

AVISTA UTILITIES
 STAFF'S CALCULATION OF GENERAL REVENUE REQUIREMENT
 IDAHO ELECTRIC SYSTEM
 TEST YEAR 2002
 (000'S OF DOLLARS)

Line No.	Description	STAFF ORIGINAL IDAHO	STAFF REVISED IDAHO	COMPANY ORIGINAL IDAHO
1	Pro Forma Rate Base	\$418,277	\$418,277	\$440,207
2	Proposed Rate of Return	9.250%	9.250%	9.820%
3	Net Operating Income Requirement	\$38,691	\$38,691	\$43,228
4	Pro Forma Net Operating Income	\$23,627	\$23,449	\$20,712
5	Net Operating Income Deficiency	\$15,064	\$15,242	\$22,516
6	Conversion Factor	0.63926135	0.63926135	0.63926135
7	Revenue Requirement Deficiency	\$23,565	\$23,843	\$35,222
8	Levelized Deferred (1) Return on Coyote Springs 2	(487)	(487)	0
9	Revised Revenue Requirement Deficiency	\$23,078	\$23,356	\$35,222
10	Total General Business Revenues	\$146,248	\$146,248	\$146,248
11	Percentage Revenue Increase	15.78%	15.97%	24.08%
12	Revenue Increase without Levelization	16.11%	16.30%	

(1) This reflects the deferral of the Company's return on the Coyote Springs 2 plant for the first 10 years of its life. The deferral is calculated on Staff Exhibit No. 105.

The effect of this deferral is \$13,054 per \$1 million in Coyote Springs 2 gross plant.

Total gross plant as proposed by Staff witness Stockton equals	37,291,000
multiplied by	13,054 per million
	486,797
	487 at 000s level.

Revised Exhibit No. 101
 Case No. AVU-E-04-1/
 AVU-G-04-1
 P. Harms, Staff
 7/16/04

AVISTA UTILITIES
STAFF PRO FORMA IDAHO ELECTRIC RESULTS OF OPERATION
TWELVE MONTHS ENDED DECEMBER 31, 2002
(000'S OF DOLLARS)

Line No.	DESCRIPTION	STAFF'S ADJUSTMENTS:							E7 Coyote Springs 2	
		Company Pro Forma TOTAL	E1 Transmission	E2 Cabinet Gorge	E3 Boulder Park Depr.	E4 Boulder Park Disallow.	E5 Stooksun- chuck	E6 Deferred FIT		
REVENUES										
1	Total General Business	\$146,138								
2	Interdepartmental Sales	110								
3	Sales for Resale	16,976								
4	Total Sales of Electricity	163,224	0	0	0	0	0	0	0	0
5	Other Revenue	4,701								
6	Total Electric Revenue	167,925	0	0	0	0	0	0	0	0
EXPENSES										
Production and Transmission										
7	Operating Expenses	38,447					(2)			(174)
8	Purchased Power	46,559								
9	Depreciation and Amortization	10,846	(232)		(88)	(44)	(10)			(94)
10	Taxes	3,894	(125)		1	(4)	(4)			0
11	Total Production & Transmission	99,746	(358)	(2)	(87)	(48)	(16)			(268)
Distribution										
12	Operating Expenses	6,495								
13	Depreciation	5,670	4							3
14	Taxes	4,097	4							3
15	Total Distribution	16,262	4	0	0	0	0	0	0	3
16	Customer Accounting	4,296								
17	Customer Service & Information	1,480								
18	Sales Expenses	421								
Administrative & General										
19	Operating Expenses	17,889								
20	Depreciation	3,878								
21	Taxes	1								
22	Total Adm. & General	21,768	0	0	0	0	0	0	0	0
23	Total Electric Expenses	143,973	(354)	(2)	(87)	(48)	(16)			(265)
24	OPERATING INCOME BEFORE FIT	23,952	354	2	87	48	12			265
FEDERAL INCOME TAX										
25	Current Accrual	774	264	3	30	17	4			93
26	Deferred Income Taxes	2,466	(140)	(2)						
27	NET OPERATING INCOME (line 24 - line 25 - line 26)	\$20,712	\$230	\$1	\$57	\$31	\$8	\$0	\$0	\$172
RATE BASE										
PLANT IN SERVICE										
28	Intangible	11,353								
29	Production	310,208		(111)		(1,062)	(199)			(3,324)
30	Transmission	109,162	(8,718)			(27)				1,519
31	Distribution	257,165								
32	General	36,363								
33	Total Plant in Service	724,251	(8,718)	(111)	0	(1,092)	(199)	0		(1,805)
34	ACCUMULATED DEPRECIATION	218,458	(125)		(44)	(22)	(68)			(95)
35	ACCUM. PROVISION FOR AMORTIZATION	3,368								
36	Total Accum. Depreciation & Amort.	221,826	(125)	0	(44)	(22)	(68)			(95)
37	GAIN ON SALE OF BUILDING	(625)								
38	DEFERRED TAXES	(61,593)	75	1	(31)	(15)	27	(9,966)		89
39	TOTAL RATE BASE (line 33- line 36 + line 37+ line 38)	\$440,207	(\$8,518)	(\$110)	\$13	(\$1,085)	(\$104)	(\$9,966)		(\$1,621)
40	REVENUE REQUIREMENT INCREASE (DECREASE)	\$31,297	(\$1,592)	(\$17)	(\$87)	(\$205)	(\$28)	(\$1,442)		(\$504)

