

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-090134

DOCKET NO. UG-090135

DOCKET NO. UG-060518

(consolidated)

EXHIBIT NO. \_\_\_\_ (DBD-10)

DAVE B. DEFELICE

REPRESENTING AVISTA CORPORATION

**Avista Utilities**

Natural Gas Plant - Proposed by Avista  
 October 1, 2008 through July 31, 2009

	<b>Q4</b>		
	<b>2008</b>	<b>2009</b>	<b>Total</b>
Depreciation Expense	106,156	63,566	169,722
Property Tax @ 1.5% of Gross Plant	50,631	39,571	90,202
Total Expenses	<u>156,787</u>	<u>103,137</u>	<u>259,924</u>
Net Operating Income Before FIT	(156,787)	(103,137)	(259,924)
FIT Benefit of Depreciation and Property Tax	54,875	36,098	90,973
Net Operating Income	<u>(101,912)</u>	<u>(67,039)</u>	<u>(168,951)</u>
Plant Cost	3,375,425	2,638,073	6,013,498
Accumulated Depreciation (AMA 12/31/2010)	170,369	79,841	250,210
Accumulated DFIT (AMA 12/31/2010)	<u>(191,285)</u>	<u>(55,717)</u>	<u>(247,002)</u>
Net Rate Base	<u>3,013,771</u>	<u>2,502,515</u>	<u>5,516,286</u>

**Avista Utilities**  
 Natural Gas Plant - Proposed by Avista  
 October 1, 2008 through July 31, 2009

1st Year Rate	2nd Year Rate	3rd Year Rate
3.750%	7.219%	6.677%
14.28%	24.49%	17.49%

**2008 Capital Additions - Natural Gas**  
 October 1, 2008 through December 31, 2008

Tax Deprec. Rate - Dist  
 Tax Deprec. Rate - GP

Description	ER	System		Efficiency Offset %	Cost	Rate	In Service Date	Estimated				2008 Tax Deprec	2009 Tax Deprec	2010 Tax Deprec	Accum DFIT				
		Cost	WA %					WA Cost	Annual Deprec Expense	Accum Deprec 12/31/08	Accum Deprec 12/31/09				Accum Deprec 12/31/10	12/31/08	12/31/09	12/31/10	
Gas Distribution Minor Blanket	3005	278,788	100%	278,788	10%	2.19%	11/2008	5,495	687	6,182	11,677	9,409	18,113	16,753	(2,332)	(6,748)	(10,688)		
Nine Mile Gate Station	3112	-	100%	-	0%	2.19%		-	-	-	-	-	-	-	-	-	-		
Qualchan Reinforcement	3122	2,414,436	100%	2,414,436	5%	2.19%	11/2008	50,232	6,279	56,511	106,743	86,014	165,583	153,151	(21,314)	(61,687)	(97,709)		
Replace Gas ERTs WA	3265	-	100%	-	10%	2.19%		-	-	-	-	-	-	-	-	-	-		
EVP Enterprise Voice Portal	5118	-	13%	-	40%	6.07%		-	-	-	-	-	-	-	-	-	-		
HVAC Renovation Project 2008	7101	3,918,002	13%	527,624	20%	6.07%	12/2008	25,621	1,068	26,689	52,310	60,276	103,372	73,838	(16,613)	(43,826)	(60,702)		
Spokane Valley Facility Purch	7106	3,034,919	13%	408,702	0%	6.07%	11/2008	24,808	3,101	27,909	52,717	58,363	100,091	71,494	(16,086)	(42,435)	(58,775)		
		<u>9,646,145</u>		<u>3,629,550</u>				<u>3,375,425</u>		<u>106,156</u>	<u>11,135</u>	<u>117,291</u>	<u>223,447</u>	<u>214,062</u>	<u>387,159</u>	<u>315,236</u>	<u>(56,345)</u>	<u>(154,696)</u>	<u>(227,874)</u>

**Avista Utilities**  
 Natural Gas Plant - Proposed by Avista  
 October 1, 2008 through July 31, 2009

**2009 Capital Additions - Natural Gas**  
 January 1, 2009 through July 31, 2009

	1st Year Rate	2nd Year Rate	3rd Year Rate
Tax Deprec. Rate	0.000%	3.750%	7.219%
Tax Deprec. Rate - GP	0.000%	14.28%	24.49%

Description	ER	System Cost	WA %	WA Cost	Efficiency Offset %	Cost	Rate	In Service Date	Estimated			2008 Tax Deprec	2009 Tax Deprec	2010 Tax Deprec	Accum DFIT 12/31/08	Accum DFIT 12/31/09	Accum DFIT 12/31/10	
									Annual Deprec Expense	Accum Deprec 12/31/08	Accum Deprec 12/31/09							
Gas Distribution Minor Blanket	3005	438,389	100%	438,389	10%	394,550	2.19%	3/2009	8,641	-	6,841	15,482	-	14,796	28,483	-	(3,666)	(10,611)
Nine Mile Gate Station	3112	1,434,184	100%	1,434,184	0%	1,434,184	2.19%	3/2009	31,409	-	24,865	56,274	-	53,782	103,534	-	(13,327)	(38,571)
Qualchan Reinforcement	3122	-	100%	-	5%	0	2.19%		-	-	-	-	-	-	-	-	-	-
Replace Gas ERTs WA	3265	733,419	100%	733,419	10%	660,077	2.19%	3/2009	14,456	-	11,444	25,900	-	24,753	47,651	-	(6,134)	(17,752)
EVP Enterprise Voice Portal	5118	1,847,298	13%	248,769	40%	149,262	6.07%	6/2009	9,060	-	4,908	13,968	-	21,315	36,554	-	(5,875)	(15,498)
HVAC Renovation Project 2008	7101	-	13%	-	20%	0	6.07%		-	-	-	-	-	-	-	-	-	-
Spokane Valley Facility Purch	7106	-	13%	-	0%	0	6.07%		-	-	-	-	-	-	-	-	-	-
		<u>4,453,290</u>		<u>2,854,761</u>		<u>2,638,073</u>			<u>63,566</u>	<u>-</u>	<u>48,058</u>	<u>111,624</u>	<u>-</u>	<u>114,646</u>	<u>216,222</u>	<u>-</u>	<u>(29,002)</u>	<u>(82,432)</u>