AVISTA UTILITIES

Restatement Summary Washington Electric TWELVE MONTHS ENDED DECEMBER 31, 2009

Washington Electric						
Column	Description of Adjustment	NOI	Rate Base	ROR	_	
	ng Rate Base (and corresponding NOI) ad	justments				
b	Per Results Report	\$73,374	\$1,150,959	6.38%		
С	Deferred FIT Rate Base	0	(163,716)			
d	Deferred Gain on Office Building	0	(209)			
e	Colstrip 3 AFUDC Elimination	193	(1,700)			
f	Colstrip Common AFUDC	0	426			
g	Kettle Falls Disallow.	(56)	(756)			
h	Customer Advances	0	(257)			
i	Customer Deposits	(6)	(3,060)			
j	Settlement Exchange Power	0	19,427			
k	CDA Settlement	0	437			
1	Spokane River Relicensing	0	169			
m	Montana Lease	0	3,299			
				_		
	Actual Restated	73,506	1,005,019	7.31%		
Restati	ing NOI Adjustments					
n	Eliminate B & O Taxes	(36)	0			
0	Property Tax	(69)	0			
p	Uncollect. Expense	42	0			
q	Regulatory Expense	(47)	0			
r	Injuries and Damages	35	0			
S	FIT	(890)	0			
t	Eliminate WA Power Cost Defer	153	0			
u	Nez Perce Settlement Adjustment	(7)	0			
v	Eliminate A/R Expenses	181	0			
W	Office Space Charges to Subsidiaries	5	0			
X	Restate Excise Taxes	7	0			
у	Net Gains/losses	53	0			
Z	Revenue Normalization	(3,997)	0			
aa	Misc Restating	336	0			
ab	Restate Debt Interest	(1,438)	0		Revised	
ac	Normalized Power Supply	2,244	0	_	Revised	
	n a colonial	070.070	01 005 010	- 6 070/		
	Restated Total	\$70,078	\$1,005,019	0.9/%	=	

Revised Adjustments:

The following adjustments were revised from the original adjustments included in the Company's Electric Commission Basis Report (CBR) filed on April 29, 2010:

- ab The original CBR was prepared using the Authorized Capital Structure and Debt Costs. The Company used the actual 2009 AMA Capital Structure and the actual 2009 AMA debt costs in this revised CBR filing.
- ac The original Power Supply adjustment had been incorrectly prepared in the original CBR. The short-term contracts had been omitted from the power supply calcualtion in error.

Line	DESCRIPTION	Per Results	Deferred FIT Rate Base	Deferred Gain on Office Building	Colstrip 3 AFUDC Elimination	Colstrip Common AFUDC	Kettle Falls Disallow.
No.	DESCRIPTION a	Report b	c c	d	e	f	g
	REVENUES						
1	Total General Business	\$457,237					
2	Interdepartmental Sales	871					
3	Sales for Resale	128,777	0	0	0	0	0
4	Total Sales of Electricity	586,885 30,908	U	Ü	v		
5	Other Revenue	617,793	0	0	0	0	0
6	Total Electric Revenue	017,773					
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	161,787					
8	Purchased Power	184,472					
9	Depreciation and Amortization	22,459			(193)		
10	Taxes	8,617		0	(193)	0	0
11	Total Production & Transmission	377,335	0	0	(193)	Ü	v
	Distribution						
12	Operating Expenses	17,267					
13	Depreciation	16,891					
14	Taxes	35,403					
15	Total Distribution	69,561	0	0	0	0	0
16	Container Associating	10,118					
16 17	Customer Accounting Customer Service & Information	19,729					
18	Sales Expenses	677					
10	Sales Expenses						
	Administrative & General						
19	Operating Expenses	39,022					
20	Depreciation	7,688					
21	Taxes	14.710	0	0	0	0	0
22	Total Admin. & General	46,710	0				
23	Total Electric Expenses	524,130	0	0	(193)	0	0
24	OPERATING INCOME BEFORE FIT	93,663	0	0	193	0	0
	FEDERAL INCOME TAX						
25	Current Accrual	7,414					**
26	Deferred Income Taxes	12,904					56
27	Amortized ITC - Noxon	(29)					
28	NET OPERATING INCOME	\$73,374	\$0	\$0	\$193	\$0	(\$56)
	RATE BASE						
	PLANT IN SERVICE	24/10/					
29	Intangible	\$56,196			(7,390)	426	(5,248)
30	Production	678,566			(7,570)	120	(-,-,-,
31	Transmission	301,090					
32	Distribution	602,201 98,727					
33	General Total Plant in Service	1,736,780	0	0	(7,390)	426	(5,248)
34			Ü	· ·	(5,690)		(3,964)
35	ACCUMULATED DEPRECIATION	576,519			(3,090)		(5,551)
36		9,302 585,821	0	0	(5,690)	0	(3,964)
37		303,021	Ü	(322			
38				(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	S.V.		
39 40			(163,716) 113			528
41		\$1,150,959	(\$163,716) (\$209	(\$1,700)	\$426	(\$756)
		6.38%					
42	RATE OF RETURN	6.38%					