AVISTA UTILITIES
STAFF PRO FORMA IDAHO ELECTRIC RESULTS OF OPERATION
TWELVE MONTHS ENDED DECEMBER 31, 2002
(000'S OF DOLLARS)

Line No.	DESCRIPTION	STAFF'S ADJUSTMENTS (continued):										
		E8 Small Gen. Options	E9 Labor (Non-Exec.)	E10 Labor (Exec.)	E11 Vegetation Management	E12 Accts. Rec. Fees	E13 Pension Expense	E14 Depr. Expense	E15 Corp. Fees			
REVENUES												
1	Total General Business											
2	Interdepartmental Sales											
3	Sales for Resale											
4	Total Sales of Electricity											
5	Other Revenue											
6	Total Electric Revenue											
EXPENSES												
Production and Transmission												
7	Operating Expenses											
8	Purchased Power											
9	Depreciation and Amortization											
10	Taxes											
11	Total Production & Transmission											
Distribution												
12	Operating Expenses											
13	Depreciation											
14	Taxes											
15	Total Distribution											
Customer Accounting												
16	Customer Accounting											
17	Customer Service & Information											
18	Sales Expenses											
Administrative & General												
19	Operating Expenses											
20	Depreciation											
21	Taxes											
22	Total Admin. & General											
23	Total Electric Expenses											
24	OPERATING INCOME BEFORE FIT											
FEDERAL INCOME TAX												
25	Current Accrual											
26	Deferred Income Taxes											
27	NET OPERATING INCOME (line 24 - line 25 - line 26)											
RATE BASE												
PLANT IN SERVICE												
28	Intangible											
29	Production											
30	Transmission											
31	Distribution											
32	General											
33	Total Plant in Service											
ACCUMULATED DEPRECIATION												
34	ACCUM. PROVISION FOR AMORTIZATION											
35	Total Accum. Depreciation & Amort.											
36	GAIN ON SALE OF BUILDING											
37	DEFERRED TAXES											
38												
39	TOTAL RATE BASE (line 33- line 36 + line 37+ line 38)											
40	REVENUE REQUIREMENT INCREASE (DECREASE)											

AVISTA UTILITIES
STAFF PRO FORMA IDAHO ELECTRIC RESULTS OF OPERATION
TWELVE MONTHS ENDED DECEMBER 31, 2002
(000'S OF DOLLARS)

Line No.	DESCRIPTION	STAFF'S ADJUSTMENTS (continued):										Staff Pro Forma TOTAL
		E16 Legal Expenses	E17 Misc. Expenses	E18 WECC Expenses	E19 Advertising Expenses	E20 Avista Foundation	E21 Debt Int. Restate					
REVENUES												\$146,138
1	Total General Business											110
2	Interdepartmental Sales											16,976
3	Sales for Resale											163,224
4	Total Sales of Electricity	0	0	0	0	0	0	0	0	0	0	4,697
5	Other Revenue											167,921
6	Total Electric Revenue											
EXPENSES												
Production and Transmission												
7	Operating Expenses	(454)		(15)								37,502
8	Purchased Power											46,559
9	Depreciation and Amortization											10,241
10	Taxes											3,759
11	Total Production & Transmission	(454)	0	(15)	0	0	0	0	0	0	0	98,061
Distribution												
12	Operating Expenses											5,837
13	Depreciation											5,322
14	Taxes											4,121
15	Total Distribution	0	0	0	0	0	0	0	0	0	0	15,280
Customer Accounting												
16	Customer Accounting											3,905
Customer Service & Information												
17	Customer Service & Information											1,478
Sales Expenses												
18	Sales Expenses						(56)					350
Administrative & General												
19	Operating Expenses	(115)								(8)		16,987
20	Depreciation											3,692
21	Taxes	6	4		1							21
22	Total Admin. & General	(109)	(384)	0	1					(8)	0	20,700
23	Total Electric Expenses	(563)	(384)	(15)	(55)					(8)	0	139,774
24	OPERATING INCOME BEFORE FIT	563	384	15	55			8		0	0	28,147
FEDERAL INCOME TAX												
25	Current Accrual	197	134	5	19			3		(9)		2,357
26	Deferred Income Taxes											2,341
27	NET OPERATING INCOME (line 24 - line 23 - line 26)	\$366	\$250	\$10	\$36			\$5		\$9		\$23,449
RATE BASE												
PLANT IN SERVICE												
28	Intangible											11,353
29	Production											304,683
30	Transmission											101,936
31	Distribution											257,165
32	General											36,360
33	Total Plant in Service	0	0	0	0	0	0	0	0	0	0	711,497
ACCUMULATED DEPRECIATION												
34	ACCUM. PROVISION FOR AMORTIZATION											218,104
35	Total Accum. Depreciation & Amort.	0	0	0	0	0	0	0	0	0	0	3,368
36	GAIN ON SALE OF BUILDING											221,472
37	DEFERRED TAXES											(625)
38	TOTAL RATE BASE (line 33 - line 36 + line 37 + line 38)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$418,277
39	REVENUE REQUIREMENT INCREASE (DECREASE)	(\$575)	(\$391)	(\$16)	(\$56)	(\$88)	(\$14)	(\$88)	(\$14)	(\$14)	(\$14)	\$23,843
40												

