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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-99-
DOCKET NO. UG-99-

EXHIBIT NO. 33 OF DAVE DEFELICE

REPRESENTING AVISTA CORPORATION

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>391</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Avista Utilities
 Pro Forma Depreciation Adjustment
 Washington Electric Case
 12 months ended 12/31/98

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
Steam Production Plant	12,942,358	14,006,484	46,238	(65,629)	0	952,259	637,918	314,341
Hydraulic Production Plant	3,014,629	4,077,784	55,451	3,761	0	1,011,465	677,580	333,885
Other Production Plant	501,288	300,927	3,320	(2,223)	0	(205,904)	(137,935)	(67,969)
Total Production	16,458,275	18,385,195	105,009	(64,091)	0	1,757,820	1,177,563	580,257
Note 1 - P/T Ratio						100.000%	66.990%	33.010%
Transmission Plant	6,368,323	7,533,007	(27,121)	(30,686)	0	1,161,119	777,834	383,285
Note 1 - P/T Ratio						100.000%	66.990%	33.010%
Distribution Plant	13,066,467	14,114,655	26,099	(9,921)	0	1,012,168	635,601	376,567
Depreciable Plant-ADP-12A						100.000%	62.796%	37.204%
General Plant - see allocations w/s Depreciable Plant-ADP-12A	3,109,399	5,768,796	(39,966)	131,592	0	2,830,955	1,811,047	1,019,908
						100.000%	63.973%	36.027%
TOTAL ELECTRIC PLANT	39,002,464	45,801,653	64,021	26,894	0	6,762,062	4,402,045	2,360,017
DEFERRED TAX IMPACT @ 35%							1,540,716	826,006

	Deferred FIT Balance (1)	Accum Depr Balance (2)
Dec-97	0	0
Jan-98	128,393	366,837
Feb-98	256,786	733,674
Mar-98	385,179	1,100,511
Apr-98	513,572	1,467,348
May-98	641,965	1,834,185
Jun-98	770,358	2,201,022
Jul-98	898,751	2,567,859
Aug-98	1,027,144	2,934,696
Sep-98	1,155,537	3,301,533
Oct-98	1,283,930	3,668,370
Nov-98	1,412,326	4,035,207
Dec-98	1,540,719	4,402,046
Average of Monthly Average	770,358	2,201,022

(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
 12 months ended 12/31/98

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
Underground Storage Plant	444,486	437,839	(13,697)	(5,824)	0	1,226	912	314
Total Underground Storage	444,486	437,839	(13,697)	(5,824)	0	1,226	912	314
Note 1C - System Contract Demand						100.000%	74.360%	25.640%
Distribution Plant	5,545,685	5,892,564	4,739	10,749	0	352,889	248,268	104,621
Note 6 - Acutal Therms Purchased						100.000%	70.353%	29.647%
General Plant - Direct	118,725	120,978	-638	-1101		1,790	1,225	565
Transportation - Direct	49,056	49,056	-174	0		174	119	81
Software - Direct	358,664	358,664	0	-54208		(54,208)	(37,092)	(25,381)
Utility Code 1						100.000%	68.426%	31.574%
General Plant - see allocations w/ Depreciable Plant-ADP-12A	381,954	842,262	(8,285)	26,037	0	494,630	338,456	156,174
						100.000%	68.426%	31.574%
TOTAL GAS PLANT	6,898,570	7,701,363	(18,055)	(24,347)	0	796,501	551,888	236,374

DEFERRED TAX IMPACT @ 35%

193,161 82,731

	Deferred FIT Balance (1)	Accum Depr Balance (2)
Dec-97	0	0
Jan-98	16,097	45,991
Feb-98	32,194	91,982
Mar-98	48,291	137,973
Apr-98	64,388	183,964
May-98	80,485	229,955
Jun-98	96,582	275,946
Jul-98	112,679	321,937
Aug-98	128,776	367,928
Sep-98	144,873	413,919
Oct-98	160,970	459,910
Nov-98	177,070	505,901
Dec-98	193,167	551,894
Average of Monthly Average	96,582	275,946

(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

GENERAL PLANT ALLOCATIONS

1998 Actual Depreciation per Data Warehouse

Utility Code	System	Elec	WWP-Gas	WPNG
0	1,333,438	1,333,438	0	0
7	1,669,272	1,229,519	289,018	150,735
8	10,967	0	7,264	3,703
9	818,762	671,180	147,582	0
Total	3,622,394	3,109,399	381,954	131,041

