AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	Washington	DATE PREPARED:	2/1/00
CASE NO:	UE-991606 UG-991607	WITNESS:	Kathy Mitchell
REQUESTER:	Staff	RESPONDER:	Kathy Mitchell
TYPE:	Data Request	DEPT:	Rates
DUE DATE:	1/28/2000	TELEPHONE:	(509) 495-4407
REQUEST NO.:	20	FIELD AUDIT:	___ Yes _X_ No

REQUEST:
Please provide all officer's salaries for 1998, 1999, and budgeted 2000 by each officer by month and itemized by base salary, bonuses, and benefits.

RESPONSE:
Please note that annual 1998 officer salary detail has been provided in Company Witness Mitchell's workpapers pages 20-22. A monthly breakout of the payroll system charges supporting the workpapers is in Attachment A.

Comparable annual and monthly information for 1999 is provided in Attachment B. Please note that Officer Salary Expense charged to Washington Electric Results during 1999 was $974,789 or approximately 1/3rd of the total officer expense. Likewise the expense for Washington Gas Operations was $118,141, or approximately 4% of the total officer expense for 1999.

Officer compensation levels for 2000 were budgeted for a 4% increase. However, at this point in time the Board of Directors has not moved to modify the 1999 compensation levels for 2000. Therefore compensation levels still exist at end of 1999 levels, nor are individual employee budget amounts available.

As to other benefits provided to officers, please see pages 10-20 of the 1998 Proxy Statement – Attachment C. Of course officers are also eligible to participate in the employee benefits programs detailed the Company's response to WUTC Request No. 23. The payroll charges noted above would have loading rates for benefits, time-off and payroll taxes applied. The average 1998 loading rates were 23.83%, 17.00% and 8.50%, respectively. These loading rates, however, are reflective of overall Company payroll loadings and are not intended to represent any one individuals cost.

Avista Utilities

Monthly Detail Supporting 1998 Officer Salary Expense

Account	Work Order	Employee	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Grand Total
	Utility														
792000	2866	21720							7,028.85	8,269.24					15,298.09
		85105	990.00	1,440.00	1,516.15	1,592.30	2,338.70	1,443.03	1,443.02	1,542.54	995.19	2,288.94	1,542.54	1,433.08	18,565.49
	2869	00252						600,000.00	23,076.93	34,615.39	32,812.50	51,922.76	34,615.40	31,153.86	808,196.84
		00365										158,115.39	12,923.08	11,653.85	182,692.32
		00375												12,461.54	12,461.54
		10300	4,770.00	11,395.00	10,110.00	9,230.76	19,326.92	12,807.69	8,653.85	13,846.15	10,096.15	8,322.12			108,558.64
		21269	7,315.00	9,120.00	5,876.15	10,153.85	15,230.78	9,625.01	9,625.00	10,153.85	9,307.69	15,230.77	10,153.86	8,038.46	119,830.42
		21720	3,990.00	7,600.00	6,537.69	6,201.93	12,403.86	5,788.47			6,615.40	11,990.40	8,269.24	7,028.86	76,425.85
		26355	10,800.00	14,400.00	14,616.24	14,832.48	22,248.72	11,124.36	13,349.24	14,832.48	14,090.86	22,248.72	14,832.48	5,932.99	173,308.57
		57704	7,275.00	8,775.00	10,962.00	10,583.25	16,686.00	8,883.75	10,583.25	11,124.00	6,643.50	13,905.00	11,124.00	6,720.75	123,265.50
		68605	5,460.00	7,980.00	7,673.54	4,650.62	11,302.09	6,975.93	7,030.01	7,787.08	6,921.84	11,248.01	7,570.77	7,797.85	92,397.74
		71860	11,440.00	17,909.00	14,325.00	15,198.00	36,342.00	25,054.00	9,085.00						129,353.00
		94440	5,149.85	7,356.92	7,532.31	7,707.70	10,790.78	7,322.32	7,322.32	7,707.70	3,853.85	11,561.55	7,707.70	8,541.54	92,554.54
		94440									3,468.46				3,468.46
	3002	85105										99.52			99.52
793027	2502	85105	3,420.00	5,040.00	5,207.02	5,573.08	8,110.82	5,025.72	5,274.52	5,423.80	3,582.69	8,061.05	5,473.56	5,015.77	65,208.03
793028	2501	85105	450.00	720.00	758.08	796.16	1,144.47	746.39	746.40	746.40	597.12	1,144.48	845.92	716.54	9,411.96
	Subtotal 7920&7930		61,059.85	91,735.92	85,114.18	86,520.13	155,925.14	694,796.67	103,218.39	116,048.63	98,985.25	316,138.71	115,058.55	106,495.09	2,031,096.51
992000	2866	00375											3,461.54	77,000.00	80,461.54
			61,059.85	91,735.92	85,114.18	86,520.13	155,925.14	694,796.67	103,218.39	116,048.63	98,985.25	316,138.71	118,520.09	183,495.09	2,111,558.05
	Subsidiaries														
918620	1148	85105						49.76							49.76
	1427	85105						49.76				99.52			149.28
	9507	85105						49.76							49.76
	9511	85105	90.00				348.32	49.76	99.52	248.80		99.52	99.52		1,035.44
	9809	85105			49.76										49.76
	9811	85105	90.00		49.76			49.76				99.52			289.04
	9842	85105						49.76				49.76			99.52
	9898	85105						49.76							49.76
941611	3879	94440					770.77								770.77
941711	3142	00252						300,000.00	8,653.84	17,307.69	16,586.54	25,961.53	17,307.69	15,576.92	401,394.21
		00365										11,269.23	923.08	807.69	13,000.00
		21269	4,275.00	4,560.00	1,798.08	5,076.92	7,615.38	4,865.38	4,865.38	5,076.92	5,076.92	7,615.38	5,076.92	4,019.22	59,921.50
		71860	5,720.11	9,088.04	7,162.49	7,598.75	18,170.94	12,664.59	4,680.39						65,085.31
941712	3142	00252						100,000.00	2,884.62	5,769.24	5,408.66	8,653.85	5,769.23	5,192.31	133,677.91
		00365										56,461.54	4,615.38	4,153.85	65,230.77
		10300	3,180.00	7,685.00	6,836.15	4,615.39	12,980.77	8,538.46	5,769.22	9,230.77	6,634.62	5,524.03			70,994.41
		21269	1,330.00	1,520.00	528.85	1,692.31	2,538.45	1,586.54	1,586.55	1,692.31	1,692.31	2,538.47	1,692.30	1,480.78	19,878.87
		21720	3,990.00	7,600.00	6,537.70	6,201.93	12,403.86	6,615.39	7,028.86	8,269.24	6,615.39	11,990.40	8,269.24	7,028.85	92,550.86
		57704	825.00	975.00	1,218.00	1,158.75	1,854.00	1,004.25	1,158.75	1,236.00	772.50	1,545.00	1,236.00	695.25	13,678.50
		68605	420.00	420.00	852.62	540.77	1,243.77	811.16	757.08	865.24	865.24	1,297.85	865.24	932.62	9,871.59
		68942	7,800.00	12,000.00	12,180.00	12,360.00	18,540.00	9,270.00	11,742.00	6,180.00	11,742.00	18,540.00	12,360.00	9,270.00	141,984.00
		71860	2,084.91	2,940.25	2,387.49	2,532.92	6,056.98	4,129.76	1,651.91						21,784.22
			29,805.02	46,788.29	39,600.90	41,777.74	82,523.24	449,833.85	50,878.12	55,876.21	55,394.18	151,745.60	58,214.60	49,157.49	1,111,595.24
			90,864.87	138,524.21	124,715.08	128,297.87	238,448.38	1,144,630.52	154,096.51	171,924.84	154,379.43	467,884.31	176,734.69	232,652.58	3,223,153.29