AVISTA UTILITIES
 STAFF'S CALCULATION OF GENERAL REVENUE REQUIREMENT
 IDAHO GAS
 TEST YEAR 2002
 (000'S OF DOLLARS)

Line No.	Description	STAFF ORIGINAL IDAHO	STAFF REVISED IDAHO	COMPANY ORIGINAL IDAHO
1	Pro Forma Rate Base	\$58,867	\$59,653	\$63,078
2	Proposed Rate of Return	9.250%	9.250%	9.820%
3	Net Operating Income Requirement	\$5,445	\$5,518	\$6,194
4	Pro Forma Net Operating Income	\$3,460	\$3,446	\$3,155
5	Net Operating Income Deficiency	\$1,985	\$2,072	\$3,039
6	Conversion Factor	0.63926135	0.63926135	0.63926135
7	Revenue Requirement Deficiency	\$3,105	\$3,241	\$4,754
8	Total General Business Revenues	\$51,919	\$51,919	\$51,896
9	Percentage Revenue Increase	5.98%	6.24%	9.16%

Revised Exhibit No. 106
 Case No. AVU-E-04-1/
 AVU-G-04-1
 P. Harms, Staff
 7/16/04

AVISTA UTILITIES
STAFF PRO FORMA IDAHO GAS RESULTS OF OPERATION
TWELVE MONTHS ENDED DECEMBER 31, 2002
(000'S OF DOLLARS)

Line No.	DESCRIPTION	STAFF'S ADJUSTMENTS:							G7 Depr. Expense
		Company Pro Forma TOTAL	G1 Gas Inventory	G2 Deferred FIT	G3 Labor (Exec.)	G4 Labor (Non-Exec.)	G5 Accts. Rec. Fees	G6 Pension Expense	
REVENUES									
1	Total General Business	\$50,932							
2	Total Transportation	944							
3	Other Revenues	636							
4	Total Gas Revenues	52,532	0	0	0	0	0	0	0
EXPENSES									
5	Exploration and Development Production	0							
6	City Gate Purchases	35,638							(3)
7	Purchased Gas Expense	79							(2)
8	Net Nat Gas Storage Trans	86							(5)
9	Total Production	35,803	0	0	0	0	0	0	0
10	Underground Storage Operating Expenses	134							(6)
11	Depreciation	111							
12	Taxes	45							
13	Total Underground Storage Distribution	290	0	0	0	0	0	0	(6)
14	Operating Expenses	2,207							(83)
15	Depreciation	2,125							
16	Taxes	1,349							
17	Total Distribution	5,681	0	0	0	0	0	0	(83)
18	Customer Accounting	2,068							(59)
19	Customer Service & Information	261							(4)
20	Sales Expenses	234							(1)
21	Administrative & General Operating Expenses	3,812							(4)
22	Depreciation	618							(3)
23	Taxes	11							(2)
24	Total Admin. & General	4,441	0	0	(3)	(4)	0	0	(31)
25	Total Gas Expense	48,778	0	0	(3)	(10)	(44)	(44)	(210)
26	OPERATING INCOME BEFORE FIT	3,774	0	0	3	10	44	210	43
FEDERAL INCOME TAX									
27	Current Accrual	3,554			1	4	15	73	15
28	Deferred FIT	(2,917)							
29	Amort ITC	(18)							
30	NET OPERATING INCOME (line 26 - lines 27 to 29)	\$3,155	0	0	2	6	29	137	28
RATE BASE: PLANT IN SERVICE									
31	Underground Storage	5,041							
32	Distribution Plant	88,538							
33	General Plant	6,709							
34	Total Plant in Service	100,288	0	0	0	0	0	0	0
ACCUMULATED DEPRECIATION									
35	Underground Storage	2,294							
36	Distribution Plant	26,397							
37	General Plant	2,702							
38	Total Accum. Depreciation	31,393	0	0	0	0	0	0	0
39	DEFERRED TAXES	(7,192)	(786)	(2,639)					
40	GAS INVENTORY	1,572							
41	GAIN ON SALE OF BUILDING	(197)							
42	TOTAL RATE BASE (line 34 - line 38 + lines 39 to 41)	\$63,078	(\$786)	(\$2,639)	\$0	\$0	\$0	\$0	\$0
43	REVENUE REQUIREMENT INCREASE (DECREASE)	\$4,192	(\$114)	(\$382)	(\$3)	(\$9)	(\$45)	(\$214)	(\$44)

