

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

AVU-G

Form 2 Approved
 OMB No.1902-0028
 (Expires 10/31/2014)
 Form 3-Q Approved
 OMB No.1902-0205
 (Expires 05/31/2014)



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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) Avista Corporation	Year/Period of Report End of <u>2011/Q4</u>
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QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

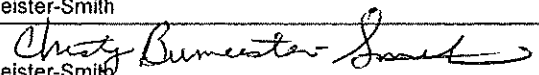
IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation		Year/Period of Report End of <u>2011/Q4</u>	
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) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/13/2012

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 04/13/2012	

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) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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."

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12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
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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."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
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72	Shipper Supplied Gas for the Current Quarter	521		N/A
73	System Map	522		N/A
74	Footnote Reference	551		
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76	Stockholder's Reports (check appropriate box)			
	<input checked="" type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

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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) No

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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

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	Ecova, Inc. (fka Advantage IQ, Inc.)	I	Provides utility bill processing services	79	Not used
3					
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	Inactive	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					
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	85	Not used
19	Courtyard Office Center, LLC	I	Commercial office and retail leasing	100	Not used
20	Steam Plant Brew Pub, LLC	I	Restaurant operations	85	Not used
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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: 12/01/2011	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. Total: 57482848 By Proxy: 57482848	3. Give the date and place of such meeting: May 12, 2011 Spokane, Washington
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		4. Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	51,824,631	51,824,631		
6	TOTAL number of security holders	11,050	11,050		
7	TOTAL votes of security holders listed below	515,501	515,501		
8	Gary Ely, Liberty Lake, WA	190,243	190,243		
9	DBH Properties L P Coeur d'Alene, ID	77,646	77,646		
10	Gary Gail Ely, Liberty Lake, WA	65,218	65,218		
11	Margaret Anne Brosnan, Fairlawn, OH	55,000	55,000		
12	Jack W Gustavel, Coeur d'Alene, ID	35,569	35,569		
13	John F. Kelly, Coral Gables, FL	21,280	21,280		
14	Noel Consulting Company Inc, Prescott, AZ	19,502	19,502		
15	Frederick W Schott Tr, Santa Monica, CA	18,649	18,649		
16	Thomas A Lowe & Kathleen, Satellite Bch, FL	16,432	16,432		
17	Edmund M Reeck Tr UA Jun 16 98, Salem, OR	15,962	15,962		
18					
19					
20					

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FOOTNOTE DATA			

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

To pay the December 15, 2011 dividend.

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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. In February 2011, Avista Corp. entered into a new committed line of credit with various financial institutions 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. In December 2011, this committed line of credit was amended to extend the expiration date to February 2017 and revise the pricing terms.

The committed line of credit is 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 line of credit. At December 31, 2011, the Company had borrowed \$61.0 million under this committed line of credit and there were \$29.0 million of letters of credit outstanding.

The new committed line of credit was approved by regulatory commissions as follows: WUTC (Docket No. UE-101544 Order 01) IPUC (Case No. AVU-U-10-01 Order No. 32096) and the OPUC (Docket UF 4265 Order No. 10-370).

In December 2011, the Company issued \$85.0 million of 4.45 percent First Mortgage Bonds due in

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2041. The debt issuance was approved by regulatory commissions as follows: WUTC (Docket No. U-111176 Order 02) IPUC (Case No. AVU-U-11-01 Order No. 32338) and the OPUC (Docket UF 4269 Order No. 11-334).

7. On May 12, 2011, the shareholders of Avista Corp. approved an amendment of the Company's Restated Articles of Incorporation and Bylaws to provide for the annual election of the Board of Directors. Previously, under Article FIFTH fo the Articles of Incorporation, the Board was divided into three classes, which is referred to as a classified or staggered board. Each year, the shareholders would elect one class (approximately one-third of the Board) for a term of three years. The Bylaws contained a similar provision.

On August 12, 2011, the Board of Directors of Avista Avista Corp. amended the Company's Bylaws.

Amendments to Section 2 of Article II Regarding Special Meetings

Section 2 of Article II of the Bylaws has been amended to identify specific information required to be included in a shareholder's demand for a special meeting. This includes information as to the shareholder making the demand, any individual to be nominated for director, and/or other business to be conducted at the special meeting. The amendments also provide details as to aggregation of shareholder demands and specifications as to the time of the special meeting.

Amendments to Section 11 of Article II Regarding Business to be Conducted at Meetings of Shareholders

Prior to the amendments, the Bylaws provided the right for a shareholder to nominate a candidate for director (in Section 13 of Article III) and/or to bring other business at a shareholder meeting (in Section 11 of Article II). The amendments to Section 11 of Article II (1) consolidate into Section 11 provisions relating to both the nomination of directors and the proposal of other business and (2) refine the procedures to be followed and add to the information to be provided by the shareholder in order for a shareholder to nominate a director or bring other business before a shareholder meeting.

The amendments clarify that only shareholders of record both as of the time of the shareholder notice and as of the time of the meeting are eligible to make nominations or bring other business before the meeting. A shareholder notice must be updated and supplemented by the shareholder to be true and correct as of the record date and continuously thereafter.

A shareholder notice must contain additional information, including information as to:

- Shareholder associated persons, including affiliates of, and persons acting in concert with, the shareholder;
- Nominee associated persons, including affiliates of, and persons acting in concert with, the nominee;
- Purchases and sales by the shareholder of the Company's stock during the 24-month period preceding the shareholder notice;
- Derivative transactions entered into by the shareholder or the nominee or any shareholder or nominee

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Important Changes During the Quarter/Year			

associated persons;

- Agreements, arrangements or understandings between or among the shareholder, any shareholder associated person or any other person that relates to the proposed business or proposal; and
- Additional information about a shareholder's nominee, including (i) the nominee's occupation, (ii) the number of shares owned by the nominee and any nominee associated person as well as any derivative transactions; and (iii) any related person transactions between the nominating shareholder and shareholder associated persons, and the nominee and nominee associated persons.

A shareholder proposing to nominate an individual for election as a director must submit a questionnaire (similar to the Company's directors' and officers' questionnaire) completed and signed by the nominee, which also includes representations by the nominee concerning (i) the absence of certain voting commitments and compensation or indemnification arrangements and (ii) the nominee's compliance with applicable law and Company policies.

Proposed business will not be transacted and proposed nominations will not be made if the shareholder (or qualified representative) does not appear at the meeting and satisfy the other requirements of the Bylaws.

The new procedures and information requirements apply to any nomination to be made at, or other business to be brought before, a shareholder meeting, including any proposal that is to be included in the Company's Proxy Statement pursuant to the SEC's Rule 14a-8.

Amendment to Section 2 of Article III Regarding Number, Tenure and Eligibility

Section 2 of Article III of the Bylaws has been changed to increase the age limit for persons who may be elected or re-elected as a director. Previously, the age limit was 70; it has been changed to 72.

Amendments to Sections 9 and 11 of Article III Regarding Vacancies and Removal

Amendments were made to Sections 9 and 11 of Article III to reflect the Company's decision (as approved by shareholders at the 2011 Annual Meeting of Shareholders) to eliminate classification of the Board of Directors and provide for the annual election of the Board of Directors.

In addition, Section 9 of Article III, which relates to the filling of vacancies on the Board of Directors, and Section 11 of Article III, which relates to the removal of directors, were amended to conform to the amendments to Article FIFTH of the Company's Restated Articles of Incorporation as approved at the 2011 Annual Meeting of Shareholders.

Removal of previous Section 13 of Article III Regarding Nomination of Directors

Provisions with respect to the nomination of directors are now included in Section 11 of Article II. As such, previous Section 13 of Article III has been removed from the Bylaws and previous Section 14 has been renumbered as Section 13.

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8. Average annual wage increases were 1.9% for non-exempt employees effective February 28, 2011. Average annual wage increases were 2.5% for exempt employees effective February 28, 2011. Officers received average increases of 3.6% effective February 28, 2011. Certain bargaining unit employees received increases of 3.0% effective March 26, 2011.

9. Reference is made to Note 17 of the Notes to Financial Statements.

10. None

11. Reference is made to Note 19 of the Notes to Financial Statements.

12. In April 2011, Avista Corp. appointed Roger Woodworth as Vice President and Chief Strategy Officer. Mr. Woodworth was previously Vice President of Customer Solutions. Don Kopczynski was appointed as Vice President of Customer Solutions and Jason Thackston as Vice President of Energy Delivery. Mr. Kopczynski was previously Vice President of Energy Delivery and Mr. Thackston was previously Vice President of Finance.

On May 13, 2011, the Board of Directors of Avista Corporation (Avista Corp. or the Company) decided to increase the number of board members from 9 to 11 and elected Donald C. Burke and Rick R. Holley to fill the two vacancies and serve as directors on the board effective August 1, 2011.

13. Proprietary capital is not less than 30 percent.

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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	3,876,924,839	3,707,841,308
3	Construction Work in Progress (107)	200-201	78,182,230	60,766,153
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,955,107,069	3,768,607,461
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,333,212,160	1,284,830,029
6	Net Utility Plant (Total of line 4 less 5)		2,621,894,909	2,483,777,432
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)		2,621,894,909	2,483,777,432
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	6,992,076	2,577,031
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)		6,021,869	5,403,010
18	(Less) Accum. Provision for Depreciation and Amortization (122)		915,043	908,291
19	Investments in Associated Companies (123)	222-223	12,047,000	12,047,000
20	Investments in Subsidiary Companies (123.1)	224-225	71,971,368	77,733,569
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	18,889,385	21,346,632
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		13,288,292	12,397,507
28	Long-Term Portion of Derivative Assets (175)		184,929	15,260,734
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		121,487,800	143,280,161
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		945,496	1,722,379
33	Special Deposits (132-134)		22,215,906	7,981,895
34	Working Funds (135)		861,010	762,784
35	Temporary Cash Investments (136)	222-223	60,913	17,455,810
36	Notes Receivable (141)		283,666	226,712
37	Customer Accounts Receivable (142)		173,557,636	197,906,612
38	Other Accounts Receivable (143)		7,943,467	8,919,486
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		4,498,489	3,846,839
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		29,252	211,095
42	Fuel Stock (151)		4,248,389	6,288,853
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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)		21,746,205	23,335,143
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	0
52	Gas Stored Underground-Current (164.1)	220	23,609,470	17,242,935
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	16,554,560	10,754,149
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		85,059	0
57	Rents Receivable (172)		1,568,627	1,488,593
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		254,324	213,064
60	Derivative Instrument Assets (175)		1,323,663	17,852,716
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		184,929	15,260,734
62	Derivative Instrument Assets - Hedges (176)		32,408	243,221
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		270,636,633	293,497,874
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		14,332,877	12,854,887
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	524,250,326	429,832,794
70	Preliminary Survey and Investigation Charges (Electric)(183)		4,180,937	3,946,461
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	34,001,379	17,414,947
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)		23,830,734	25,454,075
78	Accumulated Deferred Income Taxes (190)	234-235	153,408,420	119,988,040
79	Unrecovered Purchased Gas Costs (191)		(12,140,283)	(22,074,295)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		741,864,390	587,416,909
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,762,875,808	3,510,549,407

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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	832,413,930	805,656,943
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	11,686,949	15,798,128
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	(11,086,811)	(6,137,359)
11	Retained Earnings (215, 215.1, 216)	118-119	364,536,285	326,861,303
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(28,386,302)	(24,343,433)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(5,636,826)	(4,325,953)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,185,700,847	1,125,784,347
16	LONG TERM DEBT			
17	Bonds (221)	256-257	1,257,171,208	1,098,148,636
18	(Less) Reacquired Bonds (222)	256-257	83,700,000	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	213,200	222,084
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	1,838,814	2,013,529
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,223,392,594	1,147,904,191
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		4,749,777	4,974,661
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		3,235,000	2,684,975
29	Accumulated Provision for Pensions and Benefits (228.3)		246,176,609	161,188,441
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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		40,530,269	30,984,511
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		2,641,867	52,706
34	Asset Retirement Obligations (230)		3,512,818	3,887,409
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		300,846,340	203,772,703
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		61,000,000	110,000,000
39	Accounts Payable (232)		98,160,779	121,798,025
40	Notes Payable to Associated Companies (233)		1,866,383	7,374,317
41	Accounts Payable to Associated Companies (234)		709,883	866,285
42	Customer Deposits (235)		8,868,640	7,958,557
43	Taxes Accrued (236)	262-263	8,292,344	(397,450)
44	Interest Accrued (237)		11,797,709	11,290,059
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)		104,101	32,330
49	Miscellaneous Current and Accrued Liabilities (242)	268	55,333,088	52,383,017
50	Obligations Under Capital Leases-Current (243)		224,884	195,575
51	Derivative Instrument Liabilities (244)		111,353,644	82,467,564
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		40,530,269	30,984,511
53	Derivative Instrument Liabilities - Hedges (245)		18,895,143	58,584
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		2,641,867	52,705
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		333,434,462	362,989,647
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		947,213	1,089,208
58	Accumulated Deferred Investment Tax Credits (255)		10,400,886	7,842,362
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	26,584,147	17,050,733
61	Other Regulatory Liabilities (254)	278	20,939,852	31,545,561
62	Unamortized Gain on Reacquired Debt (257)	260	2,484,655	2,655,731
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		398,500,293	369,622,132
65	Accumulated Deferred Income Taxes - Other (283)		259,644,519	240,292,792
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		719,501,565	670,098,519
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,762,875,808	3,510,549,407

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 column in 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 purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders 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 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 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	1,617,162,384	1,602,043,842	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,169,781,694	1,175,254,102	0	0
5	Maintenance Expenses (402)	317-325	57,411,515	48,270,264	0	0
6	Depreciation Expense (403)	336-338	96,771,421	92,936,677	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	11,307,561	10,067,620	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)		3,529,991	919,134	0	0
13	(Less) Regulatory Credits (407.4)		19,872,716	11,804,920	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	83,348,911	73,392,440	0	0
15	Income Taxes-Federal (409.1)	262-263	23,554,951	10,616,573	0	0
16	Income Taxes-Other (409.1)	262-263	1,264,963	469,639	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	29,793,186	41,454,197	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	2,475,028	1,521,709	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		2,458,952	(177,672)	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)		1,456,974,448	1,439,975,392	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		160,187,936	162,068,450	0	0

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	1,053,850,680	1,069,954,147	563,311,704	532,089,695	0	0
3						
4	702,686,156	724,521,516	467,095,538	450,732,586	0	0
5	47,524,279	39,000,254	9,887,236	9,270,010	0	0
6	78,744,936	75,862,701	18,026,485	17,073,976	0	0
7	0	0	0	0	0	0
8	9,015,875	8,110,496	2,291,686	1,957,124	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	3,366,279	(1,799,835)	163,712	2,718,969	0	0
13	17,238,278	9,787,351	2,634,438	2,017,569	0	0
14	61,363,417	54,037,916	21,985,494	19,354,524	0	0
15	23,647,758	22,733,087	(92,807)	(12,116,514)	0	0
16	922,947	686,110	342,016	(216,471)	0	0
17	17,702,120	22,478,586	12,091,066	18,975,611	0	0
18	2,793,831	1,625,776	(318,803)	(104,067)	0	0
19	2,502,656	(131,436)	(43,704)	(46,236)	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	927,543,361	934,185,315	529,431,087	505,790,077	0	0
26	126,307,319	135,768,832	33,880,617	26,299,618	0	0

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)		160,187,936	162,068,450	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)		(21,355)	(10,997)	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		6,836,563	5,458,722	0	0
35	Nonoperating Rental Income (418)		(2,731)	(119,784)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	9,971,326	6,092,992	0	0
37	Interest and Dividend Income (419)		1,293,357	1,800,338	0	0
38	Allowance for Other Funds Used During Construction (419.1)		2,224,987	3,352,964	0	0
39	Miscellaneous Nonoperating Income (421)		0	0	0	0
40	Gain on Disposition of Property (421.1)		31,120	402,632	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		6,660,141	6,059,423	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	3,938	0	0
44	Miscellaneous Amortization (425)		304,717	1,110,572	0	0
45	Donations (426.1)	340	2,143,177	4,164,132	0	0
46	Life Insurance (426.2)		2,253,671	2,236,551	0	0
47	Penalties (426.3)		281,762	287,129	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,186,022	1,167,774	0	0
49	Other Deductions (426.5)		407,223	776,184	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	6,576,572	9,746,280	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	(2,275)	(9,752)	0	0
53	Income Taxes-Federal (409.2)	262-263	(962,923)	1,419,985	0	0
54	Income Taxes-Other (409.2)	262-263	(349,700)	(188,221)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	40,666	(1,578,031)	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	4,710,550	4,255,497	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)		(5,984,782)	(4,611,516)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		6,068,351	924,659	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		61,400,721	63,349,463	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	604,805	893,123	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		4,021,281	3,530,313	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	(26,307)	883,444	0	0
68	Other Interest Expense (431)	340	2,983,099	2,219,100	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		2,942,302	298,141	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		66,032,414	70,568,419	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		100,223,873	92,424,690	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)		100,223,873	92,424,690	0	0

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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Statement of Accumulated Comprehensive Income and Hedging Activities

- Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
- Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
- 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		(2,350,286)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		(1,975,667)		
4	Total (lines 2 and 3)		(1,975,667)		
5	Balance of Account 219 at End of Preceding Quarter/Year		(4,325,953)		
6	Balance of Account 219 at Beginning of Current Year		(4,325,953)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value	134,046	(1,444,919)		
9	Total (lines 7 and 8)	134,046	(1,444,919)		
10	Balance of Account 219 at End of Current Quarter/Year	134,046	(5,770,872)		

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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			(2,350,286)		
2					
3			(1,975,667)		
4			(1,975,667)	92,424,690	90,449,023
5			(4,325,953)		
6			(4,325,953)		
7					
8			(1,310,873)		
9			(1,310,873)	100,223,872	98,912,999
10			(5,636,826)		

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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		325,313,182	294,314,125
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (Dividends)		10,509,950	
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		90,252,547	86,331,688
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)		63,736,956	55,682,184
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		649,441	349,553
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		362,988,164	325,313,182
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		364,536,285	326,861,303
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(24,343,433)	(20,871,863)
23	Equity in Earnings for Year (Credit) (Account 418.1)		9,971,326	6,092,992
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)		(14,014,195)	(9,564,562)
26	Balance-End of Year		(28,386,302)	(24,343,433)

