THIS FILING IS		
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____	

Form 2 Approved
OMB No. 1902-0028
(Expires 6/30/2011)
Form 3-Q: Approved
OMB No.1902-0205
(Expires 1/31/2012)

AVU-G

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FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year/Period of Report
Avista Corporation	End of 2010/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent	Year/Period of Report End of 2010/Q4
03 Previous Name and Date of Change (If name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207	
05 Name of Contact Person Christy Burmeister-Smith	06 Title of Contact Person VP, Controller, Prin. Acctg Officer
07 Address of Contact Person (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA 99207	

08 Telephone of Contact Person, Including Area Code 509-495-4256	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* 04/15/2011

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Christy Burmeister-Smith	12 Title VP, Controller, Prin. Acctg Officer
13 Signature Christy Burmeister-Smith	14 Date Signed 04/15/2011

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
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	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
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15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		N/A
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		N/A
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		N/A
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Christy Burmeister-Smith, Vice President and Controller
1411 E Mission Avenue
Spokane, WA 99207

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Washington, Incorporated March 15, 1889

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric service in the states of Washington, Idaho and Montana

Natural gas service in the states of Washington, Idaho and Oregon

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes... Enter the date when such independent accountant was initially engaged:

(2) [X] No

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

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1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Avista Capital, Inc.	D	Parent company to the Company's subsidiaries.	100	Not used
2	Advantage IQ, Inc.	I	Provides utility bill processing services	76	Not used
3	Ecos, Inc.	I	Formed in 2009 to acquire Ecos Consulting, Inc.	100	Not used
4	Avista Development, Inc.	I	Maintains investment portfolio incl. real estate	100	Not used
5	Avista Energy, Inc.	I	Inactive	100	Not used
6	Avista Power, LLC	I	Inactive	100	Not used
7	Avista Turbine Power, Inc.	I	Receives assigned power purchase agreements	100	Not used
8	Avista Ventures, Inc.	I	Inactive	100	Not used
9	Pentzer Corporation	I	Parent of Bay Area Mfg and Pentzer Venture Hldngs	100	Not used
10	Pentzer Venture Holdings	I	Inactive	100	Not used
11	Bay Area Manufacturing	I	Holding co. of AM&D dba MetalFX	100	Not used
12	Advanced Manufacturing & Development	I	Custom mfg of electronic enclosures	83	Not used
13	dba MetalFX	I			Not used
14	Avista Receivables Corporation	D	Inactive	100	Not used
15	Spokane Energy, LLC	D	Owns an electric capacity contract.	100	Not used
16	Avista Capital II	D	Affiliated business trust issued pref trust sec.	100	Not used
17	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	Not used
18	Steam Plant Square, LLC	I	Commercial office and retail leasing	90	Not used
19	Courtyard Office Center	I	Commercial office and retail leasing	100	Not used
20					
21					
22					
23					
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26					
27					
28					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
12/02/2010	Total: 49654254 By Proxy: 49654254	May 13, 2010 Spokane, Washington

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/02/2010 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	54,894,340	54,894,340		
6	TOTAL number of security holders	11,594	11,594		
7	TOTAL votes of security holders listed below	508,540	508,540		
8					
9	Gary Ely; Liberty Lake, WA	190,243	190,243		
10	DBH Properties, LP; Coeur d'Alene, ID	77,646	77,646		
11	Gary Gail Ely; Liberty Lake, WA	65,218	65,218		
12	Margaret Anne Brosnan; Fairlawn, OH	55,000	55,000		
13	Jack W. Gustavel; Coeur d'Alene, ID	33,970	33,970		
14	John F. Kelly; Coral Gables, FL	19,831	19,831		
15	Frederick W. Schott Tr; Santa Monica, CA	17,810	17,810		
16	Noel Consulting Company, Inc.; Prescott, AZ	16,853	16,853		
17	Thomas A Lowe & Kathleen; Satellite Bch, FL	16,007	16,007		
18	Edmund M Reeck Tr Ua Jun 16 98; Salem, OR	15,962	15,962		
19					
20					

Schedule Page: 107 Line No.: 1 Column: 1

December 2, 2010, to pay the December 15, 2010, dividend.

Important Changes During the Quarter/Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. None
4. None
5. None
6. On December 30, 2010, Avista Corp., Avista Receivables Corporation (ARC), Bank of America, N.A. and Ranger Funding Company, LLC terminated a Receivables Purchase Agreement at the direction of the Company. ARC is a wholly owned, bankruptcy-remote subsidiary of the Company formed in 1997 for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. The Company elected to terminate the Receivables Purchase Agreement prior to its March 11, 2011 expiration date based on the Company's forecasted liquidity needs. The Receivables Purchase Agreement was originally entered into on May 29, 2002 (and has been renewed on an annual basis) and provided the Company with funds for general corporate needs. Under the Receivables Purchase Agreement, the Company could borrow up to $50.0 million based on calculations of eligible receivables. The Company did not borrow any funds under this revolving agreement in 2010.

At December 31, 2010, Avista Corp. had a committed line of credit agreement with various banks in the total amount of $320.0 million with an expiration date of April 5, 2011. Under the credit agreement, the Company could borrow or request the issuance of letters of credit in any combination up to $320.0 million. At

December 31, 2010, the Company had borrowed $110.0 million under this committed line of credit and there were $27.1 million of letters of credit outstanding.

Additionally, the Company had a committed line of credit agreement with various banks in the total amount of $75.0 million with an expiration date of April 5, 2011.

In February 2011, Avista Corp. entered into a new committed line of credit in the total amount of $400.0 million with an expiration date of February 2015 that replaced its $320.0 million and $75.0 million committed lines of credit.

The committed lines of credit are secured by non-transferable First Mortgage Bonds of the Company issued to the agent bank that would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the committed lines of credit.

In December 2010, Avista Corp. issued $52.0 million of 3.89 percent First Mortgage Bonds due in 2020 and $35.0 million of 5.55 percent First Mortgage Bonds due in 2040. The total net proceeds from the sale of the new bonds of $86.6 million (net of placement agent fees and before Avista Corp.'s expenses) were used to redeem $45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and $30.0 million of 7.25 percent First Mortgage Bonds due in September 2013.

In December 2010, Avista Corp. issued $50.0 million of 1.68 percent First Mortgage Bonds (Bonds) due in 2013. The net proceeds from the issuance of the Bonds of $49.8 million (net of placement agent fees and before Avista Corp.'s expenses) were used to repay a portion of the borrowings outstanding under the Company's committed line of credit.

These debt issuance was approved by the respective regulatory commissions as follows:WUTC (Docket No. U-101722 Order No. 1); IPUC (Case No. AVU-U-10-02, Order No. 32120); and OPUC (Docket UF 4267, Order No. 10-461).

In December 2010, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due 2032, which had been held by Avista Corp. since 2008, were refunded by a new bond issue (Series 2010A). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

In December 2010, $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2034, which had been held by Avista Corp. since 2009, were refunded by a new bond issue (Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, the bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

The Pollution Control Revenue Bonds refunded owere approved by the respective regulatory commissions as follows: WUTC (Docket No. UE-101615 Order No. 1); IPUC (Case No. AVU-U-08-03, Order No. 30674); and OPUC (Docket UF 4253, Order No. 10-424).

7. None

8. Average annual wage increases were 2.5% for non-exempt employees effective March 1, 2010. Average annual wage increases were 3.1% for exempt employees effective March 1, 2010. Officers received average increases of 3.8% effective March 1, 2010. Certain bargaining unit employees received increases of 2.0% effective March 1, 2010. For the majority of bargaining unit employees a new contract was implemented in

October 2010, which provided for a 3.5% increase retroactive to April 1, 2010.

9. Reference is made to Note 22 of the Notes to Financial Statements.

10. None

11. Reference is made to Note 24 of the Notes to Financial Statements.

12. On May 13, 2010, the shareholders of Avista Corp. elected Rebecca A. Klein to serve as a director on the board. Jack W. Gustavel, a director whose term expired on May 13, 2010, retired from Avista Corp.'s Board of Directors as he has reached the mandatory retirement age of 70 as outlined in the Company's Bylaws. On October 26, 2010, Brian W. Dunham provided notification of his resignation from Avista Corp.'s Board of Directors. On February 4, 2011, Roy L. Eiguren provided notification of his resignation from Avista Corp.'s Board of Directors effective February 5, 2011.

13. Proprietary capital is not less than 30 percent.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	3,707,841,308	3,546,192,091
3	Construction Work in Progress (107)	200-201	60,766,153	57,217,478
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,768,607,461	3,603,409,569
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,284,830,029	1,219,877,922
6	Net Utility Plant (Total of line 4 less 5)		2,483,777,432	2,383,531,647
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		2,483,777,432	2,383,531,647
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	2,577,031	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		5,403,010	5,031,620
18	(Less) Accum. Provision for Depreciation and Amortization (122)		908,291	897,684
19	Investments in Associated Companies (123)	222-223	12,047,000	12,047,000
20	Investments in Subsidiary Companies (123.1)	224-225	77,733,569	81,243,239
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	21,346,632	23,798,439
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		12,397,507	11,558,301
28	Long-Term Portion of Derivative Assets (175)		15,260,734	45,482,748
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		143,280,161	178,263,663
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		1,722,379	2,462,480
33	Special Deposits (132-134)		7,981,895	1,630,323
34	Working Funds (135)		762,784	848,613
35	Temporary Cash Investments (136)	222-223	17,455,810	652,010
36	Notes Receivable (141)		226,712	629,625
37	Customer Accounts Receivable (142)		197,906,612	188,271,550
38	Other Accounts Receivable (143)		8,919,486	6,484,963
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		3,846,839	3,710,770
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		211,095	101,231
42	Fuel Stock (151)		6,288,853	4,294,013
43	Fuel Stock Expenses Undistributed (152)		0	0

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		23,335,143	18,386,509
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	12,832
52	Gas Stored Underground-Current (164.1)	220	17,242,935	12,706,763
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	10,754,149	9,985,760
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	197,040
57	Rents Receivable (172)		1,488,593	553,237
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		213,064	454,418
60	Derivative Instrument Assets (175)		17,852,716	53,240,001
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		15,260,734	45,482,748
62	Derivative Instrument Assets - Hedges (176)		243,221	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		293,497,874	251,717,850
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		12,854,887	15,732,877
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	429,832,794	352,616,516
70	Preliminary Survey and Investigation Charges (Electric)(183)		3,946,461	3,346,452
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	17,414,947	26,105,547
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		25,454,075	15,196,145
78	Accumulated Deferred Income Taxes (190)	234-235	119,988,040	91,975,547
79	Unrecovered Purchased Gas Costs (191)		(22,074,295)	(39,952,004)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		587,416,909	465,021,080
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,510,549,407	3,278,534,240

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	805,656,943	759,057,747
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	15,798,128	17,498,634
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	(6,137,359)	(2,090,961)
11	Retained Earnings (215, 215.1, 216)	118-119	326,861,303	295,862,243
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(24,343,433)	(20,871,863)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(4,325,953)	(2,350,286)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,125,784,347	1,051,287,436
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,098,148,636	1,070,256,423
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	51,547,000	51,547,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	222,084	230,967
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	2,013,529	2,167,570
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,147,904,191	1,119,866,820
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		4,974,661	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		2,684,975	1,650,500
29	Accumulated Provision for Pensions and Benefits (228.3)		161,188,441	123,281,094
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	2,916,673
31	Accumulated Provision for Rate Refunds (229)		0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		30,984,511	2,871,255
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		52,706	0
34	Asset Retirement Obligations (230)		3,887,409	3,971,453
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		203,772,703	134,690,975
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		110,000,000	87,000,000
39	Accounts Payable (232)		121,798,025	114,930,110
40	Notes Payable to Associated Companies (233)		7,374,317	6,882,247
41	Accounts Payable to Associated Companies (234)		866,285	724,582
42	Customer Deposits (235)		7,958,557	8,140,853
43	Taxes Accrued (236)	262-263	(397,450)	2,222,627
44	Interest Accrued (237)		11,290,059	13,476,434
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		32,330	147,574
49	Miscellaneous Current and Accrued Liabilities (242)	268	52,383,017	55,461,901
50	Obligations Under Capital Leases-Current (243)		195,575	0
51	Derivative Instrument Liabilities (244)		82,467,564	18,958,058
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		30,984,511	2,871,255
53	Derivative Instrument Liabilities - Hedges (245)		58,584	50,091
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		52,705	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		362,989,647	305,123,222
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		1,089,208	1,280,331
58	Accumulated Deferred Investment Tax Credits (255)		7,842,362	5,632,508
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	17,050,733	22,330,799
61	Other Regulatory Liabilities (254)	278	31,545,561	61,709,913
62	Unamortized Gain on Reacquired Debt (257)	260	2,655,731	2,957,426
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		369,622,132	348,074,981
65	Accumulated Deferred Income Taxes - Other (283)		240,292,792	225,579,829
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		670,098,519	667,565,787
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,510,549,407	3,278,534,240

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Statement of Income

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting mehods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	1,602,043,842	1,516,973,753	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,175,254,102	1,100,224,196	0	0
5	Maintenance Expenses (402)	317-325	48,270,264	50,846,769	0	0
6	Depreciation Expense (403)	336-338	92,936,677	87,089,835	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	10,067,620	9,143,602	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	99,047	99,047	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		919,134	3,718,504	0	0
13	(Less) Regulatory Credits (407.4)		11,804,920	10,397,806	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	73,392,440	76,582,590	0	0
15	Income Taxes-Federal (409.1)	262-263	10,616,573	30,223,259	0	0
16	Income Taxes-Other (409.1)	262-263	469,639	2,111,405	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	41,454,197	23,050,105	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	1,521,709	6,214,995	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(177,672)	(93,914)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	0	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,439,975,392	1,366,382,597	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		162,068,450	150,591,156	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	1,069,954,147	951,029,259	532,089,695	565,944,494	0	0
3						
4	724,521,516	621,221,944	450,732,586	479,002,252	0	0
5	39,000,254	42,044,915	9,270,010	8,801,854	0	0
6	75,862,701	71,109,022	17,073,976	15,980,813	0	0
7	0	0	0	0	0	0
8	8,110,496	7,467,875	1,957,124	1,675,727	0	0
9	99,047	99,047	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	(1,799,835)	947,939	2,718,969	2,770,565	0	0
13	9,787,351	7,405,420	2,017,569	2,992,386	0	0
14	54,037,916	51,664,659	19,354,524	24,917,931	0	0
15	22,733,087	23,099,627	(12,116,514)	7,123,632	0	0
16	686,110	1,263,060	(216,471)	848,345	0	0
17	22,478,586	20,060,696	18,975,611	2,989,409	0	0
18	1,625,776	5,234,188	(104,067)	980,807	0	0
19	(131,436)	(44,606)	(46,236)	(49,308)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	934,185,315	826,294,570	505,790,077	540,088,027	0	0
26	135,768,832	124,734,689	26,299,618	25,856,467	0	0

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		162,068,450	150,591,156	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		0	0	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		0	0	0	0
33	Revenues from Nonutility Operations (417)		(10,997)	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		5,458,722	5,249,706	0	0
35	Nonoperating Rental Income (418)		(119,784)	(3,024)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	6,092,992	827,451	0	0
37	Interest and Dividend Income (419)		1,800,338	5,906,409	0	0
38	Allowance for Other Funds Used During Construction (419.1)		3,352,964	3,078,244	0	0
39	Miscellaneous Nonoperating Income (421)		0	0	0	0
40	Gain on Disposition of Property (421.1)		402,632	54,105	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		6,059,423	4,613,479	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		3,938	(2,050)	0	0
44	Miscellaneous Amortization (425)		1,110,572	1,110,572	0	0
45	Donations (426.1)	340	4,164,132	1,405,009	0	0
46	Life Insurance (426.2)		2,236,551	1,336,173	0	0
47	Penalties (426.3)		287,129	(19,900)	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,167,774	1,347,809	0	0
49	Other Deductions (426.5)		776,184	1,686,420	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	9,746,280	6,864,033	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	(9,752)	(8,841)	0	0
53	Income Taxes-Federal (409.2)	262-263	1,419,985	(985,412)	0	0
54	Income Taxes-Other (409.2)	262-263	(188,221)	(269,492)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(1,578,031)	(223,696)	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	4,255,497	3,386,934	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(4,611,516)	(4,874,375)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		924,659	2,623,821	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		63,349,463	55,436,849	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	893,123	2,109,201	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		3,530,313	3,572,358	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	8,883	8,883	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	883,444	2,144,504	0	0
68	Other Interest Expense (431)	340	2,219,100	3,434,267	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		298,141	544,569	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		70,568,419	66,143,727	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		92,424,690	87,071,250	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		92,424,690	87,071,250	0	0

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(6,092,318)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		3,742,032		
4	Total (lines 2 and 3)		3,742,032		
5	Balance of Account 219 at End of Preceding Quarter/Year		(2,350,286)		
6	Balance of Account 219 at Beginning of Current Year		(2,350,286)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(1,975,667)		
9	Total (lines 7 and 8)		(1,975,667)		
10	Balance of Account 219 at End of Current Quarter/Year		(4,325,953)		

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Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Category) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1			(6,092,318)		
2					
3			3,742,032		
4			3,742,032	87,071,250	90,813,282
5			(2,350,286)		
6			(2,350,286)		
7					
8			(1,975,667)		
9			(1,975,667)	92,424,690	90,449,023
10			(4,325,953)		

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		294,314,125	251,930,211
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		86,331,688	86,243,799
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)		55,682,184	44,360,374
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		349,553	500,486
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		325,313,182	294,314,122
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)		1,548,121	1,548,121
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines		1,548,121	1,548,121
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		326,861,303	295,862,243
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(20,871,863)	(25,488,897)
23	Equity in Earnings for Year (Credit) (Account 418.1)		6,092,992	827,451
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)		(9,564,562)	3,789,583
26	Balance-End of Year		(24,343,433)	(20,871,863)

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	92,424,690	87,071,250
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	103,004,297	96,233,438
5	Amortization of deferred power and gas costs, debt expense and exchange power	(2,930,466)	59,481,435
6	Deferred Income Taxes (Net)	36,084,184	9,011,417
7	Investment Tax Credit Adjustments (Net)	2,209,854	5,258,780
8	Net (Increase) Decrease in Receivables	(11,666,672)	18,733,830
9	Net (Increase) Decrease in Inventory	(11,466,814)	16,449,128
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(1,486,305)	(27,996,937)
12	Net (Increase) Decrease in Other Regulatory Assets	5,858,734	(10,391,960)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(4,654,996)	1,329,752
14	(Less) Allowance for Other Funds Used During Construction	3,352,964	3,078,244
15	(Less) Undistributed Earnings from Subsidiary Companies	6,092,992	827,452
16	Other (footnote details):	(10,427,541)	(21,996,745)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	187,503,009	229,277,692
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(206,800,158)	(206,916,479)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(206,800,158)	(206,916,479)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	592,582	128,775
32	Federal grant payments received	7,585,367	
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies	523,909	4,689,731
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Changes in other property and investments	(1,588,956)	(1,000,477)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(199,687,256)	(203,098,450)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	136,365,000	249,425,000
54	Preferred Stock		
55	Common Stock	46,235,329	2,621,946
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)	23,000,000	
58	Cash received for settlement of interest rate swap agreements		10,776,222
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	205,600,329	262,823,168
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(110,129,764)	(78,931,206)
63	Preferred Stock		
64	Common Stock		
65	Long-term debt and short-term borrowing issuance costs	(916,100)	(3,726,398)
66	Net Decrease in Short-Term Debt (c)		(163,000,000)
67	Premium paid to repurchase long-term debt	(10,710,164)	
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(55,682,184)	(44,360,372)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	28,162,117	(27,194,808)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	15,977,870	(1,015,566)
75			
76	Cash and Cash Equivalents at Beginning of Period	3,963,103	4,978,669
77			
78	Cash and Cash Equivalents at End of Period	19,940,973	3,963,103

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Avista Corporation (Avista Corp. or the Company) is an energy company engaged in the generation, transmission and distribution of energy, as well as other energy-related businesses. Avista Corp. generates, transmits and distributes electricity in parts of eastern Washington and northern Idaho. In addition, Avista Corp. has electric generating facilities in Montana and northern Oregon. Avista Corp. also provides natural gas distribution service in parts of eastern Washington and northern Idaho, as well as parts of northeast and southwest Oregon. Avista Capital, Inc. (Avista Capital), a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies, except Spokane Energy, LLC. Avista Capital's subsidiaries include Advantage IQ, Inc. (Advantage IQ), a 76 percent owned subsidiary as of December 31, 2010. Advantage IQ is a provider of energy efficiency and other facility information and cost management programs and services for multi-site customers and utilities throughout North America.

Basis of Reporting

The financial statements include the assets, liabilities, revenues and expenses of the Company and have been prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). As required by the FERC, the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by U.S. GAAP. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants. In addition, under the requirements of the FERC, there are differences from U.S. GAAP in the presentation of (1) current portion of long-term debt (2) assets and liabilities for cost of removal of assets, (3) assets held for sale, (4) regulatory assets and liabilities, (5) deferred income taxes and (6) comprehensive income.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements. Significant estimates include:

- determining the market value of energy commodity derivative assets and liabilities,
- pension and other postretirement benefit plan obligations,
- contingent liabilities,
- recoverability of regulatory assets,
- stock-based compensation, and
- unbilled revenues.

Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the financial statements and thus actual results could differ from the amounts reported and disclosed herein.

System of Accounts

The accounting records of the Company's utility operations are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and adopted by the state regulatory commissions in Washington, Idaho, Montana and Oregon.

Regulation

The Company is subject to state regulation in Washington, Idaho, Montana and Oregon. The Company is also subject to federal regulation primarily by the FERC, as well as various other federal agencies with regulatory oversight of particular aspects of our operations.

Operating Revenues

Revenues related to the sale of energy are recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. Accounts receivable includes unbilled energy revenues of the following amounts as of December 31 (dollars in thousands):

	2010	2009
Unbilled accounts receivable	\$84,073	\$89,558

Advertising Expenses

The Company expenses advertising costs as incurred. Advertising expenses were not a material portion of the Company's operating expenses in 2010 and 2009.

Depreciation

For utility operations, depreciation expense is estimated by a method of depreciation accounting utilizing composite rates for utility plant. Such rates are designed to provide for retirements of properties at the expiration of their service lives. For utility operations, the ratio of depreciation provisions to average depreciable property was as follows for the years ended December 31:

	2010	2009
Ratio of depreciation to average depreciable property	2.84%	2.78%

The average service lives for the following broad categories of utility plant in service are:

- electric thermal production - 32 years,
- hydroelectric production - 74 years,
- electric transmission - 50 years,
- electric distribution - 38 years, and
- natural gas distribution property - 49 years.

Taxes Other Than Income Taxes

Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on net income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers (primarily state excise taxes and city utility taxes) are recorded as operating revenue and expense and totaled the following amounts for the years ended December 31 (dollars in thousands):

	2010	2009
Utility taxes	$49,953	$56,818

Allowance for Funds Used During Construction

The Allowance for Funds Used During Construction (AFUDC) represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. As prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and the debt related portion is credited currently against total interest expense in the Statements of Income The Company is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a reasonable return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC does not occur until the related utility plant is placed in service and included in rate base. The effective AFUDC rate was the following for the years ended December 31:

	2010	2009
Effective AFUDC rate	8.25% (1)	8.22%

(1) Rate was effective from January 1, 2010 to November 30, 2010. Effective December 1, 2010, rate was changed to 7.91%.

Income Taxes

A deferred income tax asset or liability is determined based on the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's consolidated income tax returns. The deferred income tax expense for the period is equal to the net change in the deferred income tax asset and liability accounts from the beginning to the end of the period. The effect on deferred income taxes from a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax liabilities and regulatory assets are established for income tax benefits flowed through to customers as prescribed by the respective regulatory commissions.

Stock-Based Compensation

Compensation cost relating to share-based payment transactions is recognized in the Company's financial statements based on the fair value of the equity or liability instruments issued. See Note 20 for further information.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Company considers all temporary investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash deposits from counterparties.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts to provide for estimated and potential losses on accounts receivable. The Company determines the allowance for utility and other customer accounts receivable based on historical write-offs as compared to accounts receivable and operating revenues. Additionally, the Company establishes specific allowances for certain individual accounts.

Utility Plant in Service

The cost of additions to utility plant in service, including an allowance for funds used during construction and replacements of units of property and improvements, is capitalized. The cost of depreciable units of property retired plus the cost of removal less salvage is charged to accumulated depreciation.

Regulatory Deferred Charges and Credits

The Company prepares its financial statements in accordance with regulatory accounting practices because:

- rates for regulated services are established by or subject to approval by independent third-party regulators,
- the regulated rates are designed to recover the cost of providing the regulated services, and
- in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover costs.

Regulatory accounting practices require that certain costs and/or obligations (such as incurred power and natural gas costs not currently included in rates, but expected to be recovered or refunded in the future) are reflected as deferred charges or credits on the Balance Sheets. These costs and/or obligations are not reflected in the Statements of Income until the period during which matching revenues are recognized. If at some point in the future the Company determines that it no longer meets the criteria for continued application of regulatory accounting practices for all or a portion of its regulated operations, the Company could be:

- required to write off its regulatory assets, and
- precluded from the future deferral of costs not recovered through rates at the time such costs are incurred, even if the Company expected to recover such costs in the future.

See Note 23 for further details of regulatory assets and liabilities.

Investment in Exchange Power-Net
The investment in exchange power represents the Company's previous investment in Washington Public Power Supply System Project 3 (WNP-3), a nuclear project that was terminated prior to completion. Under a settlement agreement with the Bonneville Power Administration in 1985, Avista Corp. began receiving power in 1987, for a 32.5-year period, related to its investment in WNP-3. Through a settlement agreement with the Washington Utilities and Transportation Commission (WUTC) in the Washington jurisdiction, Avista Corp. is amortizing the recoverable portion of its investment in WNP-3 (recorded as investment in exchange power) over a 32.5-year period that began in 1987. For the Idaho jurisdiction, Avista Corp. fully amortized the recoverable portion of its investment in exchange power.