Line No.	DESCRIPTION	Customer Advances	Customer Deposits	Settlement Exchange Power	CDA Settlement	Spokane River Relicensing	Montana Lease
1101	a	h	i	j	k	ı	m
	REVENUES						
1	Total General Business						
2	Interdepartmental Sales						
3	Sales for Resale						
4	Total Sales of Electricity	0	0	0	0	0	0
5	Other Revenue						0
6	Total Electric Revenue	0	0	0	0	0	0
	EXPENSES						
	Production and Transmission						
7	Operating Expenses						
8	Purchased Power						
9	Depreciation and Amortization Taxes						
11	Total Production & Transmission	0	0	0	0	0	0
	Distribution						
12	Operating Expenses						
13	Depreciation						
14	Taxes		0	0	0	0	0
15	Total Distribution	0	0	0	U	Ü	· ·
16	Customer Accounting						
17	Customer Service & Information		10				
18	Sales Expenses						
	Administrative & General						
19	Operating Expenses						
20	Depreciation						
21	Taxes	0	0	0	0	0	0
22	Total Floring Empresses	0	10	0	0	0	0
23	Total Electric Expenses				0	0	0
24	OPERATING INCOME BEFORE FIT	0	(10)	0	0	0	0
	FEDERAL INCOME TAX		740				
25	Current Accrual		(4)				
26	Deferred Income Taxes						
27	Amortized ITC - Noxon						
28	NET OPERATING INCOME	\$0	(\$6)	\$0	\$0	\$0	\$0
20	NET OF ENTING INCOME						
	RATE BASE						
20	PLANT IN SERVICE				\$673	\$247	
29 30	Intangible Production			79,626			5,075
31	Transmission						
32	Distribution	(257)	(3,060)				
33	General		120000000000000000000000000000000000000				
34	Total Plant in Service	(257)	(3,060)	79,626	673	247	5,075
35	ACCUMULATED DEPRECIATION			55.042			
36	ACCUM. PROVISION FOR AMORTIZATION	- 0	0	55,943 55,943	0	0	(
37	Total Accum. Depreciation & Amort.	0	0	33,943	U	· ·	,
38	GAIN ON SALE OF BUILDING WORKING CAPITAL						
39 40	DEFERRED TAXES			(4,256)	(236)	(78)	(1,776
41	TOTAL RATE BASE	(\$257)	(\$3,060)	\$19,427	\$437	\$169	\$3,299
41	TOTAL RATE DAGE	(4231)	(50,000)	, , , , , , , , , , , , , , , , , , ,			

