

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	10/16/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Elizabeth Andrews
REQUESTER:	Bench	RESPONDER:	Elizabeth Andrews
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Bench – 5	TELEPHONE:	(509) 495-8601
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REQUEST:

Provide the salary and incentives for Mr. Gary Ely and Mr. Scott Morris for the years 2006 – 2008 and the amounts for those same years included in rates.

RESPONSE:

Please see the attached schedule “Bench Request_5-Attachment A.xls.”

Included in Attachment A to this response is a recap of the actual salary and incentive amounts for Company employees Mr. Gary Ely (CEO: 2006-2007) and Mr. Scott Morris (Utility President: 2006-2007; CEO: 2008) per the Company’s Proxy statements filed for the years 2006 through 2008. Also included are the amounts for Mr. Ely and Mr. Morris included in customer rates for all jurisdictions (WA/ID/OR) and for Washington (WA) customer rates only, for the years 2006-2009 (2009 has been provided due to the lag of including annual salary amounts in rates).

As reflected in the change in salary information between 2007 and 2008, per the proxy information provided, Mr. Ely retired as CEO on 12/31/2007 and Mr. Morris was promoted to CEO (from Utility President) effective 1/1/2008.

Provided in detail within Attachment A Mr. Ely’s salary and incentives, for his last year prior to retirement as shown in the proxy for 2007, totaled approximately \$1.62 million (amounts exclude proxy columns relating to the change in pension). For that same year (2007) the amounts included in WA rates for Mr. Ely for his salary and incentives totaled approximately \$309,000 (or 19% of the total). In comparison, Mr. Morris’ salary and incentives as CEO for 2008 as shown in the 2008 proxy, totaled approximately \$1.65 million (amounts exclude proxy columns relating to the change in pension). The amounts currently included in WA rates (for 2009) for Mr. Morris’ salary and incentives will total approximately \$433,000 (or 26%).

It is important to note that due to lag of including annual salary amounts in rates, the change in amounts reflected in customer rates for Mr. Ely versus Mr. Morris reflects a difference over a four year span (i.e. 2007 amounts included in rates for Mr. Ely were based on the GRC in effect using a 2004 test period, whereas Mr. Morris’ salary included in rates reflects a salary level in 2008 (and will be the same for 2009)). (See columns highlighted for Mr. Morris and Mr. Ely on page 2 of Attachment A, WA only results.)

Footnote (5) of Attachment A shows the lag in actual salary data included in rates for each year. For example, as mentioned above, the salary and incentive amounts for Mr. Morris currently included in WA rates (2009) reflect the WA general rate case (GRC) filed in 2008 using a 2007 test period adjusted for pro formed annualized salary increases for 2008. Prior years, such as the information provided in the 2006 and 2007 columns of amounts included in customer rates reflect salary and incentive data included from the 2005 GRC using a 2004 test period.

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Salary and Incentives for Scott Morris and Gary Ely for the years 2006 through 2008, and amounts included in rates during those years. (2009 provided due to regulatory lag.)

	System			System			
	Actual Annual Amount Per Proxy (excludes change in pension column)			Annual Pro Forma Amount Included in Rates (5)			
	2006	2007	2008 (1)	2006	2007	2008 (2)	2009
CEO - (Gary Ely)	CEO	CEO	Retired	CEO	CEO	Retired	Retired
Salary	710,029	715,000	-	452,971	452,971	94,604	-
Short Term Incentive Plan	733,493	98,456	-	116,185	116,185	116,168	-
Long Term Incentive Plan + Option Awards	1,361,449	803,677	-	-	-	-	-
Total Salary & Incentives	2,804,971	1,617,133	-	569,156	569,156	210,772	-
				20%	35%		
Utility President/CEO (Scott Morris)	Utility President	Utility President	CEO	Utility President	Utility President	CEO	CEO
Salary	351,703	452,461	626,308 (3)	253,659	253,659	335,710	618,766 (3)
Short Term Incentive Plan	256,466	43,146	404,597	37,439	37,439	43,517	28,345
Long Term Incentive Plan + Option Awards	343,021	324,792	620,897	-	-	-	-
Total Salary & Incentives	951,190	820,399	1,651,802	291,098	291,098	379,227	647,111
				31%	35%	23%	
Total (CEO & Utility President Salary and Incentives)							
Salary	1,061,732	1,167,461	626,308	706,630	706,630	430,314	618,766
Short Term Incentive Plan	989,959	141,602	404,597	153,624	153,624	159,685	28,345
Long Term Incentive Plan + Option Awards	1,704,470	1,128,469	620,897	-	-	-	-
Total Salary & Incentives	3,756,161	2,437,532	1,651,802	860,254	860,254	589,999	647,111
				23%	35%	36%	

