

Ex 304

Avista Corporation
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Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



April 26, 2000

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: Ms. Carole Washburn, Executive Secretary

RE: UE-991606
UG-991607

Please find enclosed for filing 20 copies of certain revised exhibit sheets of the Company in the above referenced dockets. The original exhibit sheets should be removed and replaced with the enclosed revised exhibit sheets. The enclosed sheets have been marked as "Company Settlement Revision." Specifically, the revised sheets are:

Witness DeFelice

Exhibit No. 291, Pages 1 through 11 of 11 (originally filed as Exhibit 33, later renumbered as 291)

These revised exhibit sheets reflect the depreciation rates and associated expense levels that are the result of negotiated settlement between the Company and the Commission Staff. The Company believes that the settlement discussions with the Staff have produced a reasonable compromise of a complicated issue. The revised depreciation expense levels are intended to be incorporated into the Commission Staff case and will be supplemented by the associated depreciation parameters used to produce the rates.

Questions regarding this filing should be directed to Don Falkner at (509) 482-4326.

Sincerely,

Don M. Falkner
Senior Rate Accountant

Enclosures

c: See attached service list

WUTC		
DOCKET NO.	UE-991606	
EXHIBIT #	304	
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the WN U 28 Electric Service UE-991606 and WN U 29 Natural Gas Service UG-991607 of Avista Corporation General Rate Case by mailing a copy thereof, postage prepaid to the following:

Gregory J Trautman
Assistant Attorney General
1400 S Evergreen Park Drive SW
Olympia, WA 98504-0128

Simon ffitch
Office of the Attorney General
Public Counsel Section
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012

Roger Colton (SNAPS)
Fisher, Sheehan and Colton
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Belmont, MA 02478-2481

Danielle Dixon
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219 1st Avenue South, Suite 100
Seattle, WA 98104

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Portland, OR 97209-2220


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Spokane Neighborhood Action Programs
2116 E. First
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Donald W Schoenbeck
Regulatory and Cogeneration Services
900 Washington Street #1000
Vancouver, WA 98660

Jim Lazar
Microdesign Northwest
1063 Capitol Way S #202
Olympia, WA 98401

Dated at Spokane, Washington this 26th day of April, 2000.



Jean T. Osterberg
Rates Coordinator

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	12,922,966	46,238	(65,629)	0	(131,259)	(87,930)	(43,329)
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 Note 1 - P/T Ratio	16,458,275	17,301,677	105,009	(64,091)	0	674,302	451,715	222,587
						100.000%	66.990%	33.010%
Transmission Plant Note 1 - P/T Ratio	6,368,323	6,219,586	(27,121)	(30,686)	0	(152,302)	(102,027)	(50,275)
						100.000%	66.990%	33.010%
Distribution Plant Depreciable Plant-ADP-12A	13,066,467	12,515,978	26,099	(9,921)	0	(586,509)	(368,304)	(218,205)
						100.000%	62.796%	37.204%
General Plant - see allocations w/s Depreciable Plant-ADP-12A	3,234,137	4,723,905	(39,966)	131,592	0	1,661,326	1,062,800	598,526
						100.000%	63.973%	36.027%
TOTAL ELECTRIC PLANT	39,127,202	40,761,146	64,021	26,894	0	1,596,817	1,044,184	552,633

DEFERRED TAX IMPACT @ 35%

365,464 **193,422**

	Deferred FIT Balance (1)	Accum Depr Balance (2)
Dec-97	0	0
Jan-98	30,455	87,015
Feb-98	60,910	174,030
Mar-98	91,365	261,045
Apr-98	121,820	348,060
May-98	152,275	435,075
Jun-98	182,730	522,090
Jul-98	213,185	609,105
Aug-98	243,640	696,120
Sep-98	274,095	783,135
Oct-98	304,550	870,150
Nov-98	335,008	957,165
Dec-98	365,463	1,044,182
Average of Monthly Average	182,730	522,090

- (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						WA Alloc	ID Alloc
	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		
Underground Storage Plant	444,486	430,244	(13,697)	(5,824)	0	(6,369)	(4,736)	(1,633)
Total Underground Storage	444,486	430,244	(13,697)	(5,824)	0	(6,369)	(4,736)	(1,633)
Note 1C - System Contract Demand						100.000%	74.360%	25.640%
Distribution Plant	5,545,685	5,437,295	4,739	10,749	0	(102,380)	(72,027)	(30,353)
Note 6 - Acutal Therms Purchased						100.000%	70.353%	29.647%
General Plant - Direct	118,725	108,801	-638	-1101		(10,387)	(7,107)	(3,280)
Transportation - Direct	49,056	49,056	-174	0		174	119	55
Software - Direct	358,664	358,664	0	-54208		(54,208)	(37,092)	(17,116)
Utility Code 1						100.000%	68.426%	31.574%
General Plant - see allocations w/s Depreciable Plant-ADP-12A	443,864	701,324	(8,285)	26,037	0	291,782	199,655	92,127
						100.000%	68.426%	31.574%
TOTAL GAS PLANT	6,960,480	7,085,384	(18,055)	(24,347)	0	118,612	78,812	39,800

