

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 2 Approved
OMB No. 1902-0028
(Expires 6/30/2007)
Form 3-Q: Approved
OMB No. 1902-0205
(Expires 6/30/2007)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

AVISTA CORP.

Year/Period of Report

End of Dec. 31, 2004

INSTRUCTIONS FOR FILING FERC FORMS 2, 2-A and 3-Q

GENERAL INFORMATION

I Purpose

Form 2 is an annual regulatory support requirement under 18 CFR 260.1 for major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. Form 2-A is an annual regulatory support requirement under 18 CFR 260.2 for nonmajor interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. Form 3-Q is a quarterly regulatory support requirement which supplements Forms 2 and 2A under 18 CFR 260.300. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must file Form 2. Each Nonmajor natural gas company must submit Form 2-A as prescribed in 18 CFR Part 260.2. Each Major and Nonmajor natural gas company must submit Form 3-Q as prescribed in 18 CFR Part 260.300.

Note: Major means having combined gas transported or stored for a fee exceeding 50 million Mcf in each of the three previous calendar years.

Nonmajor means having total gas sales or volume transactions exceeding 200,000 Mcf in each of the three previous calendar years.

III. What and Where to Submit

- (a) Submit Forms 2, 2-A and 3-Q electronically through the Form 2/3-Q Submission Software. Retain one copy of each report for your files.
- (b) Respondents may submit the Corporate Officer Certification electronically, or file/mail an original signed Corporate Officer Certification to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(c) Submit, immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to the address in III(c) above.

(d) For the Annual CPA certification, submit with the original submission, or within 30 days after the filing date for Form 2 or 2-A, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

- (ii) be signed by independent certified public accountants or an independent accountant certified or licensed by a regulatory authority of a State subdivision of the U. S. (See 18 CFR 158.10-158.12 for specific qualifications.)
- licensed public
or other political

Reference

Comparative Balance Sheet
Statement of Income
Statement of Retained Earnings
Statement of Cash Flows
Notes to Financial Statements

Reference

Schedules Pages

110-113
114-117
118-119
120-121
122-123

Insert the Letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the Chief Accountant at the address indicated at III (b). Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____. We have also reviewed schedules _____ of FERC Form No. 2/2A for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from: Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE, Room 2A, Washington, DC 20426 (202).502-8371

IV. When to Submit:

Submit Form 2 according to the filing dates contained in section 18 CFR 260.1 of the Commission's regulations. Submit Form 2-A according to the filing dates contained in section 18 CFR 260.2 of the Commission's regulations. Submit Form 3-Q according to the filing dates contained in section 18 CFR 260.300 of the Commission's regulations.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,570 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 115 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 150 hours per response. Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Mr. Michael Miller, ED-30); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare all reports in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the Form 2/3-Q software and send a letter identifying which pages in the form have been revised. Send the letter to the Office of the Secretary.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in MMBtu and Dth.

DEFINITIONS

Btu per cubic foot – The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30°F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Dekatherm – A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

IV. Respondent – The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW

(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec. 10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest dues and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, costs of renewal and replacement of such facilities, transportation, delivery, use and sale of natural gas..."

"Section 16. The Commission shall have power to perform all and any acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within they shall be filed..."

General Penalties

"Sec. 21(b). Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs."

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION

01 Exact Legal Name of Respondent Avista Corporation		02 Year/Period of Report End of <u>2004/Q4</u>	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA, 99202			
05 Name of Contact Person M. K. Malquist		06 Title of Contact Person Senior VP, CFO and Treasurer	
07 Address of Contact Person (Street, City, State, Zip Code) 1411 East Mission Avenue, Spokane, WA, 99202			
08 Telephone of Contact Person, Including Area Code (509) 495-4171	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 04/25/2005

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name M. K. Malquist	03 Signature 	04 Date Signed (Mo, Da, Yr) 04/25/2005
02 Title Senior VP, CFO and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

M. K. Malquist, Senior Vice President, Chief Financial Officer and Treasurer
1411 E. Mission Avenue
Spokane, WA 99202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Washington, Incorporated March 15, 1889

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric service in the states of Washington, Idaho and Montana
Natural gas service in the states of Washington, Idaho, Oregon, and California

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) Yes...Enter the date when such independent accountant was initially engaged:
- (2) No

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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Avista Capital, Inc.	Parent company to the	100	
2		Company's subsidiaries.		
3				
4	Avista Advantage, Inc.	Provider of utility bill	100	Subsidiary of
5		processing, payment and		Avista Capital
6		information services to multi		
7		site customers in North Amer.		
8				
9	Avista Communications, Inc.	Telecommunications	100	Currently inactive
10				Subsidiary of
11				Avista Capital
12				
13				
14				
15				
16	Avista Development, Inc.	Nonoperating company which	100	Subsidiary of
17		maintains an investment		Avista Ventures
18		portfolio of real estate and		
19		other investments.		
20				
21	Avista Energy, Inc.	Wholesale electricity and	99.8	Subsidiary of
22		natural gas trading, marketing		Avista Capital
23		and resource management.		
24				
25	Avista Laboratories, Inc.	Holds a cost based investment	100	
26		in a fuel cell technology		
27		company.		

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1				
2	Avista Power, LLC	Owns non-regulated generation	100	Subsidiary of
3		assets.		Avista Capital
4				
5	Avista Services, Inc.	No longer operating.	100	Dissolved in 2/2004
6				
7	Avista Turbine Power, Inc.	Receives assignments of	100	Subsidiary of
8		purchase power agreements.		Avista Power
9				
10	Avista Rathdrum, LLC	Owns 49 percent of Rathdrum	100	Subsidiary of
11		Power, LLC		Avista Power
12				
13	Avista Ventures, Inc.	Invests in emerging business.	100	Subsidiary of
14		Parent of Avista Development		Avista Capital
15		and Pentzer Corporation		
16				
17	Pentzer Corporation	Parent company of Advanced	100	Subsidiary of
18		Manufacturing and		Avista Ventures
19		Development.		
20				
21	Advanced Manufacturing and Development, Inc.	Performs custom sheet metal	93	Subsidiary of
22		manufacturing of electronic		Pentzer Corporation
23		enclosures, parts and systems		
24		for the computer, telecom and		
25		medical industries. AM&D		
26		also has a wood products		
27		division that provides		

