

Exhibit No. ____ (TLK-4)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-10 _____

EXHIBIT NO. ____ (TLK-4)

TARA L. KNOX

REPRESENTING AVISTA CORPORATION

Sumcost
Scenario: Company Base Case
Revised Peak Credit Method

AVISTA UTILITIES
Cost of Service Basic Summary
For the Twelve Months Ended December 31, 2009

Washington Jurisdiction
Electric Utility
03-03-10

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description					System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-49
1 Plant In Service											
1 Production Plant					725,456,000	336,861,920	56,684,660	205,492,045	106,850,067	17,016,203	2,551,104
2 Transmission Plant					294,963,000	136,964,616	23,047,404	83,550,967	43,444,146	6,918,615	1,037,253
3 Distribution Plant					626,363,000	343,195,770	59,492,128	157,230,866	21,228,836	16,437,104	28,778,296
4 Intangible Plant					77,954,000	36,718,228	6,191,154	21,865,937	10,821,133	1,842,712	514,835
5 General Plant					105,397,000	57,853,530	9,431,867	24,632,810	9,127,253	2,382,191	1,969,349
6 Total Plant In Service					1,830,133,000	911,594,064	154,847,214	492,772,624	191,471,436	44,596,824	34,850,838
7 Accum Depreciation											
7 Production Plant					(287,768,000)	(133,623,653)	(22,485,211)	(81,512,917)	(42,384,418)	(6,749,850)	(1,011,951)
8 Transmission Plant					(94,955,000)	(44,091,886)	(7,419,460)	(26,896,872)	(13,985,615)	(2,227,252)	(333,914)
9 Distribution Plant					(181,966,000)	(98,659,759)	(16,733,951)	(43,090,896)	(5,457,564)	(4,533,228)	(13,490,603)
10 Intangible Plant					(11,342,000)	(5,499,585)	(930,913)	(3,116,108)	(1,375,958)	(272,340)	(147,097)
11 General Plant					(39,632,000)	(21,729,915)	(3,544,552)	(9,280,549)	(3,438,126)	(896,797)	(742,061)
12 Total Accumulated Depreciation					(615,663,000)	(303,604,799)	(51,114,086)	(163,897,341)	(66,641,681)	(14,679,467)	(15,725,626)
13 Net Plant					1,214,470,000	607,989,265	103,733,128	328,875,283	124,829,755	29,917,357	19,125,212
14 Accumulated Deferred FIT					(172,945,000)	(86,155,124)	(14,602,478)	(46,465,416)	(18,388,182)	(4,193,698)	(3,140,103)
15 Miscellaneous Rate Base					34,140,000	15,366,297	2,698,422	10,222,307	4,473,808	867,411	511,755
16 Total Rate Base					1,075,665,000	537,200,439	91,829,072	292,632,174	110,915,381	26,591,070	16,496,864
17 Revenue From Retail Rates					399,943,000	177,103,000	42,070,000	120,869,000	44,938,000	9,096,000	5,867,000
18 Other Operating Revenues					40,208,000	18,929,645	3,192,215	11,289,820	5,582,002	949,872	264,445
19 Total Revenues					440,151,000	196,032,645	45,262,215	132,158,820	50,520,002	10,045,872	6,131,445
20 Operating Expenses											
20 Production Expenses					199,990,000	92,864,371	15,626,537	56,648,996	29,455,880	4,690,940	703,275
21 Transmission Expenses					17,338,000	8,050,815	1,354,732	4,911,147	2,553,658	406,678	60,970
22 Distribution Expenses					19,176,000	10,064,807	2,161,587	4,674,730	678,906	544,055	1,051,915
23 Customer Accounting Expenses					9,687,000	7,585,137	1,100,575	596,639	252,852	117,382	34,415
24 Customer Information Expenses					859,000	736,786	99,921	12,338	81	8,691	1,183
25 Sales Expenses					665,000	294,938	50,800	193,207	105,889	16,890	3,277
26 Admin & General Expenses					41,944,000	22,167,176	3,808,054	10,144,007	4,138,773	968,603	717,387
27 Total O&M Expenses					289,659,000	141,764,029	24,202,205	77,181,064	37,186,040	6,753,238	2,572,423
28 Taxes Other Than Income Taxes					29,207,000	13,523,218	2,765,584	8,453,273	3,355,505	683,460	425,959
29 Other Income Related Items					(73,000)	(39,998)	(6,934)	(18,325)	(2,474)	(1,916)	(3,354)
30 Depreciation Expense											
30 Production Plant Depreciation					19,236,000	9,016,310	1,510,092	5,419,366	2,784,944	443,349	61,940
31 Transmission Plant Depreciation					5,994,000	2,783,284	468,351	1,697,855	882,837	140,594	21,078
32 Distribution Plant Depreciation					17,565,000	9,400,906	1,684,095	4,632,005	676,096	479,772	692,127
33 General Plant Depreciation					7,804,000	4,184,772	688,758	1,892,771	711,986	179,752	145,961
34 Amortization Expense					2,236,000	1,038,276	174,713	633,367	329,333	52,447	7,863
35 Total Depreciation Expense					52,835,000	26,423,547	4,526,009	14,275,364	5,385,196	1,295,915	928,969
36 Income Tax					13,269,000	(773,718)	4,086,161	8,687,377	447,825	186,878	634,477
37 Total Operating Expenses					384,897,000	180,897,078	35,573,026	108,578,754	46,372,092	8,917,576	4,558,474
38 Net Income					55,254,000	15,135,567	9,689,189	23,580,066	4,147,910	1,128,297	1,572,971
39 Rate of Return					5.14%	2.82%	10.55%	8.06%	3.74%	4.24%	9.53%
40 Return Ratio					1.00	0.55	2.05	1.57	0.73	0.83	1.86
41 Interest Expense					32,915,000	16,438,159	2,809,940	8,954,450	3,393,975	813,678	504,799

