Exhibit No.	(EMA-2)

REDACTED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UG-08_____

EXHIBIT NO.___(EMA-2)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

	Y		TH PRESENT RAT	WITH PROPO	SED RATES	
		Actual Per			Proposed	Pro Forma
Line		Results	Total	Pro Forma	Revenues &	Proposed
No.	DESCRIPTION a	Report	Adjustments	Total	Related Exp	Total
	a	Ь	c	d	e	f
	REVENUES					
1	Total General Business	\$372,660	\$ (17,400)	\$355,260	\$36,617	\$391,87
2	Interdepartmental Sales	739		739		73
3	Sales for Resale	89,528	(42,480)	47,048		47,04
4	Total Sales of Electricity	462,927	(59,880)	403,047	36,617	439,66
5	Other Revenue	18,604	(10,500)	8,104		8,10
6	Total Electric Revenue	481,531	(70,380)	411,151	36,617	447,76
	EXPENSES					
	Production and Transmission					
7	Operating Expenses	148,644	(36,904)	111,740		111,74
8	Purchased Power	110,620	(21,501)	89,119		89,11
9	Depreciation and Amortization	22,020	8,170	30,190		30,19
10	Taxes	8,771	(147)	8,624		8,62
11	Total Production & Transmission	290,055	(50,382)	239,673	0	239,67
	Distribution					
12	Operating Expenses	14,563	1,153	15,716		15,71
13	Depreciation	11,438	4,010	15,710		
14	Taxes	30,938	(13,272)		1 414	15,44
15	Total Distribution			17,666	1,414	19,08
15	Total Distribution	56,939	(8,109)	48,830	1,414	50,24
16	Customer Accounting	8,640	(773)	7,867	95	7,96
17	Customer Service & Information	7,472	(6,652)	820		82
18	Sales Expenses	682	24	706		70
	Administrative & General					
19	Operating Expenses	35,912	1,191	37,103	73	37,17
20	Depreciation	6,739	232	6,971	,,	6,97
21	Taxes	0,757	188	188		18
22	Total Admin. & General	42,651	1,611	44,262	73	44,33
23	Total Electric Expenses	406,439	(64,281)	342,158	1,582	343,74
24	OPERATING INCOME BEFORE FIT	75,092	(6,099)	68,993	35,035	104,02
		75,072	(0,077)	00,773	33,033	104,02
	FEDERAL INCOME TAX					
	Current Accrual	9,917	(4,814)	5,103	12,262	17,36
26	Deferred Income Taxes	1,377	5,120	6,497		6,49
27	Amortized Investment Tax Credit					
28	SETTLEMENT EXCHANGE POWER	•				
29	NET OPERATING INCOME	\$63,798	(\$6,405)	\$57,393	\$22,773	\$80,16
	RATE BASE					
	PLANT IN SERVICE					
30	Intangible	\$20,632	\$24,774	\$45,406		\$45,40
31	Production	645,576	97,739	743,315		743,31
32	Transmission	259,532	34,962			
3	Distribution	•	•	294,494 563,936		294,49
14	General	529,067	34,869			563,93
35		81,368	17,702	99,070		99,07
	Total Plant in Service	1,536,175	210,046	1,746,221	0	1,746,22
	ACCUMULATED DEPRECIATION	519,958	50,344	570,302		570,30
	ACCUM. PROVISION FOR AMORTIZATION	6,349	55,059	61,408		61,40
8	Total Accum. Depreciation & Amort.	526,307	105,403	631,710	0	631,71
	GAIN ON SALE OF BUILDING		(323)	(323)		(32
0	DEFERRED TAXES		(163,244)	(163,244)		(163,24
	TOTAL DATE DAGE	#1 000 0C0	(050.004)			*****
11	TOTAL RATE BASE	\$1,009,868	(\$58,924)	\$950,944	\$0	\$950,94

AVISTA UTILITIES

Calculation of General Revenue Requirement Washington - Electric System

TWELVE MONTHS ENDED DECEMBER 31, 2007

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$950,944
2	Proposed Rate of Return	8.43%
3	Net Operating Income Requirement	\$80,165
4	Pro Forma Net Operating Income	\$57,393
5	Net Operating Income Deficiency	\$22,772
6	Conversion Factor	0.62190134
7	Revenue Requirement	\$36,617
8	Total General Business Revenues	\$355,999
9	Percentage Revenue Increase	10.29%

AVISTA UTILITIES

Revenue Conversion Factor Washington - Electric System

TWELVE MONTHS ENDED DECEMBER 31, 2007

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.002599
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038629
5	Franchise Fees	0.000000
6	Total Expense	0.043229
7	Net Operating Income Before FIT	0.956771
8	Federal Income Tax @ 35%	0.334870
9	REVENUE CONVERSION FACTOR	0.621901

