

Docket No. UE-120436 et al.
 Exhibit No. JRD-3
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 Schedule No. 1

SUMMARY OF PUBLIC COUNSEL GAS ADJUSTMENTS
 AND COMPARISON TO AVISTA'S DIRECT FILING GAS ADJUSTMENTS

Avista Adj't. No.	Public Counsel Designation	Adjustment Description	Avisia Adjustments- Original Filing		Public Counsel Adjustment		Public Counsel Position Relative to the Company's Original Filed Position	Revenue Requirement Impact Difference
			Rate Base	NOI	Rev Red't	Rate Base		
1.00		Results of Operations	196,579	12,580	5,858			
1.01		Deferred FTT Rate Base	(297)	(3)	(34)		PC Neutral in Direct	
1.02		Deferred Debits and Credits	12	(29)	48		PC Neutral in Direct	
1.03		Gas Inventory & JP Restating	649	(123)	285		PC Neutral in Direct	
2.01	PC G 2.01	Revenue Norm. & Gas Cost Adjustment	-	1,541	(2,481)	1,802	PC Modified	(421)
2.02		Eliminate B&O Taxes	-	(5)	7		PC Neutral in Direct	
2.03		Uncollectible Expense	-	237	(382)		PC Neutral in Direct	
2.04		Regulatory Expense	-	(29)	46		PC Neutral in Direct	
2.05		Injuries and Damages	-	(121)	195		PC Neutral in Direct	
2.06	PC G 2.06	FIT/DFIT Expense	-	10	(16)	30	PC Modified	(33)
2.07		Net Gains/Losses	-	2	(3)		PC Neutral in Direct	
2.08		Eliminate Accounts Rec. Expenses	-	-	-		PC Neutral in Direct	
2.09		Office Space Chg'd to Subsidiaries	-	1	(1)		PC Neutral in Direct	
2.10		Restate Excise Taxes	-	(1)	2		PC Neutral in Direct	
2.11		Miscellaneous Restating	-	16	(26)		PC Neutral in Direct	
2.12	PC G 2.12	Restate Incentives	-	(132)	212	(83)	PC Modified	(79)
2.13		Restate Debt Interest	-	22	(35)		PC Neutral in Direct	
	PC G 2.14	Eliminate Performance Excellence Cost				199	PC Incremental	(321)
	PC G 2.15	Eliminate Discretionary Awards and Gifts				10	PC Incremental	(16)
	PC G 2.16	Eliminate Dues and Charitable Contributions				15	PC Incremental	(24)
	PC G 2.17	Eliminate Promo and DSM Ads				11	PC Incremental	(17)
	PC G 2.18	Eliminate Corporate Aircraft Costs				1	PC Incremental	(1)
	PC G 2.19	Eliminate Estimate of Non-Utility				3	PC Incremental	(5)
	PC G 2.20	Board of Directors - Stock Comp				45	PC Incremental	(73)
	PC G 2.21	Board of Directors - Retainers				31	PC Incremental	(51)
	PC G 2.22	Officer's Benefits				54	PC Incremental	(87)
	PC G 2.23	Remove Compensation Study Costs				1	PC Incremental	(1)
		Restating Subtotal	196,943	13,966	3,675	2,120		(1,129)
3.00	PC G 3.00	Pro forma Labor Non-Executive	-	(382)	614	(234)	PC Modified	(238)
3.01	PC G 3.01	Pro Forma Labor Executive	-	8	(13)	57	PC Modified	(79)
3.02		Pro Forma Employee Benefits	-	(597)	961		PC Neutral in Direct	
3.03	PC G 3.03	Pro Forma Insurance	-	18	(29)	56	PC Modified	(60)
3.04	PC G 3.04	Pro Forma Property Tax	-	(182)	293	(136)	PC Modified	(74)
3.05		Pro Forma Atmospheric Testing	-	(122)	196		PC Neutral in Direct	
3.06		Restate 2011 Capital	7,165	(156)	1,203	(156)	PC Support	
		Pro Forma Subtotal	204,108	12,554	6,900	1,707		(1,581)
4.00		Alternative - Planned Capital Add 2012	5,255	(905)	2,156		PC Oppose	(2,156)
4.01		Alternative - Planned Capital Add 2013	641	(270)	519		PC Oppose	(519)
		Attrition Adjusted Total	210,004	11,379	9,576	1,707		(4,257)
4.02		Depreciation Study	-	(326)	525		PC Neutral in Direct	
4.03		O&M Offset	-	8	(13)		PC Neutral in Direct	
		Final Total	210,004	11,061	10,088	1,707		(4,257)

