

AVISTA CORPORATION
Summary of Requested Rate Increase
Electric Service
Based on Rates Currently in Effect
Washington Jurisdiction
Filed April 2, 2012

- a) **The date and amount of the latest prior general rate increase authorized by the Commission, and revenue realized from that authorized increase in the test period, based on the company's test period units of revenue.**

Date	January 1, 2012
Amount (thousands)	\$ 20,000
Revenue realized (thousands)	\$ 20,000

- b) **Total general business revenues at present rates and at requested rates.**

Present Rates (thousands)	\$ 454,285
Requested Rates (thousands)	\$ 495,268

- c) **Requested revenue change in percentage, in total and by major customer class.**

	Base Tariff Revenue	Billed Revenue Before ERM Offset	Billed Revenue with ERM Offset
Residential	9.0%	9.0%	6.0%
General Service (Small Commercial)	9.0%	8.6%	5.8%
Large General Service (Medium - Large Commercial / Industrial)	9.0%	8.6%	5.8%
Extra Large General Service (Large - Commercial / Industrial)	9.0%	8.6%	5.8%
Pumping Service	9.0%	8.6%	5.8%
Street & Area Lighting	9.0%	8.6%	5.8%
Other	N.A.	N.A.	N.A.
Overall	9.0%	8.8%	5.9%

- d) **Requested revenue change in thousands of dollars, in total and by major customer class.**

Residential	\$ 17,867
General Service (Small Commercial)	\$ 4,999
Large General Service (Medium - Large Commercial / Industrial)	\$ 11,432
Extra Large General Service (Large - Commercial / Industrial)	\$ 5,241
Pumping Service	\$ 850
Street & Area Lighting	\$ 594
Other	\$ -
Total	\$ 40,983

- e) **Requested rate change in dollars per month, per average customer, by customer class.**

	Before ERM Rebate	Including ERM Rebate
Residential (989 kwhs)	\$ 7.39	\$ 4.94
General Service (Small Commercial)	\$ 14.71	\$ 9.85
Large General Service (Medium - Large Commercial / Industrial)	\$ 355.21	\$ 237.74
Extra Large General Service (Large - Commercial / Industrial)	\$ 19,851.75	\$ 13,286.10
Pumping Service	\$ 29.52	\$ 19.75

- Requested rate change in dollars per month, per average residential customer.**

	Before ERM Rebate	Including ERM Rebate
Monthly impact at average usage of 600 kwhs per mo. (non-electric heat)	\$ 6.06	\$ 4.58
Monthly impact at average usage of 1000 kwhs per mo. (average)	\$ 7.43	\$ 4.96
Monthly impact at average usage of 1400 kwhs per mo. (electric heat)	\$ 8.80	\$ 5.34

- f) **Most current customer count by major customer class. (1)**

Residential	202,664
General Service (Small Commercial)	28,215
Large General Service (Medium - Large Commercial / Industrial)	2,989
Extra Large General Service (Large - Commercial / Industrial)	22
Pumping Service	2,403
Total	236,293

(1) December 31, 2011

g) Current authorized overall rate of return and authorized rate of return on common equity.	
Overall rate of return	N/A
Rate of return on common equity	N/A
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h) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate rate of return on common equity.	
Overall rate of return	8.25%
Rate of return on common equity	10.90%
The methodologies utilized in the derivation of the rate of return on common equity were discounted cash flow analysis, risk premium model analysis and capital asset pricing model analysis.	
i) Requested capital structure.	
Total Debt (including Short-Term)	51.60%
Preferred Stock	0.00%
Common Equity	48.40%
Total	100.00%
j) Requested total net operating income.	
Net operating income (thousands)	\$ 100,867
k) Requested total rate base and method of calculation, or equivalent.	
Rate base (thousands)	\$ 1,222,625
Method of calculation is average of monthly average basis.	
l) Requested revenue effect of attrition allowance, if any requested.	
Attrition allowance	\$ 20,514