

Exhibit ___(RLCD-7)

Before the
Washington Utilities and Transportation Commission

Avista Corporation

Docket Nos. UE-991606 & UG-991607

Pro forma Depreciation Adjustment
Combined Effect of Adjustments RA-PC-03 & P-PC-03
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>710</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AVISTA UTILITIES PRO FORMA DEPRECIATION ADJUSTMENT WASHINGTON ELECTRIC CASE PUBLIC COUNSEL ADJUSTMENTS RA-PC-03 + P-PC-03 FOR THE 12 MONTHS ENDED DECEMBER 31, 1998									
Line No.	Description	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
THESE FIGURES ON 12/31/98 AVERAGE BALANCES									
SYSTEM ELECTRIC									
		1998 Deprec. at Existing Rate	1998 Deprec. at Updated Rate	01/01/98 True-up entry	01/01/99 True-up entry	Stipulation Adjustments	Pro Forma Adjustment	WA Alloc	ID Alloc
1	Steam Production Plant	12,942,358	12,922,968	46,223	(65,629)	0	(131,244)	(87,920)	(43,324)
2	Hydraulic Production Plant	3,014,629	0	55,541	3,761	0	(3,066,409)	(2,054,187)	(1,012,222)
3	Other Production Plant	501,288	300,927	3,320	(2,223)	0	(205,905)	(137,936)	(67,969)
4	Total Production	16,458,275	13,223,892	105,084	(64,091)	0	(3,403,558)	(2,280,043)	(1,123,514)
5	Note 1 - P/T Ratio						100.000%	66.990%	33.010%
6	Transmission Plant	6,368,323	6,219,588	(27,121)	(30,686)	0	(152,302)	(102,027)	(50,275)
7	Note 1 - P/T Ratio						100.000%	66.990%	33.010%
8	Total Production & Distribution Ln 4+Ln 6					0	(3,555,860)	(2,382,070)	(1,173,789)
9	Distribution Plant	13,068,467	12,515,978	26,099	(9,921)	0	(588,509)	(368,304)	(218,205)
10	Depreciable Plant - ADP-12A						100.000%	82.796%	37.204%
11	General Plant - see allocations w/s	3,234,117	4,723,905	(39,966)	131,592	0	1,661,346	1,062,813	598,533
12	Depreciable Plant - ADP-12A						100.000%	63.973%	36.027%
13	TOTAL ELECTRIC PLANT	\$39,127,182	\$36,683,361	64,096	26,894	0	(2,481,023)	(1,687,562)	(793,461)
14	Total Allocation Percentages						100.000%	68.019%	31.981%
15	EOP DEFERRED TAX IMPACT @35%							(590,647)	(277,711)
16	NET OPERATING INCOME ADJUSTMENT P-PC-3							1,096,915	
17	RATE BASE EFFECT ACCUMULATED DEPRECIATION							(843,781)	
18	NET PLANT							843,781	
19	ACCUMULATED DEFERRED TAX							(590,647)	
20	TOTAL RATE BASE ADJUSTMENT P-PC-3							253,134	
21	EOP DEFERRED TAX IMPACT @35%								
		Deferred FIT Balance (1)	Accum Deprac Balance (2)						
22	Dec-97	0	0						
23	Jan-98	(49,221)	(140,630)						
24	Feb-98	(98,441)	(281,260)						
25	Mar-98	(147,662)	(421,890)						
26	Apr-98	(196,882)	(562,521)						
27	May-98	(246,103)	(703,151)						
28	Jun-98	(295,323)	(843,781)						
29	Jul-98	(344,544)	(984,411)						
30	Aug-98	(393,764)	(1,125,041)						
31	Sep-98	(442,985)	(1,265,671)						
32	Oct-98	(492,206)	(1,406,301)						
33	Nov-98	(541,426)	(1,546,932)						
34	Dec-98	(590,647)	(1,687,562)						
35	Average of Monthly Average	(272,762)	(779,323)						
36	Simple 13 Month Average	(295,323)	(843,781)						
37									
38	FIT Rate	35.00%							
39	AVERAGE VS END OF PERIOD SWITCH	0							

(1) Deferred FIT balance adjustment is a reduction of the overall balance due to the higher level of Book Depreciation.
 (2) Accum Depr balance adjustment is an increase in the overall balance due to the higher level of Book Depreciation.

