

Exhibit __ (RLCD-3)

Before the
Washington Utilities and Transportation Commission

Avista Corporation

Docket Nos. UE-991606 & UG-991607

Electric Pro forma Results of Operation
For the 12 Months Ended December 31, 1998

Robert L. C. Damron - Consultant
On Behalf of Public Counsel

May, 2000

WUTC		
DOCKET NO.	<u>UE-991606</u>	
EXHIBIT #	<u>706</u>	
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS PRO FORMA INCOME STATEMENT: WASHINGTON FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)			Exhibit # _____ (RLCD-03) Docket No. UE-991606 Summary Page 1						
Line No.	Description	Source	As Recorded Results of Operations (C)	Total Restating Adjustments (D)	Restated Results of Operations (E)	Total Pro Forma Adjustments (F)	Pro forma Results of Operations (G)	Revenue (Excess) or Deficiency (H)	Adjusted Pro Forma Results of Operations (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
REVENUES									
1	Total General Business	Input	\$253,536	(\$6,057)	\$247,479	\$3,640	\$251,119	(\$2,058)	\$249,061
2	Interdepartmental Sales	Input	640	0	640	0	640	0	640
3	Sales for Resale	Input	306,373	0	306,373	(211,463)	94,910	0	94,910
4	Total Sales of Electricity	Ln 1+2+3	560,549	(6,057)	554,492	(207,823)	346,669	(2,058)	344,611
5	Other Revenue	Input	16,217	247	16,464	(1,039)	15,425	0	15,425
6	TOTAL ELECTRIC REVENUE	Ln 4+5	576,766	(5,810)	570,956	(208,862)	362,094	(2,058)	360,036
EXPENSES									
Production and Transmission									
7	Operating Expenses	Input	64,520	0	64,520	(1,576)	62,944	0	62,944
8	Purchased Power	Input	315,272	0	315,272	(208,149)	107,123	0	107,123
9	Depreciation and Amortization	Input	17,857	(5,636)	12,221	452	12,673	0	12,673
10	Taxes	Input	10,517	(50)	10,467	0	10,467	0	10,467
11	Total Production & Transmission	Ln 7+8+9+10	408,166	(5,686)	402,480	(209,273)	193,207	0	193,207
Distribution									
12	Operating Expenses	Input	10,621	0	10,621	268	10,889	0	10,889
13	Depreciation and Amortization	Input	8,188	0	8,188	(102)	8,086	0	8,086
14	Taxes	Input	22,389	(8,058)	14,331	140	14,471	(79)	14,392
15	Total Distribution	Ln 12+13+14	41,198	(8,058)	33,140	305	33,445	(79)	33,366
16	Customer Accounting	Input	7,227	(2,993)	4,234	128	4,362	(7)	4,355
17	Customer Service & Information	Input	6,630	0	6,630	42	6,672	0	6,672
18	Sales Expenses	Input	383	0	383	4	387	0	387
Administrative & General									
19	Operating Expenses	Input	33,046	(1,834)	31,212	(1,035)	30,177	(5)	30,171
20	Depreciation and Amortization	Input	2,686	0	2,686	695	3,381	0	3,381
21	Taxes	Input	75	(1)	74	0	74	0	74
22	Total Admin. & General	Ln 19+20+21	35,807	(1,835)	33,972	(340)	33,631	(5)	33,626
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	499,411	(18,572)	480,839	(209,134)	271,705	(92)	271,612
24	OPERATING INCOME BEFORE FIT	Ln 6-23	77,355	12,762	90,117	272	90,389	(1,966)	88,423
FEDERAL INCOME TAXES									
25	Current Accrual	From Ln 44 or 45	12,948	6,623	19,571	461	20,032	(688)	19,343
26	Deferred Income Taxes	Input	2,700	1,376	4,076	(365)	3,711	0	3,711
27	Amortized Investment Tax Credit	Input	(26)	0	(26)	0	(26)	0	(26)
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	16,622	7,999	23,621	95	23,716	(688)	23,028
29	SETTLEMENT EXCHANGE POWER	Input	0	6,409	6,409	0	6,409	0	6,409
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	515,033	(4,164)	510,869	(209,039)	301,830	(780)	301,050
31	NET OPERATING INCOME	Ln 6-30	\$61,733	(\$1,646)	\$60,087	\$177	\$60,264	(\$1,278)	\$58,986
RATE BASE									
32	Total Plant In Service	From Ln 51	\$1,072,193	\$13,815	\$1,086,008	\$9,738	\$1,095,746	\$0	\$1,095,746
33	Total Accumulated Depreciation & Amort.	From Ln 54	336,064	(6,837)	329,227	632	329,859	0	329,859
34	Net Plant In Service	Ln 32-33	736,129	20,652	756,781	9,106	765,887	0	765,887
35	Gain on Sale of Operating Assets	From Ln 55	0	(1,768)	(1,768)	0	(1,768)	0	(1,768)
36	Total Accumulated Deferred Taxes	From Ln 56	0	(99,957)	(99,957)	365	(99,592)	0	(99,592)
37	Investor-Supplied Working Capital Allowance	From Ln 57	0	4,249	4,249	0	4,249	0	4,249
38	TOTAL RATE BASE	Ln 34+35+36+37	\$736,129	(\$76,824)	\$659,305	\$9,471	\$668,777	\$0	\$668,777
39	RATE OF RETURN ON RATE BASE- %	(Ln 31/38) x 100	8.39%		9.11%		9.01%		8.82%