Unamortized Debt Expense
Unamortized debt expense includes debt issuance costs that are amortized over the life of the related debt.

Unamortized Loss on Reacquired Debt
For the Company's Washington regulatory jurisdiction and for any debt repurchases beginning in 2007 in all jurisdictions, premiums paid to repurchase debt are amortized over the remaining life of the original debt that was repurchased or, if new debt is issued in connection with the repurchase, these costs are amortized over the life of the new debt. In the Company's other regulatory jurisdictions, premiums paid to repurchase debt prior to 2007 are being amortized over the average remaining maturity of outstanding debt when no new debt was issued in connection with the debt repurchase. These costs are recovered through retail rates as a component of interest expense.

NOTE 2. NEW ACCOUNTING STANDARDS

Effective January 1, 2010, the Company adopted Accounting Standards Update (ASU) No. 2009-16, "Transfers and Servicing" (ASC Topic 860). This ASU amends certain provisions of ASC 860 related to accounting for transfers of financial assets and a transferor's continuing involvement in transferred financial assets. In particular, the Company evaluated its accounts receivable sales financing facility (see Note 11) and determined that the transactions no longer meet the criteria of sales of financial assets. As such, any transactions will be accounted for as secured borrowings. During 2010, the Company did not borrow any funds under the revolving agreement. As such, the adoption of this ASU did not have any impact on the Company's financial condition, results of operations and cash flows.

Effective January 1, 2010, the Company adopted ASU No. 2009-17, "Consolidations (Topic 810) - Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities (VIEs)." This ASU carries forward the scope of ASC 810, with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in ASU No. 2009-16 (ASC 860). The amendments required the Company to reconsider previous conclusions relating to the consolidation of VIEs, whether the Company is the VIE's primary beneficiary, and what type of financial statement disclosures are required. As required by the FERC, the Company accounts for its investments in subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues and expenses of subsidiaries, as required by U.S. GAAP. As such, the adoption of ASU No. 2009-17 did not have any effect on the Company's financial condition, results of operations and cash flows as reported in this report.

Effective January 1, 2010, the Company adopted ASU No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820):

Improving Disclosures about Fair Value Measurements." This ASU amends guidance related to the disclosures of fair value measurements. In particular, it amends ASC 820-10 to clarify existing disclosures and provides for further disaggregation within classes of assets and liabilities, and further disclosure about inputs and valuation techniques. It also requires disclosure of significant transfers between Level 1 and Level 2 and separate disclosure of purchases, sales, issuances and settlements in the reconciliation of Level 3 activity (this will be required beginning in 2011). See Note 18 for the Company's fair value disclosures.

NOTE 3. DISPOSITION OF AVISTA ENERGY

On June 30, 2007, Avista Energy and Avista Energy Canada completed the sale of substantially all of their contracts and ongoing operations to Shell Energy North America (U.S.), L.P. (Shell Energy), formerly known as Coral Energy Holding, L.P., as well as to certain other subsidiaries of Shell Energy. In connection with the transaction, Avista Energy and its affiliates entered into an Indemnification Agreement with Shell Energy and its affiliates. Under the Indemnification Agreement, Avista Energy and Shell Energy each agree to provide indemnification of the other and the other's affiliates for certain events and matters described in the purchase and sale agreement and certain other transaction agreements. Such events and matters include, but are not limited to, the refund proceedings arising out of the western energy markets in 2000 and 2001 (see Note 22), existing litigation, tax liabilities, and matters related to natural gas storage rights. In general, such indemnification is not required unless and until a party's claims exceed $150,000 and is limited to an aggregate amount of $30 million and a term of three years (except for agreements or transactions with terms longer than three years). These limitations do not apply to certain third party claims.

Avista Energy's obligations under the Indemnification Agreement are guaranteed by Avista Capital pursuant to a Guaranty dated June 30, 2007. This Guaranty is limited to an aggregate amount of $30 million plus certain fees and expenses. The Guaranty will terminate April 30, 2011 except for claims made prior to termination. The Company has not recorded any liability related to this guaranty.

NOTE 4. ADVANTAGE IQ ACQUISITIONS

Effective July 2, 2008, Advantage IQ completed the acquisition of Cadence Network, a privately held, Cincinnati-based energy and expense management company. As consideration, the owners of Cadence Network received a 25 percent ownership interest in Advantage IQ. The total value of the transaction was $37 million.

The acquisition of Cadence Network was funded with the issuance of Advantage IQ common stock. Under the transaction agreement, the previous owners of Cadence Network can exercise a right to have their shares of Advantage IQ common stock redeemed during July 2011 or July 2012 if Advantage IQ is not liquidated through either an initial public offering or sale of the business to a third party. Their redemption rights expire July 31, 2012. The redemption price would be determined based on the fair market value of Advantage IQ at the time of the redemption election as determined by certain independent parties. Additionally, the certain minority shareholders and option holders of Advantage IQ have the right to put their shares back to Advantage IQ at their discretion.
On August 31, 2009, Advantage IQ acquired substantially all of the assets and liabilities of Ecos Consulting, Inc. (Ecos), a Portland, Oregon-based energy efficiency solutions provider. Under the terms of the transaction, the assets and liabilities of Ecos were acquired by a wholly owned subsidiary of Advantage IQ.

On December 31, 2010, Advantage IQ acquired substantially all of the assets and liabilities of The Loyalton Group, a Minneapolis-based energy management firm known for its energy procurement and price risk management solutions.

In January 2011, Advantage IQ acquired substantially all of the assets and liabilities of Building Knowledge Networks, a Seattle-based real-time building energy management services provider.

NOTE 5. DERIVATIVES AND RISK MANAGEMENT

Energy Commodity Derivatives

Avista Corp. is exposed to market risks relating to changes in electricity and natural gas commodity prices and certain other fuel prices. Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk may also be influenced by market participants' nonperformance of their contractual obligations and commitments, which affects the supply of, or demand for, the commodity. Avista Corp. utilizes derivative instruments, such as forwards, futures, swaps and options in order to manage the various risks relating to these commodity price exposures. The Company has an energy resources risk policy and control procedures to manage these risks. The Company's Risk Management Committee establishes the Company's energy resources risk policy and monitors compliance. The Risk Management Committee is comprised of certain Company officers and other management. The Audit Committee of the Company's Board of Directors periodically reviews and discusses risk assessment and risk management policies, including the Company's material financial and accounting risk exposures and the steps management has undertaken to control them.

As part of its resource procurement and management operations in the electric business, Avista Corp. engages in an ongoing process of resource optimization, which involves the economic selection from available energy resources to serve Avista Corp.'s load obligations and the use of these resources to capture available economic value. Avista Corp. sells and purchases wholesale electric capacity and energy and fuel as part of the process of acquiring and balancing resources to serve its load obligations. These transactions range from terms of one hour up to multiple years.

Avista Corp. makes continuing projections of:

- electric loads at various points in time (ranging from one hour to multiple years) based on, among other things, estimates of customer usage and weather, historical data and contract terms, and
- resource availability at these points in time based on, among other things, fuel choices and fuel markets, estimates of streamflows, availability of generating units, historic and forward market information, contract terms, and experience.

On the basis of these projections, Avista Corp. makes purchases and sales of electric capacity and energy and fuel to match expected resources to expected electric load requirements. Resource optimization involves generating plant dispatch and scheduling available resources and also includes transactions such as:

- purchasing fuel for generation,
- when economical, selling fuel and substituting wholesale electric purchases, and
- other wholesale transactions to capture the value of generation and transmission resources and fuel delivery capacity contracts.

Avista Corp.'s optimization process includes entering into hedging transactions to manage risks.

As part of its resource procurement and management operations in the natural gas business, Avista Corp. makes continuing projections of its natural gas loads and assesses available natural gas resources. Forward natural gas contracts are typically for monthly delivery periods. However, daily variations in natural gas demand can be significantly different than monthly demand projections. On the basis of these projections, Avista Corp. plans and executes a series of transactions to hedge a significant portion of its projected natural gas requirements through forward market transactions and derivative instruments. These transactions may extend as much as four natural gas operating years (November through October) into the future. Avista Corp. also leaves a significant portion of its natural gas supply requirements unhedged for purchase in short-term and spot markets. Natural gas resource optimization activities include:

- wholesale market sales of surplus natural gas supplies,
- optimization of interstate pipeline transportation capacity not needed to serve daily load, and
- sales of excess natural gas storage capacity.

Derivatives are recorded as either assets or liabilities on the balance sheet measured at estimated fair value. In certain defined conditions, a derivative may be specifically designated as a hedge for a particular exposure. The accounting for derivatives depends on the intended use of the derivatives and the resulting designation.

The WUTC and the IPUC issued accounting orders authorizing Avista Corp. to offset commodity derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of settlement. The orders provide for Avista Corp. to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Statements of Income. Realized gains or losses are recognized in the period of settlement, subject to approval for recovery through retail rates. Realized gains and losses, subject to regulatory approval, result in adjustments to retail rates through purchased gas cost adjustments, the Energy Recovery Mechanism (ERM) in Washington, the Power Cost Adjustment (PCA) mechanism in Idaho, and periodic general rates cases. Regulatory assets are assessed regularly and are probable for recovery through future rates.

Substantially all forward contracts to purchase or sell power and natural gas are recorded as derivative assets or liabilities at estimated fair value with an offsetting regulatory asset or liability. Contracts that are not considered derivatives are accounted for on the accrual basis until they are settled or realized, unless there is a decline in the fair value of the contract that is determined to be other than temporary.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2010 that are expected to settle in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs
2011	949	1,144	35,324	41,593	267	142	13,426	46,525
2012	551	668	11,526	24,845	286	62	1,525	19,510
2013	368	-	6,008	6,275	286	-	1,500	1,125
2014	366	-	2,483	900	286	-	1,475	-
2015	379	-	675	-	286	-	-	-
Thereafter	1,315	-	-	-	1,017	-	-	-

Foreign Currency Exchange Contracts
A significant portion of Avista Corp.'s natural gas supply (including fuel for power generation) is obtained from Canadian sources. Most of those transactions are executed in U.S. dollars, which avoids foreign currency risk. A portion of Avista Corp.'s short-term natural gas transactions and long-term Canadian transportation contracts are committed based on Canadian currency prices and settled within sixty days with U.S. dollars. Avista Corp. economically hedges a portion of the foreign currency risk by purchasing Canadian currency contracts when such commodity transactions are initiated. This risk has not had a material effect on the Company's financial condition, results of operations or cash flows and these differences in cost related to currency fluctuations were included with natural gas supply costs for ratemaking. The following table summarizes the foreign currency hedges that the Company has entered into as of December 31 (dollars in thousands):

	2010	2009
Number of contracts	29	24
Notional amount (in United States dollars)	$10,916	$10,210
Notional amount (in Canadian dollars)	10,989	10,637
Derivative amount	116	(50)

Interest Rate Swap Agreements
Avista Corp. enters into forward-starting interest rate swap agreements to manage the risk associated with changes in interest rates and the impact on future interest payments. These interest rate swap agreements relate to the interest payments for anticipated debt issuances. These interest rate swap agreements are considered economic hedges against fluctuations in future cash flows associated with changes in interest rates.

The following table summarizes the interest rate swaps that the Company has entered into as of December 31, 2010 (dollars in thousands):

Entered	Notional	Number of Contracts	Mandatory Cash Settlement Date
May/June 2010	$ 50,000	2	July 2012

The Company did not have any interest rate swap contracts outstanding as of December 31, 2009. In September 2009, the Company cash settled interest rate swap contracts (notional amount of $200.0 million) and received a total of $10.8 million. The interest rate swap contracts were settled concurrently with the issuance of $250.0 million of First Mortgage Bonds (see Note 13). The settlement of the interest rate swaps was deferred as a regulatory liability (included as part of long-term debt) and is being amortized as a component of interest expense over the life of the associated debt issued in accordance with regulatory accounting practices.

Under the terms of the outstanding interest rate swap agreements, the value of the interest rate swaps is determined based upon Avista Corp. paying a fixed rate and receiving a variable rate based on LIBOR for a term of ten years. As of December 31, 2010, Avista Corp. had a long-term derivative asset and an offsetting regulatory liability of $0.1 million, as well as a long-term derivative liability and an offsetting regulatory asset of less than $0.1 million on the Balance Sheet in accordance with regulatory accounting practices. Upon settlement of the interest rate swaps, the regulatory asset or liability (included as part of long-term debt) will be amortized as a component of interest expense over the life of the forecasted interest payments.

Derivative Instruments Summary

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2010 (in thousands):

Derivative	Balance Sheet Location	Fair Value Asset	Liability	Net Asset (Liability)
Foreign currency contracts	Derivative instrument assets - Hedges	$ 116	$ -	$ 116
Interest rate contracts	Derivative instrument assets - Hedges	127	-	127
Interest rate contracts	Long-term portion of derivative instrument liabilities - Hedges	-	(53)	(53)
Commodity contracts	Derivative instrument assets current	6,293	(3,701)	2,592
Commodity contracts	Long-term portion of derivative assets	21,249	(5,988)	15,261
Commodity contracts	Derivative instrument liabilities current	5,934	(57,417)	(51,483)
Commodity contracts	Long-term portion of derivative instrument liabilities	1,386	(32,371)	(30,985)
Total derivative instruments recorded on the balance sheet		$35,105	$(99,530)	$(64,425)

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31, 2009 (in thousands):

Derivative	Balance Sheet Location	Fair Value Asset	Liability	Net Asset (Liability)
Foreign currency contracts	Derivative instrument liabilities - Hedges	$ -	$ (50)	$ (50)
Commodity contracts	Derivative instrument assets current	8,976	(1,219)	7,757
Commodity contracts	Long-term portion of derivative assets	53,765	(8,282)	45,483
Commodity contracts	Derivative instrument liabilities current	5,783	(21,870)	(16,087)
Commodity contracts	Long-term portion of derivative instrument liabilities	650	(3,521)	(2,871)
Total derivative instruments recorded on the balance sheet		$69,174	$(34,942)	$34,232

Exposure to Demands for Collateral

The Company's derivative contracts often require collateral (in the form of cash or letters of credit) or other credit enhancements, or reductions or terminations of a portion of the contract through cash settlement, in the event of a downgrade in the Company's credit ratings or adverse changes in market prices. In periods of price volatility, the level of exposure can change significantly. As a result, sudden and significant demands may be made against the Company's credit facilities and cash. The Company actively monitors the exposure to possible collateral calls and takes steps to minimize capital requirements.

Certain of the Company's derivative instruments contain provisions that require the Company to maintain an investment grade credit rating from the major credit rating agencies. If the Company's credit ratings were to fall below "investment grade," it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position as of December 31, 2010 was $62.1 million. If the credit-risk-related contingent features underlying these agreements were triggered on December 31, 2010, the Company would be required to post $42.1 million of collateral to its counterparties.

Credit Risk

Credit risk relates to the potential losses that the Company would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy or make financial settlements. The Company often extends credit to counterparties and customers and is exposed to the risk that it may not be able to collect amounts owed to the Company. Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits are established. Credit risk includes potential counterparty default due to circumstances:

- relating directly to it,
- caused by market price changes, and
- relating to other market participants that have a direct or indirect relationship with such counterparty.

Should a counterparty, customer or supplier fail to perform, the Company may be required to honor the underlying commitment or to replace existing contracts with contracts at then-current market prices. The Company seeks to mitigate credit risk by:

- entering into bilateral contracts that specify credit terms and protections against default,
- applying credit limits and duration criteria to existing and prospective counterparties,
- actively monitoring current credit exposures, and
- conducting some of its transactions on exchanges with clearing arrangements that essentially eliminate counterparty default risk.

These credit policies include an evaluation of the financial condition and credit ratings of counterparties, collateral requirements or other credit enhancements, such as letters of credit or parent company guarantees. The Company also uses standardized agreements that allow for the netting or offsetting of positive and negative exposures associated with a single counterparty or affiliated group.

The Company has concentrations of suppliers and customers in the electric and natural gas industries including:

- electric utilities,
- electric generators and transmission providers,
- natural gas producers and pipelines,
- financial institutions, and
- energy marketing and trading companies.

In addition, the Company has concentrations of credit risk related to geographic location as it operates in the western United States and western Canada. These concentrations of counterparties and concentrations of geographic location may impact the Company's overall exposure to credit risk, either positively or negatively, because the counterparties may be similarly affected by changes in conditions.

As is common industry practice, Avista Corp. maintains margin agreements with certain counterparties. Margin calls are triggered when exposures exceed predetermined contractual limits or when there are changes in a counterparty's creditworthiness. Price movements in electricity and natural gas can generate exposure levels in excess of these contractual limits. Margin calls are periodically made and/or received by Avista Corp. Negotiating for collateral in the form of cash, letters of credit, or performance guarantees is common industry practice.

Cash deposits from counterparties totaled $1.2 million as of December 31, 2010 and $3.2 million as of December 31, 2009. These funds were held by Avista Corp. to mitigate the potential impact of counterparty default risk. These amounts are subject to return if conditions warrant because of continuing portfolio value fluctuations with those parties or substitution of non-cash collateral.

NOTE 6. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, the Colstrip Generating Project (Colstrip) located in southeastern Montana, and provides financing for its ownership interest in the project. The Company's share of related fuel costs as well as operating expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant in service for Colstrip and accumulated depreciation were as follows as of December 31 (dollars in thousands):

	2010	2009
Utility plant in service	$336,796	$334,773
Accumulated depreciation	(219,770)	(209,587)

NOTE 7. ASSET RETIREMENT OBLIGATIONS

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the associated costs of the asset retirement obligation are capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the related capitalized costs are depreciated over the useful life of the related asset. Upon retirement of the asset, the Company either settles the retirement obligation for its recorded amount or incurs a gain or loss. The Company records regulatory assets and liabilities for the difference between asset retirement costs currently recovered in rates and asset retirement obligations recorded since asset retirement costs are recovered through rates charged to customers. The regulatory assets do not earn a return.

Specifically, the Company has recorded liabilities for future asset retirement obligations to:

- restore ponds at Colstrip,
- cap a landfill at the Kettle Falls Plant,
- remove plant and restore the land at the Coyote Springs 2 site at the termination of the land lease,
- remove asbestos at the corporate office building, and
- dispose of PCBs in certain transformers.

Due to an inability to estimate a range of settlement dates, the Company cannot estimate a liability for the:

- removal and disposal of certain transmission and distribution assets, and
- abandonment and decommissioning of certain hydroelectric generation and natural gas storage facilities.

The following table documents the changes in the Company's asset retirement obligation during the years ended December 31 (dollars in thousands):

	2010	2009
Asset retirement obligation at beginning of year	$3,971	$4,208
New liability recognized	19	-
Liability adjustment due to revision in estimated cash flows	-	-
Liability settled	(460)	(499)
Accretion expense	357	262
Asset retirement obligation at end of year	$3,887	$3,971

NOTE 8. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a defined benefit pension plan covering substantially all regular full-time employees. Individual benefits under this plan are based upon the employee's years of service, date of hire and average compensation as specified in the plan. The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company contributed $21 million in cash to the pension plan in 2010 and $48 million in 2009. The Company expects to contribute $26 million in cash to the pension plan in 2011.

The Company also has a Supplemental Executive Retirement Plan (SERP) that provides additional pension benefits to executive officers of the Company. The SERP is intended to provide benefits to executive officers whose benefits under the pension plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary under deferred compensation plans. The liability and expense for this plan are included as pension benefits in the tables included in this Note.

The Company expects that benefit payments under the pension plan and the SERP will total (dollars in thousands):

	2011	2012	2013	2014	2015	Total 2016-2020
Expected benefit payments	$19,343	$20,521	$21,824	$23,105	$24,620	$145,063

The expected long-term rate of return on plan assets is based on past performance and economic forecasts for the types of investments held by the plan. In selecting a discount rate, the Company considers yield rates for highly rated corporate bond portfolios with maturities similar to that of the expected term of pension benefits.

In 2009, the Company reviewed the mortality table utilized in the actuarial calculations. The Company determined that the RP-2000 combined healthy mortality tables for males and females should be replaced with the RP-2000 combined healthy mortality tables for males and females projected to 2010 using scale AA. The change resulted in an increase of $6.6 million to the pension benefit obligation as of December 31, 2009.

The Company provides certain health care and life insurance benefits for substantially all of its retired employees. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The Company elected to amortize the transition obligation of $34.5 million over a period of twenty years, beginning in 1993.

The Company established a Health Reimbursement Arrangement to provide employees with tax-advantaged funds to pay for allowable medical expenses upon retirement. The amount earned by the employee is fixed on the retirement date based on the employee's years of service and the ending salary. The liability and expense of this plan are included as other postretirement benefits.

The Company provides death benefits to beneficiaries of executive officers who die during their term of office or after retirement. Under the plan, an executive officer's designated beneficiary will receive a payment equal to twice the executive officer's annual base salary at the time of death (or if death occurs after retirement, a payment equal to twice the executive officer's total annual pension benefit). The liability and expense for this plan are included as other postretirement benefits.

The Company expects that benefit payments under other postretirement benefit plans will total (dollars in thousands):

	2011	2012	2013	2014	2015	Total 2016-2020
Expected benefit payments	$4,695	$4,495	$4,488	$4,489	$4,520	$22,439

The Company expects to contribute $4.7 million to other postretirement benefit plans in 2011, representing expected benefit payments to be paid during the year.

The Company uses a December 31 measurement date for its pension and other postretirement benefit plans.

The following table sets forth the pension and other postretirement benefit plan disclosures as of December 31, 2010 and 2009 and the components of net periodic benefit costs for the years ended December 31, 2010 and 2009 (dollars in thousands):

	Pension		Other	
	2010	2009	2010	2009
Change in benefit obligation:				
Benefit obligation as of beginning of year	$378,235	$353,572	$39,560	$38,953
Service cost	11,609	10,496	684	803
Interest cost	23,231	21,770	2,624	2,364
Actuarial loss	38,547	9,610	21,657	1,676
Transfer of accrued vacation	-	-	367	98
Benefits paid	(18,131)	(17,213)	(4,553)	(4,334)
Benefit obligation as of end of year	$433,491	$378,235	$60,339	$39,560
Change in plan assets:				
Fair value of plan assets as of beginning of year	$272,732	$190,637	$20,394	$16,048
Actual return on plan assets	29,846	50,053	2,481	4,346
Employer contributions	21,000	48,000	-	-
Benefits paid	(16,866)	(15,958)	-	-
Fair value of plan assets as of end of year	$306,712	$272,732	$22,875	$20,394
Funded status	$(126,779)	$(105,503)	$(37,464)	$(19,166)
Unrecognized net actuarial loss	149,819	126,926	35,149	15,772
Unrecognized prior service cost	1,140	1,790	(1,154)	(1,303)
Unrecognized net transition obligation	-	-	1,011	1,516
Prepaid (accrued) benefit cost	24,180	23,213	(2,458)	(3,181)
Additional liability	(150,959)	(128,716)	(35,006)	(15,985)
Accrued benefit liability	$(126,779)	$(105,503)	$(37,464)	$(19,166)
Accumulated pension benefit obligation	$377,606	$331,081	-	-
Accumulated postretirement benefit obligation:				
For retirees			$27,921	$18,377
For fully eligible employees			$15,618	$9,290

For other participants			$16,800	$11,893
Included in accumulated comprehensive loss (income) (net of tax):				
Unrecognized net transition obligation	$ -	$ -	$ 657	$ 985
Unrecognized prior service cost	741	1,163	(750)	(847)
Unrecognized net actuarial loss	97,382	82,502	22,847	10,252
Total	98,123	83,665	22,754	10,390
Less regulatory asset	(92,570)	(80,041)	(23,981)	(11,664)
Accumulated other comprehensive loss (income)	$5,553	$3,624	$(1,227)	$(1,274)
Weighted average assumptions as of December 31:				
Discount rate for benefit obligation	5.69%	6.29%	5.50%	6.00%
Discount rate for annual expense	6.28%	6.25%	6.00%	6.25%
Expected long-term return on plan assets	7.75%	8.50%	7.75%	8.50%
Rate of compensation increase	4.72%	4.65%		
Medical cost trend pre-age 65 – initial			8.00%	8.50%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2017	2017
Medical cost trend post-age 65 – initial			8.00%	8.50%
Medical cost trend post-age 65 – ultimate			6.00%	6.00%
Ultimate medical cost trend year post-age 65			2015	2015
Components of net periodic benefit cost:				
Service cost	$11,609	$10,496	$ 684	$ 803
Interest cost	23,231	21,770	2,624	2,364
Expected return on plan assets	(21,381)	(17,612)	(1,581)	(1,364)
Transition obligation recognition	-	-	505	505
Amortization of prior service cost	650	654	(149)	(149)
Net loss recognition	7,189	10,539	1,379	1,279
Net periodic benefit cost	$21,298	$25,847	$3,462	$3,438

Plan Assets

The Finance Committee of the Company's Board of Directors establishes investment policies, objectives and strategies that seek an appropriate return for the pension plan and other postretirement benefit plans and reviews and approves changes to the investment and funding policies.

The Company has contracted with investment consultants who are responsible for managing/monitoring the individual investment managers. The investment managers' performance and related individual fund performance is periodically reviewed by an internal benefits committee and by the Finance Committee to monitor compliance with investment policy objectives and strategies.

Pension plan assets are invested primarily in marketable debt and equity securities. Pension plan assets may also be invested in real estate, absolute return, venture capital/private equity and commodity funds. In seeking to obtain the desired return to fund the pension plan, the investment consultant recommends allocation percentages by asset classes. These recommendations are reviewed by the internal benefits committee, which then recommends their adoption by the Finance Committee. The Finance Committee has established target investment allocation percentages by asset classes as indicated in the table below:

	2010	2009
Equity securities	51%	51%
Debt securities	31%	31%
Real estate	5%	5%
Absolute return	10%	10%
Other	3%	3%

The market-related value of pension plan assets invested in debt and equity securities was based primarily on fair value (market prices). The fair value of investment securities traded on a national securities exchange is determined based on the last reported sales price; securities traded in the over-the-counter market are valued at the last reported bid price. Investment securities for which market prices are not readily available or for which market prices do not represent the value at the time of pricing, are fair-valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry). Investments in common/collective trust funds are presented at estimated fair value, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date. The fair value of the closely held investments and partnership interests is based upon the allocated share of the fair value of the underlying assets as well as the allocated share of the undistributed profits and losses, including realized and unrealized gains and losses.