AVISTA UTILITIES PRO FORMA DEPRECIATION ADJUSTMENT WASHINGTON GAS CASE PUBLIC COUNSEL ADJUSTMENTS P-PC-01 FOR THE 12 MONTHS ENDED DECEMBER 31, 1998									
Line No.	Description	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
THESE FIGURES ON 12/31/98 AVERAGE BALANCES									
SYSTEM GAS									
		1998 Deprec. at Existing Rate	1998 Deprec. at Updated Rate	01/01/98 True-up entry	01/01/99 True-up entry	Stipulation Adjustments	Pro Forma Adjustment	WA Alloc	ID Alloc
1	Underground Storage Plant	444,486	430,244	(13,697)	(5,824)	0	(6,369)	(4,736)	(1,633)
2	Total Underground Storage	444,486	430,244	(13,697)	(5,824)	0	(6,369)	(4,736)	(1,633)
3	Note 1C - System Contract Demand						100.000%	74.360%	25.640%
4	Distribution Plant	5,545,684	5,437,294	4,739	10,749	0	(102,380)	(72,028)	(30,353)
5	Note 6 - Actual Therms Purchased						100.000%	70.353%	29.647%
6	General Plant - Direct	118,725	108,802	(638)	(1,101)	0	(10,387)	(7,107)	(3,279)
7	Transportation - Direct	49,056	49,056	(174)	0	0	174	119	55
8	Software - Direct	358,664	358,664	0	(54,208)	0	(54,208)	(37,092)	(17,116)
9	Utility Code 1						100.000%	68.426%	31.574%
10	General Plant - see allocations w/s	447,650	701,325	(8,285)	26,037	0	287,997	197,065	90,932
11	Depreciable Plant - ADP-12A						100.000%	68.426%	31.574%
12	TOTAL GAS PLANT	\$6,964,266	\$7,085,384	(18,055)	(24,347)	0	114,826	76,220	38,606
13	Total Allocation Percentages						100.000%	66.379%	33.621%
14	EOP DEFERRED TAX IMPACT @35%							26,677	13,512
15	NET OPERATING INCOME ADJUSTMENT P-PC-1							(49,543)	
16	RATE BASE EFFECT							38,110	
17	ACCUMULATED DEPRECIATION NET PLANT							(38,110)	
18	ACCUMULATED DEFERRED TAX							26,677	
19	TOTAL RATE BASE ADJUSTMENT P-PC-1							(11,433)	
20	EOP DEFERRED TAX IMPACT @35%								
		Deferred FIT Balance (1)	Accum Deprac Balance (2)						
21		0	(0)						
22	Dec-97								
23	Jan-98	2,223	8,352						
24	Feb-98	4,446	12,703						
25	Mar-98	6,669	19,055						
26	Apr-98	8,892	25,407						
27	May-98	11,115	31,758						
28	Jun-98	13,339	38,110						
29	Jul-98	15,562	44,462						
30	Aug-98	17,785	50,814						
31	Sep-98	20,008	57,165						
32	Oct-98	22,231	63,517						
33	Nov-98	24,454	69,869						
34	Dec-98	26,677	76,220						
35	Average of Monthly Averages	12,322	35,201						
36	Simple 13 Month Average	13,339	38,110						
37	FIT Rate	35.00%							
38	AVERAGE VS END OF PERIOD SWITCH	0							

(1) Deferred FIT balance adjustment is a reduction of the overall balance due to the higher level of Book Depreciation.
 (2) Accum Deprac balance adjustment is an increase in the overall balance due to the higher level of Book Depreciation.

AVISTA UTILITIES PRO FORMA DEPRECIATION ADJUSTMENT WASHINGTON ELECTRIC & GAS CASE FOR THE 12 MONTHS ENDED DECEMBER 31, 1998					
Line No.	(A)	(B)	(C)	(D)	(E)
GENERAL PLANT ALLOCATIONS					
1998 Actual Depreciation per Data Warehouse					
	Utility Code	System	Electric	WWP-Gas	WPNG
1	0	1,342,233	1,342,233	0	0
2	7	1,691,921	1,246,201	292,939	152,780
3	8	10,966	0	7,283	3,703
4	9	818,015	670,568	147,447	0
5	Total Per Addition of Ln 1...Ln 4	3,863,135	3,259,002	447,650	156,483
6	Total Corrected	3,863,135	3,259,002	447,650	156,483
7	Percent Difference	n/a	n/a	n/a	n/a
8	Utility 0	100.000%	100.000%	0.000%	0.000%
9	Note 7	100.000%	73.656%	17.314%	9.030%
10	Note 8	100.000%	0.000%	66.235%	33.765%
11	Note 9	100.000%	81.975%	18.025%	0.000%
1998 Actual Depreciation at Updated Rates					
	Utility Code	System	Electric	WWP-Gas	WPNG
12	0	1,723,805	1,723,805	0	0
13	7	2,915,667	2,147,711	504,853	263,303
14	8	13,655	0	9,045	4,611
15	9	1,039,816	852,389	187,427	0
16	Total Per Addition of Ln 1...Ln 4	5,693,143	4,723,905	701,325	267,913
17	Total Corrected	5,693,143	4,723,905	701,325	267,913
18	Percent Difference	n/a	n/a	n/a	n/a
19	Utility 0	100.000%	100.000%	0.000%	0.000%
20	Note 7	100.000%	73.656%	17.314%	9.030%
21	Note 8	100.000%	0.000%	66.235%	33.765%
22	Note 9	100.000%	81.975%	18.025%	0.000%
1997 True-Up Adjustment (recorded Jan. 1, 1998)					
	Utility Code	System	Electric	WWP-Gas	WPNG
23	0	(4,701)	(4,701)	0	0
24	7	(47,393)	(34,908)	(8,206)	(4,280)
25	8	(1)	0	(1)	(0)
26	9	(435)	(357)	(78)	0
27	Total Per Addition of Ln 1...Ln 4	(52,530)	(39,965)	(8,285)	(4,280)
28	Total Company	(52,530)	(39,966)	(8,285)	(4,280)
29	Percent Difference	100.000%	100.002%	100.004%	100.002%
30	Utility 0	100.000%	100.000%	0.000%	0.000%
31	Note 7	100.000%	73.656%	17.314%	9.030%
32	Note 8	100.000%	0.000%	66.235%	33.765%
33	Note 9	100.000%	81.975%	18.025%	0.000%
1998 True-Up Adjustment (recorded Jan. 1, 1999)					
	Utility Code	System	Electric	WWP-Gas	WPNG
34	0	20,841	20,841	0	0
35	7	150,650	110,963	26,084	13,604
36	8	0	0	0	0
37	9	(259)	(212)	(47)	0
38	Total Per Addition of Ln 1...Ln 4	171,232	131,591	26,037	13,604
39	Total Company	171,232	131,592	26,037	13,604
40	Percent Difference	100.000%	100.000%	100.001%	100.002%
41	Utility 0	100.000%	100.000%	0.000%	0.000%
42	Note 7	100.000%	73.656%	17.314%	9.030%
43	Note 8	100.000%	0.000%	66.235%	33.765%
44	Note 9	100.000%	81.975%	18.025%	0.000%

