

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-07 _____

DOCKET NO. UG-07 _____

EXHIBIT NO. ____ (DBD-2)

DAVID B. DEFELICE

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
 Pro Forma Depreciation Adjustment - Electric
 For the Year Ended December 31, 2006

Exhibit No. _____(DBD-2)

	2006 Deprec. at Existing Rate	2006 Deprec. at Proposed Rate	Pro Forma Adjustment	WA Allocation	ID Allocation
Production Plant:					
Steam Production Plant	11,388,515	11,657,050	268,535	176,777	91,759
Hydraulic Production Plant	6,208,522	6,629,652	421,130	277,230	143,900
Other Production Plant	10,625,177	8,796,613	(1,828,564)	(1,203,743)	(624,820)
Total Production Plant	28,222,214	27,083,316	(1,138,898)	(749,736)	(389,161)
P/T Ratio				65.830%	34.170%
Transmission Plant	9,049,748	7,948,601	(1,101,147)	(724,885)	(376,262)
P/T Ratio				65.830%	34.170%
Distribution Plant	17,457,435	22,710,494	5,253,059	3,260,416	1,992,643
Depreciable Plant-ADP-12A				62.067%	37.933%
General Plant-See Allocation WS	6,693,473	5,530,438	(1,163,035)	(770,045)	(392,990)
Depreciable Plant-ADP-12A				66.210%	33.790%
TOTAL ELECTRIC PLANT	61,422,870	63,272,850	1,849,980	1,015,750	834,230
DEFERRED TAX IMPACT @ 35%				355,513	291,981

WA Accumulated Depreciation/Deferred Tax Impact:

	Accumulated Depeciation Balance	Deferred FIT Balance
Dec-05	0	0
Jan-06	84,646	29,626
Feb-06	169,292	59,252
Mar-06	253,938	88,878
Apr-06	338,583	118,504
May-06	423,229	148,130
Jun-06	507,875	177,756
Jul-06	592,521	207,382
Aug-06	677,167	237,008
Sep-06	761,813	266,635
Oct-06	846,458	296,260
Nov-06	931,104	325,886
Dec-06	1,015,750	355,513
Average of Monthly Average	507,875	177,756

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EXHIBIT NO. ____ (DBD-3)

DAVID B. DEFELICE

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
 Pro Forma Depreciation Adjustment - Gas
 For the Year Ended December 31, 2006

Exhibit No. _____(DBD-3)

	2006 Deprec. at Existing Rate	2006 Deprec. at Proposed Rate	Pro Forma Adjustment	WA Allocation	ID Allocation
Underground Storage Plant System Contract Demand Ratio	425,988	344,112	(81,876)	(60,056) 73.350%	(21,820) 26.650%
Distribution Plant Actual Therms Purchased	7,862,876	7,561,878	(300,998)	(214,542) 71.277%	(86,456) 28.723%
General Plant - Direct System Contract Demand Ratio	177,423	152,821	(24,602)	(18,046) 73.350%	(6,557) 26.650%
Transportation Plant - Direct System Contract Demand Ratio	99,447	85,072	(14,375)	(10,544) 73.350%	(3,831) 26.650%
General Plant-See Allocation WS Depreciable Plant-ADP-12A	968,561	924,547	(44,014)	(30,394) 69.055%	(13,620) 30.945%
TOTAL GAS PLANT	9,534,295	9,068,430	(465,865)	(333,582)	(132,284)
DEFERRED TAX IMPACT @ 35%				(116,754)	(46,299)

WA Accumulated Depreciation/Deferred Tax Impact:

	Accumulated Depeciation Balance	Deferred FIT Balance
Dec-05	0	0
Jan-06	(27,799)	(9,730)
Feb-06	(55,597)	(19,459)
Mar-06	(83,396)	(29,189)
Apr-06	(111,194)	(38,918)
May-06	(138,993)	(48,648)
Jun-06	(166,791)	(58,377)
Jul-06	(194,590)	(68,107)
Aug-06	(222,388)	(77,836)
Sep-06	(250,187)	(87,565)
Oct-06	(277,985)	(97,295)
Nov-06	(305,784)	(107,024)
Dec-06	(333,582)	(116,754)
Average of Monthly Average	(166,791)	(58,377)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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EXHIBIT NO. ____ (DBD-4)

DAVID B. DEFELICE

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
 Depreciation Parameters
 For the Year Ended December 31, 2006

Exhibit No. ____ (DBD-4)