0

Utility 0	100.000%	100.000%	0.000%	0.000%
Note 7	100.000%	73.656%	17.314%	9.030%
Note 8	100.000%	0.000%	66.235%	33.765%
Note 9	100.000%	81.975%	18.025%	0.000%

1998 Actual Depreciation at Updated Rates

Utility Code	System	Elec	WWP-Gas	WPNG
0	1,934,744	1,934,744	0	0
7	4,630,242	3,410,451	801,680	418,111
8	16,552	0	10,963	5,589
9	1,224,898	1,004,110	220,788	0
Total	6,956,709	5,768,796	842,262	345,652

(1)

Utility 0	100.000%	100.000%	0.000%	0.000%
Note 7	100.000%	73.656%	17.314%	9.030%
Note 8	100.000%	0.000%	66.235%	33.765%
Note 9	100.000%	81.975%	18.025%	0.000%

1997 True-up Adjustment (recorded Jan. 1, 1998)

Utility Code	System	Elec	WWP-Gas	WPNG
0	(4,701)	(4,701)	0	0
7	(47,393)	(34,908)	(8,206)	(4,280)
8	(1)	0	(1)	0
9	(435)	(357)	(78)	0
Total	(52,530)	(39,966)	(8,285)	(4,280)

1

Utility 0	100.000%	100.000%	0.000%	0.000%
Note 7	100.000%	73.656%	17.314%	9.030%
Note 8	100.000%	0.000%	66.235%	33.765%
Note 9	100.000%	81.975%	18.025%	0.000%

1998 True-up Adjustment (recorded Jan. 1, 1999)

Utility Code	System	Elec	WWP-Gas	WPNG
0	20,841	20,841	0	0
7	150,650	110,963	26,084	13,604
8	0	0	0	0
9	(259)	(212)	(47)	0
Total	171,232	131,592	26,037	13,604

(1)

Utility 0	100.000%	100.000%	0.000%	0.000%
Note 7	100.000%	73.656%	17.314%	9.030%
Note 8	100.000%	0.000%	66.235%	33.765%
Note 9	100.000%	81.975%	18.025%	0.000%

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Electric & Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
STEAM PRODUCTION PLANT							
CENTRALIA STATION							
311.0	Structures & Improvements	6,304,617	3.30	208,052	3.22	203,009	(5,044)
312.0	Boiler Plant Equipment	32,683,101	3.52	1,150,445	4.58	1,496,886	346,441
314.0	Turbogenerator Units	13,010,599	3.66	476,188	3.86	502,209	26,021
315.0	Accessory Electric Equipment	2,938,351	3.11	91,383	3.02	88,738	(2,645)
316.0	Misc. Power Plant Equipment	735,813	4.68	34,436	5.06	37,232	2,796
	Total Centralia	<u>55,672,480</u>	3.52	<u>1,960,504</u>	4.18	<u>2,328,074</u>	<u>367,570</u>
KETTLE FALLS STATION							
310.0	Land Rights	148,175	3.01	4,460	3.07	4,549	89
311.0	Structures & Improvements	23,679,738	3.09	731,704	3.52	833,527	101,823
312.0	Boiler Plant Equipment	39,980,234	3.26	1,303,356	3.51	1,403,306	99,951
314.0	Turbogenerator Units	13,656,056	3.25	443,822	3.43	468,403	24,581
315.0	Accessory Electric Equipment	10,336,442	2.96	305,959	3.36	347,304	41,346
316.0	Misc. Power Plant Equipment	2,414,198	2.99	72,185	3.75	90,532	18,348
	Total Kettle Falls	<u>90,214,842</u>	3.17	<u>2,861,485</u>	3.49	<u>3,147,622</u>	<u>286,137</u>
COLSTRIP UNIT 3							
311.0	Structures & Improvements	50,423,151	2.93	1,477,398	3.10	1,563,118	85,719
312.0	Boiler Plant Equipment	70,807,253	3.12	2,209,186	2.96	2,095,895	(113,292)
314.0	Turbogenerator Units	16,276,117	3.10	504,560	3.24	527,346	22,787
315.0	Accessory Electric Equipment	8,056,440	2.76	222,358	3.22	259,417	37,060
316.0	Misc. Power Plant Equipment	8,341,802	2.73	227,731	3.37	281,119	53,388
	Total Colstrip Unit 3	<u>153,904,763</u>	3.02	<u>4,641,233</u>	3.07	<u>4,726,895</u>	<u>85,661</u>
COLSTRIP UNIT 4							
311.0	Structures & Improvements	48,677,765	2.95	1,435,994	3.36	1,635,573	199,579
312.0	Boiler Plant Equipment	43,043,873	3.11	1,338,664	3.19	1,373,100	34,435
314.0	Turbogenerator Units	13,670,796	3.11	425,162	3.53	482,579	57,417
315.0	Accessory Electric Equipment	5,396,816	2.80	151,111	3.21	173,238	22,127
316.0	Misc. Power Plant Equipment	3,872,334	2.81	108,813	3.60	139,404	30,591
	Total Colstrip Unit 4	<u>114,661,584</u>	3.02	<u>3,459,744</u>	3.32	<u>3,803,893</u>	<u>344,150</u>
	Total Steam Production Plant	<u>414,453,670</u>	3.12	<u>12,922,966</u>	3.38	<u>14,006,484</u>	<u>1,083,518</u>

