	
Cyote Springs Expense	138,000	
Subtotal Expense	151,000	
Accrual per Results by State (Situs)	-7,802	
Adjustment	158,802	
<u>Colstrip Indirect (Note 1)</u>		
Current Period Expense	4,228	
Accrual per Results	4,228	
Adjustment	0	
Total	(348,120)	(228,787)
<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	(348,120)	(228,787)

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

	Actual 2008	Actual 2007	Actual (1) / Estimate (2) & (3) 2008	Estimate 2009
<b>SUMMARY:</b>				
<b>ELECTRIC:</b>				
WASHINGTON	6,548	5,924	5,831	6,580
EST ADJ TO WASH	2,767	2,670	2,952	3,658
IDAHO	5,937	6,174	6,669	6,923
MONTANA	14	14	13	14
OREGON - Transm line only	143	143	138	3,105
OREGON - Coyote Springs				
<b>SUBTOTAL</b>	<b>15,408</b>	<b>14,924</b>	<b>15,603</b>	<b>20,277</b>
<b>GAS:</b>				
WASHINGTON	1,746	1,555	1,329	1,857
IDAHO	587	609	625	769
OREGON	1,522	1,573	1,759	1,915
OTHER	0	0	0	0
<b>SUBTOTAL</b>	<b>3,855</b>	<b>3,736</b>	<b>3,713</b>	<b>4,534</b>
<b>TOTAL EST TAX</b>	<b>19,263</b>	<b>18,660</b>	<b>19,317</b>	<b>24,811</b>
				5,549 in thousands CS 2 full assessment

TOTAL OR  
= 151

- (1) Montana and Oregon for 2008 and 2008/2009 accrual were adjusted in November 2008 to actual payments.
- (2) Idaho hasn't been tried 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.



ELECTRIC ALLOCATION PERCENTAGES		Report ID:
For Twelve Months Ended December 31, 2008		E-ALL-12A
Average of Monthly Averages Basis		
Basis	Ref	Description

	System	Washington	Idaho
99	Input	Not Allocated	
		0.000%	0.000%

Situation Plant by Functional Group:			
(Used to functionalize R&P Property Tax on Report E-OTX)			
	Washington	Idaho	Oregon
Input	264,370,813	162,547,348	443,565,051
Input	235,078,023	159,162,873	57,369,424
Input	583,524,952	373,284,740	216,631
Input	9,231,054	10,832,156	
Input	1,092,204,842	705,827,117	501,151,106
Input			169,279,549

SPECIAL MANUAL ADJUSTMENTS:			
Adjustments to NOI (Report E-ROR):			
	System	Washington	Idaho
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

K

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

UNCOLLECTIBLE  
 EXPENSE  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	2		2
17	Total Distribution	2	0	2
18	Customer Accounting	(284)	(137)	(147)
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	(282)	(137)	(145)
26	Operating Income before FIT	282	137	145
Federal Income Taxes				
27	Current Accrual	99	48	51
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$183	\$89	\$94
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	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>(136,929)</u>	<u>(61,480)</u>	<u>(75,449)</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>(284,350)</u>	<u>(137,178)</u>	<u>(147,172)</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>953,149,677</u>		<u>2,687,011</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.

K<sub>3</sub>

**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	<u>(535,974.85)</u>
		1,854,631.44
<u>Idaho</u>		
Write-Offs ID	200	1,457,575.31
Reinstatements ID	600	(391,760.35)
Recoveries ID	700	<u>(233,435.41)</u>
		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	288,975	333,803	622,778
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
<b>TOTAL DISTRIBUTION OPERATING EXP</b>											
99	403X50	Depreciation Expense--Distribution Plant	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
<b>E-OTX</b>											
<b>Taxes Other Than FIT--Distribution</b>											
			36,962,927	0	36,962,927	32,936,916	0	32,936,916	4,026,011	0	4,026,011
<b>TOTAL DISTRIBUTION EXPENSES</b>			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
<b>TOTAL CUSTOMER ACCOUNTS EXPENSES</b>			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
<b>TOTAL CUSTOMER SERVICE &amp; INFO EXP</b>			16,110,207	701,066	16,811,273	12,386,540	460,719	12,847,259	3,723,667	240,347	3,964,014

