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**AVISTA UTILITIES**  
 Washington Gas  
 Restatement Summary

Twelve Months Ended December 31, 2009  
 (000's OF DOLLARS)

Column	Description	Washington Gas		
		NOI	Rate Base	ROR
b	Per Results Report	\$12,148	\$204,811	5.93%
c	Deferred FIT Rate Base	0	(31,005)	
d	Deferred Gain on Office Building	0	(71)	
e	Gas Inventory	0	8,440	
f	Customer Advances	0	(38)	
g	Customer Deposits	(3)	(1,359)	
	Actual	12,145	180,778	6.72%
h	Revenue Normalization & Gas Cost Adjust	(1,262)	0	
i	Eliminate B & O Taxes	(6)	0	
j	Property Tax	131	0	
k	Uncollectible Expense	229	0	
l	Regulatory Expense Adjustment	24	0	
m	Injuries and Damages	123	0	
n	FIT	(7)	0	
o	Net Gains/losses	3	0	
p	Eliminate A/R Expenses	32	0	
q	Office Space Charges to Subs	1	0	
r	Restate Excise Taxes	1	0	
s	Misc Restating Adjustments	97	0	
t	Restate Debt Interest	(24)	0	
	Restated Total	\$11,487	\$180,778	6.35%

AVISTA UTILITIES

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2009

(000's OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Gas Inventory	Customer Advances	Customer Deposits	Subtotal Actual
	a	b	c	d	e	f	g	-
<b>REVENUES</b>								
1	Total General Business	\$200,178						\$200,178
2	Total Transportation	3,350						3,350
3	Other Revenues	84,085						84,085
4	Total Gas Revenues	287,613	0	0	0	0	0	287,613
<b>EXPENSES</b>								
5	Exploration and Development	0						0
<b>Production</b>								
6	City Gate Purchases	201,949						201,949
7	Purchased Gas Expense	803						803
8	Net Nat Gas Storage Trans	10,720						10,720
9	Total Production	213,472	0	0	0	0	0	213,472
<b>Underground Storage</b>								
10	Operating Expenses	403						403
11	Depreciation	393						393
12	Taxes	138						138
13	Total Underground Storage	934	0	0	0	0	0	934
<b>Distribution</b>								
14	Operating Expenses	7,700						7,700
15	Depreciation	6,068						6,068
16	Taxes	16,788						16,788
17	Total Distribution	30,556	0	0	0	0	0	30,556
18	Customer Accounting	6,023			0		4	6,027
19	Customer Service & Information	7,611						7,611
20	Sales Expenses	507						507
<b>Administrative &amp; General</b>								
21	Operating Expenses	10,155						10,155
22	Depreciation	2,439						2,439
23	Taxes	20						20
24	Total Admin. & General	12,614	0	0	0	0	0	12,614
25	Total Gas Expense	271,717	0	0	0	0	4	271,721
26	OPERATING INCOME BEFORE FIT	15,896	0	0	0	0	(4)	15,892
<b>FEDERAL INCOME TAX</b>								
27	Current Accrual	2,525					(1)	2,524
28	Deferred FIT	1,253						1,253
29	Amort ITC	(30)						(30)
30	NET OPERATING INCOME	\$12,148	\$0	\$0	\$0	\$0	(\$3)	\$12,145
<b>RATE BASE: PLANT IN SERVICE</b>								
31	Underground Storage	21,798						21,798
32	Distribution Plant	255,976				(38)	(1,359)	254,579
33	General Plant	27,747						27,747
34	Total Plant in Service	305,521	0	0	0	(38)	(1,359)	304,124
<b>ACCUMULATED DEPRECIATION</b>								
35	Underground Storage	7,807						7,807
36	Distribution Plant	84,021						84,021
37	General Plant	8,882						8,882
38	Total Accum. Depreciation	100,710	0	0	0	0	0	100,710
39	DEFERRED FIT	0	(31,005)	38				(30,967)
40	GAS INVENTORY	0			8,440			8,440
41	WORKING CAPITAL	0						0
42	GAIN ON SALE OF BUILDING	0		(109)				(109)
43	TOTAL RATE BASE	\$204,811	(\$31,005)	(\$71)	\$8,440	(\$38)	(\$1,359)	\$180,778
44	RATE OF RETURN							6.72%

AVISTA UTILITIES

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2009

(000's OF DOLLARS)