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS PRO FORMA INCOME STATEMENT: WASHINGTON DETAIL OF INCOME TAXES AND RATE BASE FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)			Exhibit # _____ (RLCD-03) Docket No. UE-991606 Summary Page 2						
Line No.	Description	Source	As Recorded Results of Operations (C)	Total Restating Adjustments (D)	Restated Results of Operations (E)	Total Pro Forma Adjustments (F)	Pro forma Results of Operations (G)	Revenue (Excess) or Deficiency (H)	Adjusted Results of Operations (I)
FEDERAL INCOME TAXES:									
40	Operating Income Before FIT:	From Ln 24	\$77,355	\$12,762	\$90,117	\$272	\$90,389	(\$1,966)	\$88,423
41	Other Operating Income	Input	0	0	0	0	0	0	0
42	FIT - Net Deductions	Input	(40,360)	6,160	(34,200)	1,044	(33,156)	0	(33,156)
43	Taxable Income	Ln 40+41+42	36,995	18,922	55,917	1,317	57,234	(1,966)	55,268
44	Net Federal Income Tax *** OR ***	Ln 43 x (35.00%/100)	12,948	6,623	19,571	461	20,032	(688)	19,344
45	Federal Income Taxes - Direct Input	Input	12,948	6,623	19,571	461	20,032	(688)	19,343
RATE BASE									
PLANT IN SERVICE									
46	Intangible	Input	\$3,318	\$0	\$3,318	\$9,738	\$13,056	\$0	\$13,056
47	Production	Input	473,394	15,176	488,570	0	488,570	0	488,570
48	Transmission	Input	176,604	0	176,604	0	176,604	0	176,604
49	Distribution	Input	364,352	(1,361)	362,991	0	362,991	0	362,991
50	General	Input	54,525	0	54,525	0	54,525	0	54,525
51	TOTAL PLANT IN SERVICE	Ln +46...+50	1,072,193	13,815	1,086,008	9,738	1,095,746	0	1,095,746
52	ACCUMULATED DEPRECIATION	Input	333,117	(6,837)	326,280	522	326,802	0	326,802
53	ACCUM. PROVISION FOR AMORTIZATION	Input	2,947	0	2,947	110	3,057	0	3,057
54	TOTAL ACCUM. DEPR. & AMORT.	Ln 52+53	336,064	(6,837)	329,227	632	329,859	0	329,859
55	GAIN ON SALE OF OPER. ASSETS	Input	0	(1,768)	(1,768)	0	(1,768)	0	(1,768)
56	ACCUMULATED DEFERRED TAXES	Input	0	(99,957)	(99,957)	365	(99,592)	0	(99,592)
57	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	4,249	4,249	0	4,249	0	4,249
58			0	0	0	0	0	0	0
59			0	0	0	0	0	0	0
60			0	0	0	0	0	0	0
61									
62	NET RATE BASE	Ln 51-54+55+56+57	\$736,129	(\$76,824)	\$659,305	\$9,471	\$668,777	\$0	\$668,777

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS TO INCOME FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)							Exhibit # _____ (RLCD-03) Docket No. UE-991606 Restating Adj. Page 1	
Line No.	Description (A)	Source (B)	Total Restating Adjustments (C)	RA-1 Deferred FIT Rate Base (D)	RA-2 Deferred Gain on Office Building (E)	RA-3 Colstrip 3 AFUDC Elimination (F)	RA-4 Colstrip Common AFUDC (G)	RA-5 Kettle Falls Disallow. (H)
REVENUES								
1	Total General Business	Input	(\$6,057)	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	0	0	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	(6,057)	0	0	0	0	0
5	Other Revenue	Input	247	0	0	0	0	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	(5,810)	0	0	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	0	0	0	0	0	0
8	Purchased Power	Input	0	0	0	0	0	0
9	Depreciation and Amortization	Input	(5,636)	0	0	(208)	0	(164)
10	Taxes	Input	(50)	0	0	0	0	0
11	Total Production & Transmission	Ln 7+8+9+10	(5,686)	0	0	(208)	0	(164)
Distribution								
12	Operating Expenses	Input	0	0	0	0	0	0
13	Depreciation and Amortization	Input	0	0	0	0	0	0
14	Taxes	Input	(8,058)	0	0	0	0	0
15	Total Distribution	Ln 12+13+14	(8,058)	0	0	0	0	0
16	Customer Accounting	Input	(2,993)	0	0	0	0	0
17	Customer Service & Information	Input	0	0	0	0	0	0
18	Sales Expenses	Input	0	0	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	(1,834)	0	0	0	0	0
20	Depreciation and Amortization	Input	0	0	0	0	0	0
21	Taxes	Input	(1)	0	0	0	0	0
22	Total Admin. & General	Ln 19+20+21	(1,835)	0	0	0	0	0
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	(18,572)	0	0	(208)	0	(164)
24	OPERATING INCOME BEFORE FIT	Ln 6-23	12,762	0	0	208	0	164
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	6,623	0	0	0	0	0
26	Deferred Income Taxes	Input	1,376	0	0	0	0	56
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	7,999	0	0	0	0	56
29	SETTLEMENT EXCHANGE POWER	Input	6,409	0	0	0	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	(4,164)	0	0	(208)	0	(108)
31	NET OPERATING INCOME	Ln 6-30	(\$1,646)	\$0	\$0	\$208	\$0	\$108
RATE BASE								
32	Total Plant In Service	From Ln 50	13,815	\$0	\$0	(\$6,916)	\$746	(\$5,248)
33	Total Accumulated Depreciation & Amort.	From Ln 53	(6,837)	0	0	(3,180)	0	(2,291)
34	Net Plant In Service	Ln 32-33	20,652	0	0	(3,736)	746	(2,957)
35	Gain on Sale of Operating Assets	From Ln 54	(1,768)	0	(1,768)	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	(99,957)	(100,720)	618	0	0	1,116
37	Investor-Supplied Working Capital Allowance	From Ln 56	4,249	0	0	0	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	(\$76,824)	(\$100,720)	(\$1,160)	(\$3,736)	\$746	(\$1,841)