DEFERRED TAX IMPACT @ 35%

27,584 13,930

	Deferred FIT Balance (1)	Accum Depr Balance (2)
Dec-97	0	0
Jan-98	2,299	6,568
Feb-98	4,598	13,136
Mar-98	6,897	19,704
Apr-98	9,196	26,272
May-98	11,495	32,840
Jun-98	13,794	39,408
Jul-98	16,093	45,976
Aug-98	18,392	52,544
Sep-98	20,691	59,112
Oct-98	22,990	65,680
Nov-98	25,292	72,248
Dec-98	27,591	78,818
Average of Monthly Average	<u>13,794</u>	<u>39,408</u>

- (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	3,832,439	3,234,137	443,864	154,438

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	1,723,804	1,723,804	0	0
7	2,915,867	2,147,711	504,853	263,303
8	13,655	0	9,044	4,611
9	1,039,817	852,390	187,427	0
Total	5,693,143	4,723,905	701,324	267,914

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%

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
System Depreciation at December 31, 1998
Comparison of Depreciation Rates - Electric and Common

Account Number	[1] Description	[2] 12/31/1998 Avg. Balance \$	[3] Existing Rate %	[4] Existing Annual Amount \$	[5] Study Rate %	[6] Proposed Annual Amount \$	[7] Increase or (Decrease) \$
<u>STEAM PRODUCTION PLANT</u>							
<u>CENTRALIA STATION</u>							
311.0	Structures & Improvements	6,304,617	3.30	208,052	3.30	208,052	-
312.0	Boiler Plant Equipment	32,683,101	3.52	1,150,445	3.52	1,150,445	-
314.0	Turbogenerator Units	13,010,599	3.66	476,188	3.66	476,188	-
315.0	Accessory Electric Equipment	2,938,351	3.11	91,383	3.11	91,383	-
316.0	Misc. Power Plant Equipment	735,813	4.68	34,436	4.68	34,436	-
	Total Centralia	<u>55,672,480</u>	3.52	<u>1,960,504</u>	3.52	<u>1,960,504</u>	-
<u>KETTLE FALLS STATION</u>							
310.0	Land Rights	148,175	3.01	4,460	3.01	4,460	-
311.0	Structures & Improvements	23,679,738	3.09	731,704	3.09	731,704	-
312.0	Boiler Plant Equipment	39,980,234	3.26	1,303,356	3.26	1,303,356	-
314.0	Turbogenerator Units	13,656,056	3.25	443,822	3.25	443,822	-
315.0	Accessory Electric Equipment	10,336,442	2.96	305,959	2.96	305,959	-
316.0	Misc. Power Plant Equipment	2,414,198	2.99	72,185	2.99	72,185	-
	Total Kettle Falls	<u>90,214,842</u>	3.17	<u>2,861,485</u>	3.17	<u>2,861,485</u>	-
<u>COLSTRIP UNIT 3</u>							
311.0	Structures & Improvements	50,423,151	2.93	1,477,398	2.93	1,477,398	-
312.0	Boiler Plant Equipment	70,807,253	3.12	2,209,186	3.12	2,209,186	-
314.0	Turbogenerator Units	16,276,117	3.10	504,560	3.10	504,560	-
315.0	Accessory Electric Equipment	8,056,440	2.76	222,358	2.76	222,358	-
316.0	Misc. Power Plant Equipment	8,341,802	2.73	227,731	2.73	227,731	-
	Total Colstrip Unit 3	<u>153,904,763</u>	3.02	<u>4,641,233</u>	3.02	<u>4,641,233</u>	-
<u>COLSTRIP UNIT 4</u>							
311.0	Structures & Improvements	48,677,765	2.95	1,435,994	2.95	1,435,994	-
312.0	Boiler Plant Equipment	43,043,873	3.11	1,338,664	3.11	1,338,664	-
314.0	Turbogenerator Units	13,670,796	3.11	425,162	3.11	425,162	-
315.0	Accessory Electric Equipment	5,396,816	2.80	151,111	2.80	151,111	-
316.0	Misc. Power Plant Equipment	3,872,334	2.81	108,813	2.81	108,813	-
	Total Colstrip Unit 4	<u>114,661,584</u>	3.02	<u>3,459,744</u>	3.02	<u>3,459,744</u>	-
	Total Steam Production Plant	<u>414,453,670</u>	3.12	<u>12,922,966</u>	3.12	<u>12,922,966</u>	-

