

Docket Nos. UE-090134 and UG-090135, UG-060518
 Exhibit No. (HL-4)
 Schedule A-1 (Gas)
 Page 1 of 3

AVISTA UTILITIES
 GAS RESULTS OF OPERATION
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED SEPTEMBER 30, 2008
 (\$00'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Gas Inventory	Weatherization and DSM Investment	Customer Advances	Depreciation True-up	Subtotal Actual	Revenue Normalization & Gas Cost Adjust	Eliminate B & O Taxes	Property Tax	Uncollectible Expense	Regulatory Expense Adjustment	Injuries and Damages	FIT	Net Gains/Losses	Eliminate A/R Expenses	
																			a
REVENUES																			
1	Total General Business	\$220,020							\$220,020	1,695	\$ (7,839)								
2	Total Transportation	3,486							3,486	(1,700)	(75)								
3	Other Revenues	135,812							135,812	(131,900)									
4	Total Gas Revenues	359,318	0	0	0	0	0	0	359,318	(131,404)	(7,914)	0	0	0	0	0	0	0	0
EXPENSES																			
5	Exploitation and Development	0							0										
6	Production																		
7	City Gate Purchases	309,146							309,146	(151,865)									
8	Purchased Gas Expense	737							737										
9	Net Net Gas Storage Trans	(18,687)							(18,687)	18,687									
10	Total Production	291,196	0	0	0	0	0	0	291,196	(133,178)	0	0	0	0	0	0	0	0	0
11	Underground Storage	408							408										
12	Operating Expenses	260							260										
13	Depreciation	113							113										
14	Taxes	781	0	0	0	0	0	(15)	766	0	0	(16)	0	0	0	0	0	0	0
15	Total Underground Storage	6,260							6,260										
16	Operating Expenses	5,659							5,659	67	(7,908)	(280)	0	0	0	0	0	0	0
17	Depreciation	18,282							18,282	67	(7,908)	(280)	0	0	0	0	0	0	0
18	Taxes	30,201	0	0	0	0	0	(53)	30,148	67	(7,908)	(280)	0	0	0	0	0	0	0
19	Total Distribution	4,884							4,884	5	(143)								
20	Customer Accounting	5,002							5,002	(4,270)									
21	Customer Service & Information	545							545										
22	Sales Expenses	9,202							9,202	3									
23	Administrative & General	1,414							1,599	356									
24	Operating Expenses	23							23										
25	Depreciation	10,639	0	0	0	0	0	(15)	10,624	359	0	(1)	0	0	0	0	0	0	0
26	Taxes	343,248	0	0	0	0	0	(83)	343,165	(137,017)	(7,908)	(297)	(143)	0	0	0	0	0	0
27	Total Gas Expense	16,070	0	0	0	0	0	83	16,153	5,613	(6)	297	143	(14)	65	0	0	13	85
28	FEDERAL INCOME BEFORE FIT	5,138							5,167	1,965	(2)	104	50	(5)	23	3	5	30	
29	FEDERAL INCOME TAX	(1,042)							(1,042)										
30	NET OPERATING INCOME	\$12,094	\$0	\$0	\$0	\$0	\$0	\$54	\$12,058	\$3,648	(\$4)	\$193	\$93	(\$9)	\$42	(\$10)	\$8	\$55	
RATE BASE PLANT IN SERVICE																			
31	Underground Storage	13,539							13,539										
32	Distribution Plant	237,485							237,433										
33	General Plant	23,944							23,944										
34	Total Plant in Service	274,968	0	0	0	0	0	0	274,916	0	0	0	0	0	0	0	0	0	0
35	Underground Storage	7,516							7,516										
36	Distribution Plant	80,580							80,580										
37	General Plant	8,155							8,155										
38	ACCUMULATED DEPRECIATION	96,251	0	0	0	0	0	0	96,251	0	0	0	0	0	0	0	0	0	0
39	Underground Storage	0	(27,674)	23	0	0	0	0	(27,651)	0	0	0	0	0	0	0	0	0	0
40	Distribution Plant	0							11,064										
41	General Plant	0							(65)										
42	TOTAL RATE BASE	\$178,717	(\$27,674)	(\$52)	\$11,064	\$0	(\$52)	\$0	\$162,013	\$0	\$0	\$0	\$0	\$0	(\$1,216)	\$0	\$0	\$0	

