

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-07 _____

EXHIBIT NO. ____ (SJK-2)

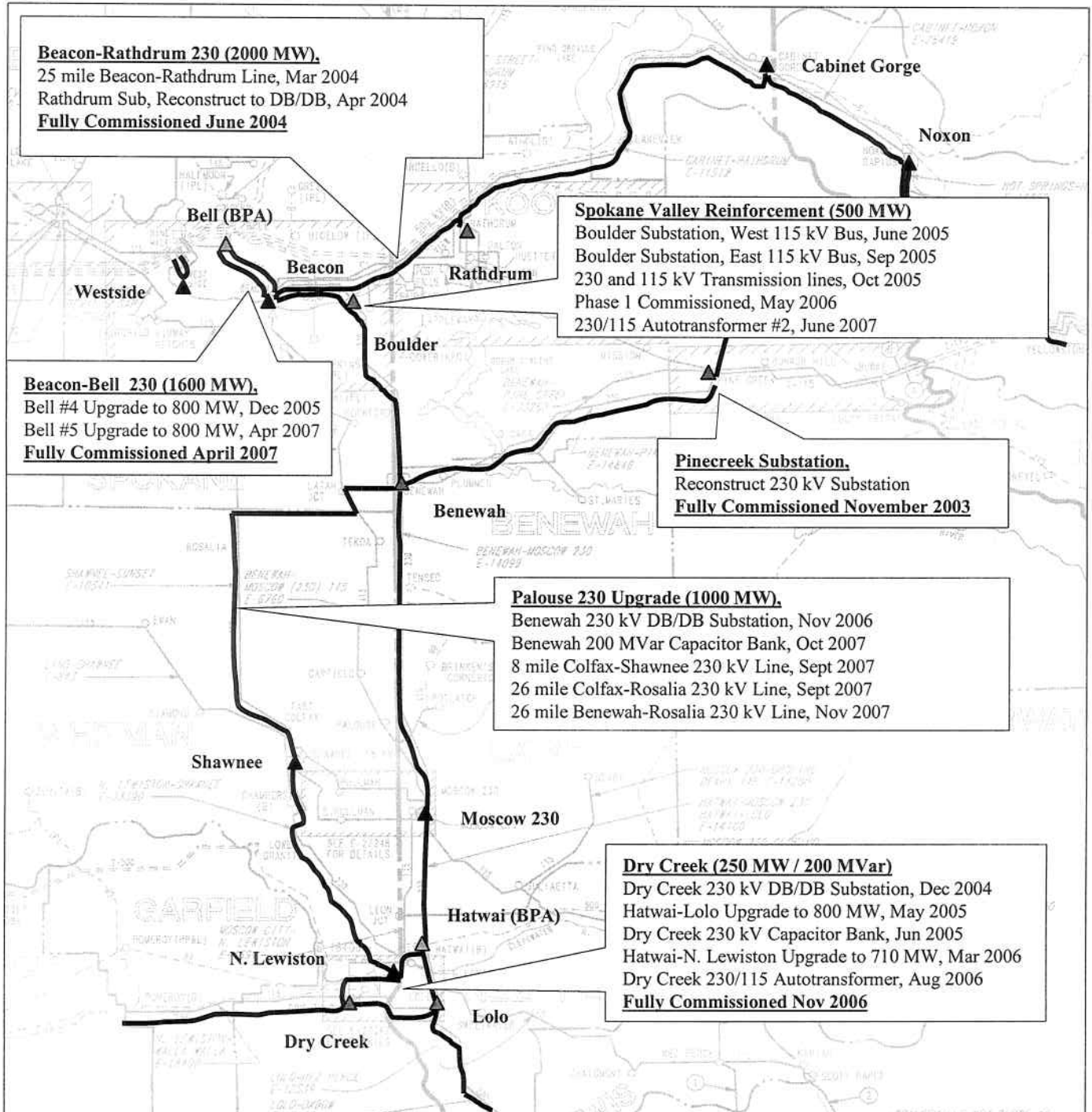
SCOTT J. KINNEY

REPRESENTING AVISTA CORPORATION

230 kV Upgrade Project

Project Milestones

April 2007



Avista's 230 kV Facilities

- ▲ Substation
- Transmission Line
- ▲ — New or Upgraded

Other 230 kV Upgrade Projects
 Clark Fork Remedial Action Scheme (RAS)
 West of Hatwai Telecom

Avista Utilities
Major Transmission Additions
Placed in Service by December 31, 2007