(1) Gary Ely retired as CEO on 12/31/2007. Scott Morris promoted to CEO 1/1/2008.

(2) The 2008 amount in the Ely-Retired column includes 10 months of ID's share of Mr. Ely's salary, which was included in rates for the ID jurisdiction, prior to the 2008 filed ID GRC effective 10/1/2008, in which his salary was removed. Mr. Ely's salary had been excluded from the WA GRC effective 1/1/2008.

(3) The amount included and approved in the GRCs (effective 1/1/2009 WA & 10/1/2008 ID) annualized the pro forma 2008 increase for Mr. Morris.

(4) For comparison purposes of Mr. Ely and Mr. Morris salary amounts included in Washington rates for the Company's CEO, see the 2007 Mr. Ely column versus the 2009 Mr. Morris column included in the Washington section. It is important to note that due to lag of including annual salary amounts in rates, the change in amounts reflected in customer rates for Mr. Ely versus Mr. Morris reflects a difference over a four year span (i.e. 2007 amounts included in rates for Mr. Ely were based on the GRC in effect using a 2004 test period, whereas Mr. Morris' salary included in rates reflects a salary level in 2008 (and will be the same for 2009)).

(5) Data above based on effective date of each GRC by jurisdiction (WA/ID/OR), lag occurs on amounts included in rates as follows:

Data	2006	2007	2008	2009
WA - GRC Effective Date	Jan-06	Jan-06	Jan-08	Jan-09
WA-Test Period	2004	2004	2006	2007
			(2007 Pro Forma)	(2008 Pro Forma)
ID - GRC Effective Date	Sep-04	Sep-04	Sep-04 / Oct-08	Oct-08 (In 2008 - ID Split: 10 mos 2004 GRC / 2 months 2008 GRC)
ID-Test Period	2002	2002	2002/2007	2007
			(2007 Pro Forma)	(2008 Pro Forma)
OR - GRC Effective Date	Sep-03	Sep-03	Apr-08	Apr-08 (For 2008 OR increase effective 4/1/08, used as if 12
OR-Test Period	2002	2002	2006	2006 months, amount overstated not material)

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Washington Only

Annual Pro Forma Amount Included in Rates (5)

	2006	2007 (4)	2008	2009
CEO - (Gary Ely)	CEO	CEO	Retired	Retired
Salary	259,342	259,342	-	-
Short Term incentive Plan	49,913	49,913	72,341	-
Long Term incentive Plan + Option Awards	-	-	-	-
Total Salary & Incentives	309,255	309,255	72,341	-
	11%	19%		
Utility President/CEO (Scott Morris)	2006	2007	2008	2009 (4)
	Utility President	Utility President	CEO	CEO
Salary	131,058	131,058	215,789	404,914
Short Term incentive Plan	14,641	14,641	25,294	28,345
Long Term incentive Plan + Option Awards	-	-	-	-
Total Salary & Incentives	145,699	145,699	241,083	433,259
	15%	18%	15%	26% (column 2009 compared to 2008 proxy amount)
Total (CEO & Utility President Salary and Incentives)				
Salary	390,400	390,400	215,789	404,914
Short Term incentive Plan	64,554	64,554	97,635	28,345
Long Term incentive Plan + Option Awards	-	-	-	-
Total Salary & Incentives	454,954	454,954	313,424	433,259
	12%	19%	19%	26% (column 2009 compared to 2008 proxy amount)