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Electric & Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
HYDRAULIC PRODUCTION PLANT							
CABINET GORGE							
330.0	Rights of Way	7,149,161		17,028		23,758	
331.0	Structures & Improvements	8,802,745		142,003		196,305	
332.0	Reservoirs, Dams & Waterways	18,209,702		182,572		259,276	
333.0	Waterwheels, Turbines, & Generators	20,457,811		246,548		322,216	
334.0	Accessory Electric Equipment	4,779,689		115,165		145,058	
335.0	Misc. Power Plant Equipment	1,741,693		100,614		143,419	
336.0	Roads, Railroads & Bridges	949,438		21,684		30,833	
	Total Cabinet Gorge	<u>62,090,239</u>	1.33	<u>825,614</u>	1.81	<u>1,120,865</u>	<u>295,251</u>
LITTLE FALLS							
330.0	Rights of Way	17,260		192		283	
330.1	Land Rights	2,851,000		57,020		57,020	
331.0	Structures & Improvements	899,055		-		-	
332.0	Reservoirs, Dams & Waterways	1,399,621		64,205		95,162	
333.0	Waterwheels, Turbines, & Generators	2,940,962		123,226		177,995	
334.0	Accessory Electric Equipment	1,469,901		50,482		67,207	
335.0	Misc. Power Plant Equipment	134,983		3,190		4,203	
	Total Little Falls	<u>9,712,782</u>	3.07	<u>298,315</u>	4.14	<u>401,870</u>	<u>103,555</u>
LONG LAKE							
330.0	Rights of Way	417,642		4,018		5,922	
331.0	Structures & Improvements	1,564,141		49,953		49,953	
332.0	Reservoirs, Dams & Waterways	12,807,482		347,590		510,896	
333.0	Waterwheels, Turbines, & Generators	6,098,853		192,113		273,978	
334.0	Accessory Electric Equipment	2,479,625		80,403		106,240	
335.0	Misc. Power Plant Equipment	324,499		7,213		9,422	
	Total Long Lake	<u>23,692,241</u>	2.88	<u>681,290</u>	4.04	<u>956,411</u>	<u>275,121</u>
MONROE STREET							
331.0	Structures & Improvements	8,128,953		19,527		13,867	
332.0	Reservoirs, Dams & Waterways	8,046,984		8,743		6,524	
333.0	Waterwheels, Turbines, & Generators	11,013,612		32,256		22,751	
334.0	Accessory Electric Equipment	1,487,192		11,995		9,377	
335.0	Misc. Power Plant Equipment	19,628		145		133	
336.0	Roads, Railroads & Bridges	50,448		105		68	
	Total Monroe Street	<u>28,746,816</u>	0.25	<u>72,771</u>	0.18	<u>52,720</u>	<u>(20,051)</u>
MEYERS FALLS							
330.0	Rights of Way	23,550		898		1,341	
331.0	Structures & Improvements	49,804		2,472		3,613	
332.0	Reservoirs, Dams & Waterways	318,609		9,398		13,836	
333.0	Waterwheels, Turbines, & Generators	120,564		842		983	
334.0	Accessory Electric Equipment	107,782		2,702		3,429	
335.0	Misc. Power Plant Equipment	543		5		6	
336.0	Roads, Railroads & Bridges	146		-		-	
	Total Meyers Falls	<u>620,997</u>	2.63	<u>16,317</u>	3.74	<u>23,208</u>	<u>6,891</u>