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description					System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-49
Functional Cost Components at Current Return by Schedule											
1 Production					239,957,433	103,834,439	21,821,267	73,991,888	33,876,580	5,479,918	953,340
2 Transmission					31,228,856	11,391,716	3,690,398	11,305,564	4,012,001	673,579	155,598
3 Distribution					77,939,987	36,412,575	11,315,159	22,355,438	2,300,299	1,798,109	3,758,408
4 Common					50,816,724	25,464,270	5,243,176	13,216,109	4,749,120	1,144,394	999,654
5 Total Current Rate Revenue					399,943,000	177,103,000	42,070,000	120,869,000	44,938,000	9,096,000	5,867,000
Expressed as \$/kWh											
6 Production					\$0.04437	\$0.04350	\$0.05307	\$0.04723	\$0.03853	\$0.04009	\$0.03594
7 Transmission					\$0.00578	\$0.00477	\$0.00898	\$0.00722	\$0.00456	\$0.00493	\$0.00587
8 Distribution					\$0.01441	\$0.01525	\$0.02752	\$0.01427	\$0.00262	\$0.01315	\$0.14169
9 Common					\$0.00940	\$0.01067	\$0.01275	\$0.00844	\$0.00540	\$0.00837	\$0.03769
10 Total Current Melded Rates					\$0.07396	\$0.07419	\$0.10232	\$0.07715	\$0.05111	\$0.06654	\$0.22118
Functional Cost Components at Uniform Current Return											
11 Production					240,228,607	111,590,747	18,774,147	68,032,353	35,358,538	5,630,876	841,945
12 Transmission					31,339,354	14,552,275	2,448,750	8,877,159	4,615,872	735,092	110,206
13 Distribution					77,422,864	44,630,630	7,946,242	17,449,025	2,625,662	1,954,159	2,817,146
14 Common					50,952,175	27,130,266	4,599,539	12,238,541	4,924,923	1,172,584	886,321
15 Total Uniform Current Cost					399,943,000	197,903,919	33,768,679	106,597,077	47,524,996	9,492,711	4,655,619
Expressed as \$/kWh											
16 Production					\$0.04442	\$0.04675	\$0.04566	\$0.04342	\$0.04022	\$0.04119	\$0.03174
17 Transmission					\$0.00580	\$0.00610	\$0.00596	\$0.00567	\$0.00525	\$0.00538	\$0.00415
18 Distribution					\$0.01432	\$0.01870	\$0.01933	\$0.01114	\$0.00299	\$0.01429	\$0.10620
19 Common					\$0.00942	\$0.01136	\$0.01119	\$0.00781	\$0.00560	\$0.00858	\$0.03341
20 Total Current Uniform Melded Rates					\$0.07396	\$0.08290	\$0.08213	\$0.06804	\$0.05405	\$0.06944	\$0.17551
21 Revenue to Cost Ratio at Current Rates					1.00	0.89	1.25	1.13	0.95	0.96	1.26
