

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON PRO FORMA RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 1998
(000'S OF DOLLARS)

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$253,536	\$ (2,417)	\$251,119	\$26,253	\$277,372
2	Interdepartmental Sales	640		640		640
3	Sales for Resale	306,373	(211,463)	94,910		94,910
4	Total Sales of Electricity	560,549	(213,880)	346,669	26,253	372,922
5	Other Revenue	16,217	(3,022)	13,195		13,195
6	Total Electric Revenue	576,766	(216,902)	359,864	26,253	386,117
EXPENSES						
Production and Transmission						
7	Operating Expenses	64,520	(1,576)	62,944		62,944
8	Purchased Power	315,272	(208,149)	107,123		107,123
9	Depreciation and Amortization	17,857	(949)	16,908		16,908
10	Taxes	10,517	(50)	10,467		10,467
11	Total Production & Transmission	408,166	(210,724)	197,442	0	197,442
Distribution						
12	Operating Expenses	10,621	268	10,889		10,889
13	Depreciation	8,188	636	8,824		8,824
14	Taxes	22,389	(7,918)	14,471	1,013	15,484
15	Total Distribution	41,198	(7,014)	34,184	1,013	35,197
16	Customer Accounting	7,227	(1,337)	5,890	92	5,982
17	Customer Service & Information	6,630	42	6,672		6,672
18	Sales Expenses	383	4	387		387
Administrative & General						
19	Operating Expenses	33,046	1,393	34,439	70	34,509
20	Depreciation	2,686	1,811	4,497		4,497
21	Taxes	75	(1)	74		74
22	Total Admin. & General	35,807	3,203	39,010	70	39,080
23	Total Electric Expenses	499,411	(215,826)	283,585	1,175	284,760
24	OPERATING INCOME BEFORE FIT	77,355	(1,076)	76,279	25,078	101,357
FEDERAL INCOME TAX						
25	Current Accrual	12,948	4,057	17,005	8,777	25,782
26	Deferred Income Taxes	2,700	420	3,120		3,120
27	Amortized Investment Tax Credit	(26)		(26)		(26)
28	SETTLEMENT EXCHANGE POWER		6,409	6,409		6,409
29	NET OPERATING INCOME	\$61,733	(\$11,962)	\$49,771	\$16,301	\$66,072
RATE BASE						
PLANT IN SERVICE						
30	Intangible	\$3,318	\$9,738	\$13,056		\$13,056
31	Production	473,394	15,176	488,570		488,570
32	Transmission	176,604		176,604		176,604
33	Distribution	364,352	(1,361)	362,991		362,991
34	General	54,525		54,525		54,525
35	Total Plant in Service	1,072,193	23,553	1,095,746	0	1,095,746
36	ACCUMULATED DEPRECIATION	333,117	(3,270)	329,847		329,847
37	ACCUM. PROVISION FOR AMORTIZATION	2,947	110	3,057		3,057
38	Total Accum. Depreciation & Amort.	336,064	(3,160)	332,904	0	332,904
39	GAIN ON SALE OF BUILDING		(1,768)	(1,768)		(1,768)
40	DEFERRED TAXES		(98,231)	(98,231)		(98,231)
41	TOTAL RATE BASE	\$736,129	(\$73,286)	\$662,843	\$0	\$662,843
42	RATE OF RETURN	8.39%		7.51%		9.97%