RIVINALES 1 Total General Business 3372,6669	Line	procommon	Per Results	Deferred FIT	Deferred Gain on Office	Colstrip 3 AFUDC	Colstrip Common AFUDC	Kettle Falls Disallow.	Customer Advances
RIVENUES 1 Total Central Business \$372,660	No.	DESCRIPTION	Report	Rate Base	Building d	Elimination e			
Total Control Business \$72,666 \$73,675 \$75,676									
Sala for Reale									
1									
Teal Salae of Electricity		-							
Section Sect									
Total Electric Revenue				0	U	U	U	U	U
EXPENSION Performance Pe						0		0	0
Production and Transmission	0	Total Electric Revenue	461,331	U	U	V	V	v	v
7		EXPENSES							
Purchased Power 110,620 225 205		Production and Transmission							
Poperciation and Amortization 22,005 0 0 0 0 0 0 0 0 0	7	Operating Expenses	148,644						
Taxes	8	Purchased Power							
Total Production & Transmission 290,055 0 0 (225) 0 0 0 0	9	Depreciation and Amortization				(225)			
Distribution 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 14,563 15,563 15,563 15,563 15,563 16,5	10	Taxes			***************************************				
14 15 15 15 15 15 15 15	11	Total Production & Transmission	290,055	0	0	(225)	0	0	0
14 15 15 15 15 15 15 15		Distribution							
11 11 12 12 13 14 13 14 14 14 15 15 15 15 15	12		14.563						
Taxes			·						
Total Distribution		•	·						
Coatemer Service & Information 7,472				0	0	0	0	0	0
Coatemer Service & Information 7,472			0.640						
Administrative & General Administrative & General Operating Expenses 35,912 Depreciation 6,739 I Taxes I Total Admin. & General 42,651 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			•						
Administrative & General 19 Operating Expenses 35,912 20 Depreciation 6,739 21 Taxes 22 Total Admin. & General 42,651 0 0 0 0 0 0 0 0 23 Total Electric Expenses 406,439 0 0 0 (225) 0 0 0 0 24 OPERATING INCOME BEFORE FIT 75,092 0 0 0 225 0 0 0 0 FEDERAL INCOME TAX 25 Current Acerual 9,917 26 Deferred Income Taxes 1,377 56 27 NET OPERATING INCOME \$63,798 \$0 \$0 \$225 \$0 \$0 \$56 28 RATE BASE PLANT IN SERVICE 18 Intangible \$20,632 Production 645,576 (7,452) 460 (5,248) 29 Production 645,576 (7,452) 460 (5,248) 30 Timismission 259,532 31 Distribution 529,067 (7,452) 460 (5,248) 20 General 81,368 31 ACCUMULATED DEPRECIATION 519,588 (5,110) (3,695) 24 ACCUM PROVISION FOR AMORTIZATION 6,349 35 Total Plant in Service (139,033) (321) (\$2,342) \$460 (\$913) (\$258) 36 DIEFERRED TAXES (139,033) 113 640									
Operating Expenses 35,912 Operating Expenses Control Admin. & General Control Admin. &	••	2 2							
Depreciation Communication									
Taxes									
Total Admin. & General 42,651 0 0 0 0 0 0 0 0 0		•	6,739						
Total Electric Expenses			10 (51)						
24 OPERATING INCOME BEFORE FIT 75,092 0 0 225 0 0 0 FEDERAL INCOME TAX 25 Current Accrual 9,917 26 Deferred Income Taxes 1,377 56 27 NET OPERATING INCOME \$63,798 \$0 \$0 \$225 \$0 \$(\$56) \$0 RATE BASE PLANT IN SERVICE 18 Intagible \$20,632 29 Production 645,576 (7,452) 460 (5,248) 30 Transmission 259,532 31 Distribution 529,067 (7,452) 460 (5,248) 32 General 81,368 33 Total Plant in Service 1,336,175 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 35 ACCUM PROVISION FOR AMORITIZATION 6,349 36 Total Accum. Depreciation & Amort. 526,307 0 0 (5,310) 0 (3,695) 0 37 GAN ON SALE OF BUILDING (323) 38 DEFERRED TAXES \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	22	Total Admin. & General							
FEDERAL INCOME TAX 25 Current Accrual 9,917 26 Defered Income Taxes 1,377 27 NET OPERATING INCOME \$63,798 \$0 \$0 \$225 \$0 \$56 28 RATE BASE PLANT IN SERVICE 28 Intangible \$20,632 \$0 \$0 \$0 \$225 \$0 \$0 \$0 \$248 29 Production 645,576 \$0 \$0,7452 \$0 \$0 \$0 \$0,248 30 Transmission 259,532 \$0 \$0 \$0 \$0 \$0,248 31 Distribution 529,067 \$0 \$0 \$0 \$0,248 32 General \$1,368 \$0 \$0 \$0 \$0,452 \$0,460 \$0,5248 33 Total Plant in Service 1,536,175 \$0 \$0 \$0 \$0,7452 \$0 \$0 \$0,5248 34 ACCUMULATED DEPRECIATION 519,958 \$0 \$0,110 \$0 \$0,695 25 ACCUM PROVISION FOR AMORTIZATION 6,349 36 Total Accum. Depreciation & Amort. 526,307 \$0 \$0 \$0 \$0,110 \$0 \$0,695 37 GAN ON SALE OF BUILDING (323) 38 DEFERRED TAXES \$1,009,868 \$139,033) \$13 \$0 \$460 \$0,5913 \$0,5258 39 TOTAL RATE BASE \$1,009,868 \$139,033) \$0,5210 \$0,52,342 \$0,560 \$0,5913 \$0,5258 4 SEE	23	Total Electric Expenses	406,439	0	0	(225)	0	0	0
25 Current Accrual 9,917 1,377 56 56	24	OPERATING INCOME BEFORE FIT	75,092	0	0	225	0	0	0
25 Current Accrual 9,917 1,377 56 56		EEDER AL INCOME TAY							
26 Deferred Income Taxes 1,377 56	25		0.017						
RATE BASE PLANT IN SERVICE S20,632 S20			•					56	
RATE BASE PLANT IN SERVICE Intangible \$20,632 29 Production 645,576 (7,452) 460 (5,248) 30 Transmission 259,532 31 Distribution 529,067 (258) 32 General 81,368 33 Total Plant in Service 1,536,175 0 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 25 ACCUM. PROVISION FOR AMORTIZATION 6,349 36 Total Accum. Depreciation & Amort. 526,307 0 0 0 (5,110) 0 (3,695) 37 GAIN ON SALE OF BUILDING (323) 38 DEFERRED TAXES (139,033) 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	20	Deletted medine raxes	1,5//						
RATE BASE PLANT IN SERVICE Intangible \$20,632 29 Production 645,576 (7,452) 460 (5,248) 30 Transmission 259,532 31 Distribution 529,067 (258) 32 General 81,368 33 Total Plant in Service 1,536,175 0 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 25 ACCUM. PROVISION FOR AMORTIZATION 6,349 36 Total Accum. Depreciation & Amort. 526,307 0 0 0 (5,110) 0 (3,695) 37 GAIN ON SALE OF BUILDING (323) 38 DEFERRED TAXES (139,033) 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	27	NICT OBED ATING INCOME	\$63.709	\$0	\$0	\$225	\$0	(\$56)	\$0
PLANT IN SERVICE 28 Intangible \$20,632 29 Production 645,576 (7,452) 460 (5,248) 30 Transmission 259,532 (258 31 Distribution 529,067 (258 32 General 81,368 33 Total Plant in Service 1,536,175 0 0 (7,452) 460 (5,248) (258 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 25 ACCUM, PROVISION FOR AMORTIZATION 6,349 1 36 Total Accum, Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323) (323) (323) 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	21	NET OF ERATING INCOMES	\$03,798	90	40	\$225	•	(\$30)	•
Intangible \$20,632		RATE BASE							
29 Production 645,576 (7,452) 460 (5,248) 30 Transmission 259,532 (258) 31 Distribution 529,067 (258) 32 General 81,368 33 Total Plant in Service 1,536,175 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) (3,695) 25 ACCUM. PROVISION FOR AMORTIZATION 6,349 (5,110) 0 (3,695) 0 36 Total Accum. Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323)		PLANT IN SERVICE							
Transmission 259,532 31 Distribution 529,067 (258)	28	Intangible	\$20,632						
Distribution S29,067 (258) (25	29	Production				(7,452)	460	(5,248)	
32 General 81,368 33 Total Plant in Service 1,536,175 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 25 ACCUM, PROVISION FOR AMORTIZATION 6,349 36 Total Accum, Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323) <									
33 Total Plant in Service 1,536,175 0 0 (7,452) 460 (5,248) (258) 34 ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) 25 ACCUM, PROVISION FOR AMORTIZATION 6,349 36 Total Accum, Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323) (323) (323) 3 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)									(258)
ACCUMULATED DEPRECIATION 519,958 (5,110) (3,695) ACCUM. PROVISION FOR AMORTIZATION 6,349 Total Accum. Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 GAIN ON SALE OF BUILDING (323) DEFERRED TAXES (139,033) 113 640 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)									
25 ACCUM. PROVISION FOR AMORTIZATION 6,349 36 Total Accum. Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323) (323) 3 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	33	Total Plant in Service	1,536,175	0	0	(7,452)	460	(5,248)	(258)
36 Total Accum. Depreciation & Amort. 526,307 0 0 (5,110) 0 (3,695) 0 37 GAIN ON SALE OF BUILDING (323) 38 DEFERRED TAXES (139,033) 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	34	ACCUMULATED DEPRECIATION	519,958			(5,110)		(3,695)	
37 GAIN ON SALE OF BUILDING 38 DEFERRED TAXES (139,033) 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	25	ACCUM. PROVISION FOR AMORTIZATION							
38 DEFERED TAXES (139,033) 113 640 39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258)	36	Total Accum. Depreciation & Amort.	526,307	0			0	(3,695)	0
39 TOTAL RATE BASE \$1,009,868 (\$139,033) (\$210) (\$2,342) \$460 (\$913) (\$258	37								
	38	DEFERRED TAXES		(139,033)	113			640	
40 RATE OF RETURN 6.32%	39	TOTAL RATE BASE	\$1,009,868	(\$139,033)	(\$210	(\$2,342)	\$460	(\$913)	(\$258)
	40	RATE OF RETURN	6.32%						

