

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

PRO FORMA  
POWER SUPPLY  
ADJUSTMENT  
ELECTRIC

AC<sub>1</sub>

Line No.	DESCRIPTION	System	Washington	Idaho
	REVENUES			
1	Total General Business	\$0		
2	Interdepartmental Sales			
3	Sales For Resale	(97,286)	(97,286)	
4	Total Sales of Electricity	(97,286)	(97,286)	0
5	Other Revenue	(21,496)	(21,496)	
6	Total Electric Revenue	(118,782)	(118,782)	0
	EXPENSES			
	Production and Transmission			
7	Operating Expenses	(42,632)	(42,632)	
8	Purchased Power	(107,970)	(107,970)	
9	Depreciation and Amortization			
10	Taxes			
11	Total Production & Transmission	(150,602)	(150,602)	0
	Distribution			
12	Operating Expenses			
13	Depreciation			
14	Taxes	0		
15	Total Distribution	0	0	0
16	Customer Accounting			
17	Customer Service & Information			
18	Marketing			
	Administrative & General			
19	Operating Expenses	0		
20	Depreciation			
21	Taxes			
22	Total Admin. & General	0	0	0
23	Total Electric Expenses	(150,602)	(150,602)	0
24	Operating Income before FIT	31,820	31,820	0
	Federal Income Taxes			
25	Current Accrual	35.0%	11,137	11,137
26	Deferred Income Taxes			0
27	Amortized ITC - Noxon			
28	NET OPERATING INCOME	\$20,683	\$20,683	\$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

Avista Corporation  
WA Power Supply Adjustment  
Normalize 2009 Adjustment

	Power Supply Adjustment	Less Idaho Direct Potlatch Adjustment (1)	System Net Power Supply Adjustment	Total Washington Adjustment	Total Idaho Adjustment
				64.87%	35.13%
<b>P/T Allocation Percentages</b>					
447 Sales for Resale	-\$149,970		-\$149,970	-\$97,286	-\$52,684
453 Sales of Water and Water Power	0		\$0	0	0
454 Misc Rents	0		0	0	0
456 Other Electric Revenue	-\$33,137		-\$33,137	-21,496	-11,641
Total Revenue	-\$183,107	0	-\$183,107	-118,782	-64,325
501 Thermal Fuel Expense	4,032		\$4,032	2,616	1,416
546 Other Power Gen Supysn & Eng	0		\$0	0	0
547 Other Fuel Expense	-\$37,271		-\$37,271	-24,178	-13,093
536 Water for Power	0		\$0	0	0
555 Purchased Power	-\$185,853	-\$19,413	-\$166,440	-107,970	-58,470
549 Misc Other Gen Expense	0		\$0	0	0
550 Rents	0		\$0	0	0
556 System Control & Dispatch	0		\$0	0	0
557 Other Expenses	-\$32,480		-\$32,480	-21,070	-11,410
565 Trans. of Elec. by Others	0		0	0	0
Total Expense	-\$251,572	-\$19,413	-\$232,159	-150,602	-81,557
Net Income Before Income Taxes	68,465	19,413	49,052	31,820	17,232
Idaho State Income Tax					197
Net Income before FIT				31,820	17,035
Federal Income Tax				11,137	5,962
Net Income				\$20,683	\$11,073

(1) The Potlatch cogeneration purchase is directly assigned to Idaho. The power supply worksheets remove Potlatch cogeneration. It is necessary to add back the Potlatch cogeneration removal so that the adjustment only reflects system power supply revenue and expense amounts that are allocated to jurisdictions.

If it was determined necessary to normalize the Potlatch cogeneration amount, any adjustment would be directly assigned to Idaho.

AC<sub>3</sub>

**Avista Corp.**  
**Power Supply Commission Basis Report - Washington Jurisdiction**  
**System Numbers - Jan 2009 - Dec 2009 Actual vs Jan 2009 - Dec 2009 Normalized**

Line No.	Jan 09 - Dec 09		Jan 09 - Dec 09 Normalized
	Actuals	Adjustment	
49	8,432	0	8,432
50	1,173	0	1,173
51	1,530	0	1,530
52	45	0	45
53	140	0	140
54	226	0	226
55	647	0	647
56	13,352	0	13,352
<b><u>536 WATER FOR POWER</u></b>			
57	716	0	716
<b><u>549 MISC OTHER GENERATION EXPENSE</u></b>			
58	160	0	160
59	<b>433,738</b>	<b>-251,572</b>	<b>182,166</b>
<b><u>447 SALES FOR RESALE</u></b>			
60	0	15,027	15,027
61	158,707	-158,707	0
62	1,748	0	1,748
63	1,642	144	1,786
64	511	-450	61
65	613	-223	390
66	4,554	-1,740	2,814
67	313	-175	138
68	27,648	-1,927	25,721
69	686	-686	0
70	1,233	-1,233	0
71	197,655	✓ -149,970	47,685
<b><u>456 OTHER ELECTRIC REVENUE</u></b>			
72	144	0	144
73	33,137	✓ -33,137	0
74	33,281	-33,137	144
<b><u>453 SALES OF WATER AND WATER POWER</u></b>			
75	381	✓ 0	381
<b><u>454 MISC RENTS</u></b>			
76	29	✓ 0	29
77	<b>231,346</b>	<b>-183,107</b>	<b>48,239</b>
78	<b>202,392</b>	<b>-68,465</b>	<b>133,927</b>
79		19,413	
80		-49,052	

AC4

**Avista Corp.**  
**Power Supply Commission Basis Report - Washington Jurisdiction**  
**System Numbers - Jan 2009 - Dec 2009 Actual vs Jan 2009 - Dec 2009 Normalized**

Line No.	Jan 09 - Dec 09 Actuals	Adjustment	Jan 09 - Dec 09 Normalized
<b><u>555 PURCHASED POWER</u></b>			
1	\$0	\$36,458	\$36,458
2	198,063	-198,063	0
3	1,658	0	1,658
4	4,989	0	4,989
5	1,412	0	1,412
6	11,202	0	11,202
7	4,999	0	4,999
8	5,333	0	5,333
9	365	0	365
10	14,078	1,465	15,543
11	7	0	7
12	904	0	904
13	1,865	0	1,865
14	1,792	0	1,792
15	1,511	-1,511	0
16	1,535	-1,535	0
17	139	-33	106
18	-142	142	0
19	6,789	0	6,789
20	6,745	0	6,745
21	6,657	0	6,657
22	7,556	0	7,556
23	1,661	-1,661	0
24	1,101	-1,101	0
25	19,413	-19,413	0
26	622	0	622
27	686	-686	0
28	2,846	84	2,930
29	303,786	-185,853	117,933
<b><u>557 OTHER EXPENSES</u></b>			
30	124	0	124
31	350	0	350
32	32,480	-32,480	0
33	32,954	-32,480	474
<b><u>501 THERMAL FUEL EXPENSE</u></b>			
34	7,450	230	7,680
35	47	0	47
36	13,336	3,802	17,138
37	113	0	113
38	20,946	4,032	24,978
<b><u>547 OTHER FUEL EXPENSE</u></b>			
39	57,429	-33,161	24,268
40	2,628	-2,457	171
41	3	26	29
42	1,461	-1,412	49
43	303	-267	36
44	61,824	-37,271	24,553
<b><u>565 TRANSMISSION OF ELECTRICITY BY OTHERS</u></b>			
45	789	0	789
46	13	0	13
47	25	0	25
48	332	0	332