AVISYA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - ELECTRIC & COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$ (B)	Existing Rate % (C)	Annual Amount \$ (D)	Study Rate % (E)	Annual Amount \$ (F)	Increase or (Decrease) \$ (G)	Increase or (Decrease) in Rate (E) minus (C) (H)	Percentage Increase or (Decrease) in Rate % (I)
(A)			(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
STEAM PRODUCTION PLANT										
CENTRALIA STATION										
1	311.0	Structures & Improvements	6,304,617	3.30	208,052	3.30	208,052	0	0.00	0.000%
2	312.0	Boiler Plant Equipment	32,683,101	3.52	1,150,445	3.52	1,150,445	0	0.00	0.000%
3	314.0	Turbogenerator Units	13,010,599	3.66	476,188	3.66	476,188	0	0.00	0.000%
4	315.0	Accessory Electric Equipment	2,938,351	3.11	91,383	3.11	91,383	0	0.00	0.000%
5	316.0	Misc. Power Plant Equipment	735,813	4.68	34,436	4.68	34,436	0	0.00	0.000%
6		Total Centralia	55,672,481	3.52	1,960,504	3.52	1,960,504	0	0.00	0.000%
KETTLE FALLS STATION										
7	310.0	Land Rights	148,175	3.01	4,460	3.01	4,460	0	0.00	0.000%
8	311.0	Structures & Improvements	23,679,738	3.09	731,704	3.09	731,704	0	0.00	0.000%
9	312.0	Boiler Plant Equipment	39,980,234	3.26	1,303,356	3.26	1,303,356	0	0.00	0.000%
10	314.0	Turbogenerator Units	13,656,056	3.25	443,822	3.25	443,822	0	0.00	0.000%
11	315.0	Accessory Electric Equipment	10,336,442	2.96	305,959	2.96	305,959	0	0.00	0.000%
12	316.0	Misc. Power Plant Equipment	2,414,198	2.99	72,185	2.99	72,185	0	0.00	0.000%
13		Total Kettle Falls	90,214,843	3.17	2,861,485	3.17	2,861,485	0	0.00	0.000%
COLSTRIP UNIT 3										
14	311.0	Structures & Improvements	50,423,151	2.93	1,477,398	2.93	1,477,398	0	0.00	0.000%
15	312.0	Boiler Plant Equipment	70,807,253	3.12	2,209,186	3.12	2,209,186	0	0.00	0.000%
16	314.0	Turbogenerator Units	16,276,117	3.10	504,560	3.10	504,560	0	0.00	0.000%
17	315.0	Accessory Electric Equipment	8,056,440	2.76	222,358	2.76	222,358	0	0.00	0.000%
18	316.0	Misc. Power Plant Equipment	8,341,802	2.73	227,731	2.73	227,731	0	0.00	0.000%
19		Total Colstrip Unit 3	153,904,763	3.02	4,641,233	3.02	4,641,233	0	0.00	0.000%
COLSTRIP UNIT 4										
20	311.0	Structures & Improvements	48,677,765	2.95	1,435,994	2.95	1,435,994	0	0.00	0.000%
21	312.0	Boiler Plant Equipment	43,043,873	3.11	1,338,664	3.11	1,338,664	0	0.00	0.000%
22	314.0	Turbogenerator Units	13,670,796	3.11	425,162	3.11	425,162	0	0.00	0.000%
23	315.0	Accessory Electric Equipment	5,396,816	2.80	151,111	2.80	151,111	0	0.00	0.000%
24	316.0	Misc. Power Plant Equipment	3,872,334	2.81	108,813	2.81	108,813	0	0.00	0.000%
25		Total Colstrip Unit 4	114,661,584	3.02	3,459,744	3.02	3,459,744	0	0.00	0.000%
26		Total Steam Production Plant	414,453,671	3.12	12,922,966	3.12	12,922,966	0	0.00	0.000%