			Settlement	T	Eliminate			
Line	DESCRIPTION	Depreciation	Exchange	Subtotal	B & O	Property	Uncollect.	Regulatory
No.	a a	True-up	Power	Actual	Taxes k	Tax 1	Expense m	Expense
			,					-
	REVENUES							
1	Total General Business			\$372,660	\$ (12,625)			
2	Interdepartmental Sales Sales for Resale			739				
4	Total Sales of Electricity	0	0	89,528 462,927	(12,625)	0	0	0
5	Other Revenue	V	U	18,604	(12,023)	U	U	U
6	Total Electric Revenue	0	0	481,531	(12,642)	0	0	0
	EXPENSES							
	Production and Transmission							
7	Operating Expenses			148,644				
8	Purchased Power			110,620				
9	Depreciation and Amortization	(2,782)		19,013				
10	Taxes			8,771		(452)		
11	Total Production & Transmission	(2,782)	0	287,048	0	(452)	0	0
	Distribution							
12	Operating Expenses			14,563				
13	Depreciation	3,344		14,782		(0.4.6)		
14	Taxes	2244		30,938	(12,613)	(818)		
15	Total Distribution	3,344	0	60,283	(12,613)	(818)	0	0
16	Customer Accounting			8,640			(107)	
17	Customer Service & Information			7,472				
18	Sales Expenses			682				
	Administrative & General							
19	Operating Expenses			35,912				19
20	Depreciation	(888)		5,851				
21	Taxes				WAS	(9)		
22	Total Admin. & General	(888)	0	41,763	0	(9)	0	19
23	Total Electric Expenses	(326)	0	405,888	(12,613)	(1,279)	(107)	19
24	OPERATING INCOME BEFORE FIT	326	0	75,643	(29)	1,279	107	(19)
	FEDERAL INCOME TAX							
25	Current Accrual	114		10,031	(10)	448	37	(7)
26	Deferred Income Taxes			1,433	()			(7)

27	NET OPERATING INCOME	\$212	\$0	\$64,179	(\$19)	\$831	\$70	(\$12)
	RATE BASE							
	PLANT IN SERVICE							
28	Intangible			\$20,632				
29	Production		79,626	712,962				
30	Transmission			259,532				
31	Distribution			528,809				
32	General		70.707	81,368				
33	Total Plant in Service	0	79,626	1,603,303	0	0	0	0
34	ACCUMULATED DEPRECIATION			511,153				
25	ACCUM. PROVISION FOR AMORTIZATION		54,718	61,067				
36 37	Total Accum. Depreciation & Amort. GAIN ON SALE OF BUILDING	0	54,718	572,220	0	0	0	0
37	DEFERRED TAXES		(4,476)	(323) (142,756)				
38								
38	TOTAL RATE BASE	\$ 0	\$20,432	\$888,004	\$0	\$0	\$0	\$0

