

AVISTA CORPORATION

Re					Re
Account	Notes	Description	Debit	Credit	
0000913110	(1)	Cash - Plant	\$67,833,505		*
0000010100	(2)	Plant in Service - Centralia		\$57,073,691	
		Balance @ 5/31/99			
0000010841	(2)	Accumulated Depreciation	\$40,196,876		*
		Est Balance @ 12/31/99			
0000018300	(3)	Preliminary Survey & Investigation		\$417,638	
		Balance @ 5/31/99			
0000010100	(4)	Projected Plant Additions		\$600,000	
		Est Additions @ 12/31/99			
0000010700	(4)	RACT Compliance Expenditures - CWIP		\$3,634,650	
		Est Balance @ 12/31/99			
0000915111	(4)	Fuel Stock - Coal Inventory		\$5,013,493	*
		Balance @ 5/31/99			
0000915430	(4)	Materials & Supplies Inventory		\$915,361	
		Balance @ 5/31/99			
0000942110	(5)	Gain on Disposition of Property - Plant		\$40,375,548	

0000010200	(6)	Electric Plant Sold		\$40,375,548	
0000010200		Electric Plant Sold	\$40,375,548		
0000928290	(7)	ADFIT-MACRS	\$993,236		
0000941120		DFIT Expense-MACRS Reversal		\$993,236	
					Est Balance at 12/31/99
0000928317	(8)	Estimated ADFIT-FAS 109 Reversal	\$4,000,000		
0000918231		Estimated DFIT Expense-FAS109 Reversal		\$4,000,000	
					Est Balance at 12/31/99

0000913110	(9)	Cash	\$10,219,564		
0000912811	(9)	Other Funds - Reclamation Trust Investment:		\$8,489,331	
					Recorded Trust Balance @ 5/31/99
0000942110	(9)	Gain on Disposition of Property - Trust		\$1,730,233	*
					Unrealized Gain in Trust @5/31/99
0000925311	(10)	Other Deferred Credits - Reclamation Liability:	\$8,610,000		
0000942110		Gain on Disposition of Property - Trust		\$8,610,000	

		Est Balance @ 12/31/99		
0000941020	(11)	DFIT Expense on Reclamation Trust Reversal	\$3,013,500	
0000919011		ADFIT Reclamation Trust @35%		\$3,013,500
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0000940921	(12)	Income Taxes - Current Tax Expense	\$19,090,015	
0000923600		Current Taxes Payable		\$19,090,015 *
		TOTAL	<u>\$194,332,245</u>	<u>\$194,332,245</u>
		* Items subject to adjustment that would affect final gain outcome		

Terms of Centralia Plant/Transmission Sales Agreements

	TOTAL	AVISTA 15%	
Plant Sale Price	\$454,698,000	\$68,204,700	*
230KV Sale to Pacificorp	\$120,000	+ \$18,000	

	Transfer Pension Benefits	(\$1,000,000)	-	(\$150,000)	
	Retiree Benefit Plan Obligation	(\$1,100,000)	-	(\$165,000)	
	Reclamation Accruals	(\$57,400,000)	-	(\$8,610,000)	
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	Projected Plant Sale Proceeds	\$395,318,000	=	\$59,297,700	
	Projected Closing Costs		-	(\$625,000)	*
	Projected Plant Additions		+	\$600,000	
	Projected RACT Compliance Expenditures		+	\$3,634,650	

Projected Fuel Stock - 80% of balance at 5/31/99	+	\$4,010,794	*
Projected Materials & Supplies Inventory:	+	\$915,361	
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Total Projected Cash Sale Proceeds	=	\$67,833,505	

* Items subject to adjustment that would affect final gain outcome

Estimated Income Tax Calculation:

Gain on Sale of Plant	\$40,375,548
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Net Schedule M Addition	+	\$190,925
Taxable Gain	=	\$50,906,706
Tax Rate	x	37.5%
Estimate	=	<u>\$19,090,015</u>

Estimated Income Statement Affect

Exhibit 312

Gain on Sale of Plant		\$40,375,548
Reclamation Liability Reversal		\$8,610,000
Realized Gain - Trust DFIT		\$1,730,233
Expense on Reclamation Trust Reversal		(\$3,013,500)

DFIT	\$993,236
Expense-	
MACRS	
Reversal	
Income	(\$19,090,015)
Taxes	
-	
Current	
Tax	
Expense	
Current Income	<u><u>\$29,605,503</u></u>

Exhibit
312

AVISTA CORPORATION

AC

(1) Proceeds
from
Plant and
230KV
Sales,
Fuel,
M&S,
Plant
Additions,
and
RACT

expenditures per
Plant
Sale
contract -
section
2.6 and
Transmission
Sales
contract -
section
2.3.

No
adjustment made
for Mine
Sale
break-even
allocation

.
Includes
\$625,000
reduction
for
estimated
Closing
Costs
Includes
dollar for
dollar
remuneration for
Plant/RA
CT/Mat &
Sup
additions

Includes
20%
estimated
reduction
in Fuel
Stock
remunera
tion

(2) Avista
Plant in
Service at
5/31/99
and
projected
Accumula
ted
Depreciat
ion at
12/31/99,
covered
under
Plant
Sale
contract -
section -
2.6(a)

(3) Prelimina
ry Survey
balances
at
5/31/99,
included
in plant
sales
price

(4) Estimate
d
\$150,000
in capital
additions
through
12/31/99,
reimburs
able
under
Plant
Sale
contract
- section
2.6(f)(i)
and 6.3(f)

Estimate
15%
share of
PPL's
projected
cash flow
at
12/31/99
for RACT
compliance,
reimburs
able
under
Plant
Sale
contract -
section
2.6(c)

Fuel
Stock
and
Materials
&
Supplies
values at
5/31/99,
reimburs
able
under
Plant
Sale
contract -
section
2.6(b)

(5) Projected
Gain on
sale of
plant and
other
assets.

(6) Record
electric
plant sold
through
prescribe
d FERC
accounts

(7) Reverse
ADFIT for
Estimate
d
"MACRS"
at
12/31/99

(8) Record reversal of Estimated FAS109 tax balances at 12/31/99

(9) Reclassify Reclamation Trust to cash for Trust balance at 5/31/99 Recognizes \$1.7 M in unrealized gains not recorded in Trust balance

(10) Reverse Avista's 15% share of PP&L's estimated liability of \$54 million at time of sale

Balance
is a
reduction
in sales
price per
Plant
Sale
contract -
section
2.6(d)

(11) Reverse
ADFIT for
Reclamat
ion
liability
balance
at
12/31/99

(12) Record
current
taxes on
Plant
Sale gain
and tax
adjustme
nts
See
Estimate
d Income
Tax
Calculatio
n