Line No.	DESCRIPTION a	Revenue Normalization & Gas Cost Adjust h	Eliminate B & O Taxes i	Property Tax j	Uncollectible Expense k	Regulatory Expense Adjustment l
<b>REVENUES</b>						
1	Total General Business	(10,069)	\$ (7,403)			
2	Total Transportation		(75)			
3	Other Revenues					
4	<b>Total Gas Revenues</b>	<u>(10,069)</u>	<u>(7,478)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENSES</b>						
5	Exploration and Development					
	Production					
6	City Gate Purchases	(7,682)				
7	Purchased Gas Expense					
8	Net Nat Gas Storage Trans					
9	<b>Total Production</b>	<u>(7,682)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Underground Storage					
10	Operating Expenses					
11	Depreciation					
12	Taxes			(17)		
13	<b>Total Underground Storage</b>	<u>0</u>	<u>0</u>	<u>(17)</u>	<u>0</u>	<u>0</u>
	Distribution					
14	Operating Expenses					
15	Depreciation					
16	Taxes	(387)	(7,469)	(184)		
17	<b>Total Distribution</b>	<u>(387)</u>	<u>(7,469)</u>	<u>(184)</u>	<u>0</u>	<u>0</u>
18	Customer Accounting	(38)	0		(353)	0
19	Customer Service & Information					
20	Sales Expenses					
	Administrative & General					
21	Operating Expenses	(20)				(37)
22	Depreciation					
23	Taxes			(1)		
24	<b>Total Admin. &amp; General</b>	<u>(20)</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>(37)</u>
25	<b>Total Gas Expense</b>	<u>(8,127)</u>	<u>(7,469)</u>	<u>(202)</u>	<u>(353)</u>	<u>(37)</u>
26	<b>OPERATING INCOME BEFORE FIT</b>	<u>(1,942)</u>	<u>(9)</u>	<u>202</u>	<u>353</u>	<u>37</u>
	<b>FEDERAL INCOME TAX</b>					
27	Current Accrual	(680)	(3)	71	124	13
28	Deferred FIT					
29	Amort ITC					
30	<b>NET OPERATING INCOME</b>	<u>(\$1,262)</u>	<u>(\$6)</u>	<u>\$131</u>	<u>\$229</u>	<u>\$24</u>
<b>RATE BASE: PLANT IN SERVICE</b>						
31	Underground Storage					
32	Distribution Plant					
33	General Plant					
34	<b>Total Plant in Service</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>ACCUMULATED DEPRECIATION</b>						
35	Underground Storage					
36	Distribution Plant					
37	General Plant					
38	<b>Total Accum. Depreciation</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
39	DEFERRED FIT					
40	GAS INVENTORY					
41	WORKING CAPITAL					
42	GAIN ON SALE OF BUILDING					
43	<b>TOTAL RATE BASE</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
44	<b>RATE OF RETURN</b>					

AVISTA UTILITIES  
 GAS RESULTS OF OPERATION  
 WASHINGTON RESTATED RESULTS  
 TWELVE MONTHS ENDED DECEMBER 31, 2009  
 (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	Misc Restating Adjustments
	a	m	n	o	p	q	r	s
<b>REVENUES</b>								
1	Total General Business							
2	Total Transportation							
3	Other Revenues							
4	Total Gas Revenues	0	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	0
	Underground Storage							
10	Operating Expenses							
11	Depreciation							
12	Taxes							
13	Total Underground Storage	0	0	0	0	0	0	0
	Distribution							
14	Operating Expenses							
15	Depreciation			(4)			(2)	
16	Taxes						(2)	
17	Total Distribution	0	0	(4)	0	0	(2)	0
18	Customer Accounting			0	(50)	0	0	(2)
19	Customer Service & Information							(10)
20	Sales Expenses							
	Administrative & General							
21	Operating Expenses	(189)				(2)		(137)
22	Depreciation							
23	Taxes							
24	Total Admin. & General	(189)	0	0	0	(2)	0	(137)
25	Total Gas Expense	(189)	0	(4)	(50)	(2)	(2)	(149)
26	OPERATING INCOME BEFORE FIT	189	0	4	50	2	2	149
	FEDERAL INCOME TAX							
27	Current Accrual	66	22	1	18	1	1	52
28	Deferred FIT		(15)					
29	Amort ITC							
30	NET OPERATING INCOME	\$123	(\$7)	\$3	\$32	\$1	\$1	\$97
<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	0
<b>ACCUMULATED DEPRECIATION</b>								
35	Underground Storage							
36	Distribution Plant							
37	General Plant							
38	Total Accum. Depreciation	0	0	0	0	0	0	0
39	DEFERRED FIT							
40	GAS INVENTORY							
41	WORKING CAPITAL							
42	GAIN ON SALE OF BUILDING							
43	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	RATE OF RETURN							