Line		Injuries and		Eliminate WA Power	Nez Perce Settlement	Eliminate A/R	Office Space Charges to	Restate Excise
No.	DESCRIPTION	Damages	FIT	Cost Defer	Adjustment	Expenses	Subsidiaries	Taxes
	a	0	р	q	r	s	t	u
	REVENUES							
1	Total General Business			\$ (32,418)				
2	Interdepartmental Sales							
3	Sales for Resale							
4	Total Sales of Electricity	0	0	(32,418)	0	0	0	0
5	Other Revenue							
6	Total Electric Revenue	0	0	(32,418)	0	0	0	0
	EXPENSES							
	Production and Transmission							
7	Operating Expenses			(14,658)	9			
8	Purchased Power							
9	Depreciation and Amortization							
10	Taxes							
11	Total Production & Transmission	0	0	(14,658)	9	0	0	0
	Distribution							
12	Operating Expenses							
13	Depreciation							(50)
14	Taxes			(1,251)				(50)
15	Total Distribution	0	0	(1,251)	0	0	0	(50)
16	Customer Accounting			(103)		(913)		
17	Customer Service & Information			(- /		` ′		
18	Sales Expenses							
	Administrative & General							
19	Operating Expenses	(12)		(62)			(10)	
20	Depreciation	` '		` '				
21	Taxes							
22	Total Admin. & General	(12)	0	(62)	0	0	(10)	0
23	Total Electric Expenses	(12)	0	(16,074)	9	(913)	(10)	(50)
24	OPERATING INCOME BEFORE FIT	12	0	(16,344)	(9)	913	10	50
	FEDERAL INCOME TAX							
25	Current Accrual	4	(83)	(10,851)	(3)	320	4	18
26	Deferred Income Taxes		(66)	5,130				
27	NET OPERATING INCOME	\$8	\$149	(\$10,623)	(\$6)	\$593	\$6	\$32
21	NET OF EXAMINOUNCE INC.		V 112	(\$10,020)	(4-7)			
	RATE BASE							
_	PLANT IN SERVICE							
28	Intangible							
29	Production							
30	Transmission							
31	Distribution							
32	General					0	0	0
33	Total Plant in Service	0	0	0	0	U	U	U
34	ACCUMULATED DEPRECIATION							
25	ACCUM. PROVISION FOR AMORTIZATION							
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	0	0
37	GAIN ON SALE OF BUILDING							
38	DEFERRED TAXES							
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN							

Line	DESCRIPTION	Net Gains/losses	Revenue Normalization	Restate Debt Interest	Restated TOTAL	Pro Forma Power Supply	Pro Forma Prod Property Adj
No.	DESCRIPTION	V Gains/iosses	w	X	Y	PF1	PF2
	"	•					
	REVENUES						
1	Total General Business		\$27,643		\$355,260		
2	Interdepartmental Sales				739	(12.100)	
3	Sales for Resale				89,528	(42,480)	0
4	Total Sales of Electricity	0	27,643	0	445,527	(42,480)	
5	Other Revenue		411		18,998	(8,435)	(1,595) (1,595)
6	Total Electric Revenue	0	28,054	0	464,525	(50,915)	(1,393)
	EXPENSES						
_	Production and Transmission		11		134,006	(19,555)	(7,405)
7	Operating Expenses		11		110,620	(21,501)	(7,400)
8	Purchased Power		5,582		24,595	(21,501)	
9 10	Depreciation and Amortization Taxes		5,562		8,319		
11	Total Production & Transmission	0	5,593	0	277,540	(41,056)	(7,405)
	Distribution						
12	Operating Expenses				14,563		
13	Depreciation	(105)	•		14,677		
14	Taxes	(100)	1,083		17,289		
15	Total Distribution	(105)		0	46,529	0	0
16	Customer Accounting		75		7,592		
17	Customer Service & Information		(6,668)		804		
18	Sales Expenses		· · · · ·		682		
	Administrative & General						
19	Operating Expenses		56		35,903		
20	Depreciation				5,851		
21	Taxes				(9)		
22	Total Admin. & General	0	56	0	41,745	0	0
23	Total Electric Expenses	(105)	139	0	374,892	(41,056)	(7,405)
24	OPERATING INCOME BEFORE FIT	105	27,915	0	89,633	(9,859)	5,810
	FEDERAL INCOME TAX						
25	Current Accrual	37	9,770	2,612	12,327	(3,451)	2,034
26	Deferred Income Taxes				6,497		
27	NET OPERATING INCOME	\$68	\$18,145	(\$2,612)	\$70,809	(\$6,408)	\$3,776
	DATE DAGE						
	RATE BASE PLANT IN SERVICE						
28					\$20,632		
28 29	Intangible Production				712,962		(17,504
30	Transmission				259,532		` '
31	Distribution				528,809		
32	General				81,368		
33	Total Plant in Service	0	0	0	1,603,303	0	(17,504
34	ACCUMULATED DEPRECIATION				511,153		
25	ACCUM. PROVISION FOR AMORTIZATION				61,067		
36	Total Accum. Depreciation & Amort.	0	0	0	572,220	0	0
37	GAIN ON SALE OF BUILDING				(323)		
38	DEFERRED TAXES				(142,756)		
39	TOTAL RATE BASE	\$0	\$0	\$0	\$888,004	\$0	(\$17,504
					7.97%		

Line		Pro Forma Labor	Pro Forma Labor	Pro Forma Transmission	Pro Forma Capital Add	Pro Forma Capital Add 2008	Pro Forma Asset Management
No.	DESCRIPTION a	Non-Exec PF3	Exec PF4	Rev/Exp PF5	2007 PF6	PF7	PF8
	-						
	REVENUES						
1	Total General Business						
2	Interdepartmental Sales						
3	Sales for Resale			0	0	0	0
4	Total Sales of Electricity	0	0	(864)	U	U	U
5 6	Other Revenue Total Electric Revenue	0	0	(864)	0	0	0
o	Total Electric Revenue	U	V	(604)	v	V	v
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	813	38	(114)			1,238
8	Purchased Power						
9	Depreciation and Amortization				431	476	
10	Taxes					305	1.000
11	Total Production & Transmission	813	38	(114)	431	781	1,238
	Distribution						
12	Operating Expenses	619					534
13	Depreciation				59	712	
14	Taxes					377	
15	Total Distribution	619	0	0	59	1,089	534
16	Customer Accounting	275					
17	Customer Service & Information	16					
18	Sales Expenses	24					
10	Administrative & General	595	208				
19 20	Operating Expenses Depreciation	393	208		42	1,078	
21	Taxes				12	197	
22	Total Admin. & General	595	208	0	42	1,275	0
23	Total Electric Expenses	2,342	246	(114)	532	3,145	1,772
	-		(2.46)	(750)	(520)	(2.145)	(1.772)
24	OPERATING INCOME BEFORE FIT	(2,342)	(246)	(750)	(532)	(3,145)	(1,772)
	FEDERAL INCOME TAX						
25	Current Accrual	(820)	(86)	(263)	(186)	(1,101)	(620)
26	Deferred Income Taxes						
27	NET OPERATING INCOME	(\$1,522)	(\$160)	(\$487)	(\$346)	(\$2,044)	(\$1,152)
	RATE BASE						
	PLANT IN SERVICE						
28	Intangible				\$542	\$1,931	
29	Production				6,805	12,771	
30	Transmission				27,156	7,806	
31	Distribution				9,658	25,469	
32	General				5,935	11,767	
33	Total Plant in Service	0	0	0	50,096	59,744	0
34	ACCUMULATED DEPRECIATION				14,227	44,922	
25	ACCUM. PROVISION FOR AMORTIZATION						
36	Total Accum. Depreciation & Amort.	0	0	0	14,227	44,922	0
37 38	GAIN ON SALE OF BUILDING DEFERRED TAXES				(3,060)	(7,530)	
50	A MANUAL AND MANUAL MAN						****
39	TOTAL RATE BASE	\$0	\$0	\$0	\$32,809	\$7,292	\$0
40	RATE OF RETURN		+				40.0 T

