

AVISTA UTILITIES

Direct Customer Cost Analysis
 Washington Electric Cost Study - Base Case
 Twelve Months Ended December 31, 1998
 Schedule 1 Residential Service

Cost Computed at Existing Return Requirement

	Plant	Accum Depr	ADFFT	Cust Adv	Rate Base	Return Req	O&M Exp	Depr Exp	Prop Tax	Inc Tax	Rev	0.053740	Monthly
						4.43%							Cost
Services	37,421,953	(12,139,533)	(3,471,120)	(1,185,386)	20,625,914	914,398	297,000	887,515	407,854	231,913	147,177	2,885,857	\$ 1.37
Meters	12,241,205	(3,843,113)	(1,135,448)		7,262,644	321,971	436,047	357,925	133,414	81,660	71,529	1,402,546	\$ 0.67
Meter Reading							1,020,618				54,848	1,075,466	\$ 0.51
Billing							2,834,578				152,330	2,986,908	\$ 1.42
Total Schedule 1 Specified Customer Costs					27,888,558	1,236,369	4,588,243	1,245,440	541,269	313,573	425,884	8,350,777	\$ 3.97
Total Sch 1 Distribution	190,548,507		(17,674,563)						2,076,750				
Total Schedule 1					323,075,795	14,322,747				3,632,592			

Cost Computed at Uniform Requested Return Requirement

	Plant	Accum Depr	ADFFT	Cust Adv	Rate Base	Return Req	O&M Exp	Depr Exp	Prop Tax	Inc Tax	Rev	0.053047	Monthly
						9.93%							Cost
Services	37,421,953	(12,139,533)	(3,471,120)	(1,185,386)	20,625,914	2,048,146	297,000	887,515	407,854	898,323	240,772	4,779,610	\$ 2.27
Meters	12,241,205	(3,843,113)	(1,135,448)		7,262,644	721,178	436,047	357,925	133,414	316,311	104,231	2,069,106	\$ 0.98
Meter Reading							1,020,618				54,141	1,074,759	\$ 0.51
Billing							2,834,578				150,366	2,984,944	\$ 1.42
Total Schedule 1 Specified Customer Costs					27,888,558	2,769,324	4,588,243	1,245,440	541,269	1,214,634	549,509	10,908,419	\$ 5.18
Total Sch 1 Distribution	190,548,507		(17,674,563)						2,076,750				
Total Schedule 1					323,075,795	32,081,313				14,070,964			
Total Non-Production					385,066,822	38,237,000							

Number of Schedule 1 Bills 2,105,588
 Average Customers 175,466