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

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

AVU-G

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

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

Exact Legal Name of Respondent (Company)	Year/Period of Report
Avista Corporation	End of 2009/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent	Year/Period of Report
Avista Corporation	End of 2009/Q4

03 Previous Name and Date of Change (If name changed during year)

04 Address of Principal Office at End of Year (Street, City, State, Zip Code)

1411 East Mission Avenue, Spokane, WA 99207

05 Name of Contact Person	06 Title of Contact Person
Christy Burmeister-Smith	VP and Controller

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	This Report Is:	10 Date of Report (Mo, Da, Yr)
509-495-4256	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010

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	12 Title
Christy Burmeister-Smith	VP and Controller
13 Signature	14 Date Signed
	04/16/2010

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	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

List of Schedules (Natural Gas Company)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
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	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		N/A
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		
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18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		N/A
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
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23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		N/A
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		N/A
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		N/A

List of Schedules (Natural Gas Company) (continued)

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

General Information

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

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

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

State of Washington, Incorporated March 15, 1889

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

Not Applicable

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

Electric service in the states of Washington, Idaho and Montana

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

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

(1) [ ] Yes... Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Corporations Controlled by Respondent

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

DEFINITIONS

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

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	Avista Capital, Inc.	D	Parent company to the Company's subsidiaries.	100	*Not used*
2	Advantage IQ, Inc.	I	Provides utility bill processing services	74	*Not used*
3	Ecos, Inc.	I	Formed in 2009 to acquire Ecos Consulting, Inc.	100	*Not used*
4	Avista Development, Inc.	I	Maintains investment portfolio incl. real estate	100	*Not used*
5	Avista Energy, Inc.	I	Inactive	100	*Not used*
6	Avista Power, LLC	I	Inactive	100	*Not used*
7	Avista Turbine Power, Inc.	I	Receives assigned power purchase agreements	100	*Not used*
8	Avista Ventures, Inc.	I	Inactive	100	*Not used*
9	Pentzer Corporation	I	Parent of Bay Area Mfg and Pentzer Venture Hldngs	100	*Not used*
10	Pentzer Venture Holdings	I	Inactive	100	*Not used*
11	Bay Area Manufacturing	I	Holding co. of AM&D dba MetalFX	100	*Not used*
12	Advanced Manufacturing & Development	I	Custom mfg of electronic enclosures	83	*Not used*
13	dba MetalFX	I			*Not used*
14	Avista Receivables Corporation	D	Buys and sells receivables of Avista Corp	100	*Not used*
15	Spokane Energy, LLC	D	Marketing of energy	100	*Not used*
16	Avista Capital II	D	Affiliated business trust issued pref trust sec.	100	*Not used*
17	Avista Northwest Resources, LLC	I	Owns an interest in a venture fund investment	100	*Not used*
18	Steam Plant Square, LLC	I	Commercial office and retail leasing	90	*Not used*
19	Courtyard Office Center	I	Commercial office and retail leasing	100	*Not used*
20					
21					
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26					
27					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Security Holders and Voting Powers

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

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
12/03/2009	Total: 48430546 By Proxy: 48430546	May 7, 2009 Spokane, Washington

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 12/03/2009 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	54,642,333	54,642,333		
6	TOTAL number of security holders	12,244	12,244		
7	TOTAL votes of security holders listed below	505,254	505,254		
8					
9	Gary Ely; Liberty Lake, WA	190,243	190,243		
10	DBH Properties, LP; Coeur d'Alene, ID	77,646	77,646		
11	Gary Gail Ely; Liberty Lake, WA	65,218	65,218		
12	Margaret Anne Brosnan; Akron, OH	55,000	55,000		
13	Jack W Gustavel; Coeur d'Alene, ID Idacorp, Inc	30,458	30,458		
14	Robert Eugene Young; Washougal, WA	20,000	20,000		
15	John F Kelly; Coral Gables, FL	17,707	17,707		
16	Frederick W Schott Tr; Santa Monica, CA	17,013	17,013		
17	Thomas A Lowe & Kathleen; Satellite Bch, FL	16,007	16,007		
18	Edmund M Reeck Tr Ua Jun 16 98; Salem, OR	15,962	15,962		
19					
20					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) X An Original (2) __ A Resubmission	04/16/2010	2009/Q4

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. Avista Receivables Corporation (ARC) is a wholly owned, bankruptcy-remote subsidiary of Avista Corp. formed for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. Avista Corp., ARC and a third-party financial institution are parties to a Receivables Purchase Agreement, and on March 13, 2009 that agreement was amended to, among other things, extend the termination date to March 12, 2010. Under the Receivables Purchase Agreement, ARC can sell without recourse, and such financial institution will purchase, on a revolving basis, up to $85.0 million of those receivables. ARC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. The amount of such fees is included in other operating expenses of Avista Corp. The Receivables Purchase Agreement has financial covenants, which are substantially the same as those of Avista Corp.'s committed lines of credit. Based on calculations of eligible receivables, ARC had the ability to sell up to $85.0 million of receivables under this revolving agreement at each of December 31, 2009 and December 31, 2008. There were not any accounts receivable sold under this revolving agreement as of December 31, 2009 and $17.0 million were sold as of December 31, 2008.

The Company has a committed line of credit agreement with various banks in the total amount of $320.0 million with an expiration date of April 5, 2011. Under the credit agreement, the Company can borrow or request the issuance of letters of credit in any combination up to $320.0 million. The Company had $87.0 million in borrowings outstanding under this committed line of credit as of December 31, 2009 and $250.0 million as of December 31, 2008. Total letters of credit outstanding were $28.4 million as of December 31, 2009 and $24.3 million as of December 31, 2008. The committed line of credit is secured by $320.0 million of 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.

Additionally, the Company has a committed line of credit agreement with various banks in the total amount of $75.0 million with an expiration date of April 5, 2011 (entered in November 2009). The Compnay did not have any borrowings outstanding under this agreement at December 31, 2009. Avista Corp. may elect to increase the committed line of credit by up to $25.0 million under the same agreement. The committed line of credit is secured by $75.0 million of 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. This credit agreement was approved by the respective regulatory commissions as follows: WUTC (Docket No. UE-081842); IPUC (Case No. AVU-U-08-02 Order No. 30673); and OPUC (Docket UF 4260).

On September 22, 2009, the Company issued $250.0 million of 5.125 percent First Mortgage Bonds due in 2022. The net proceeds from the issuance of $249.4 million (net of discounts and before Avista Corp.'s expenses) were used to retire variable rate short-term borrowings outstanding under our $320.0 million committed line of credit, and for general corporate purposes. This debt issuance was approved by the respective regulatory commissions as follows: WUTC (Docket No. UE-081842 Order No. 2); IPUC (Case No. AVU-U-08-01 Order No. 30670); and OPUC (Docket UF 4246(1) Order No. 08-542).

In 2004, the Company issued Junior Subordinated Debt Securities, with a principal amount of $61.9 million to AVA Capital Trust III, an affiliated business trust formed by the Company. Concurrently, AVA Capital Trust III issued $60.0 million of Preferred Trust Securities to third parties and $1.9 million of Common Trust Securities to the Company. On April 1, 2009, AVA Capital Trust III redeemed all of the Preferred Trust Securities issued to third parties with a principal balance of $60.0 million and all of the Common Trust Securities issued to the Company with a principal balance of $1.9 million. Concurrently, the Company redeemed the total amount outstanding of its Junior Subordinated Debt Securities, at 100 percent of the principal amount ($61.9 million) plus accrued interest held by AVA Capital Trust III. The Company's net redemption of $60.0 million was funded by borrowings under its $320.0 million committed line of credit agreement.

In December 2008, the City of Forsyth, Montana issued $17.0 million of its Pollution Control Revenue Refunding Bonds, Series 2008 (Avista Corp. Colstrip Project) due 2034 on behalf of Avista Corp. The proceeds of the Bonds were used to refund $17.0 million of Pollution Control Revenue Refunding Bonds, Series 1999B (Avista Corp. Colstrip Project) issued by the City of Forsyth, Montana on behalf of Avista Corp., which were subject to remarketing or refunding on December 31, 2008. In December 2009, Avista Corp. purchased the Bonds and expects that at a later date, subject to market conditions, the bonds will be refunded or remarketed to unaffiliated investors. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

7. None

8. Average annual wage increases were 2.4% for non-exempt employees effective March 2, 2009. Average annual wage increases were 2.8% for exempt employees effective March 2, 2009. There were no wage increases for officers. Certain bargaining unit employees received increases ranging from 2.0% to 4.0% effective in March and April 2009.

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

10. None

11. See Note 24 on page 123 of this Report.

12. Malyn K. Malquist, Executive Vice President, left the Company effective March 31, 2009.
Ann M. Wilson, Vice President of Finance and Treasurer, left the Company in June 2009.
On May 8, 2009, the Board of Directors of Avista Corporation elected Marc Racicot to serve as a director on the

board effective August 1, 2009. Mr. Racicot will stand for election to the board at the next annual meeting of shareholders on May 13, 2010. Mr. Racicot was appointed to serve on the Energy, Environmental & Operations and Finance Committees of the board.

On May 18, 2009, Avista Corporation named Jason Thackston as Vice President of Finance effective June 12, 2009.

On May 18, 2009, Avista Corporation named Diane Thoren as Treasurer effective June 12, 2009.

13. Proprietary capital is not less than 30 percent.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	3,546,192,091	3,340,068,198
3	Construction Work in Progress (107)	200-201	57,217,478	75,568,224
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	3,603,409,569	3,415,636,422
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,219,877,922	1,142,578,137
6	Net Utility Plant (Total of line 4 less 5)		2,383,531,647	2,273,058,285
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)		2,383,531,647	2,273,058,285
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	0	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		5,031,620	4,991,551
18	(Less) Accum. Provision for Depreciation and Amortization (122)		897,684	890,639
19	Investments in Associated Companies (123)	222-223	12,047,000	13,903,000
20	Investments in Subsidiary Companies (123.1)	224-225	81,243,239	77,487,962
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	23,798,439	26,240,546
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		11,558,301	10,234,544
28	Long-Term Portion of Derivative Assets (175)		45,482,748	49,312,596
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		178,263,663	181,279,560
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		2,462,480	1,674,372
33	Special Deposits (132-134)		1,630,323	1,600,000
34	Working Funds (135)		848,613	619,853
35	Temporary Cash Investments (136)	222-223	652,010	2,684,444
36	Notes Receivable (141)		629,625	63,451
37	Customer Accounts Receivable (142)		188,271,550	207,867,900
38	Other Accounts Receivable (143)		6,484,963	6,188,617
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		3,710,770	5,844,603
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		101,231	120,021
42	Fuel Stock (151)		4,294,013	3,673,039
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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)		18,386,509	17,455,835
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)		12,832	0
52	Gas Stored Underground-Current (164.1)	220	12,706,763	30,720,371
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	9,985,760	8,415,670
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		197,040	10,934
57	Rents Receivable (172)		553,237	646,271
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		454,418	194,919
60	Derivative Instrument Assets (175)		53,240,001	60,546,323
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		45,482,748	49,312,596
62	Derivative Instrument Assets - Hedges (176)		0	874,944
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		251,717,850	288,199,765
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		15,732,877	15,852,599
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	352,616,516	455,580,547
70	Preliminary Survey and Investigation Charges (Electric)(183)		3,346,452	3,088,816
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	26,105,547	32,008,980
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)		15,196,145	17,151,844
78	Accumulated Deferred Income Taxes (190)	234-235	91,975,547	131,055,525
79	Unrecovered Purchased Gas Costs (191)		(39,952,004)	(18,646,016)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		465,021,080	636,092,295
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		3,278,534,240	3,378,629,905

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	759,057,747	755,903,119
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	17,498,634	19,170,532
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	(2,090,961)	87,394
11	Retained Earnings (215, 215.1, 216)	118-119	295,862,243	253,478,332
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	(20,871,863)	(25,488,897)
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	(2,350,286)	(6,092,318)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		1,051,287,436	996,883,374
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,070,256,423	824,970,979
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	51,547,000	114,603,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	230,967	239,850
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	2,167,570	1,752,256
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,119,866,820	938,061,573
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		1,650,500	1,579,821
29	Accumulated Provision for Pensions and Benefits (228.3)		123,281,094	184,587,850
30	Accumulated Miscellaneous Operating Provisions (228.4)		2,916,673	2,936,173
31	Accumulated Provision for Rate Refunds (229)		0	0

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		2,871,255	7,140,857
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		3,971,453	4,208,327
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		134,690,975	200,453,028
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		87,000,000	250,000,000
39	Accounts Payable (232)		114,930,110	153,032,408
40	Notes Payable to Associated Companies (233)		6,882,247	2,854,178
41	Accounts Payable to Associated Companies (234)		724,582	737,710
42	Customer Deposits (235)		8,140,853	6,979,171
43	Taxes Accrued (236)	262-263	2,222,627	6,105,577
44	Interest Accrued (237)		13,476,434	10,871,471
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)		147,574	0
49	Miscellaneous Current and Accrued Liabilities (242)	268	55,461,901	32,188,393
50	Obligations Under Capital Leases-Current (243)		0	75,206
51	Derivative Instrument Liabilities (244)		18,958,058	78,603,554
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		2,871,255	7,140,857
53	Derivative Instrument Liabilities - Hedges (245)		50,091	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		305,123,222	534,306,811
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		1,280,331	1,263,086
58	Accumulated Deferred Investment Tax Credits (255)		5,632,508	373,728
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	22,330,799	24,985,882
61	Other Regulatory Liabilities (254)	278	61,709,913	55,429,522
62	Unamortized Gain on Reacquired Debt (257)	260	2,957,426	3,237,373
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		348,074,981	334,892,041
65	Accumulated Deferred Income Taxes - Other (283)		225,579,829	288,743,487
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		667,565,787	708,925,119
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		3,278,534,240	3,378,629,905

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Statement of Income

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

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

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	1,516,973,752	1,657,671,994	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,100,224,197	1,278,636,823	0	0
5	Maintenance Expenses (402)	317-325	50,846,768	47,636,921	0	0
6	Depreciation Expense (403)	336-338	87,089,835	82,388,834	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	9,143,602	7,905,829	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)		3,718,504	382,274	0	0
13	(Less) Regulatory Credits (407.4)		10,397,806	8,388,441	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	76,582,590	72,057,352	0	0
15	Income Taxes-Federal (409.1)	262-263	30,223,259	3,249,258	0	0
16	Income Taxes-Other (409.1)	262-263	2,111,405	53,201	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	23,050,105	42,600,284	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	6,214,995	4,970,670	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(93,914)	(49,308)	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)		1,366,382,597	1,521,601,404	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		150,591,155	136,070,590	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	951,029,258	921,386,136	565,944,494	736,285,858	0	0
3						
4	621,221,944	624,698,493	479,002,253	653,938,330	0	0
5	42,044,915	40,308,817	8,801,853	7,328,104	0	0
6	71,109,022	67,721,188	15,980,813	14,667,646	0	0
7	0	0	0	0	0	0
8	7,467,875	6,448,003	1,675,727	1,457,826	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	947,939	153,132	2,770,565	229,142	0	0
13	7,405,420	6,730,732	2,992,386	1,657,709	0	0
14	51,664,659	47,356,209	24,917,931	24,701,143	0	0
15	23,099,627	143,777	7,123,632	3,105,481	0	0
16	1,263,060	(192,188)	848,345	245,389	0	0
17	20,060,696	36,623,690	2,989,409	5,976,594	0	0
18	5,234,188	4,711,220	980,807	259,450	0	0
19	(44,606)	0	(49,308)	(49,308)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	0	0	0	0	0	0
23	0	0	0	0	0	0
24	0	0	0	0	0	0
25	826,294,570	811,918,216	540,088,027	709,683,188	0	0
26	124,734,688	109,467,920	25,856,467	26,602,670	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		150,591,155	136,070,590	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)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		5,249,706	3,869,058	0	0
35	Nonoperating Rental Income (418)		(3,024)	7,726	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	827,451	4,123,038	0	0
37	Interest and Dividend Income (419)		5,906,409	10,085,671	0	0
38	Allowance for Other Funds Used During Construction (419.1)		3,078,244	5,692,491	0	0
39	Miscellaneous Nonoperating Income (421)		0	16,000	0	0
40	Gain on Disposition of Property (421.1)		54,105	810,694	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		4,613,479	16,866,562	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		(2,050)	0	0	0
44	Miscellaneous Amortization (425)		1,110,572	1,110,571	0	0
45	Donations (426.1)	340	1,405,009	956,059	0	0
46	Life Insurance (426.2)		1,336,173	2,100,235	0	0
47	Penalties (426.3)		(19,900)	138,152	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,347,809	1,211,097	0	0
49	Other Deductions (426.5)		1,686,420	(1,891,457)	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	6,864,033	3,624,657	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	(8,841)	547,911	0	0
53	Income Taxes-Federal (409.2)	262-263	(985,412)	2,415,034	0	0
54	Income Taxes-Other (409.2)	262-263	(269,492)	(288,122)	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	(223,696)	1,523,886	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	3,386,934	3,294,942	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(4,874,375)	903,767	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		2,623,821	12,338,138	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		55,436,849	62,954,659	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	2,109,201	922,381	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		3,572,357	3,759,437	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	8,883	8,885	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	2,144,504	6,218,511	0	0
68	Other Interest Expense (431)	340	3,434,267	5,554,756	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		544,569	4,611,851	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		66,143,726	74,789,008	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		87,071,250	73,619,720	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)		87,071,250	73,619,720	0	0

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Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

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

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

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

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(12,781,264)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		6,688,946		
4	Total (lines 2 and 3)		6,688,946		
5	Balance of Account 219 at End of Preceding Quarter/Year		(6,092,318)		
6	Balance of Account 219 at Beginning of Current Year		(6,092,318)		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		3,742,032		
9	Total (lines 7 and 8)		3,742,032		
10	Balance of Account 219 at End of Current Quarter/Year		(2,350,286)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Category) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1	(6,826,222)		(19,607,486)		
2	10,656,750		10,656,750		
3	(3,830,528)		2,858,418		
4	6,826,222		13,515,168	73,619,720	87,134,888
5			(6,092,318)		
6			(6,092,318)		
7					
8			3,742,032		
9			3,742,032	87,071,250	90,813,282
10			(2,350,286)		

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Statement of Retained Earnings

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		251,930,211	219,765,445
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			(796,180)
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		86,243,799	69,496,682
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)		44,360,374	37,070,823
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		500,486	535,087
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		294,314,122	251,930,211
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		295,862,243	253,478,332
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		(25,488,897)	(14,672,673)
23	Equity in Earnings for Year (Credit) (Account 418.1)		827,451	4,123,038
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)		3,789,583	(14,939,262)
26	Balance-End of Year		(20,871,863)	(25,488,897)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Statement of Cash Flows

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

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	87,071,250	73,619,720
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	96,233,438	90,390,864
5	Amortization of deferred power and gas costs, debt expense and exchange power	59,481,435	52,958,619
6	Deferred Income Taxes (Net)	9,011,417	41,798,683
7	Investment Tax Credit Adjustments (Net)	5,258,780	(49,308)
8	Net (Increase) Decrease in Receivables	18,733,830	(116,961,581)
9	Net (Increase) Decrease in Inventory	16,449,128	(18,855,778)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(27,996,937)	2,228,853
12	Net (Increase) Decrease in Other Regulatory Assets	(10,391,960)	(20,468,183)
13	Net Increase (Decrease) in Other Regulatory Liabilities	1,329,752	2,372,800
14	(Less) Allowance for Other Funds Used During Construction	3,078,244	5,692,491
15	(Less) Undistributed Earnings from Subsidiary Companies	827,452	4,123,038
16	Other (footnote details):	(21,996,745)	(6,582,767)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	229,277,692	90,636,393
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(206,916,479)	(219,796,264)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(206,916,479)	(219,796,264)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	128,775	7,998,322
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies	4,689,731	1,191,118
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		6,013
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	(1,000,477)	2,006,496
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(203,098,450)	(208,594,315)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	249,425,000	296,165,000
54	Preferred Stock		
55	Common Stock	2,621,946	28,564,671
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		250,000,000
58	Cash received for settlement of interest rate swap agreements	10,776,222	
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	262,823,168	574,729,671
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(78,931,206)	(401,855,029)
63	Preferred Stock		
64	Common Stock		
65	Long-term debt and short-term borrowing issuance costs	(3,726,398)	(5,023,987)
66	Net Decrease in Short-Term Debt (c)	(163,000,000)	
67	Cash paid for settlement of interest rate swap agreements		(16,395,000)
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(44,360,372)	(37,070,823)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(27,194,808)	114,384,832
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(1,015,566)	(3,573,090)
75			
76	Cash and Cash Equivalents at Beginning of Period	4,978,669	8,551,759
77			
78	Cash and Cash Equivalents at End of Period	3,963,103	4,978,669

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 including Avista Energy, Inc. (Avista Energy) and Advantage IQ, Inc. (Advantage IQ), a 74 percent owned subsidiary as of December 31, 2009. Avista Energy was an electricity and natural gas marketing, trading and resource management business. On June 30, 2007, Avista Energy completed the sale of substantially all of its contracts and ongoing operations. See Note 3 for further information. Advantage IQ is a provider of facility information and cost management services for multi-site customers throughout North America.

