Washington Gas Restatement Summary

Twelve Months Ended December 31, 2010 (000's OF DOLLARS)

		W	ashington Gas		
Column	Description	NOI	Rate Base	ROR	_
b	Per Results Report	\$9,457	\$214,663		
С	Deferred FIT Rate Base	0	(36,762)		
d	Deferred Gain on Office Building	0	(44)		
е	Gas Inventory	0	10,226		
f	Customer Advances	0	(31)		
g	Customer Deposits	(2)	(1,132)		
	Actual	9,455	186,920	5.06%	
h	Weather Normalize Revenue & Gas Cost Adju	1,163	0		
i	Eliminate B & O Taxes	(3)	0		
j	Property Tax	55	0		Revised
k	Uncollectible Expense	110	0		
1	Regulatory Expense Adjustment	86	0		
m	Injuries and Damages	107	0		
n	FIT	11	0		
0	Net Gains/losses	3	0		
p	Eliminate A/R Expenses	25	0		
q	Office Space Charges to Subs	1	0		
r	Restate Excise Taxes	62	0		
S	Misc Restating Adjustments	36	0		
t	Restate Debt Interest	(64)	0		Revised
	Restated Total	\$11,047	\$186,920	5.91%	_

Revised Adjustments:

The following adjustments were revised from the original adjustments included in the Company's Natural Gas Commission Basis Report (CBR) filed on April 28, 2011:

- j The property tax adjustment had been input incorrectly in the original CBR filing.
- t The original CBR was prepared using the Authorized Capital Structure and Debt Costs. The Company used the actual 2010 AMA Capital Structure and the actual 2010 AMA debt costs in this revised CBR filing.

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS TWELVE MONTHS ENDED DECEMBER 31, 2010 (000's OF DOLLARS)

T :		Per Results	Deferred FIT	Deferred Gain on Office	Gas	Customer Advances	Customer Deposits	Subtotal
Line	DESCRIPTION	Results	Rate Base	Building	Inventory	/ tu / tallets	2 - p - 3 - 10	Actual
No.	DESCRIPTION	b Report	c c	d	e	f	g	-
	REVENUES	2010-222						\$140,588
1	Total General Business	\$140,588						3,245
2	Total Transportation	3,245						115,257
3	Other Revenues	115,257				0	0	259,090
4	Total Gas Revenues	259,090	0	0	0	0	0	239,090
	EXPENSES							
5	Exploration and Development	0						0
	Production							
6	City Gate Purchases	192,776						192,776
7	Purchased Gas Expense	801						801
8	Net Nat Gas Storage Trans	(3,322)						(3,322
9	Total Production	190,255	0	0	0	0	0	190,255
8	Underground Storage							
10	Operating Expenses	380						380
11	Depreciation	348						348
	i i	120						120
12	Taxes	848	0	0	0	0	0	848
13	Total Underground Storage	040	U	Ü	,			
	Distribution							7,705
14	Operating Expenses	7,705						6,371
15	Depreciation	6,371						
16	Taxes	12,249						12,249
17	Total Distribution	26,325	0	0	0	0	0	26,325
10	Customer Accounting	5,415			0		3	5,418
18		9,471						9,471
19	Customer Service & Information	105						105
20	Sales Expenses	103						
	Administrative & General	11.746						11,746
21	Operating Expenses	11,746						2,628
22	Depreciation	2,628						25
23	Taxes	25			- 0	0	0	14,399
24	Total Admin. & General	14,399	0	0			3	246,821
25	Total Gas Expense	246,818	0	0	0	0	3	240,821
26	OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX	12,272	0	0	0	0	(3)	12,269
27	Current Accrual	(6,910)					(1)	(6,91)
28	Deferred FIT	9,754						9,754
29	Amort ITC	(29)						(29
29	Amortife	(2)						60.45
30	NET OPERATING INCOME	\$9,457	\$0	\$0	\$0	\$0	(\$2)	\$9,45
	RATE BASE: PLANT IN SERVICE							
2.1	Underground Storage	20,047						20,04
31		269,469				(31)	(1,132)	268,30
32	Distribution Plant	33,401				,,		33,40
33 34	General Plant Total Plant in Service	322,917	0	C) 0	(31)	(1,132)	321,75
	ACCUMULATED DEPRECIATION	J455.5982-1101-1101-1101						7,91
35	Underground Storage	7,912						
36	Distribution Plant	89,620						89,62
37	General Plant	10,722						10,72
38	Total Accum. Depreciation	108,254	0	(0	0	0	108,25
39	DEFERRED FIT	0	(36,762))				(36,76
40	GAS INVENTORY	0	,		10,226	i		10,22
	WORKING CAPITAL	0						
41	GAIN ON SALE OF BUILDING	0		(44	1)			(4
		\$214,663	(\$36,762) (\$44	1) \$10,226	(\$31)	(\$1,132)	\$186,92
43	TOTAL RATE BASE	\$214,003	(\$30,702	(4)	,,			