AVISTA UTILITIES
GAS RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2008
 (\$00'S OF DOLLARS)

Line No.	DESCRIPTION	Office Space Charges to Subs	Restate Excise Taxes	Misc Restating Adjustments	C-11 Restate Debt Interest	C-1		C-2 Pro Forma Labor Exec	C-3 Pro Forma Incentives	C-4 Pro Forma Insurance	C-5 Director Meeting Costs				
						Pro Forma Non-Exec	Pro Forma Labor								
		r	s	t	u	PFI1	PFI2	PFI3	PFI4	PFI5	PFI6	PFI7	PFI8	PFI9	PFI0
REVENUES															
1	Total General Business		\$213,876												
2	Total Transportation		1,711												
3	Other Revenues		4,413					(2,561)							
4	Total Gas Revenues	0	220,000	0	0	0	0	(2,561)	0	0	0	0	0	0	0
EXPENSES															
Exploration and Development															
5	Production		0												
6	City Gate Purchases		157,281												
7	Purchased Gas Expense		737			14								53	
8	Net Nat Gas Storage Trans		0												
9	Total Production	0	158,018	0	0	14	0	0	0	0	0	0	0	53	0
Underground Storage															
10	Operating Expenses		408												
11	Depreciation		245					\$155						1	
12	Taxes		97					\$129							
13	Total Underground Storage	0	750	0	0	0	0	284	0	0	0	0	0	1	0
Distribution															
14	Operating Expenses		6,260			190								304	
15	Depreciation		5,593												
16	Taxes	79	10,240					\$ (98)							
17	Total Distribution	0	22,093	0	0	190	0	(98)	0	0	0	0	0	304	0
Customer Accounting															
18	Customer Service & Information		4,661			100		\$ (7)						194	
19	Sales Expenses		732			5								12	
20	Administrative & General		545			8								18	
21	Operating Expenses	(2)	9,066	(86)		81	6	\$ (5)						465	(6)
22	Depreciation		1,755												
23	Taxes		22												
24	Total Admin. & General	(2)	10,843	(86)		81	6	(5)						465	(6)
25	Total Gas Expense	(2)	171,642	(86)		399	6	174	0	0	0	0	0	1,047	(6)
OPERATING INCOME BEFORE FIT															
26	FEDERAL INCOME TAX	2	(79)	86	0	(399)	(6)	(2,735)	0	0	0	5	0	(1,047)	109
27	Current Accrual	1	(28)	30	(112)	(140)	(2)	(957)				2		(366)	38
28	Deferred FIT														
29	Amort ITC		(30)												
30	NET OPERATING INCOME	\$1	(51)	\$56	\$112	(529)	(54)	(1,778)	\$0	\$0	\$3	\$0	\$0	(581)	\$71
RATE BASE PLANT IN SERVICE															
31	Underground Storage		13,539												
32	Distribution Plant		237,433					\$8,614							
33	General Plant		23,044												
34	Total Plant in Service	0	274,016	0	0	0	0	8,614	0	0	0	0	0	0	0
ACCUMULATED DEPRECIATION															
35	Underground Storage		7,516					\$366							
36	Distribution Plant		80,580												
37	General Plant		8,155												
38	Total Accum. Depreciation	0	96,251	0	0	0	0	266	0	0	0	0	0	0	0
39	DEFERRED FIT		(27,225)					\$ (473)							
40	GAS INVENTORY		11,064					\$1,047							
41	GAIN ON SALE OF BUILDING		(65)												
42	OTHER RATE BASE DEDUCTIONS		(1,216)												
	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$8,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AVISTA UTILITIES
 GAS RESULTS OF OPERATION
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED SEPTEMBER 30, 2008
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	C-7 Director Fees	C-8 Customer Deposits	C-9 AGA Dues	Total Adjustments	FC Pro Forma Total
REVENUES						
1	Total General Business	-	-	-	-	\$213,876
2	Total Transportation	-	-	-	-	\$1,711
3	Other Revenues	(2,561)	(2,561)	-	(2,561)	\$1,852
4	Total Gas Revenues	(2,561)	(2,561)	-	(2,561)	217,439
EXPENSES						
Exploration and Development						
5	Production	-	-	-	-	\$157,281
6	City Gate Purchase	-	-	-	67	\$804
7	Purchased Gas Expense	-	-	-	-	-
8	Net Nat Gas Storage Trans	-	-	-	-	-
9	Total Production	0	0	0	67	158,085
Underground Storage						
10	Operating Expenses	-	-	-	1	\$409
11	Depreciation	-	-	-	155	\$400
12	Taxes	-	-	-	29	\$226
13	Total Underground Storage	0	0	0	285	1,035
Distribution						
14	Operating Expenses	-	-	-	494	\$6,754
15	Depreciation	-	-	-	-	\$5,593
16	Taxes	-	-	-	(98)	\$10,142
17	Total Distribution	0	0	0	396	22,489
Customer Accounting						
18	Customer Accounting	-	-	-	287	\$4,948
19	Customer Service & Information	-	-	-	17	\$749
20	Sales Expenses	-	-	-	26	\$571
Administrative & General						
21	Operating Expenses	(75)	52	(21)	444	\$9,510
22	Depreciation	-	-	-	-	\$1,755
23	Taxes	-	-	-	-	\$22
24	Total Admin. & General	(75)	52	(21)	444	11,287
25	Total Gas Expense	(75)	52	(21)	1,522	199,164
26	OPERATING INCOME BEFORE FIT	75	(52)	21	(4,083)	\$18,275
FEDERAL INCOME TAX						
27	Current Accrual	26	(18)	8	(1,429)	\$5,801
28	Deferred FIT	-	-	-	-	\$(1,035)
29	Amort ITC	-	-	-	-	\$(39)
30	NET OPERATING INCOME	\$49	(\$34)	\$14	(2,654)	\$13,539
RATE BASE: PLANT IN SERVICE						
31	Underground Storage	-	-	-	8,614	\$22,153
32	Distribution Plant	-	-	-	-	\$237,433
33	General Plant	-	-	-	-	\$23,944
34	Total Plant in Service	0	0	0	8,614	283,530
ACCUMULATED DEPRECIATION						
35	Underground Storage	-	-	-	266	\$7,782
36	Distribution Plant	-	-	-	-	\$80,580
37	General Plant	-	-	-	-	\$8,155
38	Total Accum. Depreciation	0	0	0	266	96,517
39	DEFERRED FIT	-	-	-	(473)	\$(2,698)
40	GAS INVENTORY	-	-	-	1,047	\$12,111
41	GAIN ON SALE OF BUILDING	-	-	-	-	\$(66)
OTHER RATE BASE DEDUCTIONS						
42	TOTAL RATE BASE	\$0	(1,353)	\$0	(1,353)	\$(2,369)
		\$0	(\$1,353)	\$0	7,569	\$168,792