K4

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	1,201,558	3,241	1,204,799	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

5

KE

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	

K7

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



16

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			

K9

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

K10

GL Account Balance

Ferc Account : '144600'

Ferc Acct	144600	Ferc Acct Desc	ACCUMULATED RETAIL REINSTATEME	Service	CD
Jurisdiction	ID	Statind	DL		

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

K<sub>u</sub>

GL Account Balance

Ferc Account : '144700'

Ferc Acct	144700	Ferc Acct Desc	ACCUMULATED RETAIL RECOVERIES	Service	CD
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Jurisdiction	ID	Statind	DL
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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  
 GAS ADJUSTMENT SUMMARY  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

REGULATORY EXPENSE  
 ADJUSTMENT  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
<b>Production</b>				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
<b>Underground Storage</b>				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
<b>Distribution</b>				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
<b>Administrative and General</b>				
21	Operating Expenses	11	11	
22	Depreciation			
23	Taxes			
24	Total Admin. & General	11	11	0
25	Total Gas Expense	11	11	0
26	Operating Income before FIT	(11)	(11)	0
<b>Federal Income Taxes</b>				
27	Current Accrual	35.0%	(4)	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	(\$7)	(\$7)	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

4

**Avista Utilities**  
**Calculation of Regulatory Expense Adj-Gas**  
**Twelve Months Ended December 31, 2008**

	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Revised Expense: (1)			
WUTC	449,024	449,024	
IPUC	232,075		232,075
<b>TOTAL REVISED EXP</b>	<u>681,099</u>	<u>449,024</u>	<u>232,075</u>
Less Accrual: (2)			
WUTC	438,327	438,327	
IPUC	218,450		218,450
<b>TOTAL ACCRUAL</b>	<u>656,777</u>	<u>438,327</u>	<u>218,450</u>
<b>ADJUSTMENT</b>	<u>24,322</u>	<u>10,697</u>	<u>13,625</u>

NOTES:

- (1) Source of revised WUTC and IPUC fees are shown on the following pages.
- (2) 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>Gas Revenues: (1)</b>			
Sales to Ultimate Consumers:			
(499) Unbilled	10,963,941	7,505,570	3,458,371
(480) Residential	190,131,406	133,210,822	56,920,584
(481) Commercial / Industrial	111,504,360	79,863,774	31,640,586
(484) Interdepartmental	539,915	486,720	53,195
<b>Total Sales to Ultimate Consumers</b>	313,139,622	221,066,886	92,072,736
Other Operating Revenues:			
(488) Misc Service Revenues	30,570	17,897	12,673
(489) Revenue From Gas Transport	3,928,175	3,442,797	485,378
(493) Rent From Gas Property	9,643	9,643	0
<b>Total Other Operating Revenues</b>	3,968,388	3,470,337	498,051
<b>Total Gas Subject to Fees</b>	317,108,010	224,537,223	92,570,787
<b>Fee Calculation</b>			
First \$50,000 @ .001 (Washington)		0.001000	
Fee Rate (2)		0.002000	0.002507
<b>REGULATORY FEES</b>	<b>681,099</b>	<b>449,024</b>	<b>232,075</b>

- Gas includes Acct 489 Gas Transportation and Acct 484 Interdepartmental Revenues.