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1		complete fabrication and		
2		turnkey assembly for arcade		
3		games, kiosks, store fixtures		
4		and displays.		
5				
6	Avista Receivables Corporation	Acquires and sells accounts	100	
7		receivable of Avista Corp.		
8				
9	Avista Energy Canada, Ltd.	A wholly owned subsidiary of	100	Subsidiary of
10		Avista Energy, Inc. that		Avista Energy
11		provides natural gas service		
12		to approximately 250		
13		individual customers in		
14		British Columbia, Canada		
15				
16	Rathdrum Power, LLC	Developed and owns an	49	
17		electric generation asset.		
18				
19	Coyote Springs 2, LLC	Developed and owns an	50	
20		electric generation asset.		
21				
22	WP Funding LP	Owens an electric generation	0	Controlled pursuant
23		asset.		to FIN 46.
24				
25	Spokane Energy, LLC	Marketing of energy.	100	
26				
27				

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Avista Capital I	An affiliated business trust	100	Currently inactive.
2		formed by the Company.		Will be dissolved
3		Issued Pref. Trust Securities		in 2005.
4				
5	Avista Capital II	An affiliated business trust	100	
6		formed by the Company.		
7		Issued Pref. Trust Securities		
8				
9	AVA Capital Trust III	An affiliated business trust	100	
10		formed by the Company.		
11		Issued Pref. Trust Securities		
12				
13	Steam Plant Square, LLC	Commercial office and retail	99	Subsidiary of
14		leasing.		Avista Development
15				
16	Courtyard Office Center	Commercial office and retail	100	Subsidiary of
17		leasing.		Avista Development
18				
19	L&S The Highlands, Ltd.	Low income housing	50	Subsidiary of
20				Avista Development
21	L&S Chewelah Meadows, Ltd.	Low income housing	50	Subsidiary of
22				Avista Development
23	L&S The Falls, Ltd.	Low income housing	50	Subsidiary of
24				Avista Development
25	Homestead Limited Partnership	Low income housing	99	Subsidiary of
26				Avista Development
27				

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Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and in a footnote, state the purpose of such closing: November 24, 2004 to pay the December 15, 2004 dividend.	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 42,793,705 By Proxy: 42,793,705	3. Give the date and place of such meeting: May 13, 2004 Spokane, Washington
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Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
		4. Number of votes as of (date): 11/24/2004			
5	TOTAL votes of all voting securities	48,357,871	48,357,871		
6	TOTAL number of security holders	16,211	16,211		
7	TOTAL votes of security holders listed below	282,002	282,002		
8					
9	DBH Properties LP - Coeur d'Alene, ID	77,646	77,646		
10	Margaret Ann Brosnan TR U/A - Independence, OH	40,000	40,000		
11	Alfred C. Glassell, Jr. - Houston, TX	30,028	30,028		
12	Gladys L. Rikerd - Spokane, WA	26,671	26,671		
13	Kay Kobayashi - Los Angeles, CA	22,092	22,092		
14	Ernest C. Gosnay Jr. & Marie K. Gosney TRS U/A	20,011	20,011		
15	Dated 08/18/1998 - Spokane, WA				
16	Robert Eugene Young - Washougal, WA	20,000	20,000		
17	Edmund M. Reeck, TR U/A - Dated 06/16/1998 Salem, OR	15,962	15,962		
18	Henry P. Savage & Mildred Savage JT TEN - Kellogg, ID	15,000	15,000		
19	Thomas A Lowe & Kathleen B. Lowe JT TEN	14,592	14,592		
20	Satellite Beach, FL				

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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

**PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.**

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report 2004/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. None

6. In April 2004, the Company issued Junior Subordinated Debt Securities, with a principal amount of \$61.9 million to AVA Capital Trust III, a business trust. Concurrently, AVA Capital Trust III issued \$60.0 million of Preferred Trust Securities to third parties and \$1.9 million of Common Trust Securities to the Company. The issuance was approved by the following state commission orders: WUTC (Washington) docket UE-040329 Order No. 1; IPUC (Idaho) case AVU-U-04-01 Order No. 29447; OPUC (Oregon) UF 4202 Order No. 04 162; CPUC (California) application 00-04-011 decision 00-06-064; and Montana Commission docket 6690 Order No. 4535.

The Company used the proceeds from the Junior Subordinated Debt Securities to redeem \$61.9 million of 7.875 percent Junior Subordinated Deferrable Interest Debentures, Series A, originally issued in 1997 to Avista Capital I, a business trust. Avista Capital I used these proceeds to redeem \$60.0 million of Preferred Trust Securities issued to third parties and \$1.9 million of Common Trust Securities issued to the Company. Reference is made to Note 11 of Notes to Financial Statements, page 123 of this Report.

In November 2004, the Company issued \$90.0 million of 5.45 percent First Mortgage Bonds due in 2019. The Company used the proceeds to repay a portion of the borrowings outstanding under its committed line of credit. This debt was issued under a registration statement filed on Form S-3 with the Securities and Exchange Commission. The issuance was approved by the following state commission orders: WUTC (Washington) docket UE-031031 Order No. 1; IPUC (Idaho) case AVU-E-03-3 Order No. 29266; OPUC (Oregon) docket UF-4198 Order No. 03-347; CPUC (California) application 00-04-011 decision 00-06-064; and Montana Commission docket 6690 Order No. 4535. Reference is made to Note 10 of Notes to Financial Statements, page 123 of this Report.

On May 6, 2004, the Company amended its committed line of credit with various banks to increase the available amount to \$350.0 million from \$245.0 million and extend the expiration date to May 5, 2005. On December 17, 2004, the Company entered into a five-year committed line of credit with various banks in the amount of \$350.0 million with an expiration date of December 16, 2009. This committed line of credit replaced a \$350.0 million committed line of credit with a 364-day term that had an expiration date of May 5, 2005. Reference is made to Note 12 of Notes to Financial Statements, page 123 of this Report.