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ER	TITLE	TRANSFER DATE	TRANSFER AMOUNT	WA Share P/T Ratio: 65.83%	DESCRIPTION
WOH PROJECTS					
WOH Telecom Projects					
2102/2103	Hawai-N. Lewiston Fiber (YT603, LT 425)	Mar-06 thru Nov-06	\$1,011,032		Install fiber on Hawai-N. Lewiston 230 kV line and uprate line operation to 130°C
2103	Noxon-Pine Creek Fiber (YT604)	Oct-07	\$1,274,255		Install fiber on Noxon-Pine Creek 230 kV
2113	Noxon-Pine Creek Fiber (CT646)	Nov-06	\$692,545		Noxon-Pine Creek 230 kV reinforce transmission line
2103	Cabinet Gorge Fiber (YT602)	Dec-06	\$229,151		Install fiber from Cabinet power house to switchyard. Provide redundancy and diverse routing of communication control lines.
	Subtotal Fiber Costs		\$3,206,983	\$2,111,157	
2108	Beacon-Bell #5 230 kV Line	Apr-07	\$2,914,600	\$1,918,681	Reconductor Beacon-Bell #5 230 kV line and upgrade substation equipment
2105	Palouse 230 kV Upgrade				
	Benevah 230 kV Substation (PSS301)	Nov-06	\$4,412,143		Reconstruct Benevah 230 kV substation to increase capacity
	Benevah 230 kV Substation	Oct-07	\$2,419,987		Install 230 kV capacitor banks and remove old substation bus and equipment
	Benevah-Shawnee 230 kV Line (PT001)	Sep-07	\$5,867,610		Construct 60 mile 230/115 kV Transmission Line
	Shawnee-Cofax (7.5 miles)	Sep-07	\$19,679,415		
	Cofax-Rosalia (26.5 miles)	Nov-07	\$20,012,475		
	Rosalia-Benevah (26 miles)		\$52,391,630	\$34,489,410	
	Subtotal Palouse 230 kV Costs				
2346	Dry Creek 115 kV Substation				
	115 kV Substation (LS504)	Nov-06	\$1,452,377		Construct 115 kV substation and install 230/115 kV transformer
	115 kV Transmission Line (LT502)	Nov-06	\$784,237		Loop 115 kV line into substation
	Subtotal Dry Creek Costs		\$2,236,614	\$1,472,363	
2106	Boulder 230/115 kV Substation	May-06	\$3,148,983		Integrate 230 and 115 kV transmission lines at Boulder Substation.
	Install Second 250 MVA Transformer	Jun-07	\$150,000		2006 in service date only. ER 2106
			\$3,298,983	\$2,171,721	
OTHER					
2360	Lolo 230 kV Substation Rebuild				
	230 kV Substation work	Dec-07	\$1,943,499		Rebuild 230 kV Substation to Double breaker/Double bus configuration
	230 kV Line moves	Dec-07	\$100,139		Move 230 kV lines into new substation positions
	Subtotal Lolo Costs		\$2,043,638	\$1,345,327	
2284	Critchfield 115 kV Substation				
	115 kV Substation work	Dec-07	\$200,028		New 115 kV substation to serve load in Clarkston and Lewiston
	115 kV Transmission Line work	Dec-07	\$600,000		Loop in 115 kV transmission lines
	Subtotal Critchfield Costs		\$800,028	\$526,658	
	TOTAL		\$66,892,476	\$44,035,317	

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EXHIBIT NO.__(SJK-3)

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REPRESENTING AVISTA CORPORATION

Avista Corporation
- Energy Delivery -
Transmission Rev/Exp Pro Forma 2008 Adjustment
(\$000s)

Exhibit No.__(SJK-3)

Line No.		2006 Actual	2008 Pro Forma Period	Adjustment
	<u>556 OTHER POWER SUPPLY EXPENSES</u>			
1	NWPP	30	30	0
	<u>560-71.4, 935.3-4 TRANSMISSION O&M EXPENSE</u>			
2	Colstrip O&M - 500kV Line	366	498	132
3	ColumbiaGrid Development	169	249	80
4	ColumbiaGrid Planning	0	233	233
5	Grid West (WA)	79	158	79
6	Total Account 560-71.4, 935.3-4	614	1,138	524
	<u>561 TRANSMISSION EXP-LOAD DISPATCHING</u>			
7	Elect Sched & Acctg Srv (CASSO/OATI)	231	179	-52
	<u>566 TRANSMISSION EXP-OPRN-MISCELLANEOUS</u>			
8	OASIS Expenses	4	9	5
9	WECC - Sys. Security Monitor	86	108	22
10	WECC Admin & Net Oper Comm Sys	146	237	91
11	WECC - Loop Flow	28	28	0
12	Total Account 556	264	382	118
13	TOTAL EXPENSE	1,139	1,729	590
	<u>456 OTHER ELECTRIC REVENUE</u>			
14	* Borderline Wheeling	5,234	5,234	0
15	** Columbia Basin Project (Seattle/Tacoma)	0	0	0
16	*** Seattle	576	0	-576
17	*** Tacoma	576	0	-576
18	Grand Coulee Project	9	8	-1
19	OASIS nf & stf Whl (Other Whl)	3,377	3,417	40
20	PP&L - Dry Gulch	280	274	-6
21	PP&L Series Cap -1978	9	9	0
22	Spokane Waste to Energy Plant	160	160	0
23	Vaagen Wheeling	103	103	0
24	**** Northwestern Energy	252	0	-252
25	Total Account 456	10,576	9,205	-1,371
26	TOTAL REVENUE	10,576	9,205	-1,371
27	TOTAL NET EXPENSE	-9,437	-7,476	1,961

* Borderline Wheeling - 2006 is 1st full year of new transmission contracts for borderline loads

** Columbia Basin Project (Seattle/Tacoma) - contract ended 10/31/05

*** Seattle and Tacoma - contracts ended 10/31/07

**** Northwestern Energy - contract ended 11/30/07