

AVISTA UTILITIES  
GAS RESULTS OF OPERATION-GENERAL CASE  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 1998  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Gas Inventory	Weatherization and DSM Investment	Customer Advances
	a	b	c	d	e	f	g
REVENUES							
1	Total General Business	\$67,226					
2	Total Transportation	5,294					
3	Other Revenues	12,629					
4	Total Gas Revenues	85,149	0	0	0	0	0
EXPENSES							
5	Exploration and Development	0					
Production							
6	City Gate Purchases	49,265					
7	Purchased Gas Expense	117					
8	Net Nat Gas Storage Trans	(1,017)					
9	Total Production	48,365	0	0	0	0	0
Underground Storage							
10	Operating Expenses	319					
11	Depreciation	325					
12	Taxes	103					
13	Total Underground Storage	747	0	0	0	0	0
Distribution							
14	Operating Expenses	3,905					
15	Depreciation	3,738					
16	Taxes	4,956					
17	Total Distribution	12,599	0	0	0	0	0
18	Customer Accounting	3,322			0	0	
19	Customer Service & Information	585					
20	Sales Expenses	474					
Administrative & General							
21	Operating Expenses	8,195					
22	Depreciation	818					
23	Taxes	15					
24	Total Admin. & General	9,028	0	0	0	0	0
25	Total Gas Expense	75,120	0	0	0	0	0
26	OPERATING INCOME BEFORE FIT	10,029	0	0	0	0	0
FEDERAL INCOME TAX							
27	Current Accrual	(651)					
28	Deferred FIT	2,229					
29	Amort ITC	(31)					
30	NET OPERATING INCOME	\$8,482	\$0	\$0	\$0	\$0	\$0
RATE BASE: PLANT IN SERVICE							
31	Underground Storage	14,091					
32	Distribution Plant	150,325				4,443	(99)
33	General Plant	12,868					
34	Total Plant in Service	177,284	0	0	0	4,443	(99)
ACCUMULATED DEPRECIATION							
35	Underground Storage	5,936					
36	Distribution Plant	40,779					
37	General Plant	5,028					
38	Total Accum. Depreciation	51,743	0	0	0	0	0
39	DEFERRED FIT	0	(10,295)	215			
40	GAS INVENTORY	0			1,458		
41	GAIN ON SALE OF BUILDING	0		(615)			
42	TOTAL RATE BASE	\$125,541	(\$10,295)	(\$400)	\$1,458	\$4,443	(\$99)
43	RATE OF RETURN						

AVISTA UTILITIES  
GAS RESULTS OF OPERATION-GENERAL CASE  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 1998  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Subtotal Actual	Eliminate B & O Taxes	Pro Forma Property Tax	Uncollectible Expense	Regulatory Expense Adjustment	Injuries and Damages
	a	-	h	l	j	k	l
REVENUES							
1	Total General Business	\$67,226	\$ (1,601)				
2	Total Transportation	5,294	(76)				
3	Other Revenues	12,629					
4	Total Gas Revenues	85,149	(1,677)	0	0	0	0
EXPENSES							
5	Exploration and Development	0					
Production							
6	City Gate Purchases	49,265					
7	Purchased Gas Expense	117					
8	Net Nat Gas Storage Trans	(1,017)					
9	Total Production	48,365	0	0	0	0	0
Underground Storage							
10	Operating Expenses	319					
11	Depreciation	325					
12	Taxes	103		(2)			
13	Total Underground Storage	747	0	(2)	0	0	0
Distribution							
14	Operating Expenses	3,905					
15	Depreciation	3,738					
16	Taxes	4,956	(1,850)	(20)			
17	Total Distribution	12,599	(1,850)	(20)	0	0	0
18	Customer Accounting	3,322	0	0	(226)	0	
19	Customer Service & Information	585					
20	Sales Expenses	474					
Administrative & General							
21	Operating Expenses	8,195				15	44
22	Depreciation	818					
23	Taxes	15					
24	Total Admin. & General	9,028	0	0	0	15	44
25	Total Gas Expense	75,120	(1,850)	(22)	(226)	15	44
26	OPERATING INCOME BEFORE FIT	10,029	173	22	226	(15)	(44)
FEDERAL INCOME TAX							
27	Current Accrual	(651)	61	8	79	(5)	(15)
28	Deferred FIT	2,229					
29	Amort ITC	(31)					
30	NET OPERATING INCOME	\$8,482	\$112	\$14	\$147	(\$10)	(\$29)
RATE BASE: PLANT IN SERVICE							
31	Underground Storage	14,091					
32	Distribution Plant	154,669					
33	General Plant	12,868					
34	Total Plant in Service	181,628	0	0	0	0	0
ACCUMULATED DEPRECIATION							
35	Underground Storage	5,936					
36	Distribution Plant	40,779					
37	General Plant	5,028					
38	Total Accum. Depreciation	51,743	0	0	0	0	0
39	DEFERRED FIT	(10,080)					
40	GAS INVENTORY	1,458					
41	GAIN ON SALE OF BUILDING	(615)					
42	TOTAL RATE BASE	\$120,648	\$0	\$0	\$0	\$0	\$0
43	RATE OF RETURN	7.03%					