Notes:

- (1) Figures from Results report G-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</u>	<u>Subl Tran ID</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Gas NO Amt</u>	<u>Project</u>	<u>Task</u>
928000	GD	WA	DL	200801	43337.3	PA.3524914.1	PA	\$36,233.00	\$36,233.00	02805035	928000
928000	GD	WA	DL	200802	44745.4	PA.3614511.1	PA	\$36,233.00	\$36,233.00	02805035	928000
928000	GD	WA	DL	200803	46029.5	PA.3695734.1	PA	\$36,233.00	\$36,233.00	02805035	928000
928000	GD	WA	DL	200804	47577.2	PA.3794434.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200805	48992.2	PA.3915848.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200806	50328.7	PA.4018273.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200807	52019.3	PA.4124310.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200808	53457.8	PA.4225921.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200809	54902.1	PA.4313441.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200810	56601.6	PA.4439875.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200811	58159.2	PA.4531680.1	PA	\$36,625.37	\$36,625.37	02805035	928000
928000	GD	WA	DL	200812	59940.2	PA.4632393.1	PA	\$36,625.37	\$36,625.37	02805035	928000
									\$438,327		



<u>Ferc Acct</u>	<u>Service</u>	<u>Juris</u>	<u>StatInd</u>	<u>Period</u>	<u>GL Tran</u>	<u>Subl Trar</u>	<u>Src ID</u>	<u>Tran Amt</u>	<u>Gas NO Amt</u>	<u>Project</u>	<u>Task</u>
928000	GD	ID	DL	200801	43337.3	PA.35249	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200802	44745.4	PA.36145	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200803	46029.5	PA.36957	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200804	47577.1	PA.37944	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200805	48992.2	PA.39158	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200806	50328.7	PA.40182	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200807	52019.3	PA.41243	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200808	53457.8	PA.42259	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200809	54902.1	PA.43134	PA	\$17,850.00	\$17,850.00	03805014	928000
928000	GD	ID	DL	200810	56601.6	PA.44398	PA	\$19,267.00	\$19,267.00	03805014	928000
928000	GD	ID	DL	200811	58159.2	PA.45316	PA	\$19,267.00	\$19,267.00	03805014	928000
928000	GD	ID	DL	200812	59940.2	PA.46323	PA	\$19,266.00	\$19,266.00	03805014	928000
									\$218,450		

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

M,

INJURIES  
 AND DAMAGES  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses	(329)	(329)	0
22	Depreciation			
23	Taxes			
24	Total Admin. & General	(329)	(329)	0
25	Total Gas Expense	(329)	(329)	0
26	Operating Income before FIT	329	329	0
Federal Income Taxes				
27	Current Accrual (at 35%)	115	115	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$214	\$214	\$0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

**Avista Utilities  
Gas System  
Injuries and Damages Adjustment  
Account 925  
Twelve Months Ended December 31, 2008**

	<u>72 Month Actuals</u>		
	<u>System</u>	<u>Washington</u>	<u>Idaho</u>
Accrual per Results			
Directly Assigned	0	0	0
Allocated (4)	537,965	356,192	181,773
Total	<u>537,965</u>	<u>356,192</u>	<u>181,773</u>
Revised Annual Accrual-Direct	<u>77,031</u>	<u>26,883</u>	<u>50,149</u>
Increase (Decrease) in Expense	(460,934)	(329,309)	(131,624)
Idaho SIT	@ 0.012216 1,608	0	1,608
Operating Income Before FIT	459,326	329,309	130,016
FIT Expense @ 35%	<u>160,764</u>	<u>115,258</u>	<u>45,506</u>
Net Operating Income	<u>298,562</u>	<u>214,051</u>	<u>84,510</u>
Allocation Note 4: Jurisdictional Four Factor	100.000%	66.211%	33.789%

M3

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	294,590	126,565	421,154	26,883	50,149	77,031

M4

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

Source Accountin Id: <All>	Transaction Desc: <All>
g Period: <All>	>

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>

Ferc Acct	Service	Jurisdiction	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
	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  
 GAS ADJUSTMENT SUMMARY  
 TWELVE MONTHS ENDED DECEMBER 31, 2008  
 (000'S OF DOLLARS)

FEDERAL  
 INCOME TAX  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual (at 35%)	(385)	(246)	(139)
28	Deferred FIT	385	256	129
29	Amort ITC			
30	NET OPERATING INCOME	\$0	(\$10)	\$10
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