"Total Charged Through Payroll System" per K. Mitchell's workpapers page 21 3,223,153

Attachment ,

Avista Utilities

Monthly Detail of 1999 Officer Salary Expense

Work Order	Account	Employee	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Total 1999	Deferred Compensatior	Restricted Stock Div	Total 1999
	Utility																	
2782	792634	11290										1,500.00			1,500.00			1,500.00
2869	792000	00252	20,769.24	25,961.60	34,615.45	51,923.15	34,615.40	32,884.68	32,884.63	34,615.40	32,884.63	51,923.15	34,615.40	73,584.90	461,277.63	239,976.00	25,459.00	726,712.63
		00365	9,046.10	12,276.85	12,923.00	18,738.46	12,923.06	11,469.17	9,230.70	12,074.93	9,046.14	17,769.13	12,600.04	10,984.64	149,082.22	35,004.00	3,440.00	187,526.22
		00375	6,923.07	13,846.14	14,038.45	21,346.14	13,519.22	12,807.68	13,519.22	14,230.76	13,519.22	21,346.14	14,230.76	25,953.12	185,279.92	12,504.00	1,222.00	199,005.92
		00699								46,115.38	10,596.15	16,173.07	11,153.84	9,480.77	93,519.21			93,519.21
		11290							3,483.02	6,021.50	8,312.48	11,374.99	8,749.99	7,687.49	45,629.47			45,629.47
		21269	6,599.91	10,153.73	7,006.17	16,449.36	10,966.20	10,417.89	10,417.89	10,966.26	10,417.95	16,449.36	8,772.98	9,869.58	128,487.28			128,487.28
		21720	4,134.60	9,009.56	10,312.57	13,750.03	8,461.60	4,759.65	8,461.53	9,519.24	8,461.60	15,006.12	9,585.27	8,461.60	109,923.37			109,923.37
		26355	14,832.30	14,832.30	14,832.30	20,023.59	14,832.30	14,090.68	11,124.20	14,832.30	14,090.68	20,023.59	14,832.30	13,349.06	181,695.60			181,695.60
		57704	6,187.73	11,124.00	10,525.66	12,263.22	11,387.22	8,613.41	8,175.44	11,679.20	11,095.24	17,518.86	7,664.49	10,511.32	126,745.79			126,745.79
		68605	6,249.98	8,999.98	8,499.98	10,999.98	8,499.98	7,249.98	3,499.99	8,999.98	8,249.98	13,499.97	7,999.98	6,999.98	99,749.76			99,749.76
		85105	3,582.70	6,448.86	7,272.66	9,963.00	6,641.98	7,010.98	6,273.00	7,379.99	1,476.00	10,700.99	5,535.00	5,535.00	77,820.16			77,820.16
		94440	5,999.98	9,999.98	9,999.98	14,999.97	9,999.98	9,499.98	8,599.98	5,199.99	7,599.99	11,600.00	7,599.99	6,400.00	107,499.82			107,499.82
		All Account 79xx.xx	84,325.61	122,653.00	130,026.22	190,456.90	131,846.94	118,804.10	115,669.60	181,634.93	135,750.06	224,885.37	143,340.04	188,817.46	1,768,210.23	287,484.00	30,121.00	2,085,815.23