AVISTA UTILITIES  
GAS RESULTS OF OPERATION-GENERAL CASE  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 1998  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	FIT	Pro Forma Restate Debt Interest	Eliminate A/R Expenses	Office Space Charges to Subs	Restate Excise/Franchise Taxes
	a	m	n	o	p	q
REVENUES						
1	Total General Business					
2	Total Transportation					
3	Other Revenues					
4	Total Gas Revenues	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
Underground Storage						
10	Operating Expenses					
11	Depreciation					
12	Taxes					
13	Total Underground Storage	0	0	0	0	0
Distribution						
14	Operating Expenses					
15	Depreciation					
16	Taxes					717
17	Total Distribution	0	0	0	0	717
18	Customer Accounting			(245)	0	0
19	Customer Service & Information					
20	Sales Expenses					
Administrative & General						
21	Operating Expenses				(6)	(11)
22	Depreciation					
23	Taxes					
24	Total Admin. & General	0	0	0	(6)	(11)
25	Total Gas Expense	0	0	(245)	(6)	706
26	OPERATING INCOME BEFORE FIT	0	0	245	6	(706)
FEDERAL INCOME TAX						
27	Current Accrual	558	289	86	2	(247)
28	Deferred FIT	(136)				
29	Amort ITC					
30	NET OPERATING INCOME	(\$422)	(\$289)	\$159	\$4	(\$459)
RATE BASE: PLANT IN SERVICE						
31	Underground Storage					
32	Distribution Plant					
33	General Plant					
34	Total Plant in Service	0	0	0	0	0
ACCUMULATED DEPRECIATION						
35	Underground Storage					
36	Distribution Plant					
37	General Plant					
38	Total Accum. Depreciation	0	0	0	0	0
39	DEFERRED FIT					
40	GAS INVENTORY					
41	GAIN ON SALE OF BUILDING					
42	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0
43	RATE OF RETURN					