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008
(\$000's of Dollars)

Conversion Factor

Line No.	Description	Per Company	Per PC
1	Revenues	<u>1.000000</u>	<u>1.000000</u>
	Expense:		
2	Uncollectibles	0.002599 [a]	0.002518 [b]
3	Commission Fees	0.002000	0.002000
4	Washington Excise Tax	0.038420 [a]	0.038423 [b]
5	Franchise Fees	-	-
6	Total Expense	<u>0.043019</u>	<u>0.042941</u>
7	Net Operating Income Before FIT	0.956981	0.957059
8	Federal Income Tax @ 35%	<u>0.334943</u>	<u>0.334971</u> L. 7 * 35%
9	Conversion Factor	<u><u>0.622038</u></u>	<u><u>0.622089</u></u> L. 7 - L. 8

Source:

[a] Exhibit No. __ (EMA-3) page 3

[b] Response to PC-025

**AVISTA UTILITIES
GAS RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2008
(000'S OF DOLLARS)**

Line No.	DESCRIPTION	Per Results Report	Company Adjusted	PC Adjusted
RATE BASE: PLANT IN SERVICE				
1	Underground Storage	13,539	\$ 22,826	\$ 22,153
2	Distribution Plant	237,485	\$ 253,003	\$ 237,433
3	General Plant	23,944	\$ 30,580	\$ 23,944
4	Total Plant in Service	274,968	306,409	283,530
5	Accumulated Depreciation			\$ -
6	Underground Storage	7,516	\$ 8,167	\$ 7,782
7	Distribution Plant	80,580	\$ 89,619	\$ 80,580
8	General Plant	8,155	\$ 11,597	\$ 8,155
9	Total Accum. Depreciation	96,251	109,383	96,517
10	Deferred FIT	0	\$ (30,809)	\$ (27,698)
11	Gas Inventory	0	\$ 12,111	\$ 12,111
12	Gain on Sale of Building	0	\$ (65)	\$ (65)
13	Other Rate Base Deductions			\$ (2,569)
14	TOTAL RATE BASE	\$178,717	\$178,263	\$168,792