The market-related value of pension plan assets invested in real estate was determined by the investment manager based on three basic approaches:

- current cost of reproducing a property less deterioration and functional economic obsolescence,
- capitalization of the property's net earnings power, and
- value indicated by recent sales of comparable properties in the market.

The market-related value of pension plan assets was determined as of December 31, 2010 and 2009.

The following table discloses by level within the fair value hierarchy (refer to Note 18 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2010 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 335	$ -	$ -	$ 335
Mutual funds:				
Fixed income securities	96,026	-	-	96,026
U.S. equity securities	104,232	-	-	104,232
International equity securities	53,964	-	-	53,964
Absolute return (1)	12,662	-	-	12,662
Commodities (2)	7,133	-	-	7,133
Common/collective trusts:				
Fixed income securities	-	13,653	-	13,653
Absolute return (1)	-	-	95	95
Real estate	-	-	423	423
Partnership/closely held investments:				
Absolute return (1)	-	-	16,917	16,917
Private equity funds (3)	-	-	1,272	1,272
Total	$274,352	$13,653	$18,707	$306,712

The following table discloses by level within the fair value hierarchy (refer to Note 18 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2009 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 19	$ -	$ -	$ 19
Mutual funds:				
Fixed income securities	70,924	-	-	70,924
U.S. equity securities	87,562	-	-	87,562
International equity securities	46,548	-	-	46,548
Absolute return (1)	11,671	-	-	11,671
Commodities (2)	5,870	-	-	5,870
Common/collective trusts:				
Fixed income securities	-	14,840	-	14,840
U.S. equity securities	-	11,070	-	11,070
Absolute return (1)	-	-	844	844
Real estate	-	-	6,029	6,029
Partnership/closely held investments:				
Absolute return (1)	-	-	15,794	15,794
Private equity funds (3)	-	-	1,561	1,561
Total	$222,594	$25,910	$24,228	$272,732

(1)

(1) This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income, and (d) market neutral strategies.
(2) The fund primarily invests in derivatives linked to commodity indices to gain exposure to the commodity markets. The fund manager fully collateralizes these positions with debt securities.
(3) This category includes several private equity funds that invest primarily in U.S. companies.

The table below discloses the summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2010 (dollars in thousands):

	Common/collective trusts		Partnership/closely held investments	
	Absolute return	Real estate	Absolute return	Private equity funds
Balance, as of January 1, 2010	$844	$6,029	$15,794	$1,561
Realized gains (losses)	(233)	630	-	(148)
Unrealized gains (losses)	(193)	(160)	1,123	(48)
Purchases (sales), net	(323)	(6,076)	-	(93)
Balance, as of December 31, 2010	$ 95	$ 423	$16,917	$1,272

The table below discloses the summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2009 (dollars in thousands):

	Common/collective trusts		Partnership/closely held investments	
	Absolute return	Real estate	Absolute return	Private equity funds
Balance, as of January 1, 2009	$2,351	$11,987	$13,983	$1,316
Realized gains (losses)	(415)	520	-	3
Unrealized gains (losses)	(21)	(4,310)	1,811	223
Purchases (sales), net	(1,071)	(2,168)	-	19
Balance, as of December 31, 2009	$ 844	$ 6,029	$15,794	$1,561

The market-related value of other postretirement plan assets invested in debt and equity securities was based primarily on fair value (market prices). The fair value of investment securities traded on a national securities exchange is determined based on the last reported sales price; securities traded in the over-the-counter market are valued at the last reported bid price. Investment securities for which market prices are not readily available or for which market prices do not represent the value at the time of pricing, are fair-valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity and industry). The target asset allocation was 62 percent equity securities and 38 percent debt securities in 2010 and 2009.

The market-related value of other postretirement plan assets was determined as of December 31, 2010 and 2009.
The following table discloses by level within the fair value hierarchy (refer to Note 18 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2010 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 118	$ -	$ -	$ 118
Mutual funds:				
Debt securities	8,320	-	-	8,320
U.S. equity securities	6,986	-	-	6,986
International equity securities	5,572	-	-	5,572
Debt securities	37	-	-	37
U.S. equity securities	1,785	-	-	1,785
International equity securities	57	-	-	57
Total	$22,875	$ -	$ -	$22,875

The following table discloses by level within the fair value hierarchy (refer to Note 18 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2009 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 96	$ -	$ -	$ 96
Mutual funds:				
Debt securities	7,742	-	-	7,742
U.S. equity securities	5,927	-	-	5,927
International equity securities	5,077	-	-	5,077
Debt securities	25	-	-	25
U.S. equity securities	1,456	-	-	1,456
International equity securities	71	-	-	71
Total	$20,394	$ -	$ -	$20,394

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2010 by $5.2 million and the service and interest cost by $0.3 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2010 by $4.4 million and the service and interest cost by $0.2 million.

The Company has a salary deferral 401(k) plans that is a defined contribution plans and covers substantially all employees. Employees can make contributions to their respective accounts in the plan on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the plan.

Employer matching contributions were as follows for the years ended December 31 (dollars in thousands):

	2010	2009
Employer 401(k) matching contributions	$4,797	$4,439

The Company has an Executive Deferral Plan. This plan allows executive officers and other key employees the opportunity to defer until the earlier of their retirement, termination, disability or death, up to 75 percent of their base salary and/or up to 100 percent of their incentive payments. Deferred compensation funds are held by the Company in a Rabbi Trust. There were deferred compensation assets and corresponding deferred compensation liabilities on the Balance Sheets of the following amounts as of December 31 (dollars in thousands):

	2010	2009
Deferred compensation assets and liabilities	$9,285	$9,437

NOTE 9. ACCOUNTING FOR INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards.

As of December 31, 2010, the Company had $11.2 million of state tax credit carryforwards. State tax credits expire from 2015 to 2023. The Company recognizes the effect of state tax credits generated from utility plant as they are utilized.

The realization of deferred income tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred income tax assets and determined it is more likely than not that deferred income tax assets will be realized.

The Company and its eligible subsidiaries file consolidated federal income tax returns. The Company also files state income tax returns in certain jurisdictions, including Idaho, Oregon and Montana. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. The Internal Revenue Service (IRS) has completed its examination of all tax years through 2007 and all issues were resolved related to these years. The IRS has not examined the Company's 2008 or 2009 federal income tax returns. However, an estimate of the range of any such possible change cannot be made at this time. The Company does not believe that any open tax years for federal or state income taxes could result in any adjustments that would be significant to the financial statements.

The Company did not incur any penalties on income tax positions in 2010 or 2009.

The Company had net regulatory assets related to the probable recovery of certain deferred income tax liabilities from customers through future rates as of December 31 (dollars in thousands):

	2010	2009
Regulatory assets for deferred income taxes	$90,025	$97,945

NOTE 10. ENERGY PURCHASE CONTRACTS

Avista Corp. has contracts for the purchase of fuel for thermal generation, natural gas for resale and various agreements for the purchase or exchange of electric energy with other entities. The termination dates of the contracts range from one month to the year 2055. Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs were as follows for the years ended December 31 (dollars in thousands):

	2010	2009
Utility power resources	$649,408	$704,886

The following table details Avista Corp.'s future contractual commitments for power resources (including transmission contracts) and natural gas resources (including transportation contracts) (dollars in thousands):

	2011	2012	2013	2014	2015	Thereafter	Total
Power resources	$217,093	$159,409	$119,250	$105,974	$ 97,163	$ 666,752	$1,365,641
Natural gas resources	138,917	100,658	83,908	65,192	56,514	631,946	1,077,135
Total	$356,010	$260,067	$203,158	$171,166	$153,677	$1,298,698	$2,442,776

These energy purchase contracts were entered into as part of Avista Corp.'s obligation to serve its retail electric and natural gas customers' energy requirements. As a result, these costs are recovered either through base retail rates or adjustments to retail rates as part of the power and natural gas cost deferral and recovery mechanisms.

In addition, Avista Corp. has operational agreements, settlements and other contractual obligations for its generation, transmission and distribution facilities. The following table details future contractual commitments for these agreements (dollars in thousands):

	2011	2012	2013	2014	2015	Thereafter	Total
Contractual obligations	$21,551	$23,307	$22,643	$23,100	$24,525	$252,015	$367,141

Avista Corp. has fixed contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the fixed contracts obligate Avista Corp. to pay certain minimum amounts (based in part on the debt service requirements of the PUD) whether or not the facilities are operating. Expenses under these PUD contracts were as follows for the years ended December 31 (dollars in thousands):

	2010	2009
PUD contract costs	$8,287	$12,633

Information as of December 31, 2010 pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	Expiration Date
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	$ 2,172	$1,013	$ 436	2011
Douglas County PUD:						
Wells Project	3.3%	28,000	1,734	698	3,773	2018
Grant County PUD:						
Priest Rapids and Wanapum Projects	3.3%	65,800	4,381	1,803	19,537	2055
Totals		130,800	$8,287	$3,514	$23,746	

(1) The annual costs will change in proportion to the percentage of output allocated to Avista Corp. in a particular year. Amounts represent the operating costs for 2010. Debt service costs are included in annual costs.

The estimated aggregate amounts of required minimum payments (Avista Corp.'s share of existing debt service costs) under these PUD contracts are as follows (dollars in thousands):

	2011	2012	2013	2014	2015	Thereafter	Total
Minimum payments	$3,026	$2,590	$2,585	$2,557	$2,447	$28,026	$41,231

In addition, Avista Corp. will be required to pay its proportionate share of the variable operating expenses of these projects.

NOTE 11. ACCOUNTS RECEIVABLE FINANCING FACILITY

On December 30, 2010, Avista Corp., Avista Receivables Corporation (ARC), Bank of America, N.A. and Ranger Funding Company, LLC terminated a Receivables Purchase Agreement at the direction of the Company. ARC is a wholly owned, bankruptcy-remote subsidiary of the Company formed in 1997 for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. The Company elected to terminate the Receivables Purchase Agreement prior to its March 11, 2011 expiration date based on the Company's forecasted liquidity needs. The Receivables Purchase Agreement was originally entered into on May 29, 2002 (and has been renewed on an annual basis) and provided the Company with funds for general corporate needs. Under the Receivables Purchase Agreement, the Company could borrow up to $50.0 million based on calculations of eligible receivables. The Company did not borrow any funds under this revolving agreement in 2010.

NOTE 12. NOTES PAYABLE

At December 31, 2010, Avista Corp. had a committed line of credit agreement with various banks in the total amount of $320.0 million with an expiration date of April 5, 2011. Under the credit agreement, the Company could borrow or request the issuance of letters of credit in any combination up to $320.0 million. Additionally, the Company had a committed line of credit agreement with various banks in the total amount of $75.0 million with an expiration date of April 5, 2011.

In February 2011, Avista Corp. entered into a new committed line of credit in the total amount of $400.0 million with an expiration date of February 2015 that replaced its $320.0 million and $75.0 million committed lines of credit.

The committed lines of credit are secured by non-transferable First Mortgage Bonds of the Company issued to the agent bank that would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the committed lines of credit.

The committed line of credit agreements contain customary covenants and default provisions. The $320.0 million and $75.0 million credit agreements had a covenant that required the ratio of "earnings before interest, taxes, depreciation and amortization" to "interest expense" of Avista Corp. for the preceding twelve-month period at the end of any fiscal quarter to be greater than 1.6 to 1. As of December 31, 2010, the Company was in compliance with this covenant. The new $400.0 million committed line of credit does not have this covenant. The $320.0 million and $75.0 million credit agreements also had a covenant which did not permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 70 percent at any time. As of December 31, 2010, the Company was in compliance with this covenant. Under the new $400.0 million committed line of credit, this ratio must not be greater than 65 percent at any time.

Balances outstanding and interest rates of borrowings (excluding letters of credit) under the Company's revolving committed lines of credit were as follows as of and for the years ended December 31 (dollars in thousands):

	2010	2009
Balance outstanding at end of period	$110,000	$ 87,000
Letters of credit outstanding at end of period	$ 27,126	$ 28,448
Average interest rate at end of period	0.57%	0.59%

NOTE 13. BONDS

The following details bonds outstanding as of December 31 (dollars in thousands):

Maturity Year	Description	Interest Rate	2010	2009
2010	Secured Medium-Term Notes	6.67%-8.02%	$ -	$ 35,000
2012	Secured Medium-Term Notes	7.37%	7,000	7,000
2013	First Mortgage Bonds (1)	6.13%	-	45,000
2013	First Mortgage Bonds (1)	7.25%	-	30,000
2013	First Mortgage Bonds (2)	1.68%	50,000	-
2018	First Mortgage Bonds	5.95%	250,000	250,000
2018	Secured Medium-Term Notes	7.39%-7.45%	22,500	22,500
2019	First Mortgage Bonds	5.45%	90,000	90,000
2020	First Mortgage Bonds (1)	3.89%	52,000	-
2022	First Mortgage Bonds	5.13%	250,000	250,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	13,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Secured Pollution Control Bonds (3)	(3)	66,700	66,700
2034	Secured Pollution Control Bonds (4)	(4)	17,000	17,000
2035	First Mortgage Bonds	6.25%	150,000	150,000
2037	First Mortgage Bonds	5.70%	150,000	150,000
2040	First Mortgage Bonds (1)	5.55%	35,000	-
	Total secured long-term debt		1,178,700	1,151,700
2023	Unsecured Pollution Control Bonds	6.00%	4,100	4,100
	Settled interest rate swaps		(951)	(1,844)
	Secured Pollution Control Bonds held by Avista Corporation (3) (4)		(83,700)	(83,700)
	Total bonds		$1,098,149	$1,070,256

(1) In December 2010, Avista Corp. issued $52.0 million of 3.89 percent First Mortgage Bonds due in 2020 and $35.0 million of 5.55 percent First Mortgage Bonds due in 2040. The total net proceeds from the sale of the new bonds of $86.6 million (net of placement agent fees and before Avista Corp.'s expenses) were used to redeem $45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and $30.0 million of 7.25 percent First Mortgage Bonds due in September 2013. These First Mortgage Bonds were redeemed at par plus a make-whole redemption premium of $10.7 million. In accordance with regulatory accounting practices, the make-whole redemption premium will be amortized over the life of the new debt issued.

(2) In December 2010, Avista Corp. issued $50.0 million of 1.68 percent First Mortgage Bonds (Bonds) due in 2013. The net proceeds from the issuance of the Bonds of $49.8 million (net of placement agent fees and before Avista Corp.'s expenses) were used to repay a portion of the borrowings outstanding under the Company's committed line of credit.

(3) In December 2010, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due 2032, which had been held by Avista Corp. since 2008, were refunded by a new bond issue (Series 2010A). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheet.

(4) In December 2010, $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2034, which had been held by Avista Corp. since 2009, were refunded by a new bond issue (Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, the bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheet.

The following table details future long-term debt maturities including advances from associated companies (see Note 14) (dollars in thousands):

	2011	2012	2013	2014	2015	Thereafter	Total
Debt maturities	$ -	$7,000	$50,000	$ -	$ -	$1,093,647	$1,150,647

Substantially all utility properties owned by the Company are subject to the lien of the Company's mortgage indenture. Under the Mortgage and Deed of Trust securing the Company's First Mortgage Bonds (including Secured Medium-Term Notes), the Company may issue additional First Mortgage Bonds in an aggregate principal amount equal to the sum of: 1) 70 percent of the cost or fair value (whichever is lower) of property additions which have not previously been made the basis of any application under the Mortgage, or 2) an equal principal amount of retired First Mortgage Bonds which have not previously been made the basis of any application under the Mortgage, or 3) deposit of cash. However, the Company may not issue any additional First Mortgage Bonds (with certain exceptions in the case of bonds issued on the basis of retired bonds) unless the Company's "net earnings" (as defined in the Mortgage) for any period of 12 consecutive calendar months out of the preceding 18 calendar months were at least twice the annual interest requirements on all mortgage securities at the time outstanding, including the First Mortgage Bonds to be issued, and on all indebtedness of prior rank. As of December 31, 2010, property additions and retired bonds would have allowed the Company to issue $795.3 million in aggregate principal amount of additional First Mortgage Bonds. However, using an interest rate of 8 percent on additional First Mortgage Bonds, and based on net earnings for the 12 months ended December 31, 2010, the net earnings test would limit the principal amount of additional bonds the Company could issue to $758.8 million.

See Note 12 for information regarding First Mortgage Bonds issued to secure the Company's obligations under its committed lines of credit agreements.

NOTE 14. ADVANCES FROM ASSOCIATED COMPANIES

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of $51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II issued $50.0 million of Preferred Trust Securities with a floating distribution rate of LIBOR plus 0.875 percent, calculated and reset quarterly. The distribution rates paid were as follows during the years ended December 31:

	2010	2009
Low distribution rate	1.13%	1.22%
High distribution rate	1.41	3.06
Distribution rate at the end of the year	1.17	1.22

Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 and mature on June 1, 2037. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount for, the Preferred Trust Securities to the extent that Avista Capital II has funds available for such payments from the respective debt securities. Upon maturity or prior redemption of such debt securities, the Preferred Trust Securities will be mandatorily redeemed.

NOTE 15. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to forty-five years. Rental expense under operating leases was as follows for the years ended December 31 (dollars in thousands):

	2010	2009
Rental expense	$2,885	$3,244

Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2010 were as follows (dollars in thousands):

	2011	2012	2013	2014	2015	Thereafter	Total
Minimum payments required	$1,480	$1,317	$1,259	$1,260	$437	$2,498	$8,251

NOTE 16. GUARANTEES

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount for, the Preferred Trust Securities issued by its affiliate, Avista Capital II, to the extent that this entity has funds available for such payments from its debt securities.

The output from the Lancaster Plant was contracted to Avista Turbine Power, Inc. (ATP), an affiliate of Avista Energy, through 2026 under a power purchase agreement (PPA). The majority of the rights and obligations of this PPA were conveyed to Shell Energy through the end of 2009. Beginning in January 2010, the rights and obligations under the PPA were conveyed to Avista Corp. Effective December 1, 2010, the PPA was assigned to Avista Corp. Prior to the assignment, Avista Corp. had provided Rathdrum Power LLC, the owner of the Lancaster Plant, a guarantee under which Avista Corp. has guaranteed ATP's performance under the PPA. This guarantee was terminated in connection with the assignment of the PPA to Avista Corp.

In connection with the transaction, on June 30, 2007, Avista Energy and its affiliates entered into an Indemnification Agreement with Shell Energy and its affiliates. Under the Indemnification Agreement, Avista Energy and Shell Energy each agree to provide indemnification of the other and the other's affiliates for certain events and matters described in the purchase and sale agreement entered into on April 16, 2007 and certain other transaction agreements. Such events and matters include, but are not limited to, the refund proceedings arising out of the western energy markets in 2000 and 2001 (see Note 22), existing litigation, tax liabilities, and matters related to storage rights at Jackson Prairie. In general, such indemnification is not required unless and until a party's claims exceed $150,000 and is limited to an aggregate amount of $30 million and a term of three years (except for agreements or transactions with terms longer than three years). These limitations do not apply to certain third party claims.

Avista Energy's obligations under the Indemnification Agreement are guaranteed by Avista Capital pursuant to a Guaranty dated June 30, 2007. This Guaranty is limited to an aggregate amount of $30 million plus certain fees and expenses. The Guaranty will terminate April 30, 2011 except for claims made prior to termination. The Company has not recorded any liability related to this guaranty.

NOTE 17. PREFERRED STOCK-CUMULATIVE (SUBJECT TO MANDATORY REDEMPTION)

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2010 and 2009.

NOTE 18. FAIR VALUE

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The carrying values of cash and cash equivalents, special deposits, accounts and notes receivable, accounts payable and notes payable are reasonable estimates of their fair values. Bonds and advances from associated companies are reported at carrying value on the Balance Sheets.

The following table sets forth the carrying value and estimated fair value of the Company's financial instruments not reported at estimated fair value on the Balance Sheets as of December 31 (dollars in thousands):

	2010		2009	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds	$1,099,100	$1,139,765	$1,072,100	$1,079,857
Advances from associated companies	51,547	37,114	51,547	43,534

These estimates of fair value were primarily based on available market information.

Energy commodity derivative assets and liabilities, deferred compensation assets, as well as derivatives related to interest rate swap agreements and foreign currency exchange contracts, are reported at estimated fair value on the Balance Sheets. U.S. GAAP defines a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values incorporates various factors that not only include the credit standing of the counterparties involved and the impact of credit enhancements (such as cash deposits and letters of credit), but also the impact of Avista Corp.'s nonperformance risk on its liabilities.

The following table discloses by level within the fair value hierarchy the Company's assets and liabilities measured and reported on the Balance Sheets as of December 31, 2010 and 2009 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty Netting (1)	Total
December 31, 2010					
Assets:					
Energy commodity derivatives	$ -	$15,124	$19,739	$(17,010)	$ 17,853
Interest rate swaps	-	127	-	-	127
Foreign currency derivatives	-	116	-	-	116
Deferred compensation assets:					
Fixed income securities (3)	1,854	-	-	-	1,854
Equity securities (3)	6,211	-	-	-	6,211
Total	$8,065	$15,367	$19,739	$(17,010)	$26,161
Liabilities:					
Energy commodity derivatives	$ -	$93,198	$6,280	$(17,010)	$82,468
Interest rate swaps	-	53	-	-	53
Total	$ -	$93,251	$6,280	$(17,010)	$82,521
December 31, 2009					
Assets:					
Energy commodity derivatives	$ -	$11,898	$57,276	$(15,934)	$ 53,240
Deferred compensation assets:					
Fixed income securities (3)	2,011	-	-	-	2,011
Equity securities (3)	5,863	-	-	-	5,863
Total	$7,874	$11,898	$57,276	$(15,934)	$61,114
Liabilities:					
Energy commodity derivatives	$ -	$27,086	$7,806	$(15,934)	$18,958
Foreign currency derivatives	-	50	-	-	50
Total	$ -	$27,136	$7,806	$(15,934)	$19,008

(1) The Company is permitted to net derivative assets and derivative liabilities when a legally enforceable master netting agreement exists.

Avista Corp. enters into forward contracts to purchase or sell a specified amount of energy at a specified time, or during a specified period, in the future. These contracts are entered into as part of Avista Corp.'s management of loads and resources and certain contracts are considered derivative instruments. The difference between the amount of derivative assets and liabilities disclosed in respective levels and the amount of derivative assets and liabilities disclosed on the Balance Sheets is due to netting arrangements with certain counterparties. The Company uses quoted market prices and forward price curves to estimate the fair value of utility derivative commodity instruments included in Level 2. In particular, electric derivative valuations are performed using broker quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange (NYMEX) pricing for similar instruments, adjusted for basin differences, using broker quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2. The Company also has certain contracts that, primarily due to the length of the respective contract, require the use of internally developed forward price estimates, which include significant inputs that may not be observable or corroborated in the market. These derivative contracts are included in Level 3. Refer to Note 5 for further discussion of the Company's energy commodity derivative assets and liabilities.

Deferred compensation assets and liabilities represent funds held by the Company in a Rabbi Trust for an Executive Deferral Plan. These funds consist of actively traded equity and bond funds with quoted prices in active markets. The balance disclosed in the table above excludes cash and cash equivalents of $1.2 million as of December 31, 2010 and $1.6 million as of December 31, 2009.

The following table presents activity for energy commodity derivative assets and (liabilities) measured at fair value using significant unobservable inputs (Level 3) for the years ended December 31 (dollars in thousands):

	Assets		Liabilities	
	2010	2009	2010	2009
Balance as of January 1	$57,276	$68,047	$(7,806)	$(16,085)
Total gains or losses (realized/unrealized):				
Included in net income	-	-	-	-
Included in other comprehensive income	-	-	-	-
Included in regulatory assets/liabilities (1)	(34,943)	(7,202)	1,209	7,747
Purchases, issuances, and settlements, net	(2,594)	(3,569)	317	532
Transfers to other categories	-	-	-	-
Ending balance as of December 31	$19,739	$57,276	$(6,280)	$(7,806)

(1) The WUTC and the IPUC issued accounting orders authorizing Avista Corp. to offset commodity derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of settlement. The orders provide for Avista Corp. to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Statements of Income. Realized gains or losses are recognized in the period of settlement, subject to approval for recovery through retail rates. Realized gains and losses, subject to regulatory approval, result in adjustments to retail rates through purchased gas cost adjustments, the ERM in Washington, the PCA mechanism in Idaho, and periodic general rates cases.

NOTE 19. COMMON STOCK

The Company has a Direct Stock Purchase and Dividend Reinvestment Plan under which the Company's shareholders may automatically reinvest their dividends and make optional cash payments for the purchase of the Company's common stock at current market value.

The payment of dividends on common stock is restricted by provisions of certain covenants applicable to preferred stock contained in the Company's Articles of Incorporation, as amended.

In August 2010, the Company entered into an amended and restated sales agency agreement with a sales agent to issue up to 3,087,500 shares of its common stock from time to time. The Company originally entered into a sales agency agreement to issue up to 1,250,000 shares of its common stock in December 2009. Shares issued under sales agency agreements were as follows in the years ended December 31:

	2010	2009
Shares issued under sales agency agreement	2,054,110	-

NOTE 20. STOCK COMPENSATION PLANS

1998 Plan

In 1998, the Company adopted, and shareholders approved, the Long-Term Incentive Plan (1998 Plan). Under the 1998 Plan, certain key employees, officers and non-employee directors of the Company and its subsidiaries may be granted stock options, stock appreciation rights, stock awards (including restricted stock) and other stock-based awards and dividend equivalent rights. In May 2010, the Company's shareholders approved an additional 1 million shares of Company common stock to be made available for grant under this plan. However, as of December 31, 2010, the Company has not received approvals from regulatory agencies to add these 1 million share to the 1998 plan. The Company has available a maximum of 3.5 million shares of its common stock for grant under the 1998 Plan. As of December 31, 2010, 0.5 million shares were remaining for grant under this plan.