## AVISTA UTILITIES

## GAS RESULTS OF OPERATION

## WASHINGTON RESTATED RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2009

(000's OF DOLLARS)

Line No.	DESCRIPTION	Restate Debt Interest	Restated Total
	a	t	-
<b>REVENUES</b>			
1	Total General Business		\$182,706
2	Total Transportation		3,275
3	Other Revenues		84,085
4	Total Gas Revenues	0	270,066
<b>EXPENSES</b>			
5	Exploration and Development		0
Production			
6	City Gate Purchases		194,267
7	Purchased Gas Expense		803
8	Net Nat Gas Storage Trans		10,720
9	Total Production	0	205,790
Underground Storage			
10	Operating Expenses		403
11	Depreciation		393
12	Taxes		121
13	Total Underground Storage	0	917
Distribution			
14	Operating Expenses		7,700
15	Depreciation		6,064
16	Taxes		8,746
17	Total Distribution	0	22,510
18	Customer Accounting		5,586
19	Customer Service & Information		7,609
20	Sales Expenses		497
Administrative & General			
21	Operating Expenses		9,770
22	Depreciation		2,439
23	Taxes		19
24	Total Admin. & General	0	12,228
25	Total Gas Expense	0	255,137
26	OPERATING INCOME BEFORE FIT	0	14,929
FEDERAL INCOME TAX			
27	Current Accrual	24	2,234
28	Deferred FIT		1,238
29	Amort ITC		(30)
30	NET OPERATING INCOME	(\$24)	\$11,487
<b>RATE BASE: PLANT IN SERVICE</b>			
31	Underground Storage		21,798
32	Distribution Plant		254,579
33	General Plant		27,747
34	Total Plant in Service	0	304,124
<b>ACCUMULATED DEPRECIATION</b>			
35	Underground Storage		7,807
36	Distribution Plant		84,021
37	General Plant		8,882
38	Total Accum. Depreciation	0	100,710
39	DEFERRED FIT		(30,967)
40	GAS INVENTORY		8,440
41	WORKING CAPITAL		0
42	GAIN ON SALE OF BUILDING		(109)
43	TOTAL RATE BASE	\$0	\$180,778
44	RATE OF RETURN		6.35%

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

PER RESULTS OF  
OPERATIONS REPORTS  
GAS

Line No.	Description	System	Washington	Idaho
	REVENUES			
	NET OPERATING INCOME	20,323	12,148	8,175
	NET PLANT	317,200	204,811	112,389
1	Total General Business	\$283,274	\$200,178	\$83,096
2	Total Transportation	3,841	3,350	491
3	Other Revenues	122,348	84,085	38,263
4	Total Gas Revenues	409,463	287,613	121,850
	EXPENSES			
5	Exploration & Development	0	0	0
	Production			
6	City Gate Purchases	288,224	201,949	86,275
7	Purchased Gas Expense	1,204	803	401
8	Net Nat. Gas Storage Trans	14,334	10,720	3,614
9	Total Production	303,762	213,472	90,290
	Underground Storage			
10	Operating Expenses	576	403	173
11	Depreciation	562	393	169
12	Taxes	197	138	59
13	Total Underground Storage	1,335	934	401
	Distribution			
14	Operating Expenses	11,426	7,700	3,726
15	Depreciation	9,396	6,068	3,328
16	Taxes	19,117	16,788	2,329
17	Total Distribution	39,939	30,556	9,383
18	Customer Accounting	8,432	6,023	2,409
19	Customer Service & Information	9,847	7,611	2,236
20	Sales	702	507	195
	Administrative and General			
21	Operating Expenses	14,892	10,155	4,737
22	Depreciation	3,396	2,439	957
23	Taxes	29	20	9
24	Total Admin. & General	18,317	12,614	5,703
25	Total Gas Expense	382,334	271,717	110,617
26	Operating Income before FIT	27,129	15,896	11,233
	Federal Income Taxes			
27	Current Accrual	35.0%	4,086	2,525
28	Deferred FIT		2,769	1,253
29	Amort ITC		(49)	(30)
30	NET OPERATING INCOME	\$20,323	\$12,148	\$8,175
	RATE BASE			
	PLANT IN SERVICE			
31	Underground Storage	\$31,162	\$21,798	\$9,364
32	Distribution Plant	399,004	255,976	143,028
33	General Plant incl Intangible	41,179	27,747	13,432
34	Total Plant in Service	471,345	305,521	165,824
	ACCUMULATED DEPRECIATION			
35	Underground Storage	11,161	7,807	3,354
36	Distribution Plant	130,106	84,021	46,085
37	General Plant incl Intangible	12,878	8,882	3,996
38	Total Accum. Depreciation	154,145	100,710	53,435
39	DEFERRED TAXES			
40	GAS INVENTORY			
41	WORKING CAPITAL			
42	GAIN ON SALE OF BUILDING			
43	TOTAL RATE BASE	\$317,200	\$204,811	\$112,389

