

APPENDIX 1

AVISIA UTILITIES

Summary of Revenue Requirement Adjustments
Restatement Summary Washington Electric

Item	Description	FILED CASE		FINAL SETTLEMENT		IMPACT ON DIFFERENCE		REVENUE REQUIREMENT	
		Washington Electric NOI	Rate Base	Washington Electric NOI	Rate Base	Washington Electric NOI	Rate Base	Washington Electric NOI	Rate Base
b	Per Results Report	\$63,798	\$1,009,868	\$63,798	\$1,009,868	\$0	\$0	0.62190134	8.22%
c	Deferred FIT Rate Base	0	(139,033)	0	(139,033)	0	0		
d	Deferred Gain on Office Building	0	(210)	0	(210)	0	0		
e	Colstrip 3 AFUDC Elimination	225	(2,342)	225	(2,342)	0	0		
f	Colstrip Common AFUDC	0	460	0	460	0	0		
g	Kettle Falls Disallow.	(56)	(913)	(56)	(913)	0	0		
h	Customer Advances	0	(258)	0	(258)	0	0		
i	Depreciation True-up	212	0	212	0	0	0		
j	Settlement Exchange Power	0	20,432	0	20,432	0	0		
	Actual	64,179	888,004	64,179	888,004	0	0	0	0
k	Eliminate B & O Taxes	(19)	0	(19)	0	0	0		
l	Property Tax	831	0	831	0	0	0		
m	Uncollect. Expense	70	0	70	0	0	0		
n	Regulatory Expense	(12)	0	(12)	0	0	0		
o	Injuries and Damages	8	0	8	0	0	0		
p	FIT	149	0	(103)	0	252	0		(\$405)
q	Eliminate WA Power Cost Defer	(10,623)	0	(10,623)	0	0	0		
r	Nez Perce Settlement Adjustment	(6)	0	(6)	0	0	0		
s	Eliminate A/R Expenses	593	0	593	0	0	0		
t	Office Space Charges to Subsidiaries	6	0	6	0	0	0		
u	Restate Excise Taxes	32	0	32	0	0	0		
v	Net Gains/losses	68	0	68	0	0	0		
w	Revenue Normalization	18,145	0	18,145	0	0	0		
x	Restate Debt Interest	(2,612)	0	(2,612)	0	(91)	0		\$146
	Restated Total	\$70,809	\$888,004	\$70,648	\$888,004	\$161	\$0		(\$260)
PF1	Pro Forma Power Supply	(6,408)	0	(10,062)	0	\$3,654	\$0		(\$5,876)
PF2	Pro Forma Prod Property Adj	3,776	(17,504)	2,798	(12,955)	\$978	(\$4,549)		(\$1,573)
PF3	Pro Forma Labor Non-Exec	(1,522)	0	(783)	0	(\$739)	\$0		\$1,188
PF4	Pro Forma Labor Exec	(160)	0	(73)	0	(\$87)	\$0		\$140
PF5	Pro Forma Transmission Rev/Exp	(487)	0	(487)	0	\$0	\$0		\$0
PF6	Pro Forma Capital Add 2007	(346)	32,809	(818)	36,386	\$472	(\$3,577)		(\$759)
PF7	Pro Forma Capital Add 2008	(2,044)	7,292	(434)	18,014	(\$1,610)	(\$10,722)		\$2,589
PF8	Pro Forma Asset Management	(1,152)	0	(1,152)	0	\$0	\$0		(\$1,417)
PF9	Pro Forma Spokane Rvr Relicensing	(1,464)	21,960	0	0	(\$1,464)	\$21,960		\$2,354
PF10	Pro Forma CDA Tribe Settlement	(499)	15,084	0	0	(\$499)	\$15,084		\$802
PF11	Pro Forma Montana Lease	(2,222)	3,299	(2,222)	3,299	\$0	\$0		\$0
PF12	Pro Forma Colstrip Mercury Emiss. O&M	(630)	0	(195)	0	(\$435)	\$0		\$699
PF13	Pro Forma Incentives	(258)	0	0	0	(\$258)	\$0		\$415
PF14	Pro Forma 2009 Noxon Upgrade	0	0	(252)	8,714	\$252	(\$8,714)		(\$405)
PF15	Pro Forma Misc. Adj.	0	0	8	(2,155)	(\$88)	\$2,155		\$13
	Pro Forma Total	\$57,393	\$950,944	\$57,506	\$939,307	(\$113)	\$11,637		(\$671)
									\$1,538
									\$667