2000 Plan

In 2000, the Company adopted a Non-Officer Employee Long-Term Incentive Plan (2000 Plan), which was not required to be approved by shareholders. The provisions of the 2000 Plan are essentially the same as those under the 1998 Plan, except for the exclusion of non-employee directors and executive officers of the Company. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 2000 Plan. However, the Company currently does not plan to issue any further options or securities under the 2000 Plan. As of December 31, 2010, 1.9 million shares were remaining for grant under this plan.

Stock Compensation

The Company records compensation cost relating to share-based payment transactions in the financial statements based on the fair value of the equity or liability instruments issued. The Company recorded stock-based compensation expense (included in other operating expenses) and income tax benefits in the Statements of Income of the following amounts for the years ended December 31 (dollars in thousands):

	2010	2009
Stock-based compensation expense	$4,916	$2,906
Income tax benefits	1,720	1,017

Stock Options

The following summarizes stock options activity under the 1998 Plan and the 2000 Plan for the years ended December 31:

	2010	2009
Number of shares under stock options:		
Options outstanding at beginning of year	523,973	748,673
Options granted	-	-
Options exercised	(101,649)	(200,225)
Options canceled	(220,650)	(24,475)
Options outstanding and exercisable at end of year	201,674	523,973
Weighted average exercise price:		
Options exercised	$11.51	$13.83
Options canceled	$22.60	$22.69
Options outstanding and exercisable at end of year	$11.53	$16.30
Cash received from options exercised (in thousands)	$2,179	$2,770
Intrinsic value of options exercised (in thousands)	$1,006	$1,180
Intrinsic value of options outstanding (in thousands)	$2,217	$2,774

Information for options outstanding and exercisable as of December 31, 2010 is as follows:

Range of Exercise Prices	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
$10.17-$12.41	186,674	$10.97	1.4
$15.88-$19.34	6,000	15.88	1.4
$20.11-$23.00	9,000	20.11	0.4
Total	201,674	$11.53	1.4

As of December 31, 2010 and 2009, the Company's stock options were fully vested and expensed.

Restricted Shares

Restricted shares vest in equal thirds each year over a three-year period and are payable in Avista Corp. common stock at the end of each year if the service condition is met. In addition to the service condition, the Company must meet a return on equity target in order for the CEO's restricted shares to vest. During the vesting period, employees are entitled to dividend equivalents which are paid when dividends on the Company's common stock are declared. Restricted stock is valued at the close of market of the Company's common stock on the grant date. The weighted average remaining vesting period for the Company's restricted shares outstanding as of December 31, 2010 was 1.3 years. The following table summarizes restricted stock activity for the years ended December 31:

	2010	2009
Unvested shares at beginning of year	71,904	55,939
Shares granted	43,800	44,400
Shares cancelled	-	(10,000)
Shares vested	(31,570)	(18,435)
Unvested shares at end of year	84,134	71,904
Weighted average fair value at grant date	$19.80	$18.18
Unrecognized compensation expense at end of year (in thousands)	$735	$668
Intrinsic value, unvested shares at end of year (in thousands)	$1,895	$1,552
Intrinsic value, shares vested during the year (in thousands)	$682	$345

Performance Shares

Performance share grants have vesting periods of three years. Performance awards entitle the recipients to dividend equivalent rights, are subject to forfeiture under certain circumstances, and are subject to meeting specific performance conditions. Based on the attainment of the performance condition, the amount of cash paid or common stock issued will range from 0 to 150 percent of the performance shares granted depending on the change in the value of the Company's common stock relative to an external benchmark. Dividend equivalent rights are accumulated and paid out only on shares that eventually vest.

Performance share awards entitle the grantee to shares of common stock or cash payable once the service condition is satisfied. Based on attainment of the performance condition, grantees may receive 0 to 150 percent of the original shares granted. The performance condition used is the Company's Total Shareholder Return performance over a three-year period as compared against other utilities; this is considered a market-based condition. Performance shares may be settled in common stock or cash at the discretion of the Company. Historically, the Company has settled these awards through issuance of stock and intends to continue this practice. These awards vest at the end of the three-year period. Performance shares are equity awards with a market-based condition, which results in the compensation cost for these awards being recognized over the requisite service period, provided that the requisite service period is rendered, regardless of when, if ever, the market condition is satisfied.

The Company measures (at the grant date) the estimated fair value of performance shares granted. The fair value of each performance share award was estimated on the date of grant using a statistical model that incorporates the probability of meeting performance targets based on historical returns relative to a peer group. Expected volatility was based on the historical volatility of Avista Corp. common stock over a three-year period. The expected term of the performance shares is three years based on the performance cycle. The risk-free interest rate was based on the U.S. Treasury yield at the time of grant. The compensation expense on these awards will only be adjusted for changes in forfeitures.

The following summarizes the weighted average assumptions used to determine the fair value of performance shares and related compensation expense as well as the resulting estimated fair value of performance shares granted:

	2010	2009
Risk-free interest rate	1.4%	1.3%
Expected life, in years	3	3
Expected volatility	27.8%	25.8%
Dividend yield	4.6%	3.6%
Weighted average grant date fair value (per share)	$15.30	$17.22

The fair value includes both performance shares and dividend equivalent rights.

The following summarizes performance share activity:

	2010	2009
Opening balance of unvested performance shares	300,601	252,923
Performance shares granted	168,700	163,900
Performance shares canceled	-	(43,758)

Performance shares vested	(143,601)	(72,464)
Ending balance of unvested performance shares	325,700	300,601
Intrinsic value of unvested performance shares (in thousands)	$7,335	$6,490
Unrecognized compensation expense (in thousands)	$2,330	$2,453

The weighted average remaining vesting period for the Company's performance shares outstanding as of December 31, 2010 was 1.5 years. Unrecognized compensation expense as of December 31, 2010 will be recognized during 2011 and 2012. The following summarizes the impact of the market condition on the vested performance shares:

	2010	2009
Performance shares vested	143,601	72,464
Impact of market condition on shares vested	21,540	(72,464)
Shares of common stock earned	165,141	-
Intrinsic value of common stock earned (in thousands)	$3,719	$ -

Shares earned under this plan are distributed to participants in the quarter following vesting.

Awards outstanding under the performance share grants include a dividend component that is paid in cash. This component of the performance share grants is accounted for as a liability award. These liability awards are revalued on a quarterly basis taking into account the number of awards outstanding, historical dividend rate, and the change in the value of the Company's common stock relative to an external benchmark. Over the life of these awards, the cumulative amount of compensation expense recognized will match the actual cash paid. As of December 31, 2010 and 2009, the Company had recognized compensation expense and a liability of $0.9 million and $0.4 million related to the dividend component of performance share grants.

NOTE 21. COMMITMENTS AND CONTINGENCIES

In the course of its business, the Company becomes involved in various claims, controversies, disputes and other contingent matters, including the items described in this Note. Some of these claims, controversies, disputes and other contingent matters involve litigation or other contested proceedings. For all such matters, the Company intends to vigorously protect and defend its interests and pursue its rights. However, no assurance can be given as to the ultimate outcome of any particular matter because litigation and other contested proceedings are inherently subject to numerous uncertainties. After consultation with legal counsel, the Company accrues a loss contingency if it is probable that an asset is impaired or a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. For matters that affect Avista Corp.'s operations, the Company intends to seek, to the extent appropriate, recovery of incurred costs through the ratemaking process.

Federal Energy Regulatory Commission Inquiry

In April 2004, the Federal Energy Regulatory Commission (FERC) approved the contested Agreement in Resolution of Section 206 Proceeding (Agreement in Resolution) between Avista Corp., Avista Energy and the FERC's Trial Staff which stated that there was: (1) no evidence that any executives or employees of Avista Corp. or Avista Energy knowingly engaged in or facilitated any improper trading strategy during 2000 and 2001; (2) no evidence that Avista Corp. or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; and (3) no finding that Avista Corp. or Avista Energy withheld relevant information from the FERC's inquiry into the western energy markets for 2000 and 2001 (Trading Investigation). The Attorney General of the State of California (California AG), the California Electricity Oversight Board, California Parties and the City of Tacoma, Washington challenged the FERC's decisions approving the Agreement in Resolution, which are now pending before the United States Court of Appeals for the Ninth Circuit (Ninth Circuit).

In May 2004, the FERC provided notice that Avista Energy was no longer subject to an investigation reviewing certain bids above $250 per MW in the short-term energy markets operated by the California Independent System Operator (CalISO) and the California Power Exchange (CalPX) from May 1, 2000 to October 2, 2000 (Bidding Investigation). That matter is also pending before the Ninth Circuit, after the California AG, Pacific Gas & Electric (PG&E), Southern California Edison Company (SCE) and the California Public Utilities Commission (CPUC) filed petitions for review in 2005.

Based on the FERC's order approving the Agreement in Resolution and the FERC's denial of rehearing requests, the Company does not expect that this proceeding will have any material adverse effect on its financial condition, results of operations or cash flows. Furthermore, based on information currently known to the Company regarding the Bidding Investigation and the fact that the FERC

Staff did not find any evidence of manipulative behavior, the Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows.

California Refund Proceeding
In July 2001, the FERC ordered an evidentiary hearing to determine the amount of refunds due to California energy buyers for purchases made in the spot markets operated by the CalISO and the CalPX during the period from October 2, 2000 to June 20, 2001 (Refund Period). Proposed refunds are based on the calculation of mitigated market clearing prices for each hour. The FERC ruled that if the refunds required by the formula would cause a seller to recover less than its actual costs for the Refund Period, sellers may document these costs and limit their refund liability commensurately. In September 2005, Avista Energy submitted its cost filing claim pursuant to the FERC's August 2005 order. That filing was accepted in orders issued by the FERC in January 2006 and November 2006. In June 2009, the FERC reversed, in part, its previous decision and ordered a compliance filing requiring an adjustment to the return on investment component of Avista Energy's cost filing. That compliance filing was made in July 2009. In March 2010, the California AG, the CPUC, PG&E, and SCE filed a protest and comments on Avista Energy's compliance filing. In April 2010, Avista Energy filed a response and corrected a technical error from its July 2009 filing. The correction increased its cost filing claim. The California AG, CPUC, PG&E and SCE filed an answer and protest to this filing in April 2010, which Avista Energy answered in June 2010. In July 2010, the same parties again opposed Avista Energy's cost filing, and Avista Energy answered that protest. The revised compliance filing is pending before the FERC.

The CalISO continues to work on its compliance filing for the Refund Period, which will show "who owes what to whom." In April 2010 and May 2010, the CalISO and CalPX, respectively, filed updated compliance reports concerning preparatory re-run activity. The CalPX filing requested guidance from the FERC on issues related to completing the final determination of "who owes what to whom." The CalPX supplemented its compliance filing in October 2010. In June 2010, Avista Energy filed comments with the FERC asking the FERC to assist the parties in bringing this matter to a close by expeditiously: 1) approving the compliance filings made by the CalISO and the CalPX; 2) ruling on the outstanding issues presented by the CalPX; and 3) setting milestones for next steps regarding the final compliance filing.

In July 2010, the CalISO filed its 45th status report on the California recalculation process confirming that the calculations related to fuel cost allowance offsets and emission offsets are complete, and identifying several open issues related to the refund rerun calculations that need to be resolved by the FERC. The CalISO states that it will need to revise certain calculations related to cost-recovery offsets and interest calculations. In addition, the CalISO stated that it is in the process of making adjustments to the CalISO data to remove refunds associated with sales made by non-jurisdictional entities. The CalISO also says that it will need to work with parties to the various global settlements to make appropriate adjustments to the CalISO's data in order to properly reflect those adjustments. In a March 2010 filing, the CalISO stated that it does not intend to make any compliance filing until, *inter alia*, the FERC resolves issues related to the Ninth Circuit's remand regarding possible remedies for alleged tariff violations pursuant to Federal Power Act (FPA) section 309, prior to the refund effective date in this proceeding (discussed below).

The 2001 bankruptcy of PG&E resulted in a default on its payment obligations to the CalPX. As a result, Avista Energy has not been paid for all of its energy sales during the Refund Period. Those funds are now in escrow accounts and will not be released until the FERC issues an order directing such release in the California refund proceeding. As of December 31, 2010, Avista Energy's accounts receivable outstanding related to defaulting parties in California were fully offset by reserves for uncollected amounts and funds collected from the defaulting parties.

Many of the orders that the FERC has issued in the California refund proceedings were appealed to the Ninth Circuit. In October 2004, the Ninth Circuit ordered that briefing proceed in two rounds. The first round was limited to three issues: (1) which parties are subject to the FERC's refund jurisdiction in light of the exemption for government-owned utilities in section 201(f) of the FPA; (2) the temporal scope of refunds under section 206 of the FPA; and (3) which categories of transactions are subject to refunds. The second round of issues and their corresponding briefing schedules have not yet been set by the Ninth Circuit.

In September 2005, the Ninth Circuit held that the FERC did not have the authority to order refunds for sales made by municipal utilities in the California refund proceeding. In August 2006, the Ninth Circuit upheld October 2, 2000 as the refund effective date for the FPA section 206 refund proceeding, but remanded to the FERC its decision not to consider an FPA section 309 remedy for tariff violations prior to that date. Petitions for rehearing were denied in April 2009. In July 2009, Avista Energy and Avista Corp. filed a motion at the FERC, asking that the companies be dismissed from any further proceedings arising under section 309 pursuant to the remand. The filing pointed out that section 309 relief is based on tariff violations of the seller, and as to Avista Energy and Avista Corp., these allegations had already been fully adjudicated in the proceeding that gave rise to the Agreement in Resolution, discussed above. There, the FERC absolved both companies of all allegations of market manipulation or wrongdoing that would justify or permit FPA sections 206 or 309 remedies during 2000 and 2001. In November 2009, the FERC issued an order establishing an evidentiary hearing before an administrative law judge to address the issues remanded by the Ninth Circuit without addressing the Company's pending motion. In December 2009, the Company again brought the issue to the FERC's attention but its motion remains pending, as do a number of rehearing requests regarding the November 2009 hearing order. In September 2010, the FERC issued a "Supplemental Order Soliciting Comments" on the scope of the hearing. The Company responded in filings made on September 22, 2010 and October 6, 2010, and the parties are awaiting further rulings by the FERC before the hearing commences.

Because the resolution of the California refund proceeding remains uncertain, legal counsel cannot express an opinion on the extent of the Company's liability, if any. However, based on information currently known, the Company does not expect that the refunds ultimately ordered for the Refund Period will have a material adverse effect on its financial condition, results of operations or cash flows. This is primarily due to the fact that the FERC orders have stated that any refunds will be netted against unpaid amounts owed to the respective parties and the Company does not believe that refunds would exceed unpaid amounts owed to the Company.

Pacific Northwest Refund Proceeding

In July 2001, the FERC initiated a preliminary evidentiary hearing to develop a factual record as to whether prices for spot market sales of wholesale energy in the Pacific Northwest between December 25, 2000 and June 20, 2001 were just and reasonable. In June 2003, the FERC terminated the Pacific Northwest refund proceedings, after finding that the equities do not justify the imposition of refunds. In August 2007, the Ninth Circuit found that the FERC, in denying the request for refunds, had failed to take into account new evidence of market manipulation in the California energy market and its potential ties to the Pacific Northwest energy market and that such failure was arbitrary and capricious and, accordingly, remanded the case to the FERC, stating that the FERC's findings must be reevaluated in light of the evidence. In addition, the Ninth Circuit concluded that the FERC abused its discretion in denying potential relief for transactions involving energy that was purchased by the California Department of Water Resources (CERS) in the Pacific Northwest and ultimately consumed in California. The Ninth Circuit expressly declined to direct the FERC to grant refunds. Requests by various parties for rehearing on this ruling were denied in April 2009.

In May 2009, the California AG filed a complaint against both Avista Energy and Avista Corp. seeking refunds on sales made to CERS during the period January 18, 2001 to June 20, 2001 under section 309 of the FPA (the Brown Complaint). The sales at issue are limited in scope and are duplicative of claims already at issue in the Pacific Northwest proceeding, discussed above. In August 2009, the City of Tacoma and the Port of Seattle filed a motion asking the FERC to summarily re-price sales of energy in the Pacific Northwest during 2000 and 2001. In October 2009, Avista Corp. filed, as part of the Transaction Finality Group, an answer to that motion and, in addition, made its own recommendations for further proceedings in this docket. Those pleadings are pending before the FERC.

Both Avista Corp. and Avista Energy were buyers and sellers of energy in the Pacific Northwest energy market during the period between December 25, 2000 and June 20, 2001 and, if refunds were ordered by the FERC, could be liable to make payments, but also could be entitled to receive refunds from other FERC-jurisdictional entities. The opportunity to make claims against entities not subject to the FERC's jurisdiction may be limited based on existing law. The Company cannot predict the outcome of this proceeding or the amount of any refunds that Avista Corp. or Avista Energy could be ordered to make or could be entitled to receive. Therefore, the Company cannot predict the potential impact the outcome of this matter could ultimately have on the Company's results of operations, financial condition or cash flows.

California Attorney General Complaint (the "Lockyer Complaint")

In May 2002, the FERC conditionally dismissed a complaint filed in March 2002 by the California AG that alleged violations of the FPA by the FERC and all sellers (including Avista Corp. and its subsidiaries) of electric power and energy into California. The complaint alleged that the FERC's adoption and implementation of market-based rate authority was flawed and, as a result, individual sellers should refund the difference between the rate charged and a just and reasonable rate. In May 2002, the FERC issued an order dismissing the complaint but directing sellers to re-file certain transaction summaries. It was not clear that Avista Corp. and its subsidiaries were subject to this directive but the Company took the conservative approach and re-filed certain transaction summaries in June and July of 2002. In September 2004, the Ninth Circuit upheld the FERC's market-based rate authority, but held that the FERC erred in ruling that it lacked authority to order refunds for violations of its reporting requirement. The Court remanded the case for further proceedings, but did not order any refunds, leaving it to the FERC to consider appropriate remedial options.

In March 2008, the FERC issued an order establishing a trial-type hearing to address "whether any individual public utility seller's violation of the FERC's market-based rate quarterly reporting requirement led to an unjust and unreasonable rate for that particular seller in California during the 2000-2001 period." Purchasers in the California markets will be allowed to present evidence that "any seller that violated the quarterly reporting requirement failed to disclose an increased market share sufficient to give it the ability to exercise market power and thus cause its market-based rates to be unjust and unreasonable." In particular, the parties were directed to address whether the seller at any point reached a 20 percent generation market share threshold, and if the seller did reach a 20 percent market share, whether other factors were present to indicate that the seller did not have the ability to exercise market power. The California AG, CPUC, PG&E, and SCE filed their testimony in July 2009. Avista Corp. and Avista Energy's answering testimony was filed in September 2009. On the same day, the FERC staff filed its answering testimony taking the position that, using the test the FERC directed to be applied in this proceeding, neither Avista Corp. nor Avista Energy had market power for the period in question. Cross answering testimony and rebuttal testimony were filed in November 2009. In January 2010, Avista Corp. and Avista Energy filed a motion for summary disposition, as did other parties to the proceeding. In March 2010, the Presiding Administrative Law Judge (ALJ) granted the motions for summary disposition and found that a hearing was "unnecessary" because the California AG, CPUC, PG&E and SCE "failed to apply the appropriate test to determine market power during the relevant time period." The judge determined that "[w]ithout a proper showing of market power, the California Parties failed to establish a prima facie case." Briefs on exceptions were filed in April 2010 and briefs opposing exceptions were filed in May 2010.

Based on information currently known to the Company's management, the fact that neither Avista Corp. nor Avista Energy ever reached a 20 percent generation market share during 2000 or 2001 and the ALJ's granting of Avista Corp. and Avista Energy's summary disposition motion, the Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows.

Colstrip Generating Project Complaint

In March 2007, two families that own property near the holding ponds from Units 3 & 4 of the Colstrip Generating Project (Colstrip) filed a complaint against the owners of Colstrip and Hydrometrics, Inc. in Montana District Court. Avista Corp. owns a 15 percent interest in Units 3 & 4 of Colstrip. The plaintiffs allege that the holding ponds and remediation activities have adversely impacted their property. They allege contamination, decrease in water tables, reduced flow of streams on their property and other similar impacts to their property. They also seek punitive damages, attorney's fees, an order by the court to remove certain ponds, and the forfeiture of profits earned from the generation of Colstrip. In September 2010, the owners of Colstrip filed a motion with the court to enforce a settlement agreement that would resolve all issues between the parties. Under the settlement, Avista Corp.'s portion of payment (which was accrued in the second quarter of 2010) to the plaintiffs was not material to its financial condition, results of operations or cash flows. The plaintiffs have indicated that they will contest the existence of any settlement, and will file a response to the motion, with the matter to be decided by the court. Although the final resolution of this complaint remains uncertain, based on information currently known to the Company's management, the Company does not expect this complaint will have a material adverse effect on its financial condition, results of operations or cash flows.

Harbor Oil Inc. Site

Avista Corp. used Harbor Oil Inc. (Harbor Oil) for the recycling of waste oil and non-PCB transformer oil in the late 1980s and early 1990s. In June 2005, the Environmental Protection Agency (EPA) Region 10 provided notification to Avista Corp. and several other parties, as customers of Harbor Oil, that the EPA had determined that hazardous substances were released at the Harbor Oil site in Portland, Oregon and that Avista Corp. and several other parties may be liable for investigation and cleanup of the site under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly referred to as the federal "Superfund" law, which provides for joint and several liability. The initial indication from the EPA is that the site may be contaminated with PCBs, petroleum hydrocarbons, chlorinated solvents and heavy metals. Six potentially responsible parties, including Avista Corp., signed an Administrative Order on Consent with the EPA on May 31, 2007 to conduct a remedial investigation and feasibility study (RI/FS), which is expected to be finalized in the first half of 2011. The actual cleanup, if any, will not occur until the RI/FS is complete. Based on the review of its records related to Harbor Oil, the Company does not believe it is a major contributor to this potential environmental contamination based on the small volume of waste oil it delivered to the Harbor Oil site. However, there is currently not enough information to allow the Company to assess the probability or amount of a liability, if any, being incurred. The Company has accrued its share of the RI/FS ($0.5 million) for this matter.

Spokane River Licensing

The Company owns and operates six hydroelectric plants on the Spokane River. Five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street, and Post Falls) are under one FERC license and are referred to as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The FERC issued a new 50-year license for the Spokane River Project in June 2009. The license incorporated the 4(e) conditions that were included in the December 2008

Settlement Agreement with the United States Department of Interior and the Coeur d'Alene Tribe, as well as the mandatory conditions that were agreed to in the Idaho 401 Water Quality Certifications and in the amended Washington 401 Water Quality Certification.

As part of the Settlement Agreement with the Washington Department of Ecology (DOE), the Company participated in the Total Maximum Daily Load (TMDL) process for the Spokane River and Lake Spokane, the reservoir created by Long Lake Dam. On May 20, 2010, the EPA approved the TMDL and on May 27, 2010, the DOE filed an amended 401 Water Quality Certification with the FERC for inclusion into the license. The amended 401 Water Quality Certification includes the Company's level of responsibility, as defined in the TMDL, for low dissolved oxygen levels in Lake Spokane. The Company has until May 27, 2012 to develop mitigation strategies to address the low levels of dissolved oxygen. It is not possible to provide cost estimates at this time because the mitigation measures have not been fully identified or approved by the DOE. On July 16, 2010, the City of Post Falls and the Hayden Area Regional Sewer Board filed an appeal with the United States District Court for the District of Idaho with respect to the EPA's approval of the TMDL. The Company, the City of Coeur d'Alene, Kaiser Aluminum and the Spokane River Keeper subsequently moved to intervene in the appeal. The EPA, the City of Post Falls and the Hayden Area Regional Sewer Board are currently in settlement negotiations in an attempt to resolve the appeal.

The Company is implementing the environmental and operational conditions required in the license for the Spokane River Project. The estimated cost to implement the license conditions, which is the result of more than a dozen separate settlements, is $334 million over the 50-year license term. This will increase the Spokane River Project's cost of power by about 40 percent, while decreasing annual generation by approximately one-half of one percent. Costs to implement mitigation measures related to the TMDL are not included in these cost estimates. The IPUC and the WUTC approved the recovery of licensing costs through the general rate case settlements in 2009. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to implementing the license for the Spokane River Project.

Cabinet Gorge Total Dissolved Gas Abatement Plan

Dissolved atmospheric gas levels in the Clark Fork River exceed state of Idaho and federal water quality standards downstream of the Cabinet Gorge Hydroelectric Generating Project (Cabinet Gorge) during periods when excess river flows must be diverted over the spillway. In 2002, the Company submitted a Gas Supersaturation Control Program (GSCP) to the Idaho Department of Environmental Quality (Idaho DEQ) and U.S. Fish and Wildlife Service (USFWS). This submission was part of the Clark Fork Settlement Agreement for licensing the use of Cabinet Gorge. The GSCP provided for the opening and modification of possibly two diversion tunnels around Cabinet Gorge to allow streamflow to be diverted when flows are in excess of powerhouse capacity. In 2007, engineering studies determined that the tunnels would not sufficiently reduce Total Dissolved Gas (TDG). In consultation with the Idaho DEQ and the USFWS, the Company developed an addendum to the GSCP. The GSCP addendum abandons the concept to reopen the two diversion tunnels and requires the Company to evaluate a variety of different options to abate TDG over the next several years. In March 2010, the FERC approved the GSCP addendum of preliminary design for alternative abatement measures. In May 2010, the Company initiated preliminary feasibility assessments for several alternative abatement measures, the results of which are anticipated in March 2011. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

Fish Passage at Cabinet Gorge and Noxon Rapids

In 1999, the USFWS listed bull trout as threatened under the Endangered Species Act. The Clark Fork Settlement Agreement describes programs intended to help restore bull trout populations in the project area. Using the concept of adaptive management and working closely with the USFWS, the Company is evaluating the feasibility of fish passage at Cabinet Gorge and Noxon Rapids. The results of these studies will help the Company and other parties determine the best use of funds toward continuing fish passage efforts or other bull trout population enhancement measures. In the fall of 2009, the Company selected a contractor to design a permanent upstream passage facility at Cabinet Gorge. The Company anticipates that the design and cost estimates will be completed by the end of 2011.