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)				Exhibit # _____(RLCD-03) Docket No. UE-991606 Restating Adj. Page 2				
Line No.	Description	Source	Total Restating Adjustments	RA-1 Deferred FIT Rate Base	RA-2 Deferred Gain on Office Building	RA-3 Colstrip 3 AFUDC Elimination	RA-4 Colstrip Common AFUDC	RA-5 Kettle Falls Disallow.
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	\$12,762	\$0	\$0	\$208	\$0	\$164
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	6,160	0	0	(208)	0	(164)
42	Taxable Income	Ln 39+40+41	18,922	0	0	0	0	0
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	6,623	0	0	0	0	0
44	Federal Income Taxes - Direct Input	Input	6,623	0	0	0	0	0
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$0	\$0
46	Production	Input	15,176	0	0	(6,916)	746	(5,248)
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	(1,361)	0	0	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	13,815	0	0	(6,916)	746	(5,248)
51	ACCUMULATED DEPRECIATION	Input	(6,837)	0	0	(3,180)	0	(2,291)
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	(6,837)	0	0	(3,180)	0	(2,291)
54	GAIN ON SALE OF OPER. ASSETS	Input	(1,768)	0	(1,768)	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	(99,957)	(100,720)	618	0	0	1,116
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	4,249	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60			0	0	0	0	0	0
61	NET RATE BASE	Ln 50-53+54+55+56	(\$76,824)	(\$100,720)	(\$1,150)	(\$3,736)	\$746	(\$1,841)