Avista Corporation
 Gas Docket No. UG-120437

Adjustment to Normalize and Annualize Revenues for Year End Numbers of Customers

<u>Line No.</u>	<u>Description</u>	<u>Amount (000s)</u>	<u>Reference</u>
1	Adjustment to Gas Revenues Calculated Using		
2	Company's Workpaper "WA-Gas Rev-Norm		WA Gas Rev
3	Adj 1.xlsxm" Modified to Reflect Usage With Year		Norm Adj-1 w
4	End Numbers of Customers	\$ (112,221)	Dittmer edits.xlsxm
5	Adjustment to Purchased Gas Expense Calculated		
6	Using Company's Workpaper WA Gas Rev Norm		WA Gas Rev
7	Adj 1.xlsxm" but Modified to Synchronize Therm		Norm Adj-1 w
8	Purchases With Annualized Year End		Dittmer edits.xlsxm
9	Customer Sales	<u>(114,993)</u>	
10	Increase in Operating Income Before Tax	2,772	Line 4 - Line 9
11	Federal Income Tax Rate	<u>35.00%</u>	
12	Increase in Related Federal Income Taxes	\$ (970)	Line 10 X Line 11
13	Washington Jurisdictional Increase to NOI to Normalize		
14	Revenues Associated with Year End Customers	<u>\$ 1,802</u>	Line 10 + Line 12

Avista Corporation
Gas Docket No. UG-120437
Adjustment to Restate FIT/DFIT/ITC/PTC Expense

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Revised FIT Adjustment Recalculated by Avista to		Response
2	Properly Synchronize Test Year Deferred Income Tax		to PC Data
3	Expense with Test Year Temporary Schedule M		Request No.
4	Amounts	<u>\$ (30,431)</u>	152-Revised

Avista Corporation
 Gas Docket No. UG-120437

Adjustment to Restate Short Term Incentive Compensation - and Remove Officer STIP

Line No.	Description	WA Jurisdictional Amount	Reference
1	Restating Adjustment for Short Term Incentive		Avista Adj't
2	Compensation as Proposed by Avista	\$ 203,201	No. 2.16
3	Incremental Adjustment Proposed to Eliminate 100%		Exhibit SC-10C
4	of Short Term Incentive Compensation Included		Executive STIP
5	Within Avista's Restating Adjustment 2.15	<u>(75,923)</u>	Adjustment.xlsx
6	Restating Adjustment for Short Term Incentive		
7	Compensation as Proposed by Public Counsel		
8	Witness Seb Coppola	127,278	Line 2 + Line 5
9	Federal Income Tax Rate	<u>35.00%</u>	
10	Increase in Related Federal Income Taxes	\$ (44,547)	Line 8 x Line 9
11	Washington Jurisdictional Decrease to NOI Resulting		
12	from Public Counsel's Adjustment to Restate		
13	Short Term Incentive Compensatin Expense	<u>\$ (82,731)</u>	Line 8 - Line 10

Avista Corporation
Gas Docket No. UG-120437
Eliminate Non-Recurring Booz & Company Performance Excellence Initiative Cost

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Adjustment to Eliminate Non-recurring Booz &		Response to
2	Company Performance Excellence Costs Allocated		Public Counsel
3	to Washington Gas Jurisdictional Operating		Data Request
4	Expense in the 2011 Historic Test Period	\$ (306,645)	No. 305
5	Federal Income Tax Rate	<u>35.00%</u>	
6	Increase in Related Federal Income Taxes	\$ 107,326	Line 4 x Line 5
7	Washington Jurisdictional Increase to Net Operating		
8	Income Resulting from Eliminating Non-recurring		
9	Performance Excellence Costs	<u>\$ 199,319</u>	Line 4 - Line 6