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS TWELVE MONTHS ENDED DECEMBER 31, 2010 (000's OF DOLLARS)

		Weather Normalize	Eliminate	Т		Regulatory	Injuries
Line		Revenue &	B & O	Property	Uncollectible	Expense	and
No.	DESCRIPTION	Gas Cost Adjust	Taxes	Tax	Expense	Adjustment	Damages
	a	h	i	j	k	1	m
	REVENUES						
1	Total General Business	6,808	\$ (5,026)				
2	Total Transportation	0,000	(90)				
3	Other Revenues		(50)				
4	Total Gas Revenues	6,808	(5,116)	0	0	0	0
4	Total Gas Revenues	0,000	(-,)				
	EXPENSES						
5	Exploration and Development						
	Production						
6	City Gate Purchases	4,718					
7	Purchased Gas Expense						
8	Net Nat Gas Storage Trans						
9	Total Production	4,718	0	0	0	0	0
	Underground Storage						
10	Operating Expenses						
11	Depreciation						
12	Taxes			(4)			
13	Total Underground Storage	0	0	(4)	0	0	0
	Distribution						
14	Operating Expenses						
15	Depreciation						
16	Taxes	261	(5,112)	(79)			
17	Total Distribution	261	(5,112)	(79)	0	0	0
101001	-	25	0		(169)	0	
18	Customer Accounting	23	U		(105)		
19	Customer Service & Information						
20	Sales Expenses						
	Administrative & General	14				(133)	(164)
21	Operating Expenses	14				(c.t.c. x	
22	Depreciation			(1)			
23	Taxes	14	0	(1)	0	(133)	(164)
24	Total Admin. & General	5,018	(5,112)	(84)	(169)	(133)	(164)
25	Total Gas Expense	5,010	(3,112)	(0.1)			
26	OPERATING INCOME BEFORE FIT	1,790	(4)	84	169	133	164
20	FEDERAL INCOME TAX						
27	Current Accrual	627	(1)	29	59	47	57
28	Deferred FIT						
29	Amort ITC						
30	NET OPERATING INCOME	\$1,163	(\$3)	\$55	\$110	\$86	\$107
	DATE DAGE BY AND DISCRIGOR						
	RATE BASE: PLANT IN SERVICE						
31	Underground Storage						
32	Distribution Plant						
33	General Plant						
34	Total Plant in Service	0	0	0	0	0	0
	ACCUMULATED DEPRECIATION						
35	Underground Storage						
36	Distribution Plant						
37	General Plant						
38	Total Accum. Depreciation	0	0	0	0	0	0
39	DEFERRED FIT						
40	GAS INVENTORY						
41	WORKING CAPITAL						
42	GAIN ON SALE OF BUILDING				44		
43	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
44	RATE OF RETURN						

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2010

(000's OF DOLLARS)