Accounting Standards Codification
In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, "The Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162." This statement replaces all previously issued accounting standards and establishes the FASB Accounting Standards Codification (ASC). The ASC is the single source of authoritative nongovernmental accounting principles generally accepted in the United States of America (U.S. GAAP) and is effective for all interim and annual periods ending after September 15, 2009. All existing accounting standards documents were superseded. All other accounting literature not included in the ASC is considered nonauthoritative. The adoption of the ASC did not have any impact on the Company's financial condition, results of operations and cash flows, as the ASC did not change existing U.S. GAAP. The adoption of the ASC only resulted in changes to the Company's financial statement disclosure references. In order to facilitate the transition to the ASC, the Company has elected to show references to U.S. GAAP within this report prior to the ASC along with a parenthetical ASC reference.

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 U.S. GAAP. As required by the FERC, the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by U.S. GAAP. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants. In addition, under the requirements of the FERC, there are differences from U.S. GAAP in the presentation of (1) current portion of long-term debt (2) assets and liabilities for cost of removal of assets, (3) assets held for sale, (4) regulatory assets and liabilities, (5) deferred income taxes and (6) comprehensive income.

Use of Estimates
The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Significant estimates include:

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

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

System of Accounts
The accounting records of the Company's utility operations are maintained in accordance with the uniform system of accounts prescribed by the 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 by the FERC.

Operating Revenues
Revenues related to the sale of energy are generally 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 $89.6 million as of December 31, 2009 and $84.3 million (net of $11.4 million of unbilled receivables sold) as of December 31, 2008. See Note 5 for information related to the sale of accounts receivable.

Advertising Expenses

The Company expenses advertising costs as incurred. Advertising expenses were not a material portion of the Company's operating expenses in 2009 and 2008.

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 2.78 percent in 2009 and 2.77 percent in 2008.

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

- electric thermal production - 32 years,
- hydroelectric production - 74 years,
- electric transmission - 51 years,
- electric distribution - 41 years, and
- natural gas distribution property - 53 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 $56.8 million in 2009 and $53.9 million in 2008.

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. In accordance with the uniform system of accounts prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and the debt related portion is credited currently against total interest expense in the Statements of Income. The Company generally is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a fair 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 generally does not occur until the related utility plant is placed in service and included in rate base. The effective AFUDC rate was 8.22 percent in 2009 and 8.2 percent in 2008. The Company's AFUDC rates do not exceed the maximum allowable rates as determined in accordance with the requirements of regulatory authorities.

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 of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax liabilities and regulatory assets are established for income tax benefits flowed through to customers as prescribed by the respective regulatory commissions.

Stock-Based Compensation
Compensation cost relating to share-based payment transactions is recognized in the Company's financial statements based on the fair value of the equity or liability instruments issued. See Note 21 for further information.

Earnings per Common Share Attributable to Avista Corporation
Basic earnings per common share attributable to Avista Corporation is computed by dividing net income attributable to Avista Corporation by the weighted average number of common shares outstanding for the period. Diluted earnings per common share attributable to Avista Corporation is calculated by dividing net income attributable to Avista Corporation (adjusted for the effect of potentially dilutive securities issued by subsidiaries) by diluted weighted average common shares outstanding during the period, including common stock equivalent shares outstanding using the treasury stock method, unless such shares are anti-dilutive. Common stock equivalent shares include shares issuable upon exercise of stock options and contingent stock awards. See Note 20 for earnings per common share calculations.

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. The following table presents the activity in the allowance for doubtful accounts during the years ended December 31 (dollars in thousands):

	2009	2008
Allowance as of the beginning of the year	$5,845	$2,966
Additions expensed during the year	5,160	6,336
Net deductions	(7,294)	(3,457)
Allowance as of the end of the year	$3,711	$5,845

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. Costs of depreciable units of property retired plus costs of removal less salvage are charged to accumulated depreciation.

Regulatory Deferred Charges and Credits

The Company prepares its financial statements in accordance with the provisions of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation" (ASC 980) 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.

ASC 980 requires the Company to reflect the impact of regulatory decisions in its financial statements. ASC 980 requires 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 ASC 980 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.

The Company's primary regulatory assets include:

- power cost deferrals,
- investment in exchange power,
- regulatory asset for deferred income taxes,
- unamortized debt repurchase costs,
- assets offsetting net utility energy commodity derivative liabilities (see Note 6 for further information),
- expenditures for demand side management programs,
- expenditures for conservation programs,
- payments to the Coeur d'Alene Tribe for past water storage and the licensing of the Spokane River Project,
- certain expenditures for licensing hydroelectric generating facilities, and
- unfunded pensions and other postretirement benefits.

Regulatory liabilities include:

- utility plant retirement costs,
- natural gas deferrals, and
- liabilities offsetting net utility energy commodity derivative assets (see Note 6 for further information).

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

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

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

NOTE 2. NEW ACCOUNTING STANDARDS

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, "Fair Value Measurements" (ASC 820-10) related to its financial assets and liabilities and nonfinancial assets and liabilities measured at fair value on a recurring basis. In February 2008, the FASB issued Staff Position (FSP) No. 157-2, which deferred the effective date for certain portions of ASC 820-10 related to nonrecurring measurements of nonfinancial assets and liabilities. Effective January 1, 2009, the Company adopted those provisions of ASC 820-10. The adoption of the provisions of ASC 820-10 that became effective on January 1, 2008 and 2009, did not have a material impact on the Company's financial condition, results of operations and cash flows. However, the Company expanded disclosures for fair value measurements that became effective on January 1, 2008. There were no additional disclosures related to the provisions that became effective January 1, 2009. See Note 18 for the expanded disclosures.

Effective January 1, 2009, the Company adopted SFAS No. 141(R), "Business Combinations" (ASC 805-10) that replaces previous accounting guidance for business combinations and addresses the accounting for all transactions or other events in which an entity obtains control of one or more businesses. This statement requires the acquiring entity in a business combination to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the transaction at the acquisition date, measured at their fair values as of that date, with limited exceptions.

Effective January 1, 2009, the Company adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51" (ASC 810-10). This statement amended previous accounting guidance to establish accounting and reporting standards for a noncontrolling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. This statement clarifies that a noncontrolling interest in a subsidiary is an ownership in the consolidated entity that should be reported as equity in the consolidated financial statements. The adoption of this statement had no material impact on the Company's financial condition and results of operations.

Effective January 1, 2009, the Company adopted SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" (ASC 815-10) that requires disclosure of the fair value of derivative instruments and their gains and losses in a tabular format. The statement requires disclosure of derivative features that are related to credit risk. The Company expanded disclosures for derivatives and hedging activities. See Note 6 for the expanded disclosures.

Effective December 31, 2009, the Company adopted FSP FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" (ASC 715-20) that amends FASB Statement No. 132(R) "Employers' Disclosures about Pensions and Other Postretirement Benefits" (ASC 715-20). This statement provides guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The Company has expanded disclosures for its pension and other postretirement benefit plan assets in Note 9.

Effective June 30, 2009, the Company adopted FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (ASC 820-65-10-4) that provides guidance for determining fair values of financial instruments for which there is no active market or when quoted prices may represent distressed transactions. The guidance includes a reaffirmation of the need to use judgment in certain circumstances and requires expanded disclosures surrounding equity and debt securities. The adoption of this FSP did not have an impact on the Company's financial condition, results of operations and cash flows.

Effective June 30, 2009, the Company adopted SFAS No. 165, "Subsequent Events" (ASC 855-10). This statement established principles and requirements for subsequent events related to: 1) the period after the balance sheet date during which management of a reporting entity shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; 2) the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements; and 3) the disclosures that an entity shall make about events or transactions that occurred after the balance sheet date. The Company evaluated subsequent events up to February 26, 2010 (the date the financial statements were available to be issued).

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140" (ASC 860). This statement amends certain provisions of SFAS No. 140 (ASC 860) related to accounting for transfers of financial assets and a transferor's continuing involvement in transferred financial assets. The Company was required to adopt this statement effective January 1, 2010. The Company is evaluating the impact this statement will have on its financial condition, results of operations and cash flows. In particular, the Company is evaluating its accounts receivable sales (see Note 5) to determine whether or not the transactions meet the criteria of sales of financial assets. If the transactions did not meet the criteria, the transactions would be accounted for as secured borrowings. As of December 31, 2009, the Company had not sold any accounts receivable under the revolving agreement. The Company will finalize its evaluation during the first quarter of 2010 to determine the impact of adoption, if any, on its financial condition, results of operations and cash flows.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" (ASC 810). This statement carries forward the scope of FASB Interpretation No. 46(R) (ASC 810), with the addition of entities previously considered qualifying special-purpose entities, as the concept of these entities was eliminated in SFAS No. 166 (ASC 860). The amendments will significantly affect the overall consolidation analysis of variable interest entities (VIE). The amendments will require the Company to reconsider previous conclusions relating to the consolidation of VIEs, including whether an entity is a VIE, whether the Company is the VIE's primary beneficiary, and what type of financial statement disclosures are required. The Company was required to adopt this statement effective January 1, 2010. The Company is evaluating the impact this statement will have on its financial condition, results of operations and cash flows. The Company will finalize its evaluation during the first quarter of 2010 to determine the impact of adoption, if any, on its financial condition, results of operations and cash flows.

NOTE 3. DISPOSITION OF AVISTA ENERGY

On June 30, 2007, Avista Energy and Avista Energy Canada completed the sale of substantially all of their contracts and ongoing operations to Shell Energy North America (U.S.), L.P. (Shell Energy), formerly known as Coral Energy Holding, L.P., as well as to certain other subsidiaries of Shell Energy.

Certain assets of Avista Energy with a net book value of approximately $30 million were not sold or liquidated. These primarily include natural gas storage and deferred income tax assets. The Company expects that the natural gas storage will ultimately be transferred to Avista Corp., subject to future regulatory approval. There is also a power purchase agreement, related to a 270 MW natural gas-fired combined cycle combustion turbine plant located in Idaho (Lancaster Plant). The Lancaster Plant is owned by an unrelated third-party and all of the output from the plant is contracted to Avista Turbine Power, Inc. (an affiliate of Avista Energy) through 2026. The majority of the rights and obligations of the power purchase agreement were conveyed to Shell Energy through the end of 2009. The rights and obligations of power purchase agreement were conveyed to Avista Corp. in January 2010.

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

Avista Energy's obligations under the Indemnification Agreement are guaranteed by Avista Capital pursuant to a Guaranty dated June

30, 2007. This Guaranty is limited to an aggregate amount of $30 million plus certain fees and expenses. The Guaranty will terminate April 30, 2011 except for claims made prior to termination. As of February 26, 2010, neither party has made any claims under the Indemnification Agreement or Guaranty.

NOTE 4. ADVANTAGE IQ ACQUISITIONS

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

The acquisition of Cadence Network was funded with the issuance of Advantage IQ common stock. Under the transaction agreement, the previous owners of Cadence Network can exercise a right to have their shares of Advantage IQ common stock redeemed during July 2011 or July 2012 if Advantage IQ is not liquidated through either an initial public offering or sale of the business to a third party. Their redemption rights expire July 31, 2012. The redemption price would be determined based on the fair market value of Advantage IQ at the time of the redemption election as determined by certain independent parties.

On August 31, 2009, Advantage IQ acquired substantially all of the assets and liabilities of Ecos Consulting, Inc. (Ecos), a Portland, Oregon-based energy efficiency solutions provider for $8.9 million. Under the terms of the transaction, the assets and liabilities of Ecos were acquired by a wholly owned subsidiary of Advantage IQ.

NOTE 5. ACCOUNTS RECEIVABLE SALE

Avista Receivables Corporation (ARC) is a wholly owned, bankruptcy-remote subsidiary of Avista Corp. formed for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. Avista Corp., ARC and a third-party financial institution are parties to a Receivables Purchase Agreement, and on March 13, 2009 that agreement was amended to, among other things, extend the termination date to March 12, 2010. Under the Receivables Purchase Agreement, ARC can sell without recourse, and such financial institution will purchase, on a revolving basis, up to $85.0 million of those receivables. ARC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. The amount of such fees is included in other operating expenses of Avista Corp. The Receivables Purchase Agreement has financial covenants, which are substantially the same as those of Avista Corp.'s committed lines of credit (see Note 12). Based on calculations of eligible receivables, ARC had the ability to sell up to $85.0 million of receivables under this revolving agreement at each of December 31, 2009 and December 31, 2008. There were not any accounts receivable sold under this revolving agreement as of December 31, 2009 and $17.0 million were sold as of December 31, 2008.

NOTE 6. DERIVATIVES AND RISK MANAGEMENT

Energy Commodity Derivatives

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

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

- electric loads at various points in time (ranging from one hour to multiple years) based on, among other things, estimates of customer usage and weather, historical data and contract terms, and

- resource availability at these points in time based on, among other things, fuel choices and fuel markets, estimates of streamflows, availability of generating units, historic and forward market information, contract terms, and experience.

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

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

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

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

- wholesale market sales of surplus gas supplies,
- purchases and sales of natural gas to use underutilized pipeline capacity, and
- sales of excess natural gas storage capacity.

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

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

Substantially all forward contracts to purchase or sell power and natural gas are recorded as assets or liabilities at market value with an offsetting regulatory asset or liability. Contracts that are not considered derivatives under ASC 815 are generally accounted for on the accrual basis until they are settled or realized, unless there is a decline in the fair value of the contract that is determined to be other than temporary.

The following table presents the underlying energy commodity derivative volumes as of December 31, 2009 that are expected to settle in each respective year (in thousands of MWhs and mmBTUs):

	Purchases				Sales			
	Electric Derivatives		Gas Derivatives		Electric Derivatives		Gas Derivatives	
Year	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs	Physical MWH	Financial MWH	Physical mmBTUs	Financial mmBTUs
2010	760	568	26,699	1,210	1,381	49	5,051	-
2011	401	138	10,477	-	286	31	467	-
2012	366	-	4,128	-	287	-	-	-
2013	368	-	1,575	-	286	-	-	-
2014	366	-	-	-	286	-	-	-
Thereafter	1,694	-	-	-	1,303	-	-	-

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. In early 2009, Avista Corp. implemented a process to economically hedge a portion of the foreign currency risk by purchasing Canadian currency 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. As of December 31, 2009, the Company had a current derivative liability for foreign currency hedges of less than $0.1 million. As of December 31, 2009, the Company had entered into 24 Canadian currency forward contracts with a notional amount of $10.2 million ($10.6 million Canadian).

Interest Rate Swap Agreements

Avista Corp. enters into forward-starting interest rate swap agreements to manage the risk associated with changes in interest rates and the impact on future interest payments. These interest rate swap agreements relate to the interest payments for anticipated debt issuances. These interest rate swap agreements are considered economic hedges against fluctuations in future cash flows associated with changes in interest rates. In September 2009, the Company cash settled interest rate swap contracts (notional amount of $200.0 million) and received a total of $10.8 million. The interest rate swap contracts were settled concurrently with the issuance of $250.0 million of First Mortgage Bonds (see Note 13). These settlements of the interest rate swaps were deferred as a regulatory liability (included as part of long-term debt) and will be amortized as a component of interest expense over the life of the associated debt issued in accordance with regulatory accounting practices. The Company did not have any interest rate swap contracts outstanding as of December 31, 2009.

Derivative Instruments Summary

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

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

Exposure to Demands for Collateral

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

Certain of the Company's derivative instruments contain provisions that require the Company to maintain an investment grade credit rating from the major credit rating agencies. If the Company's credit ratings were to fall below investment grade, it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position as of December 31, 2009 was $11.8 million. If the credit-risk-related contingent features underlying these agreements were triggered on December 31, 2009, the Company would be required to post $3.4 million of collateral to its counterparties.

Credit Risk

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

Credit risk includes potential counterparty default due to circumstances:

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

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

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

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

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

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

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

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

Cash deposits from counterparties totaled $3.2 million as of December 31, 2009 and $0.2 million as of December 31, 2008. These funds were held by Avista Corp. to mitigate the potential impact of counterparty default risk. These amounts are subject to return if conditions warrant because of continuing portfolio value fluctuations with those parties or substitution of non-cash collateral.

NOTE 7. 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 was $334.8 million and accumulated depreciation was $209.6 million as of December 31, 2009. The Company's share of utility plant in service for Colstrip was $330.9 million and accumulated depreciation was $204.0 million as of December 31, 2008.

NOTE 8. 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):

	2009	2008
Asset retirement obligation at beginning of year	$4,208	$3,990
New liability recognized	-	-
Liability adjustment due to revision in estimated cash flows	-	-
Liability settled	(499)	(29)
Accretion expense	262	247
Asset retirement obligation at end of year	$3,971	$4,208

NOTE 9. 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 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 $48 million in cash to the pension plan in 2009 and $28 million in 2008. The Company expects to contribute $21 million to the pension plan in 2010.

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 $18.6 million in 2010, $19.4 million in 2011, $20.5 million in 2012, $21.7 million in 2013 and $23.0 million in 2014. For the ensuing five years (2015 through 2019), the Company expects that benefit payments under the pension plan and the SERP will total $136.3 million.

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

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

In 2008, the rates at which participants are assumed to retire by age were analyzed based upon historical trends and future projections.

The Company revised the rates to assume that a greater percentage of participants would retire between the ages of 55 and 65. The assumed rates were revised to range from 5 percent to 40 percent and 100 percent at age 65. The previous rates ranged from 2 percent to 30 percent and 100 percent at age 65. The change resulted in an increase of $11.0 million to the pension benefit obligation as of December 31, 2008.

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

The Company established a Health Reimbursement Arrangement to provide employees with tax-advantaged funds to pay for allowable medical expenses upon retirement. The amount earned by the employee is fixed on the retirement date based on employees' 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 be $4.1 million in 2010, $3.9 million in 2011, $3.7 million in 2012, $3.6 million in 2013 and $3.5 million in 2014. For the ensuing five years (2015 through 2019), the Company expects that benefit payments under other postretirement benefit plans will total $16.4 million. The Company expects to contribute $4.1 million to other postretirement benefit plans in 2010, 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, 2009 and 2008 and the components of net periodic benefit costs for the years ended December 31, 2009 and 2008 (dollars in thousands):

	Pension		Other	
	2009	**2008**	**2009**	**2008**
Change in benefit obligation:				
Benefit obligation as of beginning of year	$353,572	$323,090	$38,953	$34,352
Service cost	10,496	10,209	803	772
Interest cost	21,770	20,812	2,364	2,371
Actuarial loss	9,610	17,041	1,676	5,611
Transfer of accrued vacation	-	-	98	365
Benefits paid	(17,213)	(17,580)	(4,334)	(4,518)
Benefit obligation as of end of year	$378,235	$353,572	$39,560	$38,953
Change in plan assets:				
Fair value of plan assets as of beginning of year	$190,637	$242,561	$16,048	$22,718
Actual return on plan assets	50,053	(63,575)	4,346	(6,670)
Employer contributions	48,000	28,000	-	-
Benefits paid	(15,958)	(16,349)	-	-
Fair value of plan assets as of end of year	$272,732	$190,637	$20,394	$16,048
Funded status	$(105,503)	$(162,935)	$(19,166)	$(22,905)
Unrecognized net actuarial loss	126,926	160,280	15,772	18,357
Unrecognized prior service cost	1,790	2,444	(1,303)	(1,452)
Unrecognized net transition obligation	-	-	1,516	2,021
Prepaid (accrued) benefit cost	23,213	(211)	(3,181)	(3,979)
Additional liability	(128,716)	(162,724)	(15,985)	(18,926)
Accrued benefit liability	$(105,503)	$(162,935)	$(19,166)	$(22,905)
Accumulated pension benefit obligation	$294,649	$307,413	-	-
Accumulated postretirement benefit obligation:				
For retirees			$18,377	$18,821
For fully eligible employees			$9,290	$8,903

For other participants			$11,893	$11,229
Included in accumulated comprehensive loss (income) (net of tax):				
Unrecognized net transition obligation	$ -	$ -	$ 985	$1,313
Unrecognized prior service cost	1,163	1,589	(847)	(943)
Unrecognized net actuarial loss	82,502	104,182	10,252	11,932
Total	83,665	105,771	10,390	12,302
Less regulatory asset	(80,041)	(98,850)	(11,664)	(13,131)
Accumulated other comprehensive loss (income)	$3,624	$6,921	$(1,274)	$ (829)
Weighted average assumptions as of December 31:				
Discount rate for benefit obligation	6.29%	6.25%	6.00%	6.25%
Discount rate for annual expense	6.25%	6.34%	6.25%	6.20%
Expected long-term return on plan assets	8.50%	8.50%	8.50%	8.50%
Rate of compensation increase	4.65%	4.72%		
Medical cost trend pre-age 65 – initial			8.50%	9.00%
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			8.50%	9.00%
Medical cost trend post-age 65 – ultimate			6.00%	6.00%
Ultimate medical cost trend year post-age 65			2015	2015
Components of net periodic benefit cost:				
Service cost	$10,496	$10,209	$ 803	$ 772
Interest cost	21,770	20,812	2,364	2,371
Expected return on plan assets	(17,612)	(21,138)	(1,364)	(1,931)
Transition obligation recognition	-	-	505	505
Amortization of prior service cost	654	654	(149)	(149)
Net loss recognition	10,539	3,345	1,279	575
Net periodic benefit cost	$25,847	$13,882	$3,438	$2,143

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 plan, and
- reviews and approves changes to the investment and funding policies.