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Electric & Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
<u>NINE MILE</u>							
330.0	Rights of Way	10,916		156		232	
331.0	Structures & Improvements	3,902,307		31,125		39,286	
332.0	Reservoirs, Dams & Waterways	10,220,762		88,919		125,008	
333.0	Waterwheels, Turbines, & Generators	9,271,757		22,098		11,572	
334.0	Accessory Electric Equipment	2,503,381		32,299		33,946	
335.0	Misc. Power Plant Equipment	236,137		2,946		3,402	
336.0	Roads, Railroads & Bridges	625,181		1,415		1,008	
	Total Nine Mile	<u>26,770,441</u>	0.67	<u>178,958</u>	0.80	<u>214,454</u>	<u>35,496</u>
<u>NOXON RAPIDS</u>							
330.0	Rights of Way	29,424,229		48,932		66,057	
331.0	Structures & Improvements	10,719,136		99,840		129,426	
332.0	Reservoirs, Dams & Waterways	29,544,497		215,458		298,990	
333.0	Waterwheels, Turbines, & Generators	30,134,671		182,233		203,226	
334.0	Accessory Electric Equipment	3,956,407		81,539		99,389	
335.0	Misc. Power Plant Equipment	1,691,294		58,653		80,694	
336.0	Roads, Railroads & Bridges	126,833		2,084		2,900	
	Total Noxon Rapids	<u>105,597,066</u>	0.65	<u>688,739</u>	0.83	<u>880,682</u>	<u>191,943</u>
<u>POST FALLS</u>							
330.0	Rights of Way	2,731,604		16,391		23,905	
331.0	Structures & Improvements	514,442		27,890		40,859	
332.0	Reservoirs, Dams & Waterways	4,000,315		9,869		11,528	
333.0	Waterwheels, Turbines, & Generators	2,214,450		95,278		137,764	
334.0	Accessory Electric Equipment	831,642		33,416		45,306	
335.0	Misc. Power Plant Equipment	91,881		1,120		1,284	
	Total Post Falls	<u>10,384,334</u>	1.77	<u>183,964</u>	2.51	<u>260,646</u>	<u>76,682</u>
<u>UPPER FALLS</u>							
330.0	Rights of Way	63,564		823		1,219	
331.0	Structures & Improvements	405,577		24,327		24,522	
332.0	Reservoirs, Dams & Waterways	1,363,189		46,004		67,890	
333.0	Waterwheels, Turbines, & Generators	773,494		29,574		42,561	
334.0	Accessory Electric Equipment	408,482		11,875		15,446	
335.0	Misc. Power Plant Equipment	98,008		885		905	
	Total Upper Falls	<u>3,112,315</u>	3.65	<u>113,488</u>	4.90	<u>152,543</u>	<u>39,055</u>
<u>SKOOKUMCHUCK</u>							
331.0	Structures & Improvements	50,103	2.86	1,431		1,431	
332.0	Reservoirs, Dams & Waterways	2,790	2.86	80		80	
333.0	Waterwheels, Turbines, & Generators	359,888	2.86	10,282		10,282	
334.0	Accessory Electric Equipment	90,734	2.86	2,592		2,592	
	Total Skookumchuck	<u>503,515</u>	2.86	<u>14,385</u>	2.86	<u>14,385</u>	-
	Total Hydraulic Production Plant	<u>271,230,747</u>	1.13	<u>3,073,841</u>	1.50	<u>4,077,784</u>	<u>1,003,943</u>
<u>NORTHEAST TURBINE PLANT</u>							
341.0	Structures & Improvements	256,733	4.18	10,731	2.36	6,059	(4,673)
342.0	Fuel Holders, Producers & Access.	1,140,527	4.23	48,244	2.08	23,723	(24,521)
343.0	Prime Movers	6,486,398	4.18	271,131	2.21	143,349	(127,782)
344.0	Generators	2,595,127	4.14	107,438	2.18	56,574	(50,864)
345.0	Accessory Electric Equipment	333,825	4.20	14,021	7.34	24,503	10,482
346.0	Misc. Power Plant Equipment	241,256	4.31	10,398	2.61	6,297	(4,101)
	Total Northeast Turbine Plant	<u>11,053,866</u>	4.18	<u>461,964</u>	2.36	<u>260,505</u>	<u>(201,460)</u>