N<sub>1</sub>

N<sub>2</sub>

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

	System	Washington	Idaho
Taxable NOI per Results (Per G-FIT-12A)	3,291,467	3,214,301	77,166
<b>Schedule M Reallocations and Adjustments</b>			
<b>(1) Injuries and Damages</b>			
Elim Orig Sch M	(1,100,321)	(732,990)	(367,331)
<b>(2) DSM Book Amortization Allocation</b>			
Elim Orig Sch M	(437,556)	(306,792)	(130,764)
Add Reallocation	437,556	336,413	101,143
Reallocated Taxable NOI	2,191,146	2,510,932	(319,786)
FIT Normal Accrual per Results (Per G-FIT-12A)	1,152,013	1,125,005	27,008
Adjusted FIT Normal Accrual	766,901	878,826	(111,925)
<b>Current FIT Adjustment</b>	<b>(385,112)</b>	<b>(246,179)</b>	<b>(138,933)</b>
<b>Deferred FIT Adjustment</b>			
<b>(1) Injuries and Damages</b>			
Elim Orig Alloc	385,112	256,076	129,036
<b>Total Deferred FIT Adjustment</b>	<b>385,112</b>	<b>256,076</b>	<b>129,036</b>



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

Effective Tax Rate Test			
Net Operating Income Before FIT	25,096,975	16,885,296	8,211,679
Less: Allocated Interest Charges	<u>9,129,186</u>	<u>6,016,860</u>	<u>3,112,326</u>
	15,967,789	10,868,436	5,099,353
Current FIT per ROO	1,152,013	1,125,005	27,008
Deferred FIT per ROO	5,024,446	3,063,766	1,960,680
Adjustment to FIT	<u>0</u>	<u>9,897</u>	<u>(9,897)</u>
Adjusted FIT Expense	6,176,459	4,198,668	1,977,791
<b>Effective Tax Rate</b>	<b>38.68%</b>	<b>38.63%</b>	<b>38.79%</b>
<b>Net FIT/DFIT Adj</b>	<b>0</b>	<b>9,897</b>	<b>(9,897)</b>

N4

FIT Adjustments and Reallocations  
Gas 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	\$1,100,321
DFIT	(\$385,112)

Allocation		
		# 2
Sch M	\$1,100,321	
WA	732,990	66.616%
ID	367,331	33.384%

Reallocation			
			# 4
Sch M			
WA	0		66.211%
ID	0		33.789%

Allocation		
		# 14
DFIT	(\$385,112)	
WA	-256,076	66.494%
ID	-129,036	33.506%

Reallocation			
			# 4
DFIT			
WA	0		66.211%
ID	0		33.789%

(2) DSM Book Amortization Allocation

Reallocate incorrect allocation of DSM Schedule M additions to match direct assignment per account 908990 amortization. DSM related DFIT is appropriately assigned to direct WA / ID

	AMOUNT
Sch M	\$437,556
WA Amort	\$336,413
ID Amort	\$101,143

Allocation		
		# 6
Sch M	\$437,556	
WA	306,792	70.115%
ID	130,764	29.885%

Reallocation			
			Direct
Sch M	\$437,556		
WA	336,413		76.885%
ID	101,143		23.115%