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

Pension plan assets are invested primarily in marketable debt and equity securities. Pension plan assets may also be invested in real estate, absolute return, venture capital/private equity and commodity funds. In seeking to obtain the desired return to fund the pension plan, the investment consultant recommends allocation percentages by asset classes. These recommendations are reviewed by the internal benefits committee, which then recommends their adoption by the Finance Committee. The Finance Committee has established target investment allocation percentages by asset classes as of December 31, 2009 and 2008 as indicated in the table below:

	2009	2008
Equity securities	51%	50%
Debt securities	31%	30%
Real estate	5%	5%
Absolute return	10%	12%
Other	3%	3%

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

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

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

The market-related value of pension plan assets was determined as of December 31, 2009 and 2008.

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

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

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

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

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

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

The market-related value of other postretirement plan assets was determined as of December 31, 2009 and 2008.

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

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

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2009 by $2.1 million and the service and interest cost by $0.2 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, 2009 by $1.9 million and the service and interest cost by $0.2 million.

The Company has a salary deferral 401(k) plan that is a defined contribution plan and covers substantially all employees. Employees can make contributions to their respective accounts in the plan on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the plan. Employer matching contributions were $4.4 million in 2009 and $4.3 million in 2008.

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. At December 31, 2009 and 2008, there were deferred compensation assets of $9.4 million and $8.8 million included in other special funds and corresponding deferred compensation liabilities of $9.4 million and $8.8 million included in other deferred credits on the Balance Sheets.

NOTE 10. ACCOUNTING FOR INCOME TAXES

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

As of December 31, 2009, the Company had $11.6 million of state tax credit carryforwards. State tax credits expire from 2015 to 2021. The Company recognizes the effect of state tax credits generated from utility plant as they are utilized.

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

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

In August 2005, the Treasury Department issued regulations and the IRS issued a revenue ruling that affects the tax treatment by Avista Corp. of certain indirect overhead expenses. Avista Corp. had previously made a tax election to currently deduct certain indirect overhead costs, starting with the 2002 tax return, that were capitalized for financial accounting purposes. This election allowed Avista Corp. to take tax deductions resulting in a total reduction of approximately $40 million in current tax liabilities for 2002, 2003 and 2004. These current tax benefits were deferred on the balance sheet and did not affect net income.

On the basis of the revenue ruling and related regulations, the IRS disallowed the tax deduction of indirect overhead expenses during their examination of the Company's 2001, 2002 and 2003 federal income tax returns. The Company believed that the tax deductions claimed on tax returns were appropriate based on the applicable statutes and regulations in effect at the time. Avista Corp. appealed the proposed IRS adjustment in April 2006. The Company repaid a portion of the previous tax deductions through tax payments in 2005, 2006 and 2008.

On September 10, 2008, the Company entered into a Settlement Agreement with the Appeals Division of the IRS that resolved all items noted during their audit of the Company's 2001 through 2003 tax years, including, among other things, indirect overhead expenses. The agreement was reviewed and approved by the Joint Committee on Taxation, and a settlement payment was received in December 2008. The original IRS disallowance and the Company's appeal of the indirect overhead issue caused a delay in associated tax refunds for net operating losses that were carried back to several earlier years. The final settlement with the IRS freed up the refund years and set the amount owed for the 2001-2003 tax years. The net result was a refund to the Company of $14.7 million, plus interest of $5.7 million.

The Company had net regulatory assets of $97.9 million at December 31, 2009 and $115.0 million at December 31, 2008 related to the probable recovery of certain deferred income tax liabilities from customers through future rates.

NOTE 11. 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, which are included in operation expenses in the Statements of Income, were $704.9 million in 2009 and $951.4 million in 2008. 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):

	2010	2011	2012	2013	2014	Thereafter	Total
Power resources	$220,286	$133,287	$104,716	$ 79,543	$70,605	$485,980	$1,094,417
Natural gas resources	146,321	93,609	62,084	44,375	44,424	431,904	822,717
Total	$366,607	$226,896	$166,800	$123,918	$115,029	$917,884	$1,917,134

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 generally 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 expenses associated with these agreements are reflected as operation expenses and maintenance expenses in the Statements of Income. The following table details future contractual commitments for these agreements (dollars in thousands):

	2010	2011	2012	2013	2014	Thereafter	Total
Contractual obligations	$46,773	$55,084	$48,457	$52,181	$53,211	$573,643	$829,349

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. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in operation expenses in the Statements of Income. Expenses under these PUD contracts were $12.6 million in 2009 and $14.9 million in 2008. Information as of December 31, 2009 pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	Expiration Date
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	$ 1,658	$883	$ 909	2011
Douglas County PUD:						
Wells Project	3.5%	30,000	1,609	698	3,728	2018
Grant County PUD:						
Priest Rapids Project	3.3%	31,500	4,377	726	7,854	2055
Wanapum Project (2)	7.4%	76,800	4,989	2,394	13,554	2055
Totals		175,300	$12,633	$4,701	$26,045	

(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 the year 2009. Debt service costs are included in annual costs.
(2) A previous contract expired on October 31, 2009. A new contract was completed in 2001 with an expiration date of 2055. Beginning in November 2009, the Company's rights to the output were reduced from 8.2 percent to 3.3 percent. Under the new contract the Company has the rights to the output but not the obligation to take the output. In September of each year the Company is required to determine if it will take the output for the subsequent year.

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):

	2010	2011	2012	2013	2014	Thereafter	Total
Minimum payments	$2,985	$2,926	$2,500	$2,496	$2,368	$30,777	$44,052

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

NOTE 12. NOTES PAYABLE

Avista Corp. has a committed line of credit agreement with various banks in the total amount of $320.0 million with an expiration date of April 5, 2011. Under the credit agreement, the Company can borrow or request the issuance of letters of credit in any combination up to $320.0 million. Total letters of credit outstanding were $28.4 million as of December 31, 2009 and $24.3 million as of December 31, 2008. The committed line of credit is secured by $320.0 million of 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.

Additionally, the Company has a committed line of credit agreement with various banks in the total amount of $75.0 million with an expiration date of April 5, 2011. Avista Corp. may elect to increase the committed line of credit by up to $25.0 million under the same agreement. The committed line of credit is secured by $75.0 million of 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 agreements contain customary covenants and default provisions, including a covenant requiring the ratio of "earnings before interest, taxes, depreciation and amortization" to "interest expense" of Avista Corp. for the preceding twelve-month period at the end of any fiscal quarter to be greater than 1.6 to 1. As of December 31, 2009, the Company was in compliance with this covenant with a ratio of 4.23 to 1. The committed line of credit agreements also have a covenant which does not permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 70 percent at any time. As of December 31, 2009, the Company was in compliance with this covenant with a ratio of 53.6 percent.

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

	2009	2008
Balance outstanding at end of period	$ 87,000	$250,000

Maximum balance outstanding during the period	$275,000	$250,000
Average balance outstanding during the period	$186,474	$ 48,426
Average interest rate during the period	0.65%	3.04%
Average interest rate at end of period	0.59%	0.81%

NOTE 13. BONDS

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

Maturity Year	Description	Interest Rate	2009	2008
2010	Secured Medium-Term Notes	6.67%-8.02%	$ 35,000	$ 35,000
2012	Secured Medium-Term Notes	7.37%	7,000	7,000
2013	First Mortgage Bonds	6.13%	45,000	45,000
2013	First Mortgage Bonds	7.25%	30,000	30,000
2018	First Mortgage Bonds	5.95%	250,000	250,000
2018	Secured Medium-Term Notes	7.39%-7.45%	22,500	22,500
2019	First Mortgage Bonds	5.45%	90,000	90,000
2022	First Mortgage Bonds (1)	5.13%	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 (2)	(2)	66,700	66,700
2034	Secured Pollution Control Bonds (3)	(3)	17,000	17,000
2035	First Mortgage Bonds	6.25%	150,000	150,000
2037	First Mortgage Bonds	5.70%	150,000	150,000
	Total secured bonds		1,151,700	901,700
2023	Unsecured Pollution Control Bonds	6.00%	4,100	4,100
	Interest rate swaps		(1,844)	(14,129)
	Total		1,153,956	891,671
	Secured Pollution Control Bonds held by Avista Corporation (2) (3)		(83,700)	(66,700)
	Total bonds		$1,070,256	$824,971

(1) In September 2009, the Company issued $250.0 million of 5.125 percent First Mortgage Bonds due in 2022.

(2) On December 31, 2008, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, Series 1999A (Avista Corporation Colstrip Project) due 2032 were remarketed. Avista Corp. purchased these Pollution Control Bonds and expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors or refunded by a new issue. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheet.

(3) In December 2008, the City of Forsyth, Montana issued $17.0 million of its Pollution Control Revenue Refunding Bonds, Series 2008 (Avista Corp. Colstrip Project) due 2034 on behalf of Avista Corp. The proceeds of the Bonds were used to refund $17.0 million of Pollution Control Revenue Refunding Bonds, Series 1999B (Avista Corp. Colstrip Project) issued by the City of Forsyth, Montana on behalf of Avista Corp., which were subject to remarketing or refunding on December 31, 2008. In December 2009, Avista Corp. purchased the Bonds and expects that at a later date, subject to market conditions, the bonds will be refunded or remarketed to unaffiliated investors. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Balance Sheet.

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

	2010	2011	2012	2013	2014	Thereafter	Total
Debt maturities	$35,000	$ -	$7,000	$75,000	$ -	$1,006,647	$1,123,647

Substantially all utility properties owned by the Company are subject to the lien of the Company's mortgage indenture. Under the Mortgage and Deed of Trust securing the Company's First Mortgage Bonds (including Secured Medium-Term Notes), the Company may issue additional First Mortgage Bonds in an aggregate principal amount equal to the sum of: 1) 70 percent of the cost or fair value (whichever is lower) of property additions which have not previously been made the basis of any application under the Mortgage, or 2) an equal principal amount of retired First Mortgage Bonds which have not previously been made the basis of any application under the Mortgage, or 3) deposit of cash; provided, however, that 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, 2009, property additions and retired bonds would have entitled the Company to issue $668.5 million in aggregate principal amount of additional First Mortgage Bonds. However, using an interest rate of 8 percent on additional First Mortgage Bonds, and based on net earnings for the 12 months ended December 31, 2009, the net earnings test would limit the principal amount of additional bonds the Company could issue to $607.5 million.

See Note 12 for information regarding First Mortgage Bonds issued to secure the Company's obligations under its $320.0 million and $75.0 million committed line of credit agreements.

NOTE 14. ADVANCES FROM ASSOCIATED COMPANIES

In 2004, the Company issued Junior Subordinated Debt Securities, with a principal amount of $61.9 million to AVA Capital Trust III, an affiliated business trust formed by the Company. Concurrently, AVA Capital Trust III issued $60.0 million of Preferred Trust Securities to third parties and $1.9 million of Common Trust Securities to the Company. On April 1, 2009, AVA Capital Trust III redeemed all of the Preferred Trust Securities issued to third parties with a principal balance of $60.0 million and all of the Common Trust Securities issued to the Company with a principal balance of $1.9 million. Concurrently, the Company redeemed the total amount outstanding of its Junior Subordinated Debt Securities, at 100 percent of the principal amount ($61.9 million) plus accrued interest held by AVA Capital Trust III. The Company's net redemption of $60.0 million was funded by borrowings under its $320.0 million committed line of credit agreement.

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 annual distribution rate paid during 2009 ranged from 1.22 percent to 3.06 percent. As of December 31, 2009, the annual distribution rate was 1.22 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 and mature on June 1, 2037. In December 2000, the Company purchased $10.0 million of these Preferred Trust Securities.

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

NOTE 15. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to forty-five years. Rental expense under operating leases was $3.2 million in 2009 and $2.0 million in 2008. Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2009 were as follows (dollars in thousands):

	2010	2011	2012	2013	2014	Thereafter	Total
Minimum payments required	$1,275	$1,198	$1,093	$1,079	$1,077	$2,630	$8,351

NOTE 16. GUARANTEES

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

The output from the Lancaster Plant is contracted to Avista Turbine Power, Inc. (ATP), an affiliate of Avista Energy, through 2026 under a power purchase agreement. Avista Corp. has provided Rathdrum Power LLC, the owner of the Lancaster Plant, a guarantee under which Avista Corp. has guaranteed ATP's performance under the power purchase agreement. The majority of the rights and obligations of this agreement were conveyed to Shell Energy through the end of 2009. Beginning in January 2010, the rights and obligations under the power purchase agreement were conveyed to Avista Corp.

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

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

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

The Company has 10 million authorized shares of preferred stock. The Company did not have any preferred stock outstanding as of December 31, 2009 and 2008.

NOTE 18. FAIR VALUE

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

The following table sets forth the carrying value and estimated fair value of the Company's financial instruments not reported at estimated fair value on the Balance Sheets as of December 31, 2009 and 2008 (dollars in thousands):

	2009		2008	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bonds	$1,072,100	$1,079,857	$839,100	$875,451
Advances from associated companies	51,547	43,534	113,403	102,027

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

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

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

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

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

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to the Company's needs.

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, 2009 and 2008 at fair value on a recurring basis (dollars in thousands):

	Level 1	Level 2	Level 3	Counterparty Netting (1)	Total
December 31, 2009					
Assets:					
Energy commodity derivatives	$ -	$11,898	$57,276	$(15,934)	$53,240
Deferred compensation assets:					
Fixed income securities (2)	2,011	-	-	-	2,011
Equity securities (2)	5,863	-	-	-	5,863
Total	$7,874	$11,898	$57,276	$(15,934)	$61,114
Liabilities:					
Energy commodity derivatives	$ -	$27,086	$7,806	$(15,934)	$18,958
Foreign currency derivatives	-	50	-	-	50
Total	$ -	$27,136	$7,806	$(15,934)	$19,008
December 31, 2008					
Assets:					
Energy commodity derivatives	$ -	$40,104	$68,047	$(47,604)	$60,547
Deferred compensation assets:					
Fixed income securities (2)	1,889	-	-	-	1,889
Equity securities (2)	5,101	-	-	-	5,101
Interest rate swaps	-	875	-	-	875
Total	$6,990	$40,979	$68,047	$(47,604)	$68,412
Liabilities:					
Energy commodity derivatives	$ -	$110,123	$16,085	$(47,604)	$78,604

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

Avista Corp. enters into forward contracts to purchase or sell a specified amount of energy at a specified time, or during a specified period, in the future. These contracts are entered into as part of Avista Corp.'s management of loads and resources and certain contracts are considered derivative instruments. The difference between the amount of derivative assets and liabilities disclosed in respective levels and the amount of derivative assets and liabilities disclosed on the Balance Sheets is due to netting arrangements with certain counterparties. The Company uses quoted market prices and forward price curves to estimate the fair value of utility derivative commodity instruments included in Level 2. In particular, electric derivative valuations are performed using broker quotes, adjusted for periods in between quotable periods. Natural gas derivative valuations are estimated using New York Mercantile Exchange (NYMEX) pricing for similar instruments, adjusted for basin differences, using broker quotes. Where observable inputs are available for substantially the full term of the contract, the derivative asset or liability is included in Level 2. The Company also has certain contracts that, primarily due to the length of the respective contract, require the use of internally developed forward price estimates, which include significant inputs that may not be observable or corroborated in the market. These derivative contracts are included in Level 3. Refer to Note 6 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 $1.6 million as of December 31, 2009 and $1.8 million as of December 31, 2008.

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	
	2009	2008	2009	2008
Balance as of January 1	$68,047	$98,943	$(16,085)	$(36,506)
Total gains or losses (realized/unrealized):				
Included in net income	-	-	-	-
Included in other comprehensive income	-	-	-	-
Included in regulatory assets/liabilities (1)	(7,202)	(22,586)	7,747	18,715
Purchases, issuances, and settlements, net	(3,569)	(8,310)	532	1,706
Transfers to other categories	-	-	-	-
Ending balance as of December 31	$57,276	$68,047	$(7,806)	$(16,085)

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

NOTE 19. COMMON STOCK

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

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

In December 2009, the Company entered into an amended and restated sales agency agreement with a sales agent to issue up to 1.25 million shares of its common stock from time to time. The Company originally entered into a sales agency agreement to issue up to 2 million shares of its common stock in December 2006. In 2008, the Company issued 750,000 shares of its common stock under this sales agency agreement. The Company did not issue any shares under this sales agency agreement in 2009.

NOTE 20. EARNINGS PER COMMON SHARE ATTRIBUTABLE TO AVISTA CORPORATION

The following table presents the computation of basic and diluted earnings per common share attributable to Avista Corporation for the years ended December 31 (in thousands, except per share amounts):

	2009	2008
Numerator:		
Net income attributable to Avista Corporation	$87,071	$73,620
Subsidiary earnings adjustment for dilutive securities	(114)	(249)
Adjusted net income attributable to Avista Corporation for computation of diluted earnings per common share	$86,957	$73,371
Denominator:		

Weighted-average number of common shares outstanding-basic	54,694	53,637
Effect of dilutive securities:		
Contingent stock awards	163	213
Stock options	85	178
Weighted-average number of common shares outstanding-diluted	54,942	54,028
Earnings per common share attributable to Avista Corporation:		
Basic	$1.59	$1.37
Diluted	$1.58	$1.36

Total stock options outstanding excluded in the calculation of diluted earnings per common share attributable to Avista Corporation were 218,450 for 2009 and 250,950 for 2008. These stock options were excluded from the calculation because they were antidilutive based on the fact that the exercise price of the stock options was higher than the average market price of Avista Corp. common stock during the respective period.

NOTE 21. 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 3.5 million shares of its common stock for grant under the 1998 Plan. As of December 31, 2009, 0.7 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, 2009, 1.7 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 of $2.9 million for 2009 and $3.0 million for 2008. The total income tax benefit recognized in the Statements of Income was $1.0 million for 2009 and $1.1 million for 2008.

Stock Options

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

	2009	2008
Number of shares under stock options:		
Options outstanding at beginning of year	748,673	1,411,911
Options granted	-	-
Options exercised	(200,225)	(582,238)
Options canceled	(24,475)	(81,000)
Options outstanding and exercisable at end of year	523,973	748,673
Weighted average exercise price:		
Options exercised	$13.83	$13.91
Options canceled	$22.69	$21.70
Options outstanding and exercisable at end of year	$16.30	$15.85
Intrinsic value of options exercised (in thousands)	$1,180	$4,248
Intrinsic value of options outstanding (in thousands)	$2,774	$2,643

Information for options outstanding and exercisable as of December 31, 2009 is as follows:

Range of Exercise Prices	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
$10.17-$12.41	285,323	$11.11	2.4
$15.88-$19.34	11,200	16.56	2.0
$20.11-$23.00	213,050	22.46	0.9
$26.59-$28.47	14,400	27.69	0.2
Total	523,973	$16.30	1.7

Total cash received from the exercise of stock options was $2.8 million for 2009 and $8.1 million for 2008. As of December 31, 2009 and 2008, 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, 2009 was one year. The following table summarizes restricted stock activity for the years ended December 31:

	2009	2008
Unvested shares at beginning of year	55,939	28,137
Shares granted	44,400	43,400
Shares cancelled	(10,000)	(1,230)
Shares vested	(18,435)	(14,368)
Unvested shares at end of year	71,904	55,939
Weighted average fair value at grant date	$18.18	$20.05
Unrecognized compensation expense at end of year (in thousands)	$668	$691
Intrinsic value, unvested shares at end of year (in thousands)	$1,552	$1,084
Intrinsic value, shares vested during the year (in thousands)	$345	$293

Performance Shares

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

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

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

	2009	2008
Risk-free interest rate	1.3%	2.2%
Expected life, in years	3	3
Expected volatility	25.8%	20.2%
Dividend yield	3.6%	2.8%
Weighted average grant date fair value (per share)	$17.22	$16.96

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

The following summarizes performance share activity:

	2009	2008
Opening balance of unvested performance shares	252,923	207,841
Performance shares granted	163,900	170,100
Performance shares canceled	(43,758)	(5,239)
Performance shares vested	(72,464)	(119,779)
Ending balance of unvested performance shares	300,601	252,923
Intrinsic value of unvested performance shares (in thousands)	$6,490	$4,902
Unrecognized compensation expense (in thousands)	$2,453	$2,227

The weighted average remaining vesting period for the Company's performance shares outstanding as of December 31, 2009 was 1.5 years. Unrecognized compensation expense as of December 31, 2009 will be recognized during 2010 and 2011. The following summarizes the impact of the market condition on the vested performance shares:

	2009	2008
Performance shares vested	72,464	119,779
Impact of market condition on shares vested	(72,464)	21,560
Shares of common stock earned	-	141,339
Intrinsic value of common stock earned (in thousands)	$ -	$2,739

In 2009 and 2008, the number of performance shares vested was adjusted by (100) percent and 18 percent based on the performance condition achieved. 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, 2009 and 2008, the Company had recognized compensation expense and a liability of $0.3 million and $0.5 million related to the dividend component of performance share grants.