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Electric & Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
FUEL CELL PRODUCTION							
340.0	Land Rights	1,000	3.01	30	3.01	30	-
344.0	Generators	924,852	4.14	38,289	4.14	38,289	-
	Total Fuel Cell Plant	<u>925,852</u>	4.14	<u>38,319</u>	4.14	<u>38,319</u>	-
RATHDRUM TURBINE LEASE							
343.0	Structures & Improvements	19,835	4.18	829	4.18	829	-
344.0	Fuel Holders, Producers & Access.	8,106	4.14	336	4.14	336	-
345.0	Prime Movers	22,344	4.20	938	4.20	938	-
		<u>50,285</u>	4.18	<u>2,103</u>	4.18	<u>2,103</u>	-
	Total Other Production	<u>12,030,003</u>	4.18	<u>502,386</u>	2.50	<u>300,927</u>	<u>(201,460)</u>
	Total Generation	697,714,420	2.36	16,499,193	2.64	18,385,194	1,886,001
TRANSMISSION PLANT							
350.0	Land Rights	9,092,396	1.32	120,020	1.32	120,020	-
352.0	Structures & Improvements	7,210,586	2.09	150,701	2.71	195,407	44,706
353.0	Station Equipment	95,510,272	2.64	2,521,471	3.20	3,056,329	534,858
354.0	Towers & Fixtures	17,074,406	1.40	239,042	1.97	336,366	97,324
355.0	Poles & Fixtures	67,519,645	3.34	2,255,156	3.39	2,288,916	33,760
356.0	OH Conductors & Devices	61,028,997	1.59	970,361	2.42	1,476,902	506,541
357.0	UG Conduit	556,054	1.63	9,064	1.85	10,287	1,223
358.0	UG Conductors & Devices	1,316,123	1.55	20,400	1.86	24,480	4,080
359.0	Roads & Trails	1,813,503	1.34	24,301	1.34	24,301	-
	Total Transmission Plant	<u>261,121,981</u>	2.42	<u>6,310,515</u>	2.88	<u>7,533,007</u>	<u>1,222,491</u>
DISTRIBUTION PLANT							
361.0	Structures & Improvements	7,397,519	2.45	181,239	2.13	157,567	(23,672)
362.0	Station Equipment	55,107,554	2.30	1,267,474	2.82	1,554,033	286,559
364.0	Poles, Towers & Fixtures	120,866,701	1.45	1,752,567	2.30	2,779,934	1,027,367
365.0	OH Conductors & Devices	83,487,861	1.26	1,051,947	1.30	1,085,342	33,395
366.0	UG Conduit	33,782,874	1.84	621,605	2.16	729,710	108,105
367.0	UG Conductors & Devices	65,058,091	2.73	1,776,086	3.10	2,016,801	240,715
368.0	Line Transformers	106,577,328	2.73	2,909,561	2.65	2,824,299	(85,262)
369.0	Services	67,379,547	2.77	1,866,413	2.41	1,623,847	(242,566)
370.0	Meters	21,891,395	2.86	626,094	3.28	718,038	91,944
373.0	Street Lighting & Signal Systems	8,576,374	9.70	831,908	2.21	189,538	(642,370)
373.4	High Pressure Sodium Vapor Lights	6,160,477	3.21	197,751	7.07	435,546	237,794
	Total Distribution Plant	<u>576,285,720</u>	2.27	<u>13,082,646</u>	2.45	<u>14,114,655</u>	<u>1,032,009</u>
GENERAL PLANT Utility 0							
390.1	Structures & Improvements	1,539,038	2.18	33,551	2.01	30,935	(2,616)
391.1	Computer Equipment	20,205	8.96	1,810	36.08	7,290	5,480
393.0	Stores Equipment	99,196	2.28	2,262	2.53	2,510	248
394.0	Tools, Shop & Garage Equipment	2,004,515	4.31	86,395	4.95	99,223	12,829
395.0	Laboratory Equipment	2,489,527	3.94	98,087	3.64	90,619	(7,469)
397.0	Communication Equipment	13,936,134	7.00	975,529	11.19	1,559,453	583,924
398.0	Miscellaneous Equipment	3,554	0.78	28	4.05	144	116
	Total Elec. General Plant	<u>20,092,169</u>	5.96	<u>1,197,662</u>	8.91	<u>1,790,174</u>	<u>592,512</u>
	Total Electric Plant - Excl. Transportation	<u>1,555,214,290</u>	2.38	<u>37,090,016</u>	2.69	<u>41,823,030</u>	<u>4,733,013</u>