Functional Cost Components at Proposed Return by Schedule											
22 Production					262,168,826	113,584,796	23,740,295	80,714,211	37,109,395	5,992,258	1,027,870
23 Transmission					40,287,110	15,368,300	4,472,954	14,046,917	5,330,419	882,524	185,994
24 Distribution					97,811,638	46,751,687	13,438,294	27,894,192	3,010,642	2,328,165	4,388,659
25 Common					54,973,426	27,558,216	5,648,457	14,318,680	5,132,544	1,240,052	1,075,477
26 Total Proposed Rate Revenue					455,241,000	203,263,000	47,300,000	136,974,000	50,583,000	10,443,000	6,678,000
Expressed as \$/kWh											
27 Production					\$0.04848	\$0.04758	\$0.05774	\$0.05152	\$0.04221	\$0.04383	\$0.03875
28 Transmission					\$0.00745	\$0.00644	\$0.01088	\$0.00897	\$0.00606	\$0.00646	\$0.00701
29 Distribution					\$0.01809	\$0.01958	\$0.03268	\$0.01780	\$0.00342	\$0.01703	\$0.16545
30 Common					\$0.01017	\$0.01154	\$0.01374	\$0.00914	\$0.00584	\$0.00907	\$0.04054
31 Total Proposed Melded Rates					\$0.08419	\$0.08515	\$0.11504	\$0.08743	\$0.05753	\$0.07639	\$0.25175
Functional Cost Components at Uniform Requested Return											
32 Production					262,396,486	121,884,288	20,506,269	74,311,609	38,623,576	6,150,844	919,900
33 Transmission					40,379,877	18,750,197	3,155,146	11,437,969	5,947,421	947,145	141,998
34 Distribution					97,342,515	55,545,263	9,862,732	22,623,007	3,343,080	2,492,099	3,476,332
35 Common					55,122,122	29,340,884	4,965,340	13,268,433	5,312,170	1,269,666	965,629
36 Total Uniform Cost					455,241,000	225,520,632	38,489,488	121,641,019	53,226,247	10,859,754	5,503,859
Expressed as \$/kWh											
37 Production					\$0.04852	\$0.05106	\$0.04987	\$0.04743	\$0.04393	\$0.04499	\$0.03468
38 Transmission					\$0.00747	\$0.00785	\$0.00767	\$0.00730	\$0.00676	\$0.00693	\$0.00535
39 Distribution					\$0.01800	\$0.02327	\$0.02399	\$0.01444	\$0.00380	\$0.01823	\$0.13105
40 Common					\$0.01019	\$0.01229	\$0.01208	\$0.00847	\$0.00604	\$0.00929	\$0.03640
41 Total Uniform Melded Rates					\$0.08419	\$0.09447	\$0.09361	\$0.07764	\$0.06054	\$0.07944	\$0.20749
42 Revenue to Cost Ratio at Proposed Rates					1.00	0.90	1.23	1.13	0.95	0.96	1.21
43 Current Revenue to Proposed Cost Ratio					0.88	0.79	1.09	0.99	0.84	0.84	1.07