Line	DESCRIPTION	FIT	Net Gains/losses	Eliminate A/R Expenses	Office Space Charges to Subs	Restate Excise Taxes	Misc Restating Adjustments	Restate Debt Interest
No.	DESCRIPTION	n FII	0	p	q	r	s	t
	REVENUES							
1	Total General Business							
2	Total Transportation							
3	Other Revenues Total Gas Revenues	- 0	0	0	0	0	0	0
4	Total Gas Revenues							
	EXPENSES							
5	Exploration and Development							
2023	Production							
6	City Gate Purchases						(1)	
7	Purchased Gas Expense Net Nat Gas Storage Trans						0.00	
8	Total Production	0	0	0	0	0	(1)	0
9	Underground Storage							
10	Operating Expenses							
11	Depreciation							
12	Taxes							
13	Total Underground Storage Distribution	0	0	0	0	0	0	0
14	Operating Expenses						(9)	
15	Depreciation		(4)			(06)		
16	Taxes					(96)		0
17	Total Distribution	0	(4)	0	0	(96)	(9)	Ü
18	Customer Accounting		0	(38)	0	0	(2)	
19	Customer Service & Information						34	
20	Sales Expenses							
	Administrative & General				(2)		(79)	
21	Operating Expenses				(2)		(78)	
22	Depreciation							
23	Taxes			0	(2)	0	(78)	0
24	Total Admin. & General	0	0 (4)	(38)		(96)		0
25	Total Gas Expense		(4)	(38)	(2)	(20)		
26	OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX	0	4	38	2	96	56	0
27	Current Accrual	149	1	13	1	34	20	64
28	Deferred FIT	(160)						
29	Amort ITC	. t						
		\$11	\$3	\$25	\$1	\$62	\$36	(\$64)
30	NET OPERATING INCOME	\$11	45	luz.				
	RATE BASE: PLANT IN SERVICE							
31	Underground Storage							
32	Distribution Plant							
33	General Plant	-						
34	Total Plant in Service ACCUMULATED DEPRECIATION	0	0	0	0	0	0	0
35	Underground Storage							
36	Distribution Plant							
37	General Plant							
38	Total Accum. Depreciation	0	0	0	0	0	0	0
39	DEFERRED FIT							
40	GAS INVENTORY							
41	WORKING CAPITAL							
42	GAIN ON SALE OF BUILDING							
43	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	RATE OF RETURN							

GAS RESULTS OF OPERATION

WASHINGTON RESTATED RESULTS TWELVE MONTHS ENDED DECEMBER 31, 2010 (000's OF DOLLARS)