AVISTA UTILITIES
System Depreciation at December 31, 1998
Comparison of Depreciation Rates - Electric and Common

Account Number	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]
		12/31/1998 Avg. Balance \$	Existing Rate %	Existing Annual Amount \$	Study Rate %	Proposed 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
System Depreciation at December 31, 1998
Comparison of Depreciation Rates - Electric and Common

Account Number	[1] Description	[2] 12/31/1998 Avg. Balance \$	[3] Existing Rate %	[4]		[5] Study Rate %	[6]		[7] Increase or (Decrease) \$
				Existing Annual Amount \$	Proposed Annual Amount \$				
<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
System Depreciation at December 31, 1998
Comparison of Depreciation Rates - Electric and Common

Company Settlement Revision
Exhibit No. 291
DeFelice, Avista
Page 7 of 11

Account Number	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]
		12/31/1998 Avg. Balance \$	Existing Rate %	Existing Annual Amount \$	Study Rate %	Proposed 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	2.48	17,301,676	802,483	
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	2.09	150,701	-	
353.0	Station Equipment	95,510,272	2.64	2,521,471	2.63	2,511,920	(9,551)	
354.0	Towers & Fixtures	17,074,406	1.40	239,042	1.40	239,042	-	
355.0	Poles & Fixtures	67,519,645	3.34	2,255,156	3.03	2,045,845	(209,311)	
356.0	OH Conductors & Devices	61,028,997	1.59	970,361	1.80	1,098,522	128,161	
357.0	UG Conduit	556,054	1.63	9,064	1.66	9,230	167	
358.0	UG Conductors & Devices	1,316,123	1.55	20,400	1.52	20,005	(395)	
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>	2.38	<u>6,219,586</u>	<u>(90,929)</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	2.47	1,361,157	93,683	
364.0	Poles, Towers & Fixtures	120,866,701	1.45	1,752,567	1.87	2,260,207	507,640	
365.0	OH Conductors & Devices	83,487,861	1.26	1,051,947	1.3	1,085,342	33,395	
366.0	UG Conduit	33,782,874	1.84	621,605	1.88	635,118	13,513	
367.0	UG Conductors & Devices	65,058,091	2.73	1,776,086	2.27	1,476,819	(299,267)	
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	2.13	1,435,184	(431,229)	
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	6.05	372,709	174,958	
	Total Distribution Plant	<u>576,285,720</u>	2.27	<u>13,082,646</u>	2.17	<u>12,515,978</u>	<u>(566,668)</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	20.27	4,096	2,285	
393.0	Stores Equipment	99,196	2.28	2,262	2.41	2,391	129	
394.0	Tools, Shop & Garage Equipment	2,004,515	4.31	86,395	4.49	90,003	3,608	
395.0	Laboratory Equipment	2,489,527	3.94	98,087	3.34	83,150	(14,937)	
397.0	Communication Equipment	13,936,134	7.00	975,529	9.82	1,368,528	392,999	
398.0	Miscellaneous Equipment	3,554	0.78	28	3.72	132	104	
	Total Elec. General Plant	<u>20,092,169</u>	5.96	<u>1,197,662</u>	7.86	<u>1,579,234</u>	<u>381,572</u>	

AVISTA UTILITIES
System Depreciation at December 31, 1998
Comparison of Depreciation Rates - Electric and Common