AVISTA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - ELECTRIC & COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$ (B)	Existing Rate % (C)	Annual Amount \$ (D)	Study Rate % (E)	Annual Amount \$ (F)	Increase or (Decrease) \$ (G)	Increase or (Decrease) in Rate (E) minus (C) (H)	Percentage Increase or (Decrease) in Rate % (I)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
HYDRAULIC PRODUCTION PLANT										
CABINET GORGE										
1	330.0	Rights of Way	7,149,161	0.24	17,028	0.00	0	(17,028)	(0.24)	-100.000%
2	331.0	Structures & Improvements	8,802,745	1.61	142,003	0.00	0	(142,003)	(1.61)	-100.000%
3	332.0	Reservoirs, Dams & Waterways	18,209,702	1.00	182,572	0.00	0	(182,572)	(1.00)	-100.000%
4	333.0	Waterwheels, Turbines, & Generators	20,457,811	1.21	246,548	0.00	0	(246,548)	(1.21)	-100.000%
5	334.0	Accessory Electric Equipment	4,779,689	2.41	115,165	0.00	0	(115,165)	(2.41)	-100.000%
6	335.0	Misc. Power Plant Equipment	1,741,693	5.78	100,614	0.00	0	(100,614)	(5.78)	-100.000%
7	336.0	Roads, Railroads & Bridges	949,438	2.28	21,684	0.00	0	(21,684)	(2.28)	-100.000%
8		Total Cabinet Gorge	62,090,239	1.33	825,614	0.00	0	(825,614)	(1.33)	-100.000%
LITTLE FALLS										
9	330.0	Rights of Way	17,260	1.11	192	0.00	0	(192)	(1.11)	-100.000%
10	331.0	Land Rights	2,851,000	2.00	57,020	0.00	0	(57,020)	(2.00)	-100.000%
11	331.0	Structures & Improvements	899,055	0.00	0	0.00	0	(0)	(0.00)	-100.000%
12	332.0	Reservoirs, Dams & Waterways	1,399,621	4.59	64,205	0.00	0	(64,205)	(4.59)	-100.000%
13	333.0	Waterwheels, Turbines, & Generators	2,940,962	4.19	123,226	0.00	0	(123,226)	(4.19)	-100.000%
14	334.0	Accessory Electric Equipment	1,469,901	3.43	50,482	0.00	0	(50,482)	(3.43)	-100.000%
15	335.0	Misc. Power Plant Equipment	134,983	2.39	3,190	0.00	0	(3,190)	(2.39)	-100.000%
16		Total Little Falls	9,712,762	3.07	298,315	0.00	0	(298,315)	(3.07)	-100.000%
LONG LAKE										
17	330.0	Rights of Way	417,642	0.96	4,018	0.00	0	(4,018)	(0.96)	-100.000%
18	331.0	Structures & Improvements	1,564,141	3.19	49,953	0.00	0	(49,953)	(3.19)	-100.000%
19	332.0	Reservoirs, Dams & Waterways	12,807,482	2.71	347,590	0.00	0	(347,590)	(2.71)	-100.000%
20	333.0	Waterwheels, Turbines, & Generators	6,098,853	3.15	192,113	0.00	0	(192,113)	(3.15)	-100.000%
21	334.0	Accessory Electric Equipment	2,479,625	3.24	80,403	0.00	0	(80,403)	(3.24)	-100.000%
22	335.0	Misc. Power Plant Equipment	324,499	2.22	7,213	0.00	0	(7,213)	(2.22)	-100.000%
23		Total Long Lake	23,692,242	2.88	681,290	0.00	0	(681,290)	(2.88)	-100.000%
MONROE STREET										
24	331.0	Structures & Improvements	8,128,953	0.24	19,527	0.00	0	(19,527)	(0.24)	-100.000%
25	332.0	Reservoirs, Dams & Waterways	8,048,984	0.11	8,743	0.00	0	(8,743)	(0.11)	-100.000%
26	333.0	Waterwheels, Turbines, & Generators	11,013,612	0.29	32,256	0.00	0	(32,256)	(0.29)	-100.000%
27	334.0	Accessory Electric Equipment	1,487,192	0.81	11,995	0.00	0	(11,995)	(0.81)	-100.000%
28	335.0	Misc. Power Plant Equipment	19,628	0.74	145	0.00	0	(145)	(0.74)	-100.000%
29	336.0	Roads, Railroads & Bridges	50,448	0.21	105	0.00	0	(105)	(0.21)	-100.000%
30		Total Monroe Street	28,746,817	0.25	72,771	0.00	0	(72,771)	(0.25)	-100.000%
MEYERS FALLS										
31	330.0	Rights of Way	23,550	3.81	898	0.00	0	(898)	(3.81)	-100.000%
32	331.0	Structures & Improvements	49,804	4.96	2,472	0.00	0	(2,472)	(4.96)	-100.000%
33	332.0	Reservoirs, Dams & Waterways	318,609	2.95	9,398	0.00	0	(9,398)	(2.95)	-100.000%
34	333.0	Waterwheels, Turbines, & Generators	120,564	0.70	842	0.00	0	(842)	(0.70)	-100.000%
35	334.0	Accessory Electric Equipment	107,762	2.51	2,702	0.00	0	(2,702)	(2.51)	-100.000%
36	335.0	Misc. Power Plant Equipment	543	0.92	5	0.00	0	(5)	(0.92)	-100.000%
37	336.0	Roads, Railroads & Bridges	146	0.00	0	0.00	0	(0)	(0.00)	-100.000%
38		Total Meyers Falls	620,998	2.63	16,317	0.00	0	(16,317)	(2.63)	-100.000%
39		Subtotal Hydraulic Production Plant	124,863,078	1.52	1,894,307	0.00	0	(1,894,307)	(1.52)	-100.000%

