

AVISTA UTILITIES
 GAS ADJUSTMENT SUMMARY
 TWELVE MONTHS ENDED DECEMBER 31, 2009
 (000'S OF DOLLARS)

C₁

Line No.	Description	DEFERRED FIT RATE BASE		
		System	Washington	Idaho
REVENUES				
1	Total General Business			
2	Total Transportation			
3	Other Revenues			
4	Total Gas Revenues	0	0	0
EXPENSES				
5	Exploration & Development			
Production				
6	City Gate Purchases			
7	Purchased Gas Expense			
8	Net Nat. Gas Storage Trans			
9	Total Production	0	0	0
Underground Storage				
10	Operating Expenses			
11	Depreciation			
12	Taxes			
13	Total Underground Storage	0	0	0
Distribution				
14	Operating Expenses			
15	Depreciation			
16	Taxes	0		0
17	Total Distribution	0	0	0
18	Customer Accounting			
19	Customer Service & Information			
20	Sales			
Administrative and General				
21	Operating Expenses			
22	Depreciation			
23	Taxes			
24	Total Admin. & General	0	0	0
25	Total Gas Expense	0	0	0
26	Operating Income before FIT	0	0	0
Federal Income Taxes				
27	Current Accrual (at 35%)	0	0	0
28	Amort ITC			
29	Deferred FIT			
30	NET OPERATING INCOME	\$0	\$0	\$0
RATE BASE				
PLANT IN SERVICE				
31	Underground Storage			
32	Distribution Plant			
33	General Plant			
34	Total Plant in Service	0	0	0
ACCUMULATED DEPRECIATION				
35	Underground Storage			
36	Distribution Plant			
37	General Plant			
38	Total Accum. Depreciation	0	0	0
39	DEFERRED TAXES	(48,323)	(31,005)	(17,318)
40	GAS INVENTORY			
41	WORKING CAPITAL			
42	GAIN ON SALE OF BUILDING			
43	TOTAL RATE BASE	(\$48,323)	(\$31,005)	(\$17,318)

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AVISTA UTILITIES
Gas Accumulated Deferred Taxes
Average - Twelve Months Ended December 31, 2009

	<u>Alloc Basis</u>	<u>Gas System</u>	<u>Washington</u>	<u>Idaho</u>
ACCELERATED TAX DEPRECIATION				
Gas North	NDP	(44,690,294)	(28,578,549)	(16,111,745)
General Utility CD AA	4	(2,344,935)	(1,593,219)	(751,716)
General Utility CD AN	4	(344,595)	(234,128)	(110,467)
Total Accelerated Tax Depr		<u>(47,379,824)</u>	<u>(30,405,896)</u>	<u>(16,973,928)</u>
FMB & MTN Redeemed	12	(772,967)	(499,089)	(273,878)
DSM (Gas-WA) Gas	D	(100,196)	(100,196)	
DSM (Gas-ID) Gas	D	(71,043)		(71,043)
Total Other Deferred FIT		<u>(944,206)</u>	<u>(599,285)</u>	<u>(344,921)</u>
Total Deferred FIT		<u>(48,324,030)</u>	<u>(31,005,181)</u>	<u>(17,318,849)</u>

Allocation Notes:

Jurisdictional four-factor	4	100.000%	67.943%	32.057%
Net gas plant - AMA	12	100.000%	64.568%	35.432%
Net gas general plant - AMA	13	100.000%	66.587%	33.413%
Net distribution plant - AMA				
Gross (1)		399,004,618	255,976,590	143,028,028
A/D (1)		<u>(130,105,783)</u>	<u>(84,020,654)</u>	<u>(46,085,129)</u>
Net Distribution Plant		268,898,835	171,955,936	96,942,899
Percent	NDP	100.000%	63.948%	36.052%
Direct	D			

Source of Allocation Factors: Results of Operations Report G-PLT-12A
(1) Source: Results of Operations (G-PLT-12A)

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AVISTA UTILITIES
Accumulated Deferred Taxes
Average - Twelve Months Ended December 31, 2009

