

Avista Corporation
Dockets UE-080416 & UG-080417

Appendix 1
to Avista Corporation's Brief

Summary of Adjustments Contained Within Multiparty Settlement Stipulation

SUMMARY TABLE OF ADJUSTMENTS TO ELECTRIC REVENUE REQUIREMENT			
000s of Dollars			
		Revenue Requirement	Rate Base
1	Amount As Filed	\$ 36,617	\$ 950,944
Adjustments:			
*	Power Supply-Related Adjustments		
2	Hydro filtering	(1,597)	0
3	WNP-3 Contract (Use of 5-year average availability)	(136)	0
4	Fuel (Natural Gas) (Use of \$8.30/Dth and include actual short-term transaction through August 25, 2008)	8,486	0
5	Colstrip (Correct Colstrip fuel price)	(877)	0
6	Noxon Generation Upgrade (Pro Form 2009 capital upgrade project)	1,557	8,714
*	Cost of Capital		
7	Adjust return on equity to 10.20%	(4,229)	0
8	Adjust cost of debt to 6.51%	1,017	0
Relicensing/Litigation⁽¹⁾			
9	Relicensing and confidential litigation costs deferred for later recovery, with carrying charge (5.0%); Include amortization of Montana riverbed litigation costs with accrued interest	(8,053)	(37,044)
Capital Additions			
10	Pro form in the capital cost and expenses associated with the major generation and transmission project upgrades	60	14,299
Customer Deposits			
11	Remove customer deposits from Rate Base; include interest as operating expense	(189)	(2,155)
Federal/Deferred Income Tax Expense			
12	Adjust federal and deferred federal income tax expense	405	0
Incentives			
13	Adjust incentives to actual	(415)	0
Officers' Salaries			
14	Adjust officers' salaries for correction of error	(140)	0
Union and Non-Executives' Salaries			
15	Remove union and non-executive 2009 wage increase	(1,188)	0
Colstrip Generation O&M Expenses			
16	Reduce mercury emissions O&M costs	(699)	0
Administrative and General Expenses			
17	Remove sponsorship costs	(109)	0
Production Property			
18	Flow through impact of Production & Transmission adjustments	2,174	4,549
Restate Debt Interest			
19	Flow through impact of Rate Base adjustments	(146)	0
20	Total Adjustments	(4,079)	(11,637)
21	Adjusted Amounts	\$ 32,538	\$ 939,307

⁽¹⁾ Please see Andrews' (EMA-1T) unredacted testimony at Pages 23-24.

[*] Denotes concurrence of ICNU

Source: See Exhibit No. 4T, Joint Testimony at page 19.

Summary of Adjustments Contained Within Multiparty Settlement Stipulation

SUMMARY TABLE OF ADJUSTMENTS TO NATURAL GAS REVENUE REQUIREMENT			
000s of Dollars			
		Revenue Requirement	Rate Base
1	Amount As Filed	\$ 6,587	\$ 172,957
Adjustments:			
Cost of Capital			
2	Adjust return on equity to 10.20%	(778)	0
3	Adjust cost of debt to 6.51%	194	0
Natural Gas Inventory			
4	Natural gas inventory included in Rate Base as originally filed	0	0
Capital Additions			
5	Remove pro forma capital additions	(666)	(2,506)
Customer Deposits			
6	Remove customer deposits from Rate Base; include interest as operating expense	(109)	(1,248)
Federal Income Tax Expense			
7	Remove tax deduction	48	0
Incentives			
8	Adjust incentives to actual	(109)	0
Officers' Salaries			
9	Adjust officers' salaries for correction of error	(37)	0
Union and Non-Executives' Salaries			
10	Remove union and non-executive 2009 wage increase	(320)	0
Restate Debt Interest			
11	Flow through impact of Rate Base adjustments	(42)	0
12	Total Adjustments	(1,819)	(3,754)
13	Adjusted Amounts	\$ 4,768	\$ 169,203

Source: See Exhibit No. 4T, Joint Testimony at page 24.