

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12 _____

EXHIBIT NO. ____ (EMA-2)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Attrition / Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$470,571	(\$16,286)	\$454,285	\$40,983	\$495,268
2	Interdepartmental Sales	820	-	820		820
3	Sales for Resale	76,991	(29,491)	47,500		47,500
4	Total Sales of Electricity	548,382	(45,777)	502,605	40,983	543,588
5	Other Revenue	130,741	(118,205)	12,536		12,536
6	Total Electric Revenue	679,123	(163,982)	515,141	40,983	556,124
EXPENSES						
Production and Transmission						
7	Operating Expenses	252,926	(103,417)	149,509		149,509
8	Purchased Power	124,270	(42,786)	81,484		81,484
9	Depreciation/Amortization	25,349	(1,891)	23,458		23,458
10	Regulatory Amortization	403	5,591	5,994		5,994
11	Taxes	11,072	1,341	12,413		12,413
12	Total Production & Transmission	414,020	(141,162)	272,858	-	272,858
Distribution						
13	Operating Expenses	20,360	(352)	20,008		20,008
14	Depreciation/Amortization	19,320	3,016	22,336		22,336
15	Taxes	38,604	(15,757)	22,847	1,580	24,427
16	Total Distribution	78,284	(13,093)	65,191	1,580	66,771
17	Customer Accounting	9,960	938	10,898	178	11,076
18	Customer Service & Information	21,300	(16,080)	5,220		5,220
19	Sales Expenses	4	-	4		4
Administrative & General						
20	Operating Expenses	45,046	2,119	47,165	82	47,247
21	Depreciation/Amortization	10,906	6,115	17,021		17,021
22	Taxes	-	13	13		13
23	Total Admin. & General	55,952	8,247	64,199	82	64,281
24	Total Electric Expenses	579,520	(161,150)	418,370	1,840	420,210
25	OPERATING INCOME BEFORE FIT	99,603	(2,832)	96,771	39,143	135,914
FEDERAL INCOME TAX						
26	Current Accrual	11,899	(5,787)	6,112	13,700	19,812
27	Debt Interest	-	(1,026)	(1,026)		(1,026)
28	Deferred Income Taxes	11,779	4,623	16,402		16,402
29	Amortized Investment Tax Credit	(99)	(42)	(141)		(141)
30	NET OPERATING INCOME	\$76,024	(\$600)	\$75,424	\$25,443	\$100,867
RATE BASE						
PLANT IN SERVICE						
31	Intangible	\$84,081	\$22,721	\$106,802		\$106,802
32	Production	706,894	38,875	745,769		745,769
33	Transmission	328,012	33,814	361,826		361,826
34	Distribution	696,082	89,684	785,766		785,766
35	General	140,218	28,970	169,188		169,188
36	Total Plant in Service	1,955,287	214,064	2,169,351	-	2,169,351
ACCUMULATED DEPRECIATION						
37	Intangible	3,744	9,822	13,566		13,566
38	Production	286,300	33,069	\$319,369		319,369
39	Transmission	111,144	12,765	123,909		123,909
40	Distribution	209,101	36,247	245,348		245,348
41	General	56,694	13,208	69,902		69,902
42	Total Accumulated Depreciation	666,983	105,111	772,094	-	772,094
43	NET PLANT BEFORE DFIT	1,288,304	108,953	1,397,257	-	1,397,257
44	DEFERRED TAXES	(201,448)	(16,915)	(218,363)		(218,363)
45	NET PLANT AFTER DFIT	1,086,856	92,038	1,178,894	-	1,178,894
46	DEFERRED DEBITS AND CREDITS	18,867	(7,013)	11,854		11,854
47	WORKING CAPITAL	18,188	13,689	31,877		31,877
48	TOTAL RATE BASE	\$1,123,911	\$98,714	\$1,222,625	\$0	\$1,222,625
49	RATE OF RETURN	6.76%		6.17%		8.25%

AVISTA UTILITIES
Calculation of General Revenue Requirement
Washington - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2011

