

AVISTA UTILITIES
Summary of Revenue Requirement Adjustments - Electric

APPENDIX 1

(000's Of Dollars)		FILED CASE		FILED SETTLEMENT		DIFFERENCE		REVENUE REQUIREMENT	
Column	Description	Washington Electric		Washington Electric		Washington Electric		NOI	Rate Base
		NOI	Rate Base	NOI	Rate Base	NOI	Rate Base	0.62116	7.91%
b	Per Results Report	\$73,374	\$1,150,959	\$73,374	\$1,150,959	\$0	\$0	\$0	\$0
c	Deferred FIT Rate Base	0	(163,716)	0	(163,716)	0	0	0	0
d	Deferred Gain on Office Building	0	(41)	0	(41)	0	0	0	0
e	Colstrip 3 AFUDC Elimination	193	(1,700)	193	(1,700)	0	0	0	0
f	Colstrip Common AFUDC	0	426	0	426	0	0	0	0
g	Kettle Falls Disallow.	(56)	(756)	(56)	(756)	0	0	0	0
h	Customer Advances	0	(257)	0	(257)	0	0	0	0
i	Customer Deposits	(6)	(3,060)	(6)	(3,060)	0	0	0	0
j	Settlement Exchange Power	0	16,412	0	16,412	0	0	0	0
k	Restating CDA Settlement	(558)	4,676	(558)	4,676	0	0	0	0
l	Restating CDA Settlement Deferral	(329)	822	(99)	938	230	116	(370)	15
m	Restating CDA/SRR CDR	(951)	3,746	(935)	3,754	16	8	(26)	1
n	Restating Spokane River Relicensing	(242)	7,271	(242)	7,271	0	0	0	0
o	Restating Spokane River Deferral	(158)	395	(47)	450	111	55	(179)	7
p	Restating Spokane River PM&E Deferral	(100)	250	(30)	285	70	35	(113)	4
q	Restating Montana Lease	(53)	2,419	(53)	2,419	0	0	0	0
	Actual	71,114	1,017,846	71,541	1,018,060	427	214	(687)	27
r	Eliminate B & O Taxes	(36)	0	(36)	0	0	0	0	0
s	Property Tax	(1,194)	0	(1,194)	0	0	0	0	0
t	Uncollect. Expense	42	0	42	0	0	0	0	0
u	Regulatory Expense	(47)	0	(47)	0	0	0	0	0
v	Injuries and Damages	35	0	35	0	0	0	0	0
w	FIT	(890)	0	(890)	0	0	0	0	0
x	Eliminate WA Power Cost Defer	153	0	153	0	0	0	0	0
y	Nez Perce Settlement Adjustment	(7)	0	(7)	0	0	0	0	0
z	Eliminate A/R Expenses	181	0	181	0	0	0	0	0
aa	Office Space Charges to Subsidiaries	5	0	5	0	0	0	0	0
ab	Restate Excise Taxes	7	0	7	0	0	0	0	0
ac	Net Gains/losses	53	0	53	0	0	0	0	0
ad	Revenue Normalization	3,882	0	3,882	0	0	0	0	0
ae	Misc Restating	161	0	437	0	276	0	(444)	0
af	Colstrip Mercury Emiss. O&M	(577)	0	(556)	0	21	0	(34)	0
ag	Working Capital	0	23,695	0	18,188	0	(5,507)	0	(701)
ah	Restate Debt Interest	(962)	0	(766)	0	196	0	(316)	0
R1	Revised Buck-A Block	0	0	(12)	0	(12)	0	19	0
R2	Officer Incentives Adj	0	0	192	0	192	0	(309)	0
	Restated Total	\$71,920	\$1,041,541	\$73,020	\$1,036,248	\$1,100	(\$5,293)	(\$1,771)	(\$674)
PF1	Pro Forma Power Supply	(18,288)	0	(4,132)	0	14,156	0	(22,790)	0
PF2	Pro Forma Production Property	8,798	(37,643)	0	0	(8,798)	37,643	14,164	4,794
PF3	Pro Forma Lancaster Amortization	(1,583)	7,127	(884)	3,978	699	(3,149)	(1,125)	(401)
PF4	Pro Forma Labor Non-Exec	(1,269)	0	(1,269)	0	0	0	0	0
PF5	Pro Forma Labor Exec	(102)	0	248	0	350	0	(563)	0
PF6	Pro Forma Transmission Rev/Exp	1,167	0	1,167	0	0	0	0	0
PF7	Pro Forma Capital Add 2010	(1,067)	55,984	(105)	7,201	962	(48,783)	(1,549)	(6,212)
PF8	Pro Forma Noxon Gen 2010/2011	(191)	8,656	(113)	8,656	78	0	(126)	0
PF9	Pro Forma Vegetation Management	(1,332)	0	(666)	0	667	0	(1,073)	0
PF10	Pro Forma Information Services	(1,555)	0	(833)	0	722	0	(1,162)	0
PF11	Pro Forma Employee Benefits	417	0	439	0	22	0	(35)	0
PF12	Pro Forma Insurance	(42)	0	(42)	0	0	0	0	0
PF13	Pro Forma Clark Fork/Spokane Rel PM&E	(1,619)	0	(1,619)	0	0	0	0	0
	Pro Forma Total	\$55,254	\$1,075,665	\$65,212	\$1,056,083	\$9,958	(\$19,582)	(\$16,030)	(\$2,494)
									(\$18,524)
									(\$7,273)
									(\$25,797)
									\$55,298
									\$29,501