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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)	100,223,872	92,424,690
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	105,727,999	103,004,297
5	Amortization of deferred power and gas costs, debt expense and exchange power	28,936,761	(2,930,466)
6	Deferred Income Taxes (Net)	21,115,803	36,084,184
7	Investment Tax Credit Adjustments (Net)	2,558,524	2,209,854
8	Net (Increase) Decrease in Receivables	3,428,347	(11,666,672)
9	Net (Increase) Decrease in Inventory	(2,737,133)	(11,466,814)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(1,250,437)	(1,486,305)
12	Net (Increase) Decrease in Other Regulatory Assets	10,565,705	5,858,734
13	Net Increase (Decrease) in Other Regulatory Liabilities	(11,754,169)	(4,654,996)
14	(Less) Allowance for Other Funds Used During Construction	2,224,987	3,352,964
15	(Less) Undistributed Earnings from Subsidiary Companies	9,971,326	6,092,992
16	Other (footnote details):	(15,854,101)	(10,427,541)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	228,764,858	187,503,009
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(240,025,802)	(206,800,158)
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)	(240,025,802)	(206,800,158)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		592,582
32	Federal grant payments received	16,927,752	7,585,367
33	Investments in and Advances to Assoc. and Subsidiary Companies	(5,482,493)	
34	Contributions and Advances from Assoc. and Subsidiary Companies		523,909
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)		

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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	(1,754,160)	(1,588,956)
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(230,334,703)	(199,687,256)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	85,000,000	136,365,000
54	Preferred Stock		
55	Common Stock	26,462,920	46,235,329
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		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	111,462,920	205,600,329
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(195,575)	(110,129,764)
63	Preferred Stock		
64	Common Stock		
65	Other	(15,034,097)	(916,100)
66	Net Decrease in Short-Term Debt (c)	(49,000,000)	
67	Premium paid to repurchase long-term debt		(10,710,164)
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(63,736,957)	(55,682,184)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(16,503,709)	28,162,117
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(18,073,554)	15,977,870
75			
76	Cash and Cash Equivalents at Beginning of Period	19,940,973	3,963,103
77			
78	Cash and Cash Equivalents at End of Period	1,867,419	19,940,973

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FOOTNOTE DATA			

Schedule Page: 120 Line No.: 65 Column: b

Settlement of interest rate swap agreement	(10,557,000)
Long-term debt and short-term borrowing issuance costs	(4,477,097)

Schedule Page: 120 Line No.: 65 Column: c

Long-term debt and short-term borrowing issuance costs	
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Schedule Page: 120 Line No.: 16 Column: b

Power and natural gas deferrals	193,076
Change in special deposits	(14,234,011)
Change in other current assets	(5,795,951)
Non-cash stock compensation	4,147,207
Changes in other non-current assets/liabilities	(816,070)
Net change in receivables allowance	651,650

Schedule Page: 120 Line No.: 16 Column: c

Power and natural gas deferrals	1,383,294
Change in special deposits	(6,351,572)
Change in other current assets	(1,508,851)
Non-cash stock compensation	3,602,646
Gain on sale of assets	(122,377)
Changes in other non-current assets/liabilities	(7,567,021)
Net change in receivables allowance	136,069

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Notes to Financial Statements			

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 (Spokane Energy). Avista Capital's subsidiaries include Ecova, Inc. (Ecova), formerly Advantage IQ, Inc. (Advantage IQ), a 79.2 percent owned subsidiary as of December 31, 2011. Ecova is a provider of energy efficiency and other facility information and cost management programs and services for multi-site customers and utilities

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Notes to Financial Statements			

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 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 its 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):

	2011	2010
Unbilled accounts receivable	\$82,950	\$84,073

Advertising Expenses

The Company expenses advertising costs as incurred. Advertising expenses were not a material portion of the Company's operating expenses in 2011 and 2010.

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:

2011	2010

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Ratio of depreciation to average depreciable property 2.92% 2.84%

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

- electric thermal production - 33 years,
- hydroelectric production - 74 years,
- electric transmission - 51 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):

	2011	2010
Utility taxes	\$55,739	\$49,953

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 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:

	2011	2010
Effective AFUDC rate	7.91%	8.25% (1)

(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 and recorded over the requisite service period. See Note 16 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.

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Derivative Assets and Liabilities

Derivatives are recorded as either assets or liabilities on the Balance Sheets 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 Washington Utilities and Transportation Commission (WUTC) and the Idaho Public Utilities Commission (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.

Fair Value Measurements

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. 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. See Note 14 for the Company's fair value disclosures.

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 19 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 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 Recquired Debt

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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.

Contingencies

The Company has unresolved regulatory, legal and tax issues which have inherently uncertain outcomes. The Company accrues a loss contingency if it is probable that a liability has been incurred and the amount of the loss or impairment can be reasonably estimated. The Company also discloses losses that do not meet these conditions for accrual, if there is a reasonable possibility that a loss may be incurred.

NOTE 2. NEW ACCOUNTING STANDARDS

In May 2011, the Financial Accounting Standards Board (FASB) issued ASU No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU will require enhanced disclosures for fair value measurements, including quantitative sensitivity analysis of unobservable inputs used in Level 3 fair value measurements. The ASU also clarifies the FASB's intent about the application of existing fair value measurement requirements. The Company will be required to adopt this ASU effective January 1, 2012. The Company does not expect that this ASU will have material impact on its financial condition, results of operations and cash flows.

NOTE 3. ECOVA ACQUISITIONS

The acquisition of Cadence Network in July 2008 was funded with the issuance of Ecova (formerly Advantage IQ) common stock. Under the transaction agreement, the previous owners of Cadence Network can exercise a right to have their shares of Ecova common stock redeemed during July 2011 or July 2012 if Ecova is not liquidated through either an initial public offering or sale of the business to a third party. These rights were not exercised during July 2011. These redemption rights expire July 31, 2012. The redemption price would be determined based on the fair market value of Ecova at the time of the redemption election as determined by certain independent parties. Additionally, certain minority shareholders and option holders of Ecova have the right to put their shares back to Ecova at their discretion.

On December 31, 2010, Ecova acquired substantially all of the assets and liabilities of The Loyaltan Group (Loyalton), a Minneapolis-based energy management firm providing energy procurement and price risk management solutions.

In January 2011, Ecova acquired substantially all of the assets and liabilities of Building Knowledge Networks, LLC (BKN), a Seattle-based real-time building energy management services provider.

On November 30, 2011, Ecova acquired all of the capital stock of Prenova, Inc. (Prenova), an Atlanta-based energy management company.

In January 2012, Ecova acquired all of the capital stock of LPB Energy Management (LPB), a Dallas, Texas-based energy management company.

NOTE 4. 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 members of management. The Audit Committee of the Company's Board of Directors periodically reviews and discusses enterprise risk management processes, and it focuses on the Company's material financial and accounting risk exposures and the steps

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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 30 minutes up to multiple years.

Avista Corp. makes continuing projections of:

- electric loads at various points in time (ranging from 30 minutes 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 including natural gas storage availability. Natural gas resource planning typically includes peak requirements, low and average monthly requirements and delivery constraints from natural gas supply locations to Avista Corp.'s distribution system. 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 purchases and sales of natural gas to optimize use of storage capacity.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2011 that are expected to settle in each respective year (in thousands of MWhs and mmBTUs):

Year	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs
2012	1,021	2,181	39,547	78,575	613	1,398	4,261	71,913
2013	398	1,874	11,742	61,357	254	1,781	1,532	52,817
2014	366	30	5,562	22,328	286	737	1,050	8,900
2015	379	-	2,635	1,502	286	-	-	-
2016	367	-	910	227	287	-	-	-
Thereafter	949	-	-	-	730	-	-	-

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

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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):

	2011	2010
Number of contracts	28	29
Notional amount (in United States dollars)	\$7,033	\$10,916
Notional amount (in Canadian dollars)	7,192	10,989
Derivatives amount	32	116

Interest Rate Swap Agreements

Avista Corp. hedges a portion of its interest rate risk with financial derivative instruments, which may include interest rate swaps and U.S. Treasury lock agreements. These interest rate swap agreements are considered economic hedges against fluctuations in future cash flows associated with anticipated debt issuances. The following table summarizes the interest rate swaps that the Company has entered into as of December 31 (dollars in thousands):

	2011	2010
Number of contracts	3	2
Notional amount	\$75,000	\$50,000
Mandatory cash settlement date	July 2012	July 2012
Number of contracts	2	-
Notional amount	\$85,000	-
Mandatory cash settlement date	June 2013	-
Derivative asset	-	127
Derivative liability	(18,895)	(53)

In September 2011, the Company cash settled interest rate swap contracts (notional amount of \$85.0 million) and paid a total of \$10.6 million. The interest rate swap contracts were entered during the third quarter of 2011 and were settled in connection with the pricing of \$85.0 million of First Mortgage Bonds (see Note 11). Upon settlement of the interest rate swaps, the regulatory asset or liability (included as part of long-term debt) is 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, 2011 (in thousands):

Derivative	Balance Sheet Location	Fair Value		Net Asset (Liability)
		Asset	Liability	
Foreign currency contracts	Derivative instrument assets - Hedges	\$ 32	\$ -	\$ 32
Interest rate contracts	Derivative instrument liabilities - Hedges	-	(16,253)	(16,253)
Interest rate contracts	Long-term portion of derivative instrument liabilities - Hedges	-	(2,642)	(2,642)
Commodity contracts	Derivative instrument assets current	1,618	(479)	1,139
Commodity contracts	Long-term portion of derivative assets	185	-	185
Commodity contracts	Derivative instrument liabilities current	40,090	(110,914)	(70,824)
Commodity contracts	Long-term portion of derivative instrument liabilities	<u>44,308</u>	<u>(84,838)</u>	<u>(40,530)</u>
Total derivative instruments recorded on the balance sheet		<u>\$86,233</u>	<u>\$(215,126)</u>	<u>\$(128,893)</u>

The following table presents the fair values and locations of derivative instruments recorded on the Balance Sheet as of December 31,

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2010 (in thousands):

Derivative	Balance Sheet Location	Fair Value		Net Asset (Liability)
		Asset	Liability	
Foreign currency contracts	Derivative instrument assets - Hedges	\$ 116	\$ -	\$ 116
Interest rate contracts	Derivative instrument liabilities – 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	<u>1,386</u>	<u>(32,371)</u>	<u>(30,985)</u>
Total derivative instruments recorded on the balance sheet		<u>\$35,105</u>	<u>\$(99,530)</u>	<u>\$(64,425)</u>

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 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 mitigate capital requirements. As of December 31, 2011, the Company had cash deposited as collateral of \$18.2 million and letters of credit of \$18.8 million outstanding related to its energy derivative contracts.

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, 2011 was \$154.9 million. If the credit-risk-related contingent features underlying these agreements were triggered on December 31, 2011, the Company could be required to post \$61.3 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. 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.

Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits are established. Should a counterparty 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 transactions on exchanges with fully collateralized clearing arrangements that significantly reduce counterparty default risk.

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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 and natural gas utilities,
 - electric generators and transmission providers,
 - natural gas producers and pipelines,
- financial institutions including commodity clearing exchanges and related parties, 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 because the counterparties may be similarly affected by changes in conditions.

The Company maintains margin agreements with certain counterparties and margin calls are periodically made and/or received. 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. Negotiating for collateral in the form of cash, letters of credit, or performance guarantees is common industry practice.

NOTE 5. 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):

	2011	2010
Utility plant in service	\$342,539	\$336,796
Accumulated depreciation	(225,746)	(219,770)

NOTE 6. 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):

	2011	2010
Asset retirement obligation at beginning of year	\$3,887	\$3,971

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New liability recognized	-	19
Liability settled	(612)	(460)
Accretion expense	<u>238</u>	<u>357</u>
Asset retirement obligation at end of year	<u>\$3,513</u>	<u>\$3,887</u>

NOTE 7. 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 \$26 million in cash to the pension plan in 2011 and \$21 million in 2010. The Company expects to contribute \$44 million in cash to the pension plan in 2012.

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):

	2012	2013	2014	2015	2016	Total 2017-2021
Expected benefit payments	<u>\$20,484</u>	<u>\$21,899</u>	<u>\$23,189</u>	<u>\$24,759</u>	<u>\$26,100</u>	<u>\$154,146</u>

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.

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 20 years, beginning in 1993.

The Company has 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):

	2012	2013	2014	2015	2016	Total 2017-2021
Expected benefit payments	<u>\$5,277</u>	<u>\$5,390</u>	<u>\$5,523</u>	<u>\$5,735</u>	<u>\$5,946</u>	<u>\$32,231</u>

The Company expects to contribute \$5.3 million to other postretirement benefit plans in 2012, 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, 2011 and 2010 and the components of net periodic benefit costs for the years ended December 31, 2011 and 2010 (dollars in thousands):

	Pension		Other postretirement	
	2011	2010	2011	2010
Change in benefit obligation:				
Benefit obligation as of beginning of year	\$433,491	\$378,235	\$60,339	\$39,560
Service cost	12,936	11,609	1,805	684
Interest cost	24,134	23,231	4,126	2,624
Actuarial loss	44,148	38,547	42,476	21,657

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Transfer of accrued vacation	-	-	450	367
Benefits paid	(20,517)	(18,131)	(4,466)	(4,553)
Benefit obligation as of end of year	<u>\$494,192</u>	<u>\$433,491</u>	<u>\$104,730</u>	<u>\$60,339</u>
Change in plan assets:				
Fair value of plan assets as of beginning of year	\$306,712	\$272,732	\$22,875	\$20,394
Actual return on plan assets	14,705	29,846	(420)	2,481
Employer contributions	26,000	21,000	-	-
Benefits paid	(19,267)	(16,866)	-	-
Fair value of plan assets as of end of year	<u>\$328,150</u>	<u>\$306,712</u>	<u>\$22,455</u>	<u>\$22,875</u>
Funded status	<u>\$(166,042)</u>	<u>\$(126,779)</u>	<u>\$(82,275)</u>	<u>\$(37,464)</u>
Unrecognized net actuarial loss	192,883	149,819	76,187	35,149
Unrecognized prior service cost	665	1,140	(1,005)	(1,154)
Unrecognized net transition obligation	-	-	505	1,011
Prepaid (accrued) benefit cost	27,506	24,180	(6,588)	(2,458)
Additional liability	(193,548)	(150,959)	(75,687)	(35,006)
Accrued benefit liability	<u>\$(166,042)</u>	<u>\$(126,779)</u>	<u>\$(82,275)</u>	<u>\$(37,464)</u>
Accumulated pension benefit obligation	<u>\$429,135</u>	<u>\$377,606</u>	-	-
Accumulated postretirement benefit obligation:				
For retirees			\$39,470	\$27,921
For fully eligible employees			\$29,597	\$15,618
For other participants			\$35,663	\$16,800
Included in accumulated comprehensive loss (income) (net of tax):				
Unrecognized net transition obligation	\$ -	\$ -	\$ 328	\$ 657
Unrecognized prior service cost	433	741	(653)	(750)
Unrecognized net actuarial loss	<u>125,374</u>	<u>97,382</u>	<u>49,522</u>	<u>22,847</u>
Total	125,807	98,123	49,197	22,754
Less regulatory asset	(119,360)	(92,570)	(49,873)	(23,981)
Accumulated other comprehensive loss (income)	<u>\$6,447</u>	<u>\$5,553</u>	<u>\$(676)</u>	<u>\$(1,227)</u>
Weighted average assumptions as of December 31:				
Discount rate for benefit obligation	5.04%	5.69%	4.98%	5.50%
Discount rate for annual expense	5.68%	6.28%	5.53%	6.00%
Expected long-term return on plan assets	7.40%	7.75%	7.00%	7.75%
Rate of compensation increase	4.87%	4.72%		
Medical cost trend pre-age 65 – initial			7.50%	8.00%
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%	8.00%
Medical cost trend post-age 65 – ultimate			6.00%	6.00%
Ultimate medical cost trend year post-age 65			2018	2015

	2011	2010	2011	2010
Components of net periodic benefit cost:				
Service cost	\$12,936	\$11,609	\$1,805	\$ 684
Interest cost	24,134	23,231	4,126	2,624
Expected return on plan assets	(23,115)	(21,381)	(1,601)	(1,581)
Transition obligation recognition	-	-	505	505
Amortization of prior service cost	475	650	(149)	(149)
Net loss recognition	<u>9,493</u>	<u>7,189</u>	<u>3,458</u>	<u>1,379</u>
Net periodic benefit cost	<u>\$23,923</u>	<u>\$21,298</u>	<u>\$8,144</u>	<u>\$3,462</u>

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.

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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:

	2011	2010
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:

- properties are externally appraised on an annual basis by independent appraisers, additional appraisals may be performed as warranted by specific asset or market conditions,
- property valuations are reviewed quarterly and adjusted as necessary, and
- loans are reflected at fair value.

The market-related value of pension plan assets was determined as of December 31, 2011 and 2010.

The following table discloses by level within the fair value hierarchy (refer to Note 14 for a description of the fair value hierarchy) of the pension plan's assets measured and reported as of December 31, 2011 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ -	\$ 7,550	\$ -	\$ 7,550
Mutual funds:				
Fixed income securities	76,486	-	-	76,486
U.S. equity securities	102,790	-	-	102,790
International equity securities	52,241	-	-	52,241
Absolute return (1)	16,121	-	-	16,121
Commodities (2)	6,526	-	-	6,526
Common/collective trusts:				
Fixed income securities	-	27,774	-	27,774
U.S. equity securities	-	12,669	-	12,669
Real estate	-	-	8,598	8,598
Partnership/closely held investments:				
Absolute return (1)	-	-	16,587	16,587
Private equity funds (3)	-	-	808	808

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Total \$254,164 \$47,993 \$25,993 \$328,150

The following table discloses by level within the fair value hierarchy (refer to Note 14 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:				
U.S. equity 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	<u>\$274,352</u>	<u>\$13,653</u>	<u>\$18,707</u>	<u>\$306,712</u>

- (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 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, 2011 (dollars in thousands):

	<u>Common/collective trusts</u>		<u>Partnership/closely held investments</u>	
	<u>Absolute return</u>	<u>Real estate</u>	<u>Absolute return</u>	<u>Private equity funds</u>
Balance, as of January 1, 2011	\$ 95	\$ 423	\$16,917	\$1,272
Realized gains (losses)	(748)	22	-	373
Unrealized gains (losses)	746	1,098	(330)	(218)
Purchases (sales), net	(93)	7,055	-	(619)
Balance, as of December 31, 2011	<u>\$ -</u>	<u>\$8,598</u>	<u>\$16,587</u>	<u>\$808</u>

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):

	<u>Common/collective trusts</u>		<u>Partnership/closely held investments</u>	
	<u>Absolute return</u>	<u>Real estate</u>	<u>Absolute return</u>	<u>Private equity funds</u>
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	<u>\$ 95</u>	<u>\$ 423</u>	<u>\$16,917</u>	<u>\$1,272</u>

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

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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 2011 and 2010.

