

Alternative Approaches to Avista Revenue Support

Annual Revenues	\$ 236,966	Hirsch Korn, Ex. 301
Company Request Surcharge:	\$ 87,387	36.9%

First Approach: 1/2 of Deferrals to 6/30/01, Adjusted for Hydro Risk

Deferrals to 6/30/01	\$ 109,000	Ex. 151, Eliassen
Less: Hydro Risk Adjustment	\$ 25,584	Ex. 651-T, P. 13
Recovery Amount:	\$ 83,416	
1/2 of Amount:	\$ 41,708	
Assume:		
15 month amortization		
Monthly Recovery	\$ 2,781	
Annual Recovery (subject to refund)	\$ 33,366	14.1%

Second Approach: Subtract Savings from Budget Cuts and Subsidiary

Less Cuts in Budget From Exhibit 30		
4th Quarter 01	\$ 11,279	Exhibit 30
1st Quarter 02	\$ 9,726	
2nd Quarter 02	\$ 9,551	
3rd Quarter 02	\$ 9,551	
Less Mint Farm Sale Revenues, Tr. 174		
Mint Farm	\$ 2,000	Ely, Tr. 174
Total Savings:	\$ 42,107	
Residual Need:	\$ 45,280	19.1%
Less Dividend Up from Avista Energy	\$ 30,000	Ely, Tr. 214
Net Residual Need:	\$ 15,280	6.4%

Third Approach: Staff, less Operating Budget Cuts

Surcharge only through 12/31/01		
Staff Recommendation:	\$ 19,483	32.6% Schooley, Ex. 403
Budget Cuts		
4th Quarter 01	\$ 11,279	Ex. 30
Residual Need:	\$ 8,204	13.7%

Fourth Approach: Schoenbeck ICNU Proposal

Recommended Surcharge:	\$ 28,269	11.9%
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