		<u>Total System</u>	<u>Electric</u>	<u>Gas - North</u>	<u>Gas - South</u>
Electric		(233,566,516)	(233,566,516)		
GAS North		(44,690,294)		(44,690,294)	
GAS Oregon		(21,601,695)			(21,601,695)
General Utility	CD AA	(12,121,032)	(8,732,476)	(2,344,935)	(1,043,621)
General Utility	CD AN	(1,641,242)	(1,296,647)	(344,595)	
Total Accelerated Tax Depr		<u>(313,620,779)</u>	<u>(243,595,639)</u>	<u>(47,379,824)</u>	<u>(22,645,316)</u>
Average of Monthly Averages					
Colstrip PCB	283200 ED AN	(610,998)	(610,998)		
FMB & MTN Redeemed	283850 CD AA	(3,995,485)	(2,878,507)	(772,967)	(344,011)
DSM (Elec-ID) Elec	283720 ED ID	(234,832)	(234,832)		
DSM (Gas-WA) Gas	283720 GD WA	(100,196)		(100,196)	
DSM (Gas-ID) Gas	283720 GD ID	(71,043)		(71,043)	
Total Other Deferred FIT		<u>(5,012,554)</u>	<u>(3,724,337)</u>	<u>(944,206)</u>	<u>(344,011)</u>
Total Deferred FIT		<u>(318,633,333)</u>	<u>(247,319,976)</u>	<u>(48,324,030)</u>	<u>(22,989,327)</u>

Source of Allocation Factors: Results of Operations Report E-ALL-12A

CD AA - 7	100.000%	72.044%	19.346%	8.610%
CD AN - 9	100.000%	79.004%	20.996%	0.000%

AVISTA UTILITIES
 Accumulated Deferred Taxes
 Associated with Accelerated Tax Depreciation
 Estimated Balance at 12/31/2009

	<u>Alloc</u>	<u>Balance at 12/31/2008 *</u>	<u>Balance at 12/31/2009 **</u>	<u>Average Balance 12/31/2009 **</u>
Electric - 282900	ED AN	(220,061,848) 1)	(247,071,184)	(233,566,516)
Gas North - 282900	GD AN	(41,100,768) 2)	(48,279,819)	(44,690,294)
Oregon Gas - 282900	GD OR	(19,351,201) 3)	(23,852,188)	(21,601,695)
General Utility - 282900	CD AA	(10,142,283)	(14,099,780)	(12,121,032)
General Utility - 282900	CD AN	(1,598,945)	(1,683,538)	(1,641,242)
Total Accelerated Tax Depr		(292,255,045) (See C5)	(334,986,509) (See C6)	(313,620,777)

Source: General Ledger

* Includes CIACs which are in Account 190xxx

** CIACs are in 282xxx resulting from conversion of Acufile to PowerTax

- 1) Includes \$11,075,201 decrease for Bonus Depreciation not taken on 2008 Tax Return
- 2) Includes \$ 2,951,950 decrease for Bonus Depreciation not taken on 2008 Tax Return
- 3) Includes \$ 1,363,623 decrease for Bonus Depreciation not taken on 2008 Tax Return

\$ 15,390,774 (to C5)

Trial Balance
Balance as of 12-31-2008

				YTD-Actual 200811	PTD-Actual 200812	YTD-Actual 200812
001	190610	ADFIT CIAC DISTRIBUTION	ED ID	4,522,354.72	30,926.00	4,553,280.72
001	190610	ADFIT CIAC DISTRIBUTION	ED WA	7,827,678.30	53,530.00	7,881,208.30
001	190610	ADFIT CIAC DISTRIBUTION	GD ID	397,594.83	1,126.00	398,720.83
001	190610	ADFIT CIAC DISTRIBUTION	GD OR	254,102.53	1,012.00	255,114.53
001	190610	ADFIT CIAC DISTRIBUTION	GD WA	945,681.49	2,678.00	948,359.49
001	282900	ADFIT	CD AA	(10,059,017.53)	(83,265.00)	(10,142,282.53)
001	282900	ADFIT	CD AN	(1,573,819.33)	(25,126.00)	(1,598,945.33)
001	282900	ADFIT	ED AN	(230,977,727.74)	(12,593,810.00)	(243,571,537.74)
001	282900	ADFIT	GD AN	(42,003,732.45)	(3,396,066.00)	(45,399,798.45)
001	282900	ADFIT	GD OR	(19,320,073.87)	(1,649,865.00)	(20,969,938.87)
						<u>(307,645,819.05)</u>

less 2008 Bonus
 Depreciation adj
 adjusted 2008
 Balance

15,390,774 (See C4)

 292,255,045

 (to C4)

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Trial Balance
Balance as of 12-31-2009

				YTD-Actual 200911	PTD-Actual 200912	YTD-Actual 200912
001	282900	ADFIT	CD AA	(11,706,042.53)	(2,393,737.00)	(14,099,779.53)
001	282900	ADFIT	CD AN	(1,610,229.33)	(73,309.00)	(1,683,538.33)
001	282900	ADFIT	ED AN	(227,238,181.72)	(19,833,002.00)	(247,071,183.72)
001	282900	ADFIT	GD AN	(44,470,838.13)	(3,808,981.00)	(48,279,819.13)
001	282900	ADFIT	GD OR	(21,157,610.34)	(2,694,578.00)	(23,852,188.34)
						<u>(334,986,509.05)</u>