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	1,222,625
2	Proposed Rate of Return	<u>8.25%</u>
3	Net Operating Income Requirement	\$100,867
4	Pro Forma Net Operating Income	<u>\$75,424</u>
5	Net Operating Income Deficiency	\$25,443
6	Conversion Factor	0.62082
7	Revenue Requirement	\$40,983
8	Total General Business Revenues	\$455,105
9	Percentage Revenue Increase	<u><u>9.01%</u></u>

AVISTA UTILITIES
Pro Forma Cost of Capital
Washington - Electric System

Proposed Cap Structure			
<u>Component</u>	<u>Capital Structure</u>	<u>ProForma Cost</u>	<u>ProForma Weighted Cost</u>
Total Debt	51.60%	5.76%	2.97%
Common	48.40%	10.90%	5.28%
Total	<u>100.00%</u>		<u>8.25%</u>

AVISTA UTILITIES
Revenue Conversion Factor
Washington - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2011

Line No.	Description	Factor
1	Revenues	<i>1.000000</i>
	Expense:	
2	Uncollectibles	<i>0.004338</i>
3	Commission Fees	<i>0.002000</i>
4	Washington Excise Tax	<i>0.038562</i>
5	Franchise Fees	<i>0.000000</i>
6	Total Expense	<u><i>0.044900</i></u>
7	Net Operating Income Before FIT	<i>0.955100</i>
8	Federal Income Tax @ 35%	<u><i>0.334285</i></u>
9	REVENUE CONVERSION FACTOR	<u><u><i>0.62082</i></u></u>

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Results of Operations	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Eliminate B & O Taxes	Uncollect. Expense	Regulatory Expense
	Adjustment Number	1.00	1.01	1.02	1.03	2.01	2.02	2.03
	Workpaper Reference	E-ROO	E-DFIT	E-DDC	E-WC	E-EBO	E-UE	E-RE
REVENUES								
1	Total General Business	\$470,571	\$0	\$0	\$0	(\$16,360)	\$0	\$0
2	Interdepartmental Sales	820	-	-	-	-	-	-
3	Sales for Resale	76,991	-	-	-	-	-	-
4	Total Sales of Electricity	548,382	-	-	-	(16,360)	-	-
5	Other Revenue	130,741	-	-	-	(18)	-	-
6	Total Electric Revenue	679,123	-	-	-	(16,378)	-	-
EXPENSES								
Production and Transmission								
7	Operating Expenses	252,926	-	176	-	-	-	-
8	Purchased Power	124,270	-	-	-	-	-	-
9	Depreciation/Amortization	25,349	-	(191)	-	-	-	-
10	Regulatory Amortization	403	-	-	-	-	-	-
11	Taxes	11,072	-	-	-	-	-	-
12	Total Production & Transmission	414,020	-	(15)	-	-	-	-
Distribution								
13	Operating Expenses	20,360	-	-	-	-	-	-
14	Depreciation/Amortization	19,320	-	-	-	-	-	-
15	Taxes	38,604	-	-	-	(16,308)	-	-
16	Total Distribution	78,284	-	-	-	(16,308)	-	-
17	Customer Accounting	9,960	-	4	-	-	317	-
18	Customer Service & Information	21,300	-	-	-	-	-	-
19	Sales Expenses	4	-	-	-	-	-	-
Administrative & General								
20	Operating Expenses	45,046	-	131	-	-	-	48
21	Depreciation/Amortization	10,906	-	-	-	-	-	-
22	Taxes	0	-	-	-	-	-	-
23	Total Admin. & General	55,952	-	131	-	-	-	48
24	Total Electric Expenses	579,520	-	120	-	(16,308)	317	48
25	OPERATING INCOME BEFORE FIT	99,603	-	(120)	-	(70)	(317)	(48)
FEDERAL INCOME TAX								
26	Current Accrual	11,899	-	(109)	-	(25)	(111)	(17)
27	Debt Interest	0	(3)	73	(142)	-	-	-
28	Deferred Income Taxes	11,779	-	-	-	-	-	-
29	Amortized ITC - Noxon	(99)	-	-	-	-	-	-
30	NET OPERATING INCOME	\$76,024	\$3	(84)	\$142	(\$46)	(\$206)	(\$31)
RATE BASE								
PLANT IN SERVICE								
31	Intangible	\$84,081	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	706,894	-	-	-	-	-	-
33	Transmission	328,012	-	-	-	-	-	-
34	Distribution	696,082	-	-	-	-	-	-
35	General	140,218	-	-	-	-	-	-
36	Total Plant in Service	1,955,287	-	-	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT								
37	Intangible	3,744	-	-	-	-	-	-
38	Production	286,300	-	-	-	-	-	-
39	Transmission	111,144	-	-	-	-	-	-
40	Distribution	209,101	-	-	-	-	-	-
41	General	56,694	-	-	-	-	-	-
42	Total Accumulated Depreciation	666,983	-	-	-	-	-	-
43	NET PLANT	1,288,304	-	-	-	-	-	-
44	DEFERRED TAXES	(201,448)	285	-	-	-	-	-
45	Net Plant After DFIT	1,086,856	285	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS	18,867	-	(7,013)	-	-	-	-
47	WORKING CAPITAL	18,188	-	-	13,689	-	-	-
48	TOTAL RATE BASE	\$1,123,911	\$285	(\$7,013)	\$13,689	\$0	\$0	\$0
49	RATE OF RETURN	6.76%	0					
50	REVENUE REQUIREMENT	26,898	33	(797)	1,590	73	332	50