NOTE 22. 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 these proceedings, 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, California Parties and the City of Tacoma, Washington challenged the FERC's decisions approving the Agreement in Resolution, which are now pending before the United States Court of Appeals for the Ninth Circuit (Ninth Circuit).

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

Based on the FERC's order approving the Agreement in Resolution and the FERC's denial of rehearing requests, the Company does not expect that this proceeding will have any material adverse effect on its financial condition, results of operations or cash flows. Furthermore, based on information currently known to the Company regarding the Bidding Investigation and the fact that the FERC Staff did not find any evidence of manipulative behavior, the Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows. The Company has not accrued a liability related to this matter.

California Refund Proceeding

In July 2001, the FERC ordered an evidentiary hearing to determine the amount of refunds due to California energy buyers for purchases made in the spot markets operated by the CalISO and the CalPX during the period from October 2, 2000 to June 20, 2001 (Refund Period). Proposed refunds are based on the calculation of mitigated market clearing prices for each hour. The FERC ruled that if the refunds required by the formula would cause a seller to recover less than its actual costs for the Refund Period, sellers may document these costs and limit their refund liability commensurately. In September 2005, Avista Energy submitted its cost filing claim pursuant to the FERC's August 2005 order. That filing was accepted in orders issued by the FERC in January 2006 and November 2006. In June 2009, the FERC reversed, in part, its previous decision and ordered a compliance filing requiring an adjustment to the return on investment component of Avista Energy's cost filing. That compliance filing was made in July 2009.

The CalISO continues to work on its compliance filing for the Refund Period, which will show "who owes what to whom." In May 2009, the CalISO filed its 43rd status report on the California recalculation process confirming that the preparatory and the FERC refund recalculations are complete (as are calculations related to fuel cost allowance offsets, emission offsets, cost-recovery offsets, and the majority of the interest calculations). Once the FERC rules on several open issues, the CalISO states that it intends to: (1) perform the necessary adjustment to remove refunds associated with non-jurisdictional entities and allocate that shortfall to net refund recipients; and (2) work with the parties to the various global settlements to make appropriate adjustments to the CalISO's data in order to properly reflect those adjustments. After completing these calculations, the CalISO states that it intends to make a compliance filing with the FERC that presents the final financial position of each party that participated in its markets during the Refund Period.

The 2001 bankruptcy of PG&E resulted in a default on its payment obligations to the CalPX. As a result, Avista Energy has not been paid for all of its energy sales during the Refund Period. Those funds are now in escrow accounts and will not be released until the FERC issues an order directing such release in the California refund proceeding. As of December 31, 2009, Avista Energy's accounts receivable outstanding related to defaulting parties in California were fully offset by reserves for uncollected amounts and funds collected from 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 Federal Power Act (FPA); (2) the temporal scope of refunds under section 206 of the FPA; and (3) which categories of transactions are subject to refunds. The second round of issues and their corresponding briefing schedules have not yet been set by the Ninth Circuit.

In September 2005, the Ninth Circuit held that the FERC did not have the authority to order refunds for sales made by municipal utilities in the California refund proceeding. In August 2006, the Ninth Circuit upheld October 2, 2000 as the refund effective date for the FPA section 206 refund proceeding, but remanded to the FERC its decision not to consider an FPA section 309 remedy for tariff violations prior to that date. Petitions for rehearing were denied in April 2009. In July 2009, Avista Energy and Avista Corp. filed a motion at the FERC, asking that the companies be dismissed from any further proceedings arising under section 309 pursuant to the remand. The filing pointed out that section 309 relief is based on tariff violations of the seller, and as to Avista Energy and Avista

Corp., these allegations had already been fully adjudicated in the proceeding that gave rise to the Agreement in Resolution, discussed above. There, the FERC absolved both companies of all allegations of market manipulation or wrongdoing that would justify or permit FPA sections 206 or 309 remedies during 2000 and 2001. In November 2009, the FERC issued an order establishing an evidentiary hearing before an administrative law judge to address the issues remanded by the Ninth Circuit without addressing the Company's pending motion. In December 2009, the Company again brought the issue to the FERC's attention but its motion remains pending.

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

Pacific Northwest Refund Proceeding

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

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

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

California Attorney General Complaint (the "Lockyer Complaint")

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

In March 2008, the FERC issued an order establishing a trial-type hearing to address "whether any individual public utility seller's violation of the FERC's market-based rate quarterly reporting requirement led to an unjust and unreasonable rate for that particular seller in California during the 2000-2001 period." Purchasers in the California markets will be allowed to present evidence that "any seller that violated the quarterly reporting requirement failed to disclose an increased market share sufficient to give it the ability to exercise market power and thus cause its market-based rates to be unjust and unreasonable." In particular, the parties are directed to address whether the seller at any point reached a 20 percent generation market share threshold, and if the seller did reach a 20 percent market share, whether other factors were present to indicate that the seller did not have the ability to exercise market power. The California AG, CPUC, PG&E, and SCE filed their testimony in July 2009. Avista Energy's answering testimony was filed in September 2009. On the same day, the FERC staff filed its answering testimony taking the position that, using the test the FERC directed to be applied in this proceeding, Avista Energy does not have market power. Cross answering testimony and rebuttal testimony were filed in November 2009. A hearing is expected to commence in April 2010.

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

Colstrip Generating Project Complaints
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. The trial is set to begin in May 2011. Because the resolution of this complaint remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect this complaint will have a material adverse effect on its financial condition, results of operations or cash flows. The Company has not accrued a liability related to this matter.

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 total cost of the RI/FS is estimated to be $1.5 million and it is expected that it will be completed by early 2011. The actual cleanup, if any, will not occur until the RI/FS is complete. Based on the review of its records related to Harbor Oil, the Company does not believe it is a major contributor to this potential environmental contamination based on the small volume of waste oil it delivered to the Harbor Oil site. However, there is currently not enough information to allow the Company to assess the probability or amount of a liability, if any, being incurred. Other than its share of the RI/FS, the Company has not accrued a liability related to this matter.

Lake Coeur d'Alene
In July 1998, the United States District Court for the District of Idaho issued its finding that the Coeur d'Alene Tribe (the Tribe) owns, among other things, portions of the bed and banks of Lake Coeur d'Alene (Lake) lying within the current boundaries of the Tribe's reservation lands. The United States District Court decision was affirmed by the United States Court of Appeals for the Ninth Circuit and the United States Supreme Court in June 2001. This ownership decision resulted in, among other things, Avista Corp. being liable to the Tribe for water storage on the Tribe's land and for the use of the Tribe's reservation lands under Section 10(e) of the Federal Power Act (Section 10(e) payments). The Company's Post Falls Hydroelectric Generating Station (Post Falls) controls the water level in the Lake for portions of the year (including portions of the lakebed owned by the Tribe).

In December 2008, Avista Corp., the Tribe and the United States Department of Interior (DOI) finalized an agreement regarding a range of issues related to Post Falls and the Lake. The agreement establishes the amount of past and future compensation Avista Corp. will pay for Section 10(e) payments and issues related to licensing of the Company's hydroelectric generating facilities located on the Spokane River (see Spokane River Licensing below).

Avista Corp. agreed to compensate the Tribe a total of $39 million ($25 million paid in 2008, $10 million paid in 2009 and $4 million to be paid in 2010) for trespass and Section 10(e) payments for past storage of water for the period from 1907 through 2007. Avista Corp. agreed to compensate the Tribe for future storage of water through Section 10(e) payments of $0.4 million per year beginning in 2008 and continuing through the first 20 years of the new license and $0.7 million per year through the remaining term of the license.

In addition to Section 10(e) payments, Avista Corp. agreed to make annual payments over the life of the new FERC license to fund a variety of protection, mitigation and enhancement measures on the Coeur d'Alene Reservation required under Section 4(e) of the Federal Power Act. These payments involve creation of a Coeur d'Alene Reservation Trust Restoration Fund (the Trust Fund). Annual payments from the Company to the Trust Fund for protection, mitigation and enhancement measurements commenced with the issuance of the new FERC license in June 2009 and total $100 million over the 50-year license term.

The WUTC and IPUC approved deferral and future recovery of amounts paid to the Tribe and the Trust Fund through general rate cases in 2009.

On January 27, 2009, the Public Counsel Section of the Washington Attorney General's Office (Public Counsel) filed a Petition for Judicial Review (in Thurston County Superior Court) of the WUTC's December 2008 order approving the Company's general rate case settlement. Public Counsel raised a number of issues that were previously argued before the WUTC. These include whether the recovery of settlement costs associated with resolving the dispute with the Tribe would constitute illegal "retroactive ratemaking" (the Washington portion of these costs was $25.2 million). Public Counsel also questioned whether the WUTC's decision to entertain supplemental testimony to update the Company's filing for power supply costs during the course of the proceedings was appropriate. Finally, Public Counsel argued that the settlement improperly included advertising costs, dues and donations, and certain other expenses. The appeal itself did not prevent the new rates from going into effect.

On December 18, 2009, the Thurston County Superior Court affirmed the decision of the WUTC and rejected the arguments of Public Counsel, with the exception of disallowing $0.1 million of miscellaneous expenses, including charitable donations. Public Counsel has until March 4, 2010 to further appeal the WUTC's decision.

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, which have a total present capability of 144.1 MW) are under one FERC license and are referred to as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The FERC issued a new single 50-year license for the Spokane River Project on June 18, 2009.

The license incorporated the 4(e) conditions that were included in the December 2008 Settlement Agreement with the DOI and the 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. Various issues that were appealed under the Washington 401 Water Quality Certification were subsequently resolved through settlement.

As part of the Settlement Agreement with the Washington Department of Ecology (DOE), the Company is currently engaged with the DOE and the EPA Total Maximum Daily Load (TMDL) process for the Spokane River and Lake Spokane, the reservoir created by Long Lake Dam. On February 12, 2010, the DOE submitted the TMDL for the EPA's review and approval. Once the TMDL process is completed, and the Company's level of responsibility related to low dissolved oxygen in Lake Spokane is established, the Company will identify potential mitigation measures. It is not possible to provide cost estimates at this time because the mitigation measures have not been fully indentified or approved by the DOE. It is also possible the TMDL will be appealed by one or more parties if it is approved by the EPA.

The Company has begun implementing the environmental and operational conditions required in the license for the Spokane River Project. The estimated cost to implement the license conditions for the five hydroelectric plants is $334 million over the 50 year license term. This will increase the Spokane River Project's cost of power by about 40 percent, while decreasing annual generation by approximately one-half of one percent. Costs to implement mitigation measures related to the TMDL are not included in these cost estimates.

The IPUC and the WUTC approved the recovery of licensing costs through the general rate case settlements in 2009. The Company will continue to seek recovery, through the ratemaking process, of all operating and capitalized costs related to the licensing of the Spokane River Project.

Clark Fork Settlement Agreement
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") with the Idaho Department of Environmental Quality (Idaho DEQ) and U.S. Fish and Wildlife Service (USFWS). This submission was part of the Clark Fork Settlement Agreement for licensing the use of Cabinet Gorge. The GSCP provides for the opening and modification of possibly two diversion tunnels around Cabinet Gorge to allow streamflow to be diverted when flows are in excess of powerhouse capacity. In 2007, engineering studies determined that the tunnels would not sufficiently reduce Total Dissolved Gas (TDG). In consultation with the Idaho DEQ and the USFWS, the Company developed addendum to the GSCP. The GSCP addendum abandons the existing concept to reopen the two diversion tunnels and requires the Company to evaluate a variety of smaller capacity options to abate TDG over the next several years. The addendum was filed with the FERC in October 2009 and is pending approval.

In 1999, the USFWS listed bull trout as threatened under the Endangered Species Act. The Clark Fork Settlement Agreement describes programs intended to restore bull trout populations in the project area. Using the concept of adaptive management and working closely with the USFWS, the Company is evaluating the feasibility of fish passage at Cabinet Gorge and Noxon Rapids. The results of these studies will help the Company and other parties determine the best use of funds toward continuing fish passage efforts or other bull trout population enhancement measures. In the fall of 2009 the Company initiated a contractor selection process for the design of a permanent upstream passage facility at Cabinet Gorge. On January 13, 2010, the USFWS proposed to revise its 2005 designation of critical habitat for the bull trout. The proposed revisions include the lower Clark Fork River as critical habitat. The USFWS is accepting public comment on the proposed revisions until March 15, 2010. The Company is reviewing the proposed revisions.

Air Quality
The Company must be in compliance with requirements under the Clean Air Act and Clean Air Act Amendments for its thermal generating plants. The Company continues to monitor legislative developments at both the state and national level for the potential of further restrictions on sulfur dioxide, nitrogen oxide and carbon dioxide, as well as other greenhouse gas and mercury emissions.

In 2006, the Montana Department of Environmental Quality (Montana DEQ) adopted final rules for the control of mercury emissions from coal-fired plants. The new rules set strict mercury emission limits by 2010, and put in place a recurring ten-year review process to ensure facilities are keeping pace with advancing technology in mercury emission control. The rules also provide for temporary alternate emission limits provided certain provisions are met, and they allocate mercury emission credits in a manner that rewards the cleanest facilities.

Compliance with new and proposed requirements and possible additional legislation or regulations results in increases to capital expenditures and operating expenses for expanded emission controls at the Company's thermal generating facilities. The Company, along with the other owners of Colstrip, completed the first phase of testing on two mercury control technologies. The joint owners of Colstrip believe, based upon current results, that the plant will be able to comply with the Montana law without utilizing the temporary alternate emission limit provision. Current estimates indicate that the Company's share of installation capital costs will be $1.4 million and annual operating costs will increase by $1.5 million (began in late-2009). The Company will continue to seek recovery, through the ratemaking process, of the costs to comply with various air quality requirements.

Aluminum Recycling Site
In October 2009, the Company (through its subsidiary Pentzer Corporation) received notice from the DOE proposing to find Pentzer liable for a release of hazardous substances under the Model Toxics Control Act (MTCA), under Washington state law. The subject property adjoins land owned by the Union Pacific Railroad (UPR). UPR leased their property to operators of a facility designated by DOE as "Aluminum Recycling – Trentwood." Operators of that property maintained piles of aluminum "black dross," which can be designated as a state-only dangerous waste in Washington State. Operators placed a portion of the aluminum dross pile on the site owned by Pentzer Corporation. The Company 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, the Company received notice from the DOE that it had been designated as a potentially liable party for any hazardous substances located on this site. There is currently not enough information to allow the Company to assess the probability or amount of a liability, if any, being incurred. The Company has not accrued a liability related to this matter.

Collective Bargaining Agreements
As of December 31, 2009, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented 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 on March 26, 2010. Two local agreements in Oregon, which cover approximately 50 employees, expire in April 2010. Negotiations are currently ongoing for these labor agreements.

Other Contingencies

In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material adverse impact on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

The Company routinely assesses, based on in-depth 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 have and have not agreed to a settlement and 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.

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, been listed as "threatened" or been petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company.

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 potentially adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The state of Idaho is conducting an adjudication in northern Idaho, which will ultimately include both 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 participating in these extensive adjudication processes, which are unlikely to be concluded in the foreseeable future.

NOTE 23. INFORMATION SERVICES CONTRACTS

The Company has information services contracts that expire at various times through 2012. Total payments under these contracts were $15.5 million in 2009 and $15.4 million in 2008. The majority of the costs are included in operation expenses in the Statements of Income. Minimum contractual obligations under the Company's information services contracts are $13.2 million in 2010, $12.9 million in 2011, and $12.2 million in 2012. 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.

NOTE 24. REGULATORY MATTERS

Power Cost Deferrals and Recovery Mechanisms

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

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

In Washington, the ERM allows Avista Corp. to periodically increase or decrease electric rates with WUTC approval to reflect changes in power supply costs. The ERM is an accounting method used to track certain differences between actual net power supply costs and the amount included in base retail rates for Washington customers. The Company must make a filing (no sooner than January 1, 2011), to allow all interested parties the opportunity to review the ERM, and make recommendations to the WUTC related to the continuation, modification or elimination of the ERM.

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

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

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

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

	Washington	Idaho	Total
Deferred power costs as of December 31, 2007	$58,524	$21,163	$79,687
Activity from January 1 – December 31, 2008:			
Power costs deferred	7,049	10,029	17,078
Interest and other net additions	2,231	1,153	3,384
Recovery of deferred power costs through retail rates	(30,852)	(11,690)	(42,542)
Deferred power costs as of December 31, 2008	36,952	$20,655	57,607
Activity from January 1 – December 31, 2009:			
Power costs deferred	-	17,985	17,985
Interest and other net additions	879	388	1,267
Recovery of deferred power costs through retail rates	(31,567)	(17,521)	(49,088)
Deferred power costs as of December 31, 2009	$ 6,264	$21,507	$27,771

In February 2010, the WUTC approved the Company's request to eliminate the existing ERM surcharge. The surcharge was eliminated because the previous balance of deferred power costs has been substantially recovered. This will result in an overall rate reduction of 7 percent for the Company's Washington customers with no impact on income from operations or net income.

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 for the prior year, 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 $40.0 million as of December 31, 2009 and $18.6 million as of December 31, 2008.

General Rate Cases

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

	Authorized	Authorized	Authorized

Jurisdiction and service	Implementation Date	Overall Rate of Return	Return on Equity	Equity Level
Washington electric and natural gas	January 2010	8.25%	10.2%	46.5%
Idaho electric and natural gas	August 2009	8.55%	10.5%	50.0%
Oregon natural gas	November 2009	8.19%	10.1%	50.0%

Washington General Rate Cases

As approved by the WUTC, on January 1, 2008, electric rates for the Company's Washington customers increased by an average of 9.4 percent, which was designed to increase annual revenues by $30.2 million. As part of this general rate increase, the base level of power supply costs used in the ERM calculations was updated. Also, on January 1, 2008, natural gas rates increased by an average of 1.7 percent, which was designed to increase annual revenues by $3.3 million.

In September 2008, Avista Corp. entered into a settlement stipulation in its general rate case that was filed with the WUTC in March 2008. This settlement stipulation was approved by the WUTC in December 2008. The new electric and natural gas rates became effective on January 1, 2009. As agreed to in the settlement, base electric rates for the Company's Washington customers increased by an average of 9.1 percent, which was designed to increase annual revenues by $32.5 million. Base natural gas rates for the Company's Washington customers increased by an average of 2.4 percent, which was designed to increase annual revenues by $4.8 million.

On January 27, 2009, Public Counsel filed a Petition for Judicial Review (in Thurston County Superior Court) of the WUTC's December 2008 order approving Avista Corp.'s multiparty settlement. Public Counsel raised a number of issues that were previously argued before the WUTC. These included whether the recovery of settlement costs associated with resolving the dispute with the Coeur d'Alene Tribe would constitute illegal "retroactive ratemaking" (the Washington portion of these costs was $25.2 million). Public Counsel also questioned whether the WUTC's decision to entertain supplemental testimony by the Company to update its filing for power supply costs during the course of the proceedings was appropriate. Finally, Public Counsel argued that the settlement improperly included advertising costs, dues and donations, and certain other expenses. The appeal itself did not prevent the new rates from going into effect.

On December 18, 2009, the Thurston County Superior Court affirmed the decision of the WUTC and rejected the arguments of Public Counsel, with the exception of disallowing $0.1 million of miscellaneous expenses, including charitable donations. Public Counsel has until March 4, 2010 to further appeal the WUTC's decision.

On December 22, 2009, the WUTC issued an order on Avista Corp.'s electric and natural gas rate general rate cases that were filed with the WUTC in January 2009. The WUTC approved a base electric rate increase for the Company's Washington customers of 2.8 percent, which is designed to increase annual revenues by $12.1 million. Base natural gas rates for the Company's Washington customers increased by an average of 0.3 percent, which is designed to increase annual revenues by $0.6 million. The new electric and natural gas rates became effective on January 1, 2010.

