

Avista Utilities
Electric Adjustment Summary
Twelve Months Ended December 31, 2004
(\$000's of Dollars)

Line No.	Company Columns	(A) Colstrip 3 AFUDC Eliminations (e)	(B) Colstrip Common AFUDC (f)	(C) Kettle Falls Disallowance (g)	(D) Coyote Springs (i)	(E) Boulder Park Disallowance PC Adj	(F) Proforma Transmission Project (PF7)	(G) Production Property Adjustment PC Adj	(H) Proforma Power Supply (PF1)	(I) Cancelled Small Projects (PF9)
1 Total General Business		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Interdepartmental Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Sales for Resale		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Total Sales of Electricity	sum(L1-L3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Other Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Total Electric Revenue	L4+L5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses										
Production and Transmission:										
7 Operating Expenses		\$0	\$0	\$0	\$1,948	\$0	\$0	\$0	\$0	\$0
8 Purchased Power		-221		-163	1,705	0	434	-704	-47,347	153
9 Depreciation and Amortization					45	0	278			
10 Taxes										
11 Total Production and Transmission	sum(L7-L10)	-\$221	\$0	-\$163	\$3,698	\$0	\$712	-\$704	-\$57,574	\$153
Distribution:										
12 Operating Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Depreciation										
14 Taxes										
15 Total Distribution	sum(L12-L14)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Customer Accounting										
17 Customer Service & Information										
18 Marketing										
Administrative & General:										
19 Operating Expense		\$0	\$0	\$0	\$156	\$0	\$0	\$0	\$0	\$0
20 Depreciation										
21 Taxes										
22 Total Administrative & General	sum(L19-L21)	\$0	\$0	\$0	\$156	\$0	\$0	\$0	\$0	\$0
23 Total Electric Expenses before FIT	sum(L11,15,16,17,18,22)	-\$221	\$0	-\$163	\$3,854	\$0	\$712	-\$704	-\$57,574	\$153
24 Operating Income Before FIT	L6-L23	\$221	\$0	\$163	-\$3,854	\$0	-\$712	\$704	-\$4,195	-\$153
Federal Income Taxes:										
25 Current Accrual				61	-\$1,349	\$0	-\$574	\$246	-\$1,468	\$54
26 Deferred Income Taxes		\$0	\$0	\$61	-\$1,349	\$0	\$249	\$246	-\$1,468	\$54
26a Total Taxes		\$0	\$0	\$61	-\$1,349	\$0	-\$249	\$246	-\$1,468	\$54
27 Net Operating Income	L24-L26a	\$221	\$0	\$102	-\$2,505	\$0	-\$463	\$458	-\$2,727	-\$99
Rate Base										
Plant in Service:										
28 Intangible										
29 Production			555	-5,697	39,069	-4,965		-14,953		
30 Transmission					2,960		18,543			
31 Distribution										
32 General										
33 Total Plant in Service	sum(L28-L32)	-\$7,325	\$555	-\$5,697	\$42,029	-\$4,965	\$18,543	-\$14,953	\$0	\$0
34 Less Accumulated Depreciation		-4,582	0	-3,350	2,487	-449	420	0	0	0
35 Less Accumulated Prov for Amortization		0	0	0	0	0	0	0	0	0
36 Total Accumulated Depr. & Amort.	L34+L35	-\$4,582	\$0	-\$3,350	\$2,487	-\$449	\$420	\$0	\$0	\$0
37 Gain on Building (debit)				847	-423	113	-341			
38 Deferred taxes (debit)										
Total Net Rate Base	L33-L36+L37+L38	-\$2,743	\$555	-\$1,500	\$39,119	-\$4,403	\$17,782	-\$14,953	\$0	\$0

Avista Utilities
Comparison Lot to Avista and Settlement
Twelve Months Ended December 31, 2004
 (000's of Dollars)