Avista Utilities

M:\Theresa\FIT\FIT 2008\SCHM RECAP - 12ME Dec 2008.xls\Gas

Acct	Schedule M Additions / (Deductions)	Gas	Results	Sch M
G-OPS	Book Depreciation & Amortization (997000)	12ME 9/08	Allocation	Line No.
			G-OPS	
997001	Contributions In Aid of Construction	11,614,468	12	1
997002	Injuries and Damages	304,971	2	2
997003	Salvage	1,100,321	2	3
997005	FAS106 Current Retiree Medical Accrual	(117,163)	12	4
997008	DSM Book Amortization	(254,599)	4	5
997010	Deferred Gas Credit and Refunds	437,557	6	6
997015	Airplane Lease Payments	11,967,134	99	7
997016	1992 Redemptions	57,355	5	8
997020	FAS87 Current Pension Accrual	638,327	12	9
997029	FAS 106 Post Retirement Benefits	(4,733,906)	4	10
997031	Decoupling Mechanism	55,561	99	11
997032	Interest Rate Swaps	(249,921)	99	12
997033	DSM Tariff Rider	(2,888,930)	12	13
997033	DSM Tariff Rider - AN	(1,901,860)	99	14
997048	AFUDC	-	4	15
997049	Tax Depreciation	(29,658,936)	12	15
997055	Deferred Gas Exchange	1,597,806	11	16
997062	Gain on Sale of Office Building	(65,364)	1	17
997065	Amortization of Unbilled Revenue Add-Ons	231,407	4	18
997066	Miscellaneous Schedule M Additions	(810,550)	99	19
	Total Schedule M per Results	(12,676,322)	2	20
	Corporate Accounting Sch Ms	(12,971,759)		
	AFUDC	(295,526)		
	Difference is Book Depreciaton	(12,676,322)	rounding	
		(90)	okay	
	Misc Sch M:			
	Uncollectibles - Retail	33,340		20a
	Deferred Comp	(1,294,396)		20b
	Paid Time Off	113,998		20c
	Transp Book Depr	263,810		20d
	Transp Tax Depr	-		20e
	Meal Disallow-no DFIT	72,699		20f
	Total Misc Sch M	(810,549)		
	ROO - Misc Sch M's	(810,550)		
	Difference - rounding	1		

Sch M	SCHM	DFTT	Adj. Ref.	Sch M	Calc per M	Per DFTT	Diff?	Explanation
Line No.	G-OPS	N14		DFTT	DFTT	booked	(562,298)	Pre-1981 Flow through increasing as tax depreciation ends on old plant
1,4,8,16,20d,20e				(17,840,466)	6,244,163	6,699,722		
2	12	N14	Plant	304,971	(106,740)			
10	4	N14	CIAC	(4,733,906)	1,656,867	1,656,867	0	
5	4	N14	FAS87	(254,599)	89,110	89,110	(0)	
11	4	N14	FAS106	55,561	(19,446)	(19,449)	3	
20b	2	N14	FAS106-WA	(1,294,396)	453,039	453,039	0	
20c	2	N14	Def Comp	113,998	(39,899)	(39,899)	0	
3	2	N14	Pd Time Off	1,100,321	(385,112)	(385,112)	(0)	Reverse
7	2	N14	Inj & Dam	8,749,580	(3,062,353)	(3,062,353)	0	
7	2	N14	Def Gas-WA	3,217,554	(1,126,144)	(1,126,144)	0	
17	4	N14	Def Gas-ID	1,597,806	(559,232)	(559,232)	0	
12	4	N14	Def Gas Exchange - AN	(249,921)	87,472	87,472	(0)	
13	12	N14	Decoupling Mechanism	(2,888,930)	1,011,126	1,011,125	0	
14	4	N14	Interest Rate Swaps	(1,273,973)	445,891	445,890	0	
14	4	N14	Tariff Rider-WA	(627,887)	219,760	219,760	(0)	
15	4	N14	Tariff Rider-ID					
15	4	N14	Tariff Rider - AN					
12	12	N14	Redemption Exp	638,327	(223,414)	(223,415)	0	
6			DSM Old Program	437,557	(153,145)		0	
14	6	D-WA	DSM WA			(117,745)		
14	6	D-ID	DSM ID			(35,400)		
20a	2	N14	Cust Uncoll	33,340	(11,669)	(11,669)	0	
18	4	N14	Gain Office Bldg	(65,364)	22,877	22,872	5	
19	4	N14	Unbilled Rev Add-Ons-WA	182,690	(63,942)	(63,942)	0	
19	4	N14	Unbilled Rev Add-Ons-ID	48,717	(17,051)	(17,051)	0	
20f	2	PD	Meal Disallow	(12,749,022)	4,462,157	5,024,446	(562,289)	
				72,699				
				(12,676,323)				

  