No. Post P	Line		Subtotal	Eliminate B & O	Property	Uncollect.	Regulatory	Injuries and	PIE
REVENUES Total General Business S457,237 S (15,422)	No.					-		Damages	FIT
Total General Business S457,237 \$ (15,422)		а	-	n	0	p	q	r	s
Total General Business		REVENUES							
Sales for Resale 128,777	1		\$457,237	\$ (15,422)					
Sales for Resale									
Total Sales of Electricity \$86,886 (15,422) 0 0 0 0 0 0 0 0 0			128,777						
EXPENSES Production and Transmission 7			586,886	(15,422)	0	0	0	0	0
EXPENSES Production and Transmission 7 Operating Expenses 161,787 September 184,472 September 17,267 September 18,891 September 17,267 September 18,891 September 18,891 September 19,739 Septembe	5		30,908	(17)					
Production and Transmission 161,787	6	Total Electric Revenue	617,794	(15,439)	0	0	0	0	0
7									
Purchased Power 184,472									
Depreciation and Amortization 22,266 10 Taxes 36,617 397 0 0 0 1 1 1 1 1 1 1									
Takes									
Total Production & Transmission 377,142 0 397 0 0					207				
17,267				0		0	0	0	0
17,267		Distribution							
15 Depreciation 16,891 35,443 (288) 1 1 1 1 1 1 1 1 1	12		17 267						
Taxes									
Total Distribution				(15.384)	(288)				
Customer Service & Information 19,739						0	0	0	0
Customer Service & Information 19,739	1.6	Customer Accounting	10 118			(65)			
Administrative & General Administrative & General Operating Expenses 39,022 Depreciation 7,688 21 Taxes 22 Total Admin. & General 46,710 30 (3) 0 72 23 Total Electric Expenses 523,947 (15,384) 106 (65) 72 24 OPERATING INCOME BEFORE FIT 93,847 (55) (106) 65 (72) FEDERAL INCOME TAX 25 Current Accrual 7,410 (19) (37) 23 (25) 26 Deferred Income Taxes 12,960 27 Amortized ITC - Noxon 28 NET OPERATING INCOME RATE BASE PLANT IN SERVICE Intangible RATE BASE PLANT IN SERVICE Intangible S57,116 Transmission 301,990 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 ACCUMULATED DEPRECIATION 566,865 ACCUM, PROVISION FOR AMORTIZATION 566,865 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0						,			
Operating Expenses 39,022 72									
Operating Expenses 39,022 72		Administrative & General							
Depreciation 7,688 (3)	19		39,022				72	(54)	
Total Admin. & General 46,710 0 (3) 0 72 Total Electric Expenses 523,947 (15,384) 106 (65) 72 24 OPERATING INCOME BEFORE FIT 93,847 (55) (106) 65 (72) FEDERAL INCOME TAX Current Accrual 7,410 (19) (37) 23 (25) Deferred Income Taxes 12,960 Perrotic ITC - Noxon (29) 28 NET OPERATING INCOME \$73,506 (\$36) (\$69) \$42 (\$47) RATE BASE PLANT IN SERVICE 1 Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 36 ACM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 SO ON SALE OF BUILDING (322) WORKING CAPITAL 40 DEFERED TAXES (169,421)	20		7,688						
Total Electric Expenses 523,947 (15,384) 106 (65) 72	21	Taxes						(7.1)	0
24 OPERATING INCOME BEFORE FIT 93,847 (55) (106) 65 (72) FEDERAL INCOME TAX 25 Current Acerual 7,410 (19) (37) 23 (25) 26 Deferred Income Taxes 12,960 27 Amortized ITC - Noxon (29) 28 NET OPERATING INCOME \$73,506 (\$36) (\$69) \$42 (\$47) RATE BASE PLANT IN SERVICE 29 Intangible 557,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	22	Total Admin. & General	46,710	0	(3)	0		(54)	0
FEDERAL INCOME TAX 25 Current Accrual 26 Deferred Income Taxes 27 Amortized ITC - Noxon 28 NET OPERATING INCOME RATE BASE PLANT IN SERVICE 29 Intangible 30 Production 31 Transmission 30 Inopo 32 Distribution 33 General 4 Total Plant in Service 34 Total Plant in Service 35 ACCUMULATED DEPRECIATION 36 ACCUM PROVISION FOR AMORTIZATION 37 Total Accum. Depreciation & Amort. 38 GAIN ON SALE OF BUILDING 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	23	Total Electric Expenses	523,947	(15,384)	106	(65)	72	(54)	0
25 Current Accrual 7,410 (19) (37) 23 (25)	24	OPERATING INCOME BEFORE FIT	93,847	(55)	(106)	65	(72)	54	0
Deferred Income Taxes 12,960 (29)		FEDERAL INCOME TAX					(2.5)		045
27 Amortized ITC - Noxon (29) 28 NET OPERATING INCOME \$73,506 (\$36) (\$69) \$42 (\$47) RATE BASE PLANT IN SERVICE 29 Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	25	Current Accrual		(19)	(37)	23	(25)) 19	945
28 NET OPERATING INCOME RATE BASE PLANT IN SERVICE 9 Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum, Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	26	Deferred Income Taxes							(26)
RATE BASE PLANT IN SERVICE Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	27	Amortized ITC - Noxon	(29)						(29)
PLANT IN SERVICE 29 Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum, Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)	28	NET OPERATING INCOME	\$73,506	(\$36)	(\$69)	\$42	(\$47)	\$35	(\$890)
PLANT IN SERVICE 29 Intangible \$57,116 30 Production 751,055 31 Transmission 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 35 ACCUMULATED DEPRECIATION 566,865 36 ACCUM, PROVISION FOR AMORTIZATION 65,245 37 Total Accum, Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)		DATE DAGE							
Intangible									
Production 751,055	20		\$57 116						
Transmission 301,090 301,090 32 Distribution 598,884 33 General 98,727 34 Total Plant in Service 1,806,872 0 0 0 0 0 0 0 0 0									
Distribution 598,884									
33 General 98,727									
Total Plant in Service 1,806,872 0 0 0 0 0 0 0 0 0									
36 ACCUM. PROVISION FOR AMORTIZATION 65,245 37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)			1,806,872	0	0	0	0	0	0
37 Total Accum. Depreciation & Amort. 632,110 0 0 0 0 38 GAIN ON SALE OF BUILDING (322) 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)									
38 GAIN ON SALE OF BUILDING 39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)					0	0	0	0	0
39 WORKING CAPITAL 40 DEFERRED TAXES (169,421)					0	0	0	0	0
40 DEFERRED TAXES (169,421)			(322)						
41 TOTAL RATE BASE \$1,005,019 \$0 \$0 \$0 \$0			(169,421)						
11 101/10/10/10	A 1	TOTAL RATE BASE	\$1.005.019	\$0	\$0	\$0	\$0	\$0	\$0
42 RATE OF RETURN 7.31%									