AVISTA UTILITIES  
GAS RESULTS OF OPERATION-GENERAL CASE  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 1998  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Lease Expense Adjustment	Restated Total			Pro Forma Depr Adjustment
	a	r	s			PFI
REVENUES						
1	Total General Business		\$65,625			
2	Total Transportation		5,218			
3	Other Revenues		12,629			
4	Total Gas Revenues	0	83,472			0
EXPENSES						
5	Exploration and Development		0			
Production						
6	City Gate Purchases		49,265			
7	Purchased Gas Expense		117			
8	Net Nat Gas Storage Trans		(1,017)			
9	Total Production	0	48,365			0
Underground Storage						
10	Operating Expenses		319			
11	Depreciation		325			1
12	Taxes		101			
13	Total Underground Storage	0	745			1
Distribution						
14	Operating Expenses		3,905			
15	Depreciation		3,738			248
16	Taxes		3,803			
17	Total Distribution	0	11,446			248
18	Customer Accounting	0	2,851			0
19	Customer Service & Information		585			
20	Sales Expenses		474			
Administrative & General						
21	Operating Expenses	(20)	8,217			
22	Depreciation		818			303
23	Taxes		15			
24	Total Admin. & General	(20)	9,050			303
25	Total Gas Expense	(20)	73,516			552
26	OPERATING INCOME BEFORE FIT	20	9,956			(552)
FEDERAL INCOME TAX						
27	Current Accrual	7	172			(193)
28	Deferred FIT		2,093			
29	Amort ITC		(31)			
30	NET OPERATING INCOME	\$13	\$7,722			(\$359)
RATE BASE: PLANT IN SERVICE						
31	Underground Storage		14,091			
32	Distribution Plant		154,669			
33	General Plant		12,868			
34	Total Plant in Service	0	181,628			0
ACCUMULATED DEPRECIATION						
35	Underground Storage		5,936			1
36	Distribution Plant		40,779			124
37	General Plant		5,028			151
38	Total Accum. Depreciation	0	51,743			276
39	DEFERRED FIT		(10,080)			97
40	GAS INVENTORY		1,458			
41	GAIN ON SALE OF BUILDING		(615)			
42	TOTAL RATE BASE	\$0	\$120,648			(\$179)
43	RATE OF RETURN		6.40%			

AVISTA UTILITIES  
GAS RESULTS OF OPERATION-GENERAL CASE  
WASHINGTON RESTATED RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 1998  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Labor/Benefit Adjustment	Pro Forma Revenue Adjustment	Pro Forma Miscellaneous Adjustment	Pro Forma TOTAL
	a	PF2	PF3	PF4	PF5
REVENUES					
1	Total General Business		\$6,010		\$71,635
2	Total Transportation		(1,817)		3,401
3	Other Revenues		(10,437)		2,192
4	Total Gas Revenues	0	(6,244)	0	77,228
EXPENSES					
5	Exploration and Development				0
	Production				0
6	City Gate Purchases		(10,020)		39,245
7	Purchased Gas Expense	4			121
8	Net Nat Gas Storage Trans		1,017		0
9	Total Production	4	(9,003)	0	39,366
	Underground Storage				0
10	Operating Expenses				319
11	Depreciation				326
12	Taxes				101
13	Total Underground Storage	0	0	0	746
	Distribution				0
14	Operating Expenses	120			4,025
15	Depreciation				3,986
16	Taxes		317		4,120
17	Total Distribution	120	317	0	12,131
18	Customer Accounting	63	29	0	2,943
19	Customer Service & Information	3			588
20	Sales Expenses	5			479
	Administrative & General				0
21	Operating Expenses	(29)	80	(264)	8,004
22	Depreciation				1,121
23	Taxes				15
24	Total Admin. & General	(29)	80	(264)	9,140
25	Total Gas Expense	166	(8,577)	(264)	65,393
26	OPERATING INCOME BEFORE FIT	(166)	2,333	264	11,835
FEDERAL INCOME TAX					
27	Current Accrual	(58)	817	92	830
28	Deferred FIT				2,093
29	Amort ITC				(31)
30	NET OPERATING INCOME	(\$108)	\$1,516	\$172	\$8,943
RATE BASE: PLANT IN SERVICE					
31	Underground Storage				14,091
32	Distribution Plant				154,669
33	General Plant				12,868
34	Total Plant in Service	0	0	0	181,628
ACCUMULATED DEPRECIATION					
35	Underground Storage				5,937
36	Distribution Plant				40,903
37	General Plant				5,179
38	Total Accum. Depreciation	0	0	0	52,019
39	DEFERRED FIT				(9,983)
40	GAS INVENTORY				1,458
41	GAIN ON SALE OF BUILDING				(615)
42	TOTAL RATE BASE	\$0	\$0	\$0	\$120,469
43	RATE OF RETURN				7.42%