The market-related value of other postretirement plan assets was determined as of December 31, 2011 and 2010. The following table discloses by level within the fair value hierarchy (refer to Note 14 for a description of the fair value hierarchy) of other postretirement plan assets measured and reported as of December 31, 2011 at fair value (dollars in thousands):

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ -	\$ 86	\$ -	\$ 86
Mutual funds:				
Fixed income securities	8,683	-	-	8,683
U.S. equity securities	7,278	-	-	7,278
International equity securities	4,766	-	-	4,766
U.S. equity securities	1,569	-	-	1,569
Other	73	-	-	73
Total	<u>\$22,369</u>	<u>\$ 86</u>	<u>\$ -</u>	<u>\$22,455</u>

The following table discloses by level within the fair value hierarchy (refer to Note 14 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:				
Fixed income securities	8,320	-	-	8,320
U.S. equity securities	6,986	-	-	6,986
International equity securities	5,572	-	-	5,572
U.S. equity securities	1,785	-	-	1,785
Other	94	-	-	94
Total	<u>\$22,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,875</u>

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, 2011 by \$14.8 million and the service and interest cost by \$0.8 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, 2011 by \$12.3 million and the service and interest cost by \$0.7 million.

The Company has a salary deferral 401(k) plans that is a defined contribution plan and cover 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):

	2011	2010
Employer 401(k) matching contributions	\$5,452	\$4,797

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):

	2011	2010
Deferred compensation assets and liabilities	\$8,653	\$9,285

NOTE 8. ACCOUNTING FOR INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for

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financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards.

As of December 31, 2011, the Company had \$12.4 million of state tax credit carryforwards. State tax credits expire from 2015 to 2025. 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 completed an examination of the Company's 2008, 2009 or 2010 federal income tax returns. 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 2011 or 2010.

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):

	2011	2010
Regulatory assets for deferred income taxes	\$84,576	\$90,025

NOTE 9. 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):

	2011	2010
Utility power resources	\$557,619	\$649,408

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):

	2012	2013	2014	2015	2016	Thereafter	Total
Power resources	\$218,599	\$157,401	\$139,180	\$116,184	\$111,698	\$1,037,268	\$1,780,330
Natural gas resources	<u>134,047</u>	<u>102,923</u>	<u>87,926</u>	<u>72,632</u>	<u>54,475</u>	<u>639,790</u>	<u>1,091,793</u>
Total	<u>\$352,646</u>	<u>\$260,324</u>	<u>\$227,106</u>	<u>\$188,816</u>	<u>\$166,173</u>	<u>\$1,677,058</u>	<u>\$2,872,123</u>

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):

	2012	2013	2014	2015	2016	Thereafter	Total
Contractual obligations	<u>\$29,103</u>	<u>\$30,346</u>	<u>\$30,891</u>	<u>\$28,392</u>	<u>\$32,528</u>	<u>\$246,503</u>	<u>\$397,763</u>

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):

	2011	2010
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PUD contract costs \$10,533 \$8,287

Information as of December 31, 2011 pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					Expira- tion Date
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	
Chelan County PUD: Rocky Reach Project	2.9%	37,000	\$ 2,017	\$ 887	\$ -	2011
Douglas County PUD: Wells Project	3.4%	28,000	2,456	876	3,613	2018
Grant County PUD: Priest Rapids and Wanapum Projects	3.3%	<u>65,800</u>	<u>6,060</u>	<u>2,203</u>	<u>30,263</u>	2055
Totals		<u>130,800</u>	<u>\$10,533</u>	<u>\$3,966</u>	<u>\$33,876</u>	

(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 2011. 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):

	2012	2013	2014	2015	2016	Thereafter	Total
Minimum payments	<u>\$3,337</u>	<u>\$3,332</u>	<u>\$3,305</u>	<u>\$3,195</u>	<u>\$3,106</u>	<u>\$44,835</u>	<u>\$61,110</u>

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

NOTE 10. NOTES PAYABLE

In February 2011, Avista Corp. entered into a new committed line of credit with various financial institutions 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. In December 2011, this committed line of credit was amended to extend the expiration date to February 2017 and revise the pricing terms.

The committed line of credit is 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 line of credit.

The committed line of credit agreement contains customary covenants and default provisions. The credit agreement has a covenant which does not permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 65 percent at any time. As of December 31, 2011, the Company was in compliance with this covenant.

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 December 31 (dollars in thousands):

	2011	2010
Balance outstanding at end of period	\$61,000	\$110,000
Letters of credit outstanding at end of period	\$29,030	\$ 27,126
Average interest rate at end of period	1.12%	0.57%

NOTE 11. BONDS

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

Maturity Year	Description	Interest Rate	2011	2010
2012	Secured Medium-Term Notes	7.37%	\$ 7,000	\$ 7,000
2013	First Mortgage Bonds	1.68%	50,000	50,000

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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	3.89%	52,000	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 (1)	(1)	66,700	66,700
2034	Secured Pollution Control Bonds (2)	(2)	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	5.55%	35,000	35,000
2041	First Mortgage Bonds (3)	4.45%	85,000	-
	Total secured long-term debt		1,263,700	1,178,700
2023	Unsecured Pollution Control Bonds	6.00%	4,100	4,100
	Settled interest rate swaps		(10,629)	(951)
	Secured Pollution Control Bonds held by Avista Corporation (1) (2)		(83,700)	(83,700)
	Total bonds		<u>\$1,173,471</u>	<u>\$1,098,149</u>

(1) 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 may 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.

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 may 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.

In December 2011, the Company issued \$85.0 million of 4.45 percent First Mortgage Bonds due in 2041.

The following table details future long-term debt maturities including advances from associated companies (see Note 12) (dollars in thousands):

	2012	2013	2014	2015	2016	Thereafter	Total
Debt maturities	<u>\$7,000</u>	<u>\$50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,178,647</u>	<u>\$1,235,647</u>

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) 66-2/3 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, 2011, property additions and retired bonds would have allowed the Company to issue \$727.1 million in aggregate principal amount of additional First Mortgage Bonds.

See Note 10 for information regarding First Mortgage Bonds issued to secure the Company's obligations under its committed line of credit agreement.

NOTE 12. ADVANCES FROM ASSOCIATED COMPANIES

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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:

	2011	2010
Low distribution rate	1.13%	1.13%
High distribution rate	1.40	1.41
Distribution rate at the end of the year	1.40	1.17

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 owns 100 percent of Avista Capital II and has solely and unconditionally 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 13. 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):

	2011	2010
Rental expense	\$2,853	\$2,885

Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2011 were as follows (dollars in thousands):

	2012	2013	2014	2015	2016	Thereafter	Total
Minimum payments required	<u>\$1,412</u>	<u>\$1,259</u>	<u>\$1,260</u>	<u>\$437</u>	<u>\$131</u>	<u>\$2,367</u>	<u>\$6,866</u>

NOTE 14. FAIR VALUE

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):

	2011		2010	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds	\$1,184,100	\$1,369,763	\$1,099,100	\$1,139,765
Advances from associated companies	51,547	43,810	51,547	37,114

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

The fair value hierarchy 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.

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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, 2011 and 2010 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty Netting (1)	Total
December 31, 2011					
Assets:					
Energy commodity derivatives	\$ -	\$80,571	\$5,630	\$(84,877)	\$1,324
Foreign currency derivatives	-	32	-	-	32
Deferred compensation assets:					
Fixed income securities	2,116	-	-	-	2,116
Equity securities	5,252	-	-	-	5,252
Total	\$7,368	\$80,603	\$5,630	\$(84,877)	\$8,724
Liabilities:					
Energy commodity derivatives	\$ -	\$177,743	\$18,488	\$(84,877)	\$111,354
Interest rate swaps	-	18,895	-	-	18,895
Total	\$ -	\$196,638	\$18,488	\$(84,877)	\$130,249
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	1,854	-	-	-	1,854
Equity securities	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

(1) The Company is permitted to net derivative assets and derivative liabilities with the same counterparty 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

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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 4 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 \$1.3 million as of December 31, 2011 and \$1.2 million as of December 31, 2010.

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	
	2011	2010	2011	2010
Balance as of January 1	\$19,739	\$57,276	\$(6,280)	\$(7,806)
Total gains or losses (realized/unrealized):				
Included in net income	-	-	-	-
Included in other comprehensive income	-	-	-	-
Included in regulatory assets/liabilities (1)	(14,084)	(34,943)	(10,792)	1,209
Purchases	-	-	-	-
Issuance	-	-	-	-
Settlements	(25)	(2,594)	2,988	317
Transfers to other categories (2)	-	-	(4,404)	-
Ending balance as of December 31	<u>\$5,630</u>	<u>\$19,739</u>	<u>\$(18,488)</u>	<u>\$(6,280)</u>

(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.

A derivative contract was reclassified from Level 2 to Level 3 during 2011 due to a particular unobservable input becoming more significant to the fair value measurement.

NOTE 15. 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.

Shares issued under sales agency agreements were as follows in the years ended December 31:

	2011	2010

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Shares issued under sales agency agreement 807,000 2,054,110

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2011 and 2010.

NOTE 16. 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. The Company has available a maximum of 4.5 million shares of its common stock for grant under the 1998 Plan. As of December 31, 2011, 0.2 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, 2011, 1.8 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):

	2011	2010
Stock-based compensation expense	\$5,756	\$4,916
Income tax benefits	2,014	1,720

Stock Options

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

	2011	2010
Number of shares under stock options:		
Options outstanding at beginning of year	201,674	523,973
Options granted	-	-
Options exercised	(107,575)	(101,649)
Options canceled	(1,600)	(220,650)
Options outstanding and exercisable at end of year	<u>92,499</u>	<u>201,674</u>
Weighted average exercise price:		
Options exercised	\$12.25	\$11.51
Options canceled	\$11.80	\$22.60
Options outstanding and exercisable at end of year	\$10.69	\$11.53
Cash received from options exercised (in thousands)	\$1,318	\$2,179
Intrinsic value of options exercised (in thousands)	\$1,279	\$1,006
Intrinsic value of options outstanding (in thousands)	\$1,393	\$2,217

Information for options outstanding and exercisable as of December 31, 2011 is as follows:

Exercise Prices	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
\$10.17	80,499	\$10.17	0.85
\$12.41	6,000	12.41	1.35

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\$15.88	<u>6,000</u>	15.88	0.36
Total	<u>92,499</u>	\$10.69	0.85

As of December 31, 2011 and 2010, 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, 2011 was 0.7 years. The following table summarizes restricted stock activity for the years ended December 31:

	2011	2010
Unvested shares at beginning of year	84,134	71,904
Shares granted	50,618	43,800
Shares cancelled	(431)	-
Shares vested	<u>(40,839)</u>	<u>(31,570)</u>
Unvested shares at end of year	<u>93,482</u>	<u>84,134</u>
Weighted average fair value at grant date	\$23.06	\$19.80
Unrecognized compensation expense at end of year (in thousands)	\$932	\$735
Intrinsic value, unvested shares at end of year (in thousands)	\$2,407	\$1,895
Intrinsic value, shares vested during the year (in thousands)	\$934	\$682

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 for grants prior to 2011 and 0 to 200 percent for 2011 grants 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 for grants prior to 2011 and 0 to 200 percent for shares granted in 2011. 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:

	2011	2010
Risk-free interest rate	1.2%	1.4%
Expected life, in years	3	3
Expected volatility	26.9%	27.8%

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Dividend yield	4.7%	4.6%
Weighted average grant date fair value (per share)	\$20.79	\$15.30

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

The following summarizes performance share activity:

	2011	2010
Opening balance of unvested performance shares	325,700	300,601
Performance shares granted	184,600	168,700
Performance shares canceled	(2,177)	-
Performance shares vested	<u>(156,778)</u>	<u>(143,601)</u>
Ending balance of unvested performance shares	<u>351,345</u>	<u>325,700</u>
Intrinsic value of unvested performance shares (in thousands)	\$9,047	\$7,335
Unrecognized compensation expense (in thousands)	\$2,991	\$2,330

The weighted average remaining vesting period for the Company's performance shares outstanding as of December 31, 2011 was 1.5 years. Unrecognized compensation expense as of December 31, 2011 will be recognized during 2012 and 2013. The following summarizes the impact of the market condition on the vested performance shares:

	2011	2010
Performance shares vested	156,778	143,601
Impact of market condition on shares vested	<u>(15,678)</u>	<u>21,540</u>
Shares of common stock earned	<u>141,100</u>	<u>165,141</u>
Intrinsic value of common stock earned (in thousands)	\$3,633	\$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, 2011 and 2010, the Company had recognized compensation expense and a liability of \$1.0 million and \$0.9 million related to the dividend component of performance share grants.

NOTE 17. 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. 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, 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

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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 in the Trading Investigation and order denying rehearing requests, the Company does not expect that this proceeding will have any material 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 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. The filing was initially accepted by the FERC, but in March 2011, the FERC ordered Avista Energy to remove any return on equity in a compliance filing with the CalISO, which Avista Energy did in April 2011. A challenge to Avista Energy's cost filing by the California AG, the CPUC, PG&E and SCE was denied in July 2011 as a collateral attack on the FERC's prior orders accepting Avista Energy's cost filing. In July 2011, the California AG, the CPUC, PG&E and SCE filed a petition for review of the FERC's orders regarding Avista Energy's cost filing with the Ninth Circuit.

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. The CalISO continues to work on its compliance filing for the Refund Period, which will show "who owes what to whom." In July 2011, the FERC accepted the preparatory rerun compliance filings by the CalPX and CalISO, and responded to the CalPX request for guidance on issues related to completing the final determination of "who owes what to whom." The FERC directed both the CalISO and the CalPX to prepare and submit to the FERC their final refund rerun compliance filings. The FERC's order also directs the CalPX to pay past due principal amounts to governmental entities. In February 2012, the FERC denied the challenges made to the July 2011 order by the California AG, the CPUC, PG&E and SCE. As of December 31, 2011, 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. A FERC hearing on that issue is scheduled to commence in April 2012. A May 2011 FERC order denied a motion filed by Avista Energy and Avista Corp. asking that the companies be dismissed from any further proceedings involving alleged tariff violations under FPA section 309. Avista Energy and Avista Corp. sought rehearing of that ruling in June 2011. As noted above, in Docket No. EL02-115, Avista Energy and Avista Corp. were absolved of any wrongdoing related to allegations of tariff violations during 2000 and 2001 and have argued that the doctrines of *res judicata* and collateral estoppel preclude relitigation of the same issues. The California AG, the CPUC, PG&E and SCE also filed for rehearing of the FERC's May 2011 order, arguing that it improperly denies them a market-wide remedy for the pre-refund period. They also filed a petition for review of the May 2011 order with the Ninth Circuit.

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 would result in a material loss. 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

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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. The Ninth Circuit denied petitions for rehearing by various parties, and remanded the case to the FERC in April 2009.

On October 3, 2011, the FERC issued an Order on Remand, finding that, in light of the Ninth Circuit's remand order, additional procedures are needed to address possible unlawful activity that may have influenced prices in the Pacific Northwest spot market during the period from December 25, 2000 through June 20, 2001. The Order establishes an evidentiary, trial-type hearing before an ALJ, and reopens the record to permit parties to present evidence of unlawful market activity during the relevant period. The Order also allows participants to supplement the record with additional evidence on CERS transactions in the Pacific Northwest spot market from January 18, 2001 to June 20, 2001. The Order states that parties seeking refunds must submit evidence demonstrating that specific unlawful market activity occurred, and must demonstrate that such activity directly affected the specific contract rate about which they complain. Simply alleging a general link between the dysfunctional spot market in California and the Pacific Northwest spot market will not be sufficient to establish a causal connection between a particular seller's alleged unlawful activities and the specific contract negotiations. A procedural schedule in this docket has not yet been set.

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, are subject to potential claims in this proceeding, and if refunds are ordered by the FERC with regard to any particular contract, could be liable to make payments. 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. 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. 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.

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 were given the opportunity 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 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." In May 2011, the FERC affirmed "in all respects" the ALJ's decision. In June 2011, the California AG, CPUC, PG&E and SCE filed for rehearing of that order.

Based on information currently known to the Company's management, 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 effect on its financial condition, results of operations or cash flows.

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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. In October 2011, the court issued an order, which enforces the settlement agreement. The plaintiffs have subsequently appealed the court's decision. Under the settlement, Avista Corp.'s portion of payment (which was accrued in 2010) to the plaintiffs was not material to its financial condition, results of operations or cash flows. 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 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). The draft final RI/FS was submitted to the EPA in December 2011. The actual cleanup, if any, will not occur until the RI/FS is finalized and approved by the EPA. 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. As such, the Company does not expect that this matter will have a material effect on its financial condition, results of operations or cash flows. The Company has expensed 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 regulated under one 50-year FERC license issued in June 2009 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 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 has 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. In September 2011, the EPA issued a stay to the litigation that will be in effect until either the permits are issued and all appeals and challenges are complete or the court lifts the stay. The EPA and the Idaho Department of Environmental Quality (Idaho DEQ) are preparing draft National Pollutant Discharge Elimination System permits and the 401 Water Quality Certifications for the Idaho dischargers, respectively, which once issued will be released for a 30-day public comment period.

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

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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 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 possible opening and modification of 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. In March 2010, the FERC approved the GSCP addendum of preliminary design for alternative abatement measures. In the second quarter of 2011, the Company completed preliminary feasibility assessments for several alternative abatement measures and determined that two alternatives will be considered for continued development. Further analysis and review of these alternatives is expected to be completed through at least the middle of 2012. 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 led, in part, to the decision to move forward with development of permanent facilities, among other bull trout enhancement efforts. In 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 2012 with construction taking place in 2013 and 2014.

In January 2010, the USFWS revised its 2005 designation of critical habitat for the bull trout to include the lower Clark Fork River as critical habitat. The Company believes its ongoing efforts through the Clark Fork Settlement Agreement continue to effectively address issues related to bull trout. 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 the 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 completed the RI/FS during the fourth quarter of 2011. Based on information currently known to the Company's management, the Company does not expect this issue will have a material effect on its financial condition, results of operations or cash flows.

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 alleged 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 alleged 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 January 2012, Avista Corp. and its insurance provider reached a settlement with the plaintiffs. Avista Corp. has expensed its share of the settlement (including legal fees) of \$2 million (which was recorded in 2010 and 2011).

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

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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. The Company has expensed its estimated liability for this matter, which was not material to its financial condition, results of operations or cash flows. Based on information currently known to the Company's management, the Company does not expect this complaint will have a material 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 expires 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 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 18. 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):

	2011	2010
Information service contract payments	\$13,038	\$13,426

The majority of the costs are included in other operating expenses in the Statements of Income. Minimum contractual obligations under the Company's information services contracts are \$13.0 million in 2012, \$10.5 million in 2013, \$8.0 million in 2014, and \$7.0 million in each of 2015, 2016 and 2017.

