

Exhibit No.\_\_\_\_(SLM-2)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12\_\_\_\_\_

DOCKET NO. UG-12\_\_\_\_\_

EXHIBIT NO. \_\_\_\_\_ (SLM-2)

SCOTT L. MORRIS

REPRESENTING AVISTA CORPORATION

### **Description of Avista Utilities**

Avista Utilities provides electric and natural gas service within a 26,000 square mile area of eastern Washington and northern Idaho<sup>1</sup>. Of the Company's 360,450 electric and 320,741 natural gas customers (as of December 31, 2011), 236,623 and 149,161, respectively, were Washington customers. The Company, headquartered in Spokane, also provides natural gas distribution service in southwestern and northeastern Oregon. A map showing Avista's electric and natural gas service areas is provided in Exhibit No. \_\_\_\_ (SLM-3).

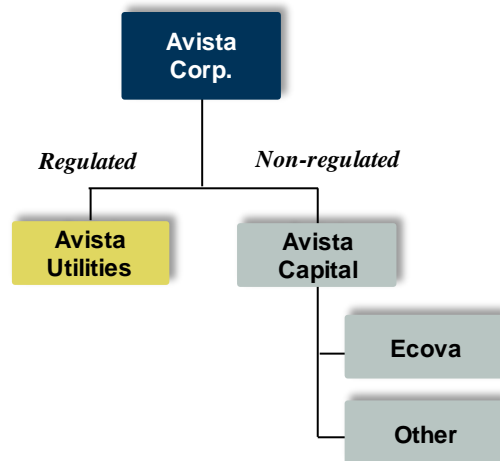
As of December 31, 2011, Avista Utilities had total assets (electric and natural gas) of approximately \$4.1 billion (on a system basis), with electric retail revenues of \$736 million (system) and natural gas retail revenues of \$352 million (system). As of December 2011, the Utility had 1,594 full-time employees.

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<sup>1</sup> Avista also serves approximately 20 retail electric customers in western Montana.

### Description of Avista's subsidiary businesses

Avista Corp.'s primary subsidiary is the information and technology business, Ecova, described below, which is headquartered in Spokane, Washington. A diagram of Avista's corporate structure is provided below:



Advantage IQ, and Ecos, an Advantage IQ subsidiary delivering electric and natural gas utility demand-side management services, joined forces to become Ecova in October 2011. Ecova provides utility expense management and energy management solutions to multi-site companies across North America. This includes more than 450,000 business sites. Ecova clients include Fortune 1000 companies such as GameStop, Panda Restaurant Group, Petco, Shell, Staples and, many North American electric and natural gas utilities. Avista currently holds a 79.2% share in Ecova, which is held under Avista Capital.