



IDAHO PUBLIC UTILITIES COMMISSION

Dirk Kempthorne, Governor

P.O. Box 83720, Boise, Idaho 83720-0074

Paul Kjellander, President
Marsha H. Smith, Commissioner
Dennis S. Hansen, Commissioner

July 26, 2004

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington St.
P.O. Box 83720
Boise, ID 83720-0074

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IDAHO PUBLIC
UTILITIES COMMISSION

Re: Idaho Public Utilities Commission Case Nos. AVU-E-04-01/AVU-G-04-01

Dear Ms. Jewell:

It has come to Staff's attention that Staff Exhibit No. 103 dated June 21, 2004 in the Direct Testimony of Patricia Harms is incorrect. Please replace this exhibit with the corrected Exhibit No. 103 enclosed. The "Current FIT Accrual" amounts on Line Nos. 4 and 5 have been changed to reflect correction of a formula error on Line No. 4. Line No. 5 requires correction because it used the amount in Line No. 4 to calculate the difference between Staff's Alternative Method and Avista's Method of determining the Electric Transmission Adjustment.

Thank you for your consideration in this matter.

Lisa Nordstrom
Deputy Attorney General for
Commission Staff

cc: Parties of Record, Case Nos. AVU-E-04-01/AVU-G-04-01

AVISTA UTILITIES
ELECTRIC TRANSMISSION ADJUSTMENT
(000'S OF DOLLARS)
(EXHIBIT NO. 102, PAGE 1 OF 3, E1)

Calculation of Adjustment to Rate Base for Transmission Projects

Line No.	IDAHO JURISDICTION	Plant	Accum. Depr.	Deferred FIT (Rate Base)	Imputed Revenues	Maintenance Expense	Book Depr. Expense	Property Taxes	Idaho State Income Tax	Current FIT Accrual	Deferred FIT (Optg. Stmt.)	
Method of Calculation:												
Avista Method:												
1	Annualization of Engineering Estimates	9,050	126	(75)	0	0	252	136	(4)	(285)	150	
Staff Method:												
2	Actual Costs as if in Place 12/31/02	332	1	0	0	0	20	10	0	(21)	10	
Difference in Method (Staff minus Avista):												
3	Adjustment E1 on Staff Exhibit No. 102	(8,718)	(125)	75	0	0	(232)	(126)	4	264	(140)	
Alternative Method not used by Staff:												
4	Actual Costs Annualized*	7,978	112	(65)	270	(30)	225	120	0	(146)	130	
Alternative Method Difference:												
5	(Alternative minus Avista Method)	(1,072)	(14)	10	270	(30)	(27)	(16)	4	139	(20)	
Imputed Revenue Increase: \$270												
Imputed Maintenance Cost Decrease: \$30												

* This line does not include restatement of debt interest expense affect on the current accrual for Federal Income Tax (FIT).