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Electric & Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
<u>TRANSPORTATION - Utility 0</u>							
392.0	Transportation Equipment	985,756	4.93	48,635	4.93	48,635	-
396.0	Power Operated Equipment	1,290,614	7.43	95,935	7.43	95,935	-
	Total Elec. Transportation Plant	<u>2,276,370</u>	6.35	<u>144,570</u>	6.35	<u>144,570</u>	-
	Total Electric Plant	<u>1,557,490,660</u>	2.39	<u>37,234,587</u>	2.69	<u>41,967,600</u>	<u>4,733,013</u>
<u>GENERAL PLANT Utility 7</u>							
390.1	Structures & Improvements	629,944	2.18	13,733	2.01	12,662	(1,071)
391.0	Office Furniture & Equipment	6,942,301	5.42	376,273	5.46	379,050	2,777
391.0	Office Furniture & Equipment	85,116	12.63	10,747	12.63	10,747	-
391.1	Computer Equipment	9,921,924	8.96	889,003	36.08	3,579,830	2,690,827
394.0	Tools, Shop & Garage Equipment	167,615	4.31	7,224	4.95	8,297	1,073
397.0	Communication Equipment	5,568,471	7.00	389,793	11.19	623,112	233,319
397.2	Communication Equipment - Portable	55,320	7.00	3,872	17.94	9,924	6,052
398.0	Miscellaneous Equipment	163,456	0.78	1,275	4.05	6,620	5,345
	Total Util. 7 General Plant	<u>23,534,148</u>	7.19	<u>1,691,921</u>	19.67	<u>4,630,242</u>	<u>2,938,322</u>
<u>GENERAL PLANT Utility 9</u>							
389.0	Land Rights	65,063	3.523	2,292	2.68	1,744	(548)
390.1	Structures & Improvements	7,058,387	2.18	153,873	2.01	141,874	(11,999)
393.0	Stores Equipment	751,411	2.28	17,132	2.53	19,011	1,879
394.0	Tools, Shop & Garage Equipment	929,428	4.31	40,058	4.95	46,007	5,948
395.0	Laboratory Equipment	632,498	3.94	24,920	3.64	23,023	(1,897)
397.0	Communication Equipment	5,922,148	7.00	414,550	11.19	662,688	248,138
397.2	Communication Equipment - Portable	1,505,557	7.00	105,389	17.94	270,097	164,708
398.0	Miscellaneous Equipment	20,029	0.78	156	4.05	811	655
	Total Util. 9 General Plant	<u>16,884,521</u>	4.49	<u>758,371</u>	6.90	<u>1,165,254</u>	<u>406,882</u>
	Total General Plant - Ut. Codes 0,7,9	<u>60,510,837</u>	6.03	<u>3,647,954</u>	12.54	<u>7,585,670</u>	<u>3,937,716</u>
<u>TRANSPORTATION PLANT Utility 9</u>							
392.0	Transportation Equipment	155,199	4.93	7,657	4.93	7,657	-
396.0	Power Operated Equipment	699,376	7.43	51,987	7.43	51,987	-
	Total Util. 9 Transportation Plant	<u>854,575</u>	6.98	<u>59,644</u>	6.98	<u>59,644</u>	-
	Total Common Plant	<u>41,273,243</u>	6.08	<u>2,509,936</u>	14.19	<u>5,855,140</u>	<u>3,345,204</u>
	Grand Total	<u>1,598,763,904</u>	2.49	<u>39,744,523</u>	2.99	<u>47,822,740</u>	<u>8,078,217</u>

Hydro production depreciation is a combination of an annuity factor plus a sinking fund percentage. (SF% - existing 6% Study 9%)

AVISTA UTILITIES
Depreciation as of December 31, 1998
Comparison of Depreciation Rates - Gas & Gas Common