NOTE 19. REGULATORY MATTERS

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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, net of the margin on wholesale sales and sales of fuel, 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 resumed in 2011. Total net deferred power costs under the ERM were a liability of \$12.9 million as of December 31, 2011.

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. These annual October 1 rate adjustments recover or rebate power costs deferred during the preceding July-June twelve-month period. Total net power supply costs deferred under the PCA mechanism were a regulatory liability of \$0.7 million as of December 31, 2011 and a regulatory asset of \$18.3 million as of December 31, 2010.

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 \$12.1 million as of December 31, 2011 and \$22.1 million as of December 31, 2010.

Washington General Rate Cases

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In November 2010, the WUTC approved an all-party settlement stipulation in the Company's general rate case filed in March 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.

In December 2011, the WUTC approved a settlement agreement in the Company's electric and natural gas general rate cases filed in May 2011. As agreed to in the settlement agreement, base electric rates for the Company's Washington customers increased by an average of 4.6 percent, which is designed to increase annual revenues by \$20.0 million. Base natural gas rates for the Company's Washington customers increased by an average of 2.4 percent, which is designed to increase annual revenues by \$3.75 million. The new electric and natural gas rates became effective on January 1, 2012.

As part of the settlement agreement, the Company agreed to not file a general rate case in Washington prior to April 1, 2012.

The settlement agreement also provides for the deferral of certain generation plant maintenance costs. In order to address the variability in year-to-year maintenance costs, beginning in 2011, the Company is deferring changes in maintenance costs related to its Coyote Spring 2 natural gas-fired generation plant and its 15 percent ownership interest in Units 3&4 of the Colstrip generation plant. The Company compares actual, non-fuel, maintenance expenses for the Coyote Springs 2 and Colstrip plants with the amount of baseline maintenance expenses used to establish base retail rates, and defers the difference. The deferral will occur annually, with no carrying charge, with deferred costs being amortized over a four-year period, beginning in January of the year following the period costs are deferred. The amount of expense to be requested for recovery in future general rate cases will be the actual maintenance expense recorded in the test period, less any amount deferred during the test period, plus the amortization of previously deferred costs. For 2011, the Company deferred \$0.5 million of maintenance costs in Washington.

Idaho General Rate Cases

In September 2010, the IPUC approved a settlement agreement in 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 2010 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 increased on October 1, 2011 and will increase on October 1, 2012 as the deferred state income tax balance is amortized.

In September 2011, the IPUC approved a settlement agreement in the Company's general rate case filed in July 2011. The new electric and natural gas rates became effective on October 1, 2011. As agreed to in the settlement agreement, base electric rates for the Company's Idaho customers increased by an average of 1.1 percent, which was designed to increase annual revenues by \$2.8 million. Base natural gas rates for the Company's Idaho customers increased by an average of 1.6 percent, which was designed to increase annual revenues by \$1.1 million.

As part of the settlement agreement, the Company agreed to not seek to make effective a change in base electric or natural gas rates prior to April 1, 2013, by means of a general rate case filing. This does not preclude the Company from filing annual rate adjustments such as the PCA and the PGA.

The settlement agreement also provides for the deferral of certain generation plant operation and maintenance costs. In order to address the variability in year-to-year operation and maintenance costs, beginning in 2011, the Company is deferring changes in operation and maintenance costs related to the Coyote Spring 2 natural gas-fired generation plant and its 15 percent ownership interest in Units 3&4 of the Colstrip generation plant. The Company compares actual, non-fuel, operation and maintenance expenses for the Coyote Springs 2 and Colstrip plants with the amount of expenses authorized for recovery in base rates in the applicable deferral year, and defers the difference from that currently authorized. The deferral will occur annually, with no carrying charge, with deferred costs being amortized over a three-year period, beginning in January of the year following the period costs are deferred. The amount of expense to be requested for recovery in future general rate cases will be the actual operation and maintenance expense recorded in the test period, less any amount deferred during the test period, plus the amortization of previously deferred costs. For 2011, the Company

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deferred \$0.1 million of operation and maintenance costs in Idaho.

Oregon General Rate Cases

In March 2011, the OPUC approved an all-party settlement stipulation in the Company's general rate case that was filed in September 2010. The settlement 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 became effective March 15, 2011, with the remaining increase effective June 1, 2011. An additional rate adjustment designed to increase revenues by \$0.6 million will occur on June 1, 2012 to recover capital costs associated with certain reinforcement and replacement projects upon a demonstration that such projects are complete and the costs were prudently incurred.

NOTE 20. SUPPLEMENTAL CASH FLOW INFORMATION (in thousands)

	2011	2010
Cash paid for interest	\$63,876	\$68,638
Cash paid for income taxes	\$16,631	\$10,641

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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)	3,864,957,269
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)	3,872,160,598
9	Leased to Others	
10	Held for Future Use	4,764,241
11	Construction Work in Progress	78,182,230
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,955,107,069
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,333,212,160
15	Net Utility Plant (Total of lines 13 and 14)	2,621,894,909
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,305,984,420
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	27,227,740
22	TOTAL In Service (Total of lines 18 thru 21)	1,333,212,160
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	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,333,212,160

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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	2,917,785,393	752,830,310		194,341,566
4		1,619,845		5,583,484
5				
6				
7				
8	2,917,785,393	754,450,155		199,925,050
9				
10	4,548,661	215,580		
11	53,960,319	3,796,779		20,425,132
12				
13	2,976,294,373	758,462,514		220,350,182
14	1,021,837,476	257,685,142		53,689,542
15	1,954,456,897	500,777,372		166,660,640
16				
17				
18	1,012,217,392	256,805,796		36,961,232
19				
20				
21	9,620,084	879,346		16,728,310
22	1,021,837,476	257,685,142		53,689,542
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	1,021,837,476	257,685,142		53,689,542

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

- Report below the original cost of gas plant in service according to the prescribed accounts.
- 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.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- 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	2,852,112	409,995
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	2,852,112	409,995
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		

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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	89,628	(3)		3,172,476
5	89,628	(3)		3,172,476
6				
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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	7,628	
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	7,628	
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	1,313,406	52,636
47	352 Wells	9,020,812	7,311,464
48	352.1 Storage Leaseholds and Rights	254,354	
49	352.2 Reservoirs	245,179	
50	352.3 Non-recoverable Natural Gas	4,370,923	
51	353 Lines	1,106,782	
52	354 Compressor Station Equipment	14,104,186	178,848
53	355 Other Equipment	173,784	
54	356 Purification Equipment	407,618	
55	357 Other Equipment	1,458,304	26,842
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	32,928,240	7,569,790
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		

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	5,969			407,111
45				59,812
46				1,366,042
47		(2,861,701)		13,470,575
48				254,354
49		1,422,313		1,667,492
50		1,439,388		5,810,311
51		(1)		1,106,781
52	61,760	(1)		14,221,273
53				173,784
54		(1)		407,617
55				1,485,146
56				
57	67,729	(3)		40,430,298
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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,	32,928,240	7,569,790
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	263,645	5,043
95	375 Structures and Improvements	1,035,141	99,647
96	376 Mains	345,161,939	17,821,434
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	8,213,276	918,375
99	379 Measuring and Regulating Station Equipment-City Gate	7,564,873	(99,107)
100	380 Services	194,997,783	7,631,319
101	381 Meters	91,691,170	7,971,739
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	3,962,112	115,064
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)	652,890,478	34,463,514
110	GENERAL PLANT		
111	389 Land and Land Rights	949,240	
112	390 Structures and Improvements	4,436,657	756,518
113	391 Office Furniture and Equipment	396,813	32,632
114	392 Transportation Equipment	7,897,272	1,731,853
115	393 Stores Equipment	141,498	
116	394 Tools, Shop, and Garage Equipment	3,867,523	59,258
117	395 Laboratory Equipment	543,324	5,268
118	396 Power Operated Equipment	4,381,788	326,640
119	397 Communication Equipment	2,451,765	500,439
120	398 Miscellaneous Equipment	2,367	
121	Subtotal (Enter Total of lines 111 thru 120)	25,068,247	3,412,608
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)	25,068,247	3,412,608
125	TOTAL (Accounts 101 and 106)	713,746,705	45,855,907
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)	713,746,705	45,855,907

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	67,729	(3)		40,430,298
82				
83				
84				
85				
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91				
92				
93				
94	1,000			267,688
95	64,479	(1)		1,070,308
96	466,550			362,516,823
97				
98	110,891			9,020,760
99	50,984	(1)		7,414,781
100	423,057	1		202,206,046
101	2,473,316	1		97,189,594
102				
103				
104				
105	31,726	(1)		4,045,449
106				
107				539
108				
109	3,622,003	(1)		683,731,988
110				
111				949,240
112				5,193,175
113				429,445
114	457,753	1		9,171,373
115				141,498
116	50,907			3,875,874
117	67,915	(1)		480,676
118	743,583	6		3,964,851
119	52,939	1		2,899,266
120				2,367
121	1,373,097	7		27,107,765
122				
123				
124	1,373,097	7		27,107,765
125	5,152,457			754,450,155
126				
127				
128				
129	5,152,457			754,450,155

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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Gas Plant Held for Future Use (Account 105)

- 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.
- 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	Gas Distribution Mains and Services	07/01/2011		30,762
4	located in Coeur d'Alene, Idaho			
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45	Total			215,580

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	Minor projects (120) under \$1,000,000	3,796,779	9,758,336
3			
4			
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45	Total	3,796,779	9,758,336

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Construction costs with a direct relationship to new construction and capital replacement activities that cannot be clearly identified with specific projects are charged to overhead pools. The established pools are:

- Construction Overhead North Gas
- Construction Overhead South Gas
- Construction Overhead A&G

Gas construction overhead pool costs are allocated monthly to gas construction projects on a percent rate applied to all project costs, excluding AFUDC. The North gas overhead is applied to gas construction projects located in Washington and Idaho service areas and the South gas overhead is applied to gas construction costs located in the Oregon service areas. The Construction Overhead A&G pool costs are allocated monthly to all gas construction projects regardless of jurisdiction on a percent rate applied to project costs, excluding construction overhead North and South gas allocations and AFUDC.

Allowance for Funds Used During Construction (AFUDC) is calculated system wide using a rate that is equivalent to the allowed rate of return approved in the latest rate order from the company's primary state commission (Washington State). For 2011 Avista used a rate of 7.91% which is the allowed rate of return contained in the Washington Utilities and Transportation Commission Final Order 07 dated November 19, 2010 for consolidated Dockets UE-100467 and UG-100468.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

- For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
- Identify, in a footnote, the specific entity used as the source for the capital structure figures.
- Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D		d
(4)	Preferred Stock	P		p
(5)	Common Equity	C		c
(6)	Total Capitalization			
(7)	Average Construction Work In Progress Balance	W		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds -	3.47
b. Rate for Other Funds -	4.44

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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	246,503,255	246,503,255		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	15,277,881	15,277,881		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	292,859	292,859		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	15,570,740	15,570,740		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(5,055,860)	(5,055,860)		
13	Cost of Removal	(638,465)	(638,465)		
14	Salvage (Credit)	(69,978)	(69,978)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,624,347)	(5,624,347)		
16	Other Debit or Credit Items (Describe) (footnote details):	356,147	356,147		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	256,805,795	256,805,795		
	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	12,203,290	12,203,290		
25	Other Storage Plant				
26	Base Load LNG Terminating and Processing Plant				
27	Transmission	235,771,354	235,771,354		
28	Distribution	8,831,151	8,831,151		
29	General				
30	TOTAL (Total of lines 21 thru 29)	256,805,795	256,805,795		

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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	2,577,031				17,242,935			19,819,966
2	Gas Delivered to Storage					41,974,554			41,974,554
3	Gas Withdrawn from					35,608,019			35,608,019
4	Other Debits and Credits	4,415,045							4,415,045
5	Balance at End of Year	6,992,076				23,609,470			30,601,546
6	Dth	1,253,060				6,258,256			7,511,316
7	Amount Per Dth	5.5800				3.7725			4.0741

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FOOTNOTE DATA			

Schedule Page: 220 Line No.: 4 Column: b

In May, 2011, additional capacity was transferred to Jackson Prairie storage as per asset sales agreement.

Schedule Page: 220 Line No.: 5 Column: f

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.

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)	*	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	Investment in Spokane Energy (123000)		500,000	
2	Investment in Avista Capital II (123010)		11,547,000	
3	Other Investment - WZN Loans Sandpoint (124350)		65,177	
4	Other Investment - Coli Cash Value (124600)		12,022,346	1,290,999
5	Other Investment - Coli Borrowings (124610)		(12,022,346)	
6	Other Investment - WZN Loans Oregon (124680)		48,248	6,215
7	Other Investment - WNP3 Exchange Power (124900)		79,626,000	
8	Other Investment - AMT WNP3 Exchange (124930)		(58,392,793)	
9	Temp Cash Investments (136000)		17,455,810	404,105,329
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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	4,000		61,177		
4	19,990		13,293,355		
5	1,271,009		(13,293,355)		
6	9,432		45,031		
7			79,626,000		
8	2,450,030		(60,842,823)		
9	421,500,226		60,913		
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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Investments in Subsidiary Companies (Account 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- 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).
 - Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - 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.
- 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		177,019,809
2	Avista Capital - Equity in Earnings			(100,908,756)
3	OCI Investment in Subs			
4	Avista Capital - Other Changes in Net Investment			1,622,516
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40	TOTAL Cost of Account 123.1 \$		TOTAL	77,733,569

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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		6,965,982	170,053,827	
2	9,971,326	10,509,950	(101,447,380)	
3		(134,045)	134,045	
4		(1,608,360)	3,230,876	
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40	9,971,326	15,733,527	71,971,368	

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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	4,490,990
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	12,063,570
6	TOTAL	16,554,560

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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	945,504		926	472,752		472,752
2	Guaranteed Residual Value-Airplane						
3	Reg Asset Post Ret Liab	178,984,752	81,373,881				260,358,633
4	Reg Asset FAS 109 Utility Plant	75,577,163		283	4,960,648		70,616,515
5	Reg Asset FAS 109 DSIT Non Plant	2,155,470		283	393,156		1,762,314
6	Reg Asset FAS 109 DSIT State Tax cr	6,051,287	618,402				6,669,689
7	Reg Asset FAS 109 WNP3	6,391,322		283	737,503		5,653,819
8	Reg Asset-Spokane River Relicense	779,834		407	78,736		701,098
9	Reg Asset-Spokane River PM&E	722,510		557	73,312		649,198
10	Reg Asset-Lake CDA Fund	9,859,729		407	211,065		9,648,664
11	Reg Asset- Decouplings Surcharge	471,659		407	281,377		190,282
12	Regulatory Asset AMR	299,605		407	228,671		70,934
13	Reg Asset RTO Deposits ID	70,805		560	70,805		
14	Reg Asset BPA Residential Exchange	663,953		254	559,317		104,636
15	Reg Asset ERM Approved for Recovery						
16	ID Wind Gen AFUDC	239,600	118,664				358,264
17	Reg Asset Wartsilla Units	1,427,393		407	337,788		1,089,605
18	MTM St Regulatory Asset	48,891,073	20,793,570				69,684,643
19	Reg Asset- FAS 143 Asset Retirement Obligation	3,065,031		230	347,542		2,717,489
20	Reg Asset AN CDA Lake Settlement	40,385,976		407	1,199,436		39,186,540
21	Reg Asset WA CDA Lake Settlement	1,508,506		407	152,118		1,356,388
22	Reg Asset Workers Comp	2,930,760		242	307,660		2,623,100
23	CS2 Lev Ret	1,444,359		407	194,260		1,250,099
24	Reg Asset ID PCA Deferral 1	14,738,444		557	14,738,444		
25	Reg Asset ID PCA Deferral 2	3,566,306		557	1,548,377		2,017,929
26	Reg Asset ID PCA Deferral 3			557	2,762,169		(2,762,169)
27	Reg Asset- Future Payments Lake CDA						
28	DSM Asset	4,251,311	798,418		4,251,311		798,418
29	Lancaster Generation	6,686,667		407	1,360,000		5,326,667
30	CDA Fund	2,000,000					2,000,000
31	MTM LT Reg Asset	15,723,775	24,621,563				40,345,338
32	Roseburg/Medford		142,470				142,470
33	CNC Transmission		735,906				735,906
34	CS2 & Colstrip		516,251	407	373,025		143,226
35	Lidar O&M		337,879				337,879
36							
37							
38							
39							
40	Total	429,832,794	130,057,004		35,639,472	0	524,250,326

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	(44,776)	24,924	407		(19,852)
4	WA Deferred Power Costs		12,947,628		12,947,628	
5	Regulatory Asset ROT Deposit	79,107		560	79,107	
6	Regulatory Asset-Mt lease pymt	2,073,933		560	360,684	1,713,249
7	Regulatory Asset-Mt lease pymt	4,059,744		540	676,632	3,383,112
8	Colstrip Common Fac.	2,355,642		406		2,355,642
9	Prepaid airplane Lease LT	613,191			147,166	466,025
10	Misc DD- Airplane lase cap	48,316	41,865			90,181
11	Plant Allocation of clearing jr	1,285,306		VAR	145,033	1,140,273
12	Misc DD-IR Swaps	52,705	18,842,438	VAR		18,895,143
13	Misc Error Suspense	440,253		VAR	435,028	5,225
14	Renewable Energy-Cert Fees	174,000				174,000
15	Nez Perce Settlement	171,173		557	5,212	165,961
16	Long Term Note Rec acct	559,428		143	349,959	209,469
17	Reg Asset ID-Lake Cda	302,005		506	30,975	271,030
18	ID Panhandle Forest Use Permit	181,017				181,017
19	Credit Union Labor & Exp	61,111		VAR	35,349	25,762
20	Outdoor Lghtng Greenbelt Pathwy		65,248			65,248
21	Horizon Wind Interco	61,343		502		61,845
22	Insurance Recv CDA Lake		320,932			320,932
23	KF Water Rights Supply		1,179,357			1,179,357
24	Reclass Idaho Clk Fork Relic	716,098			263,252	452,846
25	PG&E Canada to N Cal Trans	886,173			886,173	
26	Misc Work Orders <\$50,000	26,317		VAR	175,749	(149,432)
27	Subsidiary Billings	33,376	9,076	VAR		42,452
28	"Null" Projects directly to 186	4,457	10,740	VAR		15,197
29	Regulatory Assets Consv	2,112,766		908	266,868	1,845,898
30	Regulatory Assets Consv			908	200	(200)
31	Regulatory Assets Consv	51,263		908	51,263	
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous Work in Progress					