Line		Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Eliminate A/R Expenses	Office Space Charges to Subsidiaries	Restate Excise Taxes	Net Gains/losses
No.	DESCRIPTION a	t	u	v	W	x	у
	-						
	REVENUES	0 (22 7(2)					
1	Total General Business	\$ (32,762)					
2	Interdepartmental Sales						
3	Sales for Resale	(32,762)	0	0	0	0	0
4 5	Total Sales of Electricity Other Revenue	(32,702)	•	170			
6	Total Electric Revenue	(32,762)	0	0	0	0	0
O	Total Electric Revenue	, , , , ,					
	EXPENSES						
	Production and Transmission	The set has a state of the set of	0.00				
7	Operating Expenses	(31,567)	11				
8	Purchased Power						
9	Depreciation and Amortization						
10 11	Taxes Total Production & Transmission	(31,567)	11	0	0	0	0
11	Total Frontetion & Transmission	(-1,)					
	Distribution						
12	Operating Expenses						(82)
13	Depreciation	(1,265)				(11)	
14 15	Taxes Total Distribution	(1,265)	0	0	0	(11)	(82)
15	Total Distribution	(1,200)					
16	Customer Accounting	(104)		(279)			
17	Customer Service & Information						
18	Sales Expenses						
	Administrative & General						
19	Operating Expenses	(62)			(7)		
20	Depreciation	4.50%					
21	Taxes						
22	Total Admin. & General	(62)	0	0	(7)	0	0
23	Total Electric Expenses	(32,998)	11	(279)	(7)	(11)	(82)
	AND ATTIVO BUOCK OF REPORT FUT	236	(11)	279	7	11	82
24	OPERATING INCOME BEFORE FIT	230	(11)	2.7			
	FEDERAL INCOME TAX				2	4	29
25	Current Accrual	(10,966)	(4)	98	2	4	27
26	Deferred Income Taxes	11,049					
27	Amortized ITC - Noxon						
			(0.5)	6101	\$5	\$7	\$53
28	NET OPERATING INCOME	\$153	(\$7)	\$181	43		
	RATE BASE						
	PLANT IN SERVICE						
29	Intangible						
30	Production						
31	Transmission						
32							
33		0	0	0	0	0	0
34		U	U	Ü		-	
35							
36		0	0	0	0	0	0
37		U	U	Ü	· ·		
38							
39 40							
40			4.0	, no	20	\$0	\$0
41	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
42	RATE OF RETURN						

