

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-080416

DOCKET NO. UG-080417

EXHIBIT NO. ____ (EMA-5)

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

REVISED 1/28/09

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON PRO FORMA RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

UPDATED ELECTRIC REVENUE REQUIREMENT

Line No.	DESCRIPTION	WITH PRESENT RATES			WITH PROPOSED RATES	
		Actual Per Results Report	Total Adjustments	Pro Forma Total	Proposed Revenues & Related Exp	Pro Forma Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$372,660	\$(17,400)	\$355,260	\$47,364	\$402,624
2	Interdepartmental Sales	739		739		739
3	Sales for Resale	89,528	(15,383)	74,145		74,145
4	Total Sales of Electricity	462,927	(32,783)	430,144	47,364	477,508
5	Other Revenue	18,604	(10,664)	7,940		7,940
6	Total Electric Revenue	481,531	(43,447)	438,084	47,364	485,448
EXPENSES						
Production and Transmission						
7	Operating Expenses	148,644	(32,987)	115,657		115,657
8	Purchased Power	110,620	10,133	120,753		120,753
9	Depreciation and Amortization	22,020	8,425	30,445		30,445
10	Taxes	8,771	(14)	8,757		8,757
11	Total Production & Transmission	290,055	(14,443)	275,612	0	275,612
Distribution						
12	Operating Expenses	14,563	1,153	15,716		15,716
13	Depreciation	11,438	4,010	15,448		15,448
14	Taxes	30,938	(13,272)	17,666	1,830	19,496
15	Total Distribution	56,939	(8,109)	48,830	1,830	50,660
16	Customer Accounting	8,640	(773)	7,867	123	7,990
17	Customer Service & Information	7,472	(6,652)	820		820
18	Sales Expenses	682	24	706		706
Administrative & General						
19	Operating Expenses	35,912	1,086	36,998	95	37,093
20	Depreciation	6,739	232	6,971		6,971
21	Taxes		188	188		188
22	Total Admin. & General	42,651	1,506	44,157	95	44,252
23	Total Electric Expenses	406,439	(28,447)	377,992	2,048	380,040
24	OPERATING INCOME BEFORE FIT	75,092	(15,000)	60,092	45,316	105,408
FEDERAL INCOME TAX						
25	Current Accrual	9,917	(8,089)	1,828	15,861	17,689
26	Deferred Income Taxes	1,377	5,063	6,440		6,440
27	Amortized Investment Tax Credit					
28	SETTLEMENT EXCHANGE POWER					
29	NET OPERATING INCOME	\$63,798	(\$11,974)	\$51,824	\$29,455	\$81,279
RATE BASE						
PLANT IN SERVICE						
30	Intangible	\$20,632	\$24,774	\$45,406		\$45,406
31	Production	645,576	111,102	756,678		756,678
32	Transmission	259,532	34,962	294,494		294,494
33	Distribution	529,067	34,869	563,936		563,936
34	General	81,368	17,702	99,070		99,070
35	Total Plant in Service	1,536,175	223,409	1,759,584	0	1,759,584
36	ACCUMULATED DEPRECIATION	519,958	50,434	570,392		570,392
37	ACCUM. PROVISION FOR AMORTIZATION	6,349	55,059	61,408		61,408
38	Total Accum. Depreciation & Amort.	526,307	105,493	631,800	0	631,800
39	GAIN ON SALE OF BUILDING		(323)	(323)		(323)
40	DEFERRED TAXES		(163,280)	(163,280)		(163,280)
41	TOTAL RATE BASE	\$1,009,868	(\$45,687)	\$964,181	\$0	\$964,181
42	RATE OF RETURN	6.32%		5.37%		8.43%

AVISTA UTILITIES
Calculation of General Revenue Requirement
Washington - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2007

UPDATED FILING

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$964,181
2	Proposed Rate of Return	<u>8.43%</u>
3	Net Operating Income Requirement	\$81,280
4	Pro Forma Net Operating Income	<u>\$51,824</u>
5	Net Operating Income Deficiency	\$29,456
6	Conversion Factor	0.62190134
7	Revenue Requirement	\$47,364
8	Total General Business Revenues	\$355,999
9	Percentage Revenue Increase	<u><u>13.30%</u></u>

AVISTA UTILITIES
Revenue Conversion Factor
Washington - Electric System
TWELVE MONTHS ENDED DECEMBER 31, 2007

