

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

DOCKET NO. UG-99 _____

Exhibit No. 30

Witness: Don M. Falkner, Avista Corp.

WUTC

DOCKET NO. UE-9916010

EXHIBIT # 230

ADMIT

W/D

REJECT

AVISTA UTILITIES
 GAS RESULTS OF OPERATION
 WASHINGTON PRO FORMA RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

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
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$67,226	\$4,409	\$71,635	\$4,899	\$76,534
2	Total Transportation	5,294	(1,893)	3,401		3,401
3	Other Revenues	12,629	(10,437)	2,192		2,192
4	Total Gas Revenues	85,149	(7,921)	77,228	4,899	82,127
EXPENSES						
5	Exploration and Development	0	0	0		0
Production						
6	City Gate Purchases	49,265	(10,020)	39,245		39,245
7	Purchased Gas Expense	117	4	121		121
8	Net Nat Gas Storage Trans	(1,017)	1,017	0		0
9	Total Production	48,365	(8,999)	39,366	0	39,366
Underground Storage						
10	Operating Expenses	319	0	319		319
11	Depreciation	325	1	326		326
12	Taxes	103	(2)	101		101
13	Total Underground Storage	747	(1)	746	0	746
Distribution						
14	Operating Expenses	3,905	120	4,025		4,025
15	Depreciation	3,738	248	3,986		3,986
16	Taxes	4,956	(836)	4,120	188	4,308
17	Total Distribution	12,599	(468)	12,131	188	12,319
18	Customer Accounting	3,322	(379)	2,943	17	2,960
19	Customer Service & Information	585	3	588		588
20	Sales Expenses	474	5	479		479
Administrative & General						
21	Operating Expenses	8,195	(191)	8,004	47	8,051
22	Depreciation	818	303	1,121		1,121
23	Taxes	15	0	15		15
24	Total Admin. & General	9,028	112	9,140	47	9,187
25	Total Gas Expense	75,120	(9,727)	65,393	252	65,645
26	OPERATING INCOME BEFORE FIT	10,029	1,806	11,835	4,647	16,482
FEDERAL INCOME TAX						
27	Current Accrual	(651)	1,481	830	1,626	2,456
28	Deferred FIT	2,229	(136)	2,093		2,093
29	Amort ITC	(31)	0	(31)		(31)
30	NET OPERATING INCOME	\$8,482	\$461	\$8,943	\$3,021	\$11,964
RATE BASE: PLANT IN SERVICE						
31	Underground Storage	14,091	0	14,091		14,091
32	Distribution Plant	150,325	4,344	154,669	0	154,669
33	General Plant	12,868	0	12,868		12,868
34	Total Plant in Service	177,284	4,344	181,628		181,628
ACCUMULATED DEPRECIATION						
35	Underground Storage	5,936	1	5,937		5,937
36	Distribution Plant	40,779	124	40,903	0	40,903
37	General Plant	5,028	151	5,179		5,179
38	Total Accum. Depreciation	51,743	276	52,019		52,019
39	DEFERRED FIT	0	(9,983)	(9,983)		(9,983)
40	GAS INVENTORY	0	1,458	1,458		1,458
41	GAIN ON SALE OF BUILDING	0	(615)	(615)		(615)
42	TOTAL RATE BASE	\$125,541	(\$5,072)	\$120,469		\$120,469
43	RATE OF RETURN	6.76%		7.42%		9.93%

AVISTA UTILITIES
 Calculation of Revenue Requirement
 Washington - Gas System
 Twelve Months Ended December 31, 1996

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base	\$120,469
2	Proposed Rate of Return	9.930%
3	Net Operating Income Requirement	\$11,963
4	Pro Forma Net Operating Income	\$8,943
5	Net Operating Income Deficiency	\$3,020
6	Conversion Factor	0.616505
7	Revenue Requirement	\$4,899
8	Total General Business Revenues	\$75,036
9	Percentage Revenue Increase	6.53%

AVISTA UTILITIES
Revenue Conversion Factor
Washington - Gas System
Twelve Months Ended December 31, 1998

