AVISTA UTILITIES GAS ADJUSTMENT SUMMARY

TWELVE MONTHS ENDED DECEMBER 31, 1998 (000'S OF DOLLARS)

REGULATORY EXPENSE ADJUSTMENT

GAS

Line		_			
No.	Description		System	Washington	Idaho
	REVENUES				
1	Total General Business				
2	Total Transportation				
3	Other Revenues	_			
4	Total Gas Revenues		0	0	0
	EXPENSES				
5	Exploration & Development Production				
6	City Gate Purchases				
7	Purchased Gas Expense				
8	Net Nat. Gas Storage Trans				
9	Total Production		0	0	0
	Underground Storage				
10	Operating Expenses				
11	Depreciation				
12	Taxes				
13	Total Underground Storage	_	0	0	0
	Distribution				
14	Operating Expenses				
15	Depreciation				
16	Taxes		0		0
17	Total Distribution		0	0	0
18	Customer Accounting				
19	Customer Service & Information				
20	Sales				
	Administrative and General				
21	Operating Expenses		23	15	8
22	Depreciation				
23	Taxes				
24	Total Admin. & General		23	15	8
25	Total Gas Expense		23	15	8
26	Operating Income before FIT		(23)	(15)	(8)
	Federal Income Taxes				
27	Current Accrual	35.0%	(8)	(5)	(3)
28	Amort ITC				
29	Deferred FIT				
30	NET OPERATING INCOME	_	(\$15)	(\$10)	(\$5)
	RATE BASE				
	PLANT IN SERVICE				
31	Underground Storage				
32	Distribution Plant				
33	General Plant				
34	Total Plant in Service		0	0	0
	ACCUMULATED DEPRECIATION				
35	Underground Storage				
36	Distribution Plant				
37	General Plant				
38	Total Accum. Depreciation		0	0	0
39	DEFERRED TAXES				
40	GAS INVENTORY				
41	GAIN ON SALE OF BUILDING	_			
42	TOTAL RATE BASE	_	\$0	\$0	\$0

AVISTA UTILITIES CALCULATION OF IDAHO STATE INCOME TAX TWELVE MONTHS ENDED DECEMBER 31, 1998 (000's OF DOLLARS)

REGULATORY EXPENSE ADJUSTMENT GAS

REVENUES	Line		
1 Total General Business \$0 2 Total Transportation 0 3 Other Revenues 0 4 Total Gas Revenues 0 EXPENSES Exploration & Development Production 0 6 City Gate Purchases 0 7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Gas Expense 8 25 Total Gas Expense <td< td=""><td>No.</td><td>Description</td><td> Idaho</td></td<>	No.	Description	Idaho
2 Total Transportation 0 3 Other Revenues 0 4 Total Gas Revenues 0 EXPENSES Exploration & Development Production 0 6 City Gate Purchases 0 7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 <td< td=""><td></td><td>REVENUES</td><td>·</td></td<>		REVENUES	·
3 Other Revenues 0 4 Total Gas Revenues 0 EXPENSES Exploration & Development 0 5 Exploration & Development 0 6 City Gate Purchases 0 7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 10 Operating Expenses 0 10 Depreciation 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Accounting 0 20 Sales 0 20 Sales 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax </td <td>1</td> <td>Total General Business</td> <td>\$0</td>	1	Total General Business	\$0
Total Gas Revenues	2	Total Transportation	0
EXPENSES 5 Exploration & Development	3	Other Revenues	0
EXPENSES 5 Exploration & Development			·
5 Exploration & Development Production 0 6 City Gate Purchases 0 7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Accounting 0 20 Sales 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Gas Expense 8 25 Total Gas Expense 8 26	4	Total Gas Revenues	0
Production		EXPENSES	
6 City Gate Purchases 0 7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Exp	5	Exploration & Development	0
7 Purchased Gas Expense 0 8 Net Nat. Gas Storage Trans 0 9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 O		Production	
8 Net Nat. Gas Storage Trans 0 9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Accounting 0 20 Sales 0 Administrative and General 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	6	City Gate Purchases	0
9 Total Production 0 Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Accounting 0 20 Sales 0 Administrative and General 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	7		0
Underground Storage 0 10 Operating Expenses 0 11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 0 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	8	Net Nat. Gas Storage Trans	0
110 Operating Expenses 0 111 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	9	Total Production	0
11 Depreciation 0 12 Taxes 0 13 Total Underground Storage 0 Distribution 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax		Underground Storage	
12 Taxes 0 13 Total Underground Storage 0 Distribution 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	10	Operating Expenses	0
13 Total Underground Storage 0 Distribution 0 14 Operating Expenses 0 15 Depreciation 0 16 Taxes 17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	11	Depreciation	0
Distribution 14	12	Taxes	0
14 Operating Expenses 0 15 Depreciation 0 16 Taxes	13	Total Underground Storage	0
15 Depreciation 0 16 Taxes		Distribution	
15 Depreciation 0 16 Taxes	14	Operating Expenses	0
17 Total Distribution 0 18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	15		0
18 Customer Accounting 0 19 Customer Service & Information 0 20 Sales 0 Administrative and General 8 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	16	Taxes	
19 Customer Service & Information 0 20 Sales 0 Administrative and General 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	17	Total Distribution	0
20 Sales 0 Administrative and General 0 21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	18	Customer Accounting	0
Administrative and General 21 Operating Expenses	19	Customer Service & Information	0
21 Operating Expenses 8 22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	20	Sales	0
22 Depreciation 0 23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax		Administrative and General	
23 Taxes 0 24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	21		8
24 Total Admin. & General 8 25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	22	Depreciation	0
25 Total Gas Expense 8 26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	23		·
26 Operating Income before FIT and SIT (8) 27 Idaho State Income Tax	24	Total Admin. & General	8
27 Idaho State Income Tax	25	Total Gas Expense	8
	26	Operating Income before FIT and SIT	(8)
Adjusted Rate of 0.014685 \$0	27	Idaho State Income Tax	
		Adjusted Rate of 0.014685	\$0