

AB<sub>1</sub>

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

RESTATE  
DEBT INTEREST  
ELECTRIC

Line No.	DESCRIPTION	System	Washington	Idaho
	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			
14	Taxes	0		0
15	Total Distribution	0	0	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
	Administrative & General			
19	Operating Expenses			
20	Depreciation			
21	Taxes			
22	Total Admin. & General	0	0	0
23	Total Electric Expenses	0	0	0
24	Operating Income before FIT	0	0	0
	Federal Income Taxes			
25	Current Accrual (at 35%)	136	136	0
26	Deferred income Taxes			
27	Amortized ITC - Noxon			
28	NET OPERATING INCOME	(\$136)	(\$136)	\$0
	RATE BASE			
	PLANT IN SERVICE			
29	Intangible			
30	Production			
31	Transmission			
32	Distribution			
33	General			
34	Total Plant in Service	0	0	0
35	ACCUMULATED DEPRECIATION			
36	ACCUM. PROVISION FOR AMORTIZATION			
37	Total Accum. Depreciation & Amort.	0	0	0
38	GAIN ON SALE OF BUILDING			
39	WORKING CAPITAL			
40	DEFERRED TAXES			
41	TOTAL RATE BASE	\$0	\$0	\$0

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**AVISTA UTILITIES**  
**Restate Debt Interest - Proforma**  
**Washington - Electric**  
TWELVE MONTHS ENDED DECEMBER 31, 2009  
(000's)

<u>Adjustment Description</u>	<u>Rate Base Adjustments</u>
b Per Results Report	1,150,959
c 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
l Spokane River Relicensing	169
m Montana Lease	3,299
n Eliminate B & O Taxes	0
o Property Tax	0
p Uncollect. Expense	0
q Regulatory Expense	0
r Injuries and Damages	0
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
y 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	3.51%
Restated Debt Interest	\$35,276
Interest Per Results (E-FIT-12A)	35,665
Increase (Decrease) in Interest Expense	(389)
FIT Rate	x 0.350
Increase (Decrease) in FIT	\$136

**AVISTA UTILITIES**  
**Authorized Cost of Capital**  
**Washington - Electric System**

<b>Component</b>	<b>Capital Structure</b>	<b>ProForma Cost</b>	<b>ProForma Weighted Cost</b>
Total Debt	53.50%	6.57%	3.51%
Pref Trust	0.00%	0.00%	0.00% <b>WA wtd debt</b> 3.51%
Common	46.50%	10.20%	4.74%
Total	<u>100.00%</u>		<u>8.25%</u>