In December 2004, the Company issued \$172.6 million of non-transferable First Mortgage Bonds (Collateral Bonds) under its Mortgage and Deed of Trust, dated as of June 1, 1939, as amended and supplemented (Mortgage), in order to provide the benefit of the lien of the Mortgage to secure its obligations with respect to previously issued and outstanding unsecured debt securities, including \$88.9 million of its Medium Term Notes, Series C and the municipal bond insurance policies insuring \$83.7 million of Pollution Control Revenue Bonds issued for the benefit of the Company by the City of Forsyth, Montana. The Collateral Bonds were issued in order to suspend certain negative covenants, which had limited the Company's ability to issue additional secured debt. The issuance was approved by the following state commission orders: WUTC (Washington) dockets UE-971300 and UE-011475 Order No. 2; IPUC (Idaho) case AVU-U-04-3 Order No. 29643; OPUC (Oregon) dockets UF-4153(1), UF-4185(1) and UF-4079(1) Order No. 04-689; CPUC (California) application 00-04-011 decision 00-06-064; and Montana Commission docket 6690 Order No. 4535. Reference is made to Note 10 of Notes to Financial Statements, page 123 of this Report.

7. No changes in articles of incorporation or amendments to charter. The Bylaws of Avista Corporation were amended on August 13, 2004. The amendments include the addition of Section 11 of Article II, which provides specific procedures for shareholders to propose business to be brought before the Annual Meeting of Shareholders.

The amendments also include the addition of the following sentences to Section 2 of Article III: No person may be elected or re-elected as a director if at the time of their election or re-election, such person shall have attained the age of seventy (70) years. Any director who attains such age while in office shall retire from the Board of Directors effective at the Annual Meeting of Shareholders held in the year in which their then current term expires, and any such director shall not be nominated or re-elected as a director.

Additionally, Section 15 of Article III was deleted from the Bylaws of Avista Corporation, which previously stated: Directors who are seventy (70) years of age or more shall retire from the Board effective at the conclusion of the Annual Meeting of Shareholders held in

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report 2004/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

the year in which their term expires, and any such Director shall not be nominated for election at such Annual Meeting. The foregoing shall be effective in 1988 and thereafter as to any Director who is seventy (70) years of age or more during the year in which his or her term expires.

8. Average annual wage increases were 2.7% during 2004 for non-exempt personnel. Annual wage increases were 3.4% for exempt employees (including officers) during 2004. Bargaining unit employees were granted increases of 3.5% during 2004.
9. Reference is made to Note 21 of Notes to Financial Statements, page 123 of this Report.
10. None
11. Reserved
12. See Notes to Financial Statements at Page 123 of this Report.
13. In February 2004, D.A. Brukardt, Vice President and Treasurer, resigned. M.K. Malquist was named Treasurer in February 2004. In January 2004, T.L. Syms, Vice President and Assistant to the Chairman, retired. In February 2004, D.J. Meyer was named Vice President and Chief Counsel for Regulatory and Governmental Affairs. D.J. Meyer was previously Senior Vice President and General Counsel. Don Kopczynski was named Vice President in May 2004. Michael L. Noel was elected as a director in 2004.
14. Proprietary capital is not less than 30 percent.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,631,344,033	2,544,618,721
3	Construction Work in Progress (107)	200-201	49,895,113	49,615,389
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,681,239,146	2,594,234,110
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	928,445,545	886,846,714
6	Net Utility Plant (Enter Total of line 4 less 5)		1,752,793,601	1,707,387,396
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,752,793,601	1,707,387,396
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		3,272,992	3,264,833
19	(Less) Accum. Prov. for Depr. and Amort. (122)		135,292	118,011
20	Investments in Associated Companies (123)		13,403,000	13,403,000
21	Investment in Subsidiary Companies (123.1)	224-225	256,786,600	255,904,488
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		37,182,363	42,335,128
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		20,246,110	16,429,928
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		55,824,772	34,516,248
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		386,580,545	365,735,614
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		-5,239,043	-2,136,438
36	Special Deposits (132-134)		572,613	0
37	Working Fund (135)		495,365	577,122
38	Temporary Cash Investments (136)		6,699,209	21,143,327
39	Notes Receivable (141)		153,770	0
40	Customer Accounts Receivable (142)		56,067,151	45,726,942
41	Other Accounts Receivable (143)		4,433,112	4,175,943
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,810,071	2,281,537
43	Notes Receivable from Associated Companies (145)		42,000,000	40,018,082
44	Accounts Receivable from Assoc. Companies (146)		610,682	10,855
45	Fuel Stock (151)	227	4,049,604	2,395,349
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	9,867,767	9,522,082
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	-62,610	-496,415
55	Gas Stored Underground - Current (164.1)		9,268,257	8,176,453
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		724,434	640,745
57	Prepayments (165)		3,899,276	1,092,491
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		19,493	961
60	Rents Receivable (172)		391,040	459,233
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		82,082	610,557
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		66,023,684	39,499,770
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		55,824,772	34,516,248
67	Total Current and Accrued Assets (Lines 34 through 66)		141,421,043	134,619,274
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		16,858,709	20,113,211
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	231,982,032	239,863,731
73	Prelim. Survey and Investigation Charges (Electric) (183)		12,084,058	12,156,159
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		728,989	1,510,244
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	51,242,169	86,083,253
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		36,554,021	28,712,173
82	Accumulated Deferred Income Taxes (190)	234	50,892,673	34,222,386
83	Unrecovered Purchased Gas Costs (191)		28,639,755	15,352,084
84	Total Deferred Debits (lines 69 through 83)		428,982,406	438,013,241
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,709,777,595	2,645,755,525