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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)
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39	Miscellaneous Work in Progress					
40	Total	17,414,947	33,442,710		16,856,278	34,001,379

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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Accumulated Deferred Income Taxes (Account 190)

- Report the information called for below concerning the respondent's accounting for deferred income taxes.
- At Other (Specify), include deferrals relating to other income and deductions.
- 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	11,937,146		
3	Gas	777,989		
4	Other (Define) (footnote details)	107,272,905		
5	Total (Total of lines 2 thru 4)	119,988,040		
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	119,988,040		
8	Classification of TOTAL			
9	Federal Income Tax	119,988,040		
10	State Income Tax			
11	Local Income Tax			

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2						(2,634,952)	9,302,194
3						278,700	1,056,689
4						35,776,632	143,049,537
5						33,420,380	153,408,420
6							
7						33,420,380	153,408,420
8							
9						33,420,380	153,408,420
10							
11							

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	Restricted 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) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	58,422,781	832,413,930				
3						
4	58,422,781	832,413,930				
5						
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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	11,686,949
2		
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40	Total	11,686,949

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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)
1		
2		
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8		
9		
10		
11		
12		
13		
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 - no par	(11,086,811)
17		
18		
19		
20		
21		
22		
23		
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25		
26		
27		
28		
TOTAL		(11,086,811)

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

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

Capital Stock expense activity, 2011

Beginning Balance	(6,137,359)
Issuance of common stock	371,235
TAX BENEFIT - OPTIONS EXERCISED	1,036,587
Excess Tax Benefits on stock compensation	(1,113,753)
Stock compensation accrual	<u>(5,243,519)</u>
Ending Balance	(11,086,810)

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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

We issued \$26.5 million of common stock during 2011, including \$19.5 million under a sales agency agreement. We cash settled interest rate swap agreements for \$10.6 million related to the pricing of \$85.0 million of long-term debt issued in December 2011. There was no L/T debt maturities in 2011.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

- 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.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- 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.
- 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 amls 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 - 7.39% DUE 5/11/2018	05/11/1993	05/11/2018	7,000,000
4	FMBS - SERIES A - 7.45% DUE 6/11/2018	06/09/1993	06/11/2018	15,500,000
5	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
6	KETTLE FALLS P C REV BONDS DUE 14	07/29/1993	12/01/2023	4,100,000
7	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
8	FMBS - 6.37% SERIES C	06/19/1998	06/19/2028	25,000,000
9	FMBS - 5.45% SERIES	11/18/2004	12/01/2019	90,000,000
10	FMBS - 6.25% SERIES	11/17/2005	12/01/2035	150,000,000
11	FMBS - 5.70% SERIES	12/15/2006	07/01/2037	150,000,000
12	FMBS - 5.95% SERIES	04/02/2008	06/01/2018	250,000,000
13	FMBS - 5.125% SERIES	09/22/2009	04/01/2022	250,000,000
14	COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	03/01/2034	17,000,000
15	COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	10/01/2032	66,700,000
16	FMBS - 1.68% SERIES	12/30/2010	12/30/2013	50,000,000
17	FMBS - 3.89% SERIES	12/20/2010	12/20/2020	52,000,000
18	FMBS - 5.55% SERIES	12/20/2010	12/20/2040	35,000,000
19	FMBS - 4.45% SERIES	12/14/2011	12/14/2041	85,000,000
20	Interest Rate SWAPS			(10,628,792)
21	Reacquired Bonds - COLSTRIP 2010B PCRBs DUE 2034	12/15/2010	03/01/2034	
22	Reacquired Bonds - COLSTRIP 2010A PCRBs DUE 2032	12/15/2010	10/01/2032	
23				
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40	TOTAL			1,301,718,208

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	7.390	517,300			
4	7.450	1,154,750			
5	7.180	502,600			
6	6.000	246,000			
7	1.210	622,458			
8	6.370	1,592,500			
9	5.450	4,905,000			
10	6.250	9,375,000			
11	5.700	8,550,000			
12	5.950	14,875,000			
13	5.125	12,812,500			
14	1.243	211,303			
15	1.243	829,054			
16	1.680	840,000			
17	3.890	2,022,800			
18	5.550	1,942,500			
19	4.450	178,618			
20					
21	(1.243)	(211,303)	17,000,000		
22	(1.243)	(829,054)	66,700,000		
23					
24					
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27					
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40		60,626,576	83,700,000		

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 7 Column: d

Upon issuance of these bonds the Company holds \$1.5 million of Common Trust Securities. In December 2000, the Company purchased \$10.0 million of these Preferred Trust Securities. In total the Company holds 11,547,000 of these securities.

Schedule Page: 256 Line No.: 21 Column: g

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.

Schedule Page: 256 Line No.: 22 Column: g

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.

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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)	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					
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	135,855	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	2,180,435	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	305,790	12/30/2010	12/30/2013
17	FMBS - 3.89% SERIES	52,000,000	383,338	12/20/2010	12/20/2020
18	FMBS - 5.55% SERIES	35,000,000	258,834	12/20/2010	12/20/2040
19	Short-Term Credit Facility			02/10/2011	02/10/2017
20	4.45% SERIES DUE 12-14-2041	85,000,000	649,256	12/14/2011	12/14/2041
21					
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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	17,678		1,424	16,254
2	3,214		259	2,955
3				
4	16,128		2,175	13,953
5	51,179		6,824	44,355
6	22,954		1,812	21,142
7	59,760		4,597	55,163
8	371,392		14,015	357,377
9	117,953		47,181	70,772
10	92,344		5,277	87,067
11	833,166		98,947	734,219
12	1,814,223		72,569	1,741,654
13	4,280,757		161,032	4,119,725
14	2,247,921		303,090	1,944,831
15	2,351,459		227,561	2,123,898
16	296,372	9,418	101,977	203,813
17	375,867	7,471	38,337	345,001
18	252,988	5,846	8,628	250,206
19	296,373	3,297,852	753,315	2,840,910
20		649,256		649,256
21				
22				
23				
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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 258 Line No.: 20 Column: c

These are the currently known expense. Due to the timing of issuance there maybe additional expense added.

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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)	(5,088,361)
2	FMBS - 6.125% SERIES	12/20/2010	45,000,000	(6,273,664)	(6,273,664)	(5,646,298)
3	AVA Capital Trust III	04/01/2009		(2,904,144)	(2,598,445)	(2,369,170)
4	Misc Debt Repurchases I	05/10/1993		6,425,093	(1,569,137)	(1,331,831)
5	Misc Debt Repurchase II	06/19/1998		(188,649)	(110,045)	(103,757)
6	Misc Debt Repurchase III	07/29/1993		(146,393)	(62,568)	(57,755)
7	City of Forsyth Pollution Control Bonds Repurchased	12/10/2010	83,700,000	(9,592,788)	(5,311,711)	(5,075,066)
8	Misc 2008 Repurchase Costs	01/01/2008		43,132	35,183	32,488
9	Misc 2006 Repurchase Costs	01/01/2006		(483,582)	(112,557)	(96,592)
10	Misc 2005 Repurchase Costs	01/01/2005		(1,700,371)	(1,082,509)	(983,868)
11	Misc 2004 Repurchase Costs	01/01/2004		(7,244,895)	(3,245,985)	(2,671,997)
12	Misc 2003 Repurchase Costs	01/01/2003		(4,090,500)	(545,566)	(393,133)
13	Misc 2002 Repurchase Costs	01/01/2002		(4,445,540)	(140,624)	(45,341)
14	Repurchase of 10 million of Capital II	12/01/2000	10,000,000	1,769,125	1,289,224	1,240,421
15	Misc 2002 Repurchase Gains	01/01/2002		2,445,898	949,374	874,467
16	Misc 2003 Repurchase Gains	01/01/2003		1,001,864	417,133	369,767
17						
18						
19						
20						
21						
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Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

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

These bonds have multiple repurchase dates

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

These bonds are not retired. The bonds are still outstanding the Company hold 100% of these bonds and plan on remarketing these bonds if market conditions and financing needs allow.

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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)	100,223,872
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		4,132,079
6		
7		
8	TOTAL	4,132,079
9	Deductions Recorded on Books Not Deducted for Return	
10		106,924,572
11		
12		
13	TOTAL	106,924,572
14	Income Recorded on Books Not Included in Return	
15		34,121,655
16		
17		
18	TOTAL	34,121,655
19	Deductions on Return Not Charged Against Book Income	
20		(205,490,170)
21		
22		
23		
24		
25		
26	TOTAL	(205,490,170)
27	Federal Tax Net Income	79,554,340
28	Show Computation of Tax:	
29		
30	State Tax	1,264,936
31	Federal Tax Net Income less State Tax	80,819,276
32	Federal Tax @35%	28,286,746
33	Prior Year & Misc True Ups	(5,843,978)
34	Cabinet Gorge Tax Credits	(200,441)
35	Total Federal Tax Expense	22,242,327

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	(26,489,010)	
4	Income Tax 2007	(1,183,314)	
5	Income Tax 2008	9,475,241	
6	Income Tax 2009	(5,697,255)	
7	Income Tax 2010	(11,724,719)	
8	Income Tax (Current)		
9	Retained Earnings		
10	Prior Retained Earnings (2009)	(9,789,766)	
11	Prior Retained Earnings (2010)	(386,410)	
12	Current Retained Earnings		
13	Total Federal	(20,016,501)	
14			
15	STATE OF WASHINGTON		
16	Property Tax (2009)	8,281	
17	Property Tax (2010)	8,027,008	
18	Property Tax (2011)		
19	Excise Tax (2006)	(464)	
20	Excise Tax (2007)	121,563	
21	Excise Tax (2010)	2,581,941	
22	Excise Tax (2011)		
23	Natural Gas Use Tax	7,830	
24	Municipal Occupation Tax	2,654,719	
25	Sales & Use Tax (2006)	(8,173)	
26	Sales & Use Tax (2010)	49,549	
27	Sales & Use Tax (2011)		
28	Motor Vehicle Tax (2011)		
29	Total Washington	13,442,254	
30			
31	STATE OF IDAHO:		
32	Income Tax (2006)	346,389	
33	Income Tax (2007)	(104,516)	
34	Income Tax (2008)	101,312	
35	Income Tax (2009)	(295,531)	
36	Income Tax (2010)	(306,681)	
37	Income Tax (2011)		
38	Property Tax (2009)	1,647	
39	Property Tax (2010)	2,312,704	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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			26,489,010		
4			1,183,314		
5			(9,475,241)		
6	87,118		5,491,947	(118,190)	
7	573,685	(2,500,000)	8,793,184	142,150	
8	23,563,086	18,311,502	(15,215,558)	(9,963,974)	
9					
10			9,789,766		
11	(960,169)		(46,098)	(1,392,676)	
12	(2,070,474)		(1,231,592)	(3,302,066)	
13	21,193,246	15,811,502		(14,634,756)	
14					
15					
16	(8,281)				
17	508,159	8,538,360		(3,193)	
18	9,704,000			9,704,000	
19	464				
20	(121,563)				
21	13,233	2,616,669	(1,000)	(22,495)	
22	24,690,035	22,105,004		2,585,031	
23	26,405	22,506	1,000	12,729	
24	22,526,422	22,058,138		3,123,004	
25				(8,173)	
26		49,548	(1)		
27	1,185,097	998,572	1	186,525	
28	4,514	4,514			
29	58,528,485	56,393,311		15,577,428	
30					
31					
32			(346,389)		
33		(12,784)	91,732		
34			(101,312)		
35		(295,531)			
36	21,104	(290,601)	(9,657)	(4,633)	
37	527,976	625,000	355,969	258,945	
38				1,647	
39		2,316,574		(3,870)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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				
5				
6				87,118
7	1,464,873	(79,195)		(765,896)
8	23,369,204	439,016		(1,312,623)
9				
10				
11				(960,169)
12				
13	24,834,077	359,821		(2,951,570)
14				
15				
16	(8,512)			231
17	496,446	(365)		12,424
18	7,733,000	1,935,000		36,000
19				464
20				(122,903)
21	16,721	(3,488)		
22	18,311,100	6,320,322		57,410
23	5,916			
24	16,742,746	6,046,037		
25				
26				
27				
28				
29	43,297,417	14,297,506		(16,374)
30				
31				
32				
33				
34				
35				
36	(1,305)	(3,365)		
37	476,761	76,990		
38				
39				

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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 (l) 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					
4					
5					
6					
7				(46,097)	
8				1,067,489	
9					
10					
11					
12				(2,070,474)	
13				(1,049,082)	
14					
15					
16					
17				(346)	
18					
19					
20				1,340	
21					
22				1,203	
23				20,489	
24				(262,361)	
25					
26					
27				1,185,097	
28				4,514	
29				949,936	
30					
31					
32					
33					
34					
35					
36				25,775	
37				(25,775)	
38					
39					

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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	Property Tax (2011)		
2	Motor Vehicle Tax (2011)		
3	Sales & Use Tax (2005)	436	
4	Sales & Use Tax (2009)	2	
5	Sales & Use Tax (2010)	7,941	
6	Sales & Use Tax (2011)		
7	Irrigation Credits (2011)		
8	KWH Tax (2010)	27,855	
9	KWH Tax (2011)		
10	Franchise Tax (2010)	1,497,225	
11	Franchise Tax (2011)		
12	Total Idaho	3,588,783	
13			
14	STATE OF MONTANA		
15	Income Tax (2006)	520,245	
16	Income Tax (2009)	(175)	
17	Income Tax (2010)	(173,349)	
18	Income Tax (2011)		
19	Property Tax (2009)	(430)	
20	Property Tax (2010)	3,300,187	
21	Property Tax (2011)		
22	Colstrip Generation Tax		
23	KWH Tax (2010)	249,521	
24	KWH Tax (2011)		
25	Motor Vehicle Tax (2011)		
26	Consumer Council Tax	5,336	
27	Public Commission Tax	9	
28	Total Montana	3,901,344	
29			
30	STATE OF OREGON		
31	Income Tax (2006)	300,531	
32	Income Tax (2007)	(241,891)	
33	Income Tax (2008)	351,469	
34	Income Tax (2009)	(337,923)	
35	Income Tax (2010)	13,576	
36	Income Tax (2011)		
37	Property Tax (2009)	426,657	
38	Property Tax (2010)	(2,180,863)	
39	Property Tax (2011)		

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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	5,227,764	2,595,826		2,631,938	
2	23,443	23,443			
3				436	
4			(2)		
5		7,942			
6	139,758	97,726		42,032	
7	2,930	123	(2,808)		
8	(3,237)	24,618		1	
9	415,997	395,292		20,705	
10		1,512,732		(15,507)	
11	4,515,253	2,885,371		1,629,882	
12	10,870,988	9,885,731	(12,467)	4,561,576	
13					
14					
15			(520,245)		
16			175		
17	4,599		(3,219)	(171,969)	
18	353,970	385,000	520,070	489,040	
19	430				
20	38	3,300,225			
21	6,929,022	3,474,789		3,454,233	
22	2,963	2,963			
23		249,521			
24	1,213,273	945,666		267,607	
25	1,350	1,350			
26	(386)	4,944		6	
27	44	43		10	
28	8,505,303	8,364,501	(3,219)	4,038,927	
29					
30					
31			(300,531)		
32		(11,629)		(230,262)	
33			(351,469)		
34			337,923		
35	(182,250)	(265,000)	(5,007)	91,318	
36	467,672	395,000	314,077	386,749	
37	(426,657)		(1)		
38	2,180,863	1,791,031	1	(1,791,031)	
39	1,926,500	2,022,001		(95,501)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	4,333,356	856,090		12,000
2				
3				
4				(2)
5				
6				
7				
8				
9	439,201			
10				
11	3,197,860	1,308,392		
12	8,445,873	2,238,107		11,998
13				
14				
15				
16				
17	4,599			
18	353,970			
19	430			
20	38			
21	6,928,306			
22	2,963			
23				
24	1,213,273			
25				
26	(386)			
27	44			
28	8,503,237			
29				
30				
31				
32				
33				
34				
35	(27,995)	(83,963)		
36	116,918	350,754		
37	(429,839)	3,182		
38	1,355,254	825,609		
39	1,025,500	901,000		

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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				26,318	
2				23,443	
3					
4				2	
5					
6				139,758	
7				2,931	
8				(3,237)	
9				(23,204)	
10					
11				9,001	
12				175,012	
13					
14					
15					
16					
17					
18					
19					
20					
21				716	
22					
23					
24					
25				1,350	
26					
27					
28				2,066	
29					
30					
31					
32					
33					
34					
35				(70,292)	
36					
37					
38					
39					

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	Motor Vehicle Tax (2011)		
2	BETC Credit (2006 & Prior)	(420,805)	
3	BETC Credit (2007)	243,353	
4	BETC Credit (2008)	(40,383)	
5	BETC Credit (2009)	(92,178)	
6	BETC Credit (2010)	(68,844)	
7	BETC Credit (2011)		
8	Glendale Regulatory Cr. 2008	(210,889)	
9	Glendale Regulatory Cr. 2009	70,289	
10	Franchise Tax (2010)	903,988	
11	Franchise Tax (2011)		
12	Total Oregon	(1,283,913)	
13			
14	STATE OF CALIFORNIA		
15	Income Tax (2005)	(5,211)	
16	Income Tax (2006)	(314)	
17	Income Tax (2009)	(800)	
18	Income Tax (2010)	(2,400)	
19	Income Tax (2011)		
20	Total California	(8,725)	
21			
22	MISCELLANEOUS STATES:		
23	Income Tax (2008)	(1)	
24	Income Tax (2010)	(17,884)	
25	Income Tax (2011)		
26	Total Misc States	(17,885)	
27			
28	COUNTY & MUNICIPAL		
29	WA Renewable Energy		
30	Misc.	(2,808)	
31	Total County	(2,808)	
32			
33			
34			
35			
36			
37			
38			
39			
TOTAL		(397,451)	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	1,138	1,138			
2			420,805		
3			(243,353)		
4			40,383		
5			92,178		
6	70,292			1,448	
7	(55,896)		(310,013)	(365,909)	
8				(210,889)	
9				70,289	
10		878,386		25,602	
11	3,813,595	2,910,513		903,082	
12	7,795,257	7,721,440	(5,007)	(1,215,104)	
13					
14					
15			5,211		
16			314		
17			800		
18	1,600			(800)	
19		1,600	(6,325)	(7,925)	
20	1,600	1,600		(8,725)	
21					
22					
23			1		
24			17,884		
25					
26			17,885		
27					
28					
29	(65,567)	(65,007)		(561)	
30	(857)	25,583	2,808	(26,441)	
31	(66,424)	(39,424)	2,808	(27,002)	
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	106,828,455	98,138,661		8,292,344	

