

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-05-\_\_\_\_\_

EXHIBIT No. \_\_\_\_ (RRP-14)

RONALD R. PETERSON

REPRESENTING AVISTA CORPORATION

Avista Corporation  
 Electricity Production Tax Credit - Open-Loop Biomass  
Applicable to Production at the Kettle Falls Generating Plant

Kettle Falls generation from Power Supply adjustment		355,376	MWh
	X	<u>1,000</u>	
		355,376,000	kWh
Production credit rate per kWh		-\$0.018	
50% reduction for open-loop biomass	X	<u>50%</u>	
Production credit	X	<u>-\$0.009</u>	\$/kWh
Gross production credit amount		-\$3,198,384	
100% of credit reduced by pollution control bonds %	X	<u>95.24%</u>	(Note 1)
Net production credit amount		-\$3,046,141	
Washington allocation percentage	X	<u>65.16%</u>	
Washington amount		-\$1,984,865	
50/50 sharing	X	<u>50.00%</u>	
Net customer portion of tax credit		-\$992,433	
Note 1:			
Kettle Falls pollution control bonds amount		\$4,100,000	
Tax basis at 12/31/03			
	Kettle Falls	\$81,506,043	
	Kettle Falls GST	<u>4,554,816</u>	
	Total	\$86,060,859	
Pollution control bonds amount as a percent of tax basis		4.76%	