Name of Respondent Avista Corporation	This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 04/25/2005	Year/Period of Report end of 2004/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	629,055,981	626,787,347
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	10,676,498	10,949,795
11	Retained Earnings (215, 215.1, 216)	118-119	91,642,291	81,854,919
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	64,211,690	64,022,832
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-21,157,918	-9,355,089
16	Total Proprietary Capital (lines 2 through 15)		753,075,546	752,360,214
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	521,300,000	431,300,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	114,803,000	114,836,826
21	Other Long-Term Debt (224)	256-257	497,427,068	576,532,661
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		1,608,182	1,994,486
24	Total Long-Term Debt (lines 18 through 23)		1,131,921,886	1,120,675,001
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		3,028,272	2,807,168
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		1,188,972	1,299,994
29	Accumulated Provision for Pensions and Benefits (228.3)		44,754,150	35,897,551
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		39,971,987	33,060,110
34	Asset Retirement Obligations (230)		1,190,714	659,307
35	Total Other Noncurrent Liabilities (lines 26 through 34)		90,134,095	73,724,130
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		66,444,650	48,421,782
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		7,909,608	19,845,113
41	Customer Deposits (235)		6,286,185	4,452,327
42	Taxes Accrued (236)	262-263	11,313,430	9,241,055
43	Interest Accrued (237)		18,632,069	18,484,237
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,736	0
48	Miscellaneous Current and Accrued Liabilities (242)		15,927,496	28,275,405
49	Obligations Under Capital Leases-Current (243)		946,251	633,401
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		45,684,937	36,057,271
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		39,971,987	33,060,110
54	Total Current and Accrued Liabilities (lines 37 through 53)		133,174,375	132,350,481
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		937,286	978,187
57	Accumulated Deferred Investment Tax Credits (255)	266-267	570,960	620,268
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	33,121,416	34,008,549
60	Other Regulatory Liabilities (254)	278	34,700,436	13,027,706
61	Unamortized Gain on Reaquired Debt (257)		4,225,371	4,696,571
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		293,535,925	265,021,296
64	Accum. Deferred Income Taxes-Other (283)		234,380,299	248,293,122
65	Total Deferred Credits (lines 56 through 64)		601,471,693	566,645,699
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,709,777,595	2,645,755,525

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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STATEMENT OF INCOME

1. Enter in column (e) operations for the reporting quarter and in column (f) the operations for the same three month period for the prior year.
2. Report in Column (g) year to date amounts for electric utility function; in column (i) the year to date amounts for gas utility, and in (k) the year to date amounts for the other utility function for the current quarter/year.
3. Report in Column (h) year to date amounts for electric utility function; in column (j) the year to date amounts for gas utility, and in (l) the year to date amounts for the other utility function for the previous quarter/year.
4. If additional columns are needed place them in a footnote.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	1,000,167,839	929,400,226		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	706,876,899	628,688,576		
5	Maintenance Expenses (402)	320-323	34,361,705	30,395,326		
6	Depreciation Expense (403)	336-337	65,095,728	65,752,096		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	7,682,080	8,151,368		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	99,066	99,048		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		-5,733	-3,693		
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		230,801	218,244		
13	(Less) Regulatory Credits (407.4)		12,638,745	10,449,403		
14	Taxes Other Than Income Taxes (408.1)	262-263	66,293,271	60,791,111		
15	Income Taxes - Federal (409.1)	262-263	5,019,926	22,613,266		
16	- Other (409.1)	262-263	1,302,010	1,282,899		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	17,792,760	5,291,061		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	5,013,788	4,678,097		
19	Investment Tax Credit Adj. - Net (411.4)	266	-49,308	-49,308		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		887,046,672	808,102,494		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		113,121,167	121,297,732		

STATEMENT OF INCOME FOR THE YEAR (Continued)

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ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
679,674,513	652,111,450	320,493,326	277,288,776			2
						3
447,578,339	406,888,146	259,298,560	221,800,430			4
28,475,946	25,258,364	5,885,759	5,136,962			5
50,720,406	50,578,273	14,375,322	15,173,823			6
						7
6,708,236	6,790,075	973,844	1,361,293			8
99,066	99,048					9
-5,733	-3,693					10
						11
		230,801	218,244			12
12,638,745	10,449,403					13
46,434,772	43,903,386	19,858,499	16,887,725			14
13,754,983	25,776,211	-8,735,057	-3,162,945			15
1,135,937	972,732	166,073	310,167			16
7,664,355	1,172,553	10,128,405	4,118,508			17
4,939,086	4,554,927	74,702	123,170			18
		-49,308	-49,308			19
						20
						21
						22
						23
						24
584,988,476	546,430,765	302,058,196	261,671,729			25
94,686,037	105,680,685	18,435,130	15,617,047			26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		113,121,167	121,297,732		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)			1,789		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		22,042	-17,014		
33	Revenues From Nonutility Operations (417)		-1,650	-130		
34	(Less) Expenses of Nonutility Operations (417.1)		1,220,086	1,609,187		
35	Nonoperating Rental Income (418)		-9,704	-4,377		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	3,381,428	9,156,784		
37	Interest and Dividend Income (419)		10,586,797	12,050,635		
38	Allowance for Other Funds Used During Construction (419.1)		1,885,496	853,013		
39	Miscellaneous Nonoperating Income (421)					
40	Gain on Disposition of Property (421.1)		424,383	89,613		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		15,024,622	20,555,154		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		1,276	282,852		
44	Miscellaneous Amortization (425)	340	1,323,416	1,323,416		
45	Donations (426.1)	340	512,357	466,094		
46	Life Insurance (426.2)		1,426,086	1,336,171		
47	Penalties (426.3)		10,038	-29,978		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		859,247	816,842		
49	Other Deductions (426.5)		3,224,942	1,270,939		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		7,357,362	5,466,336		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	41,313	-97,503		
53	Income Taxes-Federal (409.2)	262-263	797,319	-129,828		
54	Income Taxes-Other (409.2)	262-263	-373,290	-481,773		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,040,980	2,968,974		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	4,133,706	-66,775		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-627,384	2,326,645		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		8,294,644	12,762,173		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		73,356,536	81,021,259		
63	Amort. of Debt Disc. and Expense (428)		3,689,417	3,907,423		
64	Amortization of Loss on Reaquired Debt (428.1)		4,611,956	4,064,380		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340	5,782,104	1,480,337		
68	Other Interest Expense (431)	340	389,246	320,268		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,567,308	1,238,014		
70	Net Interest Charges (Total of lines 62 thru 69)		86,261,951	89,555,653		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		35,153,860	44,504,252		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		35,153,860	44,504,252		