AVISTA UTILITIES
GAS RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2008
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Company Adjusted	PC Adjusted
REVENUES				
1	Total General Business	\$ 220,020	\$ 213,876	\$ 213,876
2	Total Transportation	\$ 3,486	\$ 1,711	\$ 1,711
3	Other Revenues	\$ 135,812	\$ 1,852	\$ 1,852
4	Total Gas Revenues	\$ 359,318	\$ 217,439	\$ 217,439
EXPENSES				
5	Exploration and Development	\$ -	\$ -	\$ -
6	Production	\$ 291,196	\$ 158,107	\$ 158,085
7	Underground Storage	\$ 781	\$ 937	\$ 1,035
8	Distribution	\$ 30,201	\$ 22,531	\$ 22,489
9	Customer Accounting	\$ 4,884	\$ 5,053	\$ 4,948
10	Customer Service & Information	\$ 5,002	\$ 756	\$ 749
11	Sales Expenses	\$ 545	\$ 582	\$ 571
12	Administrative & General	\$ 10,639	\$ 12,982	\$ 11,287
13	Total Gas Expense	\$ 343,248	\$ 200,948	\$ 199,164
14	OPERATING INCOME BEFORE FIT	\$ 16,070	\$ 16,491	\$ 18,275
FEDERAL INCOME TAX				
15	Current Accrual	\$ 5,138	\$ 5,142	\$ 5,801
16	Deferred FIT	\$ (1,042)	\$ (1,035)	\$ (1,035)
17	Amort ITC	\$ (30)	\$ (30)	\$ (30)
18	NET OPERATING INCOME	\$ 12,004	\$ 12,414	\$ 13,539

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008
(\$000's of Dollars)

Reduce Company's Pro forma Adjustment for Non-Executive Labor

Line No.	Description	Amount	
	Production		
1	City Gate Purchases		
2	Purchased Gas Expense	\$ 14	Col. G, L.4
3	Net Nat Gas Storage Trans		
4	Total Production	<u>\$ 14</u>	
	Underground Storage		
5	Operating Expenses	\$ 0	Col. G, L.7
6	Depreciation		
7	Taxes		
8	Total Underground Storage	<u>\$ 0</u>	
	Distribution		
9	Operating Expenses	\$ 190	Col G, L. 26
10	Depreciation		
11	Taxes		
12	Total Distribution	<u>\$ 190</u>	
13	Customer Accounting	\$ 100	Col G, L. 31
14	Customer Service & Information	\$ 5	Col. G, L. 35
15	Sales Expenses	\$ 8	Col. G, L. 40
	Administrative & General		
16	Operating Expenses	\$ 81	Col. G, L. 49
17	Depreciation		
18	Taxes		
19	Total Admin. & General	<u>\$ 81</u>	
20	Total Gas Expenses	<u>\$ 399</u>	
21	Federal Income Tax Rate	<u>35.000%</u>	
22	Decrease in Federal Income Tax Expense	<u>\$ (140)</u>	
23	Decrease in Net Operating Income	<u><u>\$ (259)</u></u>	

Source:

C-1.1

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Line No.	(A) Total WA	(B) Remove Executives	(C) Adjusted Total WA	(D) 2008 Increase		(E) Adjusted for 2008 Increase	(F) Approved 2009 Increase		(G) 2008 & 2009 Increases	(H) Add Back Executives	(I) Total
				1.519%	1.698%		2.500%	4.000%			
			Col. A + Col. B	Col. C + Col. D	Col. D + Col. F	Col. C + G + H					
Production											
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	\$ 383,809	\$ (27,295)	\$ 356,514	\$ 5,415	\$ 361,929	\$ 9,048	\$ 14,463	\$ 27,710	\$ 398,687	\$ 398,687	\$ 398,687
4	\$ 383,809	\$ (27,295)	\$ 356,514	\$ 5,415	\$ 361,929	\$ 9,048	\$ 14,463	\$ 27,710	\$ 398,687	\$ 398,687	\$ 398,687
Underground Storage											
5	\$ 6,811	\$ -	\$ 6,811	\$ 103	\$ 6,914	\$ 173	\$ 276	\$ -	\$ 7,087	\$ 7,087	\$ 7,087
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ 6,811	\$ -	\$ 6,811	\$ 103	\$ 6,914	\$ 173	\$ 276	\$ -	\$ 7,087	\$ 7,087	\$ 7,087
Distribution											
8	\$ 270,437	\$ -	\$ 270,437	\$ 4,108	\$ 274,545	\$ 6,864	\$ 10,972	\$ -	\$ 281,409	\$ 281,409	\$ 281,409
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	\$ 563,374	\$ -	\$ 563,374	\$ 9,566	\$ 572,940	\$ 22,918	\$ 32,484	\$ -	\$ 595,858	\$ 595,858	\$ 595,858
11	\$ 32,650	\$ -	\$ 32,650	\$ 554	\$ 33,204	\$ 1,328	\$ 1,882	\$ -	\$ 34,532	\$ 34,532	\$ 34,532
12	\$ 3,253	\$ -	\$ 3,253	\$ 55	\$ 3,308	\$ 132	\$ 187	\$ -	\$ 3,440	\$ 3,440	\$ 3,440
13	\$ 33,186	\$ -	\$ 33,186	\$ 563	\$ 33,749	\$ 1,350	\$ 1,913	\$ -	\$ 35,099	\$ 35,099	\$ 35,099
14	\$ 331,556	\$ -	\$ 331,556	\$ 5,630	\$ 337,186	\$ 13,487	\$ 19,117	\$ -	\$ 350,673	\$ 350,673	\$ 350,673
15	\$ 416,487	\$ -	\$ 416,487	\$ 7,072	\$ 423,559	\$ 16,942	\$ 24,014	\$ -	\$ 440,501	\$ 440,501	\$ 440,501
16	\$ 568,799	\$ -	\$ 568,799	\$ 9,658	\$ 578,457	\$ 23,138	\$ 32,796	\$ -	\$ 601,595	\$ 601,595	\$ 601,595
17	\$ 60,094	\$ -	\$ 60,094	\$ 1,020	\$ 61,114	\$ 2,445	\$ 3,465	\$ -	\$ 63,559	\$ 63,559	\$ 63,559
18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	\$ 449,493	\$ -	\$ 449,493	\$ 7,632	\$ 457,125	\$ 18,285	\$ 25,917	\$ -	\$ 475,410	\$ 475,410	\$ 475,410
20	\$ 44,427	\$ -	\$ 44,427	\$ 754	\$ 45,181	\$ 1,807	\$ 2,561	\$ -	\$ 46,988	\$ 46,988	\$ 46,988
21	\$ 72,127	\$ -	\$ 72,127	\$ 1,225	\$ 73,352	\$ 2,934	\$ 4,159	\$ -	\$ 76,286	\$ 76,286	\$ 76,286
22	\$ 10,338	\$ -	\$ 10,338	\$ 176	\$ 10,514	\$ 421	\$ 597	\$ -	\$ 10,935	\$ 10,935	\$ 10,935
23	\$ 246,018	\$ -	\$ 246,018	\$ 4,177	\$ 250,195	\$ 10,008	\$ 14,185	\$ -	\$ 260,203	\$ 260,203	\$ 260,203
24	\$ 263,936	\$ -	\$ 263,936	\$ 4,482	\$ 268,418	\$ 10,737	\$ 15,219	\$ -	\$ 279,155	\$ 279,155	\$ 279,155
25	\$ 6,089	\$ -	\$ 6,089	\$ 103	\$ 6,192	\$ 248	\$ 351	\$ -	\$ 6,440	\$ 6,440	\$ 6,440
26	\$ 3,372,264	\$ -	\$ 3,372,264	\$ 56,775	\$ 3,429,039	\$ 133,043	\$ 189,818	\$ -	\$ 3,562,082	\$ 3,562,082	\$ 3,562,082
Customer Accounts											
27	\$ 136,815	\$ -	\$ 136,815	\$ 2,078	\$ 138,893	\$ 3,472	\$ 5,550	\$ -	\$ 142,365	\$ 142,365	\$ 142,365
28	\$ 742,416	\$ -	\$ 742,416	\$ 12,606	\$ 755,022	\$ 30,201	\$ 42,807	\$ -	\$ 785,223	\$ 785,223	\$ 785,223

