

Exhibit No. \_\_ (EJK-5)  
Dockets UE-120436, et al.  
Witness: Edward J. Keating

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)*

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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

Edward J. Keating

STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

*Gas - Interest Adjustment*

September 19, 2012

Line No.	(000's of Dollars)		
1	<b>Interest Adjustment</b>		
2	<b>Gas Restating Adjustment 2.13</b>		
3			
4			
5			
6			
7	<b>Description</b>	<b>Amount</b>	<b>Adjustment</b>
8			
9	Test Period Rate Base	196,579	
10			
11	Weighted Cost of Debt	3.08%	
12			
13	Pro Forma Interest Expense	<u>6,055</u>	6,055
14			
15			
16	Total Interest Deducted		<u>6,055</u>
17			
18			
19	<b>Interest Expense Per Books</b>		<u>5,775</u>
20			
21	<b>Adjustment to Interest Expense</b>		<u>280</u>
22			
23	<b>Income Tax Effect</b>		<u>(98)</u>
24			
25			
26			
27			

## Restate Debt Interest

Dockets UE-120436 &amp; UG-120437

2 of 2

## Washington - GAS

12 Months Ended December 31, 2011

(000's)

Restate Debt Interest			
2.13			
	Adjustment ROO	All other Adjustments	Summary TOTAL
1.00	Per Results Report	196,579	196,579
1.01	Deferred FIT Rate Base		(297)
1.02	Deferred Debits and Credits	12	12
1.03	Gas Inventory & JP Restating	(10,773)	(10,773)
2.01	Gas working Capital	3,568	3,568
2.02	Eliminate B & O Taxes	-	-
2.03	Uncollectible Expense	-	-
2.04	Regulatory Expense Adjustment	-	-
2.05	Injuries and Damages	-	-
2.06	FIT / DFIT Expense	-	-
2.07	Net Gains/losses	-	-
2.08	Eliminate A/R Expenses	-	-
2.09	Office Space Charges to Subs	-	-
2.10	Restate Excise Taxes	-	-
2.11	Misc Restating Adjustments	-	-
2.12	Restating Incentive Adjustment	-	-
3.00	Pro Forma Labor Non-Exec	-	-
3.01	Pro Forma Labor Exec	-	-
3.02	Pro Forma Employee Benefits	-	-
3.03	Pro Forma Insurance	-	-
3.04	Pro Forma Property Tax	-	-
3.05	Pro Forma Atmospheric Testing	-	-
3.06	Restating 2011 Capital	-	-
4.00	Planned Capital Capital Add 2012	-	-
4.01	Planned Capital Capital Add 2013 AMA	-	-
4.02	Depreciation Study	-	-
4.03	O&M Offsets	-	-
		196,579	189,089
	Weighted Average Cost of Debt	3.08%	3.08%
	Restated Debt Interest	6,055	5,824
	Interest Per Results (G-FIT-12A)	5,775	5,775
	Increase (Decrease) in Interest Expense	280	49
	FIT Rate	35%	35%
	Increase (Decrease) in FIT	(98)	(17)
	<b>Adjust 2.13</b>	<b>81</b>	<b>(17)</b>