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		80,306,798	58,838,025
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5	Stock Options Exercised		-408,940	(144,553)
6	ESOP and other adjustment		155,137	170,109
7	Dividends received from Subsidiaries		2,499,315	9,990,037
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)		2,245,512	10,015,593
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		31,772,432	35,347,468
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				(1,155,438)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			(1,155,438)
30	Dividends Declared-Common Stock (Account 438)			
31			-24,923,827	(23,633,569)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-24,923,827	(23,633,569)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		693,255	894,719
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		90,094,170	80,306,798
	APPROPRIATED RETAINED EARNINGS (Account 215)			

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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39			1,548,121	1,548,121
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)		1,548,121	1,548,121
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)		1,548,121	1,548,121
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		91,642,291	81,854,919
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		64,022,832	65,750,804
50	Equity in Earnings for Year (Credit) (Account 418.1)		3,381,428	9,156,784
51	(Less) Dividends Received (Debit)		2,499,315	9,990,037
52	Subsidiary expense in Account 417.12		-693,255	(894,719)
53	Balance-End of Year (Total lines 49 thru 52)		64,211,690	64,022,832

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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	35,153,860	44,504,252
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	72,871,141	73,998,819
5	Power and natural gas deferrals	8,037,057	-5,535,312
6	Amortization of debt expense	8,301,374	7,971,803
7	Amortization of investment in exchange power	2,450,004	2,450,004
8	Deferred Income Taxes (Net)	12,917,518	38,791,463
9	Investment Tax Credit Adjustment (Net)	-49,308	-49,308
10	Net (Increase) Decrease in Receivables	-10,751,148	-18,650,796
11	Net (Increase) Decrease in Inventory	-3,609,238	94,433
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-2,204,745	8,167,229
14	Net (Increase) Decrease in Other Regulatory Assets	1,008,005	-630,827
15	Net Increase (Decrease) in Other Regulatory Liabilities	-2,401,353	334,617
16	(Less) Allowance for Other Funds Used During Construction	3,452,804	2,192,697
17	(Less) Undistributed Earnings from Subsidiary Companies	3,381,428	9,156,784
18	Other (provide details in footnote):	11,615,102	1,803,240
19	ESOP dividends	143,775	167,506
20	Allowance for uncollectible receivables	528,534	-407,128
21	Other non-current assets and liabilities	-2,640,532	2,849,925
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	124,535,814	144,510,439
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-116,391,951	-105,617,593
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		-581,511
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32	Deposits for utility plant acquisition	-5,000,000	
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-121,391,951	-106,199,104
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	1,477,634	482,872
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	-2,615,571	-7,344,568
40	Contributions and Advances from Assoc. and Subsidiary Companies	2,499,315	9,990,036
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		-73,000
47	Collections on Loans	616,550	6,775
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54	Changes in other property and investments	1,435,673	-2,848,976
55	Gain on disposition of property	-424,383	
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-118,402,733	-105,985,965
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	89,760,600	44,795,250
62	Preferred Stock		
63	Common Stock	4,061,241	3,775,591
64	Other (provide details in footnote):		
65	Long-term debt to affiliated trusts	61,856,000	
66	Net Increase in Short-Term Debt (c)		50,000,000
67	Other (provide details in footnote):		
68	Cash received in interest rate swap agreement	125,000	
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	155,802,841	98,570,841
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-66,186,722	-124,033,279
74	Preferred Stock	-1,750,000	-1,574,266
75	Common Stock		
76	Long-term debt to affiliated trusts	-61,856,000	
77	Premiums paid for the repurchase of long-term debt	-6,710,409	-1,709,769
78	Net Decrease in Short-Term Debt (c)	-12,000,000	
79	Long-term debt and short-term borrowing issuance costs	-6,148,807	-2,429,756
80	Dividends on Preferred Stock		-1,155,438
81	Dividends on Common Stock	-24,912,464	-23,633,569
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-23,761,561	-55,965,236
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-17,628,480	-17,440,762
87			
88	Cash and Cash Equivalents at Beginning of Period	19,584,011	37,024,773
89			
90	Cash and Cash Equivalents at End of period	1,955,531	19,584,011

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Avista Corporation (Avista Corp. or the Company) is an energy company engaged in the generation, transmission and distribution of energy. Avista Corp. generates, transmits and distributes electricity in parts of eastern Washington and northern Idaho. In addition, Avista Corp. has electric generating facilities in western Montana and northern Oregon. Avista Corp. also provides natural gas distribution service in parts of eastern Washington, northern Idaho, northeast and southwest Oregon and in the South Lake Tahoe region of California. In July 2004, the Company entered into an agreement to sell its South Lake Tahoe natural gas distribution properties (see Note 23 for further information), which is subject to regulatory approval. Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of the subsidiary companies in the non-utility business segments.

The Company's operations are exposed to risks including, but not limited to, the price and supply of purchased power, fuel and natural gas, regulatory recovery of power and natural gas costs and capital investments, streamflow and weather conditions, the effects of changes in legislative and governmental regulations, changes in regulatory requirements, availability of generation facilities, competition, technology and availability of funding. Also, like other utilities, the Company's facilities and operations may be exposed to terrorism risks or other malicious acts. In addition, the energy business exposes the Company to the financial, liquidity, credit and commodity price risks associated with wholesale purchases and sales.

Basis of Reporting

The financial statements include the assets, liabilities, revenues and expenses of the Company. As required by the Federal Energy Regulatory Commission (FERC), the Company accounts for its investment in majority-owned subsidiaries on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of these subsidiaries, as required by accounting principles generally accepted in the United States of America. The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants (See Note 6). In addition, under the requirements of the FERC, there are differences from accounting principles generally accepted in the United States of America in the presentation of (1) current portions of long-term debt, short-term borrowings, and preferred stock, (2) assets and liabilities for cost of removal of assets, (3) assets held for sale, and (4) regulatory assets and liabilities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Significant estimates include determining unbilled revenues, the market value of derivative assets and liabilities, pension and other postretirement benefit plan obligations, contingent liabilities and recoverability of regulatory assets. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the financial statements and thus actual results could differ from the amounts reported and disclosed herein.