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS TO INCOME FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)			Exhibit # _____ (RLCD-03) Docket No. UE-991606 Restating Adj. Page 3					
Line No.	Description (A)	Source (B)	RA-6 Clearwater Hydro (I)	RA-7 Weatherizn and DSM Investmnet (J)	RA-8 Customer Advances (K)	RA-9 Settlement Exchange Power (L)	RA-10 Eliminate B&O Taxes (M)	RA-11 Proforma Property Tax (N)
REVENUES								
1	Total General Business	Input	\$0	\$0	\$0	\$0	(\$7,998)	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	0	0	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	0	0	0	0	(7,998)	0
5	Other Revenue	Input	0	0	0	0	(42)	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	0	0	0	0	(8,040)	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	0	0	0	0	0	0
8	Purchased Power	Input	0	0	0	0	0	0
9	Depreciation and Amortization	Input	0	0	0	(2,532)	0	0
10	Taxes	Input	0	0	0	0	0	(50)
11	Total Production & Transmission	Ln 7+8+9+10	0	0	0	(2,532)	0	(50)
Distribution								
12	Operating Expenses	Input	0	0	0	0	0	0
13	Depreciation and Amortization	Input	0	0	0	0	0	0
14	Taxes	Input	0	0	0	0	(7,982)	(76)
15	Total Distribution	Ln 12+13+14	0	0	0	0	(7,982)	(76)
16	Customer Accounting	Input	0	0	0	0	0	0
17	Customer Service & Information	Input	0	0	0	0	0	0
18	Sales Expenses	Input	0	0	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	0	0	0	0	0	0
20	Depreciation and Amortization	Input	0	0	0	0	0	0
21	Taxes	Input	0	0	0	0	0	(1)
22	Total Admin. & General	Ln 19+20+21	0	0	0	0	0	(1)
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	0	0	0	(2,532)	(7,982)	(127)
24	OPERATING INCOME BEFORE FIT	Ln 6-23	0	0	0	2,532	(58)	127
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	0	0	0	0	(20)	44
26	Deferred Income Taxes	Input	0	0	0	455	0	0
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	0	0	0	455	(20)	44
29	SETTLEMENT EXCHANGE POWER	Input	0	0	0	6,409	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	0	0	0	4,332	(8,002)	(83)
31	NET OPERATING INCOME	Ln 6-30	\$0	\$0	\$0	(\$4,332)	(\$38)	\$83
RATE BASE								
32	Total Plant In Service	From Ln 50	\$43	\$26,551	(\$1,361)	\$0	\$0	\$0
33	Total Accumulated Depreciation & Amort.	From Ln 53	0	0	0	0	0	0
34	Net Plant In Service	Ln 32-33	43	26,551	(1,361)	0	0	0
35	Gain on Sale of Operating Assets	From Ln 54	0	0	0	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	(15)	0	0	0	0	0
37	Investor-Supplied Working Capital Allowance	From Ln 56	0	0	0	0	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	\$28	\$26,551	(\$1,361)	\$0	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS			Exhibit # (RLCD-03)					
RESTATING ADJUSTMENTS			Docket No. UE-991606					
DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE			Restating Adj. Page 4					
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998								
(DOLLARS IN THOUSANDS)								
Line No.	Description	Source	RA-6 Clearwater Hydro	RA-7 Weatherizn and DSM Investmnet	RA-8 Customer Advances	RA-9 Settlement Exchange Power	RA-10 Eliminate B&O Taxes	RA-11 Proforma Property Tax
	(A)	(B)	(I)	(J)	(K)	(L)	(M)	(N)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	\$0	\$0	\$0	\$2,532	(\$58)	\$127
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	0	0	0	(2,532)	0	0
42	Taxable Income	Ln 39+40+41	0	0	0	0	(58)	127
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	0	0	0	0	(20)	44
44	Federal Income Taxes - Direct Input	Input	0	0	0	0	(20)	44
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$0	\$0
46	Production	Input	43	26,551	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	(1,361)	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	43	26,551	(1,361)	0	0	0
51	ACCUMULATED DEPRECIATION	Input	0	0	0	0	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	0	0	0	0	0	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	(15)	0	0	0	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60								
61	NET RATE BASE	Ln 50-53+54+55+56	\$28	\$26,551	(\$1,361)	\$0	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)				Exhibit # _____ (RLCD-03) Docket No. UE-991606 Restating Adj. Page 6				
Line No.	Description	Source	RA-12 Uncollect. Expense	RA-13 Regulatory Expense	RA-14 Injuries And Damages	RA-15 FIT	RA-16 Proforma Restated Debt Interest	RA-17 Eliminate A/R Expenses
	(A)	(B)	(P)	(P)	(Q)	(R)	(S)	(N)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	(\$32)	(\$123)	(\$2,329)	\$0	\$0	\$1,497
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	0	0	0	9,489	2,307	0
42	Taxable Income	Ln 39+40+41	(32)	(123)	(2,329)	9,489	2,307	1,497
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	(11)	(43)	(815)	3,321	808	524
44	Federal Income Taxes - Direct Input	Input	(11)	(43)	(815)	3,321	808	524
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$0	\$0
46	Production	Input	0	0	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	0	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	0	0	0	0	0	0
51	ACCUMULATED DEPRECIATION	Input	0	0	0	0	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	0	0	0	0	0	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	0	0	0	0	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60			0	0	0	0	0	0
61	NET RATE BASE	Ln 50-53+54+55+56	\$0	\$0	\$0	\$0	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS TO INCOME FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)				Exhibit # (RLCD-03) Docket No. UE-991606 Restating Adj. Page 7				
Line No.	Description	Source	RA-18 Office Space Charges to Subs.	RA-19 Recall DADs/MOPs Revenues	RA-## (R)	RA-## (Z)	RA-## (Y)	RA-## (Z)
REVENUES								
1	Total General Business	Input	\$0	\$1,941	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	0	0	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	0	1,941	0	0	0	0
5	Other Revenue	Input	0	(1,941)	0	0	0	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	0	0	0	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	0	0	0	0	0	0
8	Purchased Power	Input	0	0	0	0	0	0
9	Depreciation and Amortization	Input	0	0	0	0	0	0
10	Taxes	Input	0	0	0	0	0	0
11	Total Production & Transmission	Ln 7+8+9+10	0	0	0	0	0	0
Distribution								
12	Operating Expenses	Input	0	0	0	0	0	0
13	Depreciation and Amortization	Input	0	0	0	0	0	0
14	Taxes	Input	0	0	0	0	0	0
15	Total Distribution	Ln 12+13+14	0	0	0	0	0	0
16	Customer Accounting	Input	0	0	0	0	0	0
17	Customer Service & Information	Input	0	0	0	0	0	0
18	Sales Expenses	Input	0	0	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	(24)	0	0	0	0	0
20	Depreciation and Amortization	Input	0	0	0	0	0	0
21	Taxes	Input	0	0	0	0	0	0
22	Total Admin. & General	Ln 19+20+21	(24)	0	0	0	0	0
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	(24)	0	0	0	0	0
24	OPERATING INCOME BEFORE FIT	Ln 6-23	24	0	0	0	0	0
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	8	0	0	0	0	0
26	Deferred Income Taxes	Input	0	0	0	0	0	0
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	8	0	0	0	0	0
29	SETTLEMENT EXCHANGE POWER	Input	0	0	0	0	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	(16)	0	0	0	0	0
31	NET OPERATING INCOME	Ln 6-30	\$16	\$0	\$0	\$0	\$0	\$0
RATE BASE								
32	Total Plant In Service	From Ln 50	\$0	\$0	\$0	\$0	\$0	\$0
33	Total Accumulated Depreciation & Amort.	From Ln 53	0	0	0	0	0	0
34	Net Plant In Service	Ln 32-33	0	0	0	0	0	0
35	Gain on Sale of Operating Assets	From Ln 54	0	0	0	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	0	0	0	0	0	0
37	Investor-Supplied Working Capital Allowance	From Ln 56	0	0	0	0	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	\$0	\$0	\$0	\$0	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)				Exhibit # _____ (RLCD-03) Docket No. UE-991606 Restating Adj. Page 8				
Line No.	Description	Source	RA-18 Office Space Charges to Subs.	RA-19 Recall DADs/MOPs Revenues	RA-## (R)	RA-## (Z)	RA-## (Y)	RA-## (Z)
	(A)	(B)	(N)	(Q)	(R)	(Z)	(Y)	(Z)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	\$24	\$0	\$0	\$0	\$0	\$0
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	0	0	0	0	0	0
42	Taxable Income	Ln 39+40+41	24	0	0	0	0	0
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	8	0	0	0	0	0
44	Federal Income Taxes - Direct Input	Input	8	0	0	0	0	0
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$0	\$0
46	Production	Input	0	0	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	0	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	0	0	0	0	0	0
51	ACCUMULATED DEPRECIATION	Input	0	0	0	0	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	0	0	0	0	0	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	0	0	0	0	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60			0	0	0	0	0	0
61	NET RATE BASE	Ln 50-53+54+55+56	\$0	\$0	\$0	\$0	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS RESTATING ADJUSTMENTS TO INCOME FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)						Exhibit # _____ (RLCD-03) Docket No. UE-991606 Restating Adj. Page 9		
Line No.	Description (A)	Source (B)	RA-PC-01 Admin. & General Adjustment (AA)	RA-PC-02 Franchise Fees for Use Corp. Name (AB)	RA-PC-03 Production Depreciation Expense (AC)	RA-PC-05 Meter Reading and Billing (AD)	RA-PC-06 Remove Name Change Amortization (AE)	RA-## (AF)
REVENUES								
1	Total General Business	Input	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	0	0	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	0	0	0	0	0	0
5	Other Revenue	Input	0	2,230	0	0	0	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	0	2,230	0	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	0	0	0	0	0	0
8	Purchased Power	Input	0	0	0	0	0	0
9	Depreciation and Amortization	Input	0	0	(2,732)	0	0	0
10	Taxes	Input	0	0	0	0	0	0
11	Total Production & Transmission	Ln 7+8+9+10	0	0	(2,732)	0	0	0
Distribution								
12	Operating Expenses	Input	0	0	0	0	0	0
13	Depreciation and Amortization	Input	0	0	0	0	0	0
14	Taxes	Input	0	0	0	0	0	0
15	Total Distribution	Ln 12+13+14	0	0	0	0	0	0
16	Customer Accounting	Input	0	0	0	(1,528)	0	0
17	Customer Service & Information	Input	0	0	0	0	0	0
18	Sales Expenses	Input	0	0	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	(4,157)	0	0	0	(106)	0
20	Depreciation and Amortization	Input	0	0	0	0	0	0
21	Taxes	Input	0	0	0	0	0	0
22	Total Admin. & General	Ln 19+20+21	(4,157)	0	0	0	(106)	0
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	(4,157)	0	(2,732)	(1,528)	(106)	0
24	OPERATING INCOME BEFORE FIT	Ln 6-23	4,157	2,230	2,732	1,528	106	0
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	1,455	781	0	535	37	0
26	Deferred Income Taxes	Input	0	0	956	0	0	0
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	1,455	781	956	535	37	0
29	SETTLEMENT EXCHANGE POWER	Input	0	0	0	0	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	(2,702)	781	(1,776)	(993)	(69)	0