AVISTA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - ELECTRIC & COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$ (B)	Existing Rate % (C)	Annual Amount \$ (D)	Study Rate % (E)	Annual Amount \$ (F)	Increase or (Decrease) \$ (G)	Increase or (Decrease) in Rate (E) minus (C) (H)	Percentage Increase or (Decrease) in Rate % (I)
HYDRAULIC PRODUCTION PLANT (CONT.)										
NINE MILE										
40	330.0	Rights of Way	10,916	1.43	156	0.00	0	(156)	(1.43)	-100.000%
41	331.0	Structures & Improvements	3,902,307	0.80	31,125	0.00	0	(31,125)	(0.80)	-100.000%
42	332.0	Reservoirs, Dams & Waterways	10,220,762	0.87	88,919	0.00	0	(88,919)	(0.87)	-100.000%
43	333.0	Waterwheels, Turbines, & Generators	9,271,757	0.24	22,098	0.00	0	(22,098)	(0.24)	-100.000%
44	334.0	Accessory Electric Equipment	2,503,381	1.29	32,299	0.00	0	(32,299)	(1.29)	-100.000%
45	335.0	Misc. Power Plant Equipment	236,137	1.25	2,946	0.00	0	(2,946)	(1.25)	-100.000%
46	336.0	Roads, Railroads & Bridges	625,181	0.23	1,415	0.00	0	(1,415)	(0.23)	-100.000%
47		Total Nine Mile	26,770,441	0.67	178,958	0.00	0	(178,958)	(0.67)	-100.000%
NOXON RAPIDS										
48	330.0	Rights of Way	29,424,229	0.17	48,932	0.00	0	(48,932)	(0.17)	-100.000%
49	331.0	Structures & Improvements	10,719,136	0.93	99,840	0.00	0	(99,840)	(0.93)	-100.000%
50	332.0	Reservoirs, Dams & Waterways	29,544,497	0.73	215,458	0.00	0	(215,458)	(0.73)	-100.000%
51	333.0	Waterwheels, Turbines, & Generators	30,134,671	0.60	182,233	0.00	0	(182,233)	(0.60)	-100.000%
52	334.0	Accessory Electric Equipment	3,956,407	2.06	81,539	0.00	0	(81,539)	(2.06)	-100.000%
53	335.0	Misc. Power Plant Equipment	1,691,294	3.47	58,653	0.00	0	(58,653)	(3.47)	-100.000%
54	336.0	Roads, Railroads & Bridges	126,833	1.84	2,084	0.00	0	(2,084)	(1.84)	-100.000%
55		Total Noxon Rapids	105,597,067	0.85	688,739	0.00	0	(688,739)	(0.85)	-100.000%
POST FALLS										
56	330.0	Rights of Way	2,731,604	0.60	16,391	0.00	0	(16,391)	(0.60)	-100.000%
57	331.0	Structures & Improvements	514,442	5.42	27,890	0.00	0	(27,890)	(5.42)	-100.000%
58	332.0	Reservoirs, Dams & Waterways	4,000,315	0.25	9,869	0.00	0	(9,869)	(0.25)	-100.000%
59	333.0	Waterwheels, Turbines, & Generators	2,214,450	4.30	95,278	0.00	0	(95,278)	(4.30)	-100.000%
60	334.0	Accessory Electric Equipment	831,642	4.02	33,416	0.00	0	(33,416)	(4.02)	-100.000%
61	335.0	Misc. Power Plant Equipment	91,881	1.22	1,120	0.00	0	(1,120)	(1.22)	-100.000%
62		Total Post Falls	10,384,334	1.77	183,964	0.00	0	(183,964)	(1.77)	-100.000%
UPPER FALLS										
63	330.0	Rights of Way	63,564	1.29	823	0.00	0	(823)	(1.29)	-100.000%
64	331.0	Structures & Improvements	405,577	6.00	24,327	0.00	0	(24,327)	(6.00)	-100.000%
65	332.0	Reservoirs, Dams & Waterways	1,383,189	3.37	48,004	0.00	0	(48,004)	(3.37)	-100.000%
66	333.0	Waterwheels, Turbines, & Generators	773,494	3.82	29,574	0.00	0	(29,574)	(3.82)	-100.000%
67	334.0	Accessory Electric Equipment	408,482	2.91	11,875	0.00	0	(11,875)	(2.91)	-100.000%
68	335.0	Misc. Power Plant Equipment	98,008	0.90	885	0.00	0	(885)	(0.90)	-100.000%
69		Total Upper Falls	3,112,314	3.65	113,488	0.00	0	(113,488)	(3.65)	-100.000%
SKOOKIMCHUCK										
70	331.0	Structures & Improvements	50,103	2.86	1,431	0.00	0	(1,431)	(2.86)	-100.000%
71	332.0	Reservoirs, Dams & Waterways	2,790	2.87	80	0.00	0	(80)	(2.87)	-100.000%
72	333.0	Waterwheels, Turbines, & Generators	359,888	2.86	10,282	0.00	0	(10,282)	(2.86)	-100.000%
73	334.0	Accessory Electric Equipment	90,734	2.86	2,592	0.00	0	(2,592)	(2.86)	-100.000%
74		Total Skookumchuck	503,515	2.86	14,385	0.00	0	(14,385)	(2.86)	-100.000%
75		Total Hydraulic Production Plant	271,230,749	1.13	3,073,841	0.00	0	(3,073,841)	(1.13)	-100.000%