System of Accounts

The accounting records of the Company's utility operations are maintained in accordance with the uniform system of accounts prescribed by the FERC and adopted by the appropriate state regulatory commissions.

Regulation

The Company is subject to state regulation in Washington, Idaho, Montana, Oregon and California. The Company is also subject to federal regulation by the FERC.

Operating Revenues

Operating revenues for Avista Corp. related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, the amount of energy delivered to customers since the date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. Accounts receivable includes unbilled energy revenues of \$13.0 million (net of \$48.9 million of unbilled receivables sold) and \$9.0 million (net

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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NOTES TO FINANCIAL STATEMENTS (Continued)			

of \$47.0 million of unbilled receivables sold) as of December 31, 2004 and 2003, respectively. See Note 3 for information with respect to the sale of accounts receivable.

Advertising Expenses

The Company expenses advertising costs as incurred. Advertising expenses totaled \$1.7 million, \$1.3 million and \$1.2 million in 2004, 2003 and 2002, respectively.

Taxes other than income taxes

Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on net income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers are recorded as both operating revenue and expense and totaled \$35.0 million, \$31.7 million and \$33.1 million in 2004, 2003 and 2002, respectively.

Income Taxes

The Company and its eligible subsidiaries file consolidated federal income tax returns. Subsidiaries are charged or credited with the tax effects of their operations on a stand-alone basis. The Company's federal income tax returns were examined with all issues resolved, and all payments made, through the 2000 return. The Internal Revenue Service is currently examining the Company's 2001, 2002 and 2003 federal income tax returns.

The Company accounts for income taxes under Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." Under SFAS No. 109, a deferred tax asset or liability is determined based on the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Company's consolidated income tax returns. The deferred tax expense for the period is equal to the net change in the deferred tax asset and liability accounts from the beginning to the end of the period. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax liabilities and regulatory assets have been established for tax benefits flowed through to customers as prescribed by the respective regulatory commissions.

Stock-Based Compensation

The Company follows the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, employee stock options are accounted for under Accounting Principle Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees." Stock options are granted at exercise prices not less than the fair value of common stock on the date of grant. Under APB No. 25, no compensation expense is recognized pursuant to the Company's stock option plans. See Note 2 with respect to the revision of SFAS No. 123, which will result in the recognition of compensation expense beginning in the third quarter of 2005.

If compensation expense for the Company's stock option plans were determined consistent with SFAS No. 123, net income and earnings per common share would have been the following pro forma amounts for the years ended December 31:

	2004	2003	2002
Net income (dollars in thousands):			
As reported	\$35,154	\$44,504	\$31,307
Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of tax	<u>2,033</u>	<u>2,186</u>	<u>3,051</u>
Pro forma	<u>\$33,121</u>	<u>\$42,318</u>	<u>\$28,256</u>
Basic earnings per common share:			
As reported	\$0.73	\$0.90	\$0.60
Pro forma	\$0.68	\$0.85	\$0.54
Diluted earnings per common share:			
As reported	\$0.72	\$0.89	\$0.60
Pro forma	\$0.68	\$0.85	\$0.54

Earnings Per Common Share

Basic earnings per common share is computed by dividing income available for common stock by the weighted average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing income available for common

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stock by diluted weighted average common shares outstanding during the period, including common stock equivalent shares outstanding using the treasury stock method, unless such shares are anti-dilutive. Common stock equivalent shares include shares issuable upon exercise of stock options, contingently issuable shares and restricted stock. See Note 19 for earnings per common share calculations.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Company considers all temporary investments with a maturity when purchased of three months or less to be cash equivalents. Cash and cash equivalents include cash deposits from counterparties.

Special Deposits

Special deposits represent \$0.6 million of restricted cash related to Avista Corp.'s interest rate swap agreements. See Note 13 for further information with respect to Avista Corp.'s interest rate swap agreements.

Accumulated Provision for Uncollectible Accounts

The Company maintains an accumulated provision for uncollectible accounts to provide for estimated and potential losses on accounts receivable. The Company determines the allowance for customer accounts receivable based on historical write-offs as compared to accounts receivable and operating revenues. Additionally, the Company establishes specific allowances for certain individual accounts. The following table documents the activity in the accumulated provision for uncollectible accounts during the years ended December 31 (dollars in thousands):

	2004	2003	2002
Accumulated provision as of the beginning of the year	\$2,281	\$2,689	\$2,950
Additions expensed during the year	3,195	1,762	3,392
Net deductions	<u>(2,666)</u>	<u>(2,170)</u>	<u>(3,653)</u>
Accumulated provision as of the end of the year	<u>\$2,810</u>	<u>\$2,281</u>	<u>\$2,689</u>

Materials and supplies, fuel stock and natural gas stored

Inventories of materials and supplies, fuel stock and natural gas stored are recorded at the lower of cost or market, primarily using the average cost method.

Utility Plant

The cost of additions to utility plant, including an allowance for funds used during construction and replacements of units of property and improvements, is capitalized. Costs of depreciable units of property retired plus costs of removal less salvage are charged to accumulated depreciation.

Allowance for Funds Used During Construction

The Allowance for Funds Used During Construction (AFUDC) represents the cost of both the debt and equity funds used to finance utility plant additions during the construction period. In accordance with the uniform system of accounts prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and the debt related portion is credited currently as a non-cash item in the Statements of Income. The Company generally is permitted, under established regulatory rate practices, to recover the capitalized AFUDC, and a fair return thereon, through its inclusion in rate base and the provision for depreciation after the related utility plant is placed in service. Cash inflow related to AFUDC generally does not occur until the related utility plant is placed in service and included in rate base.

The effective AFUDC rate was 9.72 percent for 2004, 2003 and the second half of 2002 and 9.03 percent for the first half of 2002. The Company's AFUDC rates do not exceed the maximum allowable rates as determined in accordance with the requirements of regulatory authorities.