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries and Damages	FIT/DFIT/ITC/PTC Expense	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Eliminate A/R Expenses	Office Space Charges to Subsidiaries	Restate Excise Taxes
	Adjustment Number	2.04	2.05	2.06	2.07	2.08	2.09	2.10
	Workpaper Reference	E-ID	E-FIT	E-EWPC	E-NPS	E-EAR	OSC	E-RET
	REVENUES							
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-
3	Sales for Resale	-	-	-	-	-	-	-
4	Total Sales of Electricity	-	-	-	-	-	-	-
5	Other Revenue	-	-	-	-	-	-	-
6	Total Electric Revenue	-	-	-	-	-	-	-
	EXPENSES							
	Production and Transmission							
7	Operating Expenses	-	-	(12,788)	14	-	-	-
8	Purchased Power	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-
10	Regulatory Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-
12	Total Production & Transmission	-	-	(12,788)	14	-	-	-
	Distribution							
13	Operating Expenses	-	-	-	-	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-
15	Taxes	-	-	-	-	-	-	(103)
16	Total Distribution	-	-	-	-	-	-	(103)
17	Customer Accounting	-	-	-	-	(2)	-	-
18	Customer Service & Information	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	(230)	-	-	-	-	(5)	-
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Taxes	-	-	-	-	-	-	-
23	Total Admin. & General	(230)	-	-	-	-	(5)	-
24	Total Electric Expenses	(230)	-	(12,788)	14	(2)	(5)	(103)
25	OPERATING INCOME BEFORE FIT	230	-	12,788	(14)	2	5	103
	FEDERAL INCOME TAX							
26	Current Accrual	81	(127)	-	(5)	1	2	36
27	Debt Interest	-	-	-	-	-	-	-
28	Deferred Income Taxes	-	147	4,476	-	-	-	-
29	Amortized ITC - Noxon	-	(15)	-	-	-	-	-
30	NET OPERATING INCOME	\$150	(\$5)	\$8,312	(\$9)	\$1	\$3	\$67
	RATE BASE							
	PLANT IN SERVICE							
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Production	-	-	-	-	-	-	-
33	Transmission	-	-	-	-	-	-	-
34	Distribution	-	-	-	-	-	-	-
35	General	-	-	-	-	-	-	-
36	Total Plant in Service	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
37	Intangible	-	-	-	-	-	-	-
38	Production	-	-	-	-	-	-	-
39	Transmission	-	-	-	-	-	-	-
40	Distribution	-	-	-	-	-	-	-
41	General	-	-	-	-	-	-	-
42	Total Accumulated Depreciation	-	-	-	-	-	-	-
43	NET PLANT	-	-	-	-	-	-	-
44	DEFERRED TAXES	-	-	-	-	-	-	-
45	Net Plant After DFIT	-	-	-	-	-	-	-
46	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	RATE OF RETURN							
50	REVENUE REQUIREMENT	(241)	8	(13,389)	15	(2)	(5)	(108)

