

APPLICATION EXHIBIT NO. 2

**Proposed Entries to Record the Sale of Naches & Naches Drop Facilities  
Estimated Values as of September 30, 2002**

**Record receipt of proceeds from the sale of facilities to the Bureau of Reclamation**

Account	Description	Debit	Credit
131	Cash	\$ 7,610,000	
108	Accumulated Provision for Depreciation of Utility Plant		\$ 7,610,000

**Record sales, relocation & remediation costs**

Account	Description	Debit	Credit
108	Accumulated Provision for Depreciation of Utility Plant	\$ 920,000	
186	Miscellaneous Deferred Debits	450,000	
131	Cash		\$ 1,370,000

**Retire facilities from Electric Plant in Service**

Account	Description	Debit	Credit
108	Accumulated Provision for Depreciation of Utility Plant	\$ 10,601,297	
101	Electric Plant in Service		\$ 10,601,297

**Record the gain on sale and reflect the related tax expense**

Account	Description	Debit	Credit
108	Accumulated Provision for Depreciation of Utility Plant	\$ 1,575,297	
282	Accumulated Deferred Taxes	616,215	
409 - 411	Income Tax Expense	1,050,875	
421.1	Gain on Disposition of Property		\$ 1,125,297
186	Miscellaneous Deferred Debits		450,000
236	Taxes Accrued		1,667,090