	DFTT	Results DFTT	Difference
Plant:			
Airplane	N14	8,713,407	0
Tax Depr	D-WA	(2,730,126)	(0)
Salvage	D-ID	(958,835)	0
Book Depr		5,024,446	(0)
Misc Sch M			

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

NET  
 GAINS & LOSSES  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business	0		
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
<b>Production</b>				
6	City Gate Purchases			
7	Purchased Gas Expense	0	\$0	\$0
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
<b>Underground Storage</b>				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
<b>Distribution</b>				
14	Operating Expenses	0	0	0
15	Depreciation	(13)	(13)	
16	Taxes	0	0	0
17	Total Distribution	(13)	(13)	0
18	Customer Accounting	0	\$0	\$0
19	Customer Service & Information			
20	Sales			
<b>Administrative and General</b>				
21	Operating Expenses	0	\$0	\$0
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	(13)	(13)	0
26	Operating Income before FIT	13	13	0
<b>Federal Income Taxes</b>				
27	Current Accrual	35.0%	5	5
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$8	\$8	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

01

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

ELECTRIC Year	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
1999	435,627	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	43,563	2,458	2,458	2,458	2,458	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	968	968	968	968	24,580
2001	9,684	968	968	968	968	968	968	968	968	968	968	10,803	10,803	10,803	10,803	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	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)	(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	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	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	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	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	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	883,657

GAS Year	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
1999	94,593	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	9,459	710	710	710	710	94,590
2000	7,096	710	710	710	710	710	710	710	710	710	710	392	392	392	392	7,100
2001	3,918	392	392	392	392	392	392	392	392	392	392	2,532	2,532	2,532	2,532	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	25,320
2003	(2,137)	(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	48
2005	625	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	60
2007	25	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	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	130,932

Avista Utilities												
Property Dispositions												
12 Months Ended December 31, 2008												
Description	Gain (Loss)	Svc/Juris Alloc	Total Electric	WA Electric	ID Electric	North Gas	WA Gas	ID Gas	OR Gas	TOTAL		
1 Colstrip Land	34,609	ED	34,609	22,295	12,314					34,609		
2 Barker Rd 115kv Sub Land - Transmission	229,700	ED	229,700	147,973	81,727					229,700		
3 Kahlous Sub Land	606	ED	606	390	216					606		
4 Pine St. Sub Land	185,625	ED	185,625	119,580	66,045					185,625		
5 Transmission Land - Quit Claim	(1,452)	ED	(1,452)	(935)	(517)					(1,452)		
6 Cabinet Gorge Land	(356,931)	ED	(356,931)	(229,935)	(126,996)					(356,931)		
7 Vehicles	1,806	7	1,300	854	446		346	229	117	160	1,806	
8 Vehicles	(333)	4	(240)	(155)	(82)		(64)	(42)	(22)	(29)	(333)	
9 Cardboard Compactor	740	7	533	350	183		142	94	48	65	740	
10 Surplus Lube Oil	187	ED	187	120	67						187	
11 Misc Equipment	12,566	7	9,042	5,940	3,102		2,410	1,596	814	1,113	12,566	
12 Obsolete Material	5,127	7	3,689	2,424	1,265		983	651	332	455	5,127	
13 Office Supplies/Scrap metal	6,890	7	4,958	3,257	1,701		1,322	875	447	610	6,890	
LM 2500 60hz Gen Set (Note 1)	887,000	4	887,000	0	0					0	887,000	
Wartsila Units (Note 1)	(195,480)		(195,480)	0	0						(195,480)	
Misc	33	7	24	16	8		6	4	2	3	33	
Total Gain	1,364,889		803,170	72,171	39,479		5,145	3,407	1,738	2,377	810,692	
Total Loss	(354,186)											
Net Gain	810,693		GL Balance 421100 & 421200									
Remove LM 2500 and Wartsila Units (Note 1)	(691,520)		(691,520)	0	0		0	0	0	0	(691,520)	
Net Gain for Amortization	119,173		111,650	72,171	39,479		5,145	3,407	1,738	2,377	119,172	
Service allocators:												
ED (Electric Direct)												
7 (4-Factor, Common All Services)	100.000%		71.960%				19.180%				8.860%	
9 (4-Factor, Common Electric and Gas North)	100.000%		79.122%				20.878%					
Jurisdictional allocators:												
1 (Production/Transmission Ratio)	100.000%		100.000%	64.420%	35.580%		100.000%	66.211%	33.789%			
4 (Jurisdictional 4-Factor)	100.000%		100.000%	65.696%	34.304%							
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  
GAS ADJUSTMENT SUMMARY  
TWELVE MONTHS ENDED DECEMBER 31, 2008  
(000'S OF DOLLARS)