Line		Revenue Normalization	Misc Postating	Restate Debt Interest	Normalized Power Supply	Restated TOTAL
No.	DESCRIPTION	z	Restating aa	ab	ас	101112
	а					
	REVENUES	118				\$402,618
1	Total General Business	\$ (6,435)				872
2	Interdepartmental Sales				(97,286)	31,491
3	Sales for Resale Total Sales of Electricity	(6,435)	0	0	(97,286)	434,981
5	Other Revenue	(0,155)		VV-48	(21,496)	9,395
6	Total Electric Revenue	(6,435)	0	0	(118,782)	444,376
	EXPENSES					
7	Production and Transmission Operating Expenses				(42,632)	87,599
8	Purchased Power				(79,603)	104,869
9	Depreciation and Amortization					22,266
10	Taxes				(100.005)	9,014
11	Total Production & Transmission	0	0	0	(122,235)	223,748
	Distribution					17,267
12	Operating Expenses					16,809
13 14	Depreciation Taxes	(248)				18,207
15	Total Distribution	(248)	0	0	0	52,283
16	Customer Accounting	(24)				9,646
17	Customer Service & Information		(3)			19,736
18	Sales Expenses		(17)			660
	Administrative & General	(12)	(407)			38,461
19	Operating Expenses	(13)	(497)			7,688
20	Depreciation					(3)
21	Taxes Total Admin, & General	(13)	(497)	0	0	46,146
22	Total Electric Expenses	(285)	(517)	0	(122,235)	352,219
24	OPERATING INCOME BEFORE FIT	(6,150)	517	0	3,453	92,157
	FEDERAL INCOME TAX					
25	Current Accrual	(2,153)	181	1,438	1,209	(1,846)
26	Deferred Income Taxes					23,983
27	Amortized ITC - Noxon					(58)
28	NET OPERATING INCOME	(\$3,997)	\$336	(\$1,438)	\$2,244	\$70,078
	RATE BASE PLANT IN SERVICE					
29						\$57,116
30	500 min () - 1 () -					751,055
31						301,090
32						598,884 98,727
33			0	0	0	1,806,872
34	Total Plant in Service	0	0		U	
35						566,865 65,245
36				0	0	632,110
37		0	0	0	U	(322
38	_					,,
39 40						(169,421
		\$0	\$0	\$0	\$0	\$1,005,019
41						

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

REVISED RESTATE DEBT INTEREST ELECTRIC

	(000'S OF DOLLARS)	ELECTRIC				
Line No.	DESCRIPTION	System W	ashington	Idaho		
140.	REVENUES					
1	Total General Business	\$0				
2	Interdepartmental Sales					
3	Sales For Resale					
4	Total Sales of Electricity	0	0	0		
5	Other Revenue					
6	Total Electric Revenue	0	0	0		
	EXPENSES					
	Production and Transmission					
7	Operating Expenses					
8	Purchased Power					
9	Depreciation and Amortization					
10	Taxes					
11	Total Production & Transmission	0	0	0		
	Distribution					
12	Operating Expenses					
13	Depreciation	0		0		
14	Taxes	0	0	0		
15	Total Distribution	U	U	V		
16	Customer Accounting					
17	Customer Service & Information					
18	Marketing					
	Administrative & General					
19	Operating Expenses					
20	Depreciation					
21	Taxes	0	0	0		
22	Total Admin. & General	0	0	0		
23	Total Electric Expenses	0	U			
24	Operating Income before FIT	0	0	0		
	Federal Income Taxes	1.420	1 420	0		
25	Current Accrual (at 35%)	1,438	1,438	U		
26	Deferred income Taxes					
27	Amortized ITC - Noxon					
28	NET OPERATING INCOME	(\$1,438)	(\$1,438)	\$0		
	RATE BASE					
	PLANT IN SERVICE					
29	Intangible					
30						
31	Transmission					
32	Distribution					
33						
34	The second secon	0	0	0		
35						
36						
37		0	0	0		
38						
39						
40		-				
41	TOTAL RATE BASE	\$0	\$0	\$0		
41						