REVENUES		I	
REVENUES 1		DESCRIPTION	
Total General Business \$142,370	110.		
Total General Business \$142,370			
Total Transportation 3,155		REVENUES	
Total Gas Revenues 260,782	1	Total General Business	\$142,370
EXPENSES Exploration and Development 0 Production 197,494 7 Purchased Gas Expense 800 8 Net Nat Gas Storage Trans (3,322) 9 Total Production 194,972 Underground Storage 10 Operating Expenses 380 11 Depreciation 348 12 Taxes 116 Taxes 116 Taxes 116 Operating Expenses 7,696 Distribution 14 Operating Expenses 7,696 15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 Sales Expenses 105 Administrative & General 21 Operating Expenses 11,383 22 Depreciation 2,628 24 Total Admin. & General 14,035 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 27 Current Accrual (5,811) 28 Deferred FIT 9,594 Amort ITC (29) 30 NET OPERATING INCOME SI1,047 ACCUMULATED DEPRECIATION 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 ACCUMULATED DEPRECIATION 36,502 37 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 36,502 37 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 37 Deferred FIT (36,762) 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 44 43 TOTAL RATE BASE \$186,920 44 44 44 Total Plant Cartes 44 Total Plant Cartes 44 44 45 TOTAL RATE BASE \$186,920 44 44 45 TOTAL RATE BAS	2	Total Transportation	
EXPENSES 5	3	Other Revenues	
Exploration and Development Production Production Production Production Production Production Production Purchased Gas Expense 800 Net Nat Gas Storage Trans (3,322) Purchased Gas Expense 380 Underground Storage Depreciation 348 Production Pro	4	Total Gas Revenues	260,782
Production City Gate Purchases 197,494 Purchased Gas Expense 800 Net Nat Gas Storage Trans (3,322) Total Production 194,972 Underground Storage Operating Expenses 380 In Depreciation 348 Distribution 348 Distribution 544 Distribution 545 Depreciation 6,367 Taxes 116 Customer Accounting 5,234 Customer Accounting 5,234 Customer Service & Information 9,505 Sales Expenses 105 Administrative & General 11,383 Depreciation 2,628 Taxes 24 Total Admin. & General 14,035 Total Gas Expense 245,981 COPERATING INCOME BEFORE FIT FEDERAL INCOME TAX Total Distribution 14,801 FEDERAL INCOME TAX Current Accrual (5,811) Deferred FIT 9,594 Amort ITC (29) NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 ACCUMULATED DEPRECIATION 108,254 DEFERRED FIT 89,620 Distribution Plant 99,620 Dis			
6 City Gate Purchases 197,494 7 Purchased Gas Expense 800 8 Net Nat Gas Storage Trans (3,322) 9 Total Production 194,972 Underground Storage 380 10 Operating Expenses 380 11 Depreciation 348 12 Taxes 116 13 Total Underground Storage 844 Distribution 7,696 15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 10 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Expenses 11,480	5		0
7 Purchased Gas Expense 800 8 Net Nat Gas Storage Trans (3,322) 9 Total Production 194,972 Underground Storage 194,972 10 Operating Expenses 380 11 Depreciation 348 12 Taxes 116 13 Total Underground Storage 844 Distribution 6,367 14 Operating Expenses 7,696 15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 105 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 10 Geals 14,035	190		107 404
Net Nat Gas Storage Trans 194,972			
9 Total Production 194,972 Underground Storage 380 11 Depreciation 348 12 Taxes 116 13 Total Underground Storage 844 Distribution 7,696 14 Operating Expenses 7,696 15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 105 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 4 Total Admin. & General 14,035 25 Total Admin. & General 14,035 26 OPERATING INCOME BEFORE FIT 14,801 FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811)			
Underground Storage 10			
10	9		171,772
11	10		380
Taxes			
13			116
Distribution 14			844
14 Operating Expenses 7,696 15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 1 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 33,401 34 Total Plant in Service			
15 Depreciation 6,367 16 Taxes 7,223 17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 105 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual Current Accrual (5,811) (5,811) 28 Deferred FIT Popt System 9,594 29 Amort ITC (29) 30 30 NET OPERATING INCOME STRVICE \$11,047 31 Underground Storage Path Structure 20,047 32 Distribution Plant Path Path Path Path Path Path Path Pat	14		7,696
17 Total Distribution 21,286 18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 105 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 321,754 36 Distributi	15		6,367