In January 2010, the USFWS proposed to revise its 2005 designation of critical habitat for the bull trout. The proposed revisions include the lower Clark Fork River as critical habitat. In April 2010, the Company submitted comments recommending the lower Clark Fork River be excluded from critical habitat designation based in part on the extensive bull trout recovery efforts the Company is already undertaking. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to fish passage at Cabinet Gorge and Noxon Rapids.

Aluminum Recycling Site

In October 2009, the Company (through its subsidiary Pentzer Venture Holdings II, Inc. (Pentzer)) received notice from the DOE proposing to find Pentzer liable for a release of hazardous substances under the Model Toxics Control Act, under Washington state law. Pentzer owns property that adjoins land owned by the Union Pacific Railroad (UPR). UPR leased their property to operators of a facility designated by DOE as "Aluminum Recycling – Trentwood." Operators of the UPR property maintained piles of aluminum "black dross," which can be designated as a state-only dangerous waste in Washington State. In the course of its business, the operators placed a portion of the aluminum dross pile on the property owned by Pentzer. Pentzer does not believe it is a contributor to any environmental contamination associated with the dross pile, and submitted a response to the DOE's proposed findings in November 2009. In December 2009, Pentzer received notice from the DOE that it had been designated as a potentially liable party for any hazardous substances located on this site. UPR completed a RI/FS Work Plan in June 2010. At that time, UPR requested a contribution from Pentzer towards the cost of performing the RI/FS and also an access agreement to investigate the material deposited on the Pentzer property. Pentzer concluded an access agreement with UPR in October 2010. UPR commenced the remedial investigation during the fourth quarter of 2010, which is expected to be completed in 2011. There is currently not enough information to allow the Company to assess the probability or amount of a liability, if any, being incurred.

Injury from Overhead Electric Line (Munderloh v. Avista)
On March 4, 2010, the plaintiff and his wife filed a complaint against Avista Corp. in Spokane County Superior Court. Plaintiffs allege that while the plaintiff was employed by a third party as a laborer at their construction site, he came into contact with Avista Corp.'s electric line, was injured and suffered economic and non-economic damages. Plaintiffs further allege that Avista Corp. was at fault for failing to relocate the overhead electric line which it controlled and operated adjacent to the construction site. In addition to economic and non-economic damages, plaintiffs also seek damages for loss of consortium, attorney's fees and costs, prejudgment interest and punitive damages. Trial has been scheduled to begin in September 2011. The case is in the early stage of discovery and plaintiffs have not yet provided a statement specifying damages. Because the resolution of this claim remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect this complaint will have a material adverse effect on its financial condition, results of operations or cash flows.

Natural Gas Line Safety Complaint
In June 2010, the WUTC staff filed a complaint against the Company related to a natural gas explosion and fire that occurred in Odessa, Washington in December 2008 that injured two people. The WUTC staff alleges certain violations related to the installation of the low pressure natural gas distribution line, as well as the removal of the line following the explosion and fire. The WUTC staff made recommendations of fines that could exceed $1.1 million and that the Company implement certain measures to ensure compliance with WUTC laws and rules. In January 2011, the Company filed a settlement agreement with the WUTC that was approved by the WUTC in February 2011, and resolved all issues in this matter. As part of the settlement agreement, the Company accrued a fine of $0.2 million. In the fourth quarter of 2010, the Company reached separate legal settlement with the injured individuals in an amount that was not material to the Company's financial condition, results of operations or cash flows.

Damages from Fire in Stevens County, Washington
In August 2010, a fire in Stevens County, Washington occurred during a wind storm. The apparent cause of the fire may be a tree located outside of Avista Corp.'s right-of-way that came in contact with an electric line owned by Avista Corp. The fire area is a rural farm and timber landscape. The fire destroyed two residences and six outbuildings. The Company is not aware of any personal injuries resulting from the fire. Although no lawsuits have been filed, Avista Corp. has received several claims and it is possible that additional claims may be made and lawsuits may be filed against the Company. Because the resolution of this issue remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect this complaint will have a material adverse effect on its financial condition, results of operations or cash flows.

Collective Bargaining Agreements
The Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represents approximately 45 percent of all of Avista Corp.'s employees. The agreement with the local union in Washington and Idaho representing the majority (approximately 90 percent) of the bargaining unit employees expired on March 26, 2010. A new agreement was reached in October 2010 (expiring in March 2014). Two local agreements in Oregon, which cover approximately 50 employees, expired in April 2010. New agreements were reached in December 2010 (expiring in March 2014).

Other Contingencies
In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material adverse impact on its financial condition, results

of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

The Company routinely assesses, based on studies, expert analyses and legal reviews, its contingencies, obligations and commitments for remediation of contaminated sites, including assessments of ranges and probabilities of recoveries from other responsible parties who either have or have not agreed to a settlement as well as recoveries from insurance carriers. The Company's policy is to accrue and charge to current expense identified exposures related to environmental remediation sites based on estimates of investigation, cleanup and monitoring costs to be incurred. For matters that affect Avista Corp.'s operations, the Company seeks, to the extent appropriate, recovery of incurred costs through the ratemaking process.

The Company has potential liabilities under the Endangered Species Act for species of fish that have either already been added to the endangered species list, listed as "threatened" or petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company. However, the Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to this issue.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. The state of Montana is examining the status of all water right claims within state boundaries. Claims within the Clark Fork River basin could adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The state of Idaho has initiated an adjudication in northern Idaho, which will ultimately include the lower Clark Fork River, the Spokane River and the Coeur d'Alene basin. In addition, the state of Washington has indicated its intent to initiate an adjudication for the Spokane River basin in the next several years. The Company is and will continue to be a participant in these adjudication processes. The complexity of such adjudications makes each unlikely to be concluded in the foreseeable future. As such, it is not possible for the Company to estimate the impact of any outcome at this time.

NOTE 22. INFORMATION SERVICES CONTRACTS

The Company has information services contracts that expire at various times through 2017. The largest of these contracts provides for increases due to changes in the cost of living index and further provides flexibility in the annual obligation from year-to-year subject to a three-year true-up cycle. Total payments under these contracts were as follows for the years ended December 31 (dollars in thousands):

	2010	2009
Information service contract payments	$13,426	$15,529

Minimum contractual obligations under the Company's information services contracts are $12.8 million in 2011, $11.8 million in 2012, $9.3 million in 2013, $7.5 million in 2014 and $7.0 million in each of 2015, 2016 and 2017.

NOTE 23. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

Deferred power supply costs are recorded as a deferred charge on the Balance Sheets for future review and recovery through retail rates. The power supply costs deferred include certain differences between actual net power supply costs incurred by Avista Corp. and the costs included in base retail rates. This difference in net power supply costs primarily results from changes in:

- short-term wholesale market prices and sales and purchase volumes,
- the level of hydroelectric generation,
- the level of thermal generation (including changes in fuel prices), and
- retail loads.

In Washington, the Energy Recovery Mechanism (ERM) allows Avista Corp. to periodically increase or decrease electric rates with WUTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual net power supply costs and the amount included in base retail rates for Washington customers. In the 2010 Washington general rate case settlement, the parties agreed that there would be no deferrals under the ERM for 2010. Deferrals under the ERM will resume in 2011. The Company must make a filing (no sooner than June 2011), to allow all interested parties the opportunity to review the ERM, and make recommendations to the WUTC related to the continuation, modification or elimination of the ERM.

The initial amount of power supply costs in excess or below the level in retail rates, which the Company either incurs the cost of, or receives the benefit from, is referred to as the deadband. The annual (calendar year) deadband amount is currently $4.0 million. The Company will incur the cost of, or receive the benefit from, 100 percent of this initial power supply cost variance. The Company shares annual power supply cost variances between $4.0 million and $10.0 million with its customers. There is a 50 percent customers/50 percent Company sharing when actual power supply expenses are higher (surcharge to customers) than the amount included in base retail rates within this band. There is a 75 percent customers/25 percent Company sharing when actual power supply expenses are lower (rebate to customers) than the amount included in base retail rates within this band. To the extent that the annual power supply cost variance from the amount included in base rates exceeds $10.0 million, 90 percent of the cost variance is deferred for future surcharge or rebate. The Company absorbs or receives the benefit in power supply costs of the remaining 10 percent of the annual variance beyond $10.0 million without affecting current or future customer rates.

The following is a summary of the ERM:

Annual Power Supply Cost Variability	Deferred for Future Surcharge or Rebate to Customers	Expense or Benefit to the Company
+/- $0 - $4 million	0%	100%
+ between $4 million - $10 million	50%	50%
- between $4 million - $10 million	75%	25%
+/- excess over $10 million	90%	10%

Avista Corp. has a Power Costs Adjustment (PCA) mechanism in Idaho that allows it to modify electric rates on October 1 of each year with Idaho Public Utilities Commission (IPUC) approval. Under the PCA mechanism, Avista Corp. defers 90 percent of the difference between certain actual net power supply expenses and the amount included in base retail rates for its Idaho customers. In June 2007, the IPUC approved continuation of the PCA mechanism with an annual rate adjustment provision. These annual October 1 rate adjustments recover or rebate power costs deferred during the preceding July-June twelve-month period.

The following table shows activity in deferred power costs for Washington and Idaho during 2008, 2009 and 2010 (dollars in thousands):

	Washington	Idaho	Total
Deferred power costs as of January 1, 2009	$36,952	$20,655	$57,607
Activity from January 1 – December 31, 2009:			
Power costs deferred	-	17,985	17,985
Interest and other net additions	879	388	1,267
Recovery of deferred power costs through retail rates	(31,567)	(17,521)	(49,088)
Deferred power costs as of December 31, 2009	6,264	21,507	27,771
Activity from January 1 – December 31, 2010:			
Power costs deferred	-	9,768	9,768
Interest and other net additions	538	26	564
Recovery of deferred power costs through retail rates	(6,802)	(12,996)	(19,798)
Deferred power costs as of December 31, 2010	$ -	$18,305	$18,305

Natural Gas Cost Deferrals and Recovery Mechanisms

Avista Corp. files a purchased gas cost adjustment (PGA) in all three states it serves to adjust natural gas rates for: 1) estimated commodity and pipeline transportation costs to serve natural gas customers for the coming year, and 2) the difference between actual and estimated commodity and transportation costs for the prior year. These annual PGA filings in Washington and Idaho provide for the deferral, and recovery or refund, of 100 percent of the difference between actual and estimated commodity and pipeline transportation costs, subject to applicable regulatory review. The annual PGA filing in Oregon provides for deferral, and recovery or refund, of 100 percent of the difference between actual and estimated pipeline transportation costs and commodity costs that are fixed through hedge transactions. Commodity costs that are not hedged for Oregon customers are subject to a sharing mechanism whereby Avista Corp. defers, and recovers or refunds, 90 percent of the difference between these actual and estimated costs. Total net deferred natural gas costs to be refunded to customers were a liability of $22.1 million as of December 31, 2010 and $40.0 million as of December 31, 2009.

General Rate Cases

The following is a summary of the Company's authorized rates of return in each jurisdiction:

	Authorized	Authorized	Authorized

Jurisdiction and service	Implementation Date	Overall Rate of Return	Return on Equity	Equity Level
Washington electric and natural gas	December 2010	7.91%	10.2%	46.5%
Idaho electric and natural gas	October 2010	(1)	(1)	(1)
Oregon natural gas	November 2009	8.19%	10.1%	50.0%

(1) The rate adjustment implemented on October 1, 2010 resulting from the Idaho electric and natural gas general rate case settlement did not have a specific authorized rate of return, return on equity or equity level. The prior rate case settlement implemented in August 2009 had an authorized rate of return of 8.55 percent, a return on equity of 10.5 percent and authorized equity level of 50.0 percent.

Washington General Rate Cases

In December 2009, the WUTC issued an order on Avista Corp.'s electric and natural gas rate general rate cases that were filed with the WUTC in January 2009. The WUTC approved a base electric rate increase for the Company's Washington customers of 2.8 percent, which was designed to increase annual revenues by $12.1 million. Base natural gas rates for the Company's Washington customers increased by an average of 0.3 percent, which was designed to increase annual revenues by $0.6 million. The new electric and natural gas rates became effective on January 1, 2010. In this general rate case order, the WUTC did not allow the Company to include the costs associated with the power purchase agreement for the Lancaster Plant in rates. The Company subsequently filed for and received approval for deferred accounting treatment for these net costs.

In August 2010, the Company entered into an all-party settlement agreement that resolved all issues with respect to its general rate case filed with the WUTC in March 2010. This settlement agreement was approved by the WUTC in November 2010. As agreed to in the settlement stipulation, electric rates for the Company's Washington customers increased by an average of 7.4 percent, which was designed to increase annual revenues by $29.5 million. Natural gas rates for the Company's Washington customers increased by an average of 2.9 percent, which was designed to increase annual revenues by $4.6 million. The new electric and natural gas rates became effective on December 1, 2010. As part of the settlement, the parties agreed that the Company would not file a general rate case in the Washington jurisdiction before April 1, 2011.

The parties agreed that recovery of the deferred net costs associated with the power purchase agreement for the Lancaster Plant were limited to $6.8 million for 2010. These net deferred costs will be recovered over a five-year amortization period with a rate of return on the unamortized balance. The parties agreed that the costs for the Lancaster Plant for 2011 and going forward are reasonable and should be recovered in rates.

As part of the settlement related to the 2010 Lancaster Plant deferred net costs, the parties agreed that there would be no deferrals under the ERM for 2010 in either the surcharge or rebate direction. For 2010, the Company received all of the benefit from the amount of power supply costs below the level in retail rates in Washington. Deferrals under the ERM will resume in 2011.

Idaho General Rate Cases

In June 2009, the Company entered into an all-party settlement stipulation in its electric and natural gas general rate cases that were filed with the IPUC in January 2009. This settlement stipulation was approved by the IPUC in July 2009. The new electric and natural gas rates became effective on August 1, 2009. As agreed to in the settlement, base electric rates for the Company's Idaho customers increased by an average of 5.7 percent, which was designed to increase annual revenues by $12.5 million. Offsetting the base electric rate increase was an overall 4.2 percent decrease in the PCA surcharge, which was designed to decrease annual PCA revenues by $9.3 million, resulting in a net increase in annual revenues of $3.2 million. Base natural gas rates for the Company's Idaho customers increased by an average of 2.1 percent, which was designed to increase annual revenues by $1.9 million. Offsetting the natural gas rate increase for residential customers was an equivalent PGA decrease of 2.1 percent. Large general services customers received a PGA decrease of 2.4 percent and interruptible services customers received a PGA decrease of 2.8 percent. The overall PGA decrease resulted in a $2.0 million decrease in annual PGA revenues, resulting in a net decrease in annual revenues of $0.1 million. The PGAs are designed to pass through changes in natural gas costs to customers with no change in gross margin or net income.

In September 2010, the IPUC approved a settlement agreement with respect to the Company's general rate case filed in March 2010. The new electric and natural gas rates became effective on October 1, 2010. As agreed to in the settlement, base electric rates for the Company's Idaho customers increased by an average of 9.3 percent, which was designed to increase annual revenues by $21.2 million. Base natural gas rates for the Company's Idaho customers increased by an average of 2.6 percent, which was designed to increase annual revenues by $1.8 million.

The settlement agreement includes a rate mitigation plan under which the impact on customers of the new rates will be reduced by amortizing $11.1 million ($17.5 million when grossed up for income taxes and other revenue-related items) of previously deferred state income taxes over a two-year period as a credit to customers. While the Company's cash collections from customers will be reduced by this amortization during the two-year period, the mitigation plan will have no impact on the Company's net income. Retail rates will increase on October 1, 2011 and October 1, 2012 as the deferred state income tax balance is amortized to zero.

Oregon General Rate Cases

In September 2009, the Company entered into an all-party settlement stipulation in its general rate case that was filed with the OPUC in June 2009. This settlement stipulation was approved by the OPUC in October 2009. The new natural gas rates became effective on November 1, 2009. As agreed to in the settlement, base natural gas rates for Oregon customers increased by an average of 7.1 percent, which was designed to increase annual revenues by $8.8 million.

In February 2011, the Company entered into an all-party settlement stipulation in its general rate case that was filed with the OPUC in September 2010. The settlement, which is subject to approval by the OPUC, provides for an overall rate increase of 3.1 percent for the Company's Oregon customers, designed to increase annual revenues by $3.0 million. Part of the rate increase would become effective March 15, 2011, with the remaining increase effective June 1, 2011. The settlement is based on an overall rate of return of 8.0 percent, with a common equity ratio of 50.0 percent and a 10.1 percent return on equity. The Company's original request was for an overall rate increase of 5.6 percent, designed to increase annual revenues by $5.4 million. The Company's original request was based on an overall rate of return of 8.61 percent, with a common equity ratio of 50.8 percent and a 10.9 percent return on equity.

NOTE 24. SUPPLEMENTAL CASH FLOW INFORMATION (in thousands)

	2010	2009
Cash paid for interest	$68,638	$58,197
Cash paid for income taxes	10,641	22,695
Other Cash Flows from Operating Activities:		
Other non-current assets and liabilities	$(7,567)	$(20,201)
Net change in receivables allowance	136	(2,134)
Power and natural gas deferrals	1,383	(216)
Change in special deposits	(6,352)	(30)
Change in other current assets	(1,509)	(1,923)
Non-cash stock compensation	3,603	2,596
Gain on sale of assets	(122)	(89)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	3,676,391,997
4	Property Under Capital Leases	7,203,329
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,683,595,326
9	Leased to Others	
10	Held for Future Use	2,218,041
11	Construction Work in Progress	60,766,153
12	Acquisition Adjustments	22,027,941
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,768,607,461
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,284,830,029
15	Net Utility Plant (Total of lines 13 and 14)	2,483,777,432
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,238,948,043
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	24,281,139
22	TOTAL In Service (Total of lines 18 thru 21)	1,263,229,182
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	21,600,847
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,284,830,029

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	2,796,018,893	712,126,860		168,246,244
4		1,619,845		5,583,484
5				
6				
7				
8	2,796,018,893	713,746,705		173,829,728
9				
10	2,033,223	184,818		
11	39,513,487	4,365,975		16,886,691
12		22,027,941		
13	2,837,565,603	740,325,439		190,716,419
14	969,323,143	268,765,035		46,741,851
15	1,868,242,460	471,560,404		143,974,568
16				
17				
18	960,938,591	246,503,255		31,506,197
19				
20				
21	8,384,552	660,933		15,235,654
22	969,323,143	247,164,188		46,741,851
23				
24				
25				
26				
27				
28				
29				
30				
31				
32		21,600,847		
33	969,323,143	268,765,035		46,741,851

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c).Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	1,698,296	1,661,867
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	1,698,296	1,661,867
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4	508,051			2,852,112
5	508,051			2,852,112
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	(63,431)	71,059
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	(63,431)	71,059
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	413,080	
45	350.2 Rights-of-Way	59,812	
46	351 Structures and Improvements	1,302,865	10,541
47	352 Wells	9,982,121	(961,309)
48	352.1 Storage Leaseholds and Rights	254,354	
49	352.2 Reservoirs	203,330	41,849
50	352.3 Non-recoverable Natural Gas	5,971,926	(1,601,003)
51	353 Lines	1,102,696	4,086
52	354 Compressor Station Equipment	14,086,908	39,988
53	355 Other Equipment	173,784	
54	356 Purification Equipment	407,618	
55	357 Other Equipment	1,431,235	27,069
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	35,389,729	(2,438,779)
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and		

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40				7,628
41				7,628
42				
43				
44				413,080
45				59,812
46				1,313,406
47				9,020,812
48				254,354
49				245,179
50				4,370,923
51				1,106,782
52	22,710			14,104,186
53				173,784
54				407,618
55				1,458,304
56				
57	22,710			32,928,240
58				
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Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	35,389,729	(2,438,779)
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)		
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	258,667	4,978
95	375 Structures and Improvements	903,371	131,770
96	376 Mains	332,703,135	12,970,844
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	7,146,656	1,267,028
99	379 Measuring and Regulating Station Equipment-City Gate	7,625,158	(6,115)
100	380 Services	190,029,230	5,560,267
101	381 Meters	88,134,936	6,195,051
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	3,744,281	271,938
106	386 Other Property on Customers' Premises		
107	387 Other Equipment	539	
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	630,545,973	26,395,761
110	GENERAL PLANT		
111	389 Land and Land Rights	956,878	(1,240)
112	390 Structures and Improvements	4,468,664	372,861
113	391 Office Furniture and Equipment	386,250	10,563
114	392 Transportation Equipment	6,431,751	1,514,189
115	393 Stores Equipment	141,498	
116	394 Tools, Shop, and Garage Equipment	3,823,072	204,128
117	395 Laboratory Equipment	601,181	68,766
118	396 Power Operated Equipment	3,763,392	1,179,089
119	397 Communication Equipment	2,099,293	366,500
120	398 Miscellaneous Equipment		2,367
121	Subtotal (Enter Total of lines 111 thru 120)	22,671,979	3,717,223
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	22,671,979	3,717,223
125	TOTAL (Accounts 101 and 106)	690,242,546	29,407,131
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	690,242,546	29,407,131

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81	22,710			32,928,240
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				263,645
95				1,035,141
96	512,040			345,161,939
97				
98	200,408			8,213,276
99	54,170			7,564,873
100	591,714			194,997,783
101	2,638,817			91,691,170
102				
103				
104				
105	54,107			3,962,112
106				
107				539
108				
109	4,051,256			652,890,478
110				
111	6,398			949,240
112	404,868			4,436,657
113				396,813
114	48,668			7,897,272
115				141,498
116	159,677			3,867,523
117	126,623			543,324
118	560,693			4,381,788
119	14,028			2,451,765
120				2,367
121	1,320,955			25,068,247
122				
123				
124	1,320,955			25,068,247
125	5,902,972			713,746,705
126				
127				
128				
129	5,902,972			713,746,705

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Gas Plant Held for Future Use (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $1,000,000 or more. Group other items of property held for future use.
2. For property having an original cost of $1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Gas Distribution Mains and Services	03/01/2007		184,818
2	located in Coeur d'Alene, Idaho			
3				
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44				
45	**Total**	[redacted]		**184,818**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			
2	State of Washington		
3	Minor Projects (45) under $1,000,000	1,664,765	4,211,014
4			
5			
6			
7	State of Idaho		
8	Minor Projects (17) under $1,000,000	86,019	589,639
9			
10			
11			
12	State of Oregon		
13	Minor Projects (54) under $1,000,000	2,462,042	5,311,047
14			
15			
16			
17	Common-WA/ID		
18	Minor Projects (5) under $1,000,000	54,507	506,272
19			
20			
21	Common-WA/ID/OR		
22	Minor Projects (4) under $1,000,000	98,642	1,100,300
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45	**Total**	**4,365,975**	**11,718,272**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	236,976,472	236,976,472		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	14,541,316	14,541,316		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	291,131	291,131		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	30,970	30,970		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	14,863,417	14,863,417		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(5,388,521)	(5,388,521)		
13	Cost of Removal	(450,396)	(450,396)		
14	Salvage (Credit)	(421,278)	(421,278)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,417,639)	(5,417,639)		
16	Other Debit or Credit Items (Describe) (footnote details):	81,006	81,006		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	246,503,256	246,503,256		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	11,598,821	11,598,821		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	225,949,369	225,949,369		
29	General	8,955,066	8,955,066		
30	TOTAL (Total of lines 21 thru 29)	246,503,256	246,503,256		

Schedule Page: 219 Line No.: 16 Column: c

Includes change in removal work in process balance.