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) (l)	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) (i)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11		3,793,715		
12	2,039,838	5,790,297		
13				
14				
15				
16				
17				
18		1,600		
19				
20		1,600		
21				
22				
23				
24				
25				(700)
26				(700)
27				
28				
29				
30				2,801
31				2,801
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL	87,120,442	22,687,331		(2,953,845)

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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				1,138	
2					
3					
4					
5					
6				70,292	
7				(55,896)	
8					
9					
10					
11				19,880	
12				(34,878)	
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25				700	
26				700	
27					
28					
29				(65,567)	
30				(3,658)	
31				(69,225)	
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL				(25,471)	

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	220,000
2	Forest Use Permits	3,761,270
3	Settlement Payable	500,000
4	Mirabeau Accrued Rent	62,681
5	Audit Exp Acc	(157,225)
6	Ferc Admin Fee Acc	528,000
7	Ferc Elec Admin Chg	80,490
8	MT Lease Payments	4,352,000
9	Misc Non-Mon Pwr Exchange	112,862
10	DSM Tariff Rider	994,207
11	Payroll Eqztn	15,643,059
12	Low Income Energy Assist	3,078,744
13	Avista Grants Eng Sustain WSU	262,401
14	Mobius	150,000
15	Workers Comp Liability	2,695,619
16	Accts Payable Inventory Accruals	39,014
17	Accounts Payable Expense Accruals	3,666,357
18	Current Portion- Benefit Liab	4,124,674
19	Misc Liabilities	15,218,935
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	55,333,088

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)	2,249,960	495	749,960		1,500,000
2	Pacificorp Capacitor (253080)					
3	Centralia Enviromental (253110)					
4	Rathdrum Refund (253120)	307,220	550	33,822		273,398
5	NE Tank Spill (253130)	87,106	186	16,739		70,367
6	Bills Pole Rentals (253140)	223,141			33,964	257,105
7	CR-CS2 GE LTSA (253150)					
8	IR Swaps (254170)	126,864	176	126,864		
9	Regulatory Accruals (253650)					
10	Sale/Leaseback on Bldg(253850)	261,456	931	261,456		
11	ID Clark Fork Relic			716,098	263,251	(452,847)
12	Defer Comp Retired Execs (253900)	93,956	431	14,298		79,658
13	Defer Comp Active Execs (253910)	9,285,113	128	632,369		8,652,744
14	Executive Incent Plan (253920)	140,000				140,000
15	Unbilled Revenue (253990)	3,275,900	908	1,462,907		1,812,993
16						
17	DOC EECE Grant	900,017	136	49,762		850,255
18	DOC EECE Admin Fee	100,000	184	100,000		
19	Idaho Clark Fork				452,846	452,846
20	ERM				12,947,628	12,947,628
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	Total	17,050,733		4,164,275	13,697,689	26,584,147

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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	253,937,772	12,716,918	
3	Gas	87,786,031	4,392,566	
4	Other (Define) (footnote details)	27,898,329	19,871,688	
5	Total (Enter Total of lines 2 thru 4)	369,622,132	36,981,172	
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	369,622,132	36,981,172	
8	Classification of TOTAL			
9	Federal Income Tax	358,555,809	36,981,172	
10	State Income Tax	11,066,323		
11	Local Income Tax			

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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				2,837,591			269,492,281
3				4,270,208			96,448,805
4	(139,667)					15,071,143	32,559,207
5	(139,667)			7,107,799		15,071,143	398,500,293
6							
7	(139,667)			7,107,799		15,071,143	398,500,293
8							
9	(139,667)			7,107,799		15,071,143	387,433,970
10							11,066,323
11							

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	44,293,208	(14,360,567)	512,038
3	Gas	(7,468,000)	3,589,665	
4	Other (Define) (footnote details)	203,467,585	1,762,403	
5	Total (Total of lines 2 thru 4)	240,292,793	(9,008,499)	512,038
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru 6)	240,292,793	(9,008,499)	512,038
8	Classification of TOTAL			
9	Federal Income Tax	236,058,987		
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	Changes during Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year (k)
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Acct. No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2	(30,191)			(737,503)			28,652,909
3						6,579	(3,884,914)
4		4,395,661		34,042,198			234,876,525
5	(30,191)	4,395,661		33,304,695		6,579	259,644,520
6							
7	(30,191)	4,395,661		33,304,695		6,579	259,644,520
8							
9							236,058,987
10							4,233,806
11							

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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)	11,133,372				1,183,371	12,316,743
2	Oregon BETC Credit (254010)	104,733	190	34,911			69,822
3	Noxon, ITC (254025)	2,036,509				700,599	2,737,108
4	Defer Gas Exchange (254028)						
5	FAS 109 Invest Tax Credit (254180)	149,784	190	23,532			126,252
6	Nez Perce (254220)	726,380	557	22,008			704,372
7	Oregon Senate Bill (254250)	2,544,937	407	1,773,345			771,592
8	Reg Liability CCX CR ID (254300)						
9	Accrue Lake CDA IPA int (254325)						
10	BPA Res Exch Regulatory Liab (254345)					178,328	178,328
11	Unrealized Currency Exchange (254399)	26,289	143	15,192			11,097
12	Reg Liability Other (254700)						
13	Mark to Market ST (254740)	(5,878)				31,346	25,468
14	Mark to Market FAS133 (254750)						
15	Idaho DSIT	14,713,202	407	11,229,728			3,483,474
16	Colstrip/CS2					516,251	516,251
17	Oregon Commercial Fee	116,233	805	116,888			(655)
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45	Total	31,545,581		13,215,604	0	2,609,895	20,939,852

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:				

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	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	219,557,360	193,169,378	219,557,360	193,169,378	20,720,154	18,854,641
2	118,663,581	104,750,598	118,663,581	104,750,598	13,550,183	12,317,713
3						
4	210,967,741	218,204,139	210,967,741	218,204,139	53,875,981	52,440,562
5	347,915	288,882	347,915	288,882	44,000	39,272
6						
7						
8	168,994	168,318	168,994	168,318		
9						
10						
11	6,708,968	6,470,438	6,708,968	6,470,438	15,251,503	14,209,259
12						
13						
14						
15						
16	2,939	1,460	2,939	1,460		
17						
18	6,894,207	9,036,483	6,894,206	9,036,482		
19	563,311,705	532,089,696	563,311,704	532,089,695		
20						
21	563,311,705	532,089,696	563,311,704	532,089,695		

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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	95,303
13	DSM Lost Margin (Oregon)	48,905
14	Deferred Exchange Revenue	6,750,000
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	Total	6,894,208

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	419,658,497	413,492,742
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	10,040,828	18,740,662
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	409,617,669	394,752,080
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	35,608,018	27,737,360
87	(Less) 808.2 Gas Delivered to Storage-Credit	41,974,554	32,273,531
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	1,866,763	1,330,609
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)	1,866,763	1,330,609
95	813 Other Gas Supply Expenses	2,060,484	1,694,333
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	403,444,854	390,579,633
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	403,444,854	390,579,633
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	13,813	844
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	472,924	288,676
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	486,737	289,520

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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	430,728	282,892
124	TOTAL Maintenance (Total of lines 116 thru 123)	430,728	282,892
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	917,465	572,412
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)	917,465	572,412	

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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	1,527,573	1,118,971
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

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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	4,541,093	3,473,113
209	875 Measuring and Regulating Station Expenses-General	431,912	416,318
210	876 Measuring and Regulating Station Expenses-Industrial	34,524	13,565
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	253,679	169,792
212	878 Meter and House Regulator Expenses	997,986	1,736,929
213	879 Customer Installations Expenses	2,574,363	2,286,059
214	880 Other Expenses	2,812,262	2,518,721
215	881 Rents	46,573	35,429
216	TOTAL Operation (Total of lines 204 thru 215)	13,219,965	11,768,897
217	Maintenance		
218	885 Maintenance Supervision and Engineering	222,923	219,666
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,957,960	2,518,799
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	212,883	258,822
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	125,295	138,600
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	120,959	114,396
225	892 Maintenance of Services	1,257,549	1,676,274
226	893 Maintenance of Meters and House Regulators	1,449,627	1,280,066
227	894 Maintenance of Other Equipment	339,210	348,250
228	TOTAL Maintenance (Total of lines 218 thru 227)	6,686,406	6,554,873
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	19,906,371	18,323,770
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	562,996	525,998
233	902 Meter Reading Expenses	1,916,151	1,835,341
234	903 Customer Records and Collection Expenses	7,077,555	6,640,573

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Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	2,339,734	1,485,533	
236	905 Miscellaneous Customer Accounts Expenses	123,184	116,224	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	12,019,620	10,603,669	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	15,489,692	13,937,153	
242	909 Informational and Instructional Expenses	950,702	998,589	
243	910 Miscellaneous Customer Service and Informational Expenses	118,938	149,634	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	16,559,332	15,085,376	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	9,884	(4,562)	
249	913 Advertising Expenses	96	680	
250	916 Miscellaneous Sales Expenses	(2,314)	118,997	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	7,666	115,115	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	9,045,117	9,171,229	
255	921 Office Supplies and Expenses	1,551,004	1,589,228	
256	(Less) 922 Administrative Expenses Transferred-Credit	30,489	31,599	
257	923 Outside Services Employed	5,461,172	5,690,760	
258	924 Property Insurance	401,856	432,386	
259	925 Injuries and Damages	1,347,333	1,589,704	
260	926 Employee Pensions and Benefits	371,905	326,710	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	1,744,486	1,854,784	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1 General Advertising Expenses	288	78,132	
265	930.2 Miscellaneous General Expenses	1,148,499	1,286,718	
266	931 Rents	316,193	302,324	
267	TOTAL Operation (Total of lines 254 thru 266)	21,357,364	22,290,376	
268	Maintenance			
269	932 Maintenance of General Plant	2,770,102	2,432,245	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	24,127,466	24,722,621	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	476,982,774	460,002,596	

Name of Respondent Avista Corporation	This Report Is:		Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

Gas Used in Utility Operations

- Report below details of credits during the year to Accounts 810, 811, and 812.
- If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas	Natural Gas	Natural Gas	Natural Gas
			Gas Used Dth (c)	Amount of Credit (in dollars) (d)	Amount of Credit (in dollars) (d)	Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	804	4,454,016	0		
2	811 Gas Used for Products Extraction - Credit	811	1,897,795	1,866,763		
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
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25	Total		6,351,811	1,866,763		

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 331 Line No.: 1 Column: d

Dollar values related to compressor fuel are not separately recorded. These dollars are included in total gas purchase costs.

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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	782,848
3	Labor Loading	631,118
4	Other Expenses (Professional Services, Travel, Office Supplies, Training)	163,771
5		
6	Amortizations of Gas Operations Database	441
7		
8	Regulatory Affairs	
9	Labor	127,972
10	Labor Loading	103,459
11	Other Expenses (Travel, Transportation, Gas Technology Inst payments)	250,875
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24		
25	Total	2,060,484

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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.	268,153
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	47,064
4	Other expenses	
5	Directors Fees and Expenses	187,977
6	Miscellaneous General Expenses	621,731
7	Community Relations	14,581
8	Educational - Informational	8,935
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25	Total	1,148,441

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FOOTNOTE DATA			

Schedule Page: 335 Line No.: 5 Column: b

Schedule Page: 335 Line No.: 5

<u>Directors</u>	<u>2011</u>	<u>Expenses</u>
Vendor Name		
DONALD C BURKE		\$5,483
ERIK J ANDERSON		\$24,876
HEIDI B STANLEY		\$25,238
JOHN F KELLY		\$30,250
KRISTIANNE BLAKE		\$23,970
MARC F RACICOT		\$18,488
MICHAEL L NOEL		\$18,716
R JOHN TAYLOR		\$20,960
REBECCA A KLEIN		\$8,349
RICK R HOLLEY		\$3,129
ROY EIGUREN		\$5,469
SCOTT L MORRIS		\$3,050

Schedule Page: 335 Line No.: 6 Column: b

Schedule Page: 335 Line No.: 6

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Vendors Under \$5000		\$41,996
ADVENTURES IN ADVERTISING	010 General Services	\$3,544
AMERICAN GAS ASSOCIATION	885 Miscellaneous	\$10,000
AZAR'S FOOD SERVICES	215 Employee Business Meals	\$2,089
BNY MELLON	910 Postage	\$1,898
BROADRIDGE ICS	010 General Services	\$21,094
CAREY INTERNATIONAL INC	220 Employee Car Rental	\$2,200
CITIBANK NA	885 Miscellaneous	\$15,940
COPYRIGHT CLEARANCE CENTER INC	885 Miscellaneous	\$2,745
CORP CREDIT CARD	020 Professional Services	\$39,464
DAVID D HOLMES	205 Airfare	\$497
DAVIS HIBBITTS & MIDGHALL INC	020 Professional Services	\$12,338
DESAUTEL HEGE COMMUNICATIONS	020 Professional Services	\$1,940
DEWEY & LEOEUF LLP	010 General Services	\$16,476
DILIGENT BOARD MEMBER SERVICES INC	935 Subscriptions	\$7,871
DONALD C BURKE	205 Airfare	\$5,565
ENERGY INDUSTRY CBT ALLIANCE	861 Lease	\$1,933
ENTERPRISE RENT A CAR	Hardware/Software	
GARD COMMUNICATIONS	220 Employee Car Rental	\$2,831
HANNA & ASSOCIATES INC	020 Professional Services	\$2,368
INLAND NORTHWEST PARTNERS	020 Professional Services	\$3,532
JASON R THACKSTON	826 Sponsorships	\$1,569
KAREN S FELTES	205 Airfare	\$1,397
KLUNDT HOSMER DESIGN	205 Airfare	\$1,435
MARIAN MCMAHON DURKIN	020 Professional Services	\$7,481
MARK T THIES	210 Employee Auto Mileage	\$1,450
	215 Employee Business Meals	\$3,046

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

MELLON INVESTOR SERVICES LLC	010 General Services	\$34,343
MERRILL LYNCH PIERCE FENNER & SMITH INC	885 Miscellaneous	\$9,183
MICHAEL G ANDREA	205 Airfare	\$5,886
MICHAEL J FAULKENBERRY	205 Airfare	\$7,793
MOODYS INVESTORS SERVICE	885 Miscellaneous	\$33,140
NYSE MARKET INC	010 General Services	\$14,670
RICK R HOLLEY	205 Airfare	\$3,129
STANDARD & POORS	010 General Services	\$27,886
STEVE L VINCENT	205 Airfare	\$6,998
STRATEGIC RESEARCH ASSOCIATES	020 Professional Services	\$1,942
THE BANK OF NEW YORK MELLON	885 Miscellaneous	\$3,258
THE COEUR D ALENE	215 Employee Business Meals	\$5,556
THE DAVENPORT HOTEL	215 Employee Business Meals	\$4,289
THE SALVATION ARMY KROC CENTER	925 Rental Expense - Other	\$1,123
TOWERS WATSON PENNSYLVANIA INC	020 Professional Services	\$3,763
WILMINGTON TRUST COMPANY	885 Miscellaneous	\$1,381

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	309,287
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	666,229			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	13,858,458			
10	General plant	753,194			
11	Common plant-gas	2,748,604			1,972,471
12	TOTAL	18,026,485		227	2,281,758

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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			309,514	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			666,229	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminatng and processing plant
8				Transmission plant
9			13,858,458	Distribution plant
10	4,818		758,012	General plant
11	4,883		4,725,958	Common plant-gas
12	9,701		20,318,171	TOTAL

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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			
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14			
15			

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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	Acct. 425.00 Miscellaneous Amortizations	
2	Gas plant acquisition adjustment applicable to purchase of CP National	
3	Oregon and California distribution system. Contra 115.00	304,717
4	Total - 425.00	304,717
5	Acct. 426.10 Donations	
6	Items under \$250,000	2,143,177
7	Total - 426.10	2,143,177
8	Acct. 426.20 Life Insurance	
9	Officers Life Insurance	20,085
10	SERP	2,233,586
11	Total - 426.20	2,253,671
12	Acct. 426.30	
13	Items under \$250,000	281,672
14	Total - 426.30	281,672
15	Acct. 426.40 Exp. for Certain Civic, Political and Related Activities	
16	Items under \$250,000	1,186,022
17	Total 426.40	1,186,022
18	Acct. 426.50 Other Deductions	
19	Executive Deferred Compensation	261,708
20	Items under \$250,000	145,515
21	Total 426.50	407,223
22	Acct. 430.00 Interest on Debt to Assoc. Companies	
23	Avista Capital II (long-term debt) (variable rate ranged from 1.13 to 1.40 pct.)	331,627
24	Avista Capital, Inc. (reflects a correction from prior years)	(357,934)
25	Total 430.00	(26,307)
26	Acct. 431.00 Other Interest Expense	
27	Interest on electric deferrals	167,928
28	Interest on natural gas deferrals	515,576
29	Interest on committed line of credit	1,982,480
30	Interest on demand side management programs	277,364
31	Other	39,751
32	Total 431.00	2,983,099
33		
34		
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	2,327,107	202,546	2,529,653	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	872,126	286,153	1,158,279	
8					
9	Includes annual fee and various other natural gas dockets	289,160	130,359	419,519	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	576,708	170,811	747,519	
13					
14	Includes annual fee and various other natural gas dockets	145,504	80,123	225,627	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	478,612	147,655	626,267	
18					
19	Not directly assigned electric		1,239,905	1,239,905	
20	Not directly assigned natural gas		473,073	473,073	
21					
22					
23					
24					
25	Total	4,689,217	2,730,625	7,419,842	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	2,529,653				
5							
6							
7	Electric	928	1,158,279				
8							
9	Natural gas	928	419,519				
10							
11							
12	Electric	928	747,519				
13							
14	Natural gas	928	225,627				
15							
16							
17	Natural gas	928	626,267				
18							
19	Electric	928	1,239,905				
20	Natural gas	928	473,073				
21							
22							
23							
24							
25			7,419,842				

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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	316,344
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	55,561
4	Post-employment benefit plans	
5	Other (Specify)	
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	Total	371,905