Allocate Charges to Electric System (1) **73.053%**

Allocate Electric Charges to Washington (1) **63.973%**

1999 Officer Salary Charges in Washington Electric Results $ 974,789

Allocate Charges to Gas System (1) **17.712%**

Allocate Gas Charges to Washington(1) **68.426%**

1999 Officer Salary Charges in Washington Gas Results $ 118,141

Work Order	Account	Employee	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Total 1999	Deferred Compensatior	Restricted Stock Div	Total 1999
	Subsidiaries																	
3142	941711	00252	10,384.56	12,980.70	17,307.65	25,961.50	17,307.60	16,442.26	16,442.22	17,307.60	16,442.27	25,961.40	17,307.65	15,576.89	209,422.30	159,984.00	16,972.00	386,378.30
		00365	646.16	876.85	923.00	1,338.35	923.06	819.23	461.50	863.01	1,615.37	1,269.13	899.93	784.55	11,420.14	15,000.00	1,474.00	27,894.14
		21269	3,300.04	5,076.93	3,503.05	8,224.62	5,483.00	5,208.91	5,208.85	5,483.06	5,208.85	8,224.56	4,386.46	4,934.70	64,243.03			64,243.03
	941712	00252	3,461.54	4,326.90	5,769.20	8,653.80	5,769.30	5,480.74	5,480.83	5,769.30	5,480.78	8,653.90	5,769.25	5,192.31	69,807.85			69,807.85
		00365	3,230.78	4,384.74	4,615.52	6,692.39	4,615.40	4,096.19	2,307.76	4,312.04	2,261.53	6,346.32	4,500.01	3,923.09	51,285.77			51,285.77
		11290							497.61	891.77	1,187.50	1,624.98	1,249.99	1,062.49	6,514.34			6,514.34
		21269	1,100.05	1,692.40	1,167.72	2,741.40	1,827.72	1,736.27	1,736.33	1,827.60	1,736.27	2,741.46	1,462.08	1,644.94	21,414.24			21,414.24
		21720	4,134.62	9,009.66	10,312.42	13,749.97	8,461.48	4,759.58	8,461.55	9,519.22	8,461.48	15,005.89	9,585.40	8,461.48	109,922.75			109,922.75
		57704	687.53	1,236.00	1,169.53	1,362.48	1,265.22	957.04	908.38	1,297.72	1,232.83	1,946.52	851.61	1,167.90	14,082.76			14,082.76
		68605	1,000.00	1,000.00	1,000.00	1,499.99	1,000.00	1,000.00	500.00	1,000.00	1,000.00	1,500.00	1,000.00	1,000.00	12,499.99			12,499.99
		85105	398.06	716.50	808.09	1,106.97	738.00	779.00	696.98	819.99	163.99	1,188.98	614.98	614.98	8,646.52			8,646.52
		94440							900.00	1,299.99	1,899.99	2,899.97	1,899.99	1,599.98	10,499.92			10,499.92
9864	918620	68942							6,180.00						6,180.00			6,180.00
			12,360.00	12,360.00	13,364.25	21,552.75	13,364.25	12,360.00	6,180.00	12,360.00	12,360.00			15,398.42	131,659.67			131,659.67
		All Subsidiary	40,703.34	53,660.68	59,940.43	92,884.22	60,755.03	53,639.22	55,962.01	62,751.30	59,050.86	77,363.11	49,527.35	61,361.73	727,599.28	174,984.00	18,446.00	921,029.28
			125,028.95	176,313.68	189,966.65	283,341.12	192,601.97	172,443.32	171,631.61	244,386.23	194,800.92	302,248.48	192,867.39	250,179.19	2,495,809.51	462,468.00	48,567.00	3,006,844.51

(1) Allocation factors per 6/30/99 Results of Operations

Attachment

(4) Includes 2,000 shares held in the name of Clack & Co. and 7,500 shares held in an IRA account.

(5) Restricted shares of Company Common Stock.

(6) Includes 600 shares held by Mr. Meyer as custodian for his son and 12,280 shares held in an IRA account.

(7) Shares are held in a pension/profit-sharing plan not administered by the Company for which Mr. Stanley shares voting and investment power.

(8) Includes 4,000 shares held in an employee benefit plan not administered by the Company for which Mr. Taylor shares voting and investment power; 420 shares held by Mr. Taylor's spouse of which shares he disclaims beneficial ownership; and 808 shares held by Mr. Taylor as custodian for his children. Also includes 1,967 shares for which Mr. Taylor has deferred receipt to a later date in accordance with the provisions of the Non-Employee Director Stock Plan.

SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE REPORTING

Section 16 of the Securities Exchange Act of 1934, as amended, requires that officers, directors, and holders of more than 10% of the Common Stock file reports of their trading in Company equity securities with the Securities and Exchange Commission (SEC). Based solely on a review of Forms 3, 4 and 5 furnished to the Company during 1998, the Company believes that during the last fiscal year, all Section 16 filing requirements applicable to the Company's reporting persons were complied with except for the following: A purchase of 1,280 shares by Eugene W. Meyer in 1996 and a purchase of 2,000 shares by Bobby Schmidt in 1998 were inadvertently not reported on a timely basis. Both of these transactions were subsequently reported to the SEC in accordance with the rules.