Schedule Page: 219 Line No.: 8 Column: c

Reversal of gain on structures put through subledger in current year.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of					12,706,763			12,706,763
2	Gas Delivered to Storage	2,577,031				32,273,532			34,850,563
3	Gas Withdrawn from					27,737,360			27,737,360
4	Other Debits and Credits								
5	Balance at End of Year	2,577,031				17,242,935			19,819,966
6	Dth	461,834				4,730,465			5,192,299
7	Amount Per Dth	5.5800				3.6451			3.8172

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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
(a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Spokane Energy (123000)		500,000	
2	Avista Capital (123010)		11,547,000	
3	WZN Loans Sandpoint (124350)		65,177	
4	Exec Deferral Cash (124600)		13,041,397	(1,019,051)
5	Goodwill & other (124610)		(13,041,397)	1,019,051
6	WZN Loans Oregon (124680)		50,024	(1,776)
7	WNP3 Exchange (124900)		79,626,000	
8	AMT WNP3 Exchange (124930)		(55,942,762)	(2,450,031)
9	Temp Cash Investments		652,010	16,803,800
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1			500,000		
2			11,547,000		
3			65,177		
4			12,022,346		
5			(12,022,346)		
6			48,248		
7			79,626,000		
8			(58,392,793)		
9			17,455,810		
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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
(a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Avista Capital - Common Stock	01/01/1997		187,935,344
2	Avista Capital - Equity in Earnings			(107,001,757)
3	OCI Investment in Subs			
4	Avista Capital - Other Changes in Net Investment			
5	Avista Capital - Other Changes in Net Investment			
6	Avista Capital - Other Changes in Net Investment			309,652
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40	TOTAL Cost of Account 123.1 $		TOTAL	81,243,239

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1		10,915,535	177,019,809	
2	6,092,992	(9)	(100,908,756)	
3				
4				
5				
6		(1,312,864)	1,622,516	
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40	6,092,992	9,602,662	77,733,569	

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	4,647,355
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	6,106,794
6	TOTAL	10,754,149

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Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Regulatory Asset FAS 106	1,418,256		926	472,752		945,504
2	Guaranteed Residual Value-Airplane						
3	Reg Asset Post Ret Liab	141,084,843	37,899,909				178,984,752
4	Reg Asset FAS 109 Utility Plant	82,355,236		283	6,778,073		75,577,163
5	Reg Asset FAS 109 DSIT Non Plant	2,387,826		283	232,356		2,155,470
6	Reg Asset FAS 109 DSIT State Tax cr	6,248,158		283	196,871		6,051,287
7	Reg Asset FAS 109 WNP3	7,128,805		283	737,483		6,391,322
8	Reg Asset-Spokane River Relicense	802,034		407	22,200		779,834
9	Reg Asset-Spokane River PM&E	443,350	279,160				722,510
10	Reg Asset-Lake CDA Fund	10,062,735		407	203,006		9,859,729
11	Reg Asset- Decouplings Surcharge	378,929	92,730				471,659
12	Regulatory Asset AMR		299,605				299,605
13	Reg Asset RTO Deposits ID	141,611		560	70,806		70,805
14	Reg Asset BPA Residental Exchange		663,953				663,953
15	Reg Asset ERM Approved for Recovery	6,233,995		557	6,233,995		
16	ID Wind Gen AFUDC	120,476	119,124				239,600
17	Reg Asset Wartsilla Units	1,765,181		407	337,788		1,427,393
18	MTM St Regulatory Asset	8,331,750	40,559,323				48,891,073
19	Reg Asset- FAS 143 Asset Retirement Obligation	3,130,245		111	65,214		3,065,031
20	Reg Asset AN CDA Lake Settlement	37,202,198	3,183,778				40,385,976
21	Reg Asset WA CDA Lake Settlement	1,553,548		407	45,042		1,508,506
22	Reg Asset Workers Comp	2,921,174	9,586				2,930,760
23	CS2 Lev Ret	1,504,659		407	60,300		1,444,359
24	Reg Asset ID PCA Deferral 1	10,457,471	4,280,973				14,738,444
25	Reg Asset ID PCA Deferral 2		3,566,306				3,566,306
26	Reg Asset ID PCA Deferral 3	11,049,788		557	11,049,788		
27	Reg Asset- Future Payments Lake CDA	4,000,000		182	4,000,000		
28	DSM Asset		4,251,311				4,251,311
29	Lancaster Generation		6,686,667				6,686,667
30	CDA Fund		2,000,000				2,000,000
31	MTM LT Reg Asset		15,723,775				15,723,775
32							
33							
34							
35							
36							
37							
38							
39							
40	**Total**	**340,722,268**	**119,616,200**		**30,505,674**	**0**	**429,832,794**

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Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1						
2	Colstrip Common Fac.	1,110,999		406		1,110,999
3	Regulatory Asset-Decoupling def	254,614		407	299,390	(44,776)
4	WA Deferred Power Costs	29,449			29,449	
5	WA ERM YTD Company Band	(3,037,637)	3,037,637			
6	WA ERM YTD Contra Account	3,037,637			3,037,637	
7	Regulatory Asset ROT Deposit	237,321		560	158,214	79,107
8	Regulatory Asset-Mt lease pymt	2,434,617		540	360,684	2,073,933
9	Regulatory Asset-Mt lease pymt	4,736,376		540	676,632	4,059,744
10	Colstrip Common Fac.	2,355,642		406		2,355,642
11	Regulatory Asset- COLS	584,330		506	584,330	
12	Guaranteed Residual Value-Plane	2,916,673			2,916,673	
13	Prepaid airplane Lease LT	28,743	584,448			613,191
14	Misc DD- Airplane lase cap		48,316			48,316
15	Payroll Accrual			VAR		
16						
17	Plant Allocation of clearing jr	2,837,265		VAR	1,551,959	1,285,306
18	Misc DD-IR Swaps		52,705	245		52,705
19	Misc Error Suspense	(15,154)	455,407			440,253
20						
21	Renewable Energy-Cert Fees	174,000		557		174,000
22	Misc susp acct-non w/o	47,415			47,415	
23	Unamortized A/R sale	35,445			35,445	
24						
25	Intangible Pension Asset					
26						
27	Nez Perce Settlement	176,385		557	5,212	171,173
28	Misc Deferred Debit Centralia	678,434			678,434	
29						
30	Long Term Note Rec acct	277,158	282,270	143		559,428
31	Reg Asset ID-Lake Cda	315,120		506	13,115	302,005
32	ID Panhandle Forest Use Permit	226,097			45,080	181,017
33	Credit Union Labor & Exp	20,275	40,836			61,111
34	Reclass IPA Acct deposit	2,000,000			2,000,000	
35	Horizon Wind Interco	47,020	14,323			61,343
36	Insurance Recv CDA Lake					
37	Corp reorg stk iss. costs					
38	Reclass Idaho Clk Fork Relic	976,731			260,633	716,098
39	Miscellaneous Work in Progress					

Miscellaneous Deferred Debits (Account 186) (continued)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Noxon Living Facility Exp	67,001			67,001	
2						
3						
4	PG&E Canada to N Cal trans	867,043	19,130			886,173
5	Misc Work Orders <$50,000	(71,696)	98,013	VAR		26,317
6	Subsidiary Billings	87,699		VAR	54,323	33,376
7	"Null" Projects directly to 186	12,645			8,188	4,457
8	Misc Work in Progress					
9	Deferred Regulatory Comm. Expenses (See)					
10	Regulatory Assets Consv	229,213			229,213	
11	Regulatory Assets Consv	63,569	2,049,197			2,112,766
12	Regulatory Assets Consv	2,072,766			2,072,766	
13	Regulatory Assets Consv	152,407			101,144	51,263
14	Regulatory Assets Consv	139,945			139,945	
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39	Miscellaneous Work in Progress					
40	**Total**	**26,105,547**	**6,682,282**		**15,372,882**	**17,414,947**

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Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	5,391,538	(171,210)	(696,715)
3	Gas	(267,755)	(352,307)	491,528
4	Other (Define) (footnote details)	86,851,764	1,572,989	619,302
5	Total (Total of lines 2 thru 4)	91,975,547	1,049,472	414,115
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	91,975,547	1,049,472	414,115
8	Classification of TOTAL			
9	Federal Income Tax	91,975,547	1,049,472	414,115
10	State Income Tax			
11	Local Income Tax			

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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	5,368	210,246		(6,866,235)			11,937,146
3				(201,909)			777,989
4				(21,374,828)			107,272,905
5	5,368	210,246		(28,442,972)			119,988,040
6							
7	5,368	210,246		(28,442,972)			119,988,040
8							
9	5,368	210,246		(28,442,972)			119,988,040
10							
11							

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Acct. 201 - Common Stock Issued:			
2	No Par Value	200,000,000		
3	Restriced shares			
4	TOTAL Common	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	Total Preferred	10,000,000		
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Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1						
2	57,119,723	805,656,943			84,134.00	1,665,853.00
3						
4	57,119,723	805,656,943			84,134.00	1,665,853.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Equity transactions of subsidiaries	15,798,128
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40	**Total**	**15,798,128**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
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14		
	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	Common Stock Expense - Common Public Issue	(6,137,359)
17		
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28		
	TOTAL	(6,137,359)

Schedule Page: 254 Line No.: 16 Column: b

Capital stock expense activity, 2010

Beginning balance	$(2,090,960)
Issuance of common stock	558,660
Repurchase of common stock	209,498
Excess tax benefits on stock compensation	(404,293)
Stock compensation accrual	(4,410,265)
Ending balance	$(6,137,359)

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	FMBS - SERIES A - 7.53% DUE 05/05/2023	05/06/1993	05/05/2023	5,500,000
2	FMBS - SERIES A - 7.54% DUE 5/05/2023	05/07/1993	05/05/2023	1,000,000
3	FMBS - SERIES A - 7.37% DUE 5/10/2012	05/10/1993	05/10/2012	7,000,000
4	FMBS - SERIES A - 7.39% DUE 5/11/2018	05/11/1993	05/11/2018	7,000,000
5	FMBS - SERIES A - 7.45% DUE 6/11/2018	06/09/1993	06/11/2018	15,500,000
6	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
7	KETTLE FALLS P C REV BONDS	07/29/1993	12/01/2023	4,100,000
8	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
9	FMBS - 6.37% SERIES C	06/19/1998	06/19/2028	25,000,000
10	FMBS - 5.45% SERIES	11/18/2004	12/01/2019	90,000,000
11	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
12	FMBS - 5.70% SERIES	12/15/2006	07/01/2037	150,000,000
13	FMBS - 5.95% SERIES	04/02/2008	06/01/2018	250,000,000
14	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
15	FMBS - 1.68% SERIES	12/30/2010	12/30/2013	50,000,000
16	FMBS - 3.89% SERIES	12/20/2010	12/20/2020	52,000,000
17	FMBS - 5.55% SERIES	12/20/2010	12/20/2040	35,000,000
18	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	66,700,000
19	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	17,000,000
20	INTEREST RATE SWAPS			(951,364)
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40	**TOTAL**			1,233,395,636

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1	7.530	414,150			
2	7.540	75,400			
3	7.370	515,900			
4	7.390	517,300			
5	7.450	1,154,750			
6	7.180	502,600			
7	6.000	246,000			
8	1.423	685,019	11,547,000		
9	6.370	1,592,500			
10	5.450	4,905,000			
11	6.250	9,375,000			
12	5.700	5,880,000			
13	5.950	14,875,000			
14	5.125	12,812,500			
15	1.680	840,000			
16	3.890	2,022,800			
17	5.550	1,942,500			
18			66,700,000		
19			17,000,000		
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40		58,356,419	95,247,000		

Schedule Page: 256 Line No.: 15 Column: f

This is the annual interest amount payable. These bonds only accrued interest in 2010 from their nominal date of issuance.

Schedule Page: 256 Line No.: 16 Column: f

This is the annual interest amount payable. These bonds only accrued interest in 2010 from their nominal date of issuance.

Schedule Page: 256 Line No.: 17 Column: f

This is the annual interest amount payable. These bonds only accrued interest in 2010 from their nominal date of issuance.

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Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	FMBS - SERIES A - 7.53% DUE 05/05/2023	5,500,000	42,712	05/06/1993	05/05/2023
2	FMBS - SERIES A - 7.54% DUE 5/05/2023	1,000,000	7,766	05/07/1993	05/05/2023
3	FMBS - SERIES A - 7.37% DUE 5/10/2012	7,000,000	49,114	05/10/1993	05/10/2012
4	FMBS - SERIES A - 7.39% DUE 5/11/2018	7,000,000	54,364	05/11/1993	05/11/2018
5	FMBS - SERIES A - 7.45% DUE 6/11/2018	15,500,000	170,597	06/09/1993	06/11/2018
6	FMBS - SERIES A - 7.18% DUE 8/11/2023	7,000,000	54,364	08/12/1993	08/11/2023
7	KETTLE FALLS P C REV BONDS DUE 14	4,100,000	35,855	07/29/1993	12/01/2023
8	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	51,547,000	1,296,086	06/03/1197	06/01/2037
9	SERIES C SET UP COST		666,169	06/15/1998	06/15/2013
10	FMBS - 6.37% SERIES C	25,000,000	158,304	06/19/1998	06/19/2028
11	FMBS - 5.45% SERIES	90,000,000	1,432,081	11/18/2004	12/01/2019
12	FMBS - 6.25% SERIES	150,000,000	2,713,435	11/17/2005	12/01/2035
13	FMBS - 5.70% SERIES	150,000,000	4,924,304	12/15/2006	07/01/2037
14	FMBS - 5.95% SERIES	250,000,000	3,081,419	04/02/2008	06/01/2018
15	FMBS - 5.125% SERIES	250,000,000	2,859,788	09/22/2009	04/01/2022
16	FMBS - 1.68% SERIES	50,000,000	310,352	12/30/2010	12/30/2013
17	FMBS - 3.89% SERIES	52,000,000	388,095	12/20/2010	12/20/2020
18	FMBS - 5.55% SERIES	35,000,000	262,035	12/20/2010	12/20/2040
19	Short-Term Credit Facility			03/15/2006	04/05/2011
20	City of Forsyth Pollution Control Bonds				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	19,101		1,423	17,678
2	3,473		259	3,214
3	6,246		2,585	3,661
4	18,303		2,175	16,128
5	58,003		6,824	51,179
6	24,766		1,812	22,954
7	54,921		3,923	50,998
8	385,407		14,015	371,392
9	165,134		47,181	117,953
10	97,621		5,277	92,344
11	932,113		98,947	833,166
12	2,348,725		90,336	2,258,389
13	4,441,789		161,032	4,280,757
14	2,551,011		303,090	2,247,921
15	2,579,020		227,561	2,351,459
16		296,372		296,372
17		375,867		375,867
18		252,988		252,988
19	1,019,945	43,885	812,636	251,194
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Schedule Page: 258 Line No.: 20 Column: a

In December 2010, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due 2032, which had been held by Avista Corp. since 2008, were refunded by a new bond issue (Series 2010A). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. There are issuance costs related to these bonds not included in this FERC form 2.

In December 2010, $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2034, which had been held by Avista Corp. since 2009, were refunded by a new bond issue (Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, the bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. There are issuance costs related to these bonds not included in this FERC form 2.

Schedule Page: 258 Line No.: 19 Column: i

There were additional debits that were not amortized during 2010. This was because it was related to the Line of Credit that replaced this Short Term Line of Credit. Those debits are now being amortized over the new Line of Credit.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	FMBS - 7.25% SERIES	12/20/2010	30,000,000	(5,263,821)		(5,263,821)
2	FMBS - 6.125% SERIES	12/20/2010	45,000,000	(6,273,664)		(6,273,664)
3	AVA Capital Trust III	04/01/2009	60,000,000	(2,904,144)	(2,827,719)	(2,598,445)
4	Misc Debt Repurchases I	05/10/1993	0	(6,425,093)	(1,830,135)	(1,569,137)
5	Misc Debt Repurchase II	06/19/1998	0	(188,649)	(116,334)	(110,045)
6	Misc Debt Repurchase III	07/29/1993	0	(146,393)	(67,381)	(62,568)
7	City of Forsyth Pollution Control Bonds Repurchased	12/31/2008	83,700,000	(5,935,113)	(4,685,624)	(4,485,484)
8	Misc 2008 Repurchase Costs	01/01/2008	0	43,132	37,879	35,183
9	Misc 2006 Repurchase Costs	01/01/2006	0	(483,582)	(128,522)	(112,557)
10	Misc 2005 Repurchase Costs	01/01/2005	0	(1,700,371)	(1,181,150)	(1,082,509)
11	Misc 2004 Repurchase Costs	01/01/2004	0	(7,244,895)	(3,819,973)	(3,245,985)
12	Misc 2003 Repurchase Costs	01/01/2003	0	(4,090,500)	(796,584)	(554,163)
13	Misc 2002 Repurchase Costs	01/01/2002	0	(4,445,540)	(636,166)	(133,266)
14	Repurchase of 10 million of Capital II	12/01/2000	10,000,000	1,769,125	1,338,028	1,289,224
15	Misc 2002 Repurchase Gains	01/01/2002	0	2,445,898	1,118,412	949,374
16	Misc 2003 Repurchase Gains	01/01/2003	0	1,001,864	490,113	417,133
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Schedule Page: 260 Line No.: 7 Column: b

In December 2010, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due 2032, which had been held by Avista Corp. since 2008, were refunded by a new bond issue (Series 2010A). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. There has been multiple repurchases.

(4) In December 2010, $17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2034, which had been held by Avista Corp. since 2009, were refunded by a new bond issue (Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, the bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. There has been multiple repurchases

Schedule Page: 260 Line No.: 4 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 5 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 6 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 7 Column: c

Refer to previous footnote regarding the reaquistion date in column b for these respective debt issuances

Schedule Page: 260 Line No.: 8 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 9 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 10 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 11 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 12 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 13 Column: c

These costs were related to several repurchases.

Schedule Page: 260 Line No.: 14 Column: c

These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 and mature on June 1, 2037. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

Schedule Page: 260 Line No.: 15 Column: c

These gains were related to several repurchases.

Schedule Page: 260 Line No.: 16 Column: c

These gains were related to several repurchases.

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Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	92,424,689
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		4,217,908
6		
7		
8	TOTAL	4,217,908
9	Deductions Recorded on Books Not Deducted for Return	
10		98,555,448
11	Federal Income Tax	11,848,337
12	Deferred Income Tax & Investment Tax Credit	34,390,927
13	TOTAL	144,794,712
14	Income Recorded on Books Not Included in Return	
15		4,872,900
16	Equity in Sub Earnings	(6,092,992)
17	Corporate Overhead	537,773
18	TOTAL	(682,319)
19	Deductions on Return Not Charged Against Book Income	
20		(201,378,590)
21		
22		
23		
24		
25		
26	TOTAL	(201,378,590)
27	Federal Tax Net Income	39,376,401
28	Show Computation of Tax:	
29	State Tax @2%, less Idaho ITC	469,639
30	Federal Tax Net Income, less state tax	39,846,040
31	Federal Tax @35%	13,946,114
32	Prior Year Returns & misc true ups	(1,967,645)
33	Cabinet Gorge Tax Credits	(130,132)
34	Total Federal Tax Expense	11,848,337
35		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	FEDERAL:		
2	Income Tax Prior	25,778,732	
3	Income Tax 2006	(23,788,097)	
4	Income Tax 2007	(454,486)	
5	Income Tax 2008	10,768,896	
6	Income Tax 2009	(18,895,541)	
7	Income Tax (Current)		
8	Retained Earnings		
9	Prior Retained Earnings	(5,015,936)	
10	Prior Retained Earnings	(2,127,838)	
11	Prior Retained Earnings	(1,435,621)	
12	Prior Retained Earnings	(1,210,371)	
13	Current Retained Earnings		
14	Total Federal	(16,380,262)	
15			
16	STATE OF WASHINGTON		
17	Property Tax (2009)	7,086,606	
18	Property Tax (2010)		
19	Excise Tax (2005)	91,452	
20	Excise Tax (2006)	(464)	
21	Excise Tax (2007)	400,000	
22	Excise Tax (2008)		
23	Excise Tax (2009)	2,265,543	
24	Excise Tax (2010)		
25	Natural Gas Use Tax	15,109	
26	Municipal Occupation Tax	2,435,373	
27	Sales & Use Tax (2006)	(8,173)	
28	Sales & Use Tax (2007)		
29	Sales & Use Tax (2008)		
30	Sales & Use Tax (2009)	84,190	
31	Sales & Use Tax (2010)		
32	Motor Vehicle Tax (2010)		
33	Total Washington	12,369,636	
34			
35	STATE OF IDAHO:		
36	Income Tax (2006)	346,389	
37	Income Tax (2007)	(104,516)	
38	Income Tax (2008)	(101,560)	
39	Income Tax (2009)	(290,110)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2				25,778,732	
3	(2,700,913)			(26,489,010)	
4	(728,828)			(1,183,314)	
5	(1,293,655)			9,475,241	
6	13,198,286			(5,697,255)	
7	12,116,921	23,841,641		(11,724,719)	
8					
9			(4,773,830)	(9,789,766)	
10			2,127,838		
11			1,435,621		
12			1,210,371		
13	(386,409)			(386,410)	
14	20,205,402	23,841,641		(20,016,501)	
15					
16					
17	(736,257)	6,342,069		8,281	
18	8,027,008			8,027,008	
19	(91,452)				
20				(464)	
21	121,563	400,000		121,563	
22					
23	(20,970)	2,244,573			
24	22,135,679	19,553,738		2,581,941	
25	34,014	41,293		7,830	
26	20,011,536	19,792,189		2,654,719	
27				(8,173)	
28					
29					
30		84,190			
31	855,271	805,723		49,549	
32	26,109	26,109			
33	50,362,501	49,289,884		13,442,254	
34					
35					
36				346,389	
37				(104,516)	
38		(202,872)		101,312	
39	(5,421)			(295,531)	

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4	(524,756)	(204,072)		
5	(904,526)	(351,760)		
6	(714,210)			2,889,672
7	22,794,744	(12,368,519)		1,231,764
8				
9				
10				
11				
12				
13				
14	20,651,252	(12,924,351)		4,121,436
15				
16				
17	(530,742)	(211,493)		6,324
18	6,148,008	1,843,000		36,000
19	102,921	95,304		(289,677)
20				
21				122,903
22				(71)
23	(18,691)	(2,329)		50
24	16,730,929	5,350,966		107,584
25	6,417			(1,050)
26	14,849,283	5,112,214		
27				
28				
29				
30				
31				
32				
33	37,288,125	12,187,662		(17,937)
34				
35				
36				
37				
38				
39	(4,337)	(1,084)		

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				(2,700,913)	
4					
5				(37,369)	
6				11,022,824	
7				458,932	
8					
9					
10					
11					
12					
13				(386,409)	
14				8,357,065	
15					
16					
17				(346)	
18					
19					
20					
21				(1,340)	
22				71	
23					
24				(53,799)	
25				28,646	
26				50,038	
27					
28					
29					
30					
31				855,271	
32				26,109	
33				904,650	
34					
35					
36					
37					
38					
39					

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Income Tax (2010)		
2	Property Tax (2009)	1,958,891	
3	Property Tax (2010)		
4	Motor Vehicle Tax (2010)		
5	Sales & Use Tax (2005)	436	
6	Sales & Use Tax (2008)	4,348	
7	Sales & Use Tax (2009)	4,150	
8	Sales & Use Tax (2010)		
9	Irrigation Credits (2009)	444	
10	KWH Tax (2009)	16,185	
11	KWH Tax (2010)		
12	Franchise Tax (2009)	1,703,625	
13	Franchise Tax (2010)		
14	Total Idaho	3,538,282	
15			
16	STATE OF MONTANA		
17	Income Tax (2006)	520,245	
18	Income Tax (2008)	(180,574)	
19	Income Tax (2009)	(209,972)	
20	Income Tax (2010)		
21	Property Tax (2009)	3,084,410	
22	Property Tax (2010)		
23	Colstrip Generation Tax		
24	KWH Tax (2009)	220,298	
25	KWH Tax (2010)		
26	Motor Vehicle Tax (2010)		
27	Consumer Council Tax	3	
28	Public Commission Tax	808	
29	Total Montana	3,435,218	
30			
31	STATE OF OREGON		
32	Income Tax (2006)	266,087	
33	Income Tax (2007)	(5)	
34	Income Tax (2008)	109,583	
35	Income Tax (2009)	(368,312)	
36	Income Tax (2010)		
37	Property Tax (2009)	(1,317,390)	
38	Property Tax (2010)		
39	Motor Vehicle Tax (2010)		

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	293,319	600,000		(306,681)	
2	(2,930)	1,954,314		1,647	
3	4,636,980	2,324,276		2,312,704	
4	4,722	4,722			
5				436	
6			(4,349)		
7		8,497	4,349	2	
8	83,354	75,412		7,941	
9	(444)				
10	817	17,002			
11	313,304	285,450		27,855	
12		1,703,625			
13	4,148,926	2,651,701		1,497,225	
14	9,472,627	9,422,127		3,588,783	
15					
16					
17				520,245	
18		(180,574)			
19	4,524	(205,273)		(175)	
20	196,651	370,000		(173,349)	
21	(9,620)	3,075,220		(430)	
22	6,614,757	3,314,570		3,300,187	
23	3,129	3,129			
24	(481)	219,818			
25	1,114,299	864,778		249,521	
26	4,675	4,675			
27	7,070	1,737		5,336	
28	1,293	2,091		9	
29	7,936,297	7,470,171		3,901,344	
30					
31					
32		(34,444)		300,531	
33			(241,886)	(241,891)	
34			241,886	351,469	
35	(249,611)	(280,000)		(337,923)	
36	228,576	215,000		13,576	
37	1,747,230	3,182		426,657	
38	1,751,024	3,931,888		(2,180,863)	
39	2,475	2,475			

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1	494,532	(201,212)		
2				
3	3,829,944	802,707		8,186
4				
5				
6				
7				
8				
9				
10	817			
11	313,304			
12				
13	3,011,831	1,129,625		
14	7,646,091	1,730,036		8,186
15				
16				
17				
18				
19	4,524			
20	196,651			
21	(183,863)			
22	6,789,000			
23	3,129			
24				
25	1,113,819			
26				
27	8,340			
28	22			
29	7,931,622			
30				
31				
32				
33				
34				
35	(62,403)	(187,208)		
36	57,143	171,433		
37	922,031	824,338		
38	926,276	825,609		
39				

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1				(1)	
2				(2,930)	
3				(3,856)	
4				4,722	
5					
6					
7					
8				83,354	
9				(444)	
10					
11					
12					
13				7,470	
14				88,315	
15					
16					
17					
18					
19					
20					
21				174,243	
22				(174,243)	
23					
24				(481)	
25				481	
26				4,675	
27				(1,271)	
28				1,271	
29				4,675	
30					
31					
32					
33					
34					
35					
36					
37				861	
38				(861)	
39				2,475	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	BETC Credit (2006 & Prior)	(420,805)	
2	BETC Credit (2007)	243,353	
3	BETC Credit (2008)	(40,383)	
4	BETC Credit (2009)	(91,881)	
5	BETC Credit (2010)		
6	Glendate Regulatory Cr. 2008	(210,889)	
7	Glendate Regulatory Cr. 2009	70,289	
8	Franchise Tax (2006)	755	
9	Franchise Tax (2008)	30,327	
10	Franchise Tax (2009)	996,981	
11	Franchise Tax (2010)		
12	Total Oregon	(732,290)	
13			
14	STATE OF CALIFORNIA		
15	Income Tax (2005)	(1,869)	
16	Income Tax (2006)	(314)	
17	Income Tax (2008)	(2,400)	
18	Income Tax (2009)		
19	Income Tax (2010)		
20	Total California	(4,583)	
21			
22	MISCELLANEOUS STATES:		
23	Income Tax (2009)		
24	Income Tax (2010)		
25	Total Misc States		
26			
27	COUNTY & MUNICIPAL		
28	WA Renewable Energy		
29	Misc.	(3,374)	
30	Total County	(3,374)	
31			
32			
33			
34			
35			
36			
37			
38			
39			
	TOTAL	2,222,627	

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1				(420,805)	
2				243,353	
3				(40,383)	
4	(297)			(92,178)	
5	(68,844)			(68,844)	
6				(210,889)	
7				70,289	
8			(755)		
9			(30,327)		
10		998,078	1,097		
11	3,598,576	2,724,573	29,986	903,988	
12	7,009,129	7,560,752	1	(1,283,913)	
13					
14					
15		3,342		(5,211)	
16				(314)	
17			2,400		
18	1,600		(2,400)	(800)	
19		2,400		(2,400)	
20	1,600	5,742		(8,725)	
21					
22					
23					
24	(17,884)			(17,884)	
25	(17,884)			(17,884)	
26					
27					
28	(39,290)	(39,290)			
29	23,419	22,853		(2,808)	
30	(15,871)	(16,437)		(2,808)	
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	94,953,801	97,573,880	1	(397,450)	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11		3,584,583		
12	1,843,047	5,218,755		
13				
14				
15				
16				
17				
18		1,600		
19				
20		1,600		
21				
22				
23				
24				
25				
26				
27				
28				
29	15,139			
30	15,139			
31				
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL	75,375,276	6,213,702		4,111,685