31	NET OPERATING INCOME	Ln 6-30	\$2,702	\$1,450	\$1,776	\$993	\$69	\$0
RATE BASE								
32	Total Plant In Service	From Ln 50	\$0	\$0	\$0	\$0	\$0	\$0
33	Total Accumulated Depreciation & Amort.	From Ln 53	0	0	(1,366)	0	0	0
34	Net Plant In Service	Ln 32-33	0	0	1,366	0	0	0
35	Gain on Sale of Operating Assets	From Ln 54	0	0	0	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	0	0	(956)	0	0	0
37	Investor-Supplied Working Capital Allowance	From Ln 56	0	0	0	4,249	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	\$0	\$0	\$410	\$4,249	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS						Exhibit # _____ (RLCD-03)		
RESTATING ADJUSTMENTS						Docket No. UE-991606		
DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE						Restating Adj. Page 10		
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998								
(DOLLARS IN THOUSANDS)								
Line No.	Description	Source	RA-PC-01 Admin. & General Adjustment (AA)	RA-PC-02 Franchise Fees for Use Corp. Name (AB)	RA-PC-03 Production Depreciation Expense (AC)	RA-PC-05 Meter Reading and Billing (AD)	RA-PC-06 Remove Name Change Amortization (AE)	RA-## (AF)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	\$4,157	\$2,230	\$2,732	\$1,528	\$106	\$0
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	0	0	(2,732)	0	0	0
42	Taxable Income	Ln 39+40+41	4,157	2,230	0	1,528	106	0
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	1,455	781	0	535	37	0
44	Federal Income Taxes - Direct Input	Input	1,455	781	0	535	37	0
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$0	\$0
46	Production	Input	0	0	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	0	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	0	0	0	0	0	0
51	ACCUMULATED DEPRECIATION	Input	0	0	(1,366)	0	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	0	0	(1,366)	0	0	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	0	0	(956)	0	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	4,249	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60								
61	NET RATE BASE	Ln 50-53+54+55+56	\$0	\$0	\$410	\$4,249	\$0	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS							Exhibit # (RLCD-03)	
PROFORMA ADJUSTMENTS TO INCOME							Docket No. UE-991606	
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998							Proforma Adj. Page 1	
(DOLLARS IN THOUSANDS)								
Line No.	Description	Source	Total Proforma Adjutments	P-1 Proforma Power Supply 7/00-6/01	P-2 Proforma Potlatch 7/00-6/01	P-PC-03 Proforma Depr Adj	P-4 Proforma Hydro Rel Adj	P-5 Proforma Comm Trade Adj
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
REVENUES								
1	Total General Business	Input	\$3,640	\$0	\$1,096	\$0	\$0	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	(211,463)	(211,463)	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	(207,823)	(211,463)	1,096	0	0	0
5	Other Revenue	Input	(1,039)	(1,039)	0	0	0	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	(208,862)	(212,502)	1,096	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	(1,576)	(3,660)	0	0	1,467	(306)
8	Purchased Power	Input	(208,149)	(208,149)	0	0	0	0
9	Depreciation and Amortization	Input	452	0	0	452	0	0
10	Taxes	Input	0	0	0	0	0	0
11	Total Production & Transmission	Ln 7+8+9+10	(209,273)	(211,809)	0	452	1,467	(306)
Distribution								
12	Operating Expenses	Input	268	0	0	0	0	0
13	Depreciation and Amortization	Input	(102)	0	0	(102)	0	0
14	Taxes	Input	140	0	42	0	0	0
15	Total Distribution	Ln 12+13+14	305	0	42	(102)	0	0
16	Customer Accounting	Input	128	0	0	0	0	0
17	Customer Service & Information	Input	42	0	0	0	0	0
18	Sales Expenses	Input	4	0	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	(1,035)	0	3	0	0	0
20	Depreciation and Amortization	Input	695	0	0	695	0	0
21	Taxes	Input	0	0	0	0	0	0
22	Total Admin. & General	Ln 19+20+21	(340)	0	3	695	0	0
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	(209,134)	(211,809)	45	1,044	1,467	(306)
24	OPERATING INCOME BEFORE FIT	Ln 6-23	272	(693)	1,051	(1,044)	(1,467)	306
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	461	(243)	368	0	(513)	107
26	Deferred Income Taxes	Input	(365)	0	0	(365)	0	0
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	95	(243)	368	(365)	(513)	107
29	SETTLEMENT EXCHANGE POWER	Input	0	0	0	0	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	(209,039)	(212,052)	413	679	954	(199)
31	NET OPERATING INCOME	Ln 6-30	\$177	(\$450)	\$683	(\$679)	(\$954)	\$199
RATE BASE								
32	Total Plant In Service	From Ln 50	9,738	\$0	\$0	\$0	\$9,387	\$0
33	Total Accumulated Depreciation & Amort.	From Ln 53	632	0	0	522	110	0
34	Net Plant In Service	Ln 32-33	9,106	0	0	(522)	9,277	0
35	Gain on Sale of Operating Assets	From Ln 54	0	0	0	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	365	0	0	365	0	0
37	Investor-Supplied Working Capital Allowance	From Ln 56	0	0	0	0	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	\$9,471	\$0	\$0	(\$157)	\$9,277	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS							Exhibit # _____ (RLCD-03)	
PROFORMA ADJUSTMENTS							Docket No. UE-991606	
DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE							Proforma Adj. Page 2	
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998								
(DOLLARS IN THOUSANDS)								
Line No.	Description	Source	Total Proforma Adustments	P-1 Proforma Power Supply 7/00-6/01	P-2 Proforma Potlatch 7/00-6/01	P-PC-03 Proforma Depr Adj	P-4 Proforma Hydro Rel Adj	P-5 Proforma Comm Trade
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	\$272	(\$693)	\$1,051	(\$1,044)	(\$1,467)	\$306
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	1,044	0	0	1,044	0	0
42	Taxable Income	Ln 39+40+41	1,317	(693)	1,051	0	(1,467)	306
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	461	(243)	368	0	(513)	107
44	Federal Income Taxes - Direct Input	Input	461	(243)	368	0	(513)	107
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$9,738	\$0	\$0	\$0	\$9,387	\$0
46	Production	Input	0	0	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	0	0	0	0
49	General	Input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	9,738	0	0	0	9,387	0
51	ACCUMULATED DEPRECIATION	Input	522	0	0	522	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	110	0	0	0	110	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	632	0	0	522	110	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	365	0	0	365	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60								
61	NET RATE BASE	Ln 50-53+54+55+56	\$9,471	\$0	\$0	(\$157)	\$9,277	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS PROFORMA ADJUSTMENTS TO INCOME FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)						Exhibit # _____ (RLCD-03) Docket No. UE-991606 Proforma Adj. Page 3		
Line No.	Description	Source	P-6 Proforma Nez Perce Adj	P-7 Proforma Labor/Benefit Adj	P-8 Proforma Revenue Adj	P-9 Proforma Miscel. Adj	P-10 Proforma MOPS Adj	P-## P-##
	(A)	(B)	(I)	(J)	(K)	(L)	(M)	(N)
REVENUES								
1	Total General Business	Input	\$0	\$0	\$2,544	\$0	\$0	\$0
2	Interdepartmental Sales	Input	0	0	0	0	0	0
3	Sales for Resale	Input	0	0	0	0	0	0
4	Total Sales of Electricity	Ln 1+2+3	0	0	2,544	0	0	0
5	Other Revenue	Input	0	0	0	0	0	0
6	TOTAL ELECTRIC REVENUE	Ln 4+5	0	0	2,544	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	Input	584	339	0	0	0	0
8	Purchased Power	Input	0	0	0	0	0	0
9	Depreciation and Amortization	Input	0	0	0	0	0	0
10	Taxes	Input	0	0	0	0	0	0
11	Total Production & Transmission	Ln 7+8+9+10	584	339	0	0	0	0
Distribution								
12	Operating Expenses	Input	0	268	0	0	0	0
13	Depreciation and Amortization	Input	0	0	0	0	0	0
14	Taxes	Input	0	0	98	0	0	0
15	Total Distribution	Ln 12+13+14	0	268	98	0	0	0
16	Customer Accounting	Input	0	119	9	0	0	0
17	Customer Service & Information	Input	0	5	37	0	0	0
18	Sales Expenses	Input	0	4	0	0	0	0
Administrative & General								
19	Operating Expenses	Input	0	(141)	7	(1,045)	141	0
20	Depreciation and Amortization	Input	0	0	0	0	0	0
21	Taxes	Input	0	0	0	0	0	0
22	Total Admin. & General	Ln 19+20+21	0	(141)	7	(1,045)	141	0
23	TOTAL ELECTRIC EXPENSES	Ln 11+15...+18+22	584	594	151	(1,045)	141	0
24	OPERATING INCOME BEFORE FIT	Ln 6-23	(584)	(594)	2,393	1,045	(141)	0
FEDERAL INCOME TAXES								
25	Current Accrual	From Ln 43 or 44	(204)	(208)	838	366	(49)	0
26	Deferred Income Taxes	Input	0	0	0	0	0	0
27	Amortized Investment Tax Credit	Input	0	0	0	0	0	0
28	TOTAL FIT, DEF FIT & AMT ITC	Ln 25+26+27	(204)	(208)	838	366	(49)	0
29	SETTLEMENT EXCHANGE POWER	Input	0	0	0	0	0	0
30	TOTAL OPERATING EXPENSE. & FIT	Ln 23+28+29	380	386	989	(679)	92	0
31	NET OPERATING INCOME	Ln 6-30	(\$380)	(\$386)	\$1,555	\$679	(\$92)	\$0
RATE BASE								
32	Total Plant In Service	From Ln 50	\$0	\$0	\$0	\$0	\$351	\$0
33	Total Accumulated Depreciation & Amort.	From Ln 53	0	0	0	0	0	0
34	Net Plant In Service	Ln 32-33	0	0	0	0	351	0
35	Gain on Sale of Operating Assets	From Ln 54	0	0	0	0	0	0
36	Total Accumulated Deferred Taxes	From Ln 55	0	0	0	0	0	0
37	Investor-Supplied Working Capital Allowance	From Ln 56	0	0	0	0	0	0
38	TOTAL RATE BASE	Ln 34+35+36+37	\$0	\$0	\$0	\$0	\$351	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS							Exhibit # _____(RLCD-03)	
PROFORMA ADJUSTMENTS							Docket No. UE-991606	
DETAIL OF ADJUSTMENTS TO TAXES AND RATE BASE							Proforma Adj. Page 4	
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998								
(DOLLARS IN THOUSANDS)								
Line No.	Description	Source	P-6 Proforma Nez Perce Adj	P-7 Proforma Labor/Benefit Adj	P-8 Proforma Revenue Adj	P-9 Proforma Miscel. Adj	P-10 Proforma MOPS Adj	P-##
	(A)	(B)	(I)	(J)	(K)	(L)	(M)	(N)
FEDERAL INCOME TAXES:								
39	Operating Income Before FIT:	From Ln 24	(\$584)	(\$594)	\$2,393	\$1,045	(\$141)	\$0
40	Other Operating Income	Input	0	0	0	0	0	0
41	FIT - Net Deductions	Input	0	0	0	0	0	0
42	Taxable Income	Ln 39+40+41	(584)	(594)	2,393	1,045	(141)	0
43	Net Federal Income Tax *** OR ***	Ln 42 x (35.00%/100)	(204)	(208)	838	366	(49)	0
44	Federal Income Taxes - Direct Input	Input	(204)	(208)	838	366	(49)	0
RATE BASE								
PLANT IN SERVICE								
45	Intangible	Input	\$0	\$0	\$0	\$0	\$351	\$0
46	Production	Input	0	0	0	0	0	0
47	Transmission	Input	0	0	0	0	0	0
48	Distribution	Input	0	0	0	0	0	0
49	General	input	0	0	0	0	0	0
50	TOTAL PLANT IN SERVICE	Ln +45...+49	0	0	0	0	351	0
51	ACCUMULATED DEPRECIATION	Input	0	0	0	0	0	0
52	ACCUM. PROVISION FOR AMORTIZATION	Input	0	0	0	0	0	0
53	TOTAL ACCUM. DEPR. & AMORT.	Ln 51+52	0	0	0	0	0	0
54	GAIN ON SALE OF OPER. ASSETS	Input	0	0	0	0	0	0
55	ACCUMULATED DEFERRED TAXES	Input	0	0	0	0	0	0
56	INVESTOR SUPPLIED WORKING CAPITAL	Input	0	0	0	0	0	0
57			0	0	0	0	0	0
58			0	0	0	0	0	0
59			0	0	0	0	0	0
60								
61	NET RATE BASE	Ln 50-53+54+55+56	\$0	\$0	\$0	\$0	\$351	\$0