ELIMINATE  
A/R EXPENSES  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
<b>Production</b>				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
<b>Underground Storage</b>				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
<b>Distribution</b>				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		
17	Total Distribution	0	0	0
18	Customer Accounting	(92)	(92)	0
19	Customer Service & Information			
20	Sales			
<b>Administrative and General</b>				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	(92)	(92)	0
26	Operating Income before FIT	92	92	0
<b>Federal Income Taxes</b>				
27	Current Accrual	35.0%	32	32
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$60	\$60	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0



**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 ACCOUNT 1903  
 For Twelve Months Ended December 31, 2008  
 Ending Balance Basis  
 Report ID:  
 G-903-12E

Ref/Basis	Account	Description	***** SYSTEM *****		***** WASHINGTON *****		***** IDAHO *****	
			Direct	Allocated	Direct	Allocated	Direct	Allocated
2	903000	Customer Records & Collections	754,129	3,096,612	540,206	2,060,393	213,923	1,036,219
12	903920	Accts Rec Sold - Program Fees	0	28,835	0	18,539	0	10,296
12	903930	Accts Rec Sold - Maturity Yield Fees	0	114,745	0	73,772	0	40,973
		Total	754,129	3,240,192	540,206	2,152,704	213,923	1,087,488
								1,301,411

ALLOCATION RATIOS:

W-ALL	2	Number of Customers	100.000%	66.537%	33.463%
W-ALL	12	Net Gas Plant	100.000%	64.292%	35.708%

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

OFFICE SPACE CHARGES  
TO SUBSIDIARIES  
GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
	Production			
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
	Underground Storage			
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
	Distribution			
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
	Administrative and General			
21	Operating Expenses	(2)	(2)	
22	Depreciation			
23	Taxes			
24	Total Admin. & General	(2)	(2)	0
25	Total Gas Expense	(2)	(2)	0
26	Operating Income before FIT	2	2	0
	Federal Income Taxes			
27	Current Accrual	35.0%	1	1
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$1	\$1	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

Q2

**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>		All Employees

**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.

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

R<sub>1</sub>

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

RESTATE WASHINGTON  
 EXCISE TAXES  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes			
17	Total Distribution	(14)	(14)	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	(14)	(14)	0
26	Operating Income before FIT	14	14	0
Federal Income Taxes				
27	Current Accrual (at 35%)	5	5	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	9	9	0
<b>RATE BASE</b>				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	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/>	<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/>	<hr/>
Adjustment of Washington State Excise Tax	<b>(\$6,206)</b>	<b>(\$14,424)</b>
	<hr/> <hr/>	<hr/> <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 Period: <All>	Account: 4081110

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 Curre	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	-27,204.11	NULL
GD	WA	WA Gas Excise LIHEAP Tax Cre	-27,204.11	NULL	-117,560.75	NULL
		WA Gas Excise LIHEAP Tax Credi	-117,560.75	NULL	6,150,377.15	NULL
		WA Gas Excise Tax Current Mo	6,150,377.15	NULL	2,196,978.27	NULL
		WA Gas Excise Tax Current Mont	2,196,978.27	NULL	NULL	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	8,173,442.48	8,173,442.48
Total for <All>			23,892,595.57	15,719,153.09	8,173,442.48	8,173,442.48
Total			23,892,595.57	15,719,153.09	8,173,442.48	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