Avista Corporation
 Gas Docket No. UG-120437

Eliminate Cost of Various Employee Functions, Awards, and Discretionary Gifts

Line No.	Description	Amount	Reference
1	Trailblazer Service Appreciation Banquet	\$ 3,471	Workpaper "PC Misc
2	Discretionary Employee Service Awards	4,200	Proprietary Disallowances.
3	Eliminate 100% of Employee Picnic Costs	5,160	xlsx" Worksheet tabs
4	Thank-you Gifts for Attending WEI	1,460	"Employee Meals, Gifts, Awards" &
5	Discretionary Gifts to Customers	1,280	"Gift Certificates"
6	Total Washington Electric Jurisdictional Adjustment to		
7	Remove Discretionary Employee Awards/Picnics/		
8	Banquets and Other Discretionary Gifts	15,571	
9	Federal Income Tax Rate	35.00%	
10	Increase in Related Federal Income Taxes	\$ (5,450)	Line 4 x Line 5
11	Washington Jurisdictional Increase to Net Operating		
12	Income Resulting from Eliminating Discretionary		
13	Employee Functions, Awards, and Gifts	\$ 10,121	Line 4 - Line 6

Avista Corporation
 Gas Docket No. UG-120437
 Eliminate Miscellaneous Membership Dues and Contributions

Line No.	Description	Amount	Reference
1	Eliminate Membership Dues Charged Above the Line		Workpaper
2	(Co. had recorded only 50% to non-utility operations)	(22,599)	"PC Misc Proprietary Disallowances. xlsx" Worksheet tabs
3	Charitable Contributions Booked to Utility Operations		
4	in Error	(134)	
5	Washington State Community Weatherization Sponsors	(66)	"Dues and Fees" & "Charitable Contributions"
6	Deer Park Chamber of Commerce Lunch	(38)	
7	School Fund Raiser Contribution	(21)	
8	Total Washington Electric Jurisdictional Adjustment to		
9	Remove Membership Dues and Various Charitable		
10	Contributions	(22,858)	Sum Lines 2 - 7
11	Federal Income Tax Rate	35.00%	
12	Increase in Related Federal Income Taxes	\$ 8,000	Line 10 x Line 11
13	Washington Jurisdictional Increase to NOI		
14	Resulting From Eliminating Membership Dues		
15	and Charitable Contributions	\$ 14,858	Line 10 - Line 12

Avista Corporation
Gas Docket No. UG-120437
Eliminate Promotional Advertising and Energy Efficiency Expense

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Workpaper
2			"PC Misc
3			Proprietary
4			Disallowances.
5	Eliminate Energy Efficiency Expense Recovered		xlsx"
6	Through Tracker	\$ (721)	Worksheet tabs
7	Eliminate "Go Green by Going Blue" Promotional Advertising	<u>(15,596)</u>	"Advertising" & "Watson and DSM Costs"
8	Eliminate Energy Efficiency Expense Recovered	(16,317)	
9	Through Tracker		
10	Federal Income Tax Rate	<u>35.00%</u>	
11	Increase in Related Federal Income Taxes	\$ 5,711	Line 8 x Line 10
12	Washington Jurisdictional Increase to NOI Resulting		
13	from Eliminating Expenses Recovered Through Energy		
14	Efficiency Tracker as well as Promotional		
15	Advertising Expense	<u>\$ 10,606</u>	Line 8 - Line 11

Avista Corporation
Gas Docket No. UG-120437
Eliminate Certain Corporate Aircraft Costs

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Workpaper
2			"PC Misc
3	Eliminate Corporate Aircraft Costs Associated with		Proprietary
4	a Legislative Agenda	\$ (1,087)	Disallowances. xlsx"
5	Eliminate Corporate Aircraft Costs Associated with		Worksheet tab
6	Attending American Red Cross Recognition Event	<u>(165)</u>	"Aircraft"
7	Total Adjustment to Eliminate Corporate Aircraft Costs	(1,252)	Line 4 + Line 6
8	Through Tracker		
9	Federal Income Tax Rate	<u>35.00%</u>	
10	Increase in Related Federal Income Taxes	\$ 438	Line 7 x Line 9
11	Washington Jurisdictional Increase to NOI		
12	Resulting from Eliminating Corporate Aircraft Costs		
13	Incurred for Below-the-Line Activities	<u>\$ 814</u>	Line 7 - Line 10

Avista Corporation
 Gas Docket No. UG-120437
 Eliminate Estimated Impact of Non-Utility Costs Recorded as Utility Operating Expense

