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BEFORE THE WASHINGTON UTILITIES &  
TRANSPORTATION COMMISSION

DOCKET NO. UE-991606  
DOCKET NO. UG-991607

Exhibit 395 (KEM-2)

Witness: Katherine E. Mitchell, Avista Corp.

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>395</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Avista Utilities**  
**Analysis of Pro Forma Executive Officer Compensation**

<b>Employee</b>	<b>Base Comp @ 50 Percentile</b>	<b>Signing Bonus</b>	<b>Restricted Stock</b>	<b>Total</b>	<b>Utility (1) Alloc %</b>	<b>Utility Compensation</b>
10300	-	-	-	-	84.78%	-
11290	155,000	-	-	155,000	84.78%	131,409
21269	210,000	-	-	210,000	84.78%	178,038
21720	285,000	-	-	285,000	84.78%	241,623
26355	190,000	-	-	190,000	84.78%	161,082
00252	570,000	200,000	442,392	1,212,392	84.78%	1,027,866
57704	150,000	-	-	150,000	84.78%	127,170
00365	220,000	40,000	55,248	315,248	84.78%	267,267
68605	150,000	-	-	150,000	84.78%	127,170
68942	-	-	-	-	84.78%	-
71860	-	-	-	-	84.78%	-
85105	125,000	-	-	125,000	84.78%	105,975
00375	170,000	10,000	13,804	193,804	84.78%	164,307
94440	130,000	-	-	130,000	84.78%	110,214
	<u>2,355,000</u>	<u>250,000</u>	<u>511,444</u>	<u>3,116,444</u>	84.78%	<u>2,642,121</u>

**Total Utility Compensation before Jurisdictional Allocations \$ 2,642,121**

<b>Jurisdictional Allocations</b>			
	<b>WA Electric</b>	<b>WA Gas</b>	
	47.120%	11.847%	
$\$2,642,121 \times 47.120\% =$	<b>1,244,966</b>	<b>313,019</b>	$= \$2,642,121 \times 11.847\%$
	<b>1,228,000</b>	<b>307,000</b>	<b>Avista Pro Forma All Executives</b>
	<b>(16,966)</b>	<b>(6,019)</b>	<b>Difference</b>

**Allocation Factors**

Allocate to Electric	73.656% (Note 7) Electric
Allocate to WA	63.973% (Note 4) Electric
Allocate to WA Electric	47.120%
Allocate to Gas	17.314% (Note 7) Gas
Allocate to WA	68.426% (Note 4) Gas
Allocate to WA Gas	11.847%

(1) Per Exhibit\_\_\_(KEM-1)

Exhibit No.\_\_(KEM-2)  
Docket No. UE-991606  
Docket No. UG-991607