

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

DOCKET NO. UE-991606

Exhibit No. 269 (DMF-1)
Witness: Don M. Falkner, Avista Corp.

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>269</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AVISTA UTILITIES
ELECTRIC 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	\$253,536	\$(1,876)	\$251,660	\$18,168	\$269,828
2	Interdepartmental Sales	640		640		640
3	Sales for Resale	306,373	(210,233)	96,140		96,140
4	Total Sales of Electricity	560,549	(212,109)	348,440	18,168	366,608
5	Other Revenue	16,217	(4,089)	12,128		12,128
6	Total Electric Revenue	576,766	(216,198)	360,568	18,168	378,736
EXPENSES						
Production and Transmission						
7	Operating Expenses	64,520	(19,076)	45,444		45,444
8	Purchased Power	315,272	(181,510)	133,762		133,762
9	Depreciation and Amortization	17,857	(6,411)	11,446		11,446
10	Taxes	10,517	(1,143)	9,374		9,374
11	Total Production & Transmission	408,166	(208,140)	200,026	0	200,026
Distribution						
12	Operating Expenses	10,621	268	10,889		10,889
13	Depreciation	8,188	(368)	7,820		7,820
14	Taxes	22,389	(7,938)	14,451	701	15,152
15	Total Distribution	41,198	(8,038)	33,160	701	33,861
16	Customer Accounting	7,227	(1,341)	5,886	64	5,950
17	Customer Service & Information	6,630	42	6,672		6,672
18	Sales Expenses	383	(71)	312		312
Administrative & General						
19	Operating Expenses	33,046	(1,251)	31,795	47	31,842
20	Depreciation	2,686	1,063	3,749		3,749
21	Taxes	75	(1)	74		74
22	Total Admin. & General	35,807	(189)	35,618	47	35,665
23	Total Electric Expenses	499,411	(217,737)	281,674	812	282,486
24	OPERATING INCOME BEFORE FIT	77,355	1,539	78,894	17,356	96,250
FEDERAL INCOME TAX						
25	Current Accrual	12,948	5,338	18,286	6,075	24,361
26	Deferred Income Taxes	2,700	420	3,120		3,120
27	Amortized Investment Tax Credit	(26)		(26)		(26)
28	SETTLEMENT EXCHANGE POWER		5,411	5,411		5,411
29	NET OPERATING INCOME	\$61,733	(\$9,630)	\$52,103	\$11,281	\$63,384
RATE BASE						
PLANT IN SERVICE						
30	Intangible	\$3,318	\$9,738	\$13,056		\$13,056
31	Production	473,394	(44,765)	428,629		428,629
32	Transmission	176,604	(310)	176,294		176,294
33	Distribution	364,352	(1,361)	362,991		362,991
34	General	54,525		54,525		54,525
35	Total Plant in Service	1,072,193	(36,698)	1,035,495	0	1,035,495
36	ACCUMULATED DEPRECIATION	333,117	(29,822)	303,295		303,295
37	ACCUM. PROVISION FOR AMORTIZATION	2,947	110	3,057		3,057
38	Total Accum. Depreciation & Amort.	336,064	(29,712)	306,352	0	306,352
39	GAIN ON SALE OF BUILDING		(1,538)	(1,538)		(1,538)
40	DEFERRED TAXES		(91,830)	(91,830)		(91,830)
41	TOTAL RATE BASE	\$736,129	(\$100,354)	\$635,775	\$0	\$635,775
42	RATE OF RETURN	8.39%		8.20%		9.97%

