

Exhibit No. __ (EJK-7)
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)**

**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 - Miscellaneous Restating Adjustment

September 19, 2012

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

Line No.	DESCRIPTION	Gas Misc Restating Adjustments
	Adjsutment Number	2.11
	REVENUES	
1	Total General Business	\$ -
2	Total Transportation	-
3	Other Revenues	-
4	Total Gas Revenues	-
	EXPENSES	
	Production Expenses	
5	City Gate Purchases	-
6	Purchased Gas Expense	-
7	Net Nat Gas Storage Trans	-
8	Total Production	-
	Underground Storage	
9	Operating Expenses	-
10	Depreciation/Amortization	-
11	Taxes	-
12	Total Underground Storage	-
	Distribution	
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	-
17	Customer Accounting	-
18	Customer Service & Information	(7)
19	Sales Expenses	-
	Administrative & General	
20	Operating Expenses	(82)
21	Depreciation/Amortization	-
22	Regulatory Amortizations	-
23	Taxes	-
24	Total Admin. & General	(82)
25	Total Gas Expense	(89)
26	OPERATING INCOME BEFORE FIT	89
	FEDERAL INCOME TAX	
27	Current Accrual	31
28	Debt Interest	-
29	Deferred FIT	-
30	Amort ITC	-
31	NET OPERATING INCOME	\$ 58
	RATE BASE	
	PLANT IN SERVICE	
32	Underground Storage	\$ -
33	Distribution Plant	-
34	General Plant	-
35	Total Plant in Service	-
	ACCUMULATED DEPRECIATION/AMORT	
36	Underground Storage	-
37	Distribution Plant	-
38	General Plant	-
39	Total Accumulated Depreciation/Amortization	-
40	NET PLANT	-
41	DEFERRED TAXES	-
42	Net Plant After DFIT	-
43	GAS INVENTORY	-
44	GAIN ON SALE OF BUILDING	-
45	OTHER	-
46	WORKING CAPITAL	-
47	TOTAL RATE BASE	\$ -

GAS
Miscellaneous Restating Adjustments

	AVISTA FILED		Adj 2.13 STAFF PROPOSED		Adj 2.11 STAFF PROPOSED		DIFFERENCE	
	WA Electric	WA Gas	WA Electric	WA Gas	WA Electric	WA Gas	WA Electric	WA Gas
BOD Meeting Expenses	\$ (38,976)	\$ (10,575) ¹	\$ (25,468)	\$ (6,910) ¹	\$ 13,508	\$ 3,665	\$	\$
BOD Fees	\$ (28,399)	\$ (7,705) ²	\$ (244,137)	\$ (66,240) ¹	\$ (215,738)	\$ (58,535)	\$	\$
P/T Operating Expense	\$ (5,926)	\$ -	\$ (5,926)	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operating Expense	\$ (1,191)	\$ -	\$ (1,191)	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service	\$ (8,435)	\$ (6,514)	\$ (8,790)	\$ (6,639)	\$ (355)	\$ (125)	\$	\$
Admin and General	\$ (8,757)	\$ (4,889)	\$ (10,737)	\$ (9,046) ³	\$ (1,980)	\$ (4,157)	\$	\$
Total	\$ (17,192)	\$ (11,403)	\$ (26,644)	\$ (15,685)	\$ (2,335)	\$ (4,282)	\$	\$
Total Misc. Restating Adjustments	\$ (84,567)	\$ (29,683)³	\$ (296,249)	\$ (88,835)	\$ (204,565)	\$ (59,152)	\$	\$

¹ WA Electric and Gas allocations split 50/50 between ratepayers and shareholders

² WA Electric and Gas allocations split 10% to shareholders and 90% to ratepayers

³ Company filed numbers plus adjustments from Staff DR No. 365 Attachment A, items 1-8

Avista Utilities
Staff Adjusted Board of Directors Fees Allocation
For the twelve months ended December 31, 2011

2011 Stock Issuance	477,490.83
Additional 2011 Stock Issuance	59,834.70
Total Quarterly Payments/Retainers	752,158.09
(Less) AIQ Fees	<u>(31,500.00)</u>
Total Fees to be shared 50/50	<u>#####</u>

50/50 \$628,991.81 Total amount to charge to non-utility

Less Amount already charged to Non-Utility

Amount to move to non-utility \$503,193.49 Non-Utility Check

Allocated to Washington Electric

72.383% E - Note 7	
67.029% E - Note 4	<u>\$ (244,137)</u>

Allocated to Washington Gas

19.477% E - Note 7	
67.587% G - Note 4	<u>\$ (66,240)</u>

Allocated to Idaho Electric

72.383%	
32.971% E - Note 4	<u>\$ (120,089)</u>

Allocated to Idaho Gas

19.477%	
32.413% G - Note 4	<u>\$ (31,767)</u>

Allocated to Oregon

8.140% E - Note 7	<u>\$ (40,960)</u>
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Total Allocations \$ (503,193)

- 1.0000 E - Note 7 (Results of Operation E-ALL-12A, pg. 2)
- 1.0000 E - Note 4 (Results of Operation E-ALL-12A, pg. 1)
- 1.0000 G - Note 4 (Results of Operation G-ALL-12A, pg. 1)

Avista Utilities
Staff Adjusted Board of Directors Meetings Allocation
For the twelve months ended December 31, 2011

Board Meeting Costs 2011:		
Charged to 930200	\$	119,751.92
Charged to 923000	\$	14,699.75
Charged to 417100 (non-utility)	\$	82,139.79
(Less) Staff deemed excessive not eligible for 50/50 split	\$	(52,674.10)
Total Utility expenses to be shared 50/50	\$	163,917.36

50/50 \$ 81,958.68 Total amount to charge to non-utility

\$ (29,465.69) Less net amount already charged
to non-utility

Amount to move to non-utility

\$ 52,492.99

Non-Utility Check

Board Meeting Expenses

Total Adjustment

\$ (52,493) Remove

Allocated to Washington Electric

 72.383% E - Note 7
 67.029% E - Note 4

\$ (25,468)

Allocated to Washington Gas

 19.477% E - Note 7
 67.587% G - Note 4

\$ (6,910)

Allocated to Idaho Electric

 72.383%
 32.971% E - Note 4

\$ (12,528)

Allocated to Idaho Gas

 19.477%
 32.413% G - Note 4

\$ (3,314)

Allocated to Oregon

 8.140% E - Note 7

\$ (4,273)

\$ (52,493)

1.0000 E - Note 7 (Results of Operation E-ALL-12A, pg. 2)

1.0000 E - Note 4 (Results of Operation E-ALL-12A, pg. 1)

1.0000 G - Note 4 (Results of Operation G-ALL-12A, pg. 1)