<u>Line No.</u>	<u>Description</u>	<u>Factor</u>
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.002599
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038629
5	Franchise Fees	0.000000
6	Total Expense	<u>0.043229</u>
7	Net Operating Income Before FIT	0.956771
8	Federal Income Tax @ 35%	<u>0.334870</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.621901</u></u>

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Colstrip 3 AFUDC Elimination	Colstrip Conmon AFUDC	Kettle Falls Disallow.	Customer Advances
	a	b	c	d	e	f	g	h
REVENUES								
1	Total General Business	\$372,660						
2	Interdepartmental Sales	739						
3	Sales for Resale	89,528						
4	Total Sales of Electricity	462,927	0	0	0	0	0	0
5	Other Revenue	18,604						
6	Total Electric Revenue	481,531	0	0	0	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses	148,644						
8	Purchased Power	110,620						
9	Depreciation and Amortization	22,020			(225)			
10	Taxes	8,771						
11	Total Production & Transmission	290,055	0	0	(225)	0	0	0
Distribution								
12	Operating Expenses	14,563						
13	Depreciation	11,438						
14	Taxes	30,938						
15	Total Distribution	56,939	0	0	0	0	0	0
16	Customer Accounting	8,640						
17	Customer Service & Information	7,472						
18	Sales Expenses	682						
Administrative & General								
19	Operating Expenses	35,912						
20	Depreciation	6,739						
21	Taxes							
22	Total Admin. & General	42,651	0	0	0	0	0	0
23	Total Electric Expenses	406,439	0	0	(225)	0	0	0
24	OPERATING INCOME BEFORE FIT	75,092	0	0	225	0	0	0
FEDERAL INCOME TAX								
25	Current Accrual	9,917						
26	Deferred Income Taxes	1,377					56	
27	NET OPERATING INCOME	\$63,798	\$0	\$0	\$225	\$0	(\$56)	\$0
RATE BASE								
PLANT IN SERVICE								
28	Intangible	\$20,632						
29	Production	645,576			(7,452)	460	(5,248)	
30	Transmission	259,532						
31	Distribution	529,067						(258)
32	General	81,368						
33	Total Plant in Service	1,536,175	0	0	(7,452)	460	(5,248)	(258)
34	ACCUMULATED DEPRECIATION	519,958			(5,110)		(3,695)	
25	ACCUM. PROVISION FOR AMORTIZATION	6,349						
36	Total Accum. Depreciation & Amort.	526,307	0	0	(5,110)	0	(3,695)	0
37	GAIN ON SALE OF BUILDING			(323)				
38	DEFERRED TAXES		(139,033)	113			640	
39	TOTAL RATE BASE	\$1,009,868	(\$139,033)	(\$210)	(\$2,342)	\$460	(\$913)	(\$258)
40	RATE OF RETURN	6.32%						

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Depreciation True-up	Settlement Exchange Power	Subtotal Actual	Eliminate B & O Taxes	Property Tax	Uncollect. Expense	Regulatory Expense
	a	i	j	-	k	l	m	n
REVENUES								
1	Total General Business			\$372,660	\$(12,625)			
2	Interdepartmental Sales			739				
3	Sales for Resale			89,528				
4	Total Sales of Electricity	0	0	462,927	(12,625)	0	0	0
5	Other Revenue			18,604	(17)			
6	Total Electric Revenue	0	0	481,531	(12,642)	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses			148,644				
8	Purchased Power			110,620				
9	Depreciation and Amortization	(2,782)		19,013				
10	Taxes			8,771		(452)		
11	Total Production & Transmission	(2,782)	0	287,048	0	(452)	0	0
Distribution								
12	Operating Expenses			14,563				
13	Depreciation	3,344		14,782				
14	Taxes			30,938	(12,613)	(818)		
15	Total Distribution	3,344	0	60,283	(12,613)	(818)	0	0
16	Customer Accounting			8,640			(107)	
17	Customer Service & Information			7,472				
18	Sales Expenses			682				
Administrative & General								
19	Operating Expenses			35,912				19
20	Depreciation	(888)		5,851				
21	Taxes					(9)		
22	Total Admin. & General	(888)	0	41,763	0	(9)	0	19
23	Total Electric Expenses	(326)	0	405,888	(12,613)	(1,279)	(107)	19
24	OPERATING INCOME BEFORE FIT	326	0	75,643	(29)	1,279	107	(19)
FEDERAL INCOME TAX								
25	Current Accrual	114		10,031	(10)	448	37	(7)
26	Deferred Income Taxes			1,433				
27	NET OPERATING INCOME	\$212	\$0	\$64,179	(\$19)	\$831	\$70	(\$12)
RATE BASE								
PLANT IN SERVICE								
28	Intangible			\$20,632				
29	Production		79,626	712,962				
30	Transmission			259,532				
31	Distribution			528,809				
32	General			81,368				
33	Total Plant in Service	0	79,626	1,603,303	0	0	0	0
34	ACCUMULATED DEPRECIATION			511,153				
25	ACCUM. PROVISION FOR AMORTIZATION		54,718	61,067				
36	Total Accum. Depreciation & Amort.	0	54,718	572,220	0	0	0	0
37	GAIN ON SALE OF BUILDING			(323)				
38	DEFERRED TAXES		(4,476)	(142,756)				
39	TOTAL RATE BASE	\$0	\$20,432	\$888,004	\$0	\$0	\$0	\$0
40	RATE OF RETURN			7.23%				