**Calculation of Revenue Requirement
Washington - Electric System
Twelve Months Ended December 31, 1998**

Line No.	Description	(000's of Dollars)
1	Pro Forma Rate Base excl Kettle Falls	\$608,917
2	Proposed Rate of Return	<u>9.930%</u>
3	Net Operating Income Requirement	\$60,465
4	Kettle Falls Rate Base	\$26,858
5	Proposed Rate of Return w/2% incentive	<u>10.870%</u>
6	Net Operating Income Requirement	<u>\$2,919</u>
7	Total Net Oper Income Requirement	\$63,384
8	Pro Forma Net Operating Income	<u>\$52,103</u>
9	Net Operating Income Deficiency	\$11,281
10	Conversion Factor	0.620919
11	Revenue Requirement	\$18,168
12	Total General Business Revenues	\$252,300
13	Percentage Revenue Increase	<u>7.20%</u>
Kettle Falls Rate Base Calculation		
1997 Balances		
15	Plant Accounts	\$91,666
16	Accum Depr	<u>(34,152)</u>
17	Net Plant	57,514
18	Accum Deferred FIT	(15,741)
19	Net Disallowance	<u>(1,949)</u>
20	Net Kettle Falls Rate Base	<u>39,824</u>
1998 Balances		
21	Plant Accounts	\$90,176
22	Accum Depr	<u>(33,506)</u>
23	Net Plant	56,670
24	Accum Deferred FIT	(14,470)
25	Net Disallowance	<u>(1,841)</u>
26	Net Kettle Falls Rate Base	<u>40,359</u>
27	Average Net Kettle Falls Rate Base	\$40,092
28	Washington Prod/Trans Ratio	<u>66.990%</u>
29	Washington Kettle Falls Rate Base	<u>\$26,858</u>

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

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.003513
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038594
5	Franchise Fees	0.000632
6	Total Expense	<u>0.044739</u>
7	Net Operating Income Before FIT	0.955261
8	Federal Income Tax @ 35%	<u>0.334341</u>
9	REVENUE CONVERSION FACTOR	<u><u>0.620919</u></u>

AVISTA UTILITIE
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULT
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Per Results Report	REVISED	REVISED	Colstrip 3 AFUDC Elimination	Colstrip Common AFUDC	Kettle Falls Disallow.
			Deferred FIT Rate Base	Deferred Gain on Office Building			
	a	b	c	d	e	f	g
REVENUES							
1	Total General Business	\$253,536					
2	Interdepartmental Sales	640					
3	Sales for Resale	306,373					
4	Total Sales of Electricity	560,549	0	0	0	0	0
5	Other Revenue	16,217					
6	Total Electric Revenue	576,766	0	0	0	0	0
EXPENSES							
Production and Transmission							
7	Operating Expenses	64,520					
8	Purchased Power	315,272					
9	Depreciation and Amortization	17,857			(208)		(164)
10	Taxes	10,517					
11	Total Production & Transmission	408,166	0	0	(208)	0	(164)
Distribution							
12	Operating Expenses	10,621					
13	Depreciation	8,188					
14	Taxes	22,389					
15	Total Distribution	41,198	0	0	0	0	0
16	Customer Accounting	7,227					
17	Customer Service & Information	6,630					
18	Sales Expenses	383					
Administrative & General							
19	Operating Expenses	33,046					
20	Depreciation	2,686					
21	Taxes	75					
22	Total Admin. & General	35,807	0	0	0	0	0
23	Total Electric Expenses	499,411	0	0	(208)	0	(164)
24	OPERATING INCOME BEFORE FIT	77,355	0	0	208	0	164
FEDERAL INCOME TAX							
25	Current Accrual	12,948					
26	Deferred Income Tax	2,700					56
27	Amortized Investment Tax Credit	(26)					
28	SETTLEMENT EXCHANGE POWER						
29	NET OPERATING INCOME	\$61,733	\$0	\$0	\$208	\$0	\$108
RATE BASE							
PLANT IN SERVICE							
30	Intangible	\$3,318					
31	Production	473,394			(6,916)	746	(5,248)
32	Transmission	176,604					
33	Distribution	364,352					
34	General	54,525					
35	Total Plant in Service	1,072,193	0	0	(6,916)	746	(5,248)
36	ACCUMULATED DEPRECIATION	333,117			(3,180)		(2,291)
37	ACCUM. PROVISION FOR AMORTIZATION	2,947					
38	Total Accum. Depreciation & Amort	336,064	0	0	(3,180)	0	(2,291)
39	GAIN ON SALE OF BUILDING			(1,538)			
40	DEFERRED TAXES		(100,419)	538			1,116
41	TOTAL RATE BASE	\$736,129	(\$100,419)	(\$1,000)	(\$3,736)	\$746	(\$1,841)
42	RATE OF RETURN						

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULT
TWELVE MONTHS ENDED DECEMBER 31, 1998
(000'S OF DOLLARS)

