

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12_____

EXHIBIT NO. ____ (MNL-3)

MARK N. LOWRY

REPRESENTING AVISTA CORPORATION

Exhibit No. ____ (MNL-3)
COST AND REVENUE TREND CALCULATIONS 2000-2011

AVISTA UTILITIES

WASHINGTON ELECTRIC RESULTS

(000'S OF DOLLARS)

Line No.	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES												
1 Total General Business	\$242,529	\$258,201	\$273,318	\$283,356	\$285,399	\$289,216	\$321,929	\$326,335	\$365,425	\$402,618	\$415,740	451,837
2 Interdepartmental Sales	546	528	791	752	\$752	713	733	739	820	872	790	820
3 Sales for Resale	137,117	91,388	29,918	35,252	\$40,460	44,718	35,380	34,954	46,848	31,491	133,479	52,604
4 Total Sales of Electricity	380,192	350,117	304,027	319,360	\$326,611	334,647	358,042	362,028	413,093	434,981	550,009	505,261
5 Other Revenue	13,062	14,305	34,274	57,244	\$8,587	10,259	10,178	10,170	10,927	9,395	11,786	13,666
6 Total Electric Revenue	393,254	364,422	338,301	376,604	\$335,198	344,906	368,220	372,198	424,020	444,376	561,795	518,927
EXPENSES												
Production and Transmission												
7 Operating Expenses	78,721	47,157	101,475	132,098	\$101,545	105,734	104,260	102,890	117,123	87,599	147,107	145,634
8 Purchased Power	181,189	132,159	50,769	46,591	\$51,042	55,046	79,146	65,640	72,508	104,869	142,197	91,142
9 Depreciation/Amortization	(3,114)	9,152	13,808	14,915	\$22,879	13,812	25,745	21,795	22,000	22,266	22,129	25,158
10 Regulatory Amortization												403
11 Taxes	9,346	5,139	7,164	6,722	\$7,283	9,900	9,115	8,319	8,146	9,014	9,955	10,846
12 Total Production & Transmission	266,142	193,607	173,216	200,326	\$182,749	184,132	218,266	198,644	219,777	223,748	321,388	273,183
Distribution												
13 Operating Expenses	9,418	10,560	9,631	10,171	\$12,016	14,263	15,485	14,563	17,329	17,267	18,354	19,081
14 Depreciation/Amortization	9,056	9,178	9,427	9,752	\$10,067	10,399	10,776	11,333	15,611	16,809	17,985	19,240
15 Taxes	11,693	15,462	16,996	17,286	\$17,401	14,988	16,307	16,156	17,416	18,207	19,990	22,393
16 Total Distribution	30,167	35,200	36,054	37,209	\$39,484	39,650	42,568	42,052	50,356	52,283	56,329	u
17 Customer Accounting	5,768	6,196	7,113	7,129	\$7,352	7,156	7,097	7,514	7,919	9,646	9,261	10,275
18 Customer Service & Information	5,704	5,381	6,261	6,620	\$266	7,127	1,159	7,472	12,847	19,736	20,832	21,292
19 Sales Expenses	1,071	734	628	734	686	430	657	682	571	660	176	4
Administrative & General												
20 Operating Expenses	30,350	25,102	30,304	30,153	31,927	33,143	33,148	35,844	35,982	38,461	44,662	44,779
21 Depreciation/Amortization	3,998	4,414	6,606	6,659	6,072	6,537	6,459	6,739	7,187	7,688	9,277	10,906
22 Taxes	5	2	1	2	3	(4)	0	(9)	(3)	(3)	2	0
23 Total Admin. & General	34,353	29,518	36,911	36,814	38,002	39,676	39,607	42,574	43,166	46,146	53,941	55,685
24 Total Electric Expenses	343,205	270,636	260,183	288,832	268,539	278,171	309,354	298,938	334,636	352,219	461,927	421,153
25 OPERATING INCOME BEFORE FIT	50,049	93,786	78,118	87,772	66,659	66,735	58,866	73,260	89,384	92,157	99,868	97,774
FEDERAL INCOME TAX												
26 Current Accrual	13,500	7,803	12,532	18,199	10,603	6,760	3,584	5,070	(6,217)	(1,847)	9,263	6,569
27 Debt Interest												207
28 Deferred Income Taxes	3,549	16,107	3,470	1,284	608	3,867	3,975	6,497	26,634	23,983	13,823	16,402
29 Amortized ITC - Noxon	0	0	0	0	0	0	0	0	0	(58)	(83)	-99
	5,683	5,369	0	0	0	0	0	0	0	0	0	0
30 NET OPERATING INCOME	\$27,317	\$64,507	\$62,116	\$68,289	\$55,448	\$56,108	\$51,307	\$61,693	\$68,967	\$70,079	\$76,865	74,695