EXECUTIVE COMPENSATION
BOARD COMPENSATION & ORGANIZATION COMMITTEE REPORT

To Our Shareholders:

The Compensation & Organization Committee of the Board of Directors (the "Committee") reviews and approves compensation and benefit levels for executive officers. The Committee also establishes specific strategic corporate performance goals, which correspond to short-term and long-term compensation opportunities for executive officers. The Committee is comprised of Board members who are not employees of the Company.

The primary objective in establishing compensation opportunities for executive officers is to support the Company's goal of maximizing the value of shareholders' interests. To achieve this objective, the Committee believes it is critical to:

- Hire, develop, reward, and retain the most competent executives possible by providing compensation opportunities which are competitive in the marketplace.
- Tie a significant portion of pay to performance so that rewards vary with the achievement of annual and longer-term results.
- Promote a close identity of interest between management and shareholders and encourage decision-making that enhances shareholder value. The Committee believes that this objective is best achieved by tying incentive opportunities to the attainment of corporate and individual goals and through regular grants of stock options and other performance-based stock opportunities.

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally limits the deductibility of non-performance-based compensation in excess of $1 million paid in any one year to the chief executive officer and the other four highest-paid executive officers. The Long-Term Incentive Plan, approved by shareholders in 1998, was designed to meet the requirements of performance-based compensation under

Attachment C 1/4

Section 162(m). And, when consistent with its compensation philosophy and objectives, the Committee intends to structure compensation plans so that all compensation expense is deductible for tax purposes.

Components of Compensation

The Committee believes that executive officer compensation should be closely aligned with the performance of the Company, and that such compensation should assist in attracting and retaining key executives critical to long-term success. To that end, the Committee's philosophy is that the total compensation program should consist of an annual base salary, an annual incentive (the amount of which is dependent on corporate and individual performance) and long-term incentives (i.e., stock options, restricted stock, and performance-based stock opportunities).

The Committee considers but does not target executive officer compensation at the median of similarly situated executives at the Company's competitors. Rather, the Committee believes that its total compensation opportunities for executive officers must provide significant compensation potential to attract and retain executive officers of exceptional talent and skill to further the Company's success as a diversified national energy business.

Base Salary

The Committee reviews each executive officer's base salary at least annually. The factors that influence Committee decisions regarding base salary include: levels of pay among executives in the utility and diversified energy industry, internal pay-equity considerations, level of responsibilities and job complexity, prior experience, breadth of knowledge, and job performance, including the Committee's subjective judgment as to individual contribution. The Committee considers some or all of these factors as appropriate; there are no formal weightings given to any factor. Effective March 1, 1998, based on these factors, the Committee granted executive officers base salary increases that ranged from 3% to 11%.

CEO Compensation

Former Chairman and CEO Paul A. Redmond also received a base salary increase of 3% effective March 1, 1998. Mr. Redmond retired on June 30, 1998. During 1998, he did not receive any corporate incentive awards or stock options in Company Common Stock. He did receive certain compensation from indirect subsidiaries of the Company as reflected in the Summary Compensation Table and in the Indirect Subsidiaries Options Table.

Mr. Matthews became Chairman of the Board and Chief Executive Officer on July 1, 1998. With the retirement of Mr. Bryan, Mr. Matthews also assumed the responsibilities of President. His compensation and benefits were negotiated prior to his joining the Company, and reflect his thirty years of significant experience and leadership in the diversified energy industry, including serving as president of a large energy concern with worldwide operations. Having conducted an exhaustive nine-month search for a new CEO, the Board was confident that Mr. Matthews had the background, skills, global and national experience, and senior leadership ability critical to the future success of the Company. Based on those factors, as well as Mr. Matthews' total compensation and benefits package with his previous firm, the Committee determined (and the full Board concurred) that a comparable compensation package was necessary and appropriate to recruit Mr. Matthews to the Company. Mr. Matthews' annual base salary effective July 1, 1998 was set at $750,000. Under the terms of an employment agreement executed by the Company and Mr. Matthews, he also received certain other cash, non-cash, and stock-based compensation, as set forth in the Summary Compensation Table and as described in this Proxy Statement under "Employment Agreement—T. M. Matthews."

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Annual Incentive Compensation

The 1998 Executive Incentive Compensation Plan provided the opportunity for executive officers to earn an annual incentive based on corporate and individual performance. The Committee established the target amount as a specified percentage of each executive officer's salary. The percentages ranged from 35% to 50% depending on position. In the event that certain corporate and individual performance goals were achieved, an executive officer would have been entitled to receive the full award. In the event that certain performance goals were exceeded, an executive officer would have been entitled to receive up to 150% of such targeted amount.

The Committee establishes performance measures annually. In February 1998, the Committee approved a plan based 50% upon achieving an earnings per share target and 50% upon achieving a relative total shareholder return target which, if met, would fund a pool for executive officer incentives. Actual awards to executives, however, were to be based on achievement of predetermined initiatives and individual performance. Awards, if made, were designated to be in the form of Company Common Stock consistent with the Committee's philosophy that payment in Common Stock helps strike the balance between focus of executives on short-term and long-term corporate results. As a result of various factors, including a significant shift in corporate strategy, as discussed below, the targets established in early 1998 were not met and, therefore, no awards were made to executive officers under the 1998 Executive Incentive Plan.