Sumcost
Scenario: Company Base Case
Revised Peak Credit Method

AVISTA UTILITIES
Revenue to Cost By Classification Summary
For the Twelve Months Ended December 31, 2009

Washington Jurisdiction
Electric Utility
03-03-10

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Description					System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-49
Cost Classifications at Current Return by Schedule											
1 Energy					186,496,672	75,759,755	17,025,406	59,876,888	28,187,811	4,582,144	1,064,668
2 Demand					183,292,897	80,427,973	20,206,512	59,422,257	16,591,636	4,039,583	2,604,937
3 Customer					30,153,431	20,915,272	4,838,082	1,569,855	158,553	474,274	2,197,395
4 Total Current Rate Revenue					399,943,000	177,103,000	42,070,000	120,869,000	44,938,000	9,096,000	5,867,000
Expressed as Unit Cost											
5 Energy		\$/kWh			\$0.03449	\$0.03174	\$0.04141	\$0.03822	\$0.03206	\$0.03352	\$0.04014
6 Demand		\$/kW/mo			\$14.57	\$13.24	\$19.13	\$17.19	\$10.54	\$12.09	\$30.20
7 Customer		\$/Cust/mo			\$10.77	\$8.71	\$14.85	\$39.03	\$600.58	\$16.74	\$569.86
Cost Classifications at Uniform Current Return											
8 Energy					186,427,683	82,683,481	14,241,268	54,164,114	29,685,143	4,734,909	918,767
9 Demand					182,825,618	92,500,033	15,432,491	50,997,366	17,678,397	4,269,159	1,948,173
10 Customer					30,689,699	22,720,405	4,094,919	1,435,598	161,456	488,643	1,788,679
11 Total Uniform Current Cost					399,943,000	197,903,919	33,768,679	106,597,077	47,524,996	9,492,711	4,655,619
Expressed as Unit Cost											
12 Energy		\$/kWh			\$0.03448	\$0.03464	\$0.03464	\$0.03457	\$0.03376	\$0.03464	\$0.03464
13 Demand		\$/kW/mo			\$14.53	\$15.23	\$14.61	\$14.76	\$11.23	\$12.78	\$22.58
14 Customer		\$/Cust/mo			\$10.96	\$9.46	\$12.57	\$35.70	\$611.58	\$17.25	\$463.87
15 Revenue to Cost Ratio at Current Rates					1.00	0.89	1.25	1.13	0.95	0.96	1.26
Cost Classifications at Proposed Return by Schedule											
16 Energy					207,284,519	84,465,392	18,779,140	66,322,111	31,454,845	5,100,724	1,162,307
17 Demand					214,585,234	95,612,760	23,214,691	68,930,581	18,963,280	4,819,229	3,044,694
18 Customer					33,371,247	23,184,848	5,306,169	1,721,309	164,876	523,047	2,470,999
19 Total Proposed Rate Revenue					455,241,000	203,263,000	47,300,000	136,974,000	50,583,000	10,443,000	6,678,000
Expressed as Unit Cost											
20 Energy		\$/kWh			\$0.03833	\$0.03538	\$0.04567	\$0.04233	\$0.03578	\$0.03731	\$0.04382
21 Demand		\$/kW/mo			\$17.06	\$15.74	\$21.98	\$19.95	\$12.05	\$14.43	\$35.29
22 Customer		\$/Cust/mo			\$11.92	\$9.65	\$16.29	\$42.80	\$624.53	\$18.46	\$640.82
Cost Classifications at Uniform Requested Return											
23 Energy					207,149,672	91,873,995	15,824,227	60,184,616	32,984,734	5,261,208	1,020,891
24 Demand					214,099,609	108,530,241	18,147,839	59,879,334	20,073,671	5,060,404	2,408,121
25 Customer					33,991,719	25,116,396	4,517,422	1,577,069	167,842	538,142	2,074,848
26 Total Uniform Cost					455,241,000	225,520,632	38,489,488	121,641,019	53,226,247	10,859,754	5,503,859
Expressed as Unit Cost											
27 Energy		\$/kWh			\$0.03831	\$0.03849	\$0.03849	\$0.03841	\$0.03752	\$0.03849	\$0.03849
28 Demand		\$/kW/mo			\$17.02	\$17.87	\$17.18	\$17.33	\$12.76	\$15.15	\$27.91
29 Customer		\$/Cust/mo			\$12.14	\$10.46	\$13.87	\$39.21	\$635.76	\$19.00	\$538.08
30 Revenue to Cost Ratio at Proposed Rates					1.00	0.90	1.23	1.13	0.95	0.96	1.21
31 Current Revenue to Proposed Cost Ratio					0.88	0.79	1.09	0.99	0.84	0.84	1.07