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries and Damages	FIT	Eliminate WA Power Cost Defer	Nez Perce Settlement Adjustment	Eliminate A/R Expenses	Office Space Charges to Subsidiaries	Restate Excise Taxes
	a	o	p	q	r	s	t	u
REVENUES								
1	Total General Business			\$ (32,418)				
2	Interdepartmental Sales							
3	Sales for Resale							
4	Total Sales of Electricity	0	0	(32,418)	0	0	0	0
5	Other Revenue							
6	Total Electric Revenue	0	0	(32,418)	0	0	0	0
EXPENSES								
Production and Transmission								
7	Operating Expenses			(14,658)	9			
8	Purchased Power							
9	Depreciation and Amortization							
10	Taxes							
11	Total Production & Transmission	0	0	(14,658)	9	0	0	0
Distribution								
12	Operating Expenses							
13	Depreciation							
14	Taxes			(1,251)				(50)
15	Total Distribution	0	0	(1,251)	0	0	0	(50)
16	Customer Accounting			(103)		(913)		
17	Customer Service & Information							
18	Sales Expenses							
Administrative & General								
19	Operating Expenses	(12)		(62)			(10)	
20	Depreciation							
21	Taxes							
22	Total Admin. & General	(12)	0	(62)	0	0	(10)	0
23	Total Electric Expenses	(12)	0	(16,074)	9	(913)	(10)	(50)
24	OPERATING INCOME BEFORE FIT	12	0	(16,344)	(9)	913	10	50
FEDERAL INCOME TAX								
25	Current Accrual	4	(83)	(10,851)	(3)	320	4	18
26	Deferred Income Taxes		(123)	5,130				
27	NET OPERATING INCOME	\$8	\$206	(\$10,623)	(\$6)	\$593	\$6	\$32
RATE BASE								
PLANT IN SERVICE								
28	Intangible							
29	Production							
30	Transmission							
31	Distribution							
32	General							
33	Total Plant in Service	0	0	0	0	0	0	0
34	ACCUMULATED DEPRECIATION							
25	ACCUM. PROVISION FOR AMORTIZATION							
36	Total Accum. Depreciation & Amort.	0	0	0	0	0	0	0
37	GAIN ON SALE OF BUILDING							
38	DEFERRED TAXES							
39	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	RATE OF RETURN							