AVISTA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - ELECTRIC & COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$	Existing Rate %	Annual Amount \$	Study Rate %	Annual Amount \$	Increase or (Decrease) \$	Increase or (Decrease) in Rate (E) minus (C)	Percentage Increase or (Decrease) in Rate %
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
OTHER PRODUCTION PLANT										
NORTHEAST TURBINE PLANT										
1	341.0	Structures & Improvements	256,733	4.18	10,731	2.36	6,059	(4,673)	(1.82)	-43.541%
2	342.0	Fuel Holders, Producers & Access.	1,140,527	4.23	48,244	2.08	23,723	(24,521)	(2.15)	-50.827%
3	343.0	Prime Movers	6,486,398	4.18	271,131	2.21	143,349	(127,782)	(1.97)	-47.129%
4	344.0	Generators	2,595,127	4.14	107,438	2.18	56,574	(50,864)	(1.96)	-47.343%
5	345.0	Accessory Electric Equipment	333,825	4.20	14,021	7.34	24,503	10,482	3.14	74.762%
6	346.0	Misc. Power Plant Equipment	241,256	4.31	10,398	2.61	6,297	(4,101)	(1.70)	-39.443%
7		Total Northeast Turbine	11,053,866	4.18	461,964	2.36	260,505	(201,460)	(1.82)	-43.609%
FUEL CELL PRODUCTION										
8	340.0	Land Rights	1,000	3.01	30	3.01	30	0	0.00	0.000%
9	344.0	Generators	924,852	4.14	38,289	4.14	38,289	0	0.00	0.000%
10		Total Fuel Cell Plant	925,852	4.14	38,319	4.14	38,319	0	0.00	0.000%
RATHDRUM TURBINE LEASE										
11	343.0	Structures & Improvements	19,835	4.18	829	4.18	829	0	0.00	0.000%
12	344.0	Fuel Holders, Producers & Access.	8,106	4.14	336	4.14	336	0	0.00	0.000%
13	345.0	Prime Movers	22,344	4.20	938	4.20	938	0	0.00	0.000%
14		Total Rathdrum Turbine Lease	50,285	4.18	2,103	4.18	2,103	0	0.00	0.000%
15		Total Other Production	12,030,003	4.18	502,386	2.50	300,927	(201,460)	(1.67)	-40.101%
16		TOTAL GENERATION	697,714,423	2.36	16,499,193	1.90	13,223,892	(3,275,301)	(0.47)	-19.851%