Subsequent to February 1998, the Board of Directors made certain significant and historical decisions. As mentioned, Mr. Matthews was appointed Chairman and CEO to succeed Mr. Redmond who had led the Company as Chairman and CEO for 13 years. Mr. Matthews is only the fourth person to serve as the Company's Chairman. In August 1998, the Board approved a Common Stock dividend restructuring (dividend reduction and Common Stock exchange offer), a broad corporate refocus, and a company name change. These actions were taken to better position the Company to pursue aggressive growth strategies, strengthen its long-term financial position and, ultimately, provide greater shareholder value. In order to carry forth the Board's strategic vision and implementation of specific initiatives, the total support and focused attention of the executive officers was required. Therefore, in February 1999, the Committee determined (and the full Board concurred) that current executive officers (other than Mr. Matthews) should receive a cash award in recognition of their contributions to those specific efforts. The cash awards to certain of the named executive officers are reflected in the Summary Compensation Table.

Long-Term Incentive Compensation

In May 1998, shareholders approved the Company's Long-Term Incentive Compensation Plan. The primary objective of the Long-Term Incentive Plan is to link management compensation with the long-term interests of shareholders. The Committee establishes a target level of stock options for each executive officer position. The target level is based on competitive data reflecting the estimated median value of the annual long-term compensation opportunity for similar positions in the utility industry. In determining actual stock option grants, the Committee also considers individual performance and the potential contribution to the Company's success. Stock options granted under this plan in 1998 to the named executive officers (other than Mr. Redmond and Mr. Bryan who did not receive grants under the plan) are reflected in the Summary Compensation Table. The stock options were granted at 100% of fair market value, which assures that executives receive a benefit only when the stock price increases.

Members of the Compensation & Organization Committee
of the Board of Directors

David A. Clack—Chairman
John F. Kelly
Larry A. Stanley
Daniel J. Zaloudek

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1): Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1): Awards: Restricted Stock Awards(7)	Awards: Securities Underlying Options(#)	Payouts: Long-Term Incentive Payouts($) Utility(2)	Long-Term Incentive Payouts($) Nonutility	Total Long-Term Incentive Payouts($)	All Other Comp.($)
T. M. Matthews .... Chairman of the Board, President & Chief Executive Officer	1998	$219,736	$135,072	$354,808	$150,000		$150,000(3)	$2,000,000(6)	150,000(8)				$1,000,000(16)
P. A. Redmond .... Retired Chairman of the Board & Chief Executive Officer	1998	$277,746	$ 86,869	$364,615					29,803(9)		$ 31,480(13)	$ 31,480	$ 268,375(15)
	1997	$386,281	$165,595	$551,876					41,905(10)		$266,898(13)	$266,898	$ 67,864
	1996	$382,545	$137,702	$520,247	$294,813	$106,129	$400,942(5)		29,784(11)		$448,847(14)	$448,847	$ 41,837
W. L. Bryan .... Retired President & Chief Operating Officer	1998	$206,716	$ 88,592	$295,308									$ 379,100(15)(17)
	1997	$224,536	$ 49,025	$273,561									$ 14,831
	1996	$193,104	$ 18,709	$211,813	$136,031	$ 13,175	$149,206(5)						$ 10,897
J. E. Eliassen .... Senior Vice President & Chief Financial Officer	1998	$135,892	$ 79,800	$215,692	$ 40,000		$ 40,000(4)		12,500(12)				$ 48,941(15)
	1997	$139,704	$ 56,434	$196,138					2,287(10)				$ 37,772
	1996	$150,999	$ 33,698	$184,697	$ 93,120	$ 20,774	$113,894(5)		3,587(11)				$ 38,618
G. G. Ely .... Executive Vice President	1998	$119,103	$ 92,551	$211,654	$ 40,000		$ 40,000(4)		12,500(12)				$ 13,320(15)
	1997	$108,913	$ 87,224	$196,137									$ 11,783
	1996	$169,932		$169,932	$ 98,200		$ 98,200(5)						$ 7,823
R. D. Fukai .... Vice President—External Relations	1998	$191,741		$191,741	$ 30,000		$ 30,000(4)		8,100(12)				$ 49,990(15)
	1997	$185,815		$185,815									$ 20,034
	1996	$170,537		$170,537	$ 92,188		$ 92,188(5)						$ 20,984

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Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% incentive/bonus cash payments. Accumulated deferred compensation is credited with earnings at a non-preferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Cash bonus awarded in accordance with the terms of Matthews' employment agreement.

(4) Cash awards made to certain executive officers as described in the Compensation & Organization Committee Report.

(5) Amounts received under the Executive Incentive Compensation Plan for 1996 performance.

(6) Restricted stock award received in accordance with the terms of Matthews' employment agreement.

(7) As of December 31, 1998, the number and value of total shares of restricted stock held by the named executive officers are: T. M. Matthews (88,398 shares; $1,706,965). Dividends are paid on all restricted Common Stock at the same rate as paid on the Company's Common Stock.

(8) Avista Corp. Common Stock options granted to Matthews in accordance with his employment agreement.

(9) Options to Redmond received as a director of certain indirect subsidiaries: Triangle Systems—14,803; Universal Showcase—15,000.

(10) Options to Redmond received as a director of certain indirect subsidiaries: Proco Holdings Corp.—15,000; Target Woodworks, Inc.—11,905; White Plus, Inc.—15,000.

Options to Eliassen received as a director of certain indirect subsidiaries: Proco Holdings Corp.—750; Target Woodworks, Inc.—680; White Plus, Inc.—857.

(11) Options to Redmond received as a director of certain indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—15,000; Bay Area Manufacturing Co., Inc.—12,784.

