

Exhibit No. ___ (KHB-7)
Dockets UE-120436, et al.
Witness: Kathryn H. Breda

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-120436/UG-120437
(consolidated)**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a AVISTA
UTILITIES,**

Respondent.

**DOCKETS UE-110876/UG-110877
(consolidated)**

EXHIBIT TO TESTIMONY OF

Kathryn H. Breda

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff Adjustment 3.08, Electric - Noxon Rapids Unit 4 Runner Upgrade

September 19, 2012

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

Line No.	DESCRIPTION	Noxon Rapids Unit 4 Runner Upgrade
	Adjustment Number	3.08
	REVENUES	
1	Total General Business	\$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	-
8	Purchased Power	-
9	Depreciation/Amortization	109
10	Regulatory Amortization	-
11	Taxes	-
12	Total Production & Transmission	109
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	-
17	Customer Accounting	-
18	Customer Service & Information	-
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	-
21	Depreciation/Amortization	-
22	Taxes	-
23	Total Admin. & General	-
24	Total Electric Expenses	109
25	OPERATING INCOME BEFORE FIT	(109)
	FEDERAL INCOME TAX	
26	Current Accrual	(38)
27	Debt Interest	(56)
28	Deferred Income Taxes	-
29	Amortized ITC - Noxon	-
30	NET OPERATING INCOME	(\$15)
	RATE BASE	
	PLANT IN SERVICE	
31	Intangible	\$0
32	Production	5,415
33	Transmission	-
34	Distribution	-
35	General	-
36	Total Plant in Service	5,415
	ACCUMULATED DEPRECIATION/AMORT	
37	Intangible	-
38	Production	140
39	Transmission	-
40	Distribution	-
41	General	-
42	Total Accumulated Depreciation	140
43	NET PLANT	5,275
44	DEFERRED TAXES	(102)
45	Net Plant After DFIT	5,173
46	DEFERRED DEBITS AND CREDITS	-
47	WORKING CAPITAL	-
48	TOTAL RATE BASE	\$5,173
49	RATE OF RETURN	

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)
Staff Adjustment 3.08

Tax Rate	1st Year Rate	2nd Year Rate
P/UD	3.750%	7.219%
GP	14.28%	24.49%
Transport. & Software	20.00%	32.00%

Description	EOP Cost	AMA Cost	Book Rate	Estimated Annual Deprec Expense	Accum Deprec 12/31/12	Accum Deprec 12/31/13	AMA Accum		Accum DFIT 12/31/12	Accum DFIT 12/31/13	AMA Accum DFIT 12/31/13
							Deprec 12/31/13	2013 Tax Deprec			
Generation											
Thermal			2.73%								
Noxon Rapids Unit 4 Runner Upgrade	5,415	4,210	2.02%	109	85	194	140	203	391	(52)	(151)
Other			3.23%								
Subtotal	5,415	4,210		109	85	194	140	203	391	(52)	(151)
Transmission			2.06%								
Distribution											
Direct			2.79%								
AN			2.79%								
Subtotal											
General Plant			6.07%								
Transport.			5.26%								
Subtotal											
Software			20.00%								
Electric Total	5,415	4,210		109	85	194	140	203	391	(52)	(151)
Gas U/G Storage			3.11%								
Distribution											
Direct			2.19%								
AA			2.19%								
AN			2.19%								
Subtotal											
General Plant			6.07%								
Transport.			5.26%								
Subtotal											
Software			20.00%								
Gas Total											

AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(000'S OF DOLLARS)
Staff Adjustment 3.08

Functional Plant Categories	2012 in (000's)	Allocation	2012 Vintage	
			12mo EOP Plant Additions	12mos AMA Plant Additions
Noxon Rapids Unit 4 Runner Upgrade			8,300	5,188
- Washington Electric		65.240%	5,415	3,384
- Idaho Electric		34.760%	2,885	1,803