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Line	(A)	(B)	(C)	2008 Increase		(E)	(F)	(G)	(H)	(I)
				Remove Executives	Adjusted Total WA					
29	\$ 1,235,082		\$ 1,235,082	\$ 18,761	\$ 1,253,843	\$ 31,346	\$ 50,107			\$ 1,285,189
30	\$ 36,622		\$ 36,622	\$ 556	\$ 37,178	\$ 929	\$ 1,485			\$ 38,107
31	\$ 2,150,935	\$ -	\$ 2,150,935	\$ 34,001	\$ 2,184,936	\$ 65,949	\$ 99,950	\$ -		\$ 2,250,885
Cust Service & Info										
32	\$ 123,032		\$ 123,032	\$ 1,869	\$ 124,901	\$ 3,123	\$ 4,992			\$ 128,024
33	\$ 6,578		\$ 6,578	\$ 100	\$ 6,678	\$ 167	\$ 267			\$ 6,845
34	\$ 54		\$ 54	\$ 1	\$ 55	\$ 1	\$ 2			\$ 56
35	\$ 129,664	\$ -	\$ 129,664	\$ 1,970	\$ 131,634	\$ 3,291	\$ 5,261	\$ -		\$ 134,925
Sales										
36	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
37	\$ 111,401		\$ 111,401	\$ 1,692	\$ 113,093	\$ 2,827	\$ 4,519			\$ 115,920
38	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
39	\$ 89,414		\$ 89,414	\$ 1,358	\$ 90,772	\$ 2,269	\$ 3,627			\$ 93,041
40	\$ 200,815	\$ -	\$ 200,815	\$ 3,050	\$ 203,865	\$ 5,097	\$ 8,147	\$ -		\$ 208,962
Admin & General										
41	\$ 1,904,927	\$ (359,641)	\$ 1,545,286	\$ 23,473	\$ 1,568,759	\$ 39,219	\$ 62,692	\$ 365,104		\$ 1,973,082
42	\$ 3,340		\$ 3,340	\$ 57	\$ 3,397	\$ 136	\$ 193			\$ 3,533
43	\$ 368		\$ 368	\$ 6	\$ 374	\$ 9	\$ 15			\$ 383
44	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
45	\$ 32,270		\$ 32,270	\$ 490	\$ 32,760	\$ 819	\$ 1,309			\$ 33,579
46	\$ 182,180		\$ 182,180	\$ 2,767	\$ 184,947	\$ 4,624	\$ 7,391			\$ 189,571
47	\$ 65,522		\$ 65,522	\$ 995	\$ 66,517	\$ 1,663	\$ 2,658			\$ 68,180
48	\$ 163,525		\$ 163,525	\$ 2,777	\$ 166,302	\$ 4,158	\$ 6,935			\$ 170,460
49	\$ 2,352,132	\$ (359,641)	\$ 1,992,491	\$ 30,565	\$ 2,023,056	\$ 50,627	\$ 81,192	\$ 365,104		\$ 2,438,787
50	\$ 8,596,430	\$ (386,936)	\$ 8,209,494	\$ 131,879	\$ 8,341,373	\$ 267,228	\$ 399,107	\$ 392,814		\$ 9,001,415

Source:
 PF1 Workpapers

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Reduce Company's Pro Forma Adjustment for Executive Labor Expense

Line No.	Description	Amount	Source
1	Avista's Pro Forma Increase for Executive Labor	\$ 66,560	[A]
2	PC's Recommended Reduction to Executive Labor	<u>\$ (60,682)</u>	
3	PC's Pro Forma Increase for Executive Labor	<u>\$ 5,878</u>	[B]
4	Federal Income Tax Rate	<u>35.000%</u>	
5	Decrease in Federal Income Tax Expense	<u>\$ (2,057)</u>	L. 3 * L. 4
6	Decrease in Net Operating Income	<u><u>\$ (3,820)</u></u>	L. 3 - L. 5

[A] Exhibit No. __ (EMA-2) Workpaper PF3 4

[B]	Executive Compensation Included in Test Year	\$ 386,936	[C]
	Administrative Increase March 2008	<u>1.519%</u>	[D]
	PC Recommended Increase to Executive Comp.	\$ 5,878	