Line No.	Company Columns	(A) Colstrip 3 AFUDC Eliminations (e)	(B) Colstrip Common AFUDC (f)	(C) Kettle Falls Disallowance (g)	(D) Coyote Springs (i)	(E) Boulder Park Disallowance PC Adj	(F) Proforma Transmission Project (PF7)	(G) Production Property Adjustment PC Adj	(H) Proforma Power Supply (PF1)	(I) Cancelled Small Projects (PF9)	Total Revenue Impacts
1	Public Counsel Net Operating Income Impact	\$221	\$0	\$102	-\$2,505	\$0	-\$463	\$458	-\$2,727	-\$99	
2	Public Counsel Rate Base Impact	-2,743	555	-1,500	39,119	-4,403	17,782	-14,953	0	0	
3	Initial Avista Net Operating Income Impact	221	0	79	-2,505	0	-463	0	-4,465	-199	
4	Initial Avista Rate Base Impact	-2,302	492	-1,021	41,001	0	17,997	0	0	0	
Comparison Avista to Public Counsel											
5	Net Operating Income- PC higher	0	0	23	0	0	0	458	1,738	100	
6	Rate Base- PC higher	-441	63	-479	-1,882	-4,403	-215	-14,953	0	0	
7	Revenue Requirement difference from Avista initial (At Public Counsel return requirement)	-\$69	\$7	-\$91	-\$210	-\$692	-\$24	-\$2,409	-\$2,796	-\$161	-\$6,225
8	Settlement Net Operating Income	\$221	\$0	\$108	-\$2,505	\$0	-\$463	\$0	-\$3,849	-\$99	
9	Settlement Rate Base Impact	-2,743	555	-1,193	41,001	0	17,997	0	0	0	
Comparison Settlement to Public Counsel											
10	Net Operating Income- PC higher	0	0	-6	0	0	0	458	1,122	0	
11	Rate Base- PC higher	0	0	-307	-1,882	-4,403	-215	-14,953	0	0	
12	Revenue Requirement difference from Settlement (At Public Counsel return requirement)	\$0	\$0	-\$25	-\$210	-\$692	-\$24	-\$2,409	-\$1,805	\$0	-\$4,965

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Avista Utilities
 Electric Power Supply Adjustment
 PF1
 Public Counsel Adjustment Part One
 Calculation of Settlement Level
 Step by step Power Supply
 (\$000s)

	From Avista Initial Filing (System)			Settlement Adjustments Based on Best efforts analysis of Settlement Attachment A			CS2 Fuel to 7.25 (also 50 year)
	Johnson Kulich Adjustments WGJ-2	Transmission Adjustments WP PF1 2 Third Column	Less Direct Idaho WP PF1 3 Second Column	Original Avista Case System	Oasis Revenues	Borderline Revenues	
447 Sale for Resale							
453 Sales of Water and Water Power							
454 Misc Rents							
456 Other Electric Revenues							
Total Revenue							
501 Thermal Fuel Expense							
536 Water for Power							
547 Other Fuel							
555 Purchased Power							
550 Rents							
556 System Control and Dispatch							
557 Other Expense							
560 Transmission Exp WECC							
560-571 Trans. O&M Colstrip 500 kv							
561 Transmission Exp Load Dispatch							
565 Transmission of Elect. by Others							
566 Trans. Exp - Opm. - Misc							
Total Expenses							
Net Income BFIT							
FIT							
Net Income							

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447 Sale for Resale
 453 Sales of Water and Water Power
 454 Misc Rents
 456 Other Electric Revenues
 Total Revenue

Settlement Adjustments Based on Best efforts analysis of Settlement Attachment A (cont'd)

	CS2	Kettle Falls	Fuel	Conversion	Factor	Maintenance	Colstrip	Colstrip Fuel	Purchased	Misc	Contracts	Trans	Coyote	Rathdrum	BPA Townsend	Garrison	Wheeling	Settlement	
	Transportation (Double Cost Removal)																	PF 1	System
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
501 Thermal Fuel Expense		\$1,164						\$199											\$2,107
536 Water for Power																			49,852
547 Other Fuel	-4,628																		-72,295
555 Purchased Power																			2,035
550 Rents																			-147
556 System Control and Dispatch																			-72,692
557 Other Expense																			31
560 Transmission Exp WECC																			48
560-571 Trans. O&M Colstrip 500 kV																			116
561 Transmission Exp Load Dispatch																			3,779
565 Transmission of Elect. by Others																			-72
566 Trans. Exp - Oprm. - Misc																			91
Total Expenses	-\$4,628	\$1,164					-\$706	\$199	-\$234			-\$240		-\$480	-\$72				-\$87,073
Net Income BFIT	\$4,628	-\$1,164				\$706		-\$199	\$234		\$240		\$480	\$72					-\$8,552
FIT	\$1,620	-\$407				\$247		-\$70	\$82		\$84		\$168	\$25					-\$2,993
Net Income	\$3,008	-\$757				\$459		-\$129	\$152		\$156		\$312	\$47					-\$5,559

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Avista Utilities
 Electric Power Supply Adjustment
 PF1
 Public Counsel Adjustment Part One
 Calculation of Settlement Level
 Step by step Power Supply
 (\$000s)

