

AVISTA UTILITIES
 GAS 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
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$67,226	\$4,409	\$71,635	\$4,899	\$76,534
2	Total Transportation	5,294	(1,893)	3,401		3,401
3	Other Revenues	12,629	(10,437)	2,192		2,192
4	Total Gas Revenues	85,149	(7,921)	77,228	4,899	82,127
EXPENSES						
5	Exploration and Development	0	0	0		0
Production						
6	City Gate Purchases	49,265	(10,020)	39,245		39,245
7	Purchased Gas Expense	117	4	121		121
8	Net Nat Gas Storage Trans	(1,017)	1,017	0		0
9	Total Production	48,365	(8,999)	39,366	0	39,366
Underground Storage						
10	Operating Expenses	319	0	319		319
11	Depreciation	325	1	326		326
12	Taxes	103	(2)	101		101
13	Total Underground Storage	747	(1)	746	0	746
Distribution						
14	Operating Expenses	3,905	120	4,025		4,025
15	Depreciation	3,738	248	3,986		3,986
16	Taxes	4,956	(836)	4,120	188	4,308
17	Total Distribution	12,599	(468)	12,131	188	12,319
18	Customer Accounting	3,322	(379)	2,943	17	2,960
19	Customer Service & Information	585	3	588		588
20	Sales Expenses	474	5	479		479
Administrative & General						
21	Operating Expenses	8,195	(191)	8,004	47	8,051
22	Depreciation	818	303	1,121		1,121
23	Taxes	15	0	15		15
24	Total Admin. & General	9,028	112	9,140	47	9,187
25	Total Gas Expense	75,120	(9,727)	65,393	252	65,645
26	OPERATING INCOME BEFORE FIT	10,029	1,806	11,835	4,647	16,482
FEDERAL INCOME TAX						
27	Current Accrual	(651)	1,481	830	1,626	2,456
28	Deferred FIT	2,229	(136)	2,093		2,093
29	Amort ITC	(31)	0	(31)		(31)
30	NET OPERATING INCOME	\$8,482	\$461	\$8,943	\$3,021	\$11,964
RATE BASE: PLANT IN SERVICE						
31	Underground Storage	14,091	0	14,091		14,091
32	Distribution Plant	150,325	4,344	154,669	0	154,669
33	General Plant	12,868	0	12,868		12,868
34	Total Plant in Service	177,284	4,344	181,628		181,628
ACCUMULATED DEPRECIATION						
35	Underground Storage	5,936	1	5,937		5,937
36	Distribution Plant	40,779	124	40,903	0	40,903
37	General Plant	5,028	151	5,179		5,179
38	Total Accum. Depreciation	51,743	276	52,019		52,019
39	DEFERRED FIT	0	(9,983)	(9,983)		(9,983)
40	GAS INVENTORY	0	1,458	1,458		1,458
41	GAIN ON SALE OF BUILDING	0	(615)	(615)		(615)
42	TOTAL RATE BASE	\$125,541	(\$5,072)	\$120,469	0	\$120,469
43	RATE OF RETURN	6.76%		7.42%		9.93%