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS REVIEW OF COST OF CAPITAL FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)				Exhibit # _____ (RLCD-03) Docket No. UE-991606	
Ln #	DESCRIPTION	AMOUNT (\$000) [See Note]	CAPITAL STRUCTURE (%)	COST RATES (%)	WEIGHTED COST RATES (%)
	(A)	(B)	(C)	(D)	(E)
1	LONG-TERM DEBT	\$638,933	46.03%	7.45%	3.43%
2	SHORT-TERM DEBT	63,167	4.55%	6.67%	0.30%
3	PREFERRED STOCK	35,000	2.52%	8.15%	0.21%
4	PREFERRED SECURITIES	110,000	7.93%	8.11%	0.64%
5	COMMON EQUITY	540,833	38.97%	10.88%	4.24%
6	TOTALS	<u>\$1,387,933</u>	<u>100.00%</u>		<u>8.82%</u>

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS					Exhibit # _____ (RLCD-03)	
PRO FORMA INCOME STATEMENT: WASHINGTON					Docket No. UE-991606	
CALCULATION OF PRO FORMA DEBT ADJUSTMENT						
FOR THE 12 MONTHS ENDED DECEMBER 31, 1998						
(DOLLARS IN THOUSANDS)						
LINE NO.	DESCRIPTION	SOURCE	FEDERAL AMOUNT	OTHER AMOUNT	TOTAL AMOUNT	
	(A)	(B)	(C)	(D)	(E)	
1	TOTAL PRO FORMA RATE BASE	PRO FORMA PG1	\$668,777	\$0		
2	ADDED CWIP	INPUT	0	0		
3	TOTAL RATE BASE & CWIP	Ln 1 + Ln 2	\$668,777	\$0		
4	WEIGHTED COST OF DEBT	RECOMMENDED	4.37%	4.37%		
5	PRO FORMA INTEREST EXPENSE	Ln 3 x Ln 4	\$29,226	\$0		
6	ACTUAL INTEREST EXPENSE	PER BOOKS	31,533	0		
7	CHANGE IN INTEREST EXPENSE	Ln 5 - Ln 6	(\$2,307)	(\$0)		
8	FEDERAL/OTHER INC. TAX RATE	CURRENT RATE	35.00%	0.00%		
9	FED./OTHER INCOME TAX EFFECT	Ln 7 x Ln 8	\$808	\$0	\$808	
10	LESS DEDUCTION FOR "OTHER"	OTHER x FIT RATE	0	0	0	
11	NET OPERATING INCOME EFFECT	- Ln 9 + Ln 10	(\$808)	\$0	(\$808)	