Line No.	DESCRIPTION	REVISED	REVISED		REVISED	Subtotal Actual	Eliminate B & O Taxes
		Clearwater Hydro	Weatherizn and DSM Investment	Customer Advances	Settlement Exchange Power		
	a	h	i	j	k	-	l
REVENUES							
1	Total General Business					\$253,536	\$ (7,998)
2	Interdepartmental Sales					640	
3	Sales for Resale					306,373	
4	Total Sales of Electricity	0	0	0	0	560,549	(7,998)
5	Other Revenue					16,217	(42)
6	Total Electric Revenue	0	0	0	0	576,766	(8,040)
EXPENSES							
Production and Transmission							
7	Operating Expenses					64,520	
8	Purchased Power					315,272	
9	Depreciation and Amortization				(2,532)	14,953	
10	Taxes					10,517	
11	Total Production & Transmission	0	0	0	(2,532)	405,262	0
Distribution							
12	Operating Expenses					10,621	
13	Depreciation					8,188	
14	Taxes					22,389	(7,982)
15	Total Distribution	0	0	0	0	41,198	(7,982)
16	Customer Accounting					7,227	
17	Customer Service & Information					6,630	
18	Sales Expenses					383	
Administrative & General							
19	Operating Expenses					33,046	
20	Depreciation					2,686	
21	Taxes					75	
22	Total Admin. & General	0	0	0	0	35,807	0
23	Total Electric Expenses	0	0	0	(2,532)	496,507	(7,982)
24	OPERATING INCOME BEFORE FIT	0	0	0	2,532	80,259	(58)
FEDERAL INCOME TAX							
25	Current Accrual					12,948	(20)
26	Deferred Income Tax				455	3,211	
27	Amortized Investment Tax Credit					(26)	
28	SETTLEMENT EXCHANGE POWER					5,411	5,411
29	NET OPERATING INCOME	\$0	\$0	\$0	(\$3,334)	\$58,715	(\$38)
RATE BASE							
PLANT IN SERVICE							
30	Intangible					\$3,318	
31	Production		21,408			483,384	
32	Transmission					176,604	
33	Distribution			(1,361)		362,991	
34	General					54,525	
35	Total Plant in Service	0	21,408	(1,361)	0	1,080,822	0
36	ACCUMULATED DEPRECIATION					327,646	
37	ACCUM. PROVISION FOR AMORTIZATION					2,947	
38	Total Accum. Depreciation & Amort	0	0	0	0	330,593	0
39	GAIN ON SALE OF BUILDING					(1,538)	
40	DEFERRED TAXES					(98,765)	
41	TOTAL RATE BASE	\$0	\$21,408	(\$1,361)	\$0	\$649,926	\$0
42	RATE OF RETURN					9.03%	

AVISTA UTILITIES
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULT:
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	REVISED					
		Pro Forma Property Tax	Uncollect. Expense	Regulatory Expense	Injuries and Damages	FIT	Pro Forma Restate Debt Interest
	a	m	n	o	p	q	r
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						
8	Purchased Power						
9	Depreciation and Amortization						
10	Taxes	(50)					
11	Total Production & Transmission	(50)	0	0	0	0	0
Distribution							
12	Operating Expenses						
13	Depreciation						
14	Taxes	(76)					
15	Total Distribution	(76)	0	0	0	0	0
16	Customer Accounting		32				
17	Customer Service & Information						
18	Sales Expenses						
Administrative & General							
19	Operating Expenses			123	2,329		
20	Depreciation						
21	Taxes	(1)					
22	Total Admin. & General	(1)	0	123	2,329	0	0
23	Total Electric Expenses	(127)	32	123	2,329	0	0
24	OPERATING INCOME BEFORE FIT	127	(32)	(123)	(2,329)	0	0
FEDERAL INCOME TAX							
25	Current Accrual	44	(11)	(43)	(815)	3,321	2,492
26	Deferred Income Tax					(91)	
27	Amortized Investment Tax Credit						
28	SETTLEMENT EXCHANGE POWER						
29	NET OPERATING INCOME	\$83	(\$21)	(\$80)	(\$1,514)	(\$3,230)	(\$2,492)
RATE BASE							
PLANT IN SERVICE							
30	Intangible						
31	Production						
32	Transmission						
33	Distribution						
34	General						
35	Total Plant in Service	0	0	0	0	0	0
36	ACCUMULATED DEPRECIATION						
37	ACCUM. PROVISION FOR AMORTIZATION						
38	Total Accum. Depreciation & Amort	0	0	0	0	0	0
39	GAIN ON SALE OF BUILDING						
40	DEFERRED TAXES						
41	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
42	RATE OF RETURN						