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4				(297)	
5				(68,844)	
6					
7					
8					
9					
10					
11				13,993	
12				(52,673)	
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24				(17,884)	
25				(17,884)	
26					
27					
28				(39,290)	
29				8,280	
30				(31,010)	
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL				9,253,138	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Margin Call Deposit	1,220,000
2	Forest Use Permits	3,956,339
3	Settlement Payable	500,000
4	FERC Admin Fee Acc	499,998
5	MT Lease Payments	4,282,000
6	DSM Tariff Rider	823,051
7	Payroll EQLZTN	15,050,734
8	Low Income Energy Assist	2,754,106
9	Avista Grants Eng Sustain WSU	353,305
10	Mobius	200,000
11	Workers Comp Reg Liability	2,930,760
12	Accounts Payable Inventory Accruals	465,970
13	Accounts Payble Expense Accrual	1,809,527
14	Current Portion Benefit Liab	4,476,440
15	Misc	135,324
16	Misc relcasses	387,134
17	Credit balances in customer accounts receivable	7,686,707
18	Bank Account balance	4,851,622
19		
20		
21		
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45	**Total**	**52,383,017**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Defer Gas Exchange (253028)	2,119,525			130,435	2,249,960
2	Pacificorp Capacitor (253080)					
3	Centralia Enviromental (253110)	966,323	421	966,323		
4	Rathdrum Refund (253120)	341,042	550	33,822		307,220
5	NE Tank Spill (253130)	87,105			1	87,106
6	Bills Pole Rentals (253140)	215,203			7,938	223,141
7	CR-CS2 GE LTSA (253150)	2,412,558	232	2,412,558		
8	IR Swaps (254170)				126,864	126,864
9	Regulatory Accruals (253650)					
10	Sale/Leaseback on Bldg(253850)	522,912	931	261,456		261,456
11						
12	Defer Comp Retired Execs (253900)	119,174	431,232	25,218		93,956
13	Defer Comp Active Execs (253910)	9,436,629	128	151,516		9,285,113
14	Executive Incent Plan (253920)	140,000				140,000
15	Unbilled Revenue (253990)	5,970,328	908	2,694,428		3,275,900
16						
17	DOC EECE Grant				900,017	900,017
18	DOC EECE Admin Fee				100,000	100,000
19						
20						
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44						
45	**Total**	**22,330,799**		**6,545,321**	**1,265,255**	**17,050,733**

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	255,283,307	15,267,229	
3	Gas	76,033,192	12,627,052	
4	Other (Define) (footnote details)	16,758,482	4,248,441	
5	Total (Enter Total of lines 2 thru 4)	348,074,981	32,142,722	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	348,074,981	32,142,722	
8	Classification of TOTAL			
9	Federal Income Tax	337,008,658	32,142,722	
10	State Income Tax	11,066,323		
11	Local Income Tax			

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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2						16,612,764	253,937,772
3						874,213	87,786,031
4	(201,483)			7,092,889			27,898,329
5	(201,483)			7,092,889		17,486,977	369,622,132
6							
7	(201,483)			7,092,889		17,486,977	369,622,132
8							
9	(201,483)			7,092,889		17,486,977	358,555,809
10							11,066,323
11							

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Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	44,250,108	1,785,900	415,630
3	Gas	(12,942,723)	5,061,282	(226,664)
4	Other (Define) (footnote details)	194,272,444	(63,966)	4,016,875
5	Total (Total of lines 2 thru 4)	225,579,829	6,783,216	4,205,841
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	225,579,829	6,783,216	4,205,841
8	Classification of TOTAL			
9	Federal Income Tax	221,346,023	6,783,216	4,205,841
10	State Income Tax	4,233,806		
11	Local Income Tax			

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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	167,220					1,494,390	44,293,208
3	(2,642)			189,419			(7,468,000)
4				13,275,982			203,467,585
5	164,578			13,465,401		1,494,390	240,292,793
6							
7	164,578			13,465,401		1,494,390	240,292,793
8							
9	164,578			13,465,401		1,494,390	236,058,987
10							4,233,806
11							

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Idaho Investment Tax Credit (254005)	11,603,723	190	470,351			11,133,372
2	Oregon BETC Credit (254010)					104,733	104,733
3	Noxon, ITC (254025)	1,441,110				595,399	2,036,509
4	Defer Gas Exchange (254028)						
5	FAS 109 Invest Tax Credit (254180)	174,684	190	24,900			149,784
6	Nez Perce (254220)	748,388	557	22,008			726,380
7	Oregon Senate Bill (254250)	1,789,652				755,285	2,544,937
8	Reg Liability CCX CR ID (254300)	340,512	407	340,512			
9	Accrue Lake CDA IPA int (254325)	64,410	407	64,410			
10	BPA Res Exch Regulatory Liab (254345)	2,900,393	407	2,900,393			
11	Unrealized Currency Exchange (254399)	35,548	143	9,259			26,289
12	Reg Liability Other (254700)						
13	Mark to Market ST (254740)		245	5,878			(5,878)
14	Mark to Market FAS133 (254750)	42,611,493	244,175	42,611,493			
15	Idaho DSIT					14,713,202	14,713,202
16	Oregon Commercial					116,233	116,233
17							
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44							
45	**Total**	**61,709,913**		**46,449,204**	**0**	**16,284,852**	**31,545,561**

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

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Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	193,169,378	251,021,762	193,169,378	251,021,762	18,854,641	20,797,890
2	104,750,598	145,180,519	104,750,598	145,180,519	12,317,713	13,726,339
3						
4	218,204,139	155,050,847	218,204,139	155,050,847	52,440,562	43,044,654
5	288,882	516,261	288,882	516,261	39,272	50,236
6						
7						
8	168,318	173,812	168,318	173,812		
9						
10						
11	6,470,438	6,067,048	6,470,438	6,067,048	14,209,259	14,458,004
12						
13						
14						
15						
16	1,460	27,766	1,460	27,766		
17						
18	9,036,483	7,906,479	9,036,482	7,906,479		
19	532,089,696	565,944,494	532,089,695	565,944,494		
20						
21	532,089,696	565,944,494	532,089,695	565,944,494		

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Other Gas Revenues (Account 495)

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Misc Bills	121,492
13	DSM Lost Margin (Oregon)	45,425
14	Deferred Exchange Revenue	8,869,565
15		
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39		
	Total	**9,036,482**

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	0	0
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	413,492,742	383,241,588
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	18,740,662	(20,256,209)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	394,752,080	403,497,797
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	27,737,360	46,430,654
87	(Less) 808.2 Gas Delivered to Storage-Credit	32,273,531	28,417,046
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	1,330,609	695,434
93	812 Gas Used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,330,609	695,434
95	813 Other Gas Supply Expenses	1,694,333	1,744,919
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	390,579,633	422,560,890
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	390,579,633	422,560,890
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	844	614
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	288,676	296,899
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	289,520	297,513

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	282,892	316,064
124	TOTAL Maintenance (Total of lines 116 thru 123)	282,892	316,064
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	572,412	613,577
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	572,412	613,577

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Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	1,118,971	968,934
205	871 Distribution Load Dispatching	0	0
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	3,473,113	3,109,908
209	875 Measuring and Regulating Station Expenses-General	416,318	438,100
210	876 Measuring and Regulating Station Expenses-Industrial	13,565	9,227
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	169,792	214,489
212	878 Meter and House Regulator Expenses	1,736,929	1,501,542
213	879 Customer Installations Expenses	2,286,059	2,477,086
214	880 Other Expenses	2,518,721	2,461,299
215	881 Rents	35,429	24,847
216	TOTAL Operation (Total of lines 204 thru 215)	11,768,897	11,205,432
217	Maintenance		
218	885 Maintenance Supervision and Engineering	219,666	198,793
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,518,799	2,324,454
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	258,822	239,035
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	138,600	274,546
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	114,396	60,597
225	892 Maintenance of Services	1,676,274	1,206,293
226	893 Maintenance of Meters and House Regulators	1,280,066	1,545,122
227	894 Maintenance of Other Equipment	348,250	201,034
228	TOTAL Maintenance (Total of lines 218 thru 227)	6,554,873	6,049,874
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	18,323,770	17,255,306
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	525,998	503,024
233	902 Meter Reading Expenses	1,835,341	1,757,134
234	903 Customer Records and Collection Expenses	6,640,573	6,936,961

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	1,485,533	2,423,718
236	905 Miscellaneous Customer Accounts Expenses	116,224	216,923
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	10,603,669	11,837,760
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	13,937,153	12,488,656
242	909 Informational and Instructional Expenses	998,589	66,884
243	910 Miscellaneous Customer Service and Informational Expenses	149,634	90,480
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	15,085,376	12,646,020
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	(4,562)	497,304
249	913 Advertising Expenses	680	121,787
250	916 Miscellaneous Sales Expenses	118,997	190,057
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	115,115	809,148
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	9,171,229	8,396,564
255	921 Office Supplies and Expenses	1,589,228	1,544,167
256	(Less) 922 Administrative Expenses Transferred-Credit	31,599	31,272
257	923 Outside Services Employed	5,690,760	4,291,825
258	924 Property Insurance	432,386	433,137
259	925 Injuries and Damages	1,589,704	1,111,478
260	926 Employee Pensions and Benefits	326,710	254,246
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,854,784	2,131,461
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	78,132	94,868
265	930.2Miscellaneous General Expenses	1,286,718	1,278,133
266	931 Rents	302,324	140,882
267	TOTAL Operation (Total of lines 254 thru 266)	22,290,376	19,645,489
268	Maintenance		
269	932 Maintenance of General Plant	2,432,245	2,435,916
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	24,722,621	22,081,405
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	460,002,596	487,804,106

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Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of $250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	Gas Resource Management	
2	Labor	702,380
3	Labor Loading	531,851
4	Other Expenses (Professional Services, Travel, Office Supplies, Subscriptions, Training)	147,653
5		
6	Amortizations of Gas Operations Database	19,893
7		
8	Regulatory Affairs	
9	Labor	141,948
10	Labor Loading	106,448
11	Other Expenses (Travel)	1,060
12		
13		
14		
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21		
22		
23		
24		
25	**Total**	1,651,233

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	244,287
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer	
	agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	43,909
4	Directors fees and expenses	234,721
5	Miscellaneous general expenses	551,645
6	Community Relations	176,008
7	Educational - informational	15,239
8	Other misc. general expenses	20,909
9	Line 4 Detail	
10	Directors Expenses	
11	Heidi B Stanley 28,412	
12	Brian W Dunham 12,352	
13	Marc F Racicot 13,984	
14	Erik J Anderson 28,762	
15	Kristiannne Blake 24,211	
16	Rebecca Klein 12,599	
17	John F Kelly 27,373	
18	Michael L Noel 19,617	
19	R. John Taylor 29,580	
20	Roy Eiguren 28,525	
21	Scott L. Morris 9,325	
22		
23		
24		
25	**Total**	1,286,718

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Directors	2010	Expenses
Vendor Name		
HEIDI B STANLEY		$28,412
BRIAN W DUNHAM		$12,352
MARC F RACICOT		$13,984
ERIK J ANDERSON		$28,762
KRISTIANNE BLAKE		$24,211
REBECCA A KLEIN		$12,599
JOHN F KELLY		$27,373
MICHAEL L NOEL		$19,617
R JOHN TAYLOR		$29,560
ROY EIGUREN		$28,525
SCOTT L MORRIS		$9,325

Schedule Page: 335 Line No.: 8 Column: b

Test

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant			227	264,611
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	580,677			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	13,296,510			
10	General plant	664,129			
11	Common plant-gas	2,532,660			1,684,582
12	TOTAL	17,073,976		227	1,949,193

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1			264,838	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			580,677	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			13,296,510	Distribution plant
10	4,839		668,968	General plant
11	2,865		4,220,107	Common plant-gas
12	7,704		19,031,100	TOTAL

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)		
9			
10			
11			
12			
13			
14			
15			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 - Misc. Amortization	
2	Natural gas plant acquisition adjustment from 1991 acquisition of CP National	
3	Oregon and California distribution properties Contra account 115	1,110,572
4	Total	1,110,572
5	Account 426.1 Donations	
6	Avista Foundation	1,200,000
7	Project Share	400,000
8	Items under $250,000	2,564,132
9	Total	4,164,132
10	Account 426.2 Life Insurance	
11	Officers life insurance	217,226
12	SERP	2,019,325
13	Total	2,236,551
14	Account 426.3 Penalties	
15	WUTC	262,100
16	Items under $250,000	25,029
17	Total	287,129
18	Account 426.4 Expenditures for Certain Civic, Political and Related Activities	
19	Items under $250,000	1,167,774
20	Total	1,167,774
21	Account 426.5 Other Deductions	
22	Executive deferred compensation	603,883
23	Items under $250,000	172,301
24	Total	776,184
25	Account 430 Interest on Debt to Associated Companies	
26	Avista Capital II (variable rate ranging from 1.13 to 1.41 percent)	634,833
27	Avista Capital, Inc.	248,611
28	Total	883,444
29	Account 431 Other Interest Expense	
30	Interest on natural gas deferrals	861,087
31	Interest on short-term borrowings	1,199,574
32	Interest on customer deposits	62,144
33	Other	96,295
34	Total	2,219,100
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	Charges include annual fee and license fee				
3	for the Spokane River Project, the Cabinet				
4	Gorge Project and Noxon Rapids Project	2,247,187	345,541	2,592,728	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	907,189	285,206	1,192,395	
8					
9	Includes annual fee and various other natural gas dockets	421,053	127,029	548,082	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	505,813	190,597	696,410	
13					
14	Includes annual fee and various other natural gas dockets	170,468	96,189	266,657	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	566,667	61,737	628,404	
18					
19	Not directly assigned electric		1,068,709	1,068,709	
20	Not directly assigned natural gas		411,641	411,641	
21					
22					
23					
24					
25	**Total**	4,818,377	2,586,649	7,405,026	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2							
3							
4	Electric	928	2,592,728				
5							
6							
7	Electric	928	1,192,395				
8							
9	Gas	928	548,082				
10							
11							
12	Electric	928	696,410				
13							
14	Gas	928	266,657				
15							
16							
17	Gas	928	628,404				
18							
19	Electric	928	1,068,709				
20	Gas	928	411,641				
21							
22							
23							
24							
25			7,405,026				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	271,149
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	55,561
4	Post- employment benefit plans	
5	Other (Specify)	
6		
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	Total	**326,710**

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	9,728,684			9,728,684
4	Transmission	2,565,620			2,565,620
5	Distribution	4,154,967			4,154,967
6	Customer Accounts	6,114,360			6,114,360
7	Customer Service and Informational	634,361			634,361
8	Sales	129,785			129,785
9	Administrative and General	13,792,391	9,702,484		23,494,875
10	TOTAL Operation (Total of lines 3 thru 9)	37,120,168	9,702,484		46,822,652
11	Maintenance				
12	Production	2,450,204			2,450,204
13	Transmission	882,225			882,225
14	Distribution	4,078,389			4,078,389
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)	7,410,818			7,410,818
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	12,178,888			12,178,888
19	Transmission (Total of lines 4 and 13)	3,447,845			3,447,845
20	Distribution (Total of lines 5 and 14)	8,233,356			8,233,356
21	Customer Accounts (line 6)	6,114,360			6,114,360
22	Customer Service and Informational (line 7)	634,361			634,361
23	Sales (line 8)	129,785			129,785
24	Administrative and General (Total of lines 9 and 15)	13,792,391	9,702,484		23,494,875
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	44,530,986	9,702,484		54,233,470
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	844,328			844,328
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	3,563,152			3,563,152
34	Customer Accounts	2,641,759			2,641,759
35	Customer Service and Informational	330,534			330,534
36	Sales	49,990			49,990
37	Administrative and General	4,840,841	7,515,613		12,356,454
38	TOTAL Operation (Total of lines 28 thru 37)	12,270,604	7,515,613		19,786,217
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission	598,383			598,383
45	Distribution	2,516,984			2,516,984

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	3,115,367			3,115,367
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	844,328			844,328
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	598,383			598,383
55	Distribution (Total of lines 33 and 45)	6,080,136			6,080,136
56	Customer Accounts (Total of line 34)	2,641,759			2,641,759
57	Customer Service and Informational (Total of line 35)	330,534			330,534
58	Sales (Total of line 36)	49,990			49,990
59	Administrative and General (Total of lines 37 and 46)	4,840,841	7,515,613		12,356,454
60	Total Operation and Maintenance (Total of lines 50 thru 59)	15,385,971	7,515,613		22,901,584
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	59,916,957	17,218,097		77,135,054
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	29,478,679	6,478,172		35,956,851
67	Gas Plant	5,935,086	1,304,281		7,239,367
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	35,413,765	7,782,453		43,196,218
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,309,103	280,493		1,589,596
72	Gas Plant	96,345	20,643		116,988
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	1,405,448	301,136		1,706,584
75	Other Accounts (Specify) (footnote details)	29,987,073	(26,583,450)		3,403,623
76	TOTAL Other Accounts	29,987,073	(26,583,450)		3,403,623
77	TOTAL SALARIES AND WAGES	126,723,243	(1,281,764)		125,441,479

Name of Respondent **Avista Corporation**	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report 2010/Q4

FOOTNOTE DATA

Schedule Page: 354 Line No.: 75 Column: e

Stores Expense (163)	1,698,876	(1,698,876)		0
Unamortized debt expense (181)	0			0
Regulatory Assets (182)	0			0
Preliminary Survey and Investigation (183)	36,969		36,969	
Small Tool Expense (184)	4,157,526	(4,157,526)		0
Miscellaneous Deferred Debits (186)	772,896		772,896	
Capital Stock Expense (214)	0			0
Merchandising Expenses (416)	0			0
Non-operating Expenses (417)	288,382		288,382	
Expenditures of Certain Civic, Political and Related Activities (426)	532,655		532,655	0
Employee Incentive Plan (232380)	5,917,714	(5,917,714)		0
DSM Tarrif Rider and Payroll Equalization Liability (242600, 242700)	16,506,045	(14,809,334)	1,696,711	
Incentive / Stock Compensation (238000)	76,010		76,010	

Name of Respondent **Avista Corporation**	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising,labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than $250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.
 (a) Name of person or organization rendering services.
 (b) Total charges for the year.
2. Sum under a description "Other", all of the aforementioned services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	Art in Soft LLc	749,921
2	Booz & Comapny Inc	2,979,694
3	Bouten Construction Company	435,325
4	Cerium Networks	422,307
5	Coeur D Alene Tribe	315,370
6	Columbia Grid	400,483
7	Davis Wright Tremaind LLP	508,225
8	Deloitte & Touchee LLp	1,330,068
9	Dewey & Leboeuf LLP	430,363
10	Garco Construction Inc	3,150,520
11	Gartner Inc	348,439
12	Gillespie Prudhon & Assoc. Inc	518,861
13	Golder Associated Inc	293,598
14	Hanna & Associates Inc	572,153
15	Hatch Acres Corporation	287,695
16	HDR Engineering Inc	255,193
17	Hickey Brothers Fisheries LLC	283,337
18	ITRON Inc	404,806
19	Jaco Construction Inc	501,198
20	James A Carothers	277,000
21	McKinstry Essention Inc	3,914,699
22	Meridian Construction Inc	774,806
23	MWH Americas Inc	293,982
24	Northwest Hydraulic Consultants	494,562
25	Paine Hamblen Coffin Brooke	609,453
26	Power City Electric	250,984
27	Pro Building Systems	297,873
28	Regulas Integrated Solutions LLC	322,738
29	Terex Utilities Inc	437,699
30	US Fish & Wildlife Service	334,091
31	Utilities International Inc	403,752
32	Washington Group Intl Inc	403,764
33	Western Electricity	557,369
34	Other	12,476,110
35	Total	36,036,438

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4

Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March	102,995		102,995
5	April	1,211,676		1,211,676
6	May	2,128,931		2,128,931
7	June	1,338,457		1,338,457
8	July	978,286		978,286
9	August	743,082		743,082
10	September	1,094,998		1,094,998
11	October	142,138		142,138
12	November	93,594		93,594
13	December	759,566		759,566
14	TOTAL (Total of lines 2 thru 13)	8,593,723		8,593,723
15	Gas Withdrawn from Storage			
16	January	999,542		999,542
17	February	1,518,722		1,518,722
18	March	345,302		345,302
19	April	669,554		669,554
20	May	7,335		7,335
21	June	181,453		181,453
22	July	845,205		845,205
23	August	974,599		974,599
24	September	367,622		367,622
25	October	2,794		2,794
26	November	1,360,546		1,360,546
27	December	989,705		989,705
28	TOTAL (Total of lines 16 thru 27)	8,262,379		8,262,379

Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	8,528,000
2	Cushion Gas (Including Native Gas)	7,730,668
3	Total Gas in Reservoir (Total of line 1 and 2)	16,258,668
4	Certificated Storage Capacity	16,258,668
5	Number of Injection - Withdrawal Wells	54
6	Number of Observation Wells	48
7	Maximum Days' Withdrawal from Storage	277,724
8	Date of Maximum Days' Withdrawal	11/23/2010
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1					
2	Chehalis, Washington	Underground Natural Gas	268,667	28,775,004	
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	26,000	4,153,234	
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623	[redacted]	
11		Storage Field			
12		Oregon Supply			
13					
14	Mist, Oregon	Underground Natural Gas	15,000	[redacted]	
15		Storage Field			
16		Oregon Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	186,125	[redacted]	
19		Storage Field			
20		Washington & Idaho Supply			
21					
22	Rock Springs, Wyoming	Underground Natural Gas	63,875	[redacted]	
23		Storage Field			
24		Washington & Idaho Supply			
25					
26					
27					
28					
29					
30					

Name of Respondent **Avista Corporation**	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report 2010/Q4

FOOTNOTE DATA

Schedule Page: 519 Line No.: 10 Column: d

Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.

Schedule Page: 519 Line No.: 14 Column: d

Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.

Schedule Page: 519 Line No.: 18 Column: d

Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.

Schedule Page: 519 Line No.: 22 Column: d

Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/15/2011	End of 2010/Q4

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales,transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of FERC Form Nos. 2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		85,444,941	21,917,629
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	14,209,259	4,002,438
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Exchanged Gas Received from Others (Account 806)	328		
9	Gas Received as Imbalances (Account 806)	328	73,683	(33,113)
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
11	Other Gas Withdrawn from Storage (Explain)		0	1,357,747
12	Gas Received from Shippers as Compressor Station Fuel			
13	Gas Received from Shippers as Lost and Unaccounted for			
14	Other Receipts (Specify) (footnote details)			
15	Total Receipts (Total of lines 3 thru 14)		99,727,883	27,244,701
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		83,652,188	22,880,961
18	Deliveries of Gas Gathered for Others (Account 489.1)	303		
19	Deliveries of Gas Transported for Others (Account 489.2)	305		
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	14,209,259	4,002,438
21	Deliveries of Contract Storage Gas (Account 489.4)	307		
22	Exchange Gas Delivered to Others (Account 806)	328		
23	Gas Delivered as Imbalances (Account 806)	328		
24	Deliveries of Gas to Others for Transportation (Account 858)	332		
25	Other Gas Delivered to Storage (Explain)		331,344	
26	Gas Used for Compressor Station Fuel	509	1,535,092	361,302
27	Other Deliveries (Specify) (footnote details)			
28	Total Deliveries (Total of lines 17 thru 27)		99,727,883	27,244,701
29	GAS UNACCOUNTED FOR			
30	Production System Losses			
31	Gathering System Losses			
32	Transmission System Losses			
33	Distribution System Losses			
34	Storage System Losses			
35	Other Losses (Specify) (footnote details)			
36	Total Unaccounted For (Total of lines 30 thru 35)			
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		99,727,883	27,244,701

FOOTNOTE DATA

Schedule Page: 520 Line No.: 25 Column: c

Net annual natural gas delivered to storage

Schedule Page: 520 Line No.: 11 Column: d

Net forth quarter natural gas withdrawn from storage

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Avista Corp.