Following the execution of a partial settlement stipulation in September 2009, Avista Corp. revised downward its electric rate increase request from $69.8 million to $37.5 million, primarily due to the decline in the wholesale prices of electricity and natural gas. Avista Corp. also reduced its natural gas request from $4.9 million to $2.8 million. Under the partial settlement stipulation, the Company reached agreement with the other settling parties on issues in the areas of cost of capital, power supply, rate spread and rate design, and funding under the Low-Income Ratepayer Assistance Program. The WUTC approved this partial settlement stipulation in its order on December 22, 2009.

The WUTC did not allow Avista Corp. to include the costs associated with the power purchase agreement for the Lancaster Plant in rates, indicating the Company did not demonstrate compliance with certain requirements necessary for immediate inclusion in rates. However, the WUTC directed Avista Corp. to file to defer costs associated with the Lancaster Plant, with a carrying charge, for potential recovery in a future rate proceeding if the Company demonstrates that it has satisfied these requirements. The Company's proposed deferred accounting treatment for the net costs associated with the Lancaster Plant was approved by the WUTC in February 2010. The net costs associated with the power purchase agreement for the Lancaster Plant account for approximately half of the difference between the Company's revised electric rate increase request of $37.5 million and the $12.1 million increase approved by the WUTC.

The WUTC also did not allow for certain pro forma future capital additions to rate base, as well as certain increases in labor costs, tree trimming costs and information systems costs. These costs account for the majority of the remaining difference between the Company's revised electric rate increase request and the amount approved by the WUTC.

The partial settlement stipulation (as approved by the WUTC on December 22, 2009) is based on an overall rate of return of 8.25 percent with a common equity ratio of 46.5 percent and a 10.2 percent return on equity. The Company's original request was based on a proposed overall rate of return of 8.68 percent with a common equity ratio of 47.5 percent and an 11.0 percent return on equity.

Idaho General Rate Cases

In August 2008, the Company entered into an all-party settlement stipulation in its general rate case that was filed with the IPUC in April 2008. This settlement stipulation was approved by the IPUC in September 2008. The new electric and natural gas rates became effective on October 1, 2008. As agreed to in the settlement, base electric rates for the Company's Idaho customers increased by an average of 12.0 percent, which was designed to increase annual revenues by $23.2 million. Base natural gas rates for the Company's Idaho customers increased by an average of 4.7 percent, which was designed to increase annual revenues by $3.9 million.

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

Oregon General Rate Cases

As approved by the OPUC in March 2008, natural gas rates for the Company's Oregon customers increased 0.4 percent effective April 1, 2008 (designed to increase annual revenues by $0.5 million) and increased an additional 1.1 percent effective November 1, 2008 (designed to increase annual revenues by an additional $1.4 million).

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

NOTE 25. SUPPLEMENTAL CASH FLOW INFORMATION

(dollars in thousands)

	2009	2008
Cash paid for interest	$58,197	$76,434
Cash paid for income taxes	$22,695	$8,116
Other Cash Flows from Operating Activities:		
Changes in other assets and liabilities	$(20,201)	$(10,063)
Net change in receivables allowance	$(2,134)	$2,879
Power and natural gas deferrals	$(216)	$(2,736)
Change in special deposits	$(30)	$4,068
Change in other current assets	$(1,923)	$(2,149)
Non-cash stock compensation	$2,596	$2,541
Gain on sale of assets	$(89)	$(1,123)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	3,520,534,663
4	Property Under Capital Leases	1,903,329
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	3,522,437,992
9	Leased to Others	
10	Held for Future Use	1,631,351
11	Construction Work in Progress	57,217,478
12	Acquisition Adjustments	22,122,748
13	TOTAL Utility Plant (Total of lines 8 thru 12)	3,603,409,569
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,219,877,922
15	Net Utility Plant (Total of lines 13 and 14)	2,383,531,647
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,174,736,479
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	24,651,168
22	TOTAL In Service (Total of lines 18 thru 21)	1,199,387,647
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	20,490,275
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,219,877,922

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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	2,678,537,207	688,622,700		153,374,756
4		1,619,845		283,484
5				
6				
7				
8	2,678,537,207	690,242,545		153,658,240
9				
10	1,457,302	174,049		
11	42,232,962	4,524,629		10,459,887
12		22,122,748		
13	2,722,227,471	717,063,971		164,118,127
14	917,624,851	258,391,573		43,861,498
15	1,804,602,620	458,672,398		120,256,629
16				
17				
18	910,060,974	236,976,472		27,699,033
19				
20				
21	7,563,877	924,826		16,162,465
22	917,624,851	237,901,298		43,861,498
23				
24				
25				
26				
27				
28				
29				
30				
31				
32	20,490,275			
33	938,115,126	237,901,298		43,861,498

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	1,479,956	218,340
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	1,479,956	218,340
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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

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

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

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

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

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4				1,698,296
5				1,698,296
6				
7				
8				
9				
10				
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33				

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	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	412,611	469
45	350.2 Rights-of-Way	59,812	
46	351 Structures and Improvements	1,129,166	173,699
47	352 Wells	9,931,969	50,152
48	352.1 Storage Leaseholds and Rights	254,354	
49	352.2 Reservoirs	203,330	
50	352.3 Non-recoverable Natural Gas	5,971,926	
51	353 Lines	1,067,016	35,680
52	354 Compressor Station Equipment	15,033,435	(946,527)
53	355 Other Equipment	173,784	
54	356 Purification Equipment	407,618	
55	357 Other Equipment	1,710,354	21,048
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	36,355,375	(665,479)
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	71,059			(63,431)
41	71,059			(63,431)
42				
43				
44				413,080
45				59,812
46				1,302,865
47				9,982,121
48				254,354
49				203,330
50				5,971,926
51				1,102,696
52				14,086,908
53				173,784
54				407,618
55	300,167			1,431,235
56				
57	300,167			35,389,729
58				
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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,	36,355,375	(665,479)
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	102,907	155,760
95	375 Structures and Improvements	844,528	58,843
96	376 Mains	313,712,624	19,460,425
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	6,245,463	901,193
99	379 Measuring and Regulating Station Equipment-City Gate	6,198,871	1,434,165
100	380 Services	184,105,619	6,557,613
101	381 Meters	84,702,144	6,932,501
102	382 Meter Installations		
103	383 House Regulators		
104	384 House Regulator Installations		
105	385 Industrial Measuring and Regulating Station Equipment	3,508,893	261,927
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)	599,421,588	35,762,427
110	GENERAL PLANT		
111	389 Land and Land Rights	260,131	696,747
112	390 Structures and Improvements	3,571,178	905,379
113	391 Office Furniture and Equipment	378,871	7,379
114	392 Transportation Equipment	5,933,615	744,697
115	393 Stores Equipment	141,498	
116	394 Tools, Shop, and Garage Equipment	3,655,236	167,836
117	395 Laboratory Equipment	601,181	
118	396 Power Operated Equipment	3,763,392	
119	397 Communication Equipment	2,058,740	47,535
120	398 Miscellaneous Equipment		
121	Subtotal (Enter Total of lines 111 thru 120)	20,363,842	2,569,573
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)	20,363,842	2,569,573
125	TOTAL (Accounts 101 and 106)	657,628,389	37,884,861
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)	657,628,389	37,884,861

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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	300,167			35,389,729
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				258,667
95				903,371
96	469,914			332,703,135
97				
98				7,146,656
99	7,878			7,625,158
100	634,002			190,029,230
101	3,499,709			88,134,936
102				
103				
104				
105	26,539			3,744,281
106				
107				539
108				
109	4,638,042			630,545,973
110				
111				956,878
112	7,893			4,468,664
113				386,250
114	246,561			6,431,751
115				141,498
116				3,823,072
117				601,181
118				3,763,392
119	6,982			2,099,293
120				
121	261,436			22,671,979
122				
123				
124	261,436			22,671,979
125	5,270,704			690,242,546
126				
127				
128				
129	5,270,704			690,242,546

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Gas Plant Held for Future Use (Account 105)

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

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Gas Distribution Mains and Services	03/01/2007		174,048
2	located in Coeur d'Alene, Idaho			
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44				
45	**Total**			**174,048**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Construction Work in Progress-Gas (Account 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			
2	State of Washington		
3	Minor Projects (59) under $1,000,000	1,551,505	1,741,732
4			
5			
6			
7	State of Idaho		
8	Minor Projects (22) under $1,000,000	413,831	697,917
9			
10			
11			
12	State of Oregon		
13	Minor Projects (42) under $1,000,000	1,983,229	2,857,571
14			
15			
16			
17	Common-WA/ID		
18	Minor Projects (3) under $1,000,000	122,990	20,572
19			
20			
21	Common-WA/ID/OR		
22	Minor Projects (4) under $1,000,000	453,074	9,073
23			
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44			
45	**Total**	**4,524,629**	**5,326,865**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	228,174,179	228,174,179		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	14,059,225	14,059,225		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	330,099	330,099		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	14,389,324	14,389,324		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(5,199,645)	(5,199,645)		
13	Cost of Removal	(419,875)	(419,875)		
14	Salvage (Credit)	(45,096)	(45,096)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,574,424)	(5,574,424)		
16	Other Debit or Credit Items (Describe) (footnote details):	18,361	18,361		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	237,007,440	237,007,440		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas				
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	11,034,705	11,034,705		
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	217,066,999	217,066,999		
29	General	8,905,736	8,905,736		
30	TOTAL (Total of lines 21 thru 29)	237,007,440	237,007,440		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of					30,720,371			30,720,371
2	Gas Delivered to Storage					28,417,046			28,417,046
3	Gas Withdrawn from					46,430,654			46,430,654
4	Other Debits and Credits								
5	Balance at End of Year					12,706,763			12,706,763
6	Dth					44,023			44,023
7	Amount Per Dth					288.6392			288.6392

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

Investments (Account 123, 124, and 136)

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

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	Spokane Energy (123000)		500,000	
2	Avista Capital (123010)		13,403,000	
3	WZN Loans Sandpoint (124350)		65,177	
4	Exec Deferral Cash (124600)		11,774,016	1,267,381
5	Goodwill & other (124610)		(11,774,016)	
6	WZN Loans Oregon (124680)		42,099	7,925
7	WNP3 Exchange (124900)		79,626,000	
8	AMT WNP3 Exchange (124930)		(53,492,731)	(2,450,031)
9	Temp Cash Investments		2,684,444	
10				
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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	1,856,000		11,547,000		
3			65,177		
4			13,041,397		
5	1,267,381		(13,041,397)		
6			50,024		
7			79,626,000		
8			(55,942,762)		
9	2,032,434		652,010		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Investments in Subsidiary Companies (Account 123.1)

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Avista Capital - Common Stock	01/01/1997		184,251,609
2	Avista Capital - Equity in Earnings			(99,660,867)
3	OCI Investment in Subs			
4	Avista Capital - Other Changes in Net Investment			(7,748,538)
5	Avista Capital - Other Changes in Net Investment			645,758
6	Avista Capital - Other Changes in Net Investment			
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40	TOTAL Cost of Account 123.1 $		TOTAL	77,487,962

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		(3,683,735)	187,935,344	
2	827,452	8,168,342	(107,001,757)	
3				
4		(7,748,538)		
5		645,758		
6		(309,652)	309,652	
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40	827,452	(2,927,825)	81,243,239	

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	4,792,954
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	5,192,806
6	TOTAL	9,985,760

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Other Regulatory Assets (Account 182.3)

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Regulatory Asset FAS 106	1,891,008		926,107	472,752		1,418,256
2	Guaranteed Residual Value-Airplane	2,936,173		186,228	2,936,173		
3	Reg Asset Post Ret Liab	172,277,747		2228	31,192,904		141,084,843
4	Reg Asset FAS 109 Utility Plant	99,465,025		283	17,109,789		82,355,236
5	Reg Asset FAS 109 DSIT Non Plant	3,306,888		283	919,062		2,387,826
6	Reg Asset FAS 109 DSIT State Tax cr	4,568,230	1,679,928				6,248,158
7	Reg Asset FAS 109 WNP3	7,866,287		283	737,482		7,128,805
8	Reg Asset-Spokane River Relicense		802,034				802,034
9	Reg Asset-Spokane River PM&E		443,350				443,350
10	Reg Asset-Lake CDA Fund		10,062,735				10,062,735
11	Reg Asset- Decouplings Surcharge	479,593		407	100,664		378,929
12	Regulatory Asset AMR	(252,769)	252,769				
13	Reg Asset RTO Deposits ID	212,417		560	70,806		141,611
14	Reg Asset BPA Residental Exchange	249,229			249,229		
15	Reg Asset ERM Approved for Recovery	29,728,184		407,419	23,494,189		6,233,995
16	ID Wind Gen AFUDC	35,194	85,282				120,476
17	Reg Asset Wartsilla Units	2,325,253		407	560,072		1,765,181
18	MTM St Regulatory Asset	60,228,970		244	51,897,220		8,331,750
19	Reg Asset- FAS 143 Asset Retirement Obligation	3,335,279		230,124	205,034		3,130,245
20	Reg Asset AN CDA Lake Settlement	41,733,385		407,419	4,531,187		37,202,198
21	Reg Asset WA CDA Lake Settlement		1,553,548				1,553,548
22	Reg Asset Workers Comp	3,097,168		242	175,994		2,921,174
23	CS2 Lev Ret	1,442,335	62,324				1,504,659
24	Reg Asset ID PCA Deferral 1		10,457,471				10,457,471
25	Reg Asset iD PCA Deferral 2	17,080,994		557,419	17,080,994		
26	Reg Asset ID PCA Deferral 3	3,573,957	7,475,831				11,049,788
27	Reg Asset- Future Payments Lake CDA		4,000,000				4,000,000
28	DSM Asset		11,894,248				11,894,248
29							
30							
31							
32							
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39							
40	**Total**	**455,580,547**	**48,769,520**		**151,733,551**	**0**	**352,616,516**

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Miscellaneous Deferred Debits (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1						
2	Colstrip Common Fac.	1,110,999				1,110,999
3	Regulatory Asset-Decoupling def	589,937			335,323	254,614
4	WA Deferred Power Costs	7,223,823			7,194,374	29,449
5	WA ERM YTD Company Band	4,000,000			7,037,637	(3,037,637)
6	WA ERM YTD Contra Account	(4,000,000)	7,037,637			3,037,637
7	Regulatory Asset ROT Deposit	395,534			158,213	237,321
8	Regulatory Asset-Mt lease pymt	2,795,301			360,684	2,434,617
9	Regulatory Asset-Mt lease pymt	5,413,008			676,632	4,736,376
10	Colstrip Common Fac.	2,355,642				2,355,642
11	Regulatory Asset- COLS	738,101			153,771	584,330
12	Guaranteed Residual Value-Plane		2,916,673			2,916,673
13	Prepaid airplane Lease LT		28,743			28,743
14						
15	Payroll Accrual					
16						
17	Plant Allocation of clearing jr	2,172,024	665,241			2,837,265
18						
19	Misc Error Suspense	12,457			27,611	(15,154)
20						
21	Renewable Energy-Cert Fees		174,000			174,000
22	Misc susp acct-non w/o	28,327	19,088			47,415
23	Unamortized A/R sale	25,767	9,678			35,445
24						
25	Intangible Pension Asset					
26						
27	Nez Perce Settlement	181,597			5,212	176,385
28	Misc Deferred Debit Centralia	675,990	2,444			678,434
29						
30	Long Term Note Rec acct		277,158			277,158
31	Reg Asset ID-Lake Cda		315,120			315,120
32	ID Panhandle Forest Use Permit	224,337	1,760			226,097
33	Metro Sunset 115KV TE					
34	Reclass IPA Acct deposit		2,000,000			2,000,000
35	UPRR Permit Conv	350,163			350,163	
36	Insurance Recv CDA Lake					
37	Corp reorg stk iss. costs	118,086			118,086	
38	Reclass Idaho Clk Fork Relic		976,731			976,731
39	Miscellaneous Work in Progress					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Miscellaneous Deferred Debits (Account 186) (continued)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Noxon Living Facility Exp		67,001			67,001
2	Dry Creek Transport	366,206			366,206	
3						
4	PG&E Canada to N Cal trans	493,607	373,436			867,043
5	Misc Work Orders <$50,000	115,729			120,130	(4,401)
6	Subsidiary Billings	2,067,825			1,980,126	87,699
7	"Null" Projects directly to 186	(345,705)	358,350			12,645
8	Misc Work in Progress					
9	Deferred Regulatory Comm. Expenses (See)					
10	Regulatory Assets Consv	1,283,765			1,054,552	229,213
11	Regulatory Assets Consv	(87,884)	151,453			63,569
12	Regulatory Assets Consv	3,003,183			930,417	2,072,766
13	Regulatory Assets Consv	253,551			101,144	152,407
14	Regulatory Assets Consv	447,610			307,665	139,945
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39	Miscellaneous Work in Progress					
40	**Total**	**32,008,980**	**15,374,513**		**21,277,946**	**26,105,547**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Accumulated Deferred Income Taxes (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	15,824,253	1,299,216	56,874
3	Gas	2,255,652	1,021,139	281,780
4	Other (Define) (footnote details)	112,975,620	(1,356,230)	3,139,227
5	Total (Total of lines 2 thru 4)	131,055,525	964,125	3,477,881
6	Other (Specify) (footnote details)			
7	TOTAL Account 190 (Total of lines 5 thru 6)	131,055,525	964,125	3,477,881
8	Classification of TOTAL			
9	Federal Income Tax	131,055,525	964,125	3,477,881
10	State Income Tax			
11	Local Income Tax			

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	(503,577)		282	12,657,857	409,283	2,963,907	5,391,538
3			254,282	1,784,048			(267,755)
4	905,981	270,264		34,470,943		4,487,347	86,851,764
5	402,404	270,264		48,912,848		7,451,254	91,975,547
6							
7	402,404	270,264		48,912,848		7,451,254	91,975,547
8							
9	402,404	270,264		48,912,848		7,451,252	91,975,545
10							
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Capital Stock (Accounts 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	Acct. 201 - Common Stock Issued:			
2	No Par Value	200,000,000		
3	Restriced shares			
4	TOTAL Common	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	Total Preferred	10,000,000		
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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	54,836,781	759,057,747			71,904.00	1,307,215.00
3						
4	54,836,781	759,057,747			71,904.00	1,307,215.00
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Other Paid-In Capital (Accounts 208-211)

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

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

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

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

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

Line No.	Item (a)	Amount (b)
1	Equity transactions of subsidiaries	17,498,634
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40	**Total**	**17,498,634**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

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

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
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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 - Public Issue	
17	CAP STOCK EXP - COMMON PUBLIC ISSUE	13,301,168
18	TAX BENEFIT - OPTIONS EXERCISED	(5,683,807)
19	STOCK COMP INCENTIVE ACCRUAL	(10,272,805)
20	STOCK COMP - SUBS	(849,764)
21	SHARE WITHHOLDING	1,414,247
22		
23		
24		
25		
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28		
	TOTAL	(2,090,961)

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	FMBS - SERIES C - 8.02% DUE 10/26/2010	10/26/1999	10/26/2010	25,000,000
2	FMBS - SERIES C - 6.37% DUE 06/18/2028	06/19/1998	06/19/2028	25,000,000
3	FMBS - SERIES A - 6.67% DUE 7/12/2010	07/12/1993	07/12/2010	5,000,000
4	FMBS - SERIES A - 7.37% DUE 5/10/2012	05/10/1993	05/10/2012	7,000,000
5	FMBS - SERIES A - 7.39% DUE 5/11/2018	05/11/1993	05/11/2018	7,000,000
6	FMBS - SERIES A - 7.45% DUE 6/11/2018	06/09/1993	06/11/2018	15,500,000
7	FMBS - SERIES A - 7.53% DUE 05/05/2023	05/06/1993	05/05/2023	5,500,000
8	FMBS - SERIES A - 7.54% DUE 5/05/2023	05/07/1993	05/05/2023	1,000,000
9	FMBS - SERIES A - 7.18% DUE 8/11/2023	08/12/1993	08/11/2023	7,000,000
10	FMBS - SERIES B - 6.9% DUE 07/01/2010	06/09/1995	07/01/2010	5,000,000
11	COLSTRIP 1999B PCBS DUE 2034	03/01/1994	03/01/2034	
12	COLSTRIP 1999A PCBS DUE 2032	03/01/1994	06/01/2032	
13	FMBS - 6.125% DUE 09-01-2013	09/08/2003	09/01/2013	45,000,000
14	KETTLE FALLS P C REV BONDS DUE 14	12/01/1993	12/01/2023	4,100,000
15	5.45% SERIES DUE 12-01-2019	11/18/2004	12/01/2019	90,000,000
16	FMBS - 6.25% DUE 12-01-35	11/17/2005	12/01/2035	150,000,000
17	FMBS - 5.70% DUE 07-01-2037	12/15/2006	07/01/2037	150,000,000
18	5.95% SERIES DUE 06-01-2018	04/02/2008	06/01/2018	250,000,000
19	7.25% FMB'S DUE 2013	12/16/2008	12/16/2013	30,000,000
20	5.125% SERIES DUE 04-01-2022	09/22/2009	04/01/2022	250,000,000
21	ADVANCE ASSOCIATED-AVISTA CAPITAL II (ToPRS)	06/03/1997	06/01/2037	51,547,000
22				
23	Interest Rate SWAPS			(1,843,577)
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40	TOTAL			1,121,803,423