					Pro Forma	Pro Forma	
l	•	Į.			N .		D 17
Line					Colstrip Mercury	Incentives	Pro Forma
No.	DESCRIPTION				Emiss. O&M	<u> </u>	TOTAL
	a				PF12	PF13	PFT
	REVENUES						
							#255 26A
1	Total General Business						\$355,260
2	Interdepartmental Sales						739
. 3	Sales for Resale	:					47,048
4	Total Sales of Electricity				0	0	403,047
5	Other Revenue						8,104
6	Total Electric Revenue				0	0	411,151
				and the second s			
	EXPENSES						
	Production and Transmission						
7	Operating Expenses				969		111,740
8	Purchased Power						89,119
9	Depreciation and Amortization				1		30,190
10	Taxes				•		8,624
11	Total Production & Transmission				969	0	239,673
11	Total Troduction & Transmission			* •	909	v	237,073
	Distribution		_				
10			CONFIDENTIAL per WAC				15,716
12	Operating Expenses		9				
13	Depreciation		2				15,448
14	Taxes		3				17,666
15	Total Distribution		$\boldsymbol{\exists}$		0	0	48,830
			E	1.0			
16	Customer Accounting		Z				7,867
17	Customer Service & Information		3				820
18	Sales Expenses						706
			—				
	Administrative & General		è				
19	Operating Expenses		ĕ			397	37,103
20	Depreciation		7				6,971
21	Taxes		\$,		188
22	Total Admin. & General	•			0	397	44,262
22		•	Ó				
23	Total Electric Expenses		4		969	397	342,158
			480-07-160				
24	OPERATING INCOME BEFORE FIT		P		(969) (397)	68,993
			3				
	FEDERAL INCOME TAX		7				
25	Current Accrual		6		(339	(139)	5,103
26	Deferred Income Taxes		0		(222	,	6,497
20	Deterred modific Tures						2,121
		i.					
27	NET OPERATING INCOME				(\$630	(\$258)	\$57,393
					(4050	()	, , , , , , , , , , , , , , , , , , ,
	RATE BASE						
	PLANT IN SERVICE						
20							\$45,406
28	Intangible						
29	Production						743,315
30	Transmission				•		294,494
31	Distribution				•		563,936
32	General		•				99,070
33	Total Plant in Service	•			0	0	1,746,221
	A COMP OF A MEDICAL PROPERTY.						FG0 200
34	ACCUMULATED DEPRECIATION						570,302
25	ACCUM, PROVISION FOR AMORTIZATION		٠.				61,408
36	Total Accum. Depreciation & Amort.				0	0	631,710
37	GAIN ON SALE OF BUILDING						(323)
38	DEFERRED TAXES						(163,244)
		•					0
39	TOTAL RATE BASE				\$0	\$0	\$950,944
40	DATE OF DETERM	•					60404
40	RATE OF RETURN						6.04%

	Exhibit No	(EMA-3)
BEFORE THE WASHINGTON UTILITIES AND TRANSPORT	ATION COMM	IISSION
DOCKET NO. UE-08		
DOCKET NO. UG-08		
EXHIBIT NO(EMA-3)		
ELIZABETH M. ANDREWS		
REPRESENTING AVISTA CORPORATION	ON	

	·	WIT	H PRESENT RA	TES	WITH PROPO	SED RATES
Line		Actual Per Results	Total	Pro Forma	Proposed Revenues &	Pro Forma Proposed
No.	DESCRIPTION a	Report b	Adjustments c	Total	Related Exp	Total f
	REVENUES	b	·	u	c	,
1	Total General Business	\$212,985	\$ (16,662)	\$196,323	\$6,587	\$202,910
2	Total Transportation	3,335	(1,712)	1,623		1,623
3	Other Revenues	68,416	(66,620)	1,796		1,796
4	Total Gas Revenues	284,736	(84,994)	199,742	6,587	206,329
	EXPENSES					
5	Exploration and Development					
	Production	210 222	(72.561)	145 221		145 771
6	City Gate Purchases	219,332 792	(73,561) 36	145,771 828		145,771 828
7	Purchased Gas Expense	283	(283)	-		028
8 9	Net Nat Gas Storage Trans Total Production	220,407	(73,808)	146,599	0	146,599
9	Underground Storage	220,407	(73,608)	140,333	· ·	140,577
10	Operating Expenses	451	1	452		452
11	Depreciation	310	32	342		342
12	Taxes	124	103	227		227
13	Total Underground Storage	885	136	1,021	0	1,021
	Distribution	200		-,	•	,
14	Operating Expenses	6,611	136	6,747		6,747
15	Depreciation	5,618	(482)	5,136		5,136
16	Taxes	17,856	(8,403)	9,453	253	9,706
17	Total Distribution	30,085	(8,749)	21,336	253	21,589
18	Customer Accounting	4,735	(122)	4,613	17	4,630
19	Customer Service & Information	4,658	(3,825)			833
20	Sales Expenses	516	15	531		531
	Administrative & General					
21	Operating Expenses	8,771	406	9,177	13	9,190
22	Depreciation	683	1,256	1,939		1,939
23	Taxes	24	48	72		72
24	Total Admin. & General	9,478	1,710	11,188	13	11,201
25	Total Gas Expense	270,764	(84,643)	186,121	283	186,404
26	OPERATING INCOME BEFORE FIT	13,972	(351)	13,621	6,304	19,925
	FEDERAL INCOME TAX					
27	Current Accrual	4,307	304	4,611	2,206	6,817
28	Deferred FIT	(1,368)	(74)	(1,442)		(1,442)
29	Amort ITC	(31)	0	(31)		(31)
30	NET OPERATING INCOME	11,064	(\$ 581)	10,483	\$4,098	\$14,581
	D. (20 D. (20 D. (1))					
21	RATE BASE: PLANT IN SERVICE	12 750	0 770	22.404		22,496
31	Underground Storage	13,758	8,738	22,496 238,930		238,930
32 33	Distribution Plant General Plant	229,417 21,708	9,513 4,778	258,930		258,930
34	Total Plant in Service	264,883	23,029	287,912	0	287,912
J 4	ACCUMULATED DEPRECIATION	207,003	23,029	201,712	· ·	20,,,,12
35	Underground Storage	7,427	438	7,865		7,865
36	Distribution Plant	77,997	6,277	84,274		84,274
37	General Plant	7,136	2,281	9,417		9,417
38	Total Accum. Depreciation	92,560	8,996	101,556	0	101,556
39	DEFERRED FIT	0	(29,164)			(29,164
40	GAS INVENTORY	0	15,874	15,874		15,874
	GAIN ON SALE OF BUILDING	0	(109))	(109
41	· · · · · · · · · · · · · · · · · · ·					
41 42	TOTAL RATE BASE	172,323	\$634	172,957	\$0	\$ 172,957