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Net Gains / Losses	Revenue Normalization	Misc Restating	PCB Transformer Restating	Restate Incentives	Colstrip / CS2 Maintenance	Restate Debt Interest	Restated TOTAL
	Adjustment Number Workpaper Reference	2.11 E-NGL	2.12 E-RN	2.13 E-MR	2.14 E-PCB	2.15 E-RI	2.16 E-CCOM	2.17 E-RDI	R-Ttl
REVENUES									
1	Total General Business	\$0	\$74	\$0	\$0	\$0	\$0	\$0	\$454,285
2	Interdepartmental Sales	-	-	-	-	-	-	-	820
3	Sales for Resale	-	-	-	-	-	-	-	76,991
4	Total Sales of Electricity	-	74	-	-	-	-	-	532,096
5	Other Revenue	-	-	-	-	-	-	-	130,723
6	Total Electric Revenue	-	74	-	-	-	-	-	662,819
EXPENSES									
Production and Transmission									
7	Operating Expenses	-	-	(6)	-	-	-	-	240,322
8	Purchased Power	-	-	-	-	-	-	-	124,270
9	Depreciation/Amortization	-	-	-	-	-	-	-	25,158
10	Regulatory Amortization	-	4,610	-	-	-	981	-	5,994
11	Taxes	-	-	-	-	-	-	-	11,072
12	Total Production & Transmission	-	4,610	(6)	-	-	981	-	406,816
Distribution									
13	Operating Expenses	-	-	(1)	(852)	-	-	-	19,507
14	Depreciation/Amortization	(80)	-	-	-	-	-	-	19,240
15	Taxes	-	3	-	-	-	-	-	22,196
16	Total Distribution	(80)	3	(1)	(852)	-	-	-	60,943
17	Customer Accounting	-	-	-	-	-	-	-	10,279
18	Customer Service & Information	-	(20,102)	(8)	-	-	-	-	1,190
19	Sales Expenses	-	-	-	-	-	-	-	4
Administrative & General									
20	Operating Expenses	-	-	(75)	-	749	-	-	45,664
21	Depreciation/Amortization	-	-	-	-	-	-	-	10,906
22	Taxes	-	-	-	-	-	-	-	-
23	Total Admin. & General	-	-	(75)	-	749	-	-	56,570
24	Total Electric Expenses	(80)	(15,489)	(90)	(852)	749	981	-	535,802
25	OPERATING INCOME BEFORE FIT	80	15,563	90	852	(749)	(981)	-	127,017
FEDERAL INCOME TAX									
26	Current Accrual	28	5,447	32	298	(262)	(343)	(126)	16,698
27	Debt Interest	-	-	-	-	-	-	-	(72)
28	Deferred Income Taxes	-	-	-	-	-	-	-	16,402
29	Amortized ITC - Noxon	-	-	-	-	-	-	-	(114)
30	NET OPERATING INCOME	\$52	\$10,116	\$59	\$554	(\$487)	(638)	126	94,103
RATE BASE									
PLANT IN SERVICE									
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,081
32	Production	-	-	-	-	-	-	-	706,894
33	Transmission	-	-	-	-	-	-	-	328,012
34	Distribution	-	-	-	-	-	-	-	696,082
35	General	-	-	-	-	-	-	-	140,218
36	Total Plant in Service	-	-	-	-	-	-	-	1,955,287
ACCUMULATED DEPRECIATION/AMORT									
37	Intangible	-	-	-	-	-	-	-	3,744
38	Production	-	-	-	-	-	-	-	286,300
39	Transmission	-	-	-	-	-	-	-	111,144
40	Distribution	-	-	-	-	-	-	-	209,101
41	General	-	-	-	-	-	-	-	56,694
42	Total Accumulated Depreciation	-	-	-	-	-	-	-	666,983
43	NET PLANT	-	-	-	-	-	-	-	1,288,304
44	DEFERRED TAXES	-	-	-	-	-	-	-	(201,163)
45	Net Plant After DFIT	-	-	-	-	-	-	-	1,087,141
46	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	-	11,854
47	WORKING CAPITAL	-	-	-	-	-	-	-	31,877
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,130,872
49	RATE OF RETURN								8.32%
50	REVENUE REQUIREMENT	(84)	(16,294)	(94)	(892)	784	1,027	(203)	(1,299)