Line No.	Description	Factor
1	Revenues	1.000000
	Expenses:	
2	Uncollectibles	0.003514
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038385
5	Franchise Fees	0.007632
6	Total Expense	<u>0.051530</u>
7	Net Operating Income before Federal Income Tax	0.948470
8	Federal Income Tax @ 35%	<u>0.331964</u>
9	Revenue Conversion Factor	<u><u>0.616506</u></u>

AVISTA UTILITIES
 GAS RESULTS OF OPERATION-GENERAL CASE
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Gain on Office Building	Gas Inventory	Weatherization and DSM Investment
	a	b	c	d	e	f
REVENUES						
1	Total General Business	\$67,226				
2	Total Transportation	5,294				
3	Other Revenues	12,629				
4	Total Gas Revenues	85,149	0	0	0	0
EXPENSES						
5	Exploration and Development	0				
Production						
6	City Gate Purchases	49,265				
7	Purchased Gas Expense	117				
8	Net Nat Gas Storage Trans	(1,017)				
9	Total Production	48,365	0	0	0	0
Underground Storage						
10	Operating Expenses	319				
11	Depreciation	325				
12	Taxes	103				
13	Total Underground Storage	747	0	0	0	0
Distribution						
14	Operating Expenses	3,905				
15	Depreciation	3,738				
16	Taxes	4,956				
17	Total Distribution	12,599	0	0	0	0
18	Customer Accounting	3,322			0	0
19	Customer Service & Information	585				
20	Sales Expenses	474				
Administrative & General						
21	Operating Expenses	8,195				
22	Depreciation	818				
23	Taxes	15				
24	Total Admin. & General	9,028	0	0	0	0
25	Total Gas Expense	75,120	0	0	0	0
26	OPERATING INCOME BEFORE FIT	10,029	0	0	0	0
FEDERAL INCOME TAX						
27	Current Accrual	(651)				
28	Deferred FIT	2,229				
29	Amort ITC	(31)				
30	NET OPERATING INCOME	\$8,482	\$0	\$0	\$0	\$0
RATE BASE: PLANT IN SERVICE						
31	Underground Storage	14,091				
32	Distribution Plant	150,325				4,443
33	General Plant	12,868				
34	Total Plant in Service	177,284	0	0	0	4,443
ACCUMULATED DEPRECIATION						
35	Underground Storage	5,936				
36	Distribution Plant	40,779				
37	General Plant	5,028				
38	Total Accum. Depreciation	51,743	0	0	0	0
39	DEFERRED FIT	0	(10,295)	215		
40	GAS INVENTORY	0			1,458	
41	GAIN ON SALE OF BUILDING	0		(615)		
42	TOTAL RATE BASE	\$125,541	(\$10,295)	(\$400)	\$1,458	\$4,443
43	RATE OF RETURN					

AVISTA UTILITIES
 GAS RESULTS OF OPERATION-GENERAL CASE
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Customer Advances	Subtotal Actual	Eliminate B & O Taxes	Pro Forma Property Tax	Uncollectible Expense	Regulatory Expense Adjustment
	a	g	-	h	l	j	k
REVENUES							
1	Total General Business		\$67,226	\$ (1,601)			
2	Total Transportation		5,294	(76)			
3	Other Revenues		12,629				
4	Total Gas Revenues	0	85,149	(1,677)	0	0	0
EXPENSES							
5	Exploration and Development Production		0				
6	City Gate Purchases		49,265				
7	Purchased Gas Expense		117				
8	Net Nat Gas Storage Trans		(1,017)				
9	Total Production	0	48,365	0	0	0	0
Underground Storage							
10	Operating Expenses		319				
11	Depreciation		325				
12	Taxes		103		(2)		
13	Total Underground Storage	0	747	0	(2)	0	0
Distribution							
14	Operating Expenses		3,905				
15	Depreciation		3,738				
16	Taxes		4,956	(1,850)	(20)		
17	Total Distribution	0	12,599	(1,850)	(20)	0	0
18	Customer Accounting		3,322	0	0	(226)	0
19	Customer Service & Information		585				
20	Sales Expenses		474				
Administrative & General							
21	Operating Expenses		8,195				15
22	Depreciation		818				
23	Taxes		15				
24	Total Admin. & General	0	9,028	0	0	0	15
25	Total Gas Expense	0	75,120	(1,850)	(22)	(226)	15
26	OPERATING INCOME BEFORE FIT	0	10,029	173	22	226	(15)
FEDERAL INCOME TAX							
27	Current Accrual		(651)	61	8	79	(5)
28	Deferred FIT		2,229				
29	Amort ITC		(31)				
30	NET OPERATING INCOME	\$0	\$8,482	\$112	\$14	\$147	(\$10)
RATE BASE: PLANT IN SERVICE							
31	Underground Storage		14,091				
32	Distribution Plant	(99)	154,669				
33	General Plant		12,868				
34	Total Plant in Service	(99)	181,628	0	0	0	0
ACCUMULATED DEPRECIATION							
35	Underground Storage		5,936				
36	Distribution Plant		40,779				
37	General Plant		5,028				
38	Total Accum. Depreciation	0	51,743	0	0	0	0
39	DEFERRED FIT		(10,080)				
40	GAS INVENTORY		1,458				
41	GAIN ON SALE OF BUILDING		(615)				
42	TOTAL RATE BASE	(\$99)	\$120,648	\$0	\$0	\$0	\$0
43	RATE OF RETURN		7.03%				

