

AVISTA UTILITIES
 STATE OF WASHINGTON - SETTLEMENT
 REVENUE REQUIREMENT ASSOCIATED W
 BPA EXCHANGE POWER INVESTMENT

Line No.	Description	3/96-2/97 Year 10	3/97-2/98 Year 11	3/98-2/99 Year 12	3/99-2/00 Year 13	3/00-2/01 Year 14	3/01-2/02 Year 15	3/02-2/03 Year 16	3/03-2/04 Year 17	3/04-2/05 Year 18
1	Investment									
1	Direct charges	42714	42714	42714	42714	42714	42714	42714	42714	42714
2	AFUDC	36912	36912	36912	36912	36912	36912	36912	36912	36912
3	Total	79626	79626	79626	79626	79626	79626	79626	79626	79626
4	Tax basis	42076	42076	42076	42076	42076	42076	42076	42076	42076
5	Amort. of tax basis	1295	1295	1295	1295	1295	1295	1295	1295	1295
6	Amort. of direct charges	1314	1314	1314	1314	1314	1314	1314	1314	1314
7	Amort. of AFUDC	1136	1136	1136	1136	1136	1136	1136	1136	1136
8	1/2 current yr. amort.	1225	1225	1225	1225	1225	1225	1225	1225	1225
9	Amort. from prior years	22050	24500	26950	29400	31850	34300	36750	39200	41650
10	Avg. bal. accum. amort.	23275	25725	28175	30625	33075	35525	37975	40425	42875
11	Net investment	56351	53901	51451	49001	46551	44101	41651	39201	36751
12	Rate of return	0.1067	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926
13	Net operating income requ.	6013	5350	5107	4864	4621	4377	4134	3891	3648
14	Deferred return	0	0	0	0	0	0	0	0	0
15	Recovery of deferred return	1273	0	0	0	0	0	0	0	0
16	Adjusted NOI requirement	7286	5350	5107	4864	4621	4377	4134	3891	3648
17	Begin Deferred Balance	1150	0	0	0	0	0	0	0	0
18	Carrying cost on begin bal.	123	0	0	0	0	0	0	0	0
19	Current year deferral	0	0	0	0	0	0	0	0	0
20	Current year recovery	-1273	0	0	0	0	0	0	0	0
21	Ending balance	0	0	0	0	0	0	0	0	0
22	Amortization expense	2450	2450	2450	2450	2450	2450	2450	2450	2450
23	Tax effect of amortization	-440	-453	-453	-453	-453	-453	-453	-453	-453
24	Tax effect of interest	-830	-765	-730	-695	-661	-626	-591	-556	-521
25	NOI requ. - amort. & tax	1180	1232	1267	1302	1336	1371	1406	1441	1476
26	NOI requirement-return	7286	5350	5107	4864	4621	4377	4134	3891	3648
27	Total NOI requirement	8466	6582	6374	6166	5957	5748	5540	5332	5124
28	Rate of return	0.1067	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926	0.09926
29	Wtd cost of debt	0.0433	0.04054	0.04054	0.04054	0.04054	0.04054	0.04054	0.04054	0.04054
30	Federal income tax rate	0.34	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35

2 MONTHS
 10 MONTHS
 (\$'s in 000's)

WUTC
 DOCKET NO. WE-991606
 EXHIBIT # 937
 ADMIT
 W/D
 REJECT

410