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Power Supply	Pro Forma Transmission Rev/Exp	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance	Pro Forma Property Tax	Restate 2011 Capital
	Adjustment Number	3.00	3.01	3.02	3.03	3.04	3.05	3.06	3.07
	Workpaper Reference	E-PPS	E-PTR	E-PLN	E-PLE	E-PEB	E-PI	E-PT	E-RCAP
REVENUES									
1	Total General Business	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	-	-	-	-	-	-	-	-
3	Sales for Resale	(29,491)	-	-	-	-	-	-	-
4	Total Sales of Electricity	(29,491)	-	-	-	-	-	-	-
5	Other Revenue	(118,125)	(62)	-	-	-	-	-	-
6	Total Electric Revenue	(147,616)	(62)	-	-	-	-	-	-
EXPENSES									
Production and Transmission									
7	Operating Expenses	(96,772)	747	738	1	1,110	-	-	-
8	Purchased Power	(42,786)	-	-	-	-	-	-	-
9	Depreciation/Amortization	-	-	-	-	-	-	-	406
10	Regulatory Amortization	-	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	1,341	-
12	Total Production & Transmission	(139,558)	747	738	1	1,110	-	1,341	406
Distribution									
13	Operating Expenses	-	-	540	-	785	-	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-	836
15	Taxes	-	-	-	-	-	-	651	-
16	Total Distribution	-	-	540	-	785	-	651	836
17	Customer Accounting	-	-	246	-	373	-	-	-
18	Customer Service & Information	-	-	21	-	32	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-
Administrative & General									
20	Operating Expenses	-	-	563	(14)	999	(102)	-	-
21	Depreciation/Amortization	-	-	-	-	-	-	-	451
22	Taxes	-	-	-	-	-	-	13	-
23	Total Admin. & General	-	-	563	(14)	999	(102)	13	451
24	Total Electric Expenses	(139,558)	747	2,108	(13)	3,299	(102)	2,005	1,693
25	OPERATING INCOME BEFORE FIT	(8,058)	(809)	(2,108)	13	(3,299)	102	(2,005)	(1,693)
FEDERAL INCOME TAX									
26	Current Accrual	(2,820)	(283)	(738)	5	(1,155)	36	(702)	(593)
27	Debt Interest	-	-	-	-	-	-	-	(321)
28	Deferred Income Taxes	-	-	-	-	-	-	-	-
29	Amortized ITC - Noxon	-	-	-	-	-	-	-	-
30	NET OPERATING INCOME	(\$5,238)	(\$526)	(\$1,370)	\$8	(\$2,144)	\$66	(\$1,303)	(\$779)
RATE BASE									
PLANT IN SERVICE									
31	Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$629)
32	Production	-	-	-	-	-	-	-	6,339
33	Transmission	-	-	-	-	-	-	-	12,193
34	Distribution	-	-	-	-	-	-	-	25,789
35	General	-	-	-	-	-	-	-	7,589
36	Total Plant in Service	-	-	-	-	-	-	-	51,281
ACCUMULATED DEPRECIATION/AMORT									
37	Intangible	-	-	-	-	-	-	-	(553)
38	Production	-	-	-	-	-	-	-	6,455
39	Transmission	-	-	-	-	-	-	-	2,428
40	Distribution	-	-	-	-	-	-	-	4,727
41	General	-	-	-	-	-	-	-	977
42	Total Accumulated Depreciation	-	-	-	-	-	-	-	14,034
43	NET PLANT	-	-	-	-	-	-	-	37,247
44	DEFERRED TAXES	-	-	-	-	-	-	-	(6,332)
45	Net Plant After DFIT	-	-	-	-	-	-	-	30,915
46	DEFERRED DEBITS AND CREDITS	-	-	-	-	-	-	-	-
47	WORKING CAPITAL	-	-	-	-	-	-	-	-
48	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,915
49	RATE OF RETURN								
50	REVENUE REQUIREMENT	8,437	847	2,207	(14)	3,454	(107)	2,099	5,363

AVISTA UTILITIES
 WASHINGTON ELECTRIC RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2011
 (000'S OF DOLLARS)

