

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION: Washington DATE PREPARED: 06/29/2007
CASE NO: UE-070804 & UG-070805 WITNESS: Liz Andrews
REQUESTER: WUTC Staff RESPONDER: Adam Munson / Jeanne Pluth
TYPE: Data Request DEPT: Finance
REQUEST NO.: Staff – 232-Supplemental TELEPHONE: (509) 495-2471 / 495-2204

REQUEST:

Please provide the total amount of bonuses booked to regulated and non-regulated operations in 2001, 2002, 2003, 2004, 2005, and 2006.

(Based on conversations with WUTC Staff Ms. Joanna Huang, it was agreed that the Company would provide the information requested for Employee & Executive Officer Incentive Plans for the years 1999 and 2000.)

RESPONSE:

Long-Term Incentive Plan:

The following table is a summary of expense recorded under the Long-Term Incentive Plan.

	Utility Acct 920	Non-Utility Acct 417	Total
1999	0.00	0.00	0.00
2000	0.00	0.00	0.00
2001	0.00	0.00	0.00
2002	0.00	0.00	0.00
2003	0.00	0.00	0.00
2004	0.00	0.00	0.00
2005	0.00	3,501,468	3,501,468
2006	0.00	3,785,225	3,785,225

Employee & Executive Officer Incentive Plan:

The following table is a summary of incentives (not including taxes) recorded (accrued) for the periods 1999 – 2006 related to the annual incentive plan.

	Utility Acct 920	Non-Utility Acct 417	Total
1999	0.00	0.00	0.00
2000	2,714,153	0.00	2,714,153
2001	0.00	0.00	0.00
2002	2,992,060	60,536	3,052,596
2003	3,481,457	193,806	3,675,263
2004	2,791,644	47,839	2,839,483
2005	5,864,642	403,304	6,267,946
*2006	5,420,182	489,701	5,909,883

All incentive amounts provided above are before allocations among utility jurisdictions and include any true-up adjustments made during the year for the previous year's incentive.

*In addition, the incentives for 2006 were adjusted further in Docket Nos. UE-070804 and

UG-070805. The system-wide adjustment reallocated \$1,354,979 of incentives from Account 920 (Utility) to Account 417 (Non-Utility). This adjustment can be found in Andrews Exhibit No. ____ (EMA-2), Page 7 of 9, Adjustment X – Incentives & Other and Andrews Exhibit No. ____ (EMA-3), Page 6 of 8, Adjustment P – Incentives & Other.

After all adjustments and taxes, 2006 incentives allocated to the Washington Electric and Gas jurisdictions were \$2,145,191 and \$559,274, respectively, and are summarized as follows:

	<u>Utility Acct 920</u>	<u>Non-Utility Acct 417</u>
2006 Incentive Expense Recorded	\$5,420,182	\$489,701
Less: 2005 Expense Recorded in 2006	(131,985)	
Add: 2006 Expense Recorded in 2007	17,004	31,385
Add: Taxes	<u>455,457</u>	<u>42,279</u>
2006 Incentive Expense	5,760,658	563,365
Adjustment	<u>(1,354,979)</u>	<u>1,354,979</u>
2006 Adjusted Incentive Expense	<u>\$4,405,679</u>	<u>\$1,918,344</u>
2006 Incentives Allocated to WA Electric	<u>\$2,145,191</u>	
2006 Incentives Allocated to WA Gas		<u>\$559,274</u>