AVISTA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - ELECTRIC & COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$ (B)	Existing Rate % (C)	Annual Amount \$ (D)	Study Rate % (E)	Annual Amount \$ (F)	Increase or (Decrease) \$ (G)	Increase or (Decrease) in Rate (E) minus (C) (H)	Percentage Increase or (Decrease) in Rate % (I)
TRANSMISSION PLANT										
1	350.0	Land Rights	9,092,396	1.32	120,020	1.32	120,020	0	0.00	0.000%
2	352.0	Structures & Improvements	7,210,586	2.09	150,701	2.09	150,701	0	0.00	0.000%
3	353.0	Station Equipment	95,510,272	2.64	2,521,471	2.63	2,511,920	(9,551)	(0.01)	-0.379%
4	354.0	Towers & Fixtures	17,074,406	1.40	239,042	1.40	239,042	0	0.00	0.000%
5	355.0	Poles & Fixtures	67,519,645	3.34	2,255,156	3.03	2,045,845	(209,311)	(0.31)	-9.281%
6	356.0	OH Conductors & Devices	61,028,997	1.59	970,361	1.80	1,098,522	128,161	0.21	13.208%
7	357.0	UG Conduit	556,054	1.63	9,064	1.66	9,230	167	0.03	1.840%
8	358.0	UG Conductors & Devices	1,316,123	1.55	20,400	1.52	20,005	(395)	(0.03)	-1.935%
9	359.0	Roads & Trails	1,813,503	1.34	24,301	1.34	24,301	0	0.00	0.000%
10		Total Transmission Plant	261,121,982	2.42	6,310,515	2.38	6,219,586	(90,929)	(0.03)	-1.441%
DISTRIBUTION PLANT										
11	361.0	Structures & Improvements	7,397,519	2.45	181,239	2.13	157,567	(23,672)	(0.32)	-13.061%
12	362.0	Station Equipment	55,107,554	2.30	1,267,474	2.47	1,361,157	93,683	0.17	7.391%
13	364.0	Poles, Towers & Fixtures	120,866,701	1.45	1,752,567	1.87	2,260,207	507,640	0.42	28.966%
14	365.0	OH Conductors & Devices	83,487,861	1.26	1,051,947	1.30	1,085,342	33,395	0.04	3.175%
15	366.0	UG Conduit	33,782,874	1.84	621,605	1.88	635,118	13,513	0.04	2.174%
16	367.0	UG Conductors & Devices	66,058,091	2.73	1,776,086	2.27	1,476,819	(299,267)	(0.46)	-16.850%
17	368.0	Line Transformers	106,577,328	2.73	2,909,561	2.65	2,824,299	(85,262)	(0.08)	-2.893%
18	369.0	Services	67,379,547	2.77	1,866,413	2.13	1,435,184	(431,229)	(0.64)	-23.105%
17	370.0	Meters	21,891,395	2.86	626,094	3.28	718,038	91,944	0.42	14.685%
18	373.0	Street Lighting & Signal Systems	8,576,374	9.70	831,908	2.21	189,538	(642,370)	(7.49)	-77.216%
19	374.4	High Pressure Sodium Vapor Lights	6,160,477	3.21	197,751	6.05	372,709	174,958	2.84	88.474%
20		Total Distribution Plant	576,285,721	2.27	13,082,646	2.17	12,515,978	(566,668)	(0.10)	-4.331%
GENERAL PLANT Utility 0										
21	390.1	Structures & Improvements	1,539,038	2.18	33,551	2.01	30,935	(2,616)	(0.17)	-7.798%
22	391.1	Computer Equipment	20,205	8.96	1,810	20.27	4,096	2,285	11.31	126.228%
23	393.0	Stores Equipment	99,198	2.28	2,262	2.41	2,391	129	0.13	5.702%
24	394.0	Tools, Shop & Garage Equipment	2,004,515	4.31	86,395	4.49	90,003	3,608	0.18	4.176%
25	395.0	Laboratory Equipment	2,489,527	3.94	98,087	3.34	83,150	(14,937)	(0.60)	-15.228%
26	397.0	Communication Equipment	13,936,134	7.00	975,529	9.82	1,368,528	392,999	2.82	40.286%
27	398.4	Miscellaneous Equipment	3,554	0.78	28	3.72	132	104	2.94	376.923%
28		Total Electric General Plant	20,092,189	5.96	1,197,662	7.66	1,579,234	381,572	1.90	31.860%
TRANSPORTATION - Utility 0										
29	392.0	Transportation Equipment	985,756	4.93	48,635	4.93	48,635	0	0.00	0.000%
30	396.0	Power Operated Equipment	1,290,614	7.43	95,935	7.43	95,935	0	0.00	0.000%
31		Total Elec. Transport. Plant	2,276,370	6.35	144,570	6.35	144,570	0	0.00	0.000%
32		TOTAL ELECTRIC PLANT	1,557,490,665	2.39	37,234,587	2.16	33,683,262	(3,551,325)	(0.23)	-9.538%
GENERAL PLANT Utility 7										
33	390.1	Structures & Improvements	629,944	2.18	13,733	2.01	12,662	(1,071)	(0.17)	-7.798%
34	391.0	Office Furniture & Equipment	6,942,301	5.42	376,273	4.53	314,486	(61,786)	(0.89)	-16.421%
35	391.0	Office Furniture & Equipment (???)	85,116	12.63	10,747	12.63	10,747	0	0.00	0.000%
36	391.1	Computer Equipment	9,921,924	8.96	889,004	20.27	2,011,174	1,122,170	11.31	126.228%
37	394.0	Tools, Shop & Garage Equipment	167,615	4.31	7,224	4.49	7,526	302	0.18	4.176%
38	397.0	Communication Equipment	5,568,471	7.00	389,793	9.82	546,824	157,031	2.82	40.286%
39	397.2	Communication Equipment - Portable	55,320	7.00	3,872	11.51	6,367	2,495	4.51	64.429%
40	398.0	Miscellaneous Equipment	163,456	0.78	1,275	3.72	6,081	4,806	2.94	376.923%
41		Total Util. 7 General Plant	23,534,147	7.19	1,691,921	12.39	2,915,867	1,223,945	5.20	72.341%
GENERAL PLANT Utility 9										
42	389.0	Land Rights	65,063	3.52	2,292	2.68	1,744	(548)	(0.84)	-23.928%
43	390.1	Structures & Improvements	7,058,387	2.18	153,873	2.01	141,874	(11,999)	(0.17)	-7.798%
44	393.0	Stores Equipment	751,411	2.28	17,132	2.41	18,109	977	0.13	5.702%
45	394.0	Tools, Shop & Garage Equipment	929,428	4.31	40,058	4.49	41,731	1,673	0.18	4.176%
46	395.0	Laboratory Equipment	632,498	3.94	24,920	3.34	21,125	(3,795)	(0.60)	-15.228%
47	397.0	Communication Equipment	5,922,148	7.00	414,550	9.82	581,555	167,005	2.82	40.286%
48	397.2	Communication Equipment - Portable	1,505,557	7.00	105,389	11.51	173,290	67,901	4.51	64.429%
49	398.0	Miscellaneous Equipment	20,029	0.78	156	3.72	745	589	2.94	376.923%
50		Total Util. 9 General Plant	16,884,521	4.49	768,372	5.81	980,173	221,801	1.31	29.247%
TRANSPORTATION - Utility 9										
51	392.0	Transportation Equipment	155,199	4.93	7,657	4.93	7,657	0	0.00	0.000%
52	396.0	Power Operated Equipment	699,376	7.43	51,987	7.43	51,987	0	0.00	0.000%
53		Total Util. 9 Transp. Plant	854,575	6.98	59,643	6.98	59,643	0	0.00	0.000%
54		TOTAL COMMON PLANT	41,273,243	6.08	2,509,936	9.58	3,955,682	1,445,746	3.50	57.601%
55		GRAND TOTAL ELECTRIC & COMMON *	1,598,763,908	2.49	39,744,523	2.35	37,638,944	(2,105,579)	(0.13)	-5.298%

* There is a small piece of common gas plant allocated to electric.