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Net Gains/losses	Revenue Normalization	Restate Debt Interest	Restated TOTAL	Pro Forma Power Supply	Pro Forma Prod Property Adj
	a	v	w	x	Y	PF1	PF2
REVENUES							
1	Total General Business		\$27,643		\$355,260		
2	Interdepartmental Sales				739		
3	Sales for Resale				89,528	(15,383)	
4	Total Sales of Electricity	0	27,643	0	445,527	(15,383)	0
5	Other Revenue		411		18,998	(8,435)	(1,759)
6	Total Electric Revenue	0	28,054	0	464,525	(23,818)	(1,759)
EXPENSES							
Production and Transmission							
7	Operating Expenses		11		134,006	(16,203)	(6,173)
8	Purchased Power				110,620	10,133	
9	Depreciation and Amortization		5,582		24,595		
10	Taxes				8,319		
11	Total Production & Transmission	0	5,593	0	277,540	(6,070)	(6,173)
Distribution							
12	Operating Expenses				14,563		
13	Depreciation	(105)			14,677		
14	Taxes		1,083		17,289		
15	Total Distribution	(105)	1,083	0	46,529	0	0
16	Customer Accounting		75		7,592		
17	Customer Service & Information		(6,668)		804		
18	Sales Expenses				682		
Administrative & General							
19	Operating Expenses		56		35,903		
20	Depreciation				5,851		
21	Taxes				(9)		
22	Total Admin. & General	0	56	0	41,745	0	0
23	Total Electric Expenses	(105)	139	0	374,892	(6,070)	(6,173)
24	OPERATING INCOME BEFORE FIT	105	27,915	0	89,633	(17,749)	4,414
FEDERAL INCOME TAX							
25	Current Accrual	37	9,770	2,453	12,168	(6,212)	1,544
26	Deferred Income Taxes				6,440		
27	NET OPERATING INCOME	\$68	\$18,145	(\$2,453)	\$71,025	(\$11,536)	\$7,868
RATE BASE							
PLANT IN SERVICE							
28	Intangible				\$20,632		
29	Production				712,962		(12,981)
30	Transmission				259,532		
31	Distribution				528,809		
32	General				81,368		
33	Total Plant in Service	0	0	0	1,603,303	0	(12,981)
34	ACCUMULATED DEPRECIATION				511,153		
25	ACCUM. PROVISION FOR AMORTIZATION				61,067		
36	Total Accum. Depreciation & Amort.	0	0	0	572,220	0	0
37	GAIN ON SALE OF BUILDING				(323)		
38	DEFERRED TAXES				(142,756)		
39	TOTAL RATE BASE	\$0	\$0	\$0	\$888,004	\$0	(\$12,981)
40	RATE OF RETURN				8.00%		

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Labor Non-Exec	Pro Forma Labor Excc	Pro Forma Transmission Rev/Exp	Pro Forma Capital Add 2007	Pro Forma Capital Add 2008	Pro Forma Asset Management
	a	PF3	PF4	PF5	PF6	PF7	PF8
REVENUES							
1	Total General Business						
2	Interdepartmental Sales						
3	Sales for Resale						
4	Total Sales of Electricity	0	0	0	0	0	0
5	Other Revenue			(864)			
6	Total Electric Revenue	0	0	(864)	0	0	0
EXPENSES							
Production and Transmission							
7	Operating Expenses	813	38	(114)			1,238
8	Purchased Power						
9	Depreciation and Amortization				431	476	
10	Taxes					305	
11	Total Production & Transmission	813	38	(114)	431	781	1,238
Distribution							
12	Operating Expenses	619					534
13	Depreciation				59	712	
14	Taxes					377	
15	Total Distribution	619	0	0	59	1,089	534
16	Customer Accounting	275					
17	Customer Service & Information	16					
18	Sales Expenses	24					
Administrative & General							
19	Operating Expenses	595	208				
20	Depreciation				42	1,078	
21	Taxes					197	
22	Total Admin. & General	595	208	0	42	1,275	0
23	Total Electric Expenses	2,342	246	(114)	532	3,145	1,772
24	OPERATING INCOME BEFORE FIT	(2,342)	(246)	(750)	(532)	(3,145)	(1,772)
FEDERAL INCOME TAX							
25	Current Accrual	(820)	(86)	(263)	(186)	(1,101)	(620)
26	Deferred Income Taxes						
27	NET OPERATING INCOME	(\$1,522)	(\$160)	(\$487)	(\$346)	(\$2,044)	(\$1,152)
RATE BASE							
PLANT IN SERVICE							
28	Intangible				\$542	\$1,931	
29	Production				6,805	12,771	
30	Transmission				27,156	7,806	
31	Distribution				9,658	25,469	
32	General				5,935	11,767	
33	Total Plant in Service	0	0	0	50,096	59,744	0
34	ACCUMULATED DEPRECIATION				14,227	44,922	
35	ACCUM. PROVISION FOR AMORTIZATION						
36	Total Accum. Depreciation & Amort.	0	0	0	14,227	44,922	0
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES				(3,060)	(7,530)	
39	TOTAL RATE BASE	\$0	\$0	\$0	\$32,809	\$7,292	\$0
40	RATE OF RETURN						