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS GROSS REVENUE CONVERSION FACTOR FOR THE 12 MONTHS ENDED DECEMBER 31, 1998				Exhibit # _____ (RLCD-03) Docket No. UE-991606 Page 1 of 1
Ln #	DESCRIPTION (A)	SOURCE (B)	REVENUE SENSITIVE RATES (C)	STATUTORY TAX RATE (D)
1	REVENUES	Constant		1.000000
	EXPENSES:			
2	LESS: PROVISION FOR UNCOLLECTIBLES	Input	0.3513%	0.003513
3	COMMISSION FEES	Input	0.2000%	0.002000
4	WASHINGTON EXCISE TAX	Input	3.8594%	0.038594
5	FRANCHISE FEES	Input	0.0632%	0.000632
6	OTHER FEES OR TAXES	Input	0.0000%	0.000000
7	TOTAL REVENUE SENSITIVE EXPENSES	+ Ln 2...Ln 6		0.044739
8	TAXABLE INCOME BEFORE FIT	Ln 1 - Ln 7		0.955261
9	LESS: FEDERAL INCOME TAX	Input	35.0000%	0.334341
10	NET OPERATING INCOME	Ln 8 - Ln 9		0.620919
11	GROSS REVENUE CONVERSION FACTOR - MULTIPLIER	1/Ln 9		1.610515

