

Avista Corporation
Electric Operations
Production Property Adjustment Calculation
(000's of Dollars)

Pro Forma adjustment PF-2
Production Property Adjustment Calculation

Line No.	Adjustment	Description of Adjustment	Revenue	Expense	Production Plant	Acc Depreciation	Deferred Tax
1		Per Results Report,	126,479	355,486	656,077	(241,172)	(60,350)
2							
3							
4							
5							
6			126,479	355,486	656,077	(241,172)	(60,350)
2							(58,908)
3	R-1	Deferred FIT Rate Base		-			
4	R-2	Deferred Gain on Office Building		(202)	(7,452)	(5,496)	-
5	R-3	Colstrip 3 AFUDC Elimination		-	436	-	-
6	R-4	Colstrip Common AFUDC		-	(5,248)	(3,796)	598
7	R-5	Kettle Falls Disallow.		-	-	-	-
8	R-6	Customer Advances		(685)	-	-	-
9	R-7	Depreciation True-up		-	79,626	(57,168)	(4,036)
10	R-8	Settlement Exchange Power		-	-	-	-
11	R-9	Eliminate B & O Taxes		-	-	-	-
12	R-10	Property Tax		1,374	-	-	-
13	R-11	Uncollect. Expense		-	-	-	-
14	R-12	Regulatory Expense		-	-	-	-
15	R-13	Injuries and Damages		-	-	-	-
16	R-14	FIT		-	-	-	-
17	R-15	Eliminate WA Power Cost Defer		(17,668)	-	-	-
18	R-16	Nez Perce Settlement Adjustment		9	-	-	-
19	R-17	Eliminate A/R Expenses		-	-	-	-
20	R-18	Office Space Charges to Subsidiaries		-	-	-	-
21	R-19	Restate Excise Taxes		-	-	-	-
22	R-20	Net Gains/losses		-	-	-	-
23	R-21	Revenue Normalization		2,618	-	-	-
24	R-22	Miscellaneous Restating		-	-	-	-
25	R-23	Restate Debt Interest		-	-	-	-
26	R-24	Customer Deposit		-	-	-	-
27	R-25	Board of Director Meeting Costs		-	-	-	-
28		Restated Total	126,479	340,932	723,439	(307,632)	(122,696)
29							
30	PF 1	Pro Forma Power Supply	(83,651)	(74,046)	-		
31	PF 2	Pro Forma Prod Property Adj					
32	PF 3	Pro Forma Labor Non-Exec		599	-		
33	PF 4	Pro Forma Labor Exec		(28)	-		
34	PF 5	Pro Forma Transmission Rev/Exp		103	-		
35	PF 6	Pro Forma Capital Add 2008		-	-	(7,750)	(1,289)
36	PF 7	Pro Forma Capital Add 2009		824	15,411	(873)	(626)
37	PF 8	Noxon Gen		-	14,591	(402)	(190)
38	PF 9	Pro Forma Asset Management		-	-		
39	PF 10	Information Services		-	-		
40	PF 11	Pro Forma Spokane Rvr Relicensing		3,636	26,703	(560)	(2,818)
41	PF 12	Pro Forma CDA Tribe Settlement		829	25,866	-	(8,384)
42	PF 13	Pro Forma Montana Lease		3,516	4,398		(1,539)
43	PF 14	Pro Forma Colstrip Mercury Emiss. O&M		1,227	-		
44	PF 15	Pro Forma Incentives		-	-		
45	PF 16	Pro Forma O&M Plant Expense		-	-		
46	PF 17	Pro Forma Employee Benefits		1,216	-		
47	PF 18	Pro Forma Insurance		-	-		
48	PF 19	Pro Forma Clark Fork PM&E		656	-		
49		Pro Forma Total	(83,651)	(61,468)	86,969	(9,585)	(14,846)
50		Total Adjustments	42,828	279,464	810,408	(317,217)	(137,542)
51							
52		2010 WA Retail Load in Power Supply	5,599,345				
53		Test Year WA Normalized Retail Load	5,487,574				
54		Production Factor	98.000%				
55							
56		Load-Adjusted Production/Transmission Costs	\$41,971	\$273,874	\$794,200	(\$310,873)	(\$134,791)
57							
58		Production Property Adjustment	(\$857)	(\$5,590)	(\$16,208)	\$6,344	\$2,751
59							