Line No.	Description	Amount	Reference
1	Total Dollar Value of Sample Entries Audited from		Response to
2	FERC Accounts 900-935	\$ 400,658	PC DR No. 11
3	Dollar Value of Non-Utility Errors Identified in Sample		Andrews
4	of FERC Accounts 900-935 Reviewed	294.76	Exhibit EMA-4
5	Non-Utility Errors as a % of Sample	0.1%	Line 4 / Line 2
6	Dollar Value of FERC Accounts 900-935 Sampled		Response to
7	for Accounting Entry Errors	\$ 47,844,076	PC DR No. 11
8	Total System Adjustment	\$ 35,198	Line 5 X Line 7
9	Allocated on the Basis of Account 930:		
10	Allocate to Gas Operations	19.477%	
11	Allocate to Washington	67.587%	
12	Composite WA Gas Allocator	13.164%	Line 10 X Line 11
13	Washington Gas Jurisdictional Adjustment	\$ (4,633)	Line 8 X Line 13
14	Federal Income Tax Rate	35.00%	
15	Increase in Related Federal Income Taxes	\$ 1,622	Line 13 X Line 14
16	Washington Jurisdictional Increase to NOI		
17	Resulting From Eliminating an Estimate of Costs		
18	Erroneously Booked Above-the-Line	\$ 3,012	Line 13 - Line 15

Avista Corporation
Gas Docket No. UG-120437
Board of Directors - Stock Compensation

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Exhibit SC 13 &
2	Adjust Washington Jurisdictional Board of Directors		14 Board of
3	Stock Compensation Expense as Proposed by Public		Directors Fees
5	Counsel Witness Seb Coppola	\$ (69,347)	Adjustment.xlsx
6	Federal Income Tax Rate	<u>35.00%</u>	
7	Increase in Related Federal Income Taxes	\$ 24,271	Line 5 x Line 6
8	Washington Jurisdictional Increase to Net Operating		
9	Income Resulting from Board of Directors - Stock		
10	Compensation Expense Adjustment	<u>\$ 45,076</u>	Line 5 - Line 7

Avista Corporation
Gas Docket No. UG-120437
Board of Directors - Retainers

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Exhibit SC 13 &
2	Adjust Washington Jurisdictional Board of Directors		14 Board of
3	Retainer Fees Expense as Proposed by Public		Directors Fees
4	Counsel Witness Seb Coppola	\$ (48,250)	Adjustment.xlsx
5	Federal Income Tax Rate	<u>35.00%</u>	
6	Increase in Related Federal Income Taxes	\$ 16,888	Line 4 x Line 5
7	Washington Jurisdictional Increase to Net Operating		
8	Income Resulting from Board of Directors - Retainer		
9	Fees Expense Adjustment	<u>\$ 31,363</u>	Line 4 - Line 6

Avista Corporation
Gas Docket No. UG-120437
Officers' Benefits Adjustment

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Exhibit SC 8C &
2			9C & 16 Recal-
3	Adjust Washington Jurisdictional Officers'		culatation of
4	Benefits Expense as Proposed by Public		Officers Utility
5	Counsel Witness Seb Coppola	\$ (54,265)	& Other Adj.xlsx
6	Federal Income Tax Rate		
7	Increase in Related Federal Income Taxes	\$ -	Line 5 x Line 6
8	Washington Jurisdictional Increase to Net Operating		
9	Income Resulting from Officers' Benefits Expense		
10	Adjustment Proposed by Public Counsel	<u>\$ 54,265</u>	Line 5 - Line 7

Avista Corporation
Gas Docket No. UG-120437
Remove Compensation Study Costs

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			Exhibit SC 8C &
2			9C & 16 Recal-
3			culatation of
4	Remove Cost of Compensation Study as Proposed		Officers Utility
5	by Public Counsel Witness Seb Coppola	\$ (1,316)	& Other Adj.xlsx
6	Federal Income Tax Rate	<u>35.00%</u>	
7	Increase in Related Federal Income Taxes	\$ 461	Line 5 x Line 6
8	Washington Jurisdictional Increase to Net Operating		
9	Income Resulting from Removal of Cost of		
10	Compensation Study	<u>\$ 855</u>	Line 5 - Line 7