AVISTA UTILITIES

Calculation of General Revenue Requirement Washington - Gas

TWELVE MONTHS ENDED DECEMBER 31, 2007 (000's OF DOLLARS)

Line No.	Description	WASH
1	Pro Forma Rate Base	\$172,957
2	Proposed Rate of Return	8.430%
3	Net Operating Income Requirement	\$14,580
4	Pro Forma Net Operating Income	\$10,483
5	Net Operating Income Deficiency	\$4,097
6	Conversion Factor	0.622038
7	Revenue Requirement	\$6,587
8	Total General Business Revenues	\$197,946
9	Percentage Revenue Increase	3.33%

AVISTA UTILITIES Revenue Conversion Factor Washington - Gas System TWELVE MONTHS ENDED DECEMBER 31, 2006

Line No.	Description	Factor
1	Revenues	1.000000
2	Expense: Uncollectibles	0.002599
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038420
5	Franchise Fees (City of Millwood Expired in 2004)	0.000000
6	Total Expense	0.043019
7	Net Operating Income Before FIT	0.956981
8	Federal Income Tax @ 35%	0.334943
9	REVENUE CONVERSION FACTOR	0.622038

1 T 2 T 3 C 4 Tota EXI 5 E 9 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	VENUES Total General Business Total Transportation Other Revenues al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution Constraint Functors	\$212,985 3,335 68,416 284,736 0 219,332 792 283 220,407 451 310	c 0	Building d	c 0	Investment f	g 0	True-up h
1 T 2 T 3 C 4 Tota EXI 5 E P 6 7 8 9 U 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	VENUES Total General Business Total Transportation Other Revenues al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	\$212,985 3,335 68,416 284,736 0 219,332 792 283 220,407	0	0				
1 T 2 T 3 C 4 Tota EXI 5 E P 6 7 8 9 U 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Total General Business Total Transportation Other Revenues al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	3,335 68,416 284,736 0 219,332 792 283 220,407 451			0	0	0	0
1 T 2 T 3 C 4 Tota EXI 5 E P 6 7 8 9 U 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Total General Business Total Transportation Other Revenues al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	3,335 68,416 284,736 0 219,332 792 283 220,407 451			0	0	0	0
2 T 3 C 4 Tota EXI 5 E 9 6 7 8 9 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Total Transportation Other Revenues Ial Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	3,335 68,416 284,736 0 219,332 792 283 220,407 451			0	0	0	0
3 C 4 Tota EXI 5 E 9 6 7 8 9 10 11 12 13	Other Revenues al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	68,416 284,736 0 219,332 792 283 220,407			0	0	0	0
4 Tota EXI 5 E P 6 7 8 9 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	al Gas Revenues PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	284,736 0 219,332 792 283 220,407			0	0	0	0
EXI 5 E P 6 7 8 9 U 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	PENSES Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	0 219,332 792 283 220,407	0					
5 E P 6 7 8 9 U 10 11 12 13 E 14 15 16 17 18 Cus 19 Cus 20 Sale Adr. 21 C C	Exploration and Development Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	219,332 792 283 220,407	0					
P 6 7 8 9 U 10 11 11 12 13	Production City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	219,332 792 283 220,407	0					
6 7 8 9 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	City Gate Purchases Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	792 283 220,407 451	0	······································				
7 8 9 10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21	Purchased Gas Expense Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	792 283 220,407 451	0					
8 9 U 10 11 12 13 E 14 15 16 17 18 Cus 19 Cus 20 Sale Adr. 21 C	Net Nat Gas Storage Trans Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	283 220,407 451	0					
9 U 10 11 12 13	Total Production Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	220,407 451	0					
10 11 12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Underground Storage Operating Expenses Depreciation Taxes Total Underground Storage Distribution	451	0					
10 11 12 13	Operating Expenses Depreciation Taxes Total Underground Storage Distribution			0	0	0	0	0
11 12 13	Depreciation Taxes Total Underground Storage Distribution							
12 13 14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Taxes Total Underground Storage Distribution	310						(60)
13	Total Underground Storage Distribution							(60)
14	Distribution	124		0	0	0	0	(60)
14 15 16 17 18 Cus 19 Cus 20 Sale Adr 21 C		885	0	0	U	U	U	(00)
15 16 17 18 Cus 19 Cus 20 Sale Adr. 21 C		((11						
16 17 18 Cus 19 Cus 20 Sale Adr 21 C	Operating Expenses	6,611						(205)
17 18 Cus 19 Cus 20 Sale Adr 21 C	Depreciation	5,618						(203)
18 Cuss 19 Cus 20 Sald Adr 21 C	Taxes	17,856 30,085	0	0	0	0	0	(205)
19 Cus 20 Sale Adr 21 C	Total Distribution	30,083	U	U	v	U	v	(203)
19 Cus 20 Sale Adr 21 C	stomer Accounting	4,735			0	0		
20 Sale Adr 21 C	stomer Service & Information	4,658						
Adr. 21 C	les Expenses	516						
21 0	ministrative & General							
	Operating Expenses	8,771						
22 I	Depreciation	683						(65)
	Taxes	24						
24	Total Admin. & General	9,478	0	0	0	0	0	(65)
25 Tota	tal Gas Expense	270,764	0	0	0	0	0	(330)
						•		220
	PERATING INCOME BEFORE FIT	13,972	0	0	0	0	0	330
	DERAL INCOME TAX	4.207						116
	Current Accrual	4,307						110
	Deferred FIT	(1,368)						
29 A	Amort ITC	(31)						
30 NE	T OPERATING INCOME	\$11,064	\$0	\$0	\$0	\$0	\$0	\$214
	ATE BASE: PLANT IN SERVICE							
	Underground Storage	13,758				504	(64)	
	Distribution Plant	229,417				784	(64)	
33 (General Plant	21,708						
34 AC	Total Plant in Service CCUMULATED DEPRECIATION	264,883	0	0	0	784	(64)	0
	Underground Storage	7,427						
	Distribution Plant	77,997						
	General Plant	7,136						
38	Total Accum. Depreciation	92,560	0	0	0	0	0	0
	EFERRED FIT	Ó	(26,823)	38				
	SFERRED FIT AS INVENTORY	0	(20,023)	30	5,607			
		0		(109)				
₹1 GA	ADVIDENCE BUILDING			(107)				
42 TO	AIN ON SALE OF BUILDING	\$172,323	(\$26,823)					