Sumcost
Scenario: Company Base Case
Revised Peak Credit Method

AVISTA UTILITIES
Customer Cost Analysis
For the Twelve Months Ended December 31, 2009

Washington Jurisdiction
Electric Utility

03-03-10

Description	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
					System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Pumping Service Sch 31-32	Street & Area Lights Sch 41-49
Meter, Services, Meter Reading & Billing Costs by Schedule at Requested Rate of Return											
Rate Base											
1	Services				69,507,000	59,714,727	8,098,332	989,556	0	704,385	0
2	Services Accum. Depr.				(24,773,000)	(21,282,934)	(2,886,328)	(352,688)	0	(251,050)	0
3	Total Services				44,734,000	38,431,792	5,212,004	636,868	0	453,335	0
4	Meters				16,181,000	9,077,559	3,680,903	2,704,352	77,863	640,323	0
5	Meters Accum. Depr.				(3,028,000)	(1,698,711)	(688,819)	(506,074)	(14,571)	(119,826)	0
6	Total Meters				13,153,000	7,378,847	2,992,084	2,198,278	63,292	520,498	0
7	Total Rate Base				57,887,000	45,810,640	8,204,089	2,835,146	63,292	973,833	0
8	Return on Rate Base @ 8.33%				4,821,987	3,816,026	683,401	236,168	5,272	81,120	0
9	Revenue Conversion Factor				0.62116	0.62116	0.62116	0.62116	0.62116	0.62116	0.62116
10	Rate Base Revenue Requirement				7,762,874	6,143,387	1,100,201	380,204	8,488	130,595	0
Expenses											
11	Services Depr Exp				1,163,000	999,154	135,502	16,557	0	11,786	0
12	Meters Depr Exp				675,000	378,676	153,551	112,814	3,248	26,711	0
13	Services Operations Exp				486,000	417,531	56,624	6,919	0	4,925	0
14	Meters Operating Exp				1,509,000	846,551	343,272	252,201	7,261	59,715	0
15	Meters Maintenance Exp				125,000	70,125	28,435	20,891	602	4,947	0
16	Meter Reading				2,302,000	1,919,198	260,276	32,139	64,667	22,639	3,081
17	Billing				5,253,000	4,501,125	610,429	75,377	5,748	53,095	7,227
18	Total Expenses				11,513,000	9,132,360	1,588,090	516,899	81,526	183,817	10,308
19	Revenue Conversion Factor				0.955634	0.955634	0.955634	0.955634	0.955634	0.955634	0.955634
20	Expense Revenue Requirement				12,047,499	9,556,336	1,661,818	540,897	85,311	192,351	10,787
21	Total Meter, Service, Meter Reading, and				19,810,374	15,699,723	2,762,019	921,101	93,798	322,946	10,787
22	Total Customer Bills				2,799,975	2,401,609	325,699	40,218	264	28,329	3,856
23	Average Unit Cost per Month				\$7.08	\$6.54	\$8.48	\$22.90	\$355.30	\$11.40	\$2.80
Distribution Fixed Costs per Customer											
24	Total Customer Related Cost				33,991,719	25,116,396	4,517,422	1,577,069	167,842	538,142	2,074,848
25	Customer Related Unit Cost per Month				\$12.14	\$10.46	\$13.87	\$39.21	\$635.76	\$19.00	\$538.08
26	Total Distribution Demand Related Cost				84,334,612	43,866,069	7,634,424	24,567,417	3,606,380	2,415,184	2,245,138
27	Dist Demand Related Unit Cost per Month				\$30.12	\$18.27	\$23.44	\$610.86	\$13,660.53	\$85.25	\$582.25
28	Total Distribution Unit Cost per Month				\$42.26	\$28.72	\$37.31	\$650.07	\$14,296.30	\$104.25	\$1,120.33