R3

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		
GD	WA	2007 Balance Available LIHEAP	18,866.45	NULL	18,866.45	NULL
		Aug 08 LIHEAP credit from St.	24,709.98	NULL	24,709.98	NULL
		July 08 LIHEAP credits from St	27,204.11	NULL	27,204.11	NULL
		Nov08 LIHEAP credit from St. o	29,808.74	NULL	29,808.74	NULL
		Oct.08 LIHEAP credit from St.	28,926.27	NULL	28,926.27	NULL
		Sept 08 LIHEAP credit from St.	34,115.76	NULL	34,115.76	NULL
		Sub-total	163,631.31		163,631.31	
Total for <All>			409,091.34			
Total			409,091.34	245,460.03	163,631.31	

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

RESTATE  
 DEBT INTEREST  
 GAS

Line No.	Description	System	Washington	Idaho
<b>REVENUES</b>				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
<b>EXPENSES</b>				
5	Exploration & Development Production			
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
<b>Underground Storage</b>				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
<b>Distribution</b>				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
<b>Administrative and General</b>				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
<b>Federal Income Taxes</b>				
27	Current Accrual (at 35%)	128	128	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	(\$128)	(\$128)	\$0
<b>RATE BASE</b>				
<b>PLANT IN SERVICE</b>				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
<b>ACCUMULATED DEPRECIATION</b>				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	GAIN ON SALE OF BUILDING			
42	TOTAL RATE BASE	\$0	\$0	\$0

**AVISTA UTILITIES**  
**Restate Debt Interest**  
Washington - Gas  
**TWELVE MONTHS ENDED DECEMBER 31, 2008**  
(000's)

<u>Adjustment Description</u>	<u>Rate Base</u> <u>Adjustments</u>
b Per Results Report	\$182,999
c Deferred FIT Rate Base	(28,945)
d Deferred Gain on Office Building	(99)
e Gas Inventory	15,327
f Weatherization and DSM Investment	448
g Customer Advances	(49)
	<hr/>
Total Restated Rate Base	\$169,681
	<hr/>
Weighted Average Cost of Debt	<u>3.33%</u>
	<hr/>
Restated Debt Interest	\$5,650
	<hr/>
Actual Interest (G-FIT-12A)	\$6,017
	<hr/>
Increase (Decrease) in Interest Expense	(\$367)
FIT Rate	x 0.350
	<hr/>
Increase (Decrease) in FIT	<u>\$128</u>

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

Revenues		1.000000
Expense:		
Uncollectibles (1)		0.002892
Commission Fees (2)		0.002000
Washington Excise Tax (3)		0.038409
Franchise Fees (4)		0.000000
Total Expense		<u>0.043301</u>
Net Operating Income Before FIT		0.956699
Federal Income Tax @ 35.00%		0.334845
REVENUE CONVERSION FACTOR		<u>0.621855</u>

NOTES:

(1) Calculation of Effective Uncollectible Rate:  
 Net Write-Offs \* 649,306  
 Divided by:  
 Sales to Ultimate Customers + Transport \*\* 224,509,683  
 EFFECTIVE RATE 0.002892

\* From Uncollectible Adjustment Workpapers.  
 \*\* From Results of Operations Report G-OPS-12A.

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

(3) Calculation of Effective Washington Excise Tax :  
 Nominal Rate \* 0.038520  
 Multiplied by  
 Uncollectibles Factor:  
     Revenue 1.000000  
     Less: Effective Uncoll Rate 0.002892 0.997108  
 EFFECTIVE RATE 0.038409

\* From Combined Excise Tax Return.

(4) Calculation of Franchise Fee Rate:  
 Total Fees Paid (Millwood/Spokane) \* 0  
 Divided by:  
 Sales to Ultimate Customers + Transport \*\* 224,509,683  
 EFFECTIVE RATE 0.000000

\* From Excise/Franchise Tax Adjustment Workpapers.  
 \*\* From Results of Operations Report G-OPS-12A.