IDAHO

Annual Gas Report

2010

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Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	-	-
3	302 Franchises and Consents	-	-
4	303 Miscellaneous Intangible Plant	168,450	-
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	168,450	-
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	-	-
9	305 Structures and Improvements	-	-
10	306 Boiler Plant Equipment	-	-
11	307 Other Power Equipment	-	-
12	308 Coke Ovens	-	-
13	309 Producer gas equipment	-	-
14	310 Water Gas Generating Equipment	-	-
15	311 Liquefied Petroleum Gas Equipment	-	-
16	312 Oil Gas Generating Equipment	-	-
17	313 Generating Equipment-Other Processes	-	-
18	314 Coal, Coke, and ash handling equipment	-	-
19	315 Catalytic Cracking Equipment	-	-
20	316 Other reforming equipment	-	-
21	317 Purification equipment	-	-
22	318 Residual refining equipment	-	-
23	319 Gas mixing equipment	-	-
24	320 Other Equipment	-	-
25			
26	TOTAL Manuafactured Gas Production Plant (Enter Total of lines 8 thru 24)	-	-
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	-	-
29	341 Structures and Improvements	-	-
30	342 Extraction and Refining Equipment	-	-
31	343 Pipe Lines	-	-
32	344 Extracted Products Storage Equipment	-	-
33	345 Compressor Equipment	-	-

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a suplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
-	-	-	-	2
-	-	-	-	3
-	-	-	168,450	4
-	-	-	168,450	5
				6
				7
-	-	-	-	8
-	-	-	-	9
-	-	-	-	10
-	-	-	-	11
-	-	-	-	12
-	-	-	-	13
-	-	-	-	14
-	-	-	-	15
-	-	-	-	16
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				25
-	-	-	-	26
				27
-	-	-	-	28
-	-	-	-	29
-	-	-	-	30
-	-	-	-	31
-	-	-	-	32
-	-	-	-	33

Name of Respondent	This report is:	Year Ending	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment	-	-
35	347 Other Equipment	-	-
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	-	-
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	-	-
38	Manufactured Gas Production Plant *(Submit Supplementary Statement)*	-	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	-	-
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land	-	-
43	350.2 Rights-of-Way	-	-
44	351 Structures and Improvements	-	-
45	352 Wells	-	-
46	352.1 Storage Leaseholds and Rights	-	-
47	352.2 Reservoirs	-	-
48	352.3 Non-recoverable Natural Gas	-	-
49	353 Lines	-	-
50	354 Compressor Station Equipment	-	-
51	355 Measuring and Regulating Equipment	-	-
52	356 Purification Equipment	-	-
53	357 Other Equipment	-	-
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	-	-
55	Other Storage Plant		
56	360 Land and Land Rights	-	-
57	361 Structures and Improvements	-	-
58	362 Gas Holders	-	-
59	363 Purification Equipment	-	-
60	363.1 Liquefaction Equipment	-	-
61	363.2 Vaporizing Equipment	-	-
62	363.3 Compressor Equipment	-	-
63	363.4 Measuring and Regulating Equipment	-	-
64	363.5 Other Equipment	-	-
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	-	-
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364.1 Land and Land Rights	-	-
68	364.2 Structures and Improvements	-	-
69	364.3 LNG Processing Terminal Equipment	-	-
70	364.4 LNG Transporation Equipment	-	-
71	364.5 Measuring and Regulating Equipment	-	-
72	364.6 Compressor Station Equipment	-	-
73	364.7 Communications Equipment	-	-
74	364.8 Other Equipment	-	-
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	-	-
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	-	-
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	-	-
79	365.2 Rights-of-Way	-	-
80	366 Structures and Improvements	-	-

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
-	-	-	-	34
-	-	-	-	35
-	-	-	-	36
-	-	-	-	37
			-	38
-	-	-	-	39
				40
				41
-	-	-	-	42
-	-	-	-	43
-	-	-	-	44
-	-	-	-	45
-	-	-	-	46
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-	-	-	-	48
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-	-	-	-	72
-	-	-	-	73
-	-	-	-	74
-	-	-	-	75
-	-	-	-	76
				77
-	-	-	-	78
-	-	-	-	79
-	-	-	-	80

Name of Respondent	This report is:	Year Ending	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains	-	-
82	368 Compressor Station Equipment	-	-
83	369 Measuring and Regulating Equipment	-	-
84	370 Communications Equipment	-	-
85	371 Other Equipment	-	-
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	-	-
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	87,805	-
89	375 Structures and Improvements	169,112	92,230
90	376 Mains	74,458,616	2,590,862
91	377 Compressor Station Equipment	-	-
92	378 Measuring and Regulating Equipment-General	1,671,281	293,064
93	379 Measuring and Regulating Equipment-City Gate	4,172,395	-
94	380 Services	45,517,265	1,049,187
95	381 Meters	18,790,078	905,629
96	382 Meter Installations	-	-
97	383 House Regulators	-	-
98	384 House Regulator Installations	-	-
99	385 Industrial Measuring and Regulating Station Equipment	598,791	242
100	386 Other Property on Customers' Premises	-	-
101	386 Other Equipment	-	-
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	145,465,343	4,931,214
103	GENERAL PLANT		
104	389 Land and Land Rights	-	-
105	390 Structures and Improvements	-	-
	391 Office Furniture and Equipment	-	-
107	392 Transportation Equipment	955,276	206,462
108	393 Stores Equipment	-	-
109	394 Tools, Shop, and Garage Equipment	454,702	13,249
110	395 Laboratory Equipment	33,852	-
111	396 Power Operated Equipment	763,033	185,108
112	397 Communication Equipment	277,868	62,598
113	398 Miscellaneous Equipment	-	-
114	Subtotal (Enter Totals of lines 104 thru 113)	2,484,731	467,417
115	399 Other Tangible Property	-	-
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	2,484,731	467,417
117	TOTAL (Accounts 101 and 106)	148,118,524	5,398,631
118	Gas Plant Purchased (See Instruction 8)	-	
119	*(Less)* Gas Plant Sold (See Instruction 8)		
120	Experimental Gas Plant Unclassified	-	
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	148,118,524	5,398,631

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 15, 2011	Dec. 31, 2010

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
-	-	-	-	81
-	-	-	-	82
-	-	-	-	83
-	-	-	-	84
-	-	-	-	85
-	-	-	-	86
				87
-	-	-	87,805	88
-	-	-	261,342	89
114,229	-	(1,073)	76,934,176	90
-	-	-	-	91
7,473	-	-	1,956,872	92
27,653	-	-	4,144,742	93
24,447	-	-	46,542,005	94
-	-	(535)	19,695,172	95
-	-	-	-	96
-	-	-	-	97
-	-	-	-	98
-	-	-	599,033	99
-	-	-	-	100
-	-	-	-	101
173,802	-	(1,608)	150,221,147	102
				103
-	-	-	-	104
-	-	-	-	105
-	-	-	-	106
13,000	-	-	1,148,738	107
-	-	-	-	108
22,476	-	-	445,475	109
8,755	-	-	25,097	110
108,967	-	-	839,174	111
8,807	-	-	331,659	112
-	-	-	-	113
162,005	-	-	2,790,143	114
-	-	-	-	115
162,005	-	-	2,790,143	116
335,807	-	(1,608)	153,179,740	117
			-	118
			-	119
			-	120
335,807	-	(1,608)	153,179,740	121

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Name of Respondent	This Report Is:		Date of Report	Year/Period of Report
Avista Corp	(1) An Original	Original	(Mo,Da,Yr) 15-Apr-11	End of 2010
	(2) A Resubmission			

GasStored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3) - Idaho

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column(b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	Non current (Account 117.2) (c)	(Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	$ -	$ -	$ -	$ -	$ 4,631,890	$ -	$ -	$ 4,631,890
2	Gas Delivered to Storage	$ 576,651	$ -	$ -	$ -	$ 8,495,696	$ -	$ -	$ 9,072,347
3	Gas Withdrawn from	$ -	$ -	$ -	$ -	$ 7,300,394	$ -	$ -	$ 7,300,394
4	Other Debits and Credits *	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Balance at End of Year	$ 576,651	$ -	$ -	$ -	$ 5,827,192	$ -	$ -	$ 6,403,843
6	Dth	$ 103,342	-	-	-	1,599,572	-	-	1,702,914
7	Amount Per Dth	$ 5.58	$ -	$ -	$ -	$ 3.64	-	-	$ 4.61

Fuel is accounted for within injections and withdrawal accounts

All gas reported is current working gas. Avista uses the inventory method to report all working gas stored.

Name of Respondent	This Report Is:		Date of Report	Year/Period of Report
Avista Corp	(1)An Original (Mo,Da,Yr)	An Original (12,31,10)	15-Apr-11	2010
	(2)A Resubmission			End of

Gas Operating Revenues - Idaho

1.Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2.Revenues in columns (b) and © include transition costs from upstream pipelines.
3.Other Revenues incolumns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected incolumns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales	-	-	-	-
2	481 Commercial and Industrial Sales	-	-	-	-
3	482 Other Sales to Public Authorities	-	-	-	-
4	483 Sales for Resale	-	-	-	-
5	484 Interdepartmental Sales	-	-	-	-
6	485 Intracompany Transfers	-	-	-	-
7	487 Forfeited Discounts	-	-	-	-
8	488 Miscellaneous Service Revenues	-	-	-	-
9	489.1 Revenues from Transportation of Gas of Others	-	-	-	-
	Through Gathering Facilities	-	-	-	-
10	489.2 Revenues from Transportation of Gas of Others	-	-	-	-
	Through Transmission Facilities	-	-	-	-
11	489.3 Revenues from Transportation of Gas of Others	-	-	-	-
	Through Distribution Facilities	-	-	-	-
12	489.4 Revenues from Storing Gas of Others	-	-	-	-
13	490 Sales of Prod. Ext. from Natural Gas	-	-	-	-
14	491 Revenues from Natural Gas Proc. By Others	-	-	-	-
15	492 Incidental Gasoline and Oil Sales	-	-	-	-
16	493 Rent from Gas Property	-	-	-	-
17	494 Interdepartmental Rents	-	-	-	-
18	495 Other Gas Revenues	-	-	-	-
19	**Subtotal:**	-	-	-	-
20	496 (Less) Provision for Rate Refunds	-	-	-	-
21	**TOTAL:**	-	-	-	-

Name of Respondent Avista Corp	This Report Is: (1) An Original (Mo,Da,Yr) An Original (12,31,10) (2)A Resubmission	Date of Report 15-Apr-11	Year/Period of Report 2010 End of

Gas Operating Revenues - Idaho

4.If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5.On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6.Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year * (h)	Total Operating Revenues Amount for Previous Year ** (i)	Deka therm of Natural Gas Amount for Current Year *** (j)	Deka therm of Natural Gas Amount for Previous Year **** (k)
1	41,528,047	53,624,836	41,528,047	53,624,836	4,388,259	4,800,343
2	21,320,042	29,413,709	21,320,042	29,413,709	2,669,405	2,954,624
3	-	-	-	-	-	-
4	47,591,635	35,815,253	47,591,635	35,815,253	11,692,176	9,801,885
5	34,485	51,180	34,485	51,180	4,497	4,999
6	-	-	-	-		
7	-	-	-	-		
8	13,774	16,453	13,774	16,453		
9	-	-	-	-	-	-
	-	-	-	-	-	-
10	-	-	-	-	-	-
	-	-	-	-	-	-
11	449,198	497,589	449,198	497,589	4,082,961	4,878,085
	-	-	-	-	-	-
12	-	-	-	-		
13	-	-	-	-		
14	-	-	-	-		
15	-	-	-	-		
16	-	-	-	-		
17	-	-	-	-		
18	2,830,565	2,431,003	2,830,565	2,431,003		
19	**113,767,746**	**121,850,023**	**113,767,746**	**121,850,023**		
20	-	-	-	-		
21	**113,767,746**	**121,850,023**	**113,767,746**	**121,850,023**		

* Sales for resale dollars allocated based on WA/ID average monthly commodity allocation used in Results of Operations

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	-	-
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation	-	-
7	750 Operation Supervision and Engineering	-	-
8	751 Production Maps and Records	-	-
9	752 Gas Wells Expenses	-	-
10	753 Field Lines Expenses	-	-
11	754 Field Compressor Station Expenses	-	-
12	755 Field Compressor Station Fuel and Power	-	-
13	756 Field Measuring and Regulating Station Expenses	-	-
14	757 Purification Expenses	-	-
15	758 Gas Well Royalties	-	-
16	759 Other Expenses	-	-
17	760 Rents	-	-
18	TOTAL Operation (Enter Total of lines 7 thru 17)	-	-
19	Maintenance		
20	761 Maintenance Supervision and Engineering	-	-
21	762 Maintenance of Structures and Improvements	-	-
22	763 Maintenance of Producing Gas Wells	-	-
23	764 Maintenance of Field Lines	-	-
24	765 Maintenance of Field Compressor Station Equipment	-	-
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment	-	-
26	767 Maintenance of Purification Equipment	-	-
27	768 Maintenance of Drilling and Cleaning Equipment	-	-
28	769 Maintenance of Other Equipment	-	-
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	-	-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	-	-
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	-	-
34	771 Operation Labor	-	-
35	772 Gas Shrinkage	-	-
36	773 Fuel	-	-
37	774 Power	-	-
38	775 Materials	-	-
39	776 Operation Supplies and Expenses	-	-
40	777 Gas Processed by Others	-	-
41	778 Royalties on Products Extracted	-	-
42	779 Marketing Expenses	-	-
43	780 Products Purchased for Resale	-	-
44	781 Variation in Products Inventory	-	-
45	(Less) 782 Extracted Products Used by the Utility-Credit	-	-
46	783 Rents	-	-
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	-	-

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	B2. Products Extraction (Continued)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering	-	-
50	785 Maintenance of Structures and Improvements	-	-
51	786 Maintenance of Extraction and Refining Equipment	-	-
52	787 Maintenance of Pipe Lines	-	-
53	788 Maintenance of Extracted Products Storage Equipment	-	-
54	789 Maintenance of Compressor Equipment	-	-
55	790 Maintenance of Gas Measuring and Reg. Equipment	-	-
56	791 Maintenance of Other Equipment	-	-
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	-	-
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	-	-
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	-	-
62	796 Nonproductive Well Drilling	-	-
63	797 Abandoned Leases	-	-
64	798 Other Exploration	-	-
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	-	-
	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases	-	-
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	-	-
69	801 Natural Gas Field Line Purchases	-	-
70	802 Natural Gas Gasoline Plant Outlet Pruchases	-	-
71	803 Natural Gas Transmission Line Purchases	-	-
72	804 Natural Gas City Gate Purchases	91,019,608	134,315,561
73	804.1 Liquefied Natural Gas Purchases	-	-
74	805 Other Gas Purchases	-	-
75	(Less) 805.1 Purchased Gas Cost Adjustments	(5,169,368)	3,217,554
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	85,850,241	137,533,115
78	806 Exchange Gas	-	-
79	Purchased Gas Expenses		
80	807.1 Well Expenses-Purchased Gas	-	-
81	807.2 Operation of Purchased Gas Measuring Stations	-	-
82	807.3 Maintenance of Purchased Gas Measuring Stations	-	-
83	807.4 Purchased Gas Calculations Expenses	-	-
84	807.5 Other Purchased Gas Expenses	-	-
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	-	-
86	808.1 Gas Withdrawn from Storage-Debit	7,148,498	11,823,573
87	(Less) 808.2 Gas Delivered to Storage-Credit	(8,318,930)	(16,003,035)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	-	-
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	-	-
90	Gas Used in Utility Operations-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	-	-
92	811 Gas Used for Products Extraction-Credit	(306,165)	(336,544)
93	812 Gas used for Other Utility Operations-Credit	-	-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(306,165)	(336,544)
95	813 Other Gas Supply Expenses	393,817	381,910
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	84,767,461	133,399,020
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	84,767,461	133,399,020

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	258	6,065
102	815 Maps and Records	-	-
103	816 Wells Expenses	-	-
104	817 Lines Expense	-	-
105	818 Compressor Station Expenses	-	-
106	819 Compressor Station Fuel and Power	-	-
107	820 Measuring and Regulating Station Expenses	-	-
108	821 Purification Expenses	-	-
109	822 Exploration and Development	-	-
110	823 Gas Losses	-	-
111	824 Other Expenses	84,648	93,643
112	825 Storage Well Royalties	-	-
113	826 Rents	-	-
114	TOTAL Operation (Enter Total of lines 101 thru 113)	84,906	99,708
115	Maintenance		
116	830 Maintenance Supervision and Engineering	-	-
117	831 Maintenance of Structures and Improvements	-	-
118	832 Maintenance of Reservoirs and Wells	-	-
119	833 Maintenance of Lines	-	-
120	834 Maintenance of Compressor Station Equipment	-	-
121	835 Maintenance of Measuring and Regulating Station Equipment	-	-
122	836 Maintenance of Purification Equipment	-	-
123	837 Maintenance of Other Equipment	82,575	79,072
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	82,575	79,072
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	167,481	178,780
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	-	-
129	841 Operation Labor and Expenses	-	-
130	842 Rents	-	-
131	842.1 Fuel	-	-
132	842.2 Power	-	-
133	842.3 Gas Losses	-	-
134	TOTAL Operation (Enter Total of lines 128 thru 133)	-	-
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	-	-
137	843.2 Maintenance of Structures and Improvements	-	-
138	843.3 Maintenance of Gas Holders	-	-
139	843.4 Maintenance of Purification Equipment	-	-
140	843.5 Maintenance of Liquefaction Equipment	-	-
141	843.6 Maintenance of Vaporizing Equipment	-	-
142	843.7 Maintenance of Compressor Equipment	-	-
143	843.8 Maintenance of Measuring and Regulating Equipment	-	-
144	843.9 Maintenance of Other Equipment	-	-
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	-	-
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	-	-

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	-	-
150	844.2 LNG Processing Terminal Labor and Expenses	-	-
151	844.3 Liquefaction Processing Labor and Expenses	-	-
152	844.4 Liquefaction Transportation Labor and Expenses	-	-
153	844.5 Measuring and Regulating Labor and Expenses	-	-
154	844.6 Compressor Station Labor and Expenses	-	-
155	844.7 Communication System Expenses	-	-
156	844.8 System Control and Load Dispatching	-	-
157	845.1 Fuel	-	-
158	845.2 Power	-	-
159	845.3 Rents	-	-
160	845.4 Demurrage Charges	-	-
161	(Less) 845.5 Wharfage Receipts-Credit	-	-
162	845.6 Processing Liquefied or Vaporized Gas by Others	-	-
163	846.1 Gas Losses	-	-
164	846.2 Other Expenses	-	-
165	TOTAL Operation (Enter Total of lines 149 thru 164)	-	-
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	-	-
168	847.2 Maintenance of Structures and Improvements	-	-
169	847.3 Maintenance of LNG Processing Terminal Equipment	-	-
170	847.4 Maintenance of LNG Transportation Equipment	-	-
171	847.5 Maintenance of Measuring and Regulating Equipment	-	-
172	847.6 Miantenance of Compressor Station Equipment	-	-
173	847.7 Maintenance of Communication Equipment	-	-
174	847.8 Maintenance of Other Equipment	-	-
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	-	-
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	-	-
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	167,481	178,780
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	-	-
181	851 System Control and Load Dispatching	-	-
182	852 Communication System Expenses	-	-
183	853 Compressor Station Labor and Expenses	-	-
184	854 Gas for Compressor Station Fuel	-	-
185	855 Other Fuel and Power for Compressor Stations	-	-
186	856 Mains Expenses	-	-
187	857 Measuring and Regulating Station Expenses	-	-
188	858 Transmission and Compression of Gas by Others	-	-
189	859 Other Expenses	-	-
190	860 Rents	-	-
191	TOTAL Operation (Enter Total of lines 180 thru 190)	-	-

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering	-	-
194	862 Maintenance of Structures and Improvements	-	-
195	863 Maintenance of Mains	-	-
196	864 Maintenance of Compressor Station Equipment	-	-
197	865 Maintenance of Measuring and Reg. Station Equipment	-	-
198	866 Maintenance of Communication Equipment	-	-
199	867 Maintenance of Other Equipment	-	-
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	-	-
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	-	-
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	250,266	228,281
205	871 Distribution Load Dispatching	-	-
206	872 Compressor Station Labor and Expenses	-	-
207	873 Compressor Station Fuel and Power	-	-
208	874 Mains and Services Expenses	602,123	572,145
209	875 Measuring and Regulating Station Expenses-General	37,824	91,449
210	876 Measuring and Regulating Station Expenses-Industrial	5,474	1,497
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	98,371	65,412
212	878 Meter and House Regulator Expenses	223,023	625,492
213	879 Customer Installations Expenses	618,505	538,010
214	880 Other Expenses	507,407	554,353
215	881 Rents	8,207	7,911
216	TOTAL Operation (Enter Total of lines 204 thru 215)	2,351,200	2,684,549
217	Maintenance		
218	885 Maintenance Supervision and Engineering	89,242	11,989
219	886 Maintenance of Structures and Improvements	-	-
220	887 Maintenance of Mains	528,819	187,300
221	888 Maintenance of Compressor Station Equipment	-	-
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	109,650	68,814
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	66,219	117,759
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	46,084	13,090
225	892 Maintenance of Services	330,592	260,467
226	893 Maintenance of Meters and House Regulators	292,701	276,775
227	894 Maintenance of Other Equipment	73,821	8,861
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	1,537,128	945,055
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	3,888,328	3,629,604
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	123,098	100,364
233	902 Meter Reading Expenses	219,522	144,938
234	903 Customer Records and Collection Expenses	1,485,634	1,295,628
235	904 Uncollectible Accounts	347,655	394,139
236	905 Miscellaneous Customer Accounts Expenses	27,200	30,151
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	2,203,108	1,965,220

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	December 31, 2010

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	-	-
241	908 Customer Assistance Expenses	2,945,406	1,770,146
242	909 Informational and Instructional Expenses	191,420	9,671
243	910 Miscellaneous Customer Service and Informational Expenses	35,080	30,426
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	3,171,906	1,810,243
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	-	-
248	912 Demonstrating and Selling Expenses	(2,342)	137,142
249	913 Advertising Expenses	94	24,186
250	916 Miscellaneous Sales Expenses	9,665	13
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	7,417	161,340
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	2,044,467	1,706,522
255	921 Office Supplies and Expenses	338,783	331,787
256	(Less) (922) Administrative Expenses Transferred-Cr.	(9,853)	(8,395)
257	923 Outside Services Employed	1,249,551	973,034
258	924 Property Insurance	95,149	77,466
259	925 Injuries and Damages	356,212	406,250
260	926 Employee Pensions and Benefits	60,784	57,688
261	927 Franchise Requirements	-	-
262	928 Regulartory Commission Expenses	357,242	398,134
263	(Less) (929) Duplicate Charges-Cr.	-	-
264	930.1 General Advertising Expenses	17,000	-
265	930.2 Miscellaneous General Expenses	277,939	308,157
266	931 Rents	63,554	48,005
267	TOTAL Operation (Enter Total of lines 254 thru 266)	4,850,828	4,298,648
268	Maintenance		
269	935 Maintenance of General Plant	549,708	591,077
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	5,400,536	4,889,725
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	99,606,236	146,033,932

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special constrction personnel, include such employees on line 3, and show the number of such special construction employees in a foonote.

3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

1. Payroll Period Ended (Date) December 31, 2010		
2. Total Regular Full-Time Employees	24	24
3. Total Part-Time and Temporary Employees allocation of General Employees	124	120
4. Total Employees	148	144

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

DISTRIBUTION MAINS

Show Particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel Wrapped	Less than 2"	1,772,987		6,785	1,766,202
2	Steel Wrapped	2" to 4"	638,901		692	638,209
3	Steel Wrapped	4" to 8"	385,482		538	384,944
4	Steel Wrapped	8" to 12"	4,588			4,588
5	Steel Wrapped	Over 12"	0			0
6						
7						
8	Plastic	Less than 2"	5,423,030	38,359		5,461,389
9	Plastic	2" to 4"	1,491,352	3,189		1,494,541
10	Plastic	4" to 8"	546,855	8,363		555,218
11	Plastic	8" to 12"	0			0
12	Plastic	Over 12"	0			0
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	TOTALS		10,263,195	49,911	8,015	10,305,091

State of Idaho

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	4/15/2011	12/31/2010

SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of the year.

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	12,259		541	11,718	Not Available
2	Steel Wrapped	1" thru 2"	207			207	
3	Steel Wrapped	2" thru 4"	8			8	
4	Steel Wrapped	4" thru 8"	1			1	
5	Steel Wrapped	Over 8"	0			0	
6	Steel Wrapped	Unknown	0	448		448	
7							
8	Plastic	1' or Less	57,413		2,004	55,409	
9	Plastic	1" thru 2"	250	4		254	
10	Plastic	2" thru 4"	10			10	
11	Plastic	4" thru 8"	2			2	
12	Plastic	Over 8"	0			0	
13	Plastic	Unknown	0	2,773		2,773	
14	Other	Unknown	207		20	187	
15							
16							
17	TOTALS		70,357	3,225	2,565	71,017	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 15, 2011	Dec. 31, 2010

CUSTOMER'S METERS

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	Owned Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	Owned End of Year (h)
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				74,722	569		75,291

Name of Respon	ThisReportIs: An original	Date of Report		Year/Period of Report
Avista	(1)An Original (Mo,Da,Yr)		15-Apr-11	2010
	(2)A resubmission			End of

Gas Account-Natural Gas - Idaho

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column© the year to date Dth as reported in the schedules indicated for the item so f receipts and deliveries.
4. Enter in column(d) the respective quarter's Dth as reported in the schedules indicated for the item so f receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7.Indicate by foot note the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing(1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline(2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No.3 relate.
9. Indicate in a footnote(1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Addadditional information as necessary to the foot notes.

Line No.	Item (a)	Ref. Page No. of FERC Form Nos.2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01NameofSystem:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		19,632,637	4,901,145
4	Gas of Others Received for Gathering (Account489.1)	303	-	-
5	Gas of Others Received for Transmission (Account489.2)	305	-	-
6	Gas of Others Received for Distribution (Account489.3)	301	4,082,961	1,186,340
7	Gas of Others Received for Contract Storage (Account489.4)	307	-	-
8	Exchanged Gas Received from Others (Account806)	328	-	-
9	Gas Received as Imbalances (Account806)	328	22,213	(23,733)
10	Receipts of Respondent's Gas Transported by Others (Accoun	332		
11	Other Gas Withdrawn from Storage (Explain) *		-	386,656
12	Gas Received from Shippers as Compressor Station Fuel		-	-
13	Gas Received from Shippers as Lost and Unaccounted for		-	-
14				
15	Total Receipts (Total of lines 3 thru 14)		23,737,812	6,450,408
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		19,001,109.38	5,073,775.27
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	-	-
19	Deliveries of Gas Transported for Others (Account 489.2)	305	-	-
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,082,961	1,186,340
21	Deliveries of Contract Storage Gas (Account 489.4)	307	-	-
22	Exchange Gas Delivered to Others (Account 806)	328	-	-
23	Gas Delivered as Imbalances (Account 806)	328	-	-
24	Deliveries of Gas to Others for Transportation (Account 858)	332	-	-
25	Other Gas Delivered to Storage (Explain) *		69,009	-
26	GasUsed for Compressor Station Fuel	509	584,732	190,293
27				
28	Total Deliveries (Total of lines 17 thru 27)		23,737,812	6,450,408
29	GAS UNACCOUNTED FOR			
30	Production System Losses		-	-
31	Gathering System Losses		-	-
32	Transmission System Losses		-	-
33	Distribution System Losses		-	-
34	Storage System Losses		-	-
35				
36	Total Unaccounted For (Total of lines 30 thru 35)		-	-
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		23,737,812	6,450,408

*represents net gas withdrawals and injections

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