(to 64)

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AVISTA UTILITIES
Accumulated Deferred Taxes
AMA Twelve Months Ended December 31, 2009

	Colstrip PCB Elec <u>283200 ED AN</u>	Bond Redemp. <u>283850 CD AA</u>
Dec-08	(646,663)	(4,223,395)
Dec-09	(575,160)	(3,708,385)
Total	<u>(1,221,823)</u>	<u>(7,931,780)</u>
Average	(610,912)	(3,965,890)
Jan-09	(640,762)	(4,238,210)
Feb-09	(634,861)	(4,188,636)
Mar-09	(628,960)	(4,140,865)
Apr-09	(622,982)	(4,093,235)
May-09	(617,004)	(4,045,604)
Jun-09	(611,026)	(3,997,974)
Jul-09	(605,049)	(3,950,343)
Aug-09	(599,071)	(3,902,713)
Sep-09	(593,093)	(3,855,082)
Oct-09	(587,115)	(3,807,452)
Nov-09	(581,137)	(3,759,821)
Total	<u>(7,331,972)</u>	<u>(47,945,825)</u>
Average of monthly averages	(610,998)	(3,995,485)

	DSM Elec-ID <u>283720 ED ID</u>	DSM Gas-WA <u>283720 GD WA</u>	DSM Gas-ID <u>283720 GD ID</u>
Dec-08	(449,318)	(156,663)	(88,743)
Dec-09	(80,224)	(48,981)	(53,343)
Total	<u>(529,542)</u>	<u>(205,644)</u>	<u>(142,086)</u>
Average	(264,771)	(102,822)	(71,043)
Jan-09	(411,976)	(146,851)	(85,793)
Feb-09	(374,634)	(137,039)	(82,843)
Mar-09	(337,292)	(127,227)	(79,893)
Apr-09	(299,950)	(117,415)	(76,943)
May-09	(262,608)	(107,603)	(73,993)
Jun-09	(225,267)	(97,413)	(71,043)
Jul-09	(187,919)	(89,341)	(68,093)
Aug-09	(150,861)	(81,269)	(65,143)
Sep-09	(112,230)	(73,197)	(62,193)
Oct-09	(100,299)	(65,125)	(59,243)
Nov-09	(90,180)	(57,053)	(56,293)
Total	<u>(2,817,987)</u>	<u>(1,202,355)</u>	<u>(852,516)</u>
Average of monthly averages	(234,832)	(100,196)	(71,043)

Source: General Ledger

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GL Account Balance Ferc Account : '283850' , Accounting Period : '2009%'

Ferc Acct:283850		Ferc Acct Desc:ADFIT FMB & MTN REDEEMED		Service:CD	Jurisdiction:AA
Accounting Period	Beginning Balance		Monthly Activity		Ending Balance
200901	-4,223,394.63		-14,814.94		-4,238,209.57
200902	-4,238,209.57		49,573.39		-4,188,636.18
200903	-4,188,636.18		47,770.94		-4,140,865.24
200904	-4,140,865.24		47,630.53		-4,093,234.71
200905	-4,093,234.71		47,630.53		-4,045,604.18
200906	-4,045,604.18		47,630.53		-3,997,973.65
200907	-3,997,973.65		47,630.53		-3,950,343.12
200908	-3,950,343.12		47,630.53		-3,902,712.59
200909	-3,902,712.59		47,630.53		-3,855,082.06
200910	-3,855,082.06		47,630.53		-3,807,451.53
200911	-3,807,451.53		47,630.53		-3,759,821.00
200912	-3,759,821.00		51,436.23		-3,708,384.77

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GL Account Balance Ferc Account : '283720' , Accounting Period : '2009%'

Ferc Ferc Acct Desc:ADFIT DSM Service:GD Jurisdiction:WA
Acct:283720

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200901	-156,663.27	9,812.05	-146,851.22
200902	-146,851.22	9,812.05	-137,039.17
200903	-137,039.17	9,812.05	-127,227.12
200904	-127,227.12	9,812.05	-117,415.07
200905	-117,415.07	9,812.05	-107,603.02
200906	-107,603.02	10,190.19	-97,412.83
200907	-97,412.83	8,072.05	-89,340.78
200908	-89,340.78	8,072.05	-81,268.73
200909	-81,268.73	8,072.05	-73,196.68
200910	-73,196.68	8,072.05	-65,124.63
200911	-65,124.63	8,072.05	-57,052.58
200912	-57,052.58	8,072.05	-48,980.53