ab-2

AVISTA UTILITIES

Restate Debt Interest - Proforma

Washington - Electric

TWELVE MONTHS ENDED DECEMBER 31, 2009

	(000's)	REVISED Rate Base
	Adjustment Description	Adjustments
b	Per Results Report	1,150,959
С	Deferred FIT Rate Base	(163,716)
d	Deferred Gain on Office Building	(209)
e	Colstrip 3 AFUDC Elimination	(1,700)
f	Colstrip Common AFUDC	426
g	Kettle Falls Disallow.	(756)
h	Customer Advances	(257)
i	Customer Deposits	(3,060)
j	Settlement Exchange Power	19,427
k	CDA Settlement	437
1	Spokane River Relicensing	169
m	Montana Lease	3,299
n	Eliminate B & O Taxes	0
0	Property Tax	0
p	Uncollect. Expense	0
q	Regulatory Expense	0
r	Injuries and Damages	
S	FIT	0
t	Eliminate WA Power Cost Defer	0
u	Nez Perce Settlement Adjustment	0
V	Eliminate A/R Expenses	0
W	Office Space Charges to Subsidiaries	0
X	Restate Excise Taxes	0
У	Net Gains/losses	0
Z	Revenue Normalization	0
aa	Misc Restating	0
ac	Normalized Power Supply	0
	Restated Rate Base	1,005,019
	Weighted Average Cost of Debt	3.14%
	Restated Debt Interest	\$31,558
	Interest Per Results (E-FIT-12A)	35,665
	Increase (Decrease) in Interest Expense	(4,107)
	FIT Rate	x 0.350
	Increase (Decrease) in FIT	\$1,438

AVISTA UTILITIES Actual AMA Capital Structure 12/31/2009 Washington - Electric System REVISED

Component	Capital Structure	ProForma Cost	ProForma Weighted Cost	
Total Debt	51.83%	6.049%	3.14%	WA wtd debt
Pref Trust	0.00%	0.00%	0.00%	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Common	48.17%	10.20%	4.91%	
Total	100.00%		8.05%	

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

NORMALIZED POWER SUPPLY ADJUSTMENT

DESTRUCTO	ELECTRIC	
KE VISED	LULLINIC	

	(000'S OF DOLLARS)		KEVIL	DED ELLECTRIC	
Line No.	DESCRIPTION		System	Washington	Idaho
110.	REVENUES				
1	Total General Business		\$0		
2	Interdepartmental Sales				
3	Sales For Resale	-	(97,286)	(97,286)	
4	Total Sales of Electricity		(97,286)	(97,286)	0
5	Other Revenue		(21,496)	(21,496)	
6	Total Electric Revenue		(118,782)	(118,782)	0
	EXPENSES				
	Production and Transmission		. 9000		
7	Operating Expenses		(14,264)		
8	Purchased Power		(107,970)	(107,970)	
9	Depreciation and Amortization		0		
10	Taxes				
11	Total Production & Transmission		(122,234)	(122,234)	0
	Distribution				
12	Operating Expenses				
13	Depreciation		0		
14	Taxes		0	0	0
15	Total Distribution		0	U	U
16	Customer Accounting				
17	Customer Service & Information				
18	Marketing				
	Administrative & General		0		
19	Operating Expenses		0		
20	Depreciation				
21	Taxes	-		0	
22	Total Admin. & General	-	0	0	0
23	Total Electric Expenses		(122,234)	(122,234)	0
24	Operating Income before FIT		3,452	3,452	0
	Federal Income Taxes	25.00/	1 200	1,208	0
25	Current Accrual	35.0%	1,208	1,200	0
26	Deferred Income Taxes				
27	Amortized ITC - Noxon	_			
28	NET OPERATING INCOME		\$2,244	\$2,244	\$0
	RATE BASE				
	PLANT IN SERVICE				
29	Intangible				
30	Production				
31	Transmission				
32	Distribution				
33	General	· -			
34			0	0	0
35	ACCUMULATED DEPRECIATION				
36					
37		_	0	0	0
38					
39					
40		_			
41	TOTAL RATE BASE		\$0	\$0	\$0
41	TOTAL MATE DAGE	=			