Depreciation

For utility operations, depreciation expense is estimated by a method of depreciation accounting utilizing unit rates for generation plants and composite rates for other utility plant. Such rates are designed to provide for retirements of properties at the expiration of their service lives. The rates for hydroelectric plants include annuity and interest components, in which the interest component is 9 percent. For utility operations, the ratio of depreciation provisions to average depreciable property was 2.92 percent in 2004, 2.98

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percent in 2003 and 2.92 percent in 2002.

The average service lives for the following broad categories of utility property are: electric thermal production - 30 years; hydroelectric production - 77 years; electric transmission - 43 years; electric distribution - 47 years; and natural gas distribution property - 35 years.

The Company recovers certain asset retirement costs through rates charged to customers as a portion of its depreciation expense. These costs do not represent legal or contractual obligations.

Regulatory Deferred Charges and Credits

The Company prepares its financial statements in accordance with the provisions of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation." The Company prepares its financial statements in accordance with SFAS No. 71 because (i) the Company's rates for regulated services are established by or subject to approval by an independent third-party regulator; (ii) the regulated rates are designed to recover the Company's cost of providing the regulated services; and (iii) in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover the Company's costs. SFAS No. 71 requires the Company to reflect the impact of regulatory decisions in its financial statements. SFAS No. 71 requires that certain costs and/or obligations (such as incurred power and natural gas costs not currently recovered through rates, but expected to be recovered in the future) are reflected as deferred charges on the Balance Sheets. These costs and/or obligations are not reflected in the statement of income until the period during which matching revenues are recognized. If at some point in the future the Company determines that it no longer meets the criteria for continued application of SFAS No. 71 with respect to all or a portion of the Company's regulated operations, the Company could be required to write-off its regulatory assets. The Company could also be precluded from the future deferral of costs not recovered through rates at the time such costs are incurred, even if the Company expected to recover such costs in the future.

The Company's primary regulatory assets include power and natural gas deferrals (see "Power Cost Deferrals and Recovery Mechanisms" and "Natural Gas Cost Deferrals and Recovery Mechanisms" below for further information), investment in exchange power, regulatory asset for deferred income taxes, unamortized debt expense, demand side management programs, conservation programs and the provision for postretirement benefits. Regulatory assets that are not currently included in rate base, being recovered in current rates or earning a return (accruing interest), totaled \$3.2 million as of December 31, 2004.

Regulatory liabilities include utility plant retirement costs. Deferred credits include, among other items, regulatory liabilities created when the Centralia Power Plant was sold, regulatory liabilities offsetting net energy commodity derivative assets (see Note 4 for further information) and the gain on the general office building sale/leaseback, which is being amortized over the life of the lease.

Investment in Exchange Power-Net

The investment in exchange power represents the Company's previous investment in Washington Public Power Supply System Project 3 (WNP-3), a nuclear project that was terminated prior to completion. Under a settlement agreement with the Bonneville Power Administration in 1985, Avista Corp. began receiving power in 1987, for a 32.5-year period, related to its investment in WNP-3. Through a settlement agreement with the Washington Utilities and Transportation Commission (WUTC) in the Washington jurisdiction, Avista Corp. is amortizing the recoverable portion of its investment in WNP-3 (recorded as investment in exchange power) over a 32.5 year period beginning in 1987. For the Idaho jurisdiction, Avista Corp. has fully amortized the recoverable portion of its investment in exchange power. Investment in Exchange Power-Net is included in Other Investments on the Balance Sheets.

Unamortized Debt Expense and Unamortized Loss on Reacquired Debt

Unamortized debt expense and Unamortized loss on reacquired debt includes debt issuance costs that are amortized over the life of the related debt, as well as premiums paid to repurchase debt, which are amortized over the average remaining maturity of outstanding debt in accordance with regulatory accounting practices under SFAS No. 71. These costs are recovered through retail rates as a component of interest expense.

Natural Gas Benchmark Mechanism

The Idaho Public Utilities Commission (IPUC), WUTC and Oregon Public Utility Commission (OPUC) approved Avista Corp.'s Natural Gas Benchmark Mechanism in 1999. The mechanism eliminated the majority of natural gas procurement operations within Avista Corp. and placed responsibility for natural gas procurement operations with Avista Energy, Inc. (Avista Energy), the

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Company's non-regulated subsidiary. The ownership of the natural gas assets remains with Avista Corp.; however, the assets have been managed by Avista Energy through an Agency Agreement. Avista Corp. has continued to manage natural gas procurement for its California operations, which the Company has entered into an agreement to sell (see Note 23).

In the first quarter of 2002, the IPUC and the OPUC approved the continuation of the Natural Gas Benchmark Mechanism and related Agency Agreement through March 31, 2005. In February 2004, the WUTC ordered that the Natural Gas Benchmark Mechanism and related Agency Agreement be terminated for Washington customers and ordered Avista Corp. to file a transition plan to move management of these functions back into Avista Corp. In April 2004, the WUTC approved Avista Corp.'s transition plan, which provides for the movement of these functions back into Avista Corp. to be completed by March 31, 2005. Effective April 1, 2005, the Company will also be moving these functions from Avista Energy to Avista Corp. for Idaho and Oregon natural gas customers with the expiration of the current agreements.

Power Cost Deferrals and Recovery Mechanisms

Avista Corp. defers the recognition in the income statement of certain power supply costs as approved by the WUTC. Deferred power supply costs are recorded as a deferred charge on the Balance Sheets for future review and the opportunity for recovery through retail rates. The power supply costs deferred include certain differences between actual power supply costs incurred by Avista Corp. and the costs included in base retail rates. This difference in power supply costs primarily results from changes in short-term wholesale market prices, changes in the level of hydroelectric generation and changes in the level of thermal generation (including changes in fuel prices). Avista Corp. accrues interest on deferred power costs in the Washington jurisdiction at a rate, which is adjusted semi-annually, of 8.4 percent as of December 31, 2004. Total deferred power costs for Washington customers were \$113.2 million and \$125.7 million as of December 31, 2004 and 2003, respectively.