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		
RATE BASE														
PLANT IN SERVICE														
31	Intangible	\$15,127	\$16,340	\$20,910	\$21,299	\$21,374	\$22,459	\$23,458	\$20,632	\$23,321	\$57,116	\$81,955	84,081	
32	Production	369,323	382,522	598,523	609,668	651,608	669,043	703,455	712,962	724,416	751,055	767,632	706,894	
33	Transmission	181,627	191,517	186,550	196,937	213,539	224,696	244,435	259,532	289,302	301,090	312,505	328,012	
34	Distribution	398,104	416,427	429,742	443,424	459,516	480,638	502,571	528,809	561,016	598,884	638,445	696,082	
35	General	58,402	59,846	59,771	60,444	63,155	65,299	80,110	81,368	91,205	98,727	120,996	140,218	
36	Total Plant in Service	1,022,583	1,066,652	1,295,496	1,331,772	1,409,192	1,462,135	1,554,029	1,603,303	1,689,260	1,806,872	1,921,533	1,955,287	
ACCUMULATED DEPRECIATION/AMORT														
37	Intangible	na	na	na	na	na	na	na	na	na	na	na	3,744	
38	Production	na	na	na	na	na	na	na	na	na	na	na	286,300	
39	Transmission	na	na	na	na	na	na	na	na	na	na	na	111,144	
40	Distribution	na	na	na	na	na	na	na	na	na	na	na	209,101	
41	General	na	na	na	na	na	na	na	na	na	na	na	56,694	
42	Total Accumulated Depreciation	344,497	362,082	377,980	406,287	428,147	454,618	485,160	511,153	540,772	566,865	606,861	666,983	
43	NET PLANT	678,086	704,570	917,516	925,485	981,045	1,007,517	1,068,869	1,092,150	1,148,488	1,240,007	1,314,672	1,288,304	
44	DEFERRED TAXES												-201,163	
45	Net Plant After Deferred Income Taxes												1,087,141	
46	DEFERRED DEBITS AND CREDITS												32,534	
47	WORKING CAPITAL												18,188	
48	TOTAL RATE BASE	\$568,492	\$597,515	\$761,858	\$742,443	\$778,011	\$819,842	\$874,511	\$891,855	\$936,840	\$1,005,019	\$1,072,028	1,137,863	
Power Supply Data														
49	Total Expense	234,785	156,185	124,379	154,282	122,799	133,120	152,124	135,719	152,984	146,538	249,369	188,583	
ResX Credits not Included in CBR														
50	Regulatory Amortization	\$0	\$1,416	\$7,512	\$6,339		\$9,388		\$5,582	\$3,576	\$4,005	\$6,244	\$4,794	
51	Taxes	\$0	\$58	\$303	\$256		\$378		\$225	\$145	\$162	\$253	\$193	
52	Customer Accounting	\$0	\$6	\$34	\$29		\$43		\$25	\$16	\$18	\$28	\$22	
53	Operating Expenses	A&G	\$0	\$3	\$16	\$13		\$20		\$12	\$7	\$8	\$13	\$10
54	DSM Cost Included on CBR	3,443	5,074	6,064	6,130		6,608		6,667	12,092	18,880	19,483	21,047	
55	Taxes	139	205	244	247		267		269	488	762	787	812	
56	Other	3,304	4,869	5,820	5,883		6,341		6,398	11,604	18,118	18,696	20,235	
Selected Subtotals														
57	Total Electric Expense	343,205	270,636	260,183	288,832	268,539	278,171	309,354	298,938	334,636	352,219	461,927	421,153	
58	Power Supply	234,785	156,185	124,379	154,282	122,799	133,120	152,124	135,719	152,984	146,538	249,369	188,583	
59	Depreciation	9,940	22,744	29,841	31,326	39,018	30,748	42,980	39,867	44,798	46,763	49,391	55,707	
60	Add ResX Credits	0	1,416	7,512	6,339	0	9,388	0	5,582	3,576	4,005	6,244	4,794	
61	Adjusted Depreciation	9,940	24,160	37,353	37,665	39,018	40,136	42,980	45,449	48,374	50,768	55,635	60,501	
62	Taxes	21,044	20,603	24,161	24,010	24,687	24,884	25,422	24,466	25,559	27,218	29,947	33,239	
63	Remove DSM Cost	139	205	244	247	0	267	0	269	488	762	787	812	
64	Add ResX Credits	0	58	303	256	0	378	0	225	145	162	253	193	
65	Adjusted Taxes	20,905	20,456	24,220	24,018	24,687	24,995	25,422	24,422	25,216	26,617	29,413	32,620	
66	Other Operating Expense	77,436	71,104	81,802	79,214	82,035	89,419	88,828	98,886	111,295	131,700	133,220	143,624	
67	Remove DSM Cost	3,304	4,869	5,820	5,883	0	6,341	0	6,398	11,604	18,118	18,696	20,235	
68	Add ResX Credits	0	9	50	42	0	62	0	37	24	27	41	32	
69	Adjusted Other Operating Expense	74,132	66,244	76,032	73,374	82,035	83,140	88,828	92,525	99,715	113,609	114,565	123,420	
70	Rate Base	568,492	597,515	761,858	742,443	778,011	819,842	874,511	891,855	936,840	1,005,019	1,072,028	1,137,863	