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**AVISTA UTILITIES**

**Commission Basis Report  
Washington Gas Adjustment Descriptions  
Twelve Months Ended December 31, 2009**

**b. Per Results Report**

Results of Operations Report amounts are for the twelve months ended December 31, 2009. 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, bond refinancing premiums and contributions in aid of construction, which are not included in the Results of Operations Utility Plant Report. These amounts are reflected on an average-of-monthly-averages basis. These amounts are a component of actual results of operations.

**d. Deferred Gain on Office Building**

These amounts reduce rate base by the net of tax, unamortized gain on the sale of the office building. The facility was sold in December 1986 and leased back by the Company. Although the Company repurchased the building in November 2005, the Company opted to continue to amortize the deferred gain over the remaining amortization period scheduled to end in 2011. The treatment of the gain on the sale follows the Commission's Order Granting Application in Cause No. FR-86-150, and the continuation of the existing amortization after the sale was approved in Docket No. U-071805. 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 prior dockets (including Docket No. UG-991607 forward).

**f. 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.

**AVISTA UTILITIES**

**Commission Basis Report  
Washington Gas Adjustment Descriptions  
Twelve Months Ended December 31, 2009**

**g. Customer Deposits**

These amounts decrease rate base for the average-of-monthly averages of customer deposits held by the Company. The corresponding interest paid on customer deposits is reclassified to an operating expense. This adjustment is consistent with Docket No. UG-090135.

**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 prior dockets (including Docket No. UG-991607 forward).

**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 prior dockets (including Docket No. UG-991607 forward).

**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 prior dockets (including Docket No. UG-991607 forward).

**l. Regulatory Expense Adjustment**

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 prior dockets (including Docket No. UG-991607 forward).

**AVISTA UTILITIES**

**Commission Basis Report  
Washington Gas Adjustment Descriptions  
Twelve Months Ended December 31, 2009**

**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 restating adjustment is consistent with prior dockets (including Docket No. UG-991607 forward).

**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 prior dockets (including Docket No. UG-991607 forward).

**o. Net Gains/Losses**

This adjustment reflects a ten-year amortization of net gains realized from the sale of real property disposed of between 2000 and 2009. 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. following UG-050483.

**p. Eliminate Accounts Receivable Expenses**

This adjustment removes expenses associated with the sale of customer accounts receivable. This restating adjustment is consistent with prior dockets (including Docket No. UG-991607 forward).

**q. Office Space Charges to Subsidiaries**

This adjustment removes a portion of the office space costs (building lease and O&M costs, common area costs, copier expense and annual office furniture rental) using the percentage of labor dollars charged to subsidiary activities by employee compared to total labor dollars by employee. These percentages are applied to the employees' office space (expressed in square feet) and multiplied by office space costs/per square foot. This restating adjustment is made as a result of the Commission's Third Supplemental Order in Docket No. U-88-2380-T, which required the company to perform a space utilization study to allocate costs to subsidiaries. This restating adjustment is consistent with prior dockets (including Docket No. UG-991607 forward).

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**AVISTA UTILITIES**

**Commission Basis Report  
Washington Gas Adjustment Descriptions  
Twelve Months Ended December 31, 2009**

**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. Miscellaneous restating**

This adjustment removes a number of non-operating or non-utility expenses associated with advertising, dues and donations included in error in the test period actual results. The Company also removed 50% of director meeting expenses and director Fees, as ordered in Docket No. UG-090135.

**t. Restate Debt Interest**

This adjustment restates debt interest using the average weighted cost of total debt at December 31, 2009 and reflects the federal income tax effect of the restated level of interest for the test period. This restating adjustment is consistent with prior dockets (including Docket No. UG-991607 forward).