18 Customer Accounting 5,234 19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 321,754 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum.	16	Taxes	7,223
19 Customer Service & Information 9,505 20 Sales Expenses 105 Administrative & General 11,383 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual Cyperation FIT FEDERAL INCOME TAX (5,811) 28 Deferred FIT Py594 9,594 29 Amort ITC Perating INCOME Sanction Fit Gas F	17	Total Distribution	21,286
20 Sales Expenses 105 Administrative & General 11,383 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 <td>18</td> <td>Customer Accounting</td> <td>5,234</td>	18	Customer Accounting	5,234
Administrative & General 21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	19	Customer Service & Information	9,505
21 Operating Expenses 11,383 22 Depreciation 2,628 23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 14,801 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 40 GAS INVENTORY	20	Sales Expenses	105
Depreciation 2,628		Administrative & General	mm - 5000001
23 Taxes 24 24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX (5,811) 27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE <			
24 Total Admin. & General 14,035 25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 14,801 27 Current Accrual (5,811) 28 Deferred FIT Peps Pops 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE <td></td> <td></td> <td></td>			
25 Total Gas Expense 245,981 26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 14,801 27 Current Accrual Cysp (5,811) 28 Deferred FIT Sp,594 9,594 29 Amort ITC Cyp (29) 30 NET OPERATING INCOME S11,047 \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 268,306 32 Distribution Plant 268,306 33,401 34 Total Plant in Service ACCUMULATED DEPRECIATION 321,754 35 Underground Storage 7,912 36 36 Distribution Plant 89,620 37 37 General Plant 10,722 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY (10,226) 41 WORKING CAPITAL (0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE (\$186,920)			
26 OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX 14,801 27 Current Accrual (5,811) (5,811) 28 Deferred FIT (29) 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME S11,047 RATE BASE: PLANT IN SERVICE 31 31 Underground Storage 268,306 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			
FEDERAL INCOME TAX 27	25	Total Gas Expense	243,961
27 Current Accrual (5,811) 28 Deferred FIT 9,594 29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 40 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	26		14,801
28 Deferred FIT (29) 29 Amort ITC (29) 30 NET OPERATING INCOME (29) 30 NET OPERATING INCOME (29) 31 Underground Storage (20,047) 32 Distribution Plant (268,306) 33 General Plant (33,401) 34 Total Plant in Service (321,754) ACCUMULATED DEPRECIATION (35) Underground Storage (29) 36 Distribution Plant (29) 37 General Plant (29) 37 General Plant (20) 39 DEFERRED FIT (36,762) 40 GAS INVENTORY (20) 41 WORKING CAPITAL (20) 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE (5186,920)	25		(5.811)
29 Amort ITC (29) 30 NET OPERATING INCOME \$11,047 RATE BASE: PLANT IN SERVICE 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (444) 43 TOTAL RATE BASE \$186,920			
RATE BASE: PLANT IN SERVICE \$11,047 31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			,
RATE BASE: PLANT IN SERVICE 31	29		
31 Underground Storage 20,047 32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	30	NET OPERATING INCOME	\$11,047
32 Distribution Plant 268,306 33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920		RATE BASE: PLANT IN SERVICE	
33 General Plant 33,401 34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	31		
34 Total Plant in Service 321,754 ACCUMULATED DEPRECIATION 7,912 35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			
ACCUMULATED DEPRECIATION 35	33	General Plant	33,401
35 Underground Storage 7,912 36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	34		321,754
36 Distribution Plant 89,620 37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	25		7 912
37 General Plant 10,722 38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			
38 Total Accum. Depreciation 108,254 39 DEFERRED FIT (36,762) 40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			
40 GAS INVENTORY 10,226 41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920			
41 WORKING CAPITAL 0 42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	39	DEFERRED FIT	
42 GAIN ON SALE OF BUILDING (44) 43 TOTAL RATE BASE \$186,920	40	GAS INVENTORY	
43 TOTAL RATE BASE \$186,920	41		
	42	GAIN ON SALE OF BUILDING	(44)
44 RATE OF RETURN 5.91%	43	TOTAL RATE BASE	\$186,920
	44	RATE OF RETURN	5.91%