Impact of ROE reduced to 10.2% & Cost of Debt changed to 6.51%

Total Revenue Requirement Difference

APPENDIX 1
AVISTA UTILITIES
Summary of Revenue Requirement Adjustments
Restatement Summary Washington Gas

Item	Description	FILED CASE		FINAL SETTLEMENT		IMPACT ON DIFFERENCE		REVENUE REQUIREMENT	
		Washington Gas	Rate Base	Washington Gas	Rate Base	Washington Gas	Rate Base	NOI	Rate Base
b	Per Results Report	\$11,064	\$172,323	\$11,064	\$172,323	\$0	\$0	0.622038	8.22%
c	Deferred FIT Rate Base	0	(26,823)	0	(26,823)	0	0		
d	Deferred Gain on Office Building	0	(71)	0	(71)	0	0		
e	Gas Inventory	0	5,607	0	5,607	0	0	\$0	\$0
f	Weatherization and DSM Investment	0	784	0	784	0	0		
g	Customer Advances	0	(64)	0	(64)	0	0		
h	Depreciation True-up	214	0	214	0	0	0		
	Actual	11,278	151,756	11,278	151,756	0	0	\$0	\$0
i	Revenue Normalization & Gas Cost Adju	1,149	0	1,149	0	0	0		
j	Eliminate B & O Taxes	(4)	0	(4)	0	0	0		
k	Property Tax	341	0	341	0	0	0		
l	Uncollectible Expense	68	0	68	0	0	0		
m	Regulatory Expense Adjustment	(8)	0	(8)	0	0	0		
n	Injuries and Damages	(73)	0	(73)	0	0	0		
o	FIT	(9)	0	(39)	0	30	0	(48)	\$0.00
p	Net Gains/losses	8	0	8	0	0	0		
q	Eliminate A/R Expenses	99	0	99	0	0	0		
r	Office Space Charges to Subs	2	0	2	0	0	0		
s	Restate Excise Taxes	(15)	0	(15)	0	0	0		
t	O&M Savings	94	0	94	0	0	0		
u	Restate Debt Interest	(342)	0	(316)	0	(26)	0	\$42	\$0.00
	Restated Total	\$12,588	\$151,756	\$12,584	\$151,756	\$4	\$0	(\$6)	\$0.00
PF1	Pro Forma Labor Non-Exec	(412)	0	(213)	0	(\$199)	\$0	\$320	\$0.00
PF2	Pro Forma Labor Exec	(43)	0	(20)	0	(\$23)	\$0	\$37	\$0.00
PF3	Pro Forma JP Storage	(1,374)	18,695	(1,374)	18,695	\$0	\$0	\$0	\$0.00
PF4	Pro Forma Capital Add 2007	170	549	0	0	\$170	\$549	(\$273)	\$72
PF5	Pro Forma Capital Add 2008	(378)	1,957	0	0	(\$378)	\$1,957	\$608	\$259
PF6	Pro Forma Incentives	(68)	0	0	0	(\$68)	\$0	\$109	\$0
PF7	Pro Forma Misc	0	0	(35)	(1,248)	\$35	\$1,248	(\$56)	\$165
	Pro Forma Total	\$10,483	\$172,957	\$10,942	\$169,203	(\$459)	\$3,754	\$739	\$496
									\$1,235
									\$584
									\$1,819

Impact of ROE reduced to 10.2% & Cost of Debt changed to 6.51%
Total Revenue Requirement Difference