[C] Exhibit No. __ (EMA-3) PF3 1

[D] Exhibit No. __ (EMA-3) PF3 2

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Reduce Incentive Compensation		Total	Adjust 2008	Adjust 2008
Line No.	Description	Adjustment	To Actual	to 6-Year Average
1	Pro Forma Incentive Adjustment Per Company	\$ 152,143	\$ (4,814)	\$ 156,957 [A]
2	Recommended Reduction to Pro Forma Incentives	<u>\$ (156,957)</u>		<u>\$ (156,957)</u>
3	Pro Forma Incentive Adjustment Per PC	\$ (4,814)	\$ (4,814)	
4	Federal Income Tax Rate	<u>35.000%</u>		
5	Increase in Federal Income Tax Expense	<u>\$ 1,685</u>	L. 3 * L. 4	
6	Increase in Net Operating Income	<u><u>\$ 3,129</u></u>	L. 3 - L. 5	

Source: _____

PF7 2

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Reduce Insurance Expense

Line No.	Description	Amount
1	Avista's Original Pro Forma Increase for Insurance	\$ 78,284 [A]
2	PC's Recommended Reduction to Pro Forma Adj	<u>\$ (17,886) [B]</u>
3	PC's Pro Forma Increase for Insurance	\$ 60,398
4	Federal Income Tax Rate	<u>35.00%</u>
5	Decrease in Federal Income Tax Expense	<u>\$ (21,139)</u>
6	Decrease in Net Operating Income	<u><u>\$ (39,259)</u></u>

Source:

PF10 [A]	PC-142 [B]	Difference
Adjust Insurance to 2009 Pro Forma (Filed)	Adjust Insurance to 2009 Pro Forma (Revised)	
\$ 78,284	\$ 60,398	\$ (17,886)

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Remove D&O Insurance Expense

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
1	Washington Electric D&O Insurance Expense in Test Year	\$ 217,168	PC-212
2	PC Recommended Disallowance %	<u>-50.000%</u>	
3	PC Recommended Reduction of D&O Insurance Expense	\$ (108,584)	L. 1 * L. 2
4	Federal Income Tax Rate	<u>35.000%</u>	
5	Increase in Federal Income Tax Expense	\$ <u>38,004</u>	L. 3 * L. 4
6	Increase in Net Operating Income	\$ <u><u>70,580</u></u>	L. 3 - L. 5

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Reduce Board of Directors Meeting Costs

Line No.	Description	Amount	Source
1	System Board of Director Meeting Costs in Test Year	\$ 96,553	PC-155
2	Electric Operations Allocation Factor	<u>19.180%</u>	PC-328
3	Amount Allocated to Electric Operations	\$ 18,519	L. 1 * L. 2
4	Washington Electric Operations Allocation Factor	<u>67.505%</u>	PC-328
5	Amount allocated to WA Electric Operations	\$ 12,501	L. 3 * L.4
6	PC Recommended Disallowance %	<u>-50.000%</u>	
7	PC Recommended Reduction of Director Meeting Costs	\$ (6,251)	L. 5 * L. 6
8	Federal Income Tax Rate	<u>35.000%</u>	
9	Increase in Federal Income Tax Expense	<u>\$ 2,188</u>	L. 7 * L. 8
10	Increase in Net Operating Income	<u><u>\$ 4,063</u></u>	L. 7 - L. 9

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Reduce Board of Director Fees

Line No.	Description	Amount	Source
1	System Director Fees in Test Year	\$ 1,162,018	PC-328
2	Electric Operations Allocation Factor	<u>19.180%</u>	PC-328
3	Amount Allocated to Electric Operations	\$ 222,875	L. 1 * L. 2
4	Washington Electric Operations Allocation Factor	<u>67.505%</u>	PC-328
5	Amount allocated to WA Electric Operations	\$ 150,452	L. 3 * L. 4
6	PC Recommended Disallowance %	<u>-50.000%</u>	
7	PC Recommended Reduction of Director Fees	\$ (75,226)	L. 5 * L. 6
8	Federal Income Tax Rate	<u>35.000%</u>	
9	Increase in Federal Income Tax Expense	<u>\$ 26,329</u>	L. 7 * L. 8
10	Increase in Net Operating Income	<u><u>\$ 48,897</u></u>	L. 7 - L. 9

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Remove Customer Deposits From Rate Base

