

Exhibit No. \_\_\_\_ (DPK-4)  
Docket UE-090134/UG-090135  
and UG-060518 (consolidated)  
Witness: Danny P. Kermode

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-090134
TRANSPORTATION COMMISSION,	)	and UG-090135
	)	(consolidated)
Complainant,	)	
	)	
v.	)	
	)	
AVISTA CORPORATION, d/b/a	)	
AVISTA UTILITIES,	)	
	)	
Respondent.	)	
.....	)	
	)	
In the Matter of the Petition of	)	DOCKET UG-060518
	)	(consolidated)
AVISTA CORPORATION, d/b/a	)	
AVISTA UTILITIES,	)	
	)	
For an Order Authorizing	)	
Implementation of a Natural Gas	)	
Decoupling Mechanism and to Record	)	
Accounting Entries Associated With	)	
the Mechanism.	)	
.....	)	

**EXHIBIT TO TESTIMONY OF**  
**DANNY P. KERMODE**  
**STAFF OF WASHINGTON UTILITIES AND**  
**TRANSPORTATION COMMISSION**

*Electric – Pro Forma Interest Adjustment*

August 17, 2009

Avista Corporation  
**Electric Operations**  
Pro Forma Interest Adjustment  
(000's of Dollars)

**Pro Forma Interest Adjustment  
Restating Adjustment R-22**

Line No.	(A)	(B)	(C)
	Description	Amount	Adjustment
1			
2			
3			
4	Total Pro Forma Rate Base	996,613	
5			
6	Weighted Cost of Debt	3.59%	
7			
8	Pro Forma Interest Expense	<u>35,778</u>	35,778
9			<u>35,778</u>
10			35,778
11			
12	<b>Interest Expense Per Books</b>		<u>32,793</u>
13			
14	<b>Adjustment to Interest Expense</b>		<u>2,985</u>
15			
16	<b>Income Tax Effect</b>		<u>(1,045)</u>
17			
18			
19			
20			
21			
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23			
24			
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27			
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