Impact of ROE reduced to 10.2% & Common Equity to 46.5%
Total Adjustments to Proposed Revenue Requirement (\$25,797)
Originally Filed Revenue Requirement \$55,298
Revenue Increase Per Settlement **\$29,501**

AVISTA UTILITIES

APPENDIX 1

Summary of Revenue Requirement Adjustments - Natural Gas

(000's Of Dollars)		FILED CASE		FILED SETTLEMENT		DIFFERENCE		REVENUE REQUIREMENT	
		Washington Gas		Washington Gas		Washington Gas		NOI	Rate Base
Item	Description	NOI	Rate Base	NOI	Rate Base	NOI	Rate Base	0.62130	7.91%
b	Per Results Report	\$12,148	\$204,811	\$12,148	\$204,811	\$0	\$0	\$0	\$0
c	Deferred FIT Rate Base	0	(31,005)	0	(31,005)	0	0	0	0
d	Deferred Gain on Office Building	0	(14)	0	(14)	0	0	0	0
e	Gas Inventory	0	8,440	0	8,440	0	0	0	0
f	Customer Advances	0	(38)	0	(38)	0	0	0	0
g	Customer Deposits	(3)	(1,359)	(3)	(1,359)	0	0	0	0
	Actual	12,145	180,835	12,145	180,835	0	0	0	0
h	Revenue Normalization & Gas Cost Adjust	(395)	0	(395)	0	0	0	0	0
i	Eliminate B & O Taxes	(6)	0	(6)	0	0	0	0	0
j	Property Tax	(124)	0	(124)	0	0	0	0	0
k	Uncollectible Expense	229	0	229	0	0	0	0	0
l	Regulatory Expense Adjustment	24	0	24	0	0	0	0	0
m	Injuries and Damages	123	0	123	0	0	0	0	0
n	FIT	(7)	0	(7)	0	0	0	0	0
o	Net Gains/losses	3	0	3	0	0	0	0	0
p	Eliminate A/R Expenses	32	0	32	0	0	0	0	0
q	Office Space Charges to Subs	1	0	1	0	0	0	0	0
r	Restate Excise Taxes	1	0	1	0	0	0	0	0
s	Weatherization & DSM Investment Amort Removal	200	0	200	0	0	0	0	0
t	Misc Restating Adjustments	48	0	194	0	146	0	(235)	0
u	Working Capital	0	4,053	0	0	0	(4,053)	0	(516)
v	Restate Debt Interest	(111)	0	(192)	0	(82)	0	131	0
R1	Remove Buck-a-Block Program	0	0	5	0	5	0	(8)	0
R2	Remove Officer Incentives	0	0	54	0	54	0	(87)	0
	Restated Total	\$12,163	\$184,888	\$12,287	\$180,835	\$123	(\$4,053)	(\$199)	(\$516)
PF1	Pro Forma Labor Non-Exec	(367)	0	(367)	0	0	0	0	0
PF2	Pro Forma Labor Exec	(29)	0	10	0	39	0	(63)	0
PF3	Pro Forma Capital Add 2010	(23)	1,525	0	0	23	(1,525)	(37)	(194)
PF4	Pro Forma JP Storage 2011	(101)	12,820	(13)	4,128	88	(8,692)	(142)	(1,107)
PF5	Pro Forma Information Services	(430)	0	(229)	0	201	0	(324)	0
PF6	Pro Forma Employee Benefits	120	0	125	0	5	0	(8)	0
PF7	Pro Forma Insurance	(12)	0	(12)	0	0	0	0	0
	Pro Forma Total	\$11,321	\$199,233	\$11,801	\$184,963	\$479	(\$14,270)	(\$773)	(\$1,817)
									(\$2,589)
									(\$1,346)
									(\$3,935)
									\$8,489
									\$4,554