

AVISTA UTILITIES**Consolidated Tax Adjustment**

<u>Year</u>	<u>Savings</u>
2005	\$ 5,720,073 1/
2006	2,928,917 1/
Total	<u>\$ 8,648,990</u>
Average Savings	\$ 4,324,495

	<u>Avista Taxable Income</u>	<u>Avista Tax</u>	<u>Effective Tax Rate</u>
2005	\$ 90,243,037	\$ 31,585,063	35%
		<u>(5,720,073)</u>	
		\$ 25,864,990	29%
2006	\$ 142,824,529	\$ 49,988,585	35%
		<u>(2,928,917)</u>	
		\$ 47,059,668	33%
		Average	31%

1/ Tax Savings allocable to Avista after elimination of Avista Energy and elimination of accelerated depreciation benefit from Avista Corporation Taxable Income.