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1	8.020	2,005,000			
2	6.370	1,592,500			
3	6.670	333,500			
4	7.370	515,900			
5	7.390	517,300			
6	7.450	1,154,750			
7	7.530	414,150			
8	7.540	75,400			
9	7.180	502,600			
10	6.900	345,000			
11	0.360	61,675	17,000,000		
12	4.860		66,700,000		
13	6.125	2,756,250			
14	6.000	246,000			
15	5.450	4,905,000			
16	6.250	9,375,000			
17	5.700	8,550,000			
18	5.950	14,875,000			
19	7.250	2,175,000			
20	5.125	12,812,500			
21	1.850	952,275			
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40		64,164,800	83,700,000		

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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)	87,071,250
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		1,911,534
6		
7		
8	TOTAL	1,911,534
9	Deductions Recorded on Books Not Deducted for Return	
10		102,619,036
11	Federal Income Tax	28,968,355
12	Deferred Income Tax	13,224,479
13	TOTAL	144,811,870
14	Income Recorded on Books Not Included in Return	
15		60,745,269
16	Investment Tax Credit & State Income Tax	2,017,491
17		
18	TOTAL	62,762,760
19	Deductions on Return Not Charged Against Book Income	
20		(229,909,385)
21	Equity in Subs	(827,452)
22	Corporate OVerhead Unallocated Subs	769,980
23		
24		
25		
26	TOTAL	(229,966,857)
27	Federal Tax Net Income	66,590,557
28	Show Computation of Tax:	
29	State Tax	2,111,405
30	Federal Tax Net Income, less state tax	68,701,962
31		
32	Federal Tax @ 35%	24,045,687
33	Prior years tax return, revenue agent reports & misc true ups	6,601,983
34	Kettle Falls & Cabinet Gorge Tax Credits	(1,679,315)
35	Total Federal Tax Expense	28,968,355

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	FEDERAL:		
2	Income Tax Prior	25,778,732	
3	Income Tax 2006	(18,141,202)	
4	Income Tax 2007	(2,300,314)	
5	Income Tax 2008	(11,031,901)	
6	Income Tax (Current)		
7	Retained Earnings		
8	Prior Retained Earnings	(5,013,521)	
9	Prior Retained Earnings	(2,127,838)	
10	Prior Retained Earnings	(1,435,621)	
11	Current Retained Earnings		
12	Total Federal	(14,271,665)	
13			
14	STATE OF WASHINGTON		
15	Property Tax (2008)	7,771,174	
16	Property Tax (2009)		
17	Excise Tax (2005)	91,452	
18	Excise Tax (2006)	(464)	
19	Excise Tax (2007)	400,000	
20	Excise Tax (2008)	2,485,298	
21	Excise Tax (2009)		
22	Natural Gas Use Tax	33,215	
23	Municipal Occupation Tax	2,614,786	
24	Sales & Use Tax (2006)	(7,943)	
25	Sales & Use Tax (2007)	13,643	
26	Sales & Use Tax (2008)	50,265	
27	Sales & Use Tax (2009)		
28	Motor Vehicle Tax (2009)		
29	Total Washington	13,451,426	
30			
31	STATE OF IDAHO:		
32	Income Tax (2006)	487,826	
33	Income Tax (2007)	(104,516)	
34	Income Tax (2008)	(443,776)	
35	Income Tax (2009)		
36	Property Tax (2008)	2,512,135	
37	Property Tax (2009)		
38	Motor Vehicle Tax (2009)		
39	Sales & Use Tax (2005)	436	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2				25,778,732	
3	992,601	6,639,496		(23,788,097)	
4	(151,670)	(1,997,498)		(454,486)	
5	13,123,056	(8,677,741)		10,768,896	
6	12,352,670	31,248,211		(18,895,541)	
7					
8	(2,415)			(5,015,936)	
9				(2,127,838)	
10				(1,435,621)	
11	(1,210,371)			(1,210,371)	
12	25,103,871	27,212,468		(16,380,262)	
13					
14					
15	(1,318,164)	6,453,010			
16	7,086,952		(346)	7,086,606	
17				91,452	
18				(464)	
19				400,000	
20	(11,891)	2,473,407			
21	25,168,760	22,903,217		2,265,543	
22	47,598	65,704		15,109	
23	23,012,125	23,191,538		2,435,373	
24	(295)	(65)		(8,173)	
25		13,643			
26		20,265			
27	868,665	784,475		84,190	
28	15,574	15,574			
29	54,869,324	55,920,768	(346)	12,369,636	
30					
31					
32		141,437		346,389	
33				(104,516)	
34	342,216			(101,560)	
35	469,890	760,000		(290,110)	
36	(157,401)	2,354,513	(221)		
37	3,937,283	1,956,011	(22,382)	1,958,891	
38	9,347	9,347			
39				436	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3	(100,641)		217,242	
4	98,001		22,808	
5	135,923		12,987,133	
6	13,438,692	3,426,516	(1,254,904)	
7				
8			(2,415)	
9				
10				
11				
12	13,571,975	3,426,516	11,969,864	
13				
14				
15	(1,059,373)	(262,464)	3,660	
16	5,405,952	1,645,000	36,000	
17				
18				
19				
20	(16,589)	(540)	(92,216)	
21	17,235,991	7,887,074	47,942	
22			(10,422)	
23	15,480,504	7,470,361		
24				
25				
26				
27				
28				
29	37,046,485	16,739,431	(15,036)	
30				
31				
32				
33				
34	313,024	29,192		
35	380,356	89,534		
36	(57,910)	(99,495)		
37	3,206,068	721,738	9,481	
38				
39				

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				876,000	
4				(272,478)	
5					
6				(3,257,634)	
7					
8					
9					
10					
11				(1,210,371)	
12				(3,864,483)	
13					
14					
15				13	
16					
17					
18					
19					
20				97,454	
21				(2,247)	
22				58,020	
23				61,260	
24				(295)	
25					
26					
27				868,665	
28				15,574	
29				1,098,444	
30					
31					
32					
33					
34					
35					
36				4	
37				(4)	
38				9,347	
39					

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Sales & Use Tax (2007)	(13)	
2	Sales & Use Tax (2008)	23,236	
3	Sales & Use Tax (2009)		
4	Irrigation Credits (2009)		
5	KWH Tax (2008)	21,255	
6	KWH Tax (2009)		
7	Franchise Tax (2008)	1,673,763	
8	Franchise Tax (2009)		
9	Total Idaho	4,170,346	
10			
11	STATE OF MONTANA		
12	Income Tax (2006)	520,245	
13	Income Tax (2007)	(59,435)	
14	Income Tax (2008)	(347,781)	
15	Income Tax (2009)		
16	Property Tax (2008)	3,336,316	
17	Property Tax (2009)		
18	Colstrip Generation Tax		
19	KWH Tax (2008)	267,227	
20	KWH Tax (2009)		
21	Motor Vehicle Tax (2009)		
22	Consumer Council Tax	24,450	
23	Public Commission Tax	6	
24	Total Montana	3,741,028	
25			
26	STATE OF OREGON		
27	Income Tax (2006)	266,087	
28	Income Tax (2007)	(5)	
29	Income Tax (2008)	(549,586)	
30	Income Tax (2009)		
31	Property Tax (2008)	(1,010,000)	
32	Property Tax (2009)		
33	Motor Vehicle Tax (2009)		
34	BETC Credit (2006 & Prior)	(498,457)	
35	BETC Credit (2007)	209,659	
36	BETC Credit (2008)	(46,847)	
37	BETC Credit (2009)		
38	Glendate Regulatory Cr. 2008	(351,469)	
39	Glendate Regulatory Cr. 2009		

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	13				
2		18,888		4,348	
3	129,709	125,559		4,150	
4	444			444	
5	(5,595)	15,660			
6	338,888	322,703		16,185	
7		1,673,763			
8	4,511,633	2,808,008		1,703,625	
9	9,576,427	10,185,889	(22,603)	3,538,282	
10					
11					
12				520,245	
13		(59,435)			
14	167,207			(180,574)	
15	315,028	525,000		(209,972)	
16	(8,185)	3,328,131			
17	6,173,166	3,088,756		3,084,410	
18	3,222	3,222			
19		267,227			
20	1,008,877	788,579		220,298	
21	4,068	4,068			
22	(20,548)	3,899		3	
23	5,907	5,105		808	
24	7,648,742	7,954,552		3,435,218	
25					
26					
27				266,087	
28				(5)	
29	324,299	(334,870)		109,583	
30	161,688	530,000		(368,312)	
31	1,004,692	(5,308)			
32	1,764,096	3,081,486		(1,317,390)	
33	486	486			
34	77,652			(420,805)	
35	33,694			243,353	
36	6,464			(40,383)	
37	(91,881)			(91,881)	
38	140,580			(210,889)	
39	70,289			70,289	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1			13	
2				
3				
4	444			
5	(5,595)			
6	338,888			
7				
8	2,955,248	1,544,395		
9	7,130,523	2,285,364	9,494	
10				
11				
12				
13				
14	167,207			
15	315,028			
16	(8,185)			
17	6,173,166			
18	3,222			
19				
20	1,008,877			
21				
22	(20,548)			
23	5,907			
24	7,644,674			
25				
26				
27				
28				
29	(1)	303,935		
30	87,446	235,186		
31	79,000	925,692		
32	939,758	824,338		
33				
34				
35				
36				
37		188,098		
38				
39				

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				129,709	
4					
5					
6					
7					
8				11,990	
9				151,046	
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21				4,068	
22					
23					
24				4,068	
25					
26					
27					
28					
29				20,365	
30				(160,944)	
31					
32					
33				486	
34				77,652	
35				33,694	
36				6,464	
37				(279,979)	
38				140,580	
39				70,289	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Franchise Tax (2006)	755	
2	Franchise Tax (2008)	996,390	
3	Franchise Tax (2009)		
4	Total Oregon	(983,473)	
5			
6	STATE OF CALIFORNIA		
7	Income Tax (2005)	(1,869)	
8	Income Tax (2006)	(314)	
9	Income Tax (2007)	(3,200)	
10	Income Tax (2008)		
11	Income Tax (2009)		
12	Total California	(5,383)	
13			
14	MISCELLANEOUS STATES:		
15	Income Tax (2007)		
16	Income Tax (2008)	(1)	
17	Total Misc States	(1)	
18			
19	COUNTY & MUNICIPAL		
20	WA Renewable Energy		
21	Misc.	3,299	
22	Total County	3,299	
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
	TOTAL	6,105,577	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1				755	
2		966,063		30,327	
3	4,284,846	3,287,865		996,981	
4	7,776,905	7,525,722		(732,290)	
5					
6					
7				(1,869)	
8				(314)	
9	800		2,400		
10	2,400		(2,400)	(2,400)	
11		2,400			
12	3,200	2,400		(4,583)	
13					
14					
15					
16	1				
17	1				
18					
19					
20	(8,863)	(8,863)			
21	(6,673)	22,949	22,949	(3,374)	
22	(15,536)	14,086	22,949	(3,374)	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL	104,962,934	108,815,885		2,222,627	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3	(166)	4,261,832		
4	1,106,037	6,739,081		
5				
6				
7				
8				
9				
10		2,400		
11				
12		2,400		
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				
TOTAL	66,499,694	29,192,792	11,964,322	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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

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

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3				23,180	
4				(68,213)	
5					
6					
7					
8					
9				800	
10					
11					
12				800	
13					
14					
15					
16					
17					
18					
19					
20				(8,863)	
21				(6,673)	
22				(15,536)	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
TOTAL				(2,693,874)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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	Misc Liab- Margin Call Deposit (242050)	3,220,000
2	Misc Liab- Forest Use Permits (242060)	155,652
3	Settlement Payable (242090)	88,127
4	Misc Liab- Audit Exp Acc (242200)	(75,000)
5	Misc Liab- FERC Admin Fee Acc (242300)	477,000
6	Misc Liab- FERC Elec Admin Chg (242310)	62,499
7	Misc Liab- Mt lease payments (242375)	4,172,400
8	State Commission Fee Accrued (242400)	90,351
9	Misc Liab- Misc non-mon pwr exchange (242500)	156,003
10	DSM Tariff Rider (242600)	(11,894,248)
11	Misc Liab- Payroll Eqlztn (242700)	14,002,104
12	Low income energy assist (242770)	2,374,405
13	Misc Liab- Enron Settlement (242775)	463,187
14	Avisa Grants eng sustain WSU-ASL (242780)	368,961
15	Misc Liab- Mobius (242790)	450,000
16	Workers comp regulatory liability (242830)	2,921,174
17	Accts Payable inventory accruals - sc (242900)	501,755
18	Acct Payable Expense accrual-sc (242910)	6,768,897
19	Current Portion-benefit liab (242999)	4,197,789
20	Clearing Accounts	242,345
21	Gas Imbalance	38,091
22	Customer Accounts	9,331,704
23	State Commission Fee	90,351
24	Cash overdraft	5,289,107
25	DSM Asset	11,894,247
26	Audit Expense	75,000
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	**Total**	**55,461,901**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Other Deferred Credits (Account 253)

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

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Defer Gas Exchange (253028)				2,119,525	2,119,525
2	Pacificorp Capacitor (253080)	4,686	456	4,686		
3	Centralia Enviromental (253110)	963,886			2,437	966,323
4	Rathdrum Refund (253120)	374,864	550	33,822		341,042
5	NE Tank Spill (253130)	98,607	550	11,502		87,105
6	Bills Pole Rentals (253140)	211,620			3,583	215,203
7	CR-CS2 GE LTSA (253150)	4,739,221	232	2,326,663		2,412,558
8	IR Swaps (254170)	568,713	176	568,713		
9	Regulatory Accruals (253650)	4,000,000	232	4,000,000		
10	Sale/Leaseback on Bldg(253850)	784,368	931	261,456		522,912
11	Clark Fork Relicensing (253890)	(1,223,720)			246,989	(976,731)
12	Defer Comp Retired Execs (253900)	180,448	431,232	61,274		119,174
13	Defer Comp Active Execs (253910)	8,807,721			628,908	9,436,629
14	Executive Incent Plan (253920)	140,000				140,000
15	Unbilled Revenue (253990)	5,335,468			634,860	5,970,328
16	Idaho Clark Fork				976,731	976,731
17						
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**	**24,985,882**		**7,268,116**	**4,613,033**	**22,330,799**

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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	252,105,800	15,828,047	936,721
3	Gas	70,244,199	7,534,446	
4	Other (Define) (footnote details)	12,542,042	4,128,701	
5	Total (Enter Total of lines 2 thru 4)	334,892,041	27,491,194	936,721
6	Other (Specify) (footnote details)			
7	TOTAL Account 282 (Enter Total of lines 5 thr	334,892,041	27,491,194	936,721
8	Classification of TOTAL			
9	Federal Income Tax	323,825,718	27,491,194	936,721
10	State Income Tax	11,066,323		
11	Local Income Tax			

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			190		190	11,713,819	255,283,307
3	(116,953)		190		190	1,628,500	76,033,192
4	87,739						16,758,482
5	(29,214)					13,342,319	348,074,981
6							
7	(29,214)					13,342,319	348,074,981
8							
9	(29,214)					13,342,319	337,008,658
10							11,066,323
11							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

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	48,453,294	(3,135,591)	301,512
3	Gas	(6,439,429)	(6,495,357)	(143,255)
4	Other (Define) (footnote details)	246,729,622	(864,923)	
5	Total (Total of lines 2 thru 4)	288,743,487	(10,495,871)	158,257
6	Other (Specify) (footnote details)			
7	TOTAL Account 283 (Total of lines 5 thru	288,743,487	(10,495,871)	158,257
8	Classification of TOTAL			
9	Federal Income Tax	279,078,915	(10,495,871)	158,257
10	State Income Tax	9,664,572		
11	Local Income Tax			

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

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

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	541,021	15,771			182	1,291,333	44,250,108
3	172,486	232,857			190,283	90,821	(12,942,723)
4	(301,246)	3,372,019	283	69,458	182,390	47,988,448	194,272,444
5	412,261	3,620,647		69,458	283	49,370,602	225,579,829
6							
7	412,261	3,620,647		69,458		49,370,602	225,579,829
8							
9	412,261	3,620,647		69,458		43,939,836	221,346,023
10						5,430,766	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)	8,354,865				3,248,858	11,603,723
2	Oregon BETC Credit (254010)	128,992	190	128,992			
3	Noxon, ITC (254025)					1,441,110	1,441,110
4	Defer Gas Exchange (254028)	1,597,806	142,495	1,597,806			
5	FAS 109 Invest Tax Credit (254180)	201,240	190	26,556			174,684
6	Nez Perce (254220)	770,396	557	22,008			748,388
7	Oregon Senate Bill (254250)	1,450,000	407	662,125		1,001,777	1,789,652
8	Reg Liability CCX CR ID (254300)	754,484	407	413,972			340,512
9	Accrue Lake CDA IPA int (254325)					64,410	64,410
10	BPA Res Exch Regulatory Liab (254345)					2,900,393	2,900,393
11	Unrealized Currency Exchange (254399)					35,548	35,548
12	Reg Liability Other (254700)						
13	Mark to Market ST (254740)						
14	Mark to Market FAS133 (254750)	42,171,739				439,754	42,611,493
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
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34							
35							
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37							
38							
39							
40							
41							
42							
43							
44							
45	**Total**	55,429,522		2,851,459	0	9,131,850	61,709,913

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Gas Operating Revenues

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

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

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Gas Operating Revenues

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	251,021,762	276,386,377	251,021,762	276,386,377	20,797,890	21,012,476
2	145,180,519	164,305,604	145,180,519	164,305,604	13,726,339	14,042,061
3						
4	155,050,847	283,746,846	155,050,847	283,746,846	43,044,654	34,896,940
5	516,261	562,758	516,261	562,758	50,236	52,608
6						
7						
8	173,812	165,749	173,812	165,749		
9						
10						
11	6,067,048	6,326,969	6,067,048	6,326,969	14,458,004	
12						
13						
14						
15						
16	27,766	24,703	27,766	24,703		
17						
18	7,906,479	4,766,852	7,906,479	4,766,852		
19	565,944,494	736,285,858	565,944,494	736,285,858		
20						
21	565,944,494	736,285,858	565,944,494	736,285,858		

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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	383,241,588	600,873,113
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	0	0
76	(Less) 805.1 Purchases Gas Cost Adjustments	(20,256,209)	(20,372,022)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	403,497,797	621,245,135
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

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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	46,430,654	42,570,383
87	(Less) 808.2 Gas Delivered to Storage-Credit	28,417,046	60,553,881
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	695,434	1,563,044
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)	695,434	1,563,044
95	813 Other Gas Supply Expenses	1,744,919	1,709,497
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	422,560,890	603,408,090
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	422,560,890	603,408,090
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	614	20,862
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	296,899	322,129
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	297,513	342,991

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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	316,063	272,006
124	TOTAL Maintenance (Total of lines 116 thru 123)	316,063	272,006
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	613,576	614,997
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)	613,576	614,997

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	968,934	939,535
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	3,109,908	2,866,257
209	875 Measuring and Regulating Station Expenses-General	438,100	439,736
210	876 Measuring and Regulating Station Expenses-Industrial	9,227	36,822
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	214,489	221,031
212	878 Meter and House Regulator Expenses	1,501,542	1,641,297
213	879 Customer Installations Expenses	2,477,086	2,111,891
214	880 Other Expenses	2,461,299	2,113,941
215	881 Rents	24,847	28,691
216	TOTAL Operation (Total of lines 204 thru 215)	11,205,432	10,399,201
217	Maintenance		
218	885 Maintenance Supervision and Engineering	198,793	156,885
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	2,324,454	1,976,738
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	239,035	207,875
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	274,546	231,212
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	60,597	29,819
225	892 Maintenance of Services	1,206,293	897,764
226	893 Maintenance of Meters and House Regulators	1,545,122	1,036,861
227	894 Maintenance of Other Equipment	201,034	143,651
228	TOTAL Maintenance (Total of lines 218 thru 227)	6,049,874	4,680,805
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	17,255,306	15,080,006
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	503,024	433,739
233	902 Meter Reading Expenses	1,757,134	1,523,098
234	903 Customer Records and Collection Expenses	6,936,961	5,989,706