AVISTA UTILITIES
 GAS RESULTS OF OPERATION-GENERAL CASE
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries and Damages	FIT	Pro Forma Restate Debt Interest	Eliminate A/R Expenses	Office Space Charges to Subs
	a	l	m	n	o	p
REVENUES						
1	Total General Business					
2	Total Transportation					
3	Other Revenues					
4	Total Gas Revenues	0	0	0	0	0
EXPENSES						
5	Exploration and Development					
Production						
6	City Gate Purchases					
7	Purchased Gas Expense					
8	Net Nat Gas Storage Trans					
9	Total Production	0	0	0	0	0
Underground Storage						
10	Operating Expenses					
11	Depreciation					
12	Taxes					
13	Total Underground Storage	0	0	0	0	0
Distribution						
14	Operating Expenses					
15	Depreciation					
16	Taxes					
17	Total Distribution	0	0	0	0	0
18	Customer Accounting				(245)	0
19	Customer Service & Information					
20	Sales Expenses					
Administrative & General						
21	Operating Expenses	44				(6)
22	Depreciation					
23	Taxes					
24	Total Admin. & General	44	0	0	0	(6)
25	Total Gas Expense	44	0	0	(245)	(6)
26	OPERATING INCOME BEFORE FIT	(44)	0	0	245	6
FEDERAL INCOME TAX						
27	Current Accrual	(15)	558	289	86	2
28	Deferred FIT		(136)			
29	Amort ITC					
30	NET OPERATING INCOME	(\$29)	(\$422)	(\$289)	\$159	\$4
RATE BASE: PLANT IN SERVICE						
31	Underground Storage					
32	Distribution Plant					
33	General Plant					
34	Total Plant in Service	0	0	0	0	0
ACCUMULATED DEPRECIATION						
35	Underground Storage					
36	Distribution Plant					
37	General Plant					
38	Total Accum. Depreciation	0	0	0	0	0
39	DEFERRED FIT					
40	GAS INVENTORY					
41	GAIN ON SALE OF BUILDING					
42	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0
43	RATE OF RETURN					

