

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-090134

DOCKET NO. UG-090135

DOCKET NO. UG-060518

(consolidated)

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

TARA L. KNOX

REPRESENTING AVISTA CORPORATION

**AVISTA UTILITIES**  
**Production Factor Adjustment - Rebuttal Case**  
**Twelve Months Ended September 30, 2008**

Washington Electric Rate Case \$000's	Production	Transmission	Pro formed Period Total	Production Factor	Adjustment	Test Year Total	Workpaper References
<b>Pro forma Rate Base</b>							
<b>Plant</b>							
Capital Additions	699,010	302,170	1,001,180	0.009466	9,477	991,703	PF6, 7
Noxon Generation	5,464		5,464	0.018508	101	5,363	PF8
Spokane River Relicensing	25,824		25,824	0.018508	478	25,346	PF11, Revised for Rebuttal
CDA Tribe Settlement	25,866		25,866	0.018508	479	25,387	PF12
Montana Lease	4,398		4,398	0.018508	81	4,317	PF13
Total pro formed Plant	760,562	302,170	1,062,732		<b>10,616</b>	1,052,116	
<b>Accumulated Depreciation</b>							
Capital Additions	(270,987)	(104,728)	(375,715)	0.009466	(3,557)	(372,158)	PF6, 7
Noxon Generation	(56)		(56)	0.018508	(1)	(55)	PF8
Spokane River Relicensing	(488)		(488)	0.018508	(9)	(479)	PF11, Revised for Rebuttal
CDA Tribe Settlement	(219)		(219)	0.018508	(4)	(215)	PF12
Total pro formed AD	(271,750)	(104,728)	(376,478)		<b>(3,571)</b>	(372,907)	
<b>Accumulated Deferred FIT</b>							
Capital Additions	(65,617)	(27,783)	(93,400)	0.009466	(884)	(92,516)	PF6, 7
Noxon Generation	(22)		(22)	0.018508	-	(22)	PF8
Spokane River Relicensing	(2,806)		(2,806)	0.018508	(52)	(2,754)	PF11, Revised for Rebuttal
CDA Tribe Settlement	(8,384)		(8,384)	0.018508	(155)	(8,229)	PF12
Montana Lease	(1,539)		(1,539)	0.018508	(28)	(1,511)	PF13
Total pro formed DFIT	(78,368)	(27,783)	(106,151)		<b>(1,119)</b>	(105,032)	
Net Rate Base	410,444	169,659	580,103		<b>5,926</b>	574,177	
<b>Depreciation/Amortization</b>							
Capital Additions	17,460	6,086	23,546	0.009466	223	23,323	PF6, 7
Noxon Generation	158		158	0.018508	3	155	PF8
Spokane River Relicensing	1,881		1,881	0.018508	35	1,846	PF11, Revised for Rebuttal
CDA Tribe Settlement	829		829	0.018508	15	814	PF12
Montana Lease	3,516		3,516	0.018508	65	3,451	PF13
Total pro formed Depr/Amort	23,844	6,086	29,930		<b>341</b>	29,589	
<b>Property Taxes</b>							
Capital Additions	6,879	3,312	10,191	0.009466	96	10,095	PF 6,7, L and B
Noxon Generation	82		82	0.018508	2	80	PF8
Total pro formed Property Tax	6,961	3,312	10,273		<b>98</b>	10,175	
<b>O&amp;M Expense</b>							
Spokane River Relicensing	2,041		2,041	0.018508	38	2,003	PF11, Revised for Rebuttal
Power Supply - Purchased Power	80,571		80,571	0.018508	1,491	79,080	PF1, Revised for Rebuttal
Power Supply	112,208	11,965	124,173	0.018508	2,298	121,875	PF1, Revised for Rebuttal
Labor	9,010	2,657	11,667	0.018508	216	11,451	PF 3, Revised for Rebuttal
Transmission		1,424	1,424	0.018508	26	1,398	PF5
Asset Management		2,347	2,347	0.018508	43	2,304	PF9
Mercury Emission	937		937	0.018508	17	920	PF14, Revised for Rebuttal
Production Plant O&M	-		-	0.018508	-	-	PF16, Eliminated for Rebuttal
Benefits	3,183	869	4,052	0.009466	38	4,014	PF17 and PF3, Revised for Rebuttal
Clark Fork PM&E	2,285		2,285	0.018508	42	2,243	PF19
Total pro formed O&M Expense	210,235	19,261	229,496		<b>4,209</b>	225,287	
<b>Revenue</b>							
Power Supply - Sales for Resale	77,394		77,394	0.018508	1,432	75,962	PF1, Revised for Rebuttal
Power Supply - Other Revenue	211		211	0.018508	4	207	PF1, Revised for Rebuttal
Transmission - Other Revenue		6,123	6,123	0.018508	113	6,010	PF5
Total pro formed Revenues	77,605	6,123	83,728		<b>1,549</b>	82,179	
Net Operating Expense Before Tax	163,435	22,537	185,971		<b>3,099</b>	182,872	
<b>Washington Retail Loads</b>							
12 Months Ended December 2010			5,591,052	0.018508	2010 Factor		PF2, Revised for Rebuttal
12 Months Ended December 2009			5,540,017	0.009466	2009 Factor		
Normalized 12 Months Ended September 2008			5,487,574				

Retail Forecast	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Annual Total
<b>Total Calendar Energy Usage by State:</b>													
WA	567,312	506,744	474,017	443,831	441,748	411,162	481,078	496,948	422,453	464,475	488,896	565,308	5,763,971
ID	340,902	316,577	309,039	290,973	290,534	271,238	304,598	306,815	275,752	301,057	315,918	347,135	3,670,538
	908,214	823,320	783,056	734,805	732,282	682,400	785,676	803,763	698,205	765,532	804,815	912,443	9,434,509

Forecast includes Special Contract

WA028	0	24	338	0	21	0	59	4	40	8	74	0	568
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Potlatch Generation is excluded from Power Supply Loads to facilitate direct assignment to Idaho

Test Year Actual	39,699	35,305	37,463	31,674	34,306	33,091	34,505	36,761	27,148	35,755	42,576	41,333	429,616
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2009 Forecast	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Annual Total
WA	552,808	495,006	459,919	430,226	427,518	398,298	466,306	481,436	408,297	449,917	475,445	550,801	5,595,977
ID	335,231	311,506	303,558	285,099	285,387	265,514	299,200	300,479	269,663	294,943	310,730	341,347	3,602,657
	888,038	806,513	763,477	715,324	712,904	663,812	765,506	781,915	677,960	744,861	786,175	892,148	9,198,633

Washington BJH workpapers	TOTAL PROFORMA KWHS	5,487,025
	SCHEDULE 1	2,380,849
	SCH. 11,12	419,975
	SCH. 21,22	1,593,292
	SCHEDULE 25	934,831
	SCH. 30, 31, 32	131,449
	SCH. 41-48	26,629

Revenue Run Test Year Schedule 28 Actual 549

Test Year Normalized Including Special Contract 5,487,574

Values entered as kWhs, formatted to view as mWhs.

Forecast Values Copied from 'Electric 2009 - 2013 v4.xls / Calendar Loads'

2010 Total x 97% 5,591,052

2009 Total x 99% 5,540,017

**ERM Authorized Base WA Retail Sales Updated for 3% Reduction in Loads from Original Forecast**

	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Annual Total
WA	550,293	491,541	459,797	430,516	428,495	398,827	466,646	482,040	409,779	450,541	474,229	548,349	5,591,052