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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	2,423,718	1,703,343
236	905 Miscellaneous Customer Accounts Expenses	216,923	130,303
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	11,837,760	9,780,189
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	12,488,656	9,408,812
242	909 Informational and Instructional Expenses	66,884	211,834
243	910 Miscellaneous Customer Service and Informational Expenses	90,480	91,140
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	12,646,020	9,711,786
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	497,304	455,305
249	913 Advertising Expenses	121,787	144,272
250	916 Miscellaneous Sales Expenses	190,057	131,256
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	809,148	730,833
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	8,396,564	7,455,414
255	921 Office Supplies and Expenses	1,544,167	1,493,583
256	(Less) 922 Administrative Expenses Transferred-Credit	31,272	24,846
257	923 Outside Services Employed	4,291,825	4,208,920
258	924 Property Insurance	433,137	335,230
259	925 Injuries and Damages	1,111,478	2,179,076
260	926 Employee Pensions and Benefits	254,246	304,978
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	2,131,461	2,004,112
263	(Less) 929 Duplicate Charges-Credit	0	0
264	930.1General Advertising Expenses	94,868	1,060
265	930.2Miscellaneous General Expenses	1,278,134	1,371,393
266	931 Rents	140,882	236,320
267	TOTAL Operation (Total of lines 254 thru 266)	19,645,490	19,565,240
268	Maintenance		
269	932 Maintenance of General Plant	2,435,916	2,375,293
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	22,081,406	21,940,533
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	487,804,106	661,266,434

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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	689,982
3	Labor Loading	607,049
4	Other Expenses (Professional Services, Travel, Office Supplies, Subscriptions & Training)	160,766
5		
6	Amortizations of Gas operations Database	55,388
7		
8	Credit Exposure Reserve	
9		
10		
11	Regulatory Affairs	
12	Labor	124,869
13	Labor Loading	106,626
14	Other Expenses (Travel)	241
15		
16		
17		
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22		
23		
24		
25	**Total**	1,744,921

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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.	286,244
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	48,344
4	Other expenses	
5	Directors Expenses	206,100
6	Miscellaneous General Expenses	499,121
7	commumity Relations	184,655
8	Educational - Informational	11,222
9	Other Misceallaneous General Expenses	42,448
10	Other Miscellaneous Labor	
11		
12		
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24		
25	**Total**	1,278,134

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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	124,761
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant	653,034			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	12,747,783			
10	General plant	658,407			
11	Common plant-gas	1,921,589			1,543,020
12	TOTAL	15,980,813		227	1,667,781

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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			124,988	Intangible plant
2				Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5			653,034	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			12,747,783	Distribution plant
10	4,839		663,246	General plant
11	2,880		3,467,489	Common plant-gas
12	7,719		17,656,540	TOTAL

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

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

Section B. Factors Used in Estimating Depreciation Charges

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

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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	Account 425 - Misc. Amortization	
2	Natural gas plant acquistion adjustment from 1991 acquisition of CP National	
3	Oregon and California distribution properties Contra account 115	1,110,572
4	Total	1,110,572
5	Account 426.1 Donations	
6	Project Share	433,591
7	Items under $250,000	971,418
8	Total	1,405,009
9	Account 426.2 Life Insurance	
10	Officers life insurance	(593,469)
11	SERP	1,929,642
12	Total	1,336,173
13	Account 426.3 Penalties	
14	Items under $250,000	(19,900)
15	Total	(19,900)
16	Account 426.4 Expenditures for Certain Civic, Political and Related Activities	
17	Items under $250,000	1,347,809
18	Total	1,347,809
19	Account 426.5 Other deductions	
20	Executive Deferred Compensation	1,569,914
21	Items under $250,000	116,506
22	Total	1,686,420
23	Account 430 Interest on debt to associated companies	
24	Avista Capital II (variable rate ranged from 1.22 to 3.06 percent)	952,275
25	AVA Capital Trust III (fixed rate of 6.5 percent)	1,005,160
26	Avista Capital	187,069
27	Total	2,144,504
28	Account 431 Other Interest Expense	
29	Interest on natural gas deferrals	1,154,715
30	Interest on committed line of credit (notes payable)	2,532,762
31	Interest on BPB residential exchange	46,668
32	Interest on customer deposits	78,601
33	Interest from IRS	(488,974)
34	Other	110,495
35	Total'	3,434,267

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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	2,174,407	200,306	2,374,713	
5					
6	Washington Utilities and Transportation Commission				
7	Includes annual fee and various other electric dockets	849,719	398,791	1,248,510	
8					
9	Includes annual fee and various other natural gas dockets	437,753	250,746	688,499	
10					
11	Idaho Public Utilities Commission				
12	Includes annual fee and various other electric dockets	366,389	221,758	588,147	
13					
14	Includes annual fee and various other natural gas dockets	153,853	121,621	275,474	
15					
16	Public Utility Commission of Oregon				
17	Includes annual fee and various other dockets	496,247	365,904	862,151	
18					
19	Not directly assigned electric		788,336	788,336	
20	Not directly assigned natural gas		305,338	305,338	
21					
22					
23					
24					
25	**Total**	4,478,368	2,652,800	7,131,168	

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/16/2010	Year/Period of Report End of 2009/Q4

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	2,374,713				
5							
6							
7	Electric	928	1,248,510				
8							
9	Natural gas	928	688,499				
10							
11							
12	Electric	928	588,147				
13							
14	Natural gas	928	275,474				
15							
16							
17	Natural gas	928	862,151				
18							
19	Electric	928	788,336				
20			305,338				
21							
22							
23							
24							
25			7,131,168				

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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	50,589,064
2	Pensions – other	
3	Post-retirement benefits other than pensions (PBOP)	
4	Post- employment benefit plans	
5	Other (Specify)	
6		
7		
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	Total	**50,589,064**

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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	9,261,834			9,261,834
4	Transmission	2,458,774			2,458,774
5	Distribution	4,278,181			4,278,181
6	Customer Accounts	6,087,189			6,087,189
7	Customer Service and Informational	302,412			302,412
8	Sales	450,051			450,051
9	Administrative and General	12,850,633		8,697,729	21,548,362
10	TOTAL Operation (Total of lines 3 thru 9)	35,689,074		8,697,729	44,386,803
11	Maintenance				
12	Production	2,168,038			2,168,038
13	Transmission	828,302			828,302
14	Distribution	4,167,758			4,167,758
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)	7,164,098			7,164,098
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	11,429,872			11,429,872
19	Transmission (Total of lines 4 and 13)	3,287,076			3,287,076
20	Distribution (Total of lines 5 and 14)	8,445,939			8,445,939
21	Customer Accounts (line 6)	6,087,189			6,087,189
22	Customer Service and Informational (line 7)	302,412			302,412
23	Sales (line 8)	450,051			450,051
24	Administrative and General (Total of lines 9 and 15)	12,850,633		8,697,729	21,548,362
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	42,853,172		8,697,729	51,550,901
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	814,850			814,850
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	4,140,801			4,140,801
34	Customer Accounts	2,657,558			2,657,558
35	Customer Service and Informational	158,315			158,315
36	Sales	173,349			173,349
37	Administrative and General	4,618,054		3,129,724	7,747,778
38	TOTAL Operation (Total of lines 28 thru 37)	12,562,927		3,129,724	15,692,651
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	488,882			488,882
45	Distribution	2,393,283			2,393,283

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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				
47	TOTAL Maintenance (Total of lines 40 thru 46)	2,882,165			2,882,165
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	814,850			814,850
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)	488,882			488,882
55	Distribution (Total of lines 33 and 45)	6,534,084			6,534,084
56	Customer Accounts (Total of line 34)	2,657,558			2,657,558
57	Customer Service and Informational (Total of line 35)	158,315			158,315
58	Sales (Total of line 36)	173,349			173,349
59	Administrative and General (Total of lines 37 and 46)	4,618,054		3,129,724	7,747,778
60	Total Operation and Maintenance (Total of lines 50 thru 59)	15,445,092		3,129,724	18,574,816
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	58,298,264		11,827,453	70,125,717
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	26,760,626		5,428,240	32,188,866
67	Gas Plant	5,951,789		1,207,286	7,159,075
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	32,712,415		6,635,526	39,347,941
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,145,306		228,122	1,373,428
72	Gas Plant	72,891		14,518	87,409
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	1,218,197		242,640	1,460,837
75	Other Accounts (Specify) (footnote details)	25,845,063		(22,674,078)	3,170,985
76	TOTAL Other Accounts	25,845,063		(22,674,078)	3,170,985
77	TOTAL SALARIES AND WAGES	118,073,939		(3,968,459)	114,105,480

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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	AT&T	299,664
2	Brown Contracting & Development	515,504
3	Cerium Networks	1,035,436
4	Coffman Engineers	305,065
5	Columbia Grid	380,314
6	Davis Wright Tremaine LLP	1,053,362
7	Dewey & Leboeuf LLP	966,927
8	Gard Communications	352,822
9	Gissespie Prudhon & Associates Inc	456,878
10	Golder Associates Inc	280,572
11	Hanna & Associates Inc	250,065
12	Hickey Brothers Fisheries LLC	262,200
13	Idaho Dept of Fish & Game	267,386
14	Intervoice	1,011,871
15	Jaco Construction Inc	557,341
16	Mckinstry Essention Inc	2,365,687
17	NRC Environmental Services	1,016,027
18	Pacific Gas & Electric Company	298,860
19	Paine Hamblen LLP	475,012
20	Poe Asphalt Paving Inc	1,064,269
21	Pro Building Systems	415,255
22	Regulus Integrated Solutions LLC	394,541
23	Stoel Rives LLP	264,736
24	Thomson Reuters	575,000
25	Twisted Pines Landscape Design & Co	285,900
26	Washington Group Intl Inc	312,956
27	Western Electricity	528,533
28	Deloitte & Touche LLP	1,354,915
29	Regulus Integrated Solutions	275,866
30	Other	12,894,953
31		
32	Total	30,517,917
33		
34		
35		

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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	39,824		39,824
3	February	(13,524)		(13,524)
4	March	771,638		771,638
5	April	1,216,857		1,216,857
6	May	2,535,877		2,535,877
7	June	2,490,086		2,490,086
8	July	304,878		304,878
9	August	424,156		424,156
10	September	1,690,451		1,690,451
11	October	145,560		145,560
12	November	198,448		198,448
13	December	111,889		111,889
14	TOTAL (Total of lines 2 thru 13)	9,916,140		9,916,140
15	Gas Withdrawn from Storage			
16	January	1,184,133		1,184,133
17	February	2,177,339		2,177,339
18	March	622,875		622,875
19	April	256,834		256,834
20	May	2,501		2,501
21	June	173,367		173,367
22	July	1,190,023		1,190,023
23	August	339,003		339,003
24	September	1,354,123		1,354,123
25	October	30,000		30,000
26	November	314,179		314,179
27	December	1,801,664		1,801,664
28	TOTAL (Total of lines 16 thru 27)	9,446,041		9,446,041

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Gas Storage Projects

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

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	6,113,053
2	Cushion Gas (Including Native Gas)	7,730,668
3	Total Gas in Reservoir (Total of line 1 and 2)	13,843,721
4	Certificated Storage Capacity	15,631,473
5	Number of Injection - Withdrawal Wells	54
6	Number of Observation Wells	48
7	Maximum Days' Withdrawal from Storage	346,212
8	Date of Maximum Days' Withdrawal	12/08/2009
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	

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Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Auxiliary Peaking Facilities

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

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1					
2	Chehalis, Washington	Underground Natural Gas	268,667	30,546,364	Yes
3		Storage Field			
4		Washington & Idaho Supply			
5					
6	Chehalis, Washington	Underground Natural Gas	26,000	4,843,363	Yes
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	Mist, Oregon	Underground Natural Gas	15,000	0	Yes
15		Storage Field			
16		Oregon Supply			
17					
18	Rock Springs, Wyoming	Underground Natural Gas	186,125	0	Yes
19		Storage Field			
20		Washington & Idaho Supply			
21					
22	Rock Springs, Wyoming	Underground Natural Gas	63,875	0	No
23		Storage Field			
24		Washington & Idaho Supply			
25					
26					
27					
28					
29					
30					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	04/16/2010	End of 2009/Q4

Gas Account - Natural Gas

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

Line No.	Item (a)	Ref. Page No. of FERC Form Nos. 2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		79,717,691	19,870,742
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301	14,458,004	3,910,620
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	(62,096)	(137,362)
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
11	Other Gas Withdrawn from Storage (Explain)		(470,099)	1,689,946
12	Gas Received from Shippers as Compressor Station Fuel			
13	Gas Received from Shippers as Lost and Unaccounted for			
14	Other Receipts (Specify) (footnote details)			
15	Total Receipts (Total of lines 3 thru 14)		93,643,500	25,333,946
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		34,574,465	12,404,433
18	Deliveries of Gas Gathered for Others (Account 489.1)	303		
19	Deliveries of Gas Transported for Others (Account 489.2)	305		
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	14,458,004	3,910,620
21	Deliveries of Contract Storage Gas (Account 489.4)	307		
22	Exchange Gas Delivered to Others (Account 806)	328		
23	Gas Delivered as Imbalances (Account 806)	328		
24	Deliveries of Gas to Others for Transportation (Account 858)	332	43,044,654	8,400,848
25	Other Gas Delivered to Storage (Explain)			
26	Gas Used for Compressor Station Fuel	509	1,566,377	618,045
27	Other Deliveries (Specify) (footnote details)			
28	Total Deliveries (Total of lines 17 thru 27)		93,643,500	25,333,946
29	GAS UNACCOUNTED FOR			
30	Production System Losses			
31	Gathering System Losses			
32	Transmission System Losses			
33	Distribution System Losses			
34	Storage System Losses			
35	Other Losses (Specify) (footnote details)			
36	Total Unaccounted For (Total of lines 30 thru 35)			
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		93,643,500	25,333,946

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Avista Corporation	(1) X An Original (2) __ A Resubmission	04/16/2010	2009/Q4

FOOTNOTE DATA

Schedule Page: 103 Line No.: 3 Column: d

100 percent owned by Advantage IQ

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

Closed on December 3, 2009, to pay the December 15, 2009, dividend.

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

Change in RWIP from 2008 $18,361

Schedule Page: 219 Line No.: 19 Column: c

The total for this line is wrong. It should be $237,007,440. The math is wrong in the calculation.

Beg Bal 228,174,179
+ line 9 14,389,324
- line 14 5,574,424
+ line 16 18,361

Schedule Page: 250 Line No.: 2 Column: i

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, 2009 was one year. The following table summarizes restricted stock activity for the years ended December 31:

	2009	2008	2007
Unvested shares at beginning of year	55,939	28,137	36,180
Shares granted	44,400	43,400	31,860
Shares cancelled	(10,000)	(1,230)	(19,936)
Shares vested	(18,435)	(14,368)	(19,967)
Unvested shares at end of year	71,904	55,939	28,137
Weighted average fair value at grant date	$ 18.18	$ 20.05	$ 25.60
Unrecognized compensation expense at end of year (in thousands)	$ 668	$ 691	$ 517
Intrinsic value, unvested shares at end of year (in thousands)	$ 1,552	$ 1,084	$ 606
Intrinsic value, shares vested during the year (in thousands)	$ 345	$ 293	$ 461

Schedule Page: 250 Line No.: 2 Column: j

Weighted average fair value at grant date x (i) = 18.18 x 71,904 = 1,307,215

Schedule Page: 250 Line No.: 2 Column: e

Current State Commissions Authorizations:

The company has 1,250,000 shares available to be issued under a periodic offering program or continuous offering program. This program gives the company the ability to from time to time through BNYMCM, to issue shares into the market. The original amount of shares authorized by State of Oregon's Public Utility Commission, Washington Utilities and Transportation Commission, and the Idaho Public Utilities Commission, 2,000,000 shares with ongoing authorization until the 2,000,000 shares have been exhausted.

The company has further authorization from the State of Oregon's Public Utility Commission, Washington Utilities and Transportation Commission, and the Idaho Public Utilities Commission to issue 5,000,000 million shares. In 2008 the company issued 3,162,500 shares and now has 1,837,500 shares remaining and available for issuance.

Schedule Page: 254 Line No.: 1 Column: a

Capital Stock Expense

The issuance costs decreased by $386,432 because of the reclassification of capital stock in 2009 in the amount of 509,210 and expenses related to the Periodic Offering Program (122,779). Compensation Incentive accrual for the corporation and the subsidiaries increased year over year due to stock-based compensation expense that the company records each period.

The following table summarizes capital stock expense activity for the years ended December 31:

	2009	2008
Common Stock Issuance Costs	13,301,168	13,687,600
Tax Benefit on Options Exercised	(5,683,807)	(5,188,673)
Compensation Incentive accrual (Subs)	(849,764)	(540,112)
Compensation Incentive accrual	(10,272,805)	(7,871,420)
Year-end Balances	(3,505,207)	87,394

Schedule Page: 256 Line No.: 11 Column: g

Accounts 223 and 224 net changes during 2009

On December 31, 2008, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, Series 1999A (Avista Corporation Colstrip Project) due 2032 were remarketed. Avista Corp. purchased these Pollution Control Bonds and expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors or refunded by a new issue. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. In

December 2008, the City of Forsyth, Montana issued $17.0 million of its Pollution Control Revenue Refunding Bonds, Series 2008 (Avista Corp. Colstrip Project) due 2034 on behalf of Avista Corp. The proceeds of the Bonds were used to refund $17.0 million of Pollution Control Revenue Refunding Bonds, Series 1999B (Avista Corp. Colstrip Project) issued by the City of Forsyth, Montana on behalf of Avista Corp., which were subject to remarketing or refunding on December 31, 2008. In December 2009, Avista Corp. purchased the Bonds and expects that at a later date, subject to market conditions, the bonds will be refunded or remarketed to unaffiliated investors. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

The following table summarizes accounts 223 and 224 net activity for the years ended December 31:

	2009	2008
Advances from associated companies	0	1,200,000
Senior Notes	0	0
Year-end Balances	0	1,200,000

Schedule Page: 256 Line No.: 12 Column: g

Accounts 223 and 224 net changes during 2009

On December 31, 2008, $66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, Series 1999A (Avista Corporation Colstrip Project) due 2032 were remarketed. Avista Corp. purchased these Pollution Control Bonds and expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors or refunded by a new issue. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet. In

December 2008, the City of Forsyth, Montana issued $17.0 million of its Pollution Control Revenue Refunding Bonds, Series 2008 (Avista Corp. Colstrip Project) due 2034 on behalf of Avista Corp. The proceeds of the Bonds were used to refund $17.0 million of Pollution Control Revenue Refunding Bonds, Series 1999B (Avista Corp. Colstrip Project) issued by the City of Forsyth, Montana on behalf of Avista Corp., which were subject to remarketing or refunding on December 31, 2008. In December 2009, Avista Corp. purchased the Bonds and expects that at a later date, subject to market conditions, the bonds will be refunded or remarketed to unaffiliated investors. Although Avista Corp. is now the holder of these Pollution Control Bonds, the bonds will not be cancelled but will remain outstanding under the City of Forsyth's indenture. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

The following table summarizes accounts 223 and 224 net activity for the years ended December 31:

	2009	2008
Advances from associated companies	0	1,200,000
Senior Notes	0	0
Year-end Balances	0	1,200,000

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

Schedule Page: 335 Line No.: 5

Directors	2009	Expenses
Vendor Name		
HEIDI B STANLEY		$27,025
BRIAN W DUNHAM		$13,258
MARK RACICOT		$3,664
ERIK J ANDERSON		$30,988
KRISTIANNE BLAKE		$25,040
JOHN F KELLY		$29,368
MICHAEL L NOEL		$19,768
R JOHN TAYLOR		$28,464
JACK W GUSTAVEL		-$8,747
ROY EIGUREN		$27,658
SCOTT MORRIS		$9,615

FOOTNOTE DATA

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

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

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

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

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

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

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

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

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AVU-G

Avista Corp.