Line	•	Subtotal	Revenue Normalization &	Eliminate B & O	Property	Uncollectible	Regulatory Expense	Injuries and
No.	DESCRIPTION	Actual	Gas Cost Adjust	Taxes	Tax	Expense	Adjustment	Damages
	a	-	i	j	k	1	m	n
	REVENUES							
1	Total General Business	\$212,985	\$ (9,038)	\$ (7,624)				
2	Total Transportation	3,335	(1,640)	(72)				
3	Other Revenues	68,416	(64,804)					
4	Total Gas Revenues	284,736	(75,482)	(7,696)	0	0	0	0
	EXPENSES							
5	Exploration and Development	0						
	Production							
6	City Gate Purchases	219,332	(73,561)					
7	Purchased Gas Expense	792	(202)					
8 9	Net Nat Gas Storage Trans	283	(283)					
9	Total Production Underground Storage	220,407	(73,844)	0	0	0	0	0
10	Operating Expenses	451						
11	Depreciation	250						
12	Taxes	124			(29)			
13	Total Underground Storage	825	0	0	(29)	0	0	0
	Distribution	020	v	v	(2)	v	v	v
14	Operating Expenses	6,611						
15	Depreciation	5,413						
16	Taxes	17,856	(344)	(7,690)	(492)			
17	Total Distribution	29,880	(344)	(7,690)	(492)	0	0	0
18	Customer Accounting	4,735	(24)	0		(105)	0	
19	Customer Service & Information	4,658	(3,835)	U		(105)	U	
20	Sales Expenses	516	(3,633)					
	Administrative & General	210						
21	Operating Expenses	8,771	(18)				12	113
22	Depreciation	618	815				12	.13
23	Taxes	24			(4)			
24	Total Admin. & General	9,413	797	0	(4)	0	12	113
25	Total Gas Expense	270,434	(77,250)	(7,690)	(525)	(105)	12	113
26	OPERATING INCOME BEFORE FIT	14,302	1,768	(6)	525	105	(12)	(113)
	FEDERAL INCOME TAX		1,700	(0)	525	100	(12)	(113)
27	Current Accrual	4,423	619	(2)	184	37	(4)	(40)
28	Deferred FIT	(1,368)		(-/			(-)	(,
29	Amort ITC	(31)	· · · · · · · · · · · · · · · · · · ·					
30	NET OPERATING INCOME	\$11,278	\$1,149	(\$4)	\$341	\$68	(\$8)	(\$73)
	RATE BASE: PLANT IN SERVICE							
31	Underground Storage	13,758						
32	Distribution Plant	230,137						
33	General Plant	21,708						
34	Total Plant in Service ACCUMULATED DEPRECIATION	265,603	0	0	0	0	0	0
35	Underground Storage	7,427						
36	Distribution Plant	77,997						
37	General Plant	7,136						
38	Total Accum. Depreciation	92,560	0	0	0	0	0	0
39	DEFERRED FIT	(26,785)					·	Ť
40	GAS INVENTORY	5,607						
41	GAIN ON SALE OF BUILDING	(109)						
42	TOTAL RATE BASE	\$151,756	\$0	\$0	\$0	\$0	\$0	\$0
43			30	φυ	Ψ	.	Φ0	. 00
43	RATE OF RETURN	7.43%						

				Fliming4: 1	Office Space	Restate		Destate
Line			Net	Eliminate A/R	Charges to	Restate Excise	O&M	Restate Debt
No.	DESCRIPTION	FIT	Gains/losses	Expenses	Subs	Taxes	Savings	Interest
	а	0	р	q	r	s	t	u
	REVENUES							
1	Total General Business							
2	Total Transportation							
3	Other Revenues							
4	Total Gas Revenues	. 0	0	0	0	0	0	0
	EXPENSES							
5	Exploration and Development							
_	Production							
6	City Gate Purchases							
7	Purchased Gas Expense							
8	Net Nat Gas Storage Trans							
9	Total Production	0	0	0	0	0	0	0
_	Underground Storage	· ·	v	v	ŭ	•	v	v
10	Operating Expenses							
11	Depreciation							
12	Taxes							
13	Total Underground Storage	0	0	0	0	0	0	0
13	Distribution	v	v	v	v	v	v	Ů
14	Operating Expenses						(144)	
15	Depreciation		(13)				(144)	
16	Taxes		(13)			23		
17	Total Distribution	0	(13)	0	0	23	(144)	0
17	Total Distribution	U	(13)	U	U	23	(144)	U
18	Customer Accounting		0	(153)	0	0	0	
19	Customer Service & Information							
20	Sales Expenses							
	Administrative & General							
21	Operating Expenses				(3)			
22	Depreciation							
23	Taxes							
24	Total Admin. & General	0	0	0	(3)	0	0	0
25	Total Gas Expense	0	(13)	(153)	(3)	23	(144)	0
26	OPERATING INCOME BEFORE FIT	0	13	153	3	(23)	144	0
25	FEDERAL INCOME TAX		_			(0)		242
27	Current Accrual	83	5	54	1	(8)	50	342
28	Deferred FIT	(74)						
29	Amort ITC			M				
30	NET OPERATING INCOME	(\$9)	\$8	\$99	\$2	(\$15)	\$94	(\$342)
	RATE BASE: PLANT IN SERVICE							
31	Underground Storage							
32	Distribution Plant							
33	General Plant							
34	Total Plant in Service ACCUMULATED DEPRECIATION	0	0	0	0	0	0	0
35	Underground Storage							
36	Distribution Plant							
30 37	General Plant							
38	Total Accum. Depreciation	0	0	0	0	0	0	0
30		U	0	U	U	0	U	U
39	DEFERRED FIT							
40	GAS INVENTORY							
41	GAIN ON SALE OF BUILDING		***************************************				/	
42	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$ 0	\$0
43	RATE OF RETURN							
43	RATE OF RETORN							