AVISTA UTILITIES
ELECTRIC RESULTS OF OPERATION
WASHINGTON RESTATED RESULT
TWELVE MONTHS ENDED DECEMBER 31, 1998
(000'S OF DOLLARS)

Line No.	DESCRIPTION	REVISED					
		Eliminate A/R Expenses	Office Space Charges to Subs.	Reclass DADs/MOPs Revenues	Restated TOTAL	Pro Forma Power Supply 7/00-6/01 PF1	Pro Forma Potlatch 7/00-6/01 PF2
	a	s	t	u	v		
REVENUES							
1	Total General Business			\$1,941	\$247,479		\$1,096
2	Interdepartmental Sales				640		
3	Sales for Resale				306,373	(211,463)	
4	Total Sales of Electricity	0	0	1,941	554,492	(211,463)	1,096
5	Other Revenue			(1,941)	14,234	(1,039)	
6	Total Electric Revenue	0	0	0	568,726	(212,502)	1,096
EXPENSES							
Production and Transmission							
7	Operating Expenses				64,520	(3,660)	
8	Purchased Power				315,272	(208,346)	
9	Depreciation and Amortization				14,953		
10	Taxes				10,467		
11	Total Production & Transmission	0	0	0	405,212	(212,006)	0
Distribution							
12	Operating Expenses				10,621		
13	Depreciation				8,188		
14	Taxes				14,331		42
15	Total Distribution	0	0	0	33,140	0	42
16	Customer Accounting	(1,497)			5,762		
17	Customer Service & Information				6,630		
18	Sales Expenses				383		
Administrative & General							
19	Operating Expenses		(24)		35,474		3
20	Depreciation				2,686		
21	Taxes				74		
22	Total Admin. & General	0	(24)	0	38,234	0	3
23	Total Electric Expenses	(1,497)	(24)	0	489,361	(212,006)	45
24	OPERATING INCOME BEFORE FIT	1,497	24	0	79,365	(496)	1,051
FEDERAL INCOME TAX							
25	Current Accrual	524	8		18,448	(174)	368
26	Deferred Income Tax				3,120		
27	Amortized Investment Tax Credit				(26)		
28	SETTLEMENT EXCHANGE POWEF				5,411		
29	NET OPERATING INCOME	\$973	\$16	\$0	\$52,412	(\$322)	\$683
RATE BASE							
PLANT IN SERVICE							
30	Intangible				\$3,318		
31	Production				483,384		
32	Transmission				176,604		
33	Distribution				362,991		
34	General				54,525		
35	Total Plant in Service	0	0	0	1,080,822	0	0
36	ACCUMULATED DEPRECIATION				327,646		
37	ACCUM. PROVISION FOR AMORTIZATION				2,947		
38	Total Accum. Depreciation & Amort	0	0	0	330,593	0	0
39	GAIN ON SALE OF BUILDING				(1,538)		
40	DEFERRED TAXES				(98,765)		
41	TOTAL RATE BASE	\$0	\$0	\$0	\$649,926	\$0	\$0
42	RATE OF RETURN				8.06%		

AVISTA UTILITIES
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULT
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