[1] Account Number	[2] Description	[3] 12/31/1998 Avg. Balance \$	[4] Existing Rate %	[5] Annual Amount \$	[9] Study Rate %	Annual Amount \$	Increase or (Decrease) \$
UNDERGROUND STORAGE							
1350.20	Rights of Way	23,874	2.01	480	2.05	489	9
1351.00	Structures & Improvements	1,069,958	1.74	18,617	1.66	17,761	(856)
1352.00	Wells	5,549,179	2.36	130,961	2.00	110,984	(19,977)
1352.10	Leasehold (deprec. over life of lease)	254,354	2.53	6,444	2.53	6,444	-
1352.20	Reservoirs	795,339	2.15	17,100	2.22	17,657	557
1352.30	Cushion Natural Gas	5,631,220	2.22	125,013	2.54	143,033	18,020
1353.00	Lines	799,012	1.80	14,382	3.13	25,009	10,627
1354.00	Compressor Station Equipment	1,498,871	3.18	47,664	2.32	34,774	(12,890)
1355.00	Measuring & Regulating Equipment	940,961	2.95	27,758	2.66	25,030	(2,728)
1356.00	Purification Equipment	458,570	3.18	14,583	2.97	13,620	(963)
1357.00	Other Equipment	1,553,704	2.67	41,484	2.77	43,038	1,554
	Total Underground Storage Plant	18,575,042	2.39	444,486	2.36	437,839	(6,647)
GAS DISTRIBUTION PLANT							
1375.10	Structures & Improvements	309,474	2.33	7,211	2.35	7,273	62
1376.00	Mains	110,569,271	2.22	2,454,638	2.73	3,018,541	563,903
1378.00	Measuring/Regulating Station Equip	1,840,700	1.45	26,690	3.13	57,614	30,924
1379.00	Measuring/Regulating City Gate Equip	897,536	2.89	25,939	2.64	23,695	(2,244)
1380.00	Services	84,318,829	3.01	2,537,997	2.58	2,175,426	(362,571)
1381.00	Meters	16,308,177	2.03	331,056	2.77	451,737	120,681
1382.00	Meter Installations	4,373,963	1.99	87,042	1.99	87,042	-
1383.00	House Regulators	2,013,532	1.99	40,069	1.99	40,069	-
1384.00	House Regulator Installations	405,666	1.77	7,180	1.77	7,180	-
1385.00	Industrial Measuring/Regulating Equip.	1,047,471	2.66	27,863	2.29	23,987	(3,876)
	Total Gas Distribution Plant	222,084,619	2.50	5,545,685	2.65	5,892,564	346,879
GAS GENERAL PLANT							
1390.10	Structures & Improvements	152,911	1.67	2,554	2.61	3,991	1,437
1393.00	Stores Equipment	23,688	2.28	540	2.51	595	55
1394.00	Tools, Shop & Garage Equipment	846,948	5.67	48,022	4.24	35,911	(12,111)
1395.00	Laboratory Equipment	423,581	5.68	24,059	3.39	14,359	(9,700)
1397.00	Communication Equipment	550,431	7.69	42,328	11.94	65,721	23,393
1398.00	Miscellaneous Equipment	31,332	3.90	1,222	1.28	401	(821)
	Total Gas General Plant	2,028,891	5.85	118,725	5.96	120,978	2,253
GAS TRANSPORTATION PLANT							
1392.00	Transportation	153,087	4.93	7,553	4.93	7,553	-
1396.00	Power Operated Equipment	558,333	7.43	41,503	7.43	41,503	-
	Total Gas Transportation Plant	711,420	6.90	49,056	6.90	49,056	-
COMMON GAS GENERAL PLANT (Utility 8)							
1395.00	Laboratory Equipment	8,746	5.68	497	3.39	296	(201)
1397.00	Communication Equipment	136,144	7.69	10,469	11.94	16,256	5,787
	Total Util. 8 General Plant	144,890	7.57	10,966	11.42	16,552	5,586
	Grand Total	243,544,862	2.53	6,168,918	2.68	6,516,989	348,071