AVISTA UTILITIES
 GAS RESULTS OF OPERATION-GENERAL CASE
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Restate Excise/Franchise Taxes	Lease Expense Adjustment	Restated Total			
	a	q	r	s			
REVENUES							
1	Total General Business			\$65,625			
2	Total Transportation			5,218			
3	Other Revenues			12,629			
4	Total Gas Revenues	0	0	83,472			
EXPENSES							
5	Exploration and Development			0			
6	Production						
6	City Gate Purchases			49,265			
7	Purchased Gas Expense			117			
8	Net Nat Gas Storage Trans			(1,017)			
9	Total Production	0	0	48,365			
Underground Storage							
10	Operating Expenses			319			
11	Depreciation			325			
12	Taxes			101			
13	Total Underground Storage	0	0	745			
Distribution							
14	Operating Expenses			3,905			
15	Depreciation			3,738			
16	Taxes	717		3,803			
17	Total Distribution	717	0	11,446			
18	Customer Accounting	0	0	2,851			
19	Customer Service & Information			585			
20	Sales Expenses			474			
Administrative & General							
21	Operating Expenses	(11)	(20)	8,217			
22	Depreciation			818			
23	Taxes			15			
24	Total Admin. & General	(11)	(20)	9,050			
25	Total Gas Expense	706	(20)	73,516			
26	OPERATING INCOME BEFORE FIT	(706)	20	9,956			
FEDERAL INCOME TAX							
27	Current Accrual	(247)	7	172			
28	Deferred FIT			2,093			
29	Amort ITC			(31)			
30	NET OPERATING INCOME	(\$459)	\$13	\$7,722			
RATE BASE: PLANT IN SERVICE							
31	Underground Storage			14,091			
32	Distribution Plant			154,669			
33	General Plant			12,868			
34	Total Plant in Service	0	0	181,628			
ACCUMULATED DEPRECIATION							
35	Underground Storage			5,936			
36	Distribution Plant			40,779			
37	General Plant			5,028			
38	Total Accum. Depreciation	0	0	51,743			
39	DEFERRED FIT			(10,080)			
40	GAS INVENTORY			1,458			
41	GAIN ON SALE OF BUILDING			(615)			
42	TOTAL RATE BASE	\$0	\$0	\$120,648			
43	RATE OF RETURN			6.40%			

AVISTA UTILITIES
 GAS RESULTS OF OPERATION-GENERAL CASE
 WASHINGTON RESTATED RESULTS
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION a	Pro Forma Depr Adjustment PF1	Pro Forma Labor/Benefit Adjustment PF2	Pro Forma Revenue Adjustment PF3	Pro Forma Miscellaneous Adjustment PF4	Pro Forma TOTAL PF5
REVENUES						
1	Total General Business			\$6,010		\$71,635
2	Total Transportation			(1,817)		3,401
3	Other Revenues			(10,437)		2,192
4	Total Gas Revenues	0	0	(6,244)	0	77,228
EXPENSES						
5	Exploration and Development					0
	Production					0
6	City Gate Purchases			(10,020)		39,245
7	Purchased Gas Expense		4			121
8	Net Nat Gas Storage Trans			1,017		0
9	Total Production	0	4	(9,003)	0	39,366
	Underground Storage					0
10	Operating Expenses					319
11	Depreciation	1				326
12	Taxes					101
13	Total Underground Storage	1	0	0	0	746
	Distribution					0
14	Operating Expenses		120			4,025
15	Depreciation	248				3,986
16	Taxes			317		4,120
17	Total Distribution	248	120	317	0	12,131
18	Customer Accounting	0	63	29	0	2,943
19	Customer Service & Information		3			588
20	Sales Expenses		5			479
	Administrative & General					0
21	Operating Expenses		(29)	80	(264)	8,004
22	Depreciation	303				1,121
23	Taxes					15
24	Total Admin. & General	303	(29)	80	(264)	9,140
25	Total Gas Expense	552	166	(8,577)	(264)	65,393
26	OPERATING INCOME BEFORE FIT	(552)	(166)	2,333	264	11,835
FEDERAL INCOME TAX						
27	Current Accrual	(193)	(58)	817	92	830
28	Deferred FIT					2,093
29	Amort FIT					(31)
30	NET OPERATING INCOME	(\$359)	(\$108)	\$1,516	\$172	\$8,943
RATE BASE: PLANT IN SERVICE						
31	Underground Storage					14,091
32	Distribution Plant					154,669
33	General Plant					12,868
34	Total Plant in Service	0	0	0	0	181,628
ACCUMULATED DEPRECIATION						
35	Underground Storage	1				5,937
36	Distribution Plant	124				40,903
37	General Plant	151				5,179
38	Total Accum. Depreciation	276	0	0	0	52,019
39	DEFERRED FIT	97				(9,983)
40	GAS INVENTORY					1,458
41	GAIN ON SALE OF BUILDING					(615)
42	TOTAL RATE BASE	(\$179)	\$0	\$0	\$0	\$120,469
43	RATE OF RETURN					7.42%