Avista Corporation	WA Power Supply Adjustment	Normalize 2009 Adjustment	REVISED
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P/T Allocation Percentages 447 Sales for Resale 453 Sales of Water and Water Power	Power Supply Adjustment -\$149,970	Less Idaho Direct Potlatch Adjustment (1)	System Net Power Supply Adjustment -\$149,970	Total Washington Adjustment 64.87% -\$97,286	Total Idaho Adjustment 35.13% -\$52,684
454 Misc Rents 456 Other Electric Revenue Total Revenue	-33,137 -183,107	0	-\$33,137 -183,107	-21,496 -118,782	-11,641 -64,325
501 Thermal Fuel Expense	4,032		\$4,032	2,616	1,416
540 Other Fuel Expense 547 Other Fuel Expense 536 Water for Power	-37,271		-\$37,271	-24,178 0	-13,093 0
555 Purchased Power 540 Misc Other Gen Expense	-142,124 0	-19,413	-\$122,711 \$0	-79,603 0	-43,108 0
5-50 Miles Carlot Con Expenses	00		\$0	00	00
557 Other Expenses 565 Trans of Fler by Others	-32,480		-\$32,480	-21,070 0	-11,410 0
	-207,843	-19,413	-188,430	-122,235	-66,195
Net Income Before Income Taxes	24,736	19,413	5,323	3,453	1,870
Idaho State Income Tax 1.1420%					21
Net Income before FIT				3,453	1,849
Federal Income Tax 35%				1,209	647
Net Income				\$2,244	\$1,202

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

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

Avista Corp. Power Supply Commission Basis Report - Washington Jurisdiction System Numbers - Jan 2009 - Dec 2009 Actual vs Jan 2009 - Dec 2009 Normalized

Line No.		Jan 09 - Dec 09 Actuals	Adjustment	Jan 09 - Dec 09 Normalized	
	555 PURCHASED POWER	7 P 21		*** ***	
1	Modeled Short-Term Market Purchases	\$0	\$36,458	\$36,458	
2	Actual ST Market Purchases - Physical	198,063	-198,063	1 659	
3	Rocky Reach	1,658	0	1,658	
4	Wanapum	4,989	0	4,989 1,412	
5	Wells - Avista Share	1,412	0		
6	Wells - Colville Tribe's Share	11,202	0	11,202 4,999	
7	Priest Rapids Project	4,999	0	5,333	
8	Grant Displacement	5,333	0	365	
9	Douglas Settlement	365 14,078	1,465	15,543	
10	WNP-3	7	1,405	7	
11	Deer Lake-IP&L	904	0	904	
12	Small Power	1,865	. 0	1,865	
13	Stimson	1,792	0	1,792	
14	Spokane-Upriver	1,792	-1,511	0	
15	Douglas Exchange Capacity	1,535	-1,535	0	
16	Seattle Exchange Capacity	139	-1,533	106	
17	Black Creek Index Purchase	-142	142	0	
18	Non-Monetary		0	6,789	
19	Contract A	6,789	0	6,745	
20	Contract B	6,745	0	6,657	
21	Contract C	6,657	0	7,556	
22	Contract D	7,556		0	
23	Northwestern Deviation Energy	1,661	-1,661	0	
24	BPA NT Deviation Energy	1,101	-1,101	0	
25	Clearwater Paper Co-Gen Purchase	19,413	-19,413	622	
26	Spinning Reserve Purchase	622	0	0	
27	Ancillary Services	686	-686		
28	Stateline Wind Purchase	2,846	-185,853	2,930	
29	Total Account 555	303,786	adjuste		mtracto
	THE OTHER EVENIOUS	*	adjust	System	42729 m
	557 OTHER EXPENSES	124	0	124	\$ 11/2 12(1
30	Broker Commission Fees	350	0	350	5142,129
31	REC Purchases	32,480	-32,480	0	
32	Natural Gas Fuel Purchases	32,954	-32,480	474	
33	Total Account 557	32,904	-32,400		
0.4	501 THERMAL FUEL EXPENSE	7,450	230	7,680	
34	Kettle Falls - Wood Fuel	47	0		
35	Kettle Falls - Start-up Gas	13,336	3,802		
36	Colstrip - Coal	113	0		
37	Colstip - Oil	20,946	4,032		
38	Total Account 501	20,010	1,002		
	547 OTHER FUEL EXPENSE	VIII.		24.000	
39	Coyote Springs Gas	57,429			
40	Rathdrum Gas	2,628			
41	Northeast CT Gas	3			
42	Boulder Park Gas	1,461			
43	Kettle Falls CT Gas	303			
44	Total Account 547	61,824	-37,271	24,553	
	565 TRANSMISSION OF ELECTRICITY BY OTHERS				
45	WNP-3	789	0	789	
46	Sand Dunes-Warden	13			
47		25	0	25	
47 48	Black Creek Wheeling Wheeling for System Sales & Purchases	25 332			