Avista Corporation
 Gas Docket No. UG-120437
 Adjust Non-Executive Labor for 2012 Wage Increases

Line No.	Description	Amount	Reference
1	Total Washington Jurisdictional Non-executive Labor		
2	Expense Adjustment to Reflect Wage Increases		
3	Awarded in Early 2012		
4	Washington Jurisdictional Adjustment by Function to		
5	Annualize Wages for Increases Granted in 2011 and		
6	Early 2012		
7	Total Production	\$ 16,220	Public
8	Total Underground Storage	165	Counsel
9	Total Distribution	155,008	Labor
10	Customer Accounts	91,919	Adj't 3.02.xlsx
11	Cust Service & Info	7,966	
12	Sales & Marketing	13	
13	Total Admin& General	88,426	
14	Increase in Adjusted Test Year O&M Expense	\$ 359,717	Sum Lines 7 - 13
15	Federal Income Tax Rate	35.00%	
16	Decrease in Related Federal Income Taxes	\$ (125,901)	Line 14 x Line 15
17	Washington Jurisdictional Reduction to NOI to		
18	Reflect 2012 Non-Executive Labor Costs	\$ (233,816)	Line 14 - Line 16

Avista Corporation
 Gas Docket No. UG-120437
 Adjust Executive Labor Expense

Line No.	Description	Amount	Reference
1	Total Washington Jurisdictional Executive Labor		
2	Expense Adjustment to Reflect Compensation		
3	Levels and Allocations Proposed by Public Counsel		
4	Washington Jurisdictional Adjustment by Function to		
5	Reflect Compensation Levels and Allocations		
6	Proposed by Seb Coppola		
7	Total Production	\$ (760)	"WA PF -2012
8	Total Underground Storage	-	Labor &
9	Total Distribution	-	Benefit Total-
10	Customer Accounts	-	With Revised
11	Cust Service & Info	-	Salary &
12	Sales & Marketing	-	Alloc.xlsx"
13	Total Admin& General	<u>(86,748)</u>	
14	Total Non-Executive Labor Adjustment	(87,508)	Sum Lines 7 - 13
15	Federal Income Tax Rate	<u>35.00%</u>	
16	Increase in Related Federal Income Taxes	\$ 30,628	Line 14 x Line 15
17	Washington Jurisdictional Increase to NOI to Reflect		
18	Executive Labor Costs and Allocations as Proposed		
19	by PC Witness S. Coppola	<u>\$ 56,880</u>	Line 14 - Line 16

Avista Corporation
Gas Docket No. UG-120437
Proforma Insurance Expense - Reflects 50% Allocation of D&O to Non-Utility Operations

Schedule 17
PC G 3.03

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1			2012 Insurance
2	Proforma Insurance Expense - Includes 50% Allocation		Adjustment with
3	of Directors and Officer's Insurance to Non-Utility		50 Percent Alloc
4	Operations	\$ (85,687)	to N-Utility.xlsx
5	Federal Income Tax Rate	<u>35.00%</u>	
6	Increase in Related Federal Income Taxes	\$ 29,990	Line 4 x Line 5
7	Washington Jurisdictional Increase to NOI to Reflect		
8	Insurance Expense and Allocations as Proposed		
9	by PC Witness S. Coppola	<u>\$ 55,697</u>	Line 4 - Line 6

Avista Corporation
Gas Docket No. UG-120437

Adjust Property Tax Expense to Synchronize with 2011 End of Test Year Plant in Service

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
1	Total Washington Jurisdiction Proforma Property Tax		
2	Expense Synchronized with 2011 End of Test Year		
3	Actual Plant in Service:		
4	Production/Transmission Function	\$ 12,909	Staff_DR-333C
5			Confidential Atch
6	Distribution Function	193,551	A PC Property
7			Tax Adj't.xlsx
8	General	<u>2,613</u>	
9	Total Proforma Washington Jurisdictional		
10	Property Tax Expense	\$ 209,073	Sum Lines 4, 6, 8
11	Federal Income Tax Rate	<u>35.00%</u>	
12	Decrease in Related Federal Income Taxes	\$ (73,176)	Line 10 x Line 11
13	Washington Jurisdictional Reduction to NOI		
14	Resulting from Property Tax Adjustment	<u>\$ (135,897)</u>	Line 12 - Line 10