Annual Growth Rates in Selected Subtotals		2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
71	Adjusted Depreciation	88.8%	43.6%	0.8%	3.5%	2.8%	6.8%	5.6%	6.2%	4.8%	9.2%	8.4%
72	Adjusted Taxes	-2.2%	16.9%	-0.8%	2.7%	1.2%	1.7%	-4.0%	3.2%	5.4%	10.0%	10.3%
73	Adjusted Other Operating Expense	-11.2%	13.8%	-3.6%	11.2%	1.3%	6.6%	4.1%	7.5%	13.0%	0.8%	7.4%
74	Rate Base	5.0%	24.3%	-2.6%	4.7%	5.2%	6.5%	2.0%	4.9%	7.0%	6.5%	6.0%
75	Other Revenue	9.1%	87.4%	51.3%	-189.7%	17.8%	-0.8%	-0.1%	7.2%	-15.1%	22.7%	14.8%
Average Annual Growth in Selected Subtotals to 2011		2000-2011	2001-2011	2002-2011	2003-2011	2004-2011	2005-2011	2006-2011	2007-2011	2008-2011	2009-2011	2010-2011
76	Adjusted Depreciation	16.42%	9.18%	5.36%	5.92%	6.27%	6.84%	6.84%	7.15%	7.46%	8.77%	8.38%
77	Adjusted Taxes	4.04%	4.67%	3.31%	3.83%	3.98%	4.44%	4.99%	7.24%	8.58%	10.17%	10.35%
78	Adjusted Other Operating Expense	4.63%	6.22%	5.38%	6.50%	5.83%	6.58%	6.58%	7.20%	7.11%	4.14%	7.44%
79	Rate Base	6.31%	6.44%	4.46%	5.34%	5.43%	5.46%	5.26%	6.09%	6.48%	6.21%	5.96%
80	Other Revenues	0.41%	-0.46%	-10.22%	-17.91%	6.64%	4.78%	5.89%	7.39%	7.46%	18.74%	14.80%