AVISTA UTILITIES - ELECTRIC RESULTS OF OPERATIONS CALCULATION OF REVENUE REQUIREMENT FOR THE 12 MONTHS ENDED DECEMBER 31, 1998 (DOLLARS IN THOUSANDS)			Exhibit # _____ (RLCD-03) Docket No. UE-991606 Page 1 of 1
LN #	DESCRIPTION	SOURCE	AMOUNT
	(A)	(B)	(C)
1	Pro Forma Rate Base	Input	\$668,777
2	Kettle Falls Rate Base	Input	26,858
3	Pro Forma Rate Base excluding Kettle Falls	Ln 1 + Ln 2	\$641,919
4	Proposed Rate of Return	Input	8.820%
5	Net Operating Income Requirement (Part 1)	Ln 3 x (Ln 4/100)	\$56,617
6	Kettle Falls Rate Base	From Ln 2	\$26,858
7	Remove Proposed 2% Equity Incentive	P-PC-04	8.820%
8	Net Operating Income Requirement (Part 2)	Ln 6 x (Ln 7/100)	\$2,369
9	Total Net Operating Income Requirement	Ln 5 + Ln 8	\$58,986
10	Pro Forma Net Operating Income	Input	\$60,264
11	Net Operating Income Deficiency or (Excess)	Ln 9 - Ln 10	(\$1,276)
12	Conversion Factor	Input	0.620919
13	Total Revenue Deficiency or (Excess)	Ln 11 / Ln 12	(\$2,058)
14	Total General Business Revenues	Input	\$251,759
15	Percentage Revenue Increase or (Decrease)	(Ln 13/Ln 14) x 100	-0.82%
Kettle Falls Rate Base Calculation			
1997 Balances			
16	Plant Accounts	Input	\$91,666
17	Accumulated Depreciation	Input	34,152
18	Net Plant	Ln 16 - Ln 17	\$57,514
19	Accumulated Deferred FIT	Input	(15,741)
20	Net Disallowance	Input	(1,949)
21	Net Kettle Falls Rate Base 1997	Ln 18 + Ln 19 + Ln 20	\$39,824
1998 Balances			
22	Plant Accounts	Input	\$90,176
23	Accumulated Depreciation	Input	33,506
24	Net Plant	Ln 22 - Ln 23	\$56,670
25	Accumulated Deferred FIT	Input	(14,470)
26	Net Disallowance	Input	(1,851)
27	Net Kettle Falls Rate Base 1998	Ln 24 + Ln 25 + Ln 26	\$40,349
28	Average Net Kettle Falls Rate Base	(Ln 21 + Ln 27)/2	\$40,087
29	Washington Prod/Trans Ratio	Input	66.900%
30	Washington Average Kettle Falls Rate Base	Ln 28 x (Ln 29/100)	\$26,818
Note: "Input" means obtained from analysis separate from this page.			