			Alternative analysis of impact of 2012/2013 rate base and DSM				
Line No.	DESCRIPTION	Pro Forma SUB-TOTAL	Planned Capital Add 2012	Planned Capital Add 2013 AMA	DSM	Other	Attrition Adjusted Total (1)
	Adjustment Number Workpaper Reference	PF-Ttl	4.00 E-CAP12	4.01 E-CAP13	4.02 E-DSMA	4.03 E-Other	AA-Ttl
	REVENUES						
1	Total General Business	\$454,285	\$0	\$0	\$0	\$0	\$454,285
2	Interdepartmental Sales	820	-	-	-	-	820
3	Sales for Resale	47,500	-	-	-	-	47,500
4	Total Sales of Electricity	502,605	-	-	-	-	502,605
5	Other Revenue	12,536	-	-	-	-	12,536
6	Total Electric Revenue	515,141	-	-	-	-	515,141
	EXPENSES						
	Production and Transmission	-					-
7	Operating Expenses	146,146	-	-	-	-	146,146
8	Purchased Power	81,484	-	-	-	-	81,484
9	Depreciation/Amortization	25,564	1,091	120	-	-	26,775
10	Regulatory Amortization	5,994	-	-	-	-	5,994
11	Taxes	12,413	-	-	-	-	12,413
12	Total Production & Transmission	271,601	1,091	120	-	-	272,812
	Distribution	-					-
13	Operating Expenses	20,832	-	-	-	-	20,832
14	Depreciation/Amortization	20,076	1,354	437	-	-	21,867
15	Taxes	22,847	-	-	-	-	22,847
16	Total Distribution	63,755	1,354	437	-	-	65,546
17	Customer Accounting	10,898	-	-	-	-	10,898
18	Customer Service & Information	1,243	-	-	3,977	-	5,220
19	Sales Expenses	4	-	-	-	-	4
	Administrative & General						
20	Operating Expenses	47,110	-	-	-	100	47,210
21	Depreciation/Amortization	11,357	4,716	1,091	-	-	17,164
22	Taxes	13	-	-	-	-	13
23	Total Admin. & General	58,480	4,716	1,091	-	100	64,387
24	Total Electric Expenses	405,981	7,161	1,648	3,977	100	418,867
25	OPERATING INCOME BEFORE FIT	109,160	(7,161)	(1,648)	(3,977)	(100)	96,274
	FEDERAL INCOME TAX						
26	Current Accrual	10,448	(2,506)	(577)	(1,392)	(35)	5,938
27	Debt Interest	(394)	(660)	27	-	-	(1,026)
28	Deferred Income Taxes	16,402	-	-	-	-	16,402
29	Amortized ITC - Noxon	(114)	(27)	-	-	-	(141)
30	NET OPERATING INCOME	\$82,818	(\$3,968)	(\$1,098)	(\$2,585)	(\$65)	\$75,101
	RATE BASE						
	PLANT IN SERVICE						
31	Intangible	\$83,452	\$19,192	\$4,158	\$0	\$0	\$106,802
32	Production	713,233	30,821	1,715	-	-	745,769
33	Transmission	340,205	16,945	4,676	-	-	361,826
34	Distribution	721,871	48,541	15,354	-	-	785,766
35	General	147,807	15,196	6,185	-	-	169,188
36	Total Plant in Service	2,006,568	130,695	32,088	-	-	2,169,351
	ACCUMULATED DEPRECIATION/AMORT						
37	Intangible	3,191	5,815	4,560	-	-	13,566
38	Production	\$292,755	18,419	8,195	-	-	\$319,369
39	Transmission	113,572	7,035	3,302	-	-	123,909
40	Distribution	213,828	20,455	11,065	-	-	245,348
41	General	57,671	7,953	4,278	-	-	69,902
42	Total Accumulated Depreciation	681,017	59,677	31,400	-	-	772,094
43	NET PLANT	1,325,551	71,018	688	-	-	1,397,257
44	DEFERRED TAXES	(207,495)	(7,562)	(3,306)	-	-	(218,363)
45	Net Plant After DFIT	1,118,056	63,456	(2,618)	-	-	1,178,894
46	DEFERRED DEBITS AND CREDITS	11,854	-	-	-	-	11,854
47	WORKING CAPITAL	31,877	-	-	-	-	31,877
48	TOTAL RATE BASE	1,161,787	\$63,456	(\$2,618)	\$0	\$0	1,222,625
49	RATE OF RETURN	7.13%	Subtotal Revenue Requirement = \$ 20,514				6.14%
50	REVENUE REQUIREMENT	20,988	14,824	1,421	4,164	105	41,502