AVISTA UTILITIES GAS ADJUSTMENT SUMMARY TWELVE MONTHS ENDED DECEMBER 31, 2010 (000'S OF DOLLARS)

REVISED PROPERTY TAX ADJUSTMENT GAS

	(000'S OF DOLLARS)			GAS	
Line No.	Description	System	,	Washington	Idaho
140.	REVENUES	System		washington	Idaio
1	Total General Business				
2	Total Transportation				
3	Other Revenues				
4	Total Gas Revenues	(0	0	0
-4	Total Gas Revenues		Ü	v	· ·
	EXPENSES				
5	Exploration & Development				
5	Production				
6	City Gate Purchases				
7	Purchased Gas Expense				
8	Net Nat. Gas Storage Trans				
9	Total Production		0	0	0
,	Underground Storage		v	v	
10	Operating Expenses				
11	Depreciation				
12	Taxes		(4)	(4)	0
13	Total Underground Storage	general collections are the collections are t	(4)	(4)	0
13	Distribution		(4)	(1)	
14	Operating Expenses				
15					
	Depreciation Taxes		(79)	(79)	0
16	Total Distribution		(79)	(79)	0
17	Total Distribution		(19)	(79)	U
10	Control Annual Control				
18	Customer Accounting Customer Service & Information				
19 20	Sales				
20	Administrative and General				
21					
21	Operating Expenses				
22	Depreciation		(1)	(1)	0
23	Taxes		(1)	(1)	0
24	Total Admin. & General		(84)	(84)	0
25	Total Gas Expense	***************************************	(84)	(84)	0
26	Operating Income before FIT		84	84	0
	Federal Income Taxes		20	20	0
27	Current Accrual (at 35%)		29	29	0
28	Amort ITC				
29	Deferred FIT				
30	NET OPERATING INCOME		\$55	\$55	\$0
	1				
	RATE BASE				
	PLANT IN SERVICE				
31	Underground Storage				
32	Distribution Plant				
33	General Plant				
34	Total Plant in Service		0	0	0
	ACCUMULATED DEPRECIATION				
35	Underground Storage				
36	Distribution Plant				
37	General Plant	8			
38	Total Accum, Depreciation		0	0	0
39	DEFERRED TAXES				
40	GAS INVENTORY				
41	WORKING CAPITAL				
42	GAIN ON SALE OF BUILDING				
			00	0.0	00
43	TOTAL RATE BASE		\$0	\$0	\$0

Property Tax Adjustment-Gas For the Twelve Months Ended December 31, 2010

		System	REVISED Washington	Idaho
Property Tax Adjustment				
Underground Storage		-5,928	-4,114	-1,814
Distribution		-78,850	-79,121	271
Administrative and General		-1,048	-718	-330
Idaho SIT	0.015093	28		28
Total expenses		-85,798	-83,953	-1,845
Operating income before FIT		85,798	83,953	1,845
FIT	0.350	30,030	29,384	646
Net operating income		55,768	54,569	1,199

Input error - In filed CBR, Company input ID adjustment in error.

Property Tax Adjustment-Gas For the Twelve Months Ended December 31, 2010

Functional	lization	haged	on Plant	Ralances	at 1	2/31/2009	í
Functional	nzauon	Dased	on Plant	Balances	at I.	2/31/2009	,

Allocation Notes

Direct

Jurisdictional 4 Factor

System Contract Demand--SGS-1

Functionalization based on Plant Balance	es at 12/31/20	09		
		System	Washington	Idaho
Underground Storage		-5,928	-5,944	16
Distribution		-78,850	-79,121	271
General		-1,048	-1,053	5
Total		-85,825	-86,118	293
Allocation Percentages				
Underground Storage		1	6,902%	5,630%
Distribution			91.875%	92,655%
General			1.223%	1.715%
Total			100.000%	100.000%
	Alloc.	System	Washington	Idaho
WA Property Tax Adjustment		-,	3	
Underground Storage	1C	-5,944	-4,125	-1,819
Distribution	99	-79,121	-79,121	0
General	4	-1,053	-721	-332
Total	3	-86,118	-83,967	-2,151
ID Property Tax Adjustment				
Underground Storage	1C	16	11	5
Distribution	99	271	0	271
General	4 _	5	3	2
Total		292	14	278
Underground Storage Total		-5,928	-4,114	-1,814
Distribution Total		-78,850	-79,121	271
General Total		-1,048	-718	-330
Total Adjustment		-85,826	-83,953	-1,873