Options to Eliassen received as a director of certain indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—857; Bay Area Manufacturing Co., Inc.—730.

(12) Avista Corp. Common Stock options.

(13) Amounts received from Pentzer Corporation (a wholly owned subsidiary) as a long-term incentive in connection with the sale of ITRON, Inc., Common Stock and the return Pentzer realized on that investment. Redmond was previously Pentzer Chairman. Pentzer had a previous ownership interest in ITRON, Inc.

(14) Amount received from Pentzer Corporation as a long-term incentive in connection with the sale of ITRON Common Stock and the development and ultimate sale of Spokane Industrial Park.

(15) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts for 1998 under the Deferral Plan were: Matthews—$0; Redmond—$36,955; Bryan—$11,900; Eliassen—$7,895; Ely—$6,120; Fukai—$5,709. Amounts for 1998 under the 401(k) plan were: Matthews—$0; Redmond—$5,426; Bryan—$7,200; Eliassen—$7,200; Ely—$7,200; Fukai—$7,200. Amounts for 1998 under the One-Leave Program were: Matthews—$0; Redmond—$225,994 (821 hrs.); Bryan—$0; Eliassen—$33,846 (320 hrs.); Ely $0; Fukai—$37,081 (400 hrs.).

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(16) A signing bonus in accordance with the terms of Matthews' employment agreement.

(17) In connection with Mr. Bryan's retirement and a certain non-compete arrangement for the period October 1998 to December 2002 agreed to between the Company and Mr. Bryan, the Board of Directors approved a one-time payment of $360,000, of which half was payable in January 1999 and half is payable in January 2000.

OPTION GRANTS IN 1998 OF AVISTA CORP.

	Individual Grants				
Name	Number of Securities Underlying Options Granted (#)(1)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	Grant Date Present Value ($)(2)
T. M. Matthews	100,000	17.00%	$22.625	07/01/08	$583,046
	50,000	8.49%	$ 18.63	11/12/08	$281,499
P. A. Redmond	0	N/A	N/A	N/A	N/A
W. L. Bryan	0	N/A	N/A	N/A	N/A
J. E. Eliassen	12,500	2.12%	$ 18.63	11/12/08	$ 70,375
G. G. Ely	12,500	2.12%	$ 18.63	11/12/08	$ 70,375
R. D. Fukai	8,100	1.38%	$ 18.63	11/12/08	$ 45,603

(1) Options granted in 1998 are exercisable starting one year after the grant date, with 25 percent of the shares becoming exercisable at that time, and with an additional 25 percent of the options becoming exercisable on each successive anniversary date. Options will generally vest and become exercisable in full immediately prior to the effective date of a change of control. The options were granted for a term of 10 years.

(2) The estimated grant date present value reflected in the above table is determined using the Black-Scholes model. The material assumptions incorporated in the Black-Scholes model in estimating the value of the options include the following: An exercise price on the option of $22.625 for the grant with a July 1, 2008 expiration date and $18.63 for the grants with a November 12, 2008 expiration date, the exercise price being equal to the fair market value of the underlying stock on the grant date. Volatility of 16.26 percent for the grant with a July 1, 2008 expiration date and 22.21 percent for the grants with a November 12, 2008 expiration date, calculated using month-end stock prices for the 36-month period prior to the grant date. An interest rate of 5.6 percent for the grant with a July 1, 2008 expiration date and 5.06 percent for the grants with a November 12, 2008 expiration date that represents the interest rate on a U.S. Treasury strip with a maturity date corresponding to that of the option term. Dividends at the rate of $0.48 per share represent the annualized dividend paid with respect to a share of Common Stock at the date of grant. The options were granted for a term of 10 years. The ultimate value of the options will depend on the future market price of the Company's Common Stock. The actual value an optionee will realize, if any, upon exercise of an option will depend on the excess of the market value of the Company's Common Stock over the exercise price on the date the option is exercised.

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AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION VALUES OF AVISTA CORP.

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at FY-End (#)		Value of Unexercised In-the-Money Options at FY-End ($)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
T. M. Matthews	0	0	0	150,000	0	$34,000(1)
P. A. Redmond	0	0	0	0	0	0
W. L. Bryan	0	0	0	0	0	0
J. E. Eliassen	0	0	0	12,500	0	$ 8,500(2)
G. G. Ely	0	0	0	12,500	0	$ 8,500(2)
R. D. Fukai	0	0	0	8,100	0	$ 5,508(2)

(1) 100,000 Avista Corp. stock options valued at $0 per share ($22.625 exercise price); 50,000 Avista Corp. stock options valued at $0.68 per share ($18.63 exercise price).

(2) Avista Corp. stock options valued at $0.68 per share ($18.63 exercise price).

OPTION GRANTS IN 1998 OF INDIRECT SUBSIDIARIES

Name	Individual Grants: Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5% ($)	10% ($)
P. A. Redmond						
Triangle Systems	14,803(1)	21.28%	$18.07	4/01/08	$168,162	$426,326
Universal Showcase	15,000(2)	20.41%	$12.72	3/31/08	$120,000	$304,050

(1) Granted pursuant to Triangle Systems Incorporated (Trihoc Acquisition Corp.) Stock Incentive Plan. The exercise price is the fair market value on the grant date.

(2) Granted pursuant to Universal Showcase (Pentzer Acquisition, Inc.) Stock Incentive Plan. The exercise price is the fair market value on the grant date.