Account Number	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]
		12/31/1998 Avg. Balance \$	Existing Rate %	Existing Annual Amount \$	Study Rate %	Proposed Annual Amount \$	Increase or (Decrease) \$	
TRANSPORTATION - Utility 0								
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>		<u>144,570</u>		<u>144,570</u>	-	
	Total Electric Plant	<u>1,557,490,660</u>		<u>37,234,587</u>		<u>37,761,045</u>	<u>526,459</u>	
**GENERAL PLANT Utility 7								
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	4.53	314,486	(61,786)	
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	20.27	2,011,174	1,122,171	
394.0	Tools, Shop & Garage Equipment	167,615	4.31	7,224	4.49	7,526	302	
397.0	Communication Equipment	5,568,471	7.00	389,793	9.82	546,824	157,031	
397.2	Communication Equipment - Portable	55,320	7.00	3,872	11.51	6,367	2,495	
398.0	Miscellaneous Equipment	163,456	0.78	1,275	3.72	6,081	4,806	
	Total Util. 7 General Plant	<u>23,534,148</u>	<u>7.19</u>	<u>1,691,921</u>	<u>12.39</u>	<u>2,915,867</u>	<u>1,223,946</u>	
**GENERAL PLANT Utility 9								
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	2.41	18,109	977	
394.0	Tools, Shop & Garage Equipment	929,428	4.31	40,058	4.49	41,731	1,673	
395.0	Laboratory Equipment	632,498	3.94	24,920	3.34	21,125	(3,795)	
397.0	Communication Equipment	5,922,148	7.00	414,550	9.82	581,555	167,005	
397.2	Communication Equipment - Portable	1,505,557	7.00	105,389	11.51	173,290	67,901	
398.0	Miscellaneous Equipment	20,029	0.78	156	3.72	745	589	
	Total Util. 9 General Plant	<u>16,884,521</u>	<u>4.49</u>	<u>758,371</u>	<u>5.81</u>	<u>980,173</u>	<u>221,801</u>	
TRANSPORTATION PLANT Utility 9								
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>		<u>59,644</u>		<u>59,644</u>	-	
	Total Common Plant	<u>41,273,243</u>		<u>2,509,936</u>		<u>3,955,684</u>	<u>1,445,747</u>	
	Grand Total	<u>1,598,763,904</u>		<u>39,744,523</u>		<u>41,716,729</u>	<u>1,972,206</u>	

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

**Assumption: Common Plant Utilities 7 and 9 have the same rates as General Electric Plant.

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

[1]	[2]	[3]	[4]	[5]	[6]	[7]	
Account Number	Description	12/31/1998 Avg. Balance \$	Existing		Proposed		Increase or (Decrease) \$
			Existing Rate %	Annual Amount \$	Study Rate %	Annual Amount \$	
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	1.75	18,724	107
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	6,435	(9)
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	2.06	16,460	2,078
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	2.32	430,244	(14,242)
GAS DISTRIBUTION PLANT							
1375.10	Structures & Improvements	309,474	2.33	7,211	2.19	6,777	(434)
1376.00	Mains	110,569,271	2.22	2,454,638	2.38	2,631,549	176,911
1378.00	Measuring/Regulating Station Equip	1,840,700	1.45	26,690	2.13	39,207	12,517
1379.00	Measuring/Regulating City Gate Equip	897,536	2.89	25,939	2.24	20,105	(5,834)
1380.00	Services	84,318,829	3.01	2,537,997	2.67	2,251,313	(286,684)
1381.00	Meters	16,308,177	2.03	331,056	1.94	316,379	(14,677)
1382.00	Meter Installations	4,373,963	1.99	87,042	2.07	90,541	3,499
1383.00	House Regulators	2,013,532	1.99	40,069	2.27	45,707	5,638
1384.00	House Regulator Installations	405,666	1.77	7,180	2.53	10,263	3,083
1385.00	Industrial Measuring/Regulating Equip.	1,047,471	2.66	27,863	2.43	25,454	(2,409)
	Total Gas Distribution Plant	222,084,619	2.50	5,545,685	2.45	5,437,295	(108,390)
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	3.27	13,851	(10,208)
1397.00	Communication Equipment	550,431	7.69	42,328	9.82	54,052	11,724
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	5.36	108,801	(9,924)
GAS TRANSPORTATION PLANT							
1392.00	Transportation	153,087	4.93	7,547	4.93	7,547	-
1396.00	Power Operated Equipment	558,333	7.43	41,484	7.43	41,484	-
	Total Gas Transportation Plant	711,420		49,056		49,056	-
*COMMON GAS GENERAL PLANT (Utility 8)							
1395.00	Laboratory Equipment	8,746	5.68	497	3.27	286	(211)
1397.00	Communication Equipment	136,144	7.69	10,469	9.82	13,369	2,900
	Total Util. 8 General Plant	144,890	7.57	10,966	9.42	13,655	2,689
	Grand Total	243,544,862		6,168,918		6,039,051	(129,867)

* Assumption is that Gas Common Plant has same rates as the Gas General Plant.

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. (Main Acct. 403)	Less: 97 Expense Adj. made in Jan. 98	Plus: Expense Adjust Adjust. For 1998 (Made in Jan. 99)	Total of Columns (1-2+3)	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					
Household Improv. "7"	567,944	-4,396	13,937	586,277	586,277
Household 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
<i>Gas</i>					
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