AVISTA UTILITIES
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 2007
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Spokane Rvr Relicensing PF09	Pro Forma CDA Tribe Settlement PF10	Pro Forma Montana Lease PF11	Pro Forma Colstrip Mercury Emiss. O&M PF12	Pro Forma Incentives PF13	Pro Forma 2009 Noxon Upgrade PF14
	REVENUES						
1	Total General Business						
2	Interdepartmental Sales						
3	Sales for Resale						
4	Total Sales of Electricity	0	0	0	0	0	0
5	Other Revenue						
6	Total Electric Revenue	0	0	0	0	0	0
	EXPENSES						
	Production and Transmission						
7	Operating Expenses	1,750			300		
8	Purchased Power						
9	Depreciation and Amortization	502	768	3,418			255
10	Taxes						133
11	Total Production & Transmission	2,252	768	3,418	300	0	388
	Distribution						
12	Operating Expenses						
13	Depreciation						
14	Taxes						
15	Total Distribution	0	0	0	0	0	0
16	Customer Accounting						
17	Customer Service & Information						
18	Sales Expenses						
	Administrative & General						
19	Operating Expenses					397	
20	Depreciation						
21	Taxes						
22	Total Admin. & General	0	0	0	0	397	0
23	Total Electric Expenses	2,252	768	3,418	300	397	388
24	OPERATING INCOME BEFORE FIT	(2,252)	(768)	(3,418)	(300)	(397)	(388)
	FEDERAL INCOME TAX						
25	Current Accrual	(788)	(269)	(1,196)	(105)	(139)	(136)
26	Deferred Income Taxes						
27	NET OPERATING INCOME	(\$1,464)	(\$499)	(\$2,222)	(\$195)	(\$258)	(\$252)
	RATE BASE						
	PLANT IN SERVICE						
28	Intangible	\$22,301					
29	Production		23,206	5,075			8,640
30	Transmission						
31	Distribution						
32	General						
33	Total Plant in Service	22,301	23,206	5,075	0	0	8,640
34	ACCUMULATED DEPRECIATION						90
25	ACCUM. PROVISION FOR AMORTIZATION	341					
36	Total Accum. Depreciation & Amort.	341	0	0	0	0	90
37	GAIN ON SALE OF BUILDING						
38	DEFERRED TAXES		(8,122)	(1,776)			(30)
39	TOTAL RATE BASE	\$21,960	\$15,084	\$3,299	\$0	\$0	\$8,714
40	RATE OF RETURN						

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2007
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Misc. Adj.	Pro Forma TOTAL
	a	PF15	PFT
	REVENUES		
1	Total General Business		\$355,260
2	Interdepartmental Sales		739
3	Sales for Resale		74,145
4	Total Sales of Electricity	0	430,144
5	Other Revenue		7,940
6	Total Electric Revenue	0	438,084
	EXPENSES		
	Production and Transmission		
7	Operating Expenses		115,657
8	Purchased Power		120,753
9	Depreciation and Amortization		30,445
10	Taxes		8,757
11	Total Production & Transmission	0	275,612
	Distribution		
12	Operating Expenses		15,716
13	Depreciation		15,448
14	Taxes		17,666
15	Total Distribution	0	48,830
16	Customer Accounting		7,867
17	Customer Service & Information		820
18	Sales Expenses		706
	Administrative & General		
19	Operating Expenses	(105)	36,998
20	Depreciation		6,971
21	Taxes		188
22	Total Admin. & General	(105)	44,157
23	Total Electric Expenses	(105)	377,992
24	OPERATING INCOME BEFORE FIT	105	60,092
	FEDERAL INCOME TAX		
25	Current Accrual	37	1,828
26	Deferred Income Taxes		6,440
27	NET OPERATING INCOME	\$68	\$51,824
	RATE BASE		
	PLANT IN SERVICE		
28	Intangible		\$45,406
29	Production		756,678
30	Transmission		294,494
31	Distribution		563,936
32	General		99,070
33	Total Plant in Service	0	1,759,584
34	ACCUMULATED DEPRECIATION		570,392
25	ACCUM. PROVISION FOR AMORTIZATION		61,408
36	Total Accum. Depreciation & Amort.	0	631,800
37	GAIN ON SALE OF BUILDING		(323)
38	DEFERRED TAXES		(163,280)
39	TOTAL RATE BASE	\$0	\$964,181
40	RATE OF RETURN		5.37%