	System Allocated to Washington 65.16%	Avista Initial (Washington only)	Allocated to Wash. With Mark to Market	Avista Original PF1
447 Sale for Resale	-\$18,180		-\$18,180	
453 Sales of Water and Water Power	3		3	
454 Misc Rents	1		1	
456 Other Electric Revenues	-44,134		-44,134	
Total Revenue	-\$62,309	\$0	-\$62,310	-\$63,426
501 Thermal Fuel Expense	\$1,373		\$1,373	
536 Water for Power	1		1	
547 Other Fuel	32,484		32,484	
555 Purchased Power	-47,107		-47,107	
550 Rents	1,326		1,326	
556 System Control and Dispatch	-96		-96	
557 Other Expense	-47,366	349	-47,017	
560 Transmission Exp WECC	20		20	
560-571 Trans. O&M Colstrip 500 kV	31		31	
561 Transmission Exp Load Dispatch	76		76	
565 Transmission of Elect. by Others	2,462		2,462	
566 Trans. Exp - Opm. - Misc	59		59	
Total Expenses	-\$56,737	\$349	-\$56,388	-\$56,557
Net Income BFIT	-\$5,572	-\$349	-\$5,922	-\$6,869
FIT	-\$1,950	-\$122	-\$2,073	-\$2,404
Net Income	-\$3,622	-\$227	-\$3,849	-\$4,465

Avista Utilities
 Electric Power Supply Adjustment
 PF1
 Public Counsel Adjustment Part Two
 Additional Adjustments of Public Counsel
 Step by step Power Supply
 (\$000s)

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	Additional Public Counsel Adjustments on a System Basis									
	Results From Settlement Washington	Kettle Falls Fuel	Oasis Revenues	Brokers Fees	Wheeling for System Sales and Purchases	Wanapum Contract	Transmission Garrison Burke	Rathdrum Lease	Transmission Expenses	
447 Sale for Resale	-\$18,180									
453 Sales of Water and Water Power	3									
454 Misc Rents	1		831							
456 Other Electric Revenues	-44,134									
Total Revenue	-\$62,310	\$0	\$831	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 Thermal Fuel Expense	\$1,373	-\$437								
536 Water for Power	1									
547 Other Fuel	32,484									
555 Purchased Power	-47,107				-369					
550 Rents	1,326									
556 System Control and Dispatch	-96									-577
557 Other Expense	-47,017									
560 Transmission Exp. WECC	20			-43						
560-571 Trans. O&M Colstrip 500 KV	31									
561 Transmission Exp Load Dispatch	76									-48
565 Transmission of Elect by Others	2,462				-294					-116
566 Trans. Exp - Opm. - Misc	59									
Total Expenses	-\$56,388	-\$437	\$0	-\$43	-\$294	-\$369	-\$577	-\$164		
Net Income BFIT	-\$5,922	\$437	\$931	\$43	\$294	\$369	\$577	\$164		
FIT	-\$2,073	\$153	\$291	\$15	\$103	\$129	\$202	\$57		
Net Operating Income	-\$3,849	\$284	\$540	\$28	\$191	\$240	\$375	\$107		

Avista Utilities
 Electric Power Supply Adjustment
 PF1
 Public Counsel Adjustment Part Two
 Additional Adjustments of Public Counsel
 Step by step Power Supply
 (\$000s)

	Remove Production Factor Adjustment	System Total Additional PC Pro forma	Washington Total Additional PC Adjustments 65.16%	Total PC PF1 Adjustment PC Additional Plus Settlement
447 Sale for Resale		\$0	\$0	-\$18,180
453 Sales of Water and Water Power		0	0	3
454 Misc Rents		0	0	1
456 Other Electric Revenues		831	541	-43,593
Total Revenue	\$0	\$831	\$541	-\$61,769
501 Thermal Fuel Expense		-\$437	-\$285	\$1,088
536 Water for Power		0	0	1
547 Other Fuel		0	0	32,484
555 Purchased Power		-369	-240	-47,347
550 Rents		-577	-376	950
556 System Control and Dispatch		0	0	-96
557 Other Expense	103	60	39	-46,978
560 Transmission Exp. WECC		0	0	20
560-571 Trans. O&M Colstrip 500 kv		-48	-31	0
561 Transmission Exp Load Dispatch		-116	-76	0
565 Transmission of Elect by Others		-333	-217	2,245
566 Trans. Exp - Oprn. - Misc		0	0	59
Total Expenses	\$103	-\$1,820	-\$1,186	-\$57,574
Net Income BFIT	-\$103	\$2,651	\$1,727	-\$4,195
FIT				
	-\$36	\$928	\$604	-\$1,468
Net Operating Income	-\$67	\$1,723	\$1,123	-\$2,727