1		(JH-2), extends from $1 to $4.2 billion.
2	**Q.**	**What was the result of your analysis?**
3	A.	This result shows the median level of CEO salary was ~~$533,000~~ $545,000.
4	**Q.**	**Is this the level you used?**
5	A.	No. I used the Company's data set for the $1 to $3 billion class. Since my review
6		produced a level comparable to the Company's study, I chose to use the Company's own
7		study results.
8	**Q.**	**Have you prepared an exhibit which details your analysis of the data set?**
9	A.	Yes, Exhibit _____ (JH-2). Page 1 of 2 shows the combined set of data with the result at
10		the bottom. Page 2 of 2 shows each data set separately. The set on the left are the
11		companies with revenues from $1 to $3 billion and the companies on the right are based
12		on revenues with Avista in the middle.
13	**Q:**	**What is your recommended level of salary for Mr. Matthews for ratemaking**
14		**purposes?**
15	A:	$570,000. This is a reduction of $180,000 from his actual annual base salary of $750,000
16		(Ex. 374) for rate making purposes.
17	**Q:**	**Why did you disallow the signing bonuses and restricted stocks given to Mr.**
18		**Matthews, Mr. Meyer, and Mr. Turner?**
19	A:	Generally, signing bonuses and restricted stocks are used to make up for some of lost
20		bonuses and the exercisable options officers lose when they leave an employer. I
21		