Avista Corp.

Power Supply Commission Basis Report - Washington Jurisdiction

System Numbers - Jan 2009 - Dec 2009 Actual vs Jan 2009 - Dec 2009 Normalized

Line		Jan 09 - Dec 09		Jan 09 - Dec 09
No.		Actuals	Adjustment	Normalized
49	PTP Transmission for Colstrip & Coyote	8,432	0	8,432
50	BPA Townsend-Garrison Wheeling	1,173	0	1,173
51	Avista on BPA - Borderline	1,530	0	1,530
52	Kootenai for Worley	45	0	45
53	Sagle-Northern Lights	140	0	140
54	Garrison-Burke	226	0	226
55	PGE Firm Wheeling	647	0	647
56	Total Account 565	13,352	0	13,352
	536 WATER FOR POWER			
57	Headwater Benefits Payments	716	0	716
01	Treadwater Benefits Faymonte			
	549 MISC OTHER GENERATION EXPENSE			
58	Rathdrum Municipal Payment	160	. 0	160
	TOTAL EVERYOR	433,738	-251,572	182,166
59	TOTAL EXPENSE	433,730	-231,372	102,100
	447 SALES FOR RESALE			
60	Modeled Short-Term Market Sales	0	15,027	15,027
61	Actual ST Market Sales - Physical	158,707	-158,707	0
62	Peaker (PGE) Capacity Sale	1,748	0	1,748
63	Nichols Pumping Sale	1,642	144	1,786
64	Sovereign/Kaiser DES	511	-450	61
65	Pend Oreille DES & Spinning	613	-223	390
66	Northwestern Load Following	4,554	-1,740	2,814
67	NaturEner	313	-175	138
68	SMUD Sale	27,648	-1,927	25,721
69	Ancillary Services	686	-686	0
70	BPA NT Deviation Energy	1,233	-1,233	0 47,685
71	Total Account 447	197,655	-149,970	47,000
	AFC OTHER ELECTRIC REVENUE			
70	456 OTHER ELECTRIC REVENUE Renewable Energy Credit Sales	144	0	144
72 73	Gas Not Consumed Sales Revenue	33.137	-33,137	0
74	Total Account 456	33,281	-33,137	144
14				
	453 SALES OF WATER AND WATER POWER	381	0	381
75	Upstream Storage Revenue	301	0	301
	454 MISC RENTS			
76	Colstrip Rents	29	0	29
77	TOTAL REVENUE	231,346	-183,107	48,239
78	TOTAL NET EXPENSE	202,392	-68,465	133,927
79	Clearwater Paper Purchase Assigned to Idaho		19,413	
80	Total Adjustment Including Clearwater Paper		-49,052	

2009 Commission Basis Report Actual Short-Term Transactions Not Included in CBR Normalized 2009 Expense

Total (1)	\$43,728,682 System
Natural Gas Physical	\$14,645,246
Electric Financial	\$30,018,516
Electric Physical	-\$935,080
Transactions	Mark to Model Price

¹⁾ This means the normalized 2009 expense is \$43,728,682 higher (system) if the actual short-term transaction are included.