

Deloitte & Touche LLP

THE WASHINGTON WATER POWER COMPANY
 Depreciation Study as of December 31, 1997
 Salvage and Cost of Removal Analysis

ADMIT W/D REJECT

Prod _____ Transm _____ Distr Genl _____

Account 364 - Poles, Towers & Fixtures

Band	EXISTING			CURRENT		
	Salv %	COR %	Net Salv %	Salv %	COR %	Net Salv %
5 Year	<u>44.59</u>	<u>36.93</u>	<u>7.66</u>	<u>40</u>	<u>23</u>	<u>+17</u>
10 Year	_____	_____	_____	<u>40</u>	<u>26</u>	<u>+14</u>
Full (15) (15)	<u>50.87</u>	<u>34.48</u>	<u>16.39</u>	<u>44</u>	<u>30</u>	<u>+14</u>
Other () ()	_____	_____	_____	_____	_____	_____
Selection	<u>50</u>	<u>35</u>	<u>+15</u>	<u>30</u>	<u>40</u>	<u>(10)</u>
Balance	<u>\$ 72,770,737</u>			<u>\$ 117,514,844</u>		

Notes: SALVAGE & COR BOTH DECLINING

Salvage consists of
 value of net
 remaining useful life
 + ...

SUGGEST NO CHANGE
 TO NET SALVAGE
 BASED SOLELY ON HISTORY
 SUGGEST SALV 40%
 COR 25%

AGE OF RETNBS.
 YOUNG RELATIVE TO
 EXPECTED ASL.
 TERMINAL COR ESTIMATED
 @ 114%.

Reuse is declining
 use SALV. 30%

SEE AGE SENSITIVITY ADJ.

USE SALV. 30%
 COR 40%