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	10,108,638			10,108,638
4	Transmission	2,555,587			2,555,587
5	Distribution	3,537,312			3,537,312
6	Customer Accounts	6,635,947			6,635,947
7	Customer Service and Informational	608,330			608,330
8	Sales	2,539			2,539
9	Administrative and General	14,718,926			14,718,926
10	TOTAL Operation (Total of lines 3 thru 9)	38,167,279			38,167,279
11	Maintenance				
12	Production	3,168,302			3,168,302
13	Transmission	1,011,134			1,011,134
14	Distribution	3,758,066			3,758,066
15	Administrative and General			11,838,552	11,838,552
16	TOTAL Maintenance (Total of lines 12 thru 15)	7,937,502		11,838,552	19,776,054
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	13,276,940			13,276,940
19	Transmission (Total of lines 4 and 13)	3,566,721			3,566,721
20	Distribution (Total of lines 5 and 14)	7,295,378			7,295,378
21	Customer Accounts (line 6)	6,635,947			6,635,947
22	Customer Service and Informational (line 7)	608,330			608,330
23	Sales (line 8)	2,539			2,539
24	Administrative and General (Total of lines 9 and 15)	14,718,926		11,838,552	26,557,478
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	46,104,781		11,838,552	57,943,333
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	910,821			910,821
31	Storage, LNG Terminaling and Processing	5,879			5,879
32	Transmission				
33	Distribution	4,046,697			4,046,697
34	Customer Accounts	2,826,844			2,826,844
35	Customer Service and Informational	337,946			337,946
36	Sales	968			968
37	Administrative and General	5,428,676			5,428,676
38	TOTAL Operation (Total of lines 28 thru 37)	13,557,831			13,557,831
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	798,502			798,502
45	Distribution	2,343,437			2,343,437

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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			9,290,766	9,290,766
47	TOTAL Maintenance (Total of lines 40 thru 46)	3,141,939		9,290,766	12,432,705
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.)(Il. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	910,821			910,821
53	Storage, LNG Terminating and Processing (Total of Il. 31 and 43)	5,879			5,879
54	Transmission (Total of lines 32 and 44)	798,502			798,502
55	Distribution (Total of lines 33 and 45)	6,390,134			6,390,134
56	Customer Accounts (Total of line 34)	2,826,844			2,826,844
57	Customer Service and Informational (Total of line 35)	337,946			337,946
58	Sales (Total of line 36)	968			968
59	Administrative and General (Total of lines 37 and 46)	5,428,676		9,290,766	14,719,442
60	Total Operation and Maintenance (Total of lines 50 thru 59)	16,699,770		9,290,766	25,990,536
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	62,804,551		21,129,318	83,933,869
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	31,008,041		7,970,743	38,978,784
67	Gas Plant	6,251,691		1,607,023	7,858,714
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	37,259,732		9,577,766	46,837,498
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,628,348		414,566	2,042,914
72	Gas Plant	92,200		23,473	115,673
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	1,720,548		438,039	2,158,587
75	Other Accounts (Specify) (footnote details)	34,377,286		(30,902,898)	3,474,388
76	TOTAL Other Accounts	34,377,286		(30,902,898)	3,474,388
77	TOTAL SALARIES AND WAGES	136,162,117		242,225	136,404,342

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

Other Accounts (Specify):			
Stores Expense (163)	1,869,614	(1,869,614)	0
Unamortized debt expense (181)	0		0
Regulatory Assets (182)	0		0
Preliminary Survey and Investigation (183)	8,813		8,813
Small Tool Expense (184)	3,119,577	(3,119,577)	0
Miscellaneous Deferred Debits (186)	520,405		520,405
Capital Stock Expense (214)	0		0
Merchandising Expenses (416)	0		0
Non-operating Expenses (417)	489,467		489,467
Expenditures of Certain Civic, Political and Related Activities (426)	574,052		574,052
Employee Incentive Plan (232380)	10,160,248	(10,160,248)	0
DSM Tarrif Rider and Payroll Equalization Liability (242600, 242700)	17,576,289	(15,753,459)	1,822,830
Incentive / Stock Compensation (238000)	58,821		58,821
			0
			0
TOTAL Other Accounts	34,377,286	(30,902,898)	3,474,388

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of <u>2011/Q4</u>
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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	AECOM INC	555,365
2	ALL SURFACE ROOFING & WATERPROOFING INC	335,043
3	BOOZ & COMPANY INC	2,329,432
4	BOUTEN CONSTRUCTION COMPANY	1,041,977
5	COEUR D ALENE TRIBE	341,474
6	COLUMBIA GRID	324,184
7	DEWEY & LEBOEUF LLP	324,698
8	DINERO SOLUTIONS LLC	952,547
9	EFACEC ADVANCED CONTROL SYSTEMS	309,625
10	ELECTRICAL CONSULTANTS INC	466,223
11	GARCO CONSTRUCTION INC	1,970,836
12	HANNA & ASSOCIATES INC	364,184
13	HICKEY BROTHERS FISHERIES LLC	318,369
14	INTELLITECT	661,246
15	INTERIOR SOLUTIONS INC	466,291
16	ITRON INC	962,405
17	JACO CONSTRUCTION INC	472,515
18	LAND EXPRESSIONS	1,249,067
19	MCKINSTRY ESSENTION INC	4,154,980
20	NORTHWEST HYDRAULIC CONSULTANTS	370,250
21	PAINÉ HAMBLÉN LLP	799,717
22	PRO BUILDING SYSTEMS	293,598
23	PROJECTCORPS LLC	310,555
24	SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	324,481
25	SCOPE SERVICES INC	271,355
26	TILTON EXCAVATON LLC	380,596
27	U S FISH & WILDLIFE SERVICE	312,667
28	WESTERN ELECTRICITY	546,341
29	ALCAN CABLE	492,018
30	DELOITTE & TOUCHE LLP	1,520,546
31	ERMCO	4,429,691
32	G & W ELECTRIC	2,534,980
33	NORTHWEST STEEL FAB	257,814
34	OSMOSE UTILITIES SERVICES INC	263,756
35	REGULUS INTEGRATED SOLUTIONS LLC	259,991

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Charges for Outside Professional and Other Consultative Services (continued)

Line No.	Description (a)	Amount (in dollars) (b)
1	WESCO DISTRIBUTION INC	410,106
2		
3		
4	Other	20,026,900
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Transactions with Associated (Affiliated) Companies

- Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
- Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
- Total under a description "Total", the total of all of the aforementioned goods and services.
- Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Jackson Prairie Gas Storage Facility - Cushion Gas,	Avista Energy	117100	4,415,045
3	Non-recoverable cushion gas and wells.		107500	7,128,640
4				
5	Total			11,543,685
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	513,043		513,043
3	February	15,394		15,394
4	March	407,103		407,103
5	April	575,211		575,211
6	May	1,663,540		1,663,540
7	June	1,144,154		1,144,154
8	July	1,416,091		1,416,091
9	August	2,907,204		2,907,204
10	September	1,359,102		1,359,102
11	October	122,229		122,229
12	November	226,405		226,405
13	December	519,402		519,402
14	TOTAL (Total of lines 2 thru 13)	10,868,878		10,868,878
15	Gas Withdrawn from Storage			
16	January	1,642,686		1,642,686
17	February	2,196,206		2,196,206
18	March	479,391		479,391
19	April	895,035		895,035
20	May	101,861		101,861
21	June	565,525		565,525
22	July	560,897		560,897
23	August	2,277		2,277
24	September	39,510		39,510
25	October	5,700		5,700
26	November	357,936		357,936
27	December	2,502,800		2,502,800
28	TOTAL (Total of lines 16 thru 27)	9,349,824		9,349,824

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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Gas Storage Projects

- On line 4, enter the total storage capacity certificated by FERC.
- 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 Dth
2	Cushion Gas (Including Native Gas)	7,730,668 Dth
3	Total Gas in Reservoir (Total of line 1 and 2)	16,258,668 Dth
4	Certificated Storage Capacity	16,258,668 Dth
5	Number of Injection - Withdrawal Wells	54
6	Number of Observation Wells	48
7	Maximum Days' Withdrawal from Storage	214,743 Dth
8	Date of Maximum Days' Withdrawal	02/02/2011
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 Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 513 Line No.: 7 Column: c

Mcf converted to Dth using factor of 1.04.

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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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	358,800	34,678,708	Yes
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	39,867	5,751,589	No
7		Storage Field			
8		Oregon Supply			
9					
10	Chehalis, Washington	Underground Natural Gas	2,623	0	Yes
11		Storage Field			
12		Oregon Supply			
13					
14	Rock Springs, Wyoming	Underground Natural Gas	186,125	0	Yes
15		Storage Field			
16		Washington & Idaho Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	63,875	0	Yes
19		Storage Field			
20		Oregon Supply			
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report 2011/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.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2012	Year/Period of Report End of 2011/Q4
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Gas Account - Natural Gas

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
- 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.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
- 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.
- 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 Three Months Ended Amount of Dth Quarterly Only
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		91,166,581	
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	15,251,503	
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328	(50,038)	
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		106,368,046	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		88,190,318	
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307	15,251,503	
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		(1,527,791)	
28	Gas Used for Compressor Station Fuel	509	2,127,361	
29	Other Deliveries and Gas Used for Other Operations			
30	Total Deliveries (Total of lines 18 thru 29)		104,041,391	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		2,326,655	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		106,368,046	

Avista Corp.

2011

IDAHO

State Natural Gas Annual Report

(IC 61-405)

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Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>mm/dd/yyyy</i> 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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STATEMENT OF UTILITY OPERATING INCOME - IDAHO

Instructions

- For each account below, report the amount attributable to the state of Idaho based on Idaho jurisdictional Results of Operations.
- Provide any necessary important notes regarding this statement of utility operating income in a footnote in the available space at the bottom of this page

Line No.	Account (a)	Refer to Form 2 Page (b)	TOTAL SYSTEM - IDAHO	
			Current Year (c)	Prior Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	490,826,505	497,983,173
3	Operating Expenses			
4	Operation Expenses (401)	317-325	372,734,080	376,224,721
5	Maintenance Expenses (402)	317-325	1,449,373	1,537,129
6	Depreciation Expense (403)	336-338	32,159,853	31,409,908
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	-	-
8	Amortization & Depletion of Utility Plant (404-405)	336-338	2,650,538	2,323,359
9	Amortization of Utility Plant Acquisition Adjustment (406)	336-338	67,304	67,304
10	Amort. of Property Losses, Unrecov Plant and Regulatory Study Costs (407)		-	-
11	Amortization of Conversion Expenses (407)		-	-
12	Regulatory Debits (407.3)		(9,642,712)	(3,012,318)
13	(Less) Regulatory Credits (407.4)		(2,460,999)	(3,408,851)
14	Taxes Other Than Income Taxes (408.1)	262-263	14,029,701	12,468,006
15	Income Taxes - Federal (409.1)	262-263	11,858,943	9,022,201
16	- Other (409.1)	262-263	-	-
17	Provision for Deferred Income Taxes (410.1)	234-235	8,946,025	11,851,175
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234-235	-	-
19	Investment Tax Credit Adjustment - Net (411.4)		(69,896)	(62,045)
20	(Less) Gains from Disposition of Utility Plant (411.6)		-	-
21	Losses from Disposition Of Utility Plant (411.7)			
22	(Less) Gains from Disposition of Allowances (411.8)			
23	Losses from Disposition of Allowances (411.9)			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Total of line 4 through 24)		431,722,210	438,420,589
26	Net Utility Operating Income (Total line 2 less 25)		59,104,295	59,562,584

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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STATEMENT OF UTILITY OPERATING INCOME - IDAHO

Instructions

or in a separate schedule.

3. Explain in a footnote if the previous year's figures are different from those reported in prior reports.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
374,727,202	384,215,427	116,099,303	113,767,746			2
						3
276,342,925	278,155,614	96,391,155	98,069,107			4
		1,449,373	1,537,129			5
27,602,346	27,054,409	4,557,507	4,355,499			6
						7
2,133,508	1,897,649	517,030	425,710			8
67,304	67,304					9
						10
						11
(9,332,082)	(2,839,169)	(310,630)	(173,149)			12
(2,460,999)	(3,408,851)					13
11,783,114	10,731,713	2,246,587	1,736,293			14
11,102,578	11,243,426	756,365	(2,221,225)			15
						16
6,419,332	7,164,697	2,526,693	4,686,478			17
						18
(52,928)	(44,441)	(16,968)	(17,604)			19
						20
						21
						22
						23
						24
323,605,098	330,022,351	108,117,112	108,398,238	-	-	25
51,122,104	54,193,076	7,982,191	5,369,508	-	-	26

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/15/2012	Year / Period of Report End of 2011 / Q4
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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION - IDAHO

Instructions

1. Report below the original cost of utility plant in service necessary to furnish utility service to customers in the state of Idaho, and the accumulated provisions for depreciation, amortization, and depletion attributable to that plant in service.
2. Report in column (c) the amount for electric function, in column (d) the amount for gas function, in columns (e), (f), and (g) report other (specify).

Line No.	Account (a)	Total Company End of Current Year (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,273,609,658	1,040,371,226
4	Property Under Capital Leases	539,883	-
5	Plant Purchased or Sold	-	-
6	Completed Construction not Classified	-	-
7	Experimental Plant Unclassified	-	-
8	Total (Total lines 3 through 7)	1,274,149,541	1,040,371,226
9	Leased to Others	-	-
10	Held for Future Use	342,220	126,640
11	Construction Work in Progress	25,936,903	18,487,561
12	Acquisition Adjustments	-	-
13	Total Utility Plant (Total lines 8 through 12)	1,300,428,664	1,058,985,427
14	Accumulated Provision for Depreciation, Amortization, and Depletion	443,552,903	368,893,863
15	Net Utility Plant (Line 13 less line 14)	856,875,761	690,091,564
16	Detail of Accumulated Provision for Depreciation, Amortization, and Depletion		
17	In Service		
18	Depreciation	436,062,918	366,539,400
19	Amortization and Depletion of Producing Natural Gas Lands / Land Rights	-	-
20	Amortization of Underground Storage Lands / Land Rights	-	-
21	Amortization of Other Utility Plant	7,489,985	2,354,463
22	Total (Total lines 18 through 21)	443,552,903	368,893,863
23	Leased to Others		
24	Depreciation	-	-
25	Amortization and Depletion	-	-
26	Total Leased to Others	-	-
27	Held for Future Use		
28	Depreciation	-	-
29	Amortization	-	-
30	Total Held for Future Use	-	-
31	Abandonment of Leases (Natural Gas)	-	-
32	Amortization of Plant Acquisition Adjustment	-	-
33	Total Accumulated Provision (Total lines 22, 26, 30, 31, 32)	443,552,903	368,893,863

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/15/2012	Year / Period of Report End of 2011 / Q4
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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION - IDAHO

Instructions

and in column (h) common function.

3. In order to accurately reflect utility plant in service necessary to furnish utility service to customers in the state of Idaho, electric and gas plant not directly assigned is allocated to the state of Idaho as appropriate and included in column (c) and (d).

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
169,548,716				63,689,716	3
480,564				59,319	4
-				-	5
-				-	6
-				-	7
170,029,280	-	-	-	63,749,035	8
-				-	9
215,580				-	10
1,241,836				6,207,506	11
-				-	12
171,486,696	-	-	-	69,956,541	13
55,993,746	-	-	-	18,665,294	14
115,492,950	-	-	-	51,291,247	15
					16
					17
55,783,400				13,740,118	18
-				-	19
-				-	20
210,346				4,925,176	21
55,993,746	-	-	-	18,665,294	22
					23
-				-	24
-				-	25
-				-	26
					27
-				-	28
-				-	29
-				-	30
-				-	31
-				-	32
55,993,746	-	-	-	18,665,294	33

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>mm/dd/yyyy</i> 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106)

Instructions

- Report below the original cost of gas plant in service necessary to furnish natural gas utility service to customers in the state of Idaho. Include gas plant not directly assigned as allocated to the state of Idaho.
- 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.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, include by primary plant account increases in column (c), additions, and reductions in column (e), adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.
- 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 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) distributions of

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	168,450	134,467
5	TOTAL Intangible Plant (Total of lines 2, 3, and 4)	168,450	134,467
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 Gathering Plant		
27	TOTAL Natural Gas Production and Gathering Plant (Total of lines 8 through 26)	-	-
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		

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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106)

Instructions

these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distributions of these amounts. Careful observance of these instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. 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; 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 distributed in column (f) to primary account classifications.
8. 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 requirement of these pages.
9. For each account comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed as required by the Uniform System of Accounts, give also the date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)	Line No.
				1
			-	2
			-	3
29,051	258,147		532,013	4
29,051	258,147	-	532,013	5
				6
				7
			-	8
			-	9
			-	10
			-	11
			-	12
			-	13
			-	14
			-	15
			-	16
			-	17
			-	18
			-	19
			-	20
			-	21
			-	22
			-	23
			-	24
			-	25
			-	26
-	-	-	-	27
				28
			-	29
			-	30
			-	31
			-	32
			-	33

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/13/2012	Year / Period of Report End of 2011 / Q4
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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance 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 (Total of lines 29 through 37)	-	-
39	TOTAL Natural Gas Production Plant (Total lines 27 and 38)	-	-
40	Manufactured Gas Production Plant (Submit Supplementary Schedule)		
41	TOTAL Production Plant (Total lines 39 and 40)	-	-
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land		
45	350.2 Rights-of-Way		
46	351 Structures and Improvements		
47	352 Wells		
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines		
52	354 Compressor Station Equipment		
53	355 Other Equipment		
54	356 Purification Equipment		
55	357 Other Equipment		
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant	-	-
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 (Total of lines 58 through 68)	-	-
70	Base Load Liquefied Natural Gas Terminating 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 Natural Gas Terminating and Processing Plant (Total lines 71 through 79)	-	-

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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)	Line No.
			-	34
			-	35
			-	36
			-	37
-	-	-	-	38
-	-	-	-	39
-	-	-	-	40
-	-	-	-	41
				42
				43
	123,808		123,808	44
	18,195		18,195	45
	410,249		410,249	46
	3,822,993		3,822,993	47
	77,375		77,375	48
	61,853		61,853	49
	1,630,418		1,630,418	50
	317,730		317,730	51
	3,460,192		3,460,192	52
	52,865		52,865	53
	123,997		123,997	54
	449,589		449,589	55
			-	56
-	10,549,264	-	10,549,264	57
				58
			-	59
			-	60
			-	61
			-	62
			-	63
			-	64
			-	65
			-	66
			-	67
			-	68
-	-	-	-	69
				70
			-	71
			-	72
			-	73
			-	74
			-	75
			-	76
			-	77
			-	78
			-	79
-	-	-	-	80