Line No.	DESCRIPTION a	REVISED		REVISED			
		Pro Forma Depr Adj PF3	Pro Forma Hydro Rel Adj PF4	Pro Forma Comm Trade Adj PF5	Pro Forma Nez Perce Adj PF6	Pro Forma Labor/Benefit Adj PF7	Pro Forma Revenue Adj PF8
REVENUES							
1	Total General Business						\$2,544
2	Interdepartmental Sales						
3	Sales for Resale						
4	Total Sales of Electricity	0	0	0	0	0	2,544
5	Other Revenue						
6	Total Electric Revenue	0	0	0	0	0	2,544
EXPENSES							
Production and Transmission							
7	Operating Expenses		\$1,467	(306)	584	339	
8	Purchased Power						
9	Depreciation and Amortization	350					
10	Taxes						
11	Total Production & Transmission	350	1,467	(306)	584	339	0
Distribution							
12	Operating Expenses					268	
13	Depreciation	(368)					
14	Taxes						98
15	Total Distribution	(368)	0	0	0	268	98
16	Customer Accounting					119	9
17	Customer Service & Information					5	37
18	Sales Expenses					4	
Administrative & General							
19	Operating Expenses			(279)		(141)	7
20	Depreciation	1,063					
21	Taxes						
22	Total Admin. & General	1,063	0	(279)	0	(141)	7
23	Total Electric Expenses	1,045	1,467	(585)	584	594	151
24	OPERATING INCOME BEFORE FIT	(1,045)	(1,467)	585	(584)	(594)	2,393
FEDERAL INCOME TAX							
25	Current Accrual	(365)	(513)	205	(204)	(208)	838
26	Deferred Income Tax						
27	Amortized Investment Tax Credit						
28	SETTLEMENT EXCHANGE POWER						
29	NET OPERATING INCOME	(\$680)	(\$954)	\$380	(\$380)	(\$386)	\$1,555
RATE BASE							
PLANT IN SERVICE							
30	Intangible		\$9,387				
31	Production						
32	Transmission						
33	Distribution						
34	General						
35	Total Plant in Service	0	9,387	0	0	0	0
36	ACCUMULATED DEPRECIATION	522					
37	ACCUM. PROVISION FOR AMORTIZATION		110				
38	Total Accum. Depreciation & Amort.	522	110	0	0	0	0
39	GAIN ON SALE OF BUILDING						
40	DEFERRED TAXES	365					
41	TOTAL RATE BASE	(\$157)	\$9,277	\$0	\$0	\$0	\$0
42	RATE OF RETURN						

AVISTA UTILITIES
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULT
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 ('000'S OF DOLLARS)

Line No.	DESCRIPTION a	CENTRALIA PLANT SALE					ACCEPTED
		Pro Forma Misc. Adjs PF9	Pro Forma MOPS Adjs PF10	Company Replacement Power PF11	Company Gain Amortization PF12	Company Ice Storm Offset PF13	Staff Restate Excise Tax PF14
REVENUES							
1	Total General Business			\$541			
2	Interdepartmental Sales						
3	Sales for Resale			1,230			
4	Total Sales of Electricity	0	0	1,771	0	0	0
5	Other Revenue						
6	Total Electric Revenue	0	0	1,771	0	0	0
EXPENSES							
Production and Transmission							
7	Operating Expenses			(17,500)			
8	Purchased Power			26,836			
9	Depreciation and Amortization			(1,568)	(2,289)		
10	Taxes			(411)			(682)
11	Total Production & Transmission	0	0	7,357	(2,289)	0	(682)
Distribution							
12	Operating Expenses						
13	Depreciation						
14	Taxes			21			
15	Total Distribution	0	0	21	0	0	0
16	Customer Accounting						
17	Customer Service & Information						
18	Sales Expenses						
Administrative & General							
19	Operating Expenses	(1,045)	141	1		(2,047)	
20	Depreciation						
21	Taxes						
22	Total Admin. & General	(1,045)	141	1	0	(2,047)	0
23	Total Electric Expenses	(1,045)	141	7,379	(2,289)	(2,047)	(682)
24	OPERATING INCOME BEFORE FIT	1,045	(141)	(5,608)	2,289	2,047	682
FEDERAL INCOME TAX							
25	Current Accrual	366	(49)	(1,962)	801	716	239
26	Deferred Income Tax						
27	Amortized Investment Tax Credit						
28	SETTLEMENT EXCHANGE POWER						
29	NET OPERATING INCOME	\$679	(\$92)	(\$3,646)	\$1,488	\$1,331	\$443
RATE BASE							
PLANT IN SERVICE							
30	Intangible		\$351				
31	Production			(37,583)	(17,172)		
32	Transmission			(310)			
33	Distribution						
34	General						
35	Total Plant in Service	0	351	(37,893)	(17,172)	0	0
36	ACCUMULATED DEPRECIATION			(24,873)			
37	ACCUM. PROVISION FOR AMORTIZATION						
38	Total Accum. Depreciation & Amort	0	0	(24,873)	0	0	0
39	GAIN ON SALE OF BUILDING						
40	DEFERRED TAXES			560	6,010		
41	TOTAL RATE BASE	\$0	\$351	(\$12,460)	(\$11,162)	\$0	\$0
42	RATE OF RETURN						