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AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION VALUES OF INDIRECT SUBSIDIARIES

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at FY-End (#)		Value of Unexercised In-the-Money Options at FY-End ($)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
P. A. Redmond	10,733(1)	$696,239(1)	147,571(2)	0	$1,112,609(2)	$ 0
J. E. Eliassen	107(1)	$ 6,941(1)	3,679(3)	3,144(4)	$ 46,331(3)	$9,810(4)

(1) Stock options exercised in 1998 in connection with the sale of Systran.

(2) 12,784 Bay Area Manufacturing stock options valued at $0 per share ($36.55 exercise price); 15,000 Decker Company stock options valued at $4.06 per share ($3.83 exercise price); 12,195 Form House stock options valued at $23.99 per share ($21.32 exercise price); 10,442 Graphic Communications Holdings stock options valued at $37.44 per share ($20.00 exercise price); and 10,442 Imfax stock options valued at $0 per share ($18.67 exercise price); 15,000 F.O. Phoenix stock options valued at $0 per share ($39.45 exercise price); 15,000 Proco Holdings stock options valued at $3.04 per share ($17.33 exercise price); 11,905 Target Woodworks stock options valued at $8.88 per share ($22.83 exercise price); 14,803 Triangle Systems stock options valued at $9.21 per share ($18.07 exercise price); 15,000 Universal Showcase stock options valued at $3.63 per share ($12.72 exercise price); and 15,000 White Plus stock options valued at $1.74 per share ($7.17 exercise price); all as of December 31, 1998. In August 1998, the Board of Directors of Pentzer Corporation approved the immediate vesting of these options effective with Mr. Redmond's resignation as Pentzer Chairman.

(3) 730 Bay Area Manufacturing stock options valued at $0 per share ($36.55 exercise price); 857 Decker Company stock options valued at $4.06 per share ($3.83 exercise price); 700 Form House stock options valued at $23.99 per share ($21.32 exercise price); 696 Graphic Communications Holdings stock options valued at $37.44 per share ($20.00 exercise price); and 696 Imfax stock options valued at $0 per share ($18.67 exercise price); all as of December 31, 1998.

(4) 857 F.O. Phoenix stock options valued at $0 per share; 750 Proco Holdings stock options valued at $3.04 per share; 680 Target Woodworks stock options valued at $8.88 per share; and 857 White Plus stock options valued at $1.74 per share; all as of December 31, 1998.

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PENSION PLAN TABLE

Remuneration	Years of Credited Service 15	20	25	30
$175,000	$ 65,625	$ 87,500	$109,375	$131,250
$200,000	$ 75,000	$100,000	$125,000	$150,000
$225,000	$ 84,375	$112,500	$140,625	$168,750
$250,000	$ 93,750	$125,000	$156,250	$187,500
$300,000	$112,500	$150,000	$187,500	$225,000
$400,000	$150,000	$200,000	$250,000	$300,000
$450,000	$168,750	$225,000	$281,250	$337,500
$500,000	$187,500	$250,000	$312,500	$375,000
$550,000	$206,250	$275,000	$343,750	$412,500
$600,000	$225,000	$300,000	$375,000	$450,000
$650,000	$243,750	$325,000	$406,250	$487,500
$700,000	$262,500	$350,000	$437,500	$525,000
$750,000	$281,250	$375,000	$468,750	$562,500
$800,000	$300,000	$400,000	$500,000	$600,000
$850,000	$318,750	$425,000	$531,250	$637,500
$900,000	$337,500	$450,000	$562,500	$675,000

The table above reflects benefits pursuant to the Retirement Plan for Employees and the Supplemental Executive Retirement Plan. The Company's Retirement Plan for Employees provides a retirement benefit based upon employees' compensation and years of service. Earnings credited for retirement purposes represent the final average annual base salary earnings of the employee for the highest 36 consecutive months during the last 120 months of service with the Company. Base salary for the named executive officers is the amount under "Total Salary" in the Summary Compensation Table.

The Supplemental Executive Retirement Plan provides additional pension benefits to executive officers of the Company, who have attained the age of 55 and a minimum of 15 years of credited benefit service with the Company. The plan is intended to provide benefits to executive officers whose pension benefits under the Company's Retirement Plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary pursuant to the Executive Deferral Plan. When combined with the Retirement Plan, the plan will provide benefits to executive officers (other than the Chief Executive Officer), who retire at age 62 or older, of 2.5 percent of the final average annual base earnings during the highest 60 consecutive months during the last 120 months of service, for each credited year of service up to 30 years. When combined with the Retirement Plan, the plan will provide benefits to the Chief Executive Officer who retires at age 65, of 3 percent of final average base earnings during the highest 36 consecutive months during the last 120 months of service, for each credited year of service up to 30 years. Benefits will be reduced for executives who retire before age 62.

Benefits for both plans are calculated based on a straight-life annuity, paid on a monthly basis and are not subject to reduction for offset amounts. Years of credited service for listed executive officers are shown below:

Name	Years of Credited Service
T. M. Matthews	0
P. A. Redmond	34
W. L. Bryan	29
J. E. Eliassen	28
G. G. Ely	32
R. D. Fukai	26

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In August 1997, the Board of Directors of the Company approved an annual pension benefit of $485,000 for Mr. Redmond in lieu of any pension benefit that would have otherwise been calculated under the Company's Retirement Plan for Employees and/or under the Supplemental Executive Retirement Plan. In August 1998, the Board of Directors of the Company approved an annual pension benefit of $135,000 for Mr. Bryan in lieu of any pension benefit that would have otherwise been calculated under the Company's Retirement Plan for Employees and/or under the Supplemental Executive Retirement Plan.