No.		m	Labor	Labor	JP Storage	Capital Add	Capital Add
	DESCRIPTION a	Total	Non-Exec PF1	Exec PF2	PF3	2007 PF4	2008 PF5
	4	-	111	11.2	113	117	113
	REVENUES						
1	Total General Business	\$196,323					
2	Total Transportation	1,623					
3	Other Revenues	3,612			(1,816)		
4	Total Gas Revenues	201,558	0	0	(1,816)	0	0
	EXPENSES						
5	Exploration and Development Production	0					
6	City Gate Purchases	145,771					
7	Purchased Gas Expense	792	24	12			
8	Net Nat Gas Storage Trans	0	24	12			
9	Total Production	146,563	24	12	0	0	0
	Underground Storage	110,505	24	12	· ·	v	v
10	Operating Expenses	451	1				
11	Depreciation	250	•		\$166	(74)	
12	Taxes	95			\$132	(,,,	
13	Total Underground Storage	796	1	0	298	(74)	0
	Distribution					(, ,)	
14	Operating Expenses	6,467	280				
15	Depreciation	5,400				(412)	148
16	Taxes	9,353				()	100
17	Total Distribution	21,220	280	0	0	(412)	248
18	Customer Accounting	4,453	160				0
19	Customer Service & Information	823	10				
20	Sales Expenses	516	15				
	Administrative & General						
21	Operating Expenses	8,875	144	54			
22	Depreciation	1,433				224	282
23	Taxes	20					52
24	Total Admin. & General	10,328	144	54	0	224	334
25	Total Gas Expense	184,699	634	66	298	(262)	582
26	OPERATING INCOME BEFORE FIT FEDERAL INCOME TAX	16,859	(634)	(66)	(2,114)	262	(582)
27	Current Accrual	5,744	(222)	(23)	(740)	92	(204
28	Deferred FIT	(1,442)	` ,	` ′	` '		•
29	Amort ITC	(31)		***************************************			
30	NET OPERATING INCOME	\$12,588	(\$412)	(\$43)	(\$1,374)	\$170	(\$378
	RATE BASE: PLANT IN SERVICE						
31	Underground Storage	13,758			\$8,780	\$ (42)	
32	Distribution Plant	230,137			ψο,, ου	2,052	6,741
33	General Plant	21,708				1,208	3,570
34	Total Plant in Service	265,603	0	0	8,780	3,218	10,311
35	ACCUMULATED DEPRECIATION Underground Storage	7,427			\$ 110	151	100
36	Distribution Plant	7,427 77,997			\$110	151	177
37	General Plant	7,136				1,229 517	5,048
38	Total Accum. Depreciation	92,560	0	0	110	1,897	1,764 6,989
	-		V	U			·
39	DEFERRED FIT	(26,785)			\$ (242)	(772)	(1,365
40 41	GAS INVENTORY GAIN ON SALE OF BUILDING	5,607 (109)			\$10,267		
42	TOTAL RATE BASE	\$151,756	\$0	\$0	\$18,695	\$549	\$1,957

	T	Pro Forma	
Line		Incentives	Pro Forma
No.	DESCRIPTION	Incentives	Total
110.	a a	PF6	Total
	ű	110	-
	REVENUES		
1	Total General Business		\$196,323
2	Total Transportation		1,623
3	Other Revenues		1,796
4	Total Gas Revenues	0	199,742
•		•	,
	EXPENSES		
5	Exploration and Development		0
	Production		
6	City Gate Purchases		145,771
7	Purchased Gas Expense		828
8	Net Nat Gas Storage Trans		0
9	Total Production	0	146,599
	Underground Storage		
10	Operating Expenses		452
11	Depreciation		342
12	Taxes		227
13	Total Underground Storage	0	1,021
	Distribution		
14	Operating Expenses		6,747
15	Depreciation		5,136
16	Taxes		9,453
17	Total Distribution	0	21,336
10	Chataman Assessating	0	4.612
18 19	Customer Accounting Customer Service & Information	0	4,613 833
20	Sales Expenses		531
20	Administrative & General		331
21	Operating Expenses	104	9,177
22	Depreciation	104	1,939
23	Taxes		72
24	Total Admin. & General	104	11,188
25	Total Gas Expense	104	186,121
			
26	OPERATING INCOME BEFORE FIT	(104)	13,621
	FEDERAL INCOME TAX	` ,	
27	Current Accrual	(36)	4,611
28	Deferred FIT		(1,442)
29	Amort ITC		(31)
30	NET OPERATING INCOME	(\$68)	\$10,483
	RATE BASE: PLANT IN SERVICE		
31	Underground Storage		22,496
32	Distribution Plant		238,930
33	General Plant		26,486
34	Total Plant in Service	0	287,912
	ACCUMULATED DEPRECIATION		,
35	Underground Storage		7,865
36	Distribution Plant		84,274
37	General Plant		9,417
38	Total Accum. Depreciation	0	101,556
39	DEFERRED FIT		(20.164)
40	GAS INVENTORY		(29,164) 15,874
41	GAIN ON SALE OF BUILDING		(109)
• •		****	(10)
42	TOTAL RATE BASE	\$0	\$172,957
43	RATE OF RETURN		6.06%
			3,3370