Account Number	Description	Current Parameters			Proposed Parameters		
		Average Service Life	Curve	Net Salvage	Average Service Life	Curve	Net Salvage
Steam Production Plant							
311.0	Structures & Improvements				65	S1.5	-15
312.0	Boiler Plant Equipment				60	R1	-20
314.0	Turbogenerator Units				50	O1	-10
315.0	Accessory Electric Equipment				55	S1.5	-5
316.0	Misc. Power Plant Equipment				50	R2	0
Hydraulic Production Plant							
330.3	Removing Property of Others				100	R4	0
330.31	Removing Property of Others-Conservation						
330.4	Land Easements				75	R3	0
330.41	Land Easements-Conservation				75	R3	0
331.0	Structures & Improvements				110	R0.5	-5
331.1	Structures & Improvements-Fish & Wildlife				50	R2.5	0
331.2	Structures & Improvements-Recreation				50	R1	0
331.26	Structures & Improvements-Rec Info				50	R1	0
332.0	Reservoirs, Dams & Waterways				100	R1.5	0
332.1	Reservoirs, Dams & Waterways-Fish & Wildlife				60	S1	0
332.15	Reservoirs, Dams & Waterways-Fish & Wildlife				60	S1	0
332.2	Reservoirs, Dams & Waterways-Recreation				60	S1	0
333.0	Waterwheels, Turbines & Generators				60	R1.5	-5
334.0	Accessory Electric Equipment				45	R2.5	0
335.0	Misc. Power Plant Equipment				65	R1	0
335.1	Misc. Power Plant Equipment-Fish & Wildlife				40	R3	0
335.2	Misc. Power Plant Equipment-Recreation				40	R3	0
336.0	Roads, Railroads & Bridges				60	S2.5	0
Other Production Plant							
341.0	Structures & Improvements				SQ		0
342.0	Fuel Holders, Producers & Access.				55	R3	0
343.0	Prime Movers				50	S2.5	0
344.0	Generators				45	R3	0
345.0	Accessory Electric Equipment				40	S1.5	0
346.0	Miscellaneous Equipment				SQ		0
Electric Transmission Plant							
352.0	Structures & Improvements	50	R4	-5	60	R4	-5
353.0	Station Equipment	50	R4	-25	47	R3	-15
354.0	Towers & Fixtures	75	R4	-5	70	S3	-20
355.0	Poles & Fixtures	45	R3	-33	60	R3	-30
356.0	OH Conductor & Devices	55	R2	0	60	R3	-25
357.0	UG Conduit	60	R4	-2	60	R4	0
358.0	UG Conductor & Devices	60	R4	0	55	S3	0
359.0	Roads & Trails	75	R5	0	65	R4	0

AVISTA UTILITIES
 Depreciation Parameters
 For the Year Ended December 31, 2006

Exhibit No. ____ (DBD-4)

Account Number	Description	Current Parameters			Proposed Parameters		
		Average Service Life	Curve	Net Salvage	Average Service Life	Curve	Net Salvage
Electric Distribution Plant							
361.0	Structures & Improvements	50	R3	-10	55	R3	-10
362.0	Station Equipment	40	R1.5	0	42	R1.5	-10
364.0	Poles, Towers & Fixtures	45	R1	5	50	R2.5	-25
365.0	OH Conductor & Devices	50	R2	20	50	R2.5	-15
366.0	UG Conduit	60	R4	-10	45	R3	-10
367.0	UG Conductor & Devices	40	L1	-17	28	L4	-15
368.0	Line Transformers	40	R2	-10	44	R2	-5
369.0	Services	48	R3	-10	60	R3	-25
370.0	Meters	35	R3	-10	38	S1	0
373.0	Street Lighting & Signal System	25	R2	-10	32	R2.5	-15
373.4	High Pressure Sodium Vapor Lights	20	R2	-10	32	R2.5	-5
Electric General Plant							
390.1	Structures & Improvements	50	L0.5	-5	55	S2	-5
391.1	Computer Equipment	6	S1.0	0	5	SQ	0
392.0	Transportation Equipment				11	S3	10
393.0	Stores Equipment	40	R3	2	25	SQ	0
394.0	Tools, Shop & Garage Equipment	20	L3	10	20	SQ	0
395.0	Laboratory Equipment	28	L1	0	15	SQ	0
396.0	Power Operated Equipment				15	L2	10
397.0	Communication Equipment	12	L2	0	15	SQ	0
398.0	Miscellaneous Equipment	25	R2	0	10	SQ	0
Gas Underground Storage							
350.2	Rights of Way				50	R3	0
351.0	Structures & Improvements	50	R5	-5	55	S2.5	-5
352.0	Storage Wells	45	R5	-10	50	R3	-10
352.1	Wells				45	R3	0
352.2	Reservoirs	45	R3	0	45	R3	0
352.3	Cushion Natural Gas	45	SQ	0	50	R4	0
353.0	Lines	50	R3	-5	55	S2.5	-25
354.0	Compressor Station Equipment	40	R3	-10	45	S4	-10
355.0	Measuring & Regulating Equipment	40	R3	-10	35	R3	-10
356.0	Purification Equipment	35	R3	0	30	S3	0
357.0	Other Equipment	35	R3	0	40	S2.5	0
Gas Distribution Plant							
375.0	Structures & Improvements	45	R3	0	50	R2.5	-5
376.0	Mains	55	R2	-30	65	R3	-25
378.0	Measuring/Regulating Station Equipment	45	L1.5	0	36	R1.5	-5
379.0	Measuring/Regulating City Gate Equipment	45	R3	-10	36	R2	-5
380.0	Services	50	R3	-35	45	R4	-25
381.0	Meters	45	R3	0	40	S2.5	-10
385.0	Measuring/Regulating Industrial Equipment	40	R3	-10	45	R3	-5
Gas General Plant							
390.1	Structures & Improvements	50	R2	-5	35	S0.5	-5
393.0	Stores Equipment				25	SQ	0
394.0	Tools, Shop & Garage Equipment	20	SQ	10	20	SQ	0
395.0	Laboratory Equipment	28	R2.5	0	15	SQ	0
397.0	Communication Equipment	12	S2	0	15	SQ	0
398.0	Miscellaneous Equipment	25	SQ	0	20	SQ	0