CHANGE OF CONTROL AGREEMENTS AND OTHER COMPENSATORY PLANS

Change of Control Agreements

The Company has entered into Change of Control Agreements with the Company's executive officers, including all of the named executive officers, excluding Mr. Redmond and Mr. Bryan whose agreements terminated with their retirements. The agreements will provide compensation and benefits to the executive officers in the event of a change of control of the Company. Pursuant to the terms of the agreements, the executives agree to remain in the employ of the Company for three years following a change of control of the Company and will receive an annual base salary equal to at least 12 times the highest monthly base salary paid to such executive in the 12 months preceding the change of control. In addition to the annual base salary, each executive will receive an annual bonus at least equal to such executive's highest bonus paid by the Company for the three fiscal years preceding the change of control (the "Recent Annual Bonus"). If employment is terminated by the Company for other than cause or by the executive officer for good reason during the first three years after a change of control, the executive will receive the base salary due to such executive officer. In addition, the executive officer will receive a proportionate bonus based upon the higher of the Recent Annual Bonus and the executive's annual bonus for the last fiscal year (the "Highest Annual Bonus"), together with an amount equal to three times the sum of the executive's base salary and the Highest Annual Bonus. The executive will also receive all unpaid deferred compensation and vacation pay, may continue to receive employee welfare benefits for three years from the date of termination, and may be entitled to certain additional payments based on tax liabilities incurred by the executive as a result of payments under the agreements. The executive will also be entitled to a lump sum payment equal to the actuarial value of the benefit under the Company's retirement plans that the executive officer would have received if he or she would have remained in the employ of the Company for three years after the date of termination. If any payments to the executive would be subject to the excise tax on excess parachute payments imposed by section 4999 of the Internal Revenue Code, the agreements also provide that the executive may be entitled to a gross-up payment from the Company to cover the excise tax and any additional taxes on the gross-up payment. If payments (other than the gross-up payment) to the executive do not exceed 110% of the maximum amount the executive could receive without triggering the excise tax, the payments to the executive will be reduced to that maximum amount and the executive will not receive a gross-up payment.

Employment Agreement—T. M. Matthews

The Company has entered into a five-year employment agreement with Mr. Matthews, effective July 1, 1998, pursuant to which the Company agreed to employ Mr. Matthews as Chairman of the Board and Chief Executive Officer of the Company. The employment agreement entitles Mr. Matthews to receive an annual base salary of $750,000, subject to increases, if any, as determined by the Board or a Committee of the Board. The agreement also provides that Mr. Matthews shall be entitled to participate in the Company's employee benefit plans generally available to executive officers and is also entitled to not less than 30 days paid leave pursuant to the Company's One-Leave Program. In addition, Mr. Matthews is entitled to participate in the Supplemental Executive Retirement Plan ("SERP"). Under the SERP, Mr. Matthews will be awarded one year of past service credit for each year of future service with the Company. Under the agreement, Mr. Matthews was also afforded the following: (1) A signing bonus of $1 million of which $300,000 was payable on July 1 and the balance deferred pursuant to the Executive

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Deferral Plan. In the event that Mr. Matthews terminates his employment with the Company, other than for good reason as defined in the employment agreement, Mr. Matthews would be required to repay that amount of the signing bonus proportionate to the period of time remaining prior to the expiration of the agreement. (2) An award of restricted shares of the Company's Common Stock having a fair market value on July 1 equal to $2 million. One-third of this award vests on each of the third, fourth, and fifth anniversaries of his employment. (3) An option to purchase 100,000 shares of Company Common Stock, with an exercise price equal to the fair market value on July 1, 1998. (4) A minimum guaranteed bonus of $150,000 for 1998 and a minimum guaranteed bonus of $300,000 for 1999. (5) During the five-year agreement, an annual award of equity-based incentive compensation (e.g., stock options, performance shares, restricted stock) the form of which may vary annually, with each grant having a five-year projected pre-tax value of $1 million (assumes a 15% compound annual growth rate of the market value of Company Common Stock). The initial annual equity award granted to Mr. Matthews under this provision was a Company Common Stock option of 50,000 shares, based on the fair market value on the grant date of November 12, 1998. (6) Reasonable relocation expenses.

Supplemental Executive Disability Plan

The Supplemental Executive Disability Plan provides specified benefits to executive officers of the Company who become disabled so as to be unable to perform any and every duty of his or her occupation. The plan provides a benefit equal to 60 percent of the executive officer's base annual salary at the date of disability reduced by the aggregate amount, if any, of disability benefits provided for under the Company's Long-Term Disability Plan for employees, workers' compensation benefits, and any benefit payable under provisions of the Federal Social Security Act. Benefits will be payable until the earlier of the executive officer's date of retirement or age 65.

Executive Income Continuation Plan

In order to provide benefits to the beneficiaries of executive officers who die during their term of office or after retirement, the Company has adopted an Executive Income Continuation Plan. Under the plan, an executive officer's designated beneficiary will receive, as elected by the executive officer, either (a) a lump sum equal to twice the executive officer's annual base salary at the time of death (or if death occurs after retirement, a lump sum equal to twice the executive officer's annual pension benefit) or (b) one quarter of such sum paid in each year over a ten-year period commencing within thirty days of the executive's death.

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