69.400%

68.518%

0.000%

30.600%

31.482%

0.000%

1C

4

99

100.000%

100.000%

0.000%

AVISTA UTILITIES GAS ADJUSTMENT SUMMARY TWELVE MONTHS ENDED DECEMBER 31, 2010 (000'S OF DOLLARS)

REVISED RESTATE DEBT INTEREST GAS

	(000'S OF DOLLARS)		GAS				
Line No.	Description		System Wa	shington	Idaho		
110.	REVENUES	-		grein			
1	Total General Business						
2	Total Transportation						
3	Other Revenues						
4	Total Gas Revenues	-	0	0	0		
	EXPENSES						
5	Exploration & Development						
	Production City Cote Purchases						
6 7	City Gate Purchases						
8	Purchased Gas Expense Net Nat. Gas Storage Trans						
9	Total Production		0	0	0		
9	Underground Storage		V.	· ·	v		
10	Operating Expenses						
11	Depreciation						
12	Taxes						
13	Total Underground Storage		0	0	0		
13	Distribution						
14	Operating Expenses						
15	Depreciation						
16	Taxes		0		0		
17	Total Distribution	•	0	0	0		
18	Customer Accounting						
19	Customer Service & Information						
20	Sales						
	Administrative and General						
21	Operating Expenses						
22	Depreciation						
23	Taxes						
24	Total Admin. & General	9	0	0	0		
25	Total Gas Expense		0	0	0		
26	Operating Income before FIT		0	0	0		
12/10/20	Federal Income Taxes		Ž.	(1	0		
27	Current Accrual (at 35%)		64	64	0		
28	Amort ITC						
29	Deferred FIT						
30	NET OPERATING INCOME		(\$64)	(\$64)	\$0		
	RATE BASE						
	PLANT IN SERVICE						
31	Underground Storage						
32	Distribution Plant						
33	General Plant		0	0	0		
34	Total Plant in Service ACCUMULATED DEPRECIATION		U	U	0		
35	Underground Storage						
36	Distribution Plant						
37	General Plant						
38	Total Accum. Depreciation		0	0	0		
39	DEFERRED TAXES						
40	GAS INVENTORY						
41	WORKING CAPITAL						
42	GAIN ON SALE OF BUILDING						
43	TOTAL RATE BASE		\$0	\$0	\$0		

Restate Debt Interest

Washington - Gas

TWELVE MONTHS ENDED DECEMBER 31, 2010

	(000's)	REVISED
		Rate Base
	Adjustment Description	Adjustments
b	Per Results Report	\$214,663
c	Deferred FIT Rate Base	(36,762)
d	Deferred Gain on Office Building	(44)
e	Gas Inventory	10,226
f	Customer Advances	(31)
g	Customer Deposits	(1,132)
h	Weather Normalize Revenue & Gas Cost Adjust	0
i	Eliminate B & O Taxes	0
j	Property Tax	0
k	Uncollectible Expense	0
1	Regulatory Expense Adjustment	0
m	Injuries and Damages	0
n	FIT	0
0	Net Gains/losses	0
р	Eliminate A/R Expenses	0
q	Office Space Charges to Subs	0
r	Restate Excise Taxes	0
S	Misc Restating Adjustments	0
t	Restate Debt Interest	0
ι	Total Restated Rate Base	\$186,920
	Total Restated Pane 2 ase	
	Weighted Average Cost of Debt	3.116%
	Restated Debt Interest	\$5,824
	Actual Interest (G-FIT-12A)	\$6,006
	Increase (Decrease) in Interest Expense FIT Rate	(\$182) x 0.350
	Increase (Decrease) in FIT	\$64_

Cost of Capital

Washington - Electric/Gas System REVISED Based on actual AMA 12/31/2010

			ProForma	
	Capital		Weighted	
Component	Structure	Cost	Cost	ě
Total Debt	52.19%	5.971%	3.116%	WA wtd debt
Pref Trust	0.00%	0.00%	0.00%	3.116%
Common	47.81%	10.20%	4.88%	
Total	100.00%	_	8.00%	•