AVISTA UTILITIES

Reconciliation of Depreciation expense on G.L. to WBASIC Actual Work Papers

	(1)	(2)	(3)	(4)	(5)
	Total 1998 Deprec. Exp. Per G.L. <i>(Main Acct. 403)</i>	Less: 97 Expense Adj. made in Jan. 98	Plus: Expense Adjust Adjust. For 1998 <i>(Made in Jan. 99)</i>	Total of Columns <i>(1-2+3)</i>	1998 Actual Per Deprec. Work Papers
Electric and Common					
Centralia	1,950,681	-14,811	-4,988	1,960,504	1,960,504
Colstrip (410)	4,626,840	-15,762	-1,369	4,641,233	4,641,233
Colstrip (411)	3,459,070	-1,206	-532	3,459,744	3,459,744
Kettle Falls	<u>2,905,767</u>	<u>-14,459</u>	<u>-58,740</u>	<u>2,861,486</u>	<u>2,861,486</u>
Total Thermal	12,942,358	-46,238	-65,629	12,922,967	12,922,967
Skookumchuck	14,427	41	-1	14,385	14,385
Monroe Street	73,131	305	-55	72,771	72,771
Little Falls	275,429	-22,209	677	298,315	298,315
Long Lake	703,901	7,095	-15,516	681,290	681,290
Upper falls	93,275	-1	20,212	113,488	113,488
Nine Mile	178,565	-1,027	-634	178,958	178,958
Meyers Falls	16,308	4	13	16,317	16,317
Post Falls	144,669	-39,353	-58	183,964	183,964
Cabinet Gorge	826,173	-1,389	-1,948	825,614	825,614
Noxon Rapids	<u>688,751</u>	<u>1,083</u>	<u>1,071</u>	<u>688,739</u>	<u>688,739</u>
Total Hydro	3,014,629	-55,451	3,761	3,073,841	3,073,841
Northeast Turbine	461,965	-1	-3	461,963	461,963
Fuel Cell	38,388	72	3	38,319	38,319
Rathdrum	<u>935</u>	<u>-3,391</u>	<u>-2,223</u>	<u>2,103</u>	<u>2,103</u>
Total Other Prod.	501,288	-3,320	-2,223	502,385	502,385
Transmission	6,368,323	27,121	-30,686	6,310,516	6,310,516
Distribution:	13,066,467	-26,099	-9,921	13,082,645	13,082,645
General "0"	1,190,113	5,573	13,122	1,197,662	1,197,662
Transportation	143,325	-715	530	144,570	144,570
Amortization					
Software	60,199	-157	1,096	61,452	61,452
Intangible Plant	0	0	6,093	6,093	6,093
Total Electric	<u>37,286,702</u>	<u>-99,286</u>	<u>-83,857</u>	<u>37,302,131</u>	<u>37,302,131</u>
General "7"	1,669,272	4,732	27,381	1,691,921	1,691,921
General "9"	760,099	537	-1,192	758,370	758,370
Transportation Utility 9	58,663	-102	879	59,644	59,644
Amortization					
Lsehold Improv. "7"	567,944	-4,396	13,937	586,277	586,277
Lsehold Improv. "9"	49,378	0	54	49,432	49,432
Software "7"	771,661	47,057	109,332	833,936	833,936
Total Common Plant	<u>3,877,017</u>	<u>47,828</u>	<u>150,391</u>	<u>3,979,580</u>	<u>3,979,580</u>

AVISTA UTILITIES

Reconciliation of Depreciation expense on G.L. to WBASIC Actual Work Papers

	(1)	(2)	(3)	(4)	(5)
	Total 1998 Deprec. Exp. Per G.L. <i>(Main Acct. 403)</i>	Less: 97 Expense Adj. made in Jan. 98	Plus: Expense Adjust Adjust. For 1998 <i>(Made in Jan. 99)</i>	Total of Columns <i>(1-2+3)</i>	1998 Actual Per Deprec. Work Papers
<u>Gas</u>					
Gas Undergrd Strge	436,613	-13,697	-5,824	444,486	444,486
Gas Distribution	5,539,675	4739	10749	5,545,685	5,545,685
Gas General	119,188	-638	-1101	118,725	118,725
Transportation	48,882	-174	0	49,056	49,056
Software	358,664	0	-54,208	304,456	304,456
General "8"	10,967	1	0	10,966	10,966
Total Gas	<u>6,513,989</u>	<u>-9,769</u>	<u>-50,384</u>	<u>6,473,374</u>	<u>6,473,374</u>
Total System	47,677,708	-61,227	16,150	47,755,085	47,755,085