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

Line No.	DESCRIPTION a	REJECTED	ACCEPTED	ACCEPTED	REJECTED	ACCEPTED	REJECTED
		Staff Bonuses Adjustment PF15	Staff Misc Restating PF16	Staff Lease Exp. Adjustment PF17	Staff Relocation Expense A dj. PF18	Staff Lost Revenue Fuel Efficiency PF19	Staff PGE Contract PF20
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					(1,067)	
6	Total Electric Revenue	0	0	0	0	(1,067)	0
EXPENSES							
Production and Transmission							
7	Operating Expenses						
8	Purchased Power						
9	Depreciation and Amortization						
10	Taxes						
11	Total Production & Transmission	0	0	0	0	0	0
Distribution							
12	Operating Expenses						
13	Depreciation						
14	Taxes					(41)	
15	Total Distribution	0	0	0	0	(41)	0
16	Customer Accounting					(4)	
17	Customer Service & Information						
18	Sales Expenses		(75)				
Administrative & General							
19	Operating Expenses		(236)	(81)		(2)	
20	Depreciation						
21	Taxes						
22	Total Admin. & General	0	(236)	(81)	0	(2)	0
23	Total Electric Expenses	0	(311)	(81)	0	(47)	0
24	OPERATING INCOME BEFORE FIT	0	311	81	0	(1,020)	0
FEDERAL INCOME TAX							
25	Current Accrual		109	28		(357)	
26	Deferred Income Tax						
27	Amortized Investment Tax Credit						
28	SETTLEMENT EXCHANGE POWER						
29	NET OPERATING INCOME	\$0	\$202	\$53	\$0	(\$663)	\$0
RATE BASE							
PLANT IN SERVICE							
30	Intangible						
31	Production						
32	Transmission						
33	Distribution						
34	General						
35	Total Plant in Service	0	0	0	0	0	0
36	ACCUMULATED DEPRECIATION						
37	ACCUM. PROVISION FOR AMORTIZATION						
38	Total Accum. Depreciation & Amort	0	0	0	0	0	0
39	GAIN ON SALE OF BUILDING						
40	DEFERRED TAXES						
41	TOTAL RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0
42	RATE OF RETURN						

AVISTA UTILITIES
 ELECTRIC RESULTS OF OPERATION
 WASHINGTON RESTATED RESULT
 TWELVE MONTHS ENDED DECEMBER 31, 1998
 (000'S OF DOLLARS)

REVISED

Line No.	DESCRIPTION a	Pro Forma TOTAL PF20
REVENUES		
1	Total General Business	\$251,660
2	Interdepartmental Sales	640
3	Sales for Resale	96,140
4	Total Sales of Electricity	348,440
5	Other Revenue	12,128
6	Total Electric Revenue	360,568
EXPENSES		
Production and Transmission		
7	Operating Expenses	45,444
8	Purchased Power	133,762
9	Depreciation and Amortization	11,446
10	Taxes	9,374
11	Total Production & Transmission	200,026
Distribution		
12	Operating Expenses	10,889
13	Depreciation	7,820
14	Taxes	14,451
15	Total Distribution	33,160
16	Customer Accounting	5,886
17	Customer Service & Information	6,672
18	Sales Expenses	312
Administrative & General		
19	Operating Expenses	31,795
20	Depreciation	3,749
21	Taxes	74
22	Total Admin. & General	35,618
23	Total Electric Expenses	281,674
24	OPERATING INCOME BEFORE FIT	78,894
FEDERAL INCOME TAX		
25	Current Accrual	18,286
26	Deferred Income Tax	3,120
27	Amortized Investment Tax Credit	(26)
28	SETTLEMENT EXCHANGE POWER	5,411
29	NET OPERATING INCOME	\$52,103
RATE BASE		
PLANT IN SERVICE		
30	Intangible	\$13,056
31	Production	428,629
32	Transmission	176,294
33	Distribution	362,991
34	General	54,525
35	Total Plant in Service	1,035,495
36	ACCUMULATED DEPRECIATION	303,295
37	ACCUM. PROVISION FOR AMORTIZATION	3,057
38	Total Accum. Depreciation & Amort.	306,352
39	GAIN ON SALE OF BUILDING	(1,538)
40	DEFERRED TAXES	(91,830)
		0
41	TOTAL RATE BASE	\$635,775
42	RATE OF RETURN	8.20%