(1) The Attrition Adjusted Total revenue requirement of \$41.502 million on line 50 developed by Dr. Lowry's Attrition Study is used for the final adjusted results and revenue requirement on an attrition adjusted basis. However, the values shown elsewhere in the Attrition Adjusted Total column, lines 1-48, above were used for the limited purpose of preparing the cost-of-service study that is presented by Company witness Ms. Knox, because these values more readily lend themselves to Ms. Knox's cost-of-service analysis.

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Retail Revenue Credit	Depreciation Study	O&M Offsets	FINAL TOTAL
	Adjustment Number	4.04	4.05	4.06	F-Ttl
	Workpaper Reference	E-RRC	E-DS	E-OFF	
	REVENUES				
1	Total General Business	\$0	\$0	\$0	\$454,285
2	Interdepartmental Sales	-	-	-	820
3	Sales for Resale	-	-	-	47,500
4	Total Sales of Electricity	-	-	-	502,605
5	Other Revenue	-	-	-	12,536
6	Total Electric Revenue	-	-	-	515,141
	EXPENSES				
	Production and Transmission				-
7	Operating Expenses	3,469	-	(106)	149,509
8	Purchased Power	-	-	-	81,484
9	Depreciation/Amortization	-	(3,317)	-	23,458
10	Regulatory Amortization	-	-	-	5,994
11	Taxes	-	-	-	12,413
12	Total Production & Transmission	3,469	(3,317)	(106)	272,858
	Distribution				-
13	Operating Expenses	-	-	(824)	20,008
14	Depreciation/Amortization	-	469	-	22,336
15	Taxes	-	-	-	22,847
16	Total Distribution	-	469	(824)	65,191
17	Customer Accounting	-	-	-	10,898
18	Customer Service & Information	-	-	-	5,220
19	Sales Expenses	-	-	-	4
	Administrative & General				
20	Operating Expenses	-	-	(45)	47,165
21	Depreciation/Amortization	-	(143)	-	17,021
22	Taxes	-	-	-	13
23	Total Admin. & General	-	(143)	(45)	64,199
24	Total Electric Expenses	3,469	(2,991)	(975)	418,370
25	OPERATING INCOME BEFORE FIT	(3,469)	2,991	975	96,771
	FEDERAL INCOME TAX				
26	Current Accrual	(1,214)	1,047	341	6,112
27	Debt Interest	-	-	-	(1,026)
28	Deferred Income Taxes	-	-	-	16,402
29	Amortized ITC - Noxon	-	-	-	(141)
30	NET OPERATING INCOME	(\$2,255)	1,944	634	\$75,424
	RATE BASE				
	PLANT IN SERVICE				
31	Intangible	\$0	\$0	\$0	\$106,802
32	Production	-	-	-	745,769
33	Transmission	-	-	-	361,826
34	Distribution	-	-	-	785,766
35	General	-	-	-	169,188
36	Total Plant in Service	-	-	-	2,169,351
	ACCUMULATED DEPRECIATION/AMORT				
37	Intangible	-	-	-	13,566
38	Production	-	-	-	\$319,369
39	Transmission	-	-	-	123,909
40	Distribution	-	-	-	245,348
41	General	-	-	-	69,902
42	Total Accumulated Depreciation	-	-	-	772,094
43	NET PLANT	-	-	-	1,397,257
44	DEFERRED TAXES	-	-	-	(218,363)
45	Net Plant After DFIT	-	-	-	1,178,894
46	DEFERRED DEBITS AND CREDITS	-	-	-	11,854
47	WORKING CAPITAL	-	-	-	31,877
48	TOTAL RATE BASE	\$0	\$0	\$0	1,222,625
49	RATE OF RETURN				6.17%
50	REVENUE REQUIREMENT	3,632	(3,132)	(1,021)	40,983