2009
IDAHO Gas Report

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Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 16, 2010	Dec. 31, 2009

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

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

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

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 16, 2010	Dec. 31, 2009

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

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

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
-	-	-	-	2
-	-	-	-	3
-	-	-	168,450	4
-	-	-	168,450	5
				6
				7
-	-	-	-	8
-	-	-	-	9
-	-	-	-	10
-	-	-	-	11
-	-	-	-	12
-	-	-	-	13
-	-	-	-	14
-	-	-	-	15
-	-	-	-	16
-	-	-	-	17
-	-	-	-	18
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-	-	-	-	20
-	-	-	-	21
-	-	-	-	22
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-	-	-	-	24
				25
-	-	-	-	26
				27
-	-	-	-	28
-	-	-	-	29
-	-	-	-	30
-	-	-	-	31
-	-	-	-	32
-	-	-	-	33

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 16, 2010	Dec. 31, 2009

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

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

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 16, 2010	Dec. 31, 2009

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

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

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 16, 2010	Dec. 31, 2009

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains	-	-
82	368 Compressor Station Equipment	-	-
83	369 Measuring and Regulating Equipment	-	-
84	370 Communications Equipment	-	-
85	371 Other Equipment	-	-
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	-	-
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	24,670	63,135
89	375 Structures and Improvements	161,569	7,544
90	376 Mains	71,945,591	2,636,258
91	377 Compressor Station Equipment	-	-
92	378 Measuring and Regulating Equipment-General	1,526,756	144,524
93	379 Measuring and Regulating Equipment-City Gate	4,160,431	11,964
94	380 Services	43,839,888	1,703,266
95	381 Meters	17,867,352	922,769
96	382 Meter Installations	-	-
97	383 House Regulators	-	-
98	384 House Regulator Installations	-	-
99	385 Industrial Measuring and Regulating Station Equipment	577,812	20,978
100	386 Other Property on Customers' Premises	-	-
101	386 Other Equipment	-	-
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	140,104,069	5,510,438
103	GENERAL PLANT		
104	389 Land and Land Rights	-	91,800
105	390 Structures and Improvements	-	930,775
	391 Office Furniture and Equipment	-	-
107	392 Transportation Equipment	927,759	142,947
108	393 Stores Equipment	-	44,734
109	394 Tools, Shop, and Garage Equipment	454,702	1,999
110	395 Laboratory Equipment	33,852	1,309
111	396 Power Operated Equipment	763,033	108,799
112	397 Communication Equipment	278,030	859,332
113	398 Miscellaneous Equipment	-	648
114	Subtotal (Enter Totals of lines 104 thru 113)	2,457,374	2,182,343
115	399 Other Tangible Property	-	-
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	2,457,374	2,182,343
117	TOTAL (Accounts 101 and 106)	142,729,892	7,692,781
118	Gas Plant Purchased (See Instruction 8)		
119	*(Less)* Gas Plant Sold (See Instruction 8)		
120	Experimental Gas Plant Unclassified	-	
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	142,729,892	7,692,781

State of Idaho

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 16, 2010	Dec. 31, 2009

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
-	-	-	-	81
-	-	-	-	82
-	-	-	-	83
-	-	-	-	84
-	-	-	-	85
-	-	-	-	86
				87
-	-	-	87,805	88
-	-	-	169,113	89
114,906	-	-	74,466,943	90
-	-	-	-	91
-	-	-	1,671,280	92
-	-	-	4,172,395	93
34,078	-	-	45,509,076	94
-	-	-	18,790,121	95
-	-	-	-	96
-	-	-	-	97
-	-	-	-	98
-	-	-	598,790	99
-	-	-	-	100
-	-	-	-	101
148,984	-	-	145,465,523	102
				103
-	-	-	91,800	104
-	-	-	930,775	105
-	-	-	-	106
-	-	-	1,070,706	107
-	-	-	44,734	108
-	-	-	456,701	109
-	-	-	35,161	110
-	-	-	871,832	111
4,694	-	-	1,132,668	112
-	-	-	648	113
4,694	-	-	4,635,025	114
-	-	-	-	115
4,694	-	-	4,635,025	116
153,678	-	-	150,268,998	117
			-	118
			-	119
			-	120
153,678	-	-	150,268,998	121

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Name of Respondent Avista Corp	This Report Is: (1) An Original (Mo,Da,Yr) Original (2) A Resubmission	Date of Report April 16, 2010	Year/Period of Report End of 2009

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

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

Line No.	Description (a)	(Account 117.1) (b)	Non current (Account 117.2) (c)	(Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	$ -	$ -	$ -	$ -	$ 8,415,902	$ -	$ -	$ 8,415,902
2	Gas Delivered to Storage	$ -	$ -	$ -	$ -	$ 7,645,087	$ -	$ -	$ 7,645,087
3	Gas Withdrawn from	$ -	$ -	$ -	$ -	$ 11,429,099	$ -	$ -	$ 11,429,099
4	Other Debits and Credits *	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	Balance at End of Year	$ -	$ -	$ -	$ -	$ 4,631,890	$ -	$ -	$ 4,631,890
6	Dth	-	-	-	-	1,604,380	-	-	1,604,380
7	Amount Per Dth	$ -	$ -	$ -	$ -	$ 2.89	-	-	$ 2.89

* Changed to jurisdictional allocation methodology in 2009. Company used situs allocation methodology in 2008 and prior.

1. Adjusment made to Account 164115 (Clay Basin) when working gas storage was empty to clear an immaterial dollar balance remaining.

2. N/A

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

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Avista Corporation	(1)An Original (Mo,Da,Yr) An Original (12/31/2009) (2)A Resubmission	April 16, 2010	December 31, 2009 End of

Gas Operating Revenues - Idaho

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

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

* Prepared in 2009 based on Results of Operations
** Prepared in 2008 based on Situs

Name of Respondent Avista Corporation	This Report Is: (1) An Original (Mo,Da,Yr) An Original (12/31/2009 (2)A Resubmission	Date of Report April 16, 2010	Year/Period of Report December 31, 2009 End of

Gas Operating Revenues - Idaho

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

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year* (h)	Total Operating Revenues Amount for Previous Year** (i)	Deka therm of Natural Gas Amount for Current Year*** (j)	Deka therm of Natural Gas Amount for Previous Year **** (k)
1	53,624,836	59,551,396	53,624,836	59,551,396	4,800,343	4,909,371
2	29,413,709	32,497,767	29,413,709	32,497,767	2,954,624	2,961,019
3	-	-	-	-	-	-
4	**35,815,253**	-	35,815,253	-	10,163,579	-
5	51,180	53,195	51,180	53,195	4,999	5,021
6	-	-	-	-	-	-
7	-	-	-	-	-	-
8	16,453	12,673	16,453	12,673	-	-
9	-	-	-	-	-	-
	-	-	-	-	-	-
10	-	-	-	-	-	-
	-	-	-	-	-	-
11	497,589	455,756	497,589	455,756	4,878,085	-
	-	-	-	-	-	-
12	-	-	-	-	-	-
13	-	-	-	-	-	-
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	-	-	-	-	-	-
17	-	-	-	-	-	-
18	**2,431,003**	18,397	2,431,003	18,397	-	-
19	**121,850,023**	**92,589,184**	**121,850,023**	**92,589,184**	**22,801,629**	**7,875,410**
20	-	-	-	-	-	-
21	**121,850,023**	**92,589,184**	**121,850,023**	**92,589,184**	**22,801,629**	**7,875,410**

* Current year sales for resale dollars allocated based on WA/ID average monthly commodity allocation used in Results of Operations
** Previous year sales for resale for WA/ID all assigned to WA
*** Current year sales for resale WA/ID volumes allocated based on WA/ID dollars
**** Transportation volumes omitted with new format for prior year to match last year's report

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 16, 2010	December 31, 2009

GAS OPERATION AND MAINTENANCE EXPENSES

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	B2. Products Extraction (Continued)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering	-	-
50	785 Maintenance of Structures and Improvements	-	-
51	786 Maintenance of Extraction and Refining Equipment	-	-
52	787 Maintenance of Pipe Lines	-	-
53	788 Maintenance of Extracted Products Storage Equipment	-	-
54	789 Maintenance of Compressor Equipment	-	-
55	790 Maintenance of Gas Measuring and Reg. Equipment	-	-
56	791 Maintenance of Other Equipment	-	-
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	-	-
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	-	-
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	-	-
62	796 Nonproductive Well Drilling	-	-
63	797 Abandoned Leases	-	-
64	798 Other Exploration	-	-
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	-	-
	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases	-	-
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	-	-
69	801 Natural Gas Field Line Purchases	-	-
70	802 Natural Gas Gasoline Plant Outlet Pruchases	-	-
71	803 Natural Gas Transmission Line Purchases	-	-
72	804 Natural Gas City Gate Purchases	82,533,345	134,315,561
73	804.1 Liquefied Natural Gas Purchases	-	-
74	805 Other Gas Purchases	-	-
75	(Less) 805.1 Purchased Gas Cost Adjustments	3,287,023	3,217,554
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	85,820,369	137,533,115
78	806 Exchange Gas	-	-
79	Purchased Gas Expenses		
80	807.1 Well Expenses-Purchased Gas	-	-
81	807.2 Operation of Purchased Gas Measuring Stations	-	-
82	807.3 Maintenance of Purchased Gas Measuring Stations	-	-
83	807.4 Purchased Gas Calculations Expenses	-	-
84	807.5 Other Purchased Gas Expenses	-	-
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	-	-
86	808.1 Gas Withdrawn from Storage-Debit	11,455,548	11,823,573
87	(Less) 808.2 Gas Delivered to Storage-Credit	(7,010,182)	(16,003,035)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	-	-
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	-	-
90	Gas Used in Utility Operations-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	-	-
92	811 Gas Used for Products Extraction-Credit	(161,510)	(336,544)
93	812 Gas used for Other Utility Operations-Credit	-	-
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	(161,510)	(336,544)
95	813 Other Gas Supply Expenses	394,531	381,910
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	90,498,755	133,399,020
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	90,498,755	133,399,020

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	178	6,065
102	815 Maps and Records	-	-
103	816 Wells Expenses	-	-
104	817 Lines Expense	-	-
105	818 Compressor Station Expenses	-	-
106	819 Compressor Station Fuel and Power	-	-
107	820 Measuring and Regulating Station Expenses	-	-
108	821 Purification Expenses	-	-
109	822 Exploration and Development	-	-
110	823 Gas Losses	-	-
111	824 Other Expenses	80,741	93,643
112	825 Storage Well Royalties	-	-
113	826 Rents	-	-
114	TOTAL Operation (Enter Total of lines 101 thru 113)	80,920	99,708
115	Maintenance		
116	830 Maintenance Supervision and Engineering	-	-
117	831 Maintenance of Structures and Improvements	-	-
118	832 Maintenance of Reservoirs and Wells	-	-
119	833 Maintenance of Lines	-	-
120	834 Maintenance of Compressor Station Equipment	-	-
121	835 Maintenance of Measuring and Regulating Station Equipment	-	-
122	836 Maintenance of Purification Equipment	-	-
123	837 Maintenance of Other Equipment	86,742	79,072
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	86,742	79,072
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	167,661	178,780
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	-	-
129	841 Operation Labor and Expenses	-	-
130	842 Rents	-	-
131	842.1 Fuel	-	-
132	842.2 Power	-	-
133	842.3 Gas Losses	-	-
134	TOTAL Operation (Enter Total of lines 128 thru 133)	-	-
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	-	-
137	843.2 Maintenance of Structures and Improvements	-	-
138	843.3 Maintenance of Gas Holders	-	-
139	843.4 Maintenance of Purification Equipment	-	-
140	843.5 Maintenance of Liquefaction Equipment	-	-
141	843.6 Maintenance of Vaporizing Equipment	-	-
142	843.7 Maintenance of Compressor Equipment	-	-
143	843.8 Maintenance of Measuring and Regulating Equipment	-	-
144	843.9 Maintenance of Other Equipment	-	-
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	-	-
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	-	-

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	-	-
150	844.2 LNG Processing Terminal Labor and Expenses	-	-
151	844.3 Liquefaction Processing Labor and Expenses	-	-
152	844.4 Liquefaction Transportation Labor and Expenses	-	-
153	844.5 Measuring and Regulating Labor and Expenses	-	-
154	844.6 Compressor Station Labor and Expenses	-	-
155	844.7 Communication System Expenses	-	-
156	844.8 System Control and Load Dispatching	-	-
157	845.1 Fuel	-	-
158	845.2 Power	-	-
159	845.3 Rents	-	-
160	845.4 Demurrage Charges	-	-
161	(Less) 845.5 Wharfage Receipts-Credit	-	-
162	845.6 Processing Liquefied or Vaporized Gas by Others	-	-
163	846.1 Gas Losses	-	-
164	846.2 Other Expenses	-	-
165	TOTAL Operation (Enter Total of lines 149 thru 164)	-	-
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	-	-
168	847.2 Maintenance of Structures and Improvements	-	-
169	847.3 Maintenance of LNG Processing Terminal Equipment	-	-
170	847.4 Maintenance of LNG Transportation Equipment	-	-
171	847.5 Maintenance of Measuring and Regulating Equipment	-	-
172	847.6 Miantenance of Compressor Station Equipment	-	-
173	847.7 Maintenance of Communication Equipment	-	-
174	847.8 Maintenance of Other Equipment	-	-
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	-	-
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	-	-
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	167,661	178,780
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	-	-
181	851 System Control and Load Dispatching	-	-
182	852 Communication System Expenses	-	-
183	853 Compressor Station Labor and Expenses	-	-
184	854 Gas for Compressor Station Fuel	-	-
185	855 Other Fuel and Power for Compressor Stations	-	-
186	856 Mains Expenses	-	-
187	857 Measuring and Regulating Station Expenses	-	-
188	858 Transmission and Compression of Gas by Others	-	-
189	859 Other Expenses	-	-
190	860 Rents	-	-
191	TOTAL Operation (Enter Total of lines 180 thru 190)	-	-

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering	-	-
194	862 Maintenance of Structures and Improvements	-	-
195	863 Maintenance of Mains	-	-
196	864 Maintenance of Compressor Station Equipment	-	-
197	865 Maintenance of Measuring and Reg. Station Equipment	-	-
198	866 Maintenance of Communication Equipment	-	-
199	867 Maintenance of Other Equipment	-	-
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	-	-
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	-	-
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	226,325	228,281
205	871 Distribution Load Dispatching	-	-
206	872 Compressor Station Labor and Expenses	-	-
207	873 Compressor Station Fuel and Power	-	-
208	874 Mains and Services Expenses	624,455	572,145
209	875 Measuring and Regulating Station Expenses-General	50,475	91,449
210	876 Measuring and Regulating Station Expenses-Industrial	3,828	1,497
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	123,955	65,412
212	878 Meter and House Regulator Expenses	231,791	625,492
213	879 Customer Installations Expenses	670,285	538,010
214	880 Other Expenses	595,912	554,353
215	881 Rents	6,272	7,911
216	TOTAL Operation (Enter Total of lines 204 thru 215)	2,533,297	2,684,549
217	Maintenance		
218	885 Maintenance Supervision and Engineering	48,908	11,989
219	886 Maintenance of Structures and Improvements	-	-
220	887 Maintenance of Mains	397,750	187,300
221	888 Maintenance of Compressor Station Equipment	-	-
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	76,152	68,814
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	106,907	117,759
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	30,130	13,090
225	892 Maintenance of Services	315,543	260,467
226	893 Maintenance of Meters and House Regulators	303,320	276,775
227	894 Maintenance of Other Equipment	9,991	8,861
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	1,288,700	945,055
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	3,821,997	3,629,604
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	116,990	100,364
233	902 Meter Reading Expenses	171,601	144,938
234	903 Customer Records and Collection Expenses	1,498,297	1,295,628
235	904 Uncollectible Accounts	563,693	394,139
236	905 Miscellaneous Customer Accounts Expenses	50,451	30,151
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	2,401,032	1,965,220

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	-	-
241	908 Customer Assistance Expenses	2,204,411	1,770,146
242	909 Informational and Instructional Expenses	609	9,671
243	910 Miscellaneous Customer Service and Informational Expenses	30,206	30,426
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	2,235,225	1,810,243
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	-	-
248	912 Demonstrating and Selling Expenses	147,250	137,142
249	913 Advertising Expenses	23,548	24,186
250	916 Miscellaneous Sales Expenses	23,478	13
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	194,276	161,340
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	1,958,742	1,706,522
255	921 Office Supplies and Expenses	343,125	331,787
256	(Less) (922) Administrative Expenses Transferred-Cr.	(10,567)	(8,395)
257	923 Outside Services Employed	1,003,046	973,034
258	924 Property Insurance	101,268	77,466
259	925 Injuries and Damages	369,269	406,250
260	926 Employee Pensions and Benefits	45,431	57,688
261	927 Franchise Requirements	-	-
262	928 Regulartory Commission Expenses	347,002	398,134
263	(Less) (929) Duplicate Charges-Cr.	-	-
264	930.1 General Advertising Expenses	21,768	-
265	930.2 Miscellaneous General Expenses	284,234	308,157
266	931 Rents	25,657	48,005
267	TOTAL Operation (Enter Total of lines 254 thru 266)	4,488,976	4,298,648
268	Maintenance		
269	935 Maintenance of General Plant	585,622	591,077
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	5,074,598	4,889,725
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	104,393,544	146,033,932

NUMBER OF GAS DEPARTMENT EMPLOYEES

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

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

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

1.	Payroll Period Ended (Date) December 31, 2009		
2.	Total Regular Full-Time Employees	24	28
3.	Total Part-Time and Temporary Employees allocation of General Employees	0	1
4.	Total Employees	24	29

State of Idaho

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 16, 2009	Dec. 31, 2008

DISTRIBUTION MAINS

Show Particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel Wrapped	Less than 2"	1,774,080		1,093	1,772,987
2	Steel Wrapped	2" to 4"	649,440		10,539	638,901
3	Steel Wrapped	4" to 8"	385,440	42		385,482
4	Steel Wrapped	8" to 12"	5,280		692	4,588
5	Steel Wrapped	Over 12"	0			0
6						
7						
8	Plastic	Less than 2"	5,353,920	69,110		5,423,030
9	Plastic	2" to 4"	1,462,560	28,792		1,491,352
10	Plastic	4" to 8"	538,560	8,295		546,855
11	Plastic	8" to 12"	0			0
12	Plastic	Over 12"	0			0
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	TOTALS		10,169,280	106,239	12,324	10,263,195

State of Idaho

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	4/16/2010	12/31/2009

SERVICE PIPES GAS

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

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	12,390		131	12,259	Not Available
2	Steel Wrapped	1" thru 2"	176	31		207	
3	Steel Wrapped	2" thru 4"	4	4		8	
4	Steel Wrapped	4" thru 8"	0	1		1	
5	Steel Wrapped	Over 8"	0			0	
6							
7							
8	Plastic	1' or Less	60,327		2,914	57,413	
9	Plastic	1" thru 2"	229	21		250	
10	Plastic	2" thru 4"	7	3		10	
11	Plastic	4" thru 8"	0	2		2	
12	Plastic	Over 8"	0			0	
13							
14	Other	Unknown	580		373	207	
15							
16							
17	TOTALS		73,713	62	3,418	70,357	

State of Idaho

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 16, 2010	Dec. 31, 2009

CUSTOMER'S METERS

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	Owned Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	Owned End of Year (h)
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				73,776	946		74,722

Name of Respon	This Report Is: An original	Date of Report	Year/Period of Report
Avista Corp	(1) An Original (Mo,Da,Yr) (2) A resubmission	April 16, 2010	2009 End of

Gas Account-Natural Gas - Idaho

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

Line No.	Item (a)	Ref. Page No. of FERC Form Nos.2/2-A (b)	Total Amount of Dth Year to Date (c)	Current 3 months Ended Amount of Dth Quarterly Only (d)
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		18,125,516	4,333,441
4	Gas of Others Received for Gathering (Account489.1)	303	-	-
5	Gas of Others Received for Transmission (Account489.2)	305	-	-
6	Gas of Others Received for Distribution (Account489.3)	301	4,878,085	1,242,259
7	Gas of Others Received for Contract Storage (Account489.4)	307	-	-
8	Exchanged Gas Received from Others (Account806)	328	-	-
9	Gas Received as Imbalances (Account806)	328	16,514	(30,617)
10	Receipts of Respondent's Gas Transported by Others (Account858)	332		
11	Other Gas Withdrawn from Storage (Explain) *		(152,948)	447,656
12	Gas Received from Shippers as Compressor Station Fuel		-	-
13	Gas Received from Shippers as Lost and Unaccounted for		-	-
14				-
15	Total Receipts (Total of lines 3 thru 14)		22,867,167	5,992,739
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)		7,759,965	2,906,612
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	-	-
19	Deliveries of Gas Transported for Others (Account 489.2)	305	-	-
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	4,878,085	1,242,259
21	Deliveries of Contract Storage Gas (Account 489.4)	307	-	-
22	Exchange Gas Delivered to Others (Account 806)	328	-	-
23	Gas Delivered as Imbalances (Account 806)	328	-	-
24	Deliveries of Gas to Others for Transportation (Account 858)	332	9,807,417	1,747,724
25	Other Gas Delivered to Storage (Explain) *		-	-
26	GasUsed for Compressor Station Fuel	509	421,699	96,144
27				
28	Total Deliveries (Total of lines 17 thru 27)		22,867,167	5,992,739
29	GAS UNACCOUNTED FOR			
30	Production System Losses		-	-
31	Gathering System Losses		-	-
32	Transmission System Losses		-	-
33	Distribution System Losses		-	-
34	Storage System Losses		-	-
35				
36	Total Unaccounted For (Total of lines 30 thru 35)		-	-
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		22,867,167	5,992,739