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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
81	TOTAL Natural Gas Storage and Processing Plant (Total of lines 57, 69 and 80)	-	-
82	TRANSMISSION PLANT		
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 (Total lines 83 through 91)	-	-
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	87,805	
95	375 Structures and Improvements	261,342	6,125
96	376 Mains	76,934,176	1,676,688
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	1,956,872	76,167
99	379 Measuring and Regulating Station Equipment-City Gate	4,144,742	
100	380 Services	46,542,005	932,349
101	381 Meters	19,695,172	1,095,288
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	599,033	21,390
106	386 Other Property on Customers' Premises		
107	387 Other Equipment		
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Total lines 94 through 108)	150,221,147	3,808,007
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements		
113	391 Office Furniture and Equipment		10,577
114	392 Transportation Equipment	1,148,738	425,560
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	445,475	15,376
117	395 Laboratory Equipment	25,097	1,708
118	396 Power Operated Equipment	839,174	14,953
119	397 Communication Equipment	331,659	147,523
120	398 Miscellaneous Equipment		
121	Subtotal (Total of Lines 111 through 120)	2,790,143	615,697
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Total of lines 121, 122 and 123)	2,790,143	615,697
125	TOTAL (Accounts 101 and 106)	153,179,740	4,558,171
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 (Total of lines 125 through 128)	153,179,740	4,558,171

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GAS PLANT IN SERVICE - IDAHO (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance End of Year (g)	Line No.
-	10,549,264	-	10,549,264	81
				82
				83
				84
				85
				86
				87
				88
				89
				90
				91
				92
				93
			87,805	94
232	6,780		274,015	95
50,466	775,331	(1,073)	79,334,656	96
				97
19,511	17,501		2,031,029	98
	18,576		4,163,318	99
30,429	(8,189)		47,435,736	100
	(265,035)	(535)	20,524,890	101
				102
				103
				104
15,484			604,939	105
				106
				107
				108
116,122	544,964	(1,608)	154,456,388	109
				110
				111
				112
	87,661		98,238	113
40,102	307,690		1,841,886	114
				115
9,874	383,293		834,270	116
7,639	60,744		79,910	117
38,136	160,186		976,177	118
23,524	205,477		661,135	119
				120
119,275	1,205,051	-	4,491,616	121
				122
				123
119,275	1,205,051	-	4,491,616	124
264,448	12,557,426	(1,608)	170,029,281	125
				126
				127
				128
264,448	12,557,426	(1,608)	170,029,281	129

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GAS STORED - IDAHO (Accounts 117.1, 117.2, 117.3, 164.1, 164.2, and 164.3)

Instructions

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 (in the available space at the bottom of this page or in a separate schedule) 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, in the available space at the bottom of this page or in a separate schedule, 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	(Account 117.1)	(Account 117.2)	Noncurrent (Account 117.3)	(Account 117.4)	Current (Account 164.1)	LNG (Account 164.2)	LNG (Account 164.3)	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Balance at beginning of year	576,651				5,827,192			6,403,843
2	Gas delivered to storage					11,812,663			11,812,663
3	Gas withdrawn from storage					9,846,690			9,846,690
4	Other debits and credits	1,195,827							1,195,827
5	Balance at end of year	1,772,478				7,793,165			9,565,643
6	Dth	317,648				2,073,312			2,390,960
7	Amount per Dth	5.58				3.76			4.00

- (1) Fuel is accounted for within injections and withdrawal accounts.
- (2) All gas reported is current working gas. Avista uses the inventory method to report all working gas stored.
- (3) In May, 2011, additional capacity was transferred to Jackson Prairie storage as per asset sales agreement.

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/13/2012	Year / Period of Report End of 2011 / Q4
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GAS OPERATING REVENUES - IDAHO

Instructions

1. Report below natural gas operating revenues attributable to the state of Idaho for each prescribed account total in accordance with jurisdictional Results of Operations.
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.	Account (a)	Revenues for Transition Costs and Take-or-Pay		Revenues for GRI and ACA	
		Current Year (b)	Previous Year (c)	Current Year (d)	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 (1)	-	-	-	-
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 for Others through Gathering Facilities	-	-	-	-
10	489.2 Revenues from Transportation of Gas for Others through Transmission Facilities	-	-	-	-
11	489.3 Revenues from Transportation of Gas for Others through Distribution Facilities	-	-	-	-
12	489.4 Revenues from Storing Gas of Others	-	-	-	-
13	490 Sales of Products Extracted from Natural Gas	-	-	-	-
14	491 Revenues from Natural Gas Processed 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 - IDAHO

Instructions

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote in the available space at the bottom of this page or attached in a separate schedule.
5. See pages 108 in the FERC Form 2, Important Changes During the Quarter/Year, for 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.

Other Revenues		Total Operating Revenues		Dekatherm of Natural Gas		Line No.
Current Year (f)	Previous Year (g)	Current Year (h)	Previous Year (i)	Current Year (j)	Previous Year (k)	
48,200,412	41,528,047	48,200,412	41,528,047	4,831,289	4,388,259	1
24,903,280	21,320,042	24,903,280	21,320,042	2,984,271	2,669,405	2
-	-	-	-	-	-	3
40,464,215	47,591,635	40,464,215	47,591,635	10,279,117	11,655,199	4
35,822	34,485	35,822	34,485	4,287	4,497	5
-	-	-	-	-	-	6
-	-	-	-	-	-	7
13,299	13,774	13,299	13,774	-	-	8
-	-	-	-	-	-	9
-	-	-	-	-	-	10
436,576	449,198	436,576	449,198	4,477,021	4,082,961	11
-	-	-	-	-	-	12
-	-	-	-	-	-	13
-	-	-	-	-	-	14
-	-	-	-	-	-	15
-	-	-	-	-	-	16
-	-	-	-	-	-	17
2,045,699	2,830,565	2,045,699	2,830,565	-	-	18
116,099,303	113,767,746	116,099,303	113,767,746	-	-	19
-	-	-	-	-	-	20
116,099,303	113,767,746	116,099,303	113,767,746	-	-	21

(1) Sales for resale dollars are allocated based on the Washington / Idaho average monthly commodity allocation used in Results of Operations.

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

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)		
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 Well 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 (Total of lines 7 through 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 Measuring and Regulating Station Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Total of lines 20 through 28)	-	-
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

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		
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	782 (Less) Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Total of line 33 through 46)	-	-
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 Regulating Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Total of lines 49 through 56)	-	-
58	TOTAL Products Extraction (Total of lines 47 and 57)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

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		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Total of lines 61 through 64)	-	-
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases		
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
70	801 Natural Gas Field Line Purchases		
71	802 Natural Gas Gasoline Plant Outlet Purchases		
72	803 Natural Gas Transmission Line Purchases		
73	804 Natural Gas City Gate Purchases	82,779,458	91,019,608
74	804.1 Liquefied Natural Gas Purchases		
75	805 Other Gas Purchases		
76	805.1 (Less) Purchased Gas Cost Adjustments	-	(5,169,368)
77	TOTAL Other Gas Supply Expenses (Total of lines 68 through 76)	82,779,458	85,850,240
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807.1 Well Expense-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	(1,980,923)	
85	TOTAL Purchased Gas Expenses (Total of lines 80 through 84)	(1,980,923)	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	-	7,148,498
87	808.2 (Less) Gas Delivered to Storage-Credit	-	(8,318,930)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit		
89	809.2 (Less) Deliveries of Natural Gas for Processing-Credit		
90	Gas Used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit		
92	811 Gas Used for Products Extraction-Credit	(415,999)	
93	812 Gas Used for Other Utility Operations-Credit	-	(306,165)
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 through 93)	(415,999)	(306,165)
95	813 Other Gas Supply Expenses	471,203	393,817
96	TOTAL Other Gas Supply Expenses (Total of lines 77, 78, 85, 86 through 89, 94, 95)	80,853,739	84,767,460
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	80,853,739	84,767,460
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	4,202	258
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	131,765	
112	825 Storage Well Royalties		84,648
113	826 Rents		
114	TOTAL Operation (Total of lines 101 through 113)	135,967	84,906

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
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	120,008	82,575
124	TOTAL Maintenance (Total of lines 116 through 123)	120,008	82,575
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	255,975	167,481
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 (Total of lines 128 through 133)	-	-
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures		
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 (Total of lines 136 through 144)	-	-
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	-	-

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

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		
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	845.5 (Less) 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 (Total of lines 149 through 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 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Total of lines 167 through 174)	-	-
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	-	-
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	255,975	167,481

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

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		
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 (Total of lines 180 through 190)	-	-
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 Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 through 199)	-	-
201	TOTAL Transmission (Total of lines 191 and 200)	-	-
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	319,207	250,266
205	871 Distribution Load Dispatching		
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>mm/dd/yyyy</i> 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	1,195,312	602,123
209	875 Measuring and Regulating Station Expenses-General	50,902	37,824
210	876 Measuring and Regulating Station Expenses-Industrial	18,187	5,474
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	134,763	98,371
212	878 Meter and House Regulator Expenses	220,929	223,023
213	879 Customer Installations Expenses	653,138	618,505
214	880 Other Expenses	593,802	507,407
215	881 Rents	10,176	8,207
216	TOTAL Operation (Total of lines 204 through 215)	3,196,416	2,351,200
217	Maintenance		
218	885 Maintenance Supervision and Engineering	94,786	89,242
219	886 Maintenance of Structures and Improvements	-	-
220	887 Maintenance of Mains	474,538	528,819
221	888 Maintenance of Compressor Station Equipment	-	-
222	889 Maintenance of Measuring and Regulating Station Equipment-General	55,263	109,650
223	890 Maintenance of Measuring and Regulating Station Equipment-Industrial	63,609	66,219
224	891 Maintenance of Meas. and Reg. Station Equipment-City Gate Check Station	51,202	46,084
225	892 Maintenance of Services	288,194	330,592
226	893 Maintenance of Meters and House Regulators	368,159	292,701
227	894 Maintenance of Other Equipment	53,622	73,821
228	TOTAL Maintenance (Total of lines 218 through 227)	1,449,373	1,537,128
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	4,645,789	3,888,328
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operallon		
232	901 Supervision	132,105	123,098
233	902 Meter Reading Expenses	225,931	219,522
234	903 Customer Records and Collection Expenses	1,587,749	1,485,634

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GAS OPERATION AND MAINTENANCE EXPENSES - IDAHO

Instructions

- For each prescribed account below, report operation and maintenance expenses as allocated by the Results of Operations model to the state of Idaho.
- If the amount for previous year is not derived from previously reported figures, explain in a footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	549,010	347,655
236	905 Miscellaneous Customer Accounts Expenses	28,905	27,200
237	TOTAL Customer Accounts Expenses (Total of lines 232 through 236)	2,523,700	2,203,109
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	-	-
241	908 Customer Assistance Expenses	3,865,610	2,945,406
242	909 Informational and Instructional Expenses	221,791	191,420
243	910 Miscellaneous Customer Service and Informational Expenses	27,908	35,080
244	TOTAL Customer Service and Informational Expenses (Total of lines 240 through 243)	4,115,309	3,171,906
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	-	-
248	912 Demonstrating and Selling Expenses	2,521	(2,342)
249	913 Advertising Expenses	-	94
250	916 Miscellaneous Sales Expenses	(12)	9,665
251	TOTAL Sales Expenses (Total of lines 247 through 250)	2,509	7,417
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	2,064,497	2,044,466
255	921 Office Supplies and Expenses	343,969	338,783
256	922 (Less) Administrative Expenses Transferred-Credit	(10,222)	(9,853)
257	923 Outside Services Employed	1,246,939	1,249,551
258	924 Property Insurance	91,864	95,149
259	925 Injuries and Damages	314,898	356,212
260	926 Employee Pensions and Benefits	73,940	60,784
261	927 Franchise Requirements	-	-
262	928 Regulatory Commission Expenses	333,769	357,242
263	929 (Less) Duplicate Charges-Credit	-	-
264	930.1 General Advertising Expenses	-	17,000
265	930.2 Miscellaneous General Expenses	266,432	277,939
266	931 Rents	69,517	63,554
267	TOTAL Operation (Total of lines 254 through 266)	4,795,603	4,850,827
268	Maintenance		
269	932 Maintenance of General Plant	647,904	549,708
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	5,443,507	5,400,535
271	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, 270)	97,840,528	99,606,236

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GAS TRANSMISSION MAINS - IDAHO

Instructions

1. Report below the requested details of transmission mains in system operated by respondent at end of year in the state of Idaho.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote (in the available space at the bottom of this page or attached in a separate schedule) state the name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.

Line No.	Kind of Material (a)	Diameter of Pipe in Inches (b)	Total Length in Use Beginning of Year in Feet (c)	Laid During Year in Feet (d)	Taken Up or Abandoned During Year in Feet (e)	Total Length in Use End of Year in Feet (f)
1						-
2						-
3						-
4						-
5						-
6						-
7						-
8						-
9						-
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-
21						-
22						-
23						-
24						-
25						-
26						-
27						-
28						-
29						-
30						-
31						-
32						-
33						-
34						-
35						-
36						-
37						-
38						-
39						-
40						-

NOTE:

In accordance with the definitions established in the Uniform System of Accounts for production, transmission, and distribution plant, the Company's gas mains are appropriately classified as distribution property for accounting purposes (see definitions 29 (B) and (C)).

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>mm/dd/yyyy</i> 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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GAS DISTRIBUTION MAINS - IDAHO

Instructions

1. Report below the requested details of distribution mains in system operated by respondent at end of year in the state of Idaho.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk and in a footnote (in the available space at the bottom of this page or attached in a separate schedule) state the name of owner or co-owner, nature of respondent's title, and percent ownership if jointly owned.

Line No.	Kind of Material (a)	Diameter of Pipe in Inches (b)	Total Length in Use Beginning of Year in Feet (c)	Laid During Year in Feet (d)	Taken Up or Abandoned During Year in Feet (e)	Total Length in Use End of Year in Feet (f)
1	Steel Wrapped	Less than 2"	1,766,202	116		1,766,318
2	Steel Wrapped	2" to 4"	638,209	301		638,510
3	Steel Wrapped	4" to 8"	384,944	21		384,965
4	Steel Wrapped	8" to 12"	4,588	6		4,594
5	Steel Wrapped	Over 12"	-			-
6						-
7						-
8	Plastic	Less than 2"	5,461,389	19,832		5,481,221
9	Plastic	2" to 4"	1,494,541	5,454		1,499,995
10	Plastic	4" to 8"	555,218	5,571		560,789
11	Plastic	8" to 12"	-			-
12	Plastic	Over 12"	-			-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-
21						-
22						-
23						-
24						-
25						-
26						-
27						-
28						-
29						-
30						-
31						-
32						-
33						-
34						-
35						-
36						-
37						-
38						-
39						-
40						-

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SERVICE PIPES - GAS - IDAHO

Instructions

1. Report below the requested details of line service pipe in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Type of Material (a)	Diameter of Pipe in Inches (b)	Number of Service Pipes Beginning of Year (c)	Added During Year (c)	Retired During Year (d)	Number of Service Pipes End of Year (e)	Average Length in Feet (f)
1	Steel Wrapped	1" or Less	11,718	-	51	11,667	(1)
2	Steel Wrapped	1" to 2"	207	-	7	200	(1)
3	Steel Wrapped	2" to 4"	8	-	2	6	(1)
4	Steel Wrapped	4" to 8"	1	-	-	1	(1)
5	Steel Wrapped	Over 8"	-	-	-	-	(1)
6	Steel Wrapped	Unknown	448	-	43	405	(1)
7							
8	Plastic	1" or Less	55,409	726	-	56,135	(1)
9	Plastic	1" to 2"	254	3	-	257	(1)
10	Plastic	2" to 4"	10	-	-	10	(1)
11	Plastic	4" to 8"	2	-	-	2	(1)
12	Plastic	Over 8"	-	-	-	-	(1)
13	Plastic	Unknown	2,773	-	89	2,684	(1)
14							
15	Other	Unknown	187	-	95	92	(1)
16							
17							
18							
19							
20							
21							
22							
23							
24							
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40							

(1) Information not available.

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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REGULATORS - GAS - IDAHO

Instructions

1. Report below the requested details of gas regulators in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	In Service Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	In Plant End of Year (h)
1								-
2	No Data available							-
3								-
4								-
5								-
6								-
7								-
8								-
9								-
10								-
11								-
12								-
13								-
14								-
15								-
16								-
17								-
18								-
19								-
20								-
21								-
22								-
23								-
24								-
25								-
26								-
27								-
28								-
29								-
30								-
31								-
32								-
33								-
34								-
35								-
36								-
37								-
38								-
39								-
40	Total				-	-		-

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Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report mm/dd/yyyy 4/13/2012	Year / Period of Report End of 2011 / Q4
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CUSTOMER METERS - GAS - IDAHO

Instructions

1. Report below the requested details of gas customer meters in possession of the respondent at the end of the year in the state of Idaho.

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	In Service Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	In Plant End of Year (h)
1	All	All	All	All	75,291	524	-	75,815
2								-
3								-
4								-
5								-
6								-
7								-
8								-
9								-
10								-
11								-
12								-
13								-
14								-
15								-
16								-
17								-
18								-
19								-
20								-
21								-
22								-
23								-
24								-
25								-
26								-
27								-
28								-
29								-
30								-
31								-
32								-
33								-
34								-
35								-
36								-
37								-
38								-
39								-
40								-

(1) The Company's systems do not supply meter information tracking by type of meter.

Name of Respondent Avista Corporation	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>mm/dd/yyyy</i> 4/13/2012	Year / Period of Report End of <u>2011 / Q4</u>
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GAS ACCOUNT - NATURAL GAS - IDAHO

Instructions

- The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent for service in the state of Idaho.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Enter in column (c) the year-to-date Dth as reported in the schedules indicated for the items of receipts and deliveries.
- Indicate in a footnote (in the available space at the bottom of this page or in a separate schedule) the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
- Indicate by footnote the quantities of gas not subject to FERC 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 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.
- Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes report on line 3 relate.
- 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.
- 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.	Account (a)	Refer to Form 2 Page (b)	Amount of Dth Year to Date (c)	Amount of Dth Current 3 Months Ended Quarterly Only (d)
1	Name of System			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		19,296,096	
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	4,477,021	
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	(7,892)	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
11	Other Gas Withdrawn from Storage (Explain)			
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 through 14)		23,765,225	
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		18,403,876	
18	Deliveries of Gas Gathered for Others (Account 489.1)	303		
19	Deliveries of Gas Transported for Others (489.2)	305		
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,477,021	
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 858)	328		
24	Deliveries of Gas to Others for Transportation (Account 858)	332		
25	Other Gas Delivered to Storage (Explain) (1)		(485,253)	
26	Gas Used for Compressor Station Fuel	509	1,369,581	
27	Other Deliveries (Specify) (footnote details)			
28	Total Deliveries (Total of lines 17 through 27)		23,765,225	
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 Gas Unaccounted For (Total of lines 30 through 35)		-	
37	Total Deliveries and Gas Unaccounted For (Total of lines 28 and 36)		23,765,225	

(1) Represents net gas withdrawals and injections.