AVISTA UTILITIES DEPRECIATION AS OF DECEMBER 31, 1998 COMPARISON OF DEPRECIATION RATES - GAS & GAS COMMON										
Line No.	Acct. No.	Description	12/31/1998 Avg. Balance \$	Existing Rate %	Annual Amount \$	Study Rate %	Annual Amount \$	Increase or (Decrease) \$	Increase or (Decrease) in Rate (E) minus (C)	Percentage Increase or (Decrease) in Rate
	(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
UNDERGROUND STORAGE										
1	1350.20	Rights of Way	23,874	2.01	480	2.05	489	9	0.04	1.940%
2	1351.20	Structures & Improvements	1,069,958	1.74	18,617	1.75	18,724	107	0.01	0.575%
3	1352.00	Walls	5,549,179	2.36	130,961	2.00	110,984	(19,977)	(0.36)	-15.254%
4	1352.10	Leasehold (deprec. over life of lease)	254,354	2.53	6,444	2.53	6,435	(9)	(0.00)	-0.138%
5	1352.20	Reservoirs	795,339	2.15	17,100	2.22	17,657	557	0.07	3.256%
6	1352.30	Cushion Natural Gas	5,631,220	2.22	125,013	2.54	143,033	18,020	0.32	14.414%
7	1353.20	Storage Lines	799,012	1.80	14,382	2.06	16,460	2,078	0.26	14.450%
8	1354.00	Compressor Station Equipment	1,498,871	3.18	47,664	2.32	34,774	(12,890)	(0.86)	-27.044%
9	1355.00	Measuring & Regulating Equipment	940,961	2.95	27,758	2.66	25,031	(2,728)	(0.29)	-9.827%
7	1356.00	Purification Equipment	458,570	3.18	14,583	2.97	13,620	(963)	(0.21)	-6.804%
9	1357.00	Other Equipment	1,553,704	2.67	41,484	2.77	43,038	1,554	0.10	3.745%
10		Total Underground Storage	18,575,042	2.39	444,486	2.32	430,244	(14,242)	(0.08)	-3.204%
GAS DISTRIBUTION PLANT										
11	1375.10	Structures & Improvements	309,474	2.33	7,211	2.19	6,777	(434)	(0.14)	-6.013%
12	1376.00	Mains	110,569,271	2.22	2,454,838	2.38	2,631,549	176,911	0.16	7.207%
13	1378.00	Measuring/Regulating Station Equip	1,840,700	1.45	26,890	2.13	39,207	12,517	0.68	46.897%
14	1379.00	Measuring/Regulating City Gate Equip	897,536	2.89	25,939	2.24	20,105	(5,834)	(0.65)	-22.491%
15	1380.00	Services	84,318,829	3.01	2,537,997	2.87	2,251,313	(286,684)	(0.34)	-11.296%
18	1381.00	Meters	16,308,177	2.03	331,056	1.94	316,379	(14,677)	(0.09)	-4.433%
17	1382.00	Meters Installations	4,373,983	1.99	87,042	2.07	90,541	3,499	0.08	4.020%
16	1383.00	House Regulators	2,013,532	1.99	40,069	2.27	45,707	5,638	0.28	14.070%
17	1384.00	House Regulators Installations	405,666	1.77	7,180	2.53	10,263	3,083	0.76	42.938%
18	1385.00	Industrial Measuring/Regulating Equip.	1,047,471	2.66	27,883	2.43	25,454	(2,409)	(0.23)	-8.647%
19		Total Gas Distribution Plant	222,084,619	2.50	5,545,684	2.45	5,437,294	(108,390)	(0.05)	-1.955%
GAS GENERAL PLANT										
20	1390.10	Structures & Improvements	152,911	1.87	2,554	2.61	3,991	1,437	0.94	56.287%
21	1393.00	Stores Equipment	23,688	2.28	540	2.51	596	55	0.23	10.263%
22	1394.00	Totals Shop & Garage Equipment	848,948	5.67	48,022	4.24	35,911	(12,111)	(1.43)	-25.220%
23	1395.00	Laboratory Equipment	423,581	5.68	24,059	3.27	13,851	(10,208)	(2.41)	-42.430%
24	1397.00	Communication Equipment	550,431	7.69	42,328	9.82	54,052	11,724	2.13	27.698%
25	1398.00	Miscellaneous Equipment	31,332	3.90	1,222	1.28	401	(821)	(2.62)	-67.179%
26		Total Gas General Plant	2,028,891	5.85	118,725	5.36	108,802	(9,924)	(0.49)	-8.358%
GAS TRANSPORTATION PLANT										
27	1392.00	Transportation	153,087	4.93	7,553	4.93	7,553	0	0.00	0.000%
28	1396.00	Powered Operated Equipment	558,333	7.43	41,503	7.43	41,503	0	0.00	0.000%
29		Total Gas Transportation Plant	711,420	6.90	49,056	6.90	49,056	0	0.00	0.000%
COMMON GAS GENERAL PLANT										
30	1395.00	Laboratory Equipment	8,746	5.68	497	3.27	286	(211)	(2.41)	-42.430%
31	1397.00	Communication Equipment	136,144	7.69	10,469	9.82	13,369	2,900	2.13	27.698%
32		Total Util. & General Plant *	144,890	7.57	10,966	9.42	13,655	2,689	1.86	24.522%
32		GRAND TOTAL GAS & COMMON *	243,544,862	2.53	6,168,918	2.48	6,039,051	(129,867)	(0.05)	-2.105%
		* There is a small piece of common gas plant allocated to electric.			358,664	<== See Note				
					6,527,582					

NOTE: ABOVE IS SOFTWARE DIRECT TO GAS