Line No.	Description	Amount
1	WA AMA Amount of Customer Deposits	\$ 3,825,972
2	WA Gas Allocation Factor	<u>35.36%</u>
3	WA Gas Customer Deposits	<u>\$ (1,352,864)</u>
4	WA Deposit Interest Paid	\$ 148,151
5	WA Gas Allocation Factor	<u>35.36%</u>
6	WA Gas Interest on Customer Deposits Paid	<u>\$ 52,386</u>
7	Federal Income Tax Rate	<u>35%</u>
8	Decrease in Federal Income Tax Expense	<u>\$ (18,335)</u>
9	Decrease in Net Operating Income	<u>\$ (34,051)</u>

Source:

Response to Public Counsel Data Request 326

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008
(\$000's of Dollars)

AGA Dues Adjustment

Line No.	Description	Amount (A)	Source (B)
1	Test Year WA Gas Operations AGA Dues	\$ 64,958	A
2	Recommended WA Gas Operations AGA Dues	\$ 43,527	B
3	Recommended disallowance	<u>\$ (21,431)</u>	
4	Federal Income Tax Rate	<u>35.000%</u>	
5	Increase in Federal Income Tax Expense	<u>\$ 7,501</u>	L. 3 * L. 4
6	Increase in Net Operating Income	<u>\$ 13,930</u>	L. 3 - L. 5

Notes and Source

A: Response to PC-333

B:	2008 AGA Dues	\$ 147,067	C
	Amount Removed by Company	<u>\$ (5,883)</u>	D
	System amount of dues in test year	\$ 141,184	
	Recommended Disallowance %	33%	E
	Recommended Disallowance	<u>\$ (46,591)</u>	
	System amount of dues in test year	\$ 141,184	
	Recommended Disallowance	<u>\$ (46,591)</u>	
	System Recommended AGA dues in test year	\$ 94,593	
	Gas North Factor	68.16%	
		<u>\$ 64,475</u>	
	Washington Jurisdictional Factor	67.51%	
	Recommended WA Gas Operations AGA Dues	<u>\$ 43,527</u>	

C: Response to PC-333, 335

D: Responses to PC-022

E:	Amount of dues related to advocacy, advertising, etc	40%
	Amount of dues removed from test year by Company	<u>4%</u>
		36%

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008

Remove Injuries & Damages Reserve from Rate Base

<u>Date</u>	<u>Balance</u>
Sep-07	\$ 1,107,175
Oct-07	\$ 1,108,257
Nov-07	\$ 1,146,431
Dec-08	\$ 1,202,233
Jan-08	\$ 1,202,233
Feb-08	\$ 1,210,355
Mar-08	\$ 1,242,833
Apr-08	\$ 1,247,670
May-08	\$ 1,248,876
Jun-08	\$ 1,250,151
Jul-08	\$ 1,251,694
Aug-08	\$ 1,283,120
Sep-08	\$ 1,286,203
(Sept. 2007 + Sept. 2008) / 2	<u>\$ 1,196,689</u>
WA Gas AMA	<u>\$ 1,215,879</u>
Federal Income Tax Rate	<u>35%</u>
ADIT Associated with Injuries & Damages	<u>\$ 425,557</u>

Source:

Response to Public Counsel Data Request 210

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008
(\$000's of Dollars)

Interest Synchronization Adjustment

Line No.	Description	Amount	Source
1	Rate Base, per PC	\$168,792	Sch. A-1
2	PC Proposed Weighted Cost of Debt	<u>3.58%</u>	Sch D
3	Interest Deduction	\$ 6,043	L 1 * L 2
4	Interest Deduction Per Company	<u>\$ 5,724</u>	[A]
5	Difference	\$ 319	L 3 - L 4
6	Federal Income Tax Rate	35.00%	[A]
7	Increase (Decrease) to Income Tax Expense	<u>\$ (112)</u>	L 5 * L 6

Source:

[A] Exhibit No. __ (EMA-3)WP B11

AVISTA UTILITIES
Washington Gas System
Test Year Twelve Months Ended September 30, 2008
(\$000's of Dollars)

Overall Cost of Capital, per PC

Line No.	Description	Capital Structure	Ratio	Cost Rate	Weighted Cost Rate
1	Total debt	\$ 1,190,915,751	54.4%	6.57%	3.58%
2	Common Equity	\$ 996,883,374	45.6%	10.10%	4.60%
3	Total Capital Structure	\$ 2,187,799,125	100.00%		8.18%

Source/Reference:

The above cost rate amounts are sponsored by PC's witness Mike Gorman and are provided here for ease of reference.