In Washington, the Energy Recovery Mechanism (ERM) allows Avista Corp. to increase or decrease electric rates periodically with WUTC approval to reflect changes in power supply costs. The ERM provides for Avista Corp. to incur the cost of, or receive the benefit from, the first \$9.0 million in annual power supply costs above or below the amount included in base retail rates. Under the ERM, 90 percent of annual power supply costs exceeding or below the initial \$9.0 million are deferred for future surcharge or rebate to Avista Corp.'s customers. The remaining 10 percent of power supply costs are an expense of, or benefit to, the Company.

Under the ERM, Avista Corp. makes an annual filing to provide the opportunity for the WUTC and other interested parties to review the prudence of and audit the ERM deferred power cost transactions for the prior calendar year. The ERM provides for a 90-day review period for the filing; however, the period may be extended by agreement of the parties or by WUTC order. In August 2004, the WUTC issued an order, which approved the recovery of \$22.8 million of deferred power costs incurred in 2003.

Avista Corp. has a power cost adjustment (PCA) mechanism in Idaho that allows it to modify electric rates periodically with IPUC approval. Under the PCA mechanism, Avista Corp. defers 90 percent of the difference between certain actual net power supply expenses and the authorized level of net power supply expense approved in the last Idaho general rate case. Avista Corp. accrues interest on deferred power costs in the Idaho jurisdiction at a rate, which is adjusted annually, of 1.0 percent on current year deferrals and 3.0 percent on carryover balances as of December 31, 2004. In October 2004, the IPUC issued its final order with respect to general electric and natural gas rate cases filed by Avista Corp. in Idaho. The final order required Avista Corp. to write off a total of \$12.0 million (recorded as operation expenses in the Statements of Income) of certain deferred power costs, including associated accrued interest, related to natural gas contracts entered into by Avista Corp. to provide fuel for its generating facilities. The IPUC authorized the recovery of the remaining deferred power costs over a two-year period through a PCA rate surcharge to customers. Total deferred power costs for Idaho customers were \$9.5 million and \$30.3 million as of December 31, 2004 and 2003, respectively.

Natural Gas Cost Deferrals and Recovery Mechanisms

Under established regulatory practices in each respective state, Avista Corp. is allowed to adjust its natural gas rates periodically (with regulatory approval) to reflect increases or decreases in the cost of natural gas purchased. Differences between actual natural gas costs and the natural gas costs already included in retail rates are deferred and charged or credited to expense when regulators approve inclusion of the cost changes in rates. Total deferred natural gas costs were \$28.6 million and \$15.4 million as of December 31, 2004 and 2003, respectively.

Reclassifications

Certain prior period amounts were reclassified to conform to current statement format. These reclassifications were made for

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comparative purposes and to conform to changes in accounting standards and have not affected previously reported total net income or stockholders' equity.

NOTE 2. NEW ACCOUNTING STANDARDS

In May 2003, the Financial Accounting Standards Board (FASB) issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This statement requires the Company to classify certain financial instruments as liabilities that have historically been classified as equity. This statement requires the Company to classify as a liability financial instruments that are subject to mandatory redemption at a specified or determinable date or upon an event that is certain to occur. This statement was effective for financial instruments entered into or modified after May 31, 2003, and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003. The restatement of financial statements for prior periods was not permitted. The adoption of this statement required the Company to classify preferred stock subject to mandatory redemption as a liability (included in long-term debt) on the Balance Sheets. The adoption of this statement also required the Company to classify preferred stock dividends subsequent to July 1, 2003 as interest expense in the Statements of Income.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities," which was revised in December 2003 (collectively referred to as FIN 46). In general, a variable interest entity does not have equity investors with voting rights or it has equity investors that do not provide sufficient financial resources for the entity to support its activities. Variable interest entities are commonly referred to as special purpose entities or off-balance sheet structures; however, FIN 46 applies to a broader group of entities. FIN 46 requires a variable interest entity to be consolidated by the primary beneficiary of that entity. The primary beneficiary is subject to a majority of the risk of loss from the variable interest entity's activities or it is entitled to receive a majority of the entity's residual returns. FIN 46 also requires disclosure of variable interest entities that a company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of FIN 46 applied immediately to variable interest entities created after January 31, 2003 and applied to certain existing variable interest entities for the first fiscal year or interim period ending after December 15, 2003. Application for all other types of entities was required for periods ending after March 15, 2004.

FIN 46 resulted in the Company no longer including the capital trusts formed for the purpose of issuing preferred trust securities in its financial statements for the period ended December 31, 2003 and thereafter. The capital trusts are considered variable interest entities under the provisions of FIN 46. As Avista Corp. is not the primary beneficiary, these entities are no longer included in Avista Corp.'s financial statements. The sole assets of the capital trusts are \$113.4 million of junior subordinated deferrable interest debentures of Avista Corp. and the deconsolidation of these entities resulted in these debentures being reflected on the Balance Sheets as advances from associated companies. Interest on debt to associated companies in the Statements of Income represents interest expense on these debentures.

See Note 7 for a discussion of a FASB Staff Position with respect to postretirement medical benefit obligations.

In December 2004, the FASB issued SFAS No. 123R, "Accounting for Stock-Based Compensation," which supersedes APB No. 25 and its related implementation guidance. This statement establishes standards for the accounting for transactions in which the Company exchanges its equity instruments for goods or services with a primary focus on transactions in which the Company obtains employee services in share-based payment transactions. The statement requires that the compensation cost relating to share-based payment transactions be recognized in financial statements based on the fair value of the equity or liability instruments issued. The Company will be required to implement the provisions of this statement beginning in the third quarter of 2005. The Company expects to record compensation expense (net of tax) of approximately \$0.5 million in 2005 and \$0.3 million in 2006 related to the periodic vesting of stock options granted to employees in prior years. As the Company is not currently granting stock options to employees, the prospective provisions of this statement are not expected to have a material effect on the Company's future financial condition, results of operations or cash flows.

NOTE 3. ACCOUNTS RECEIVABLE SALE

Avista Receivables Corp. (ARC) is a wholly owned, bankruptcy-remote subsidiary of the Company formed for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. On May 29, 2002, ARC, the Company and a third-party financial institution entered into a three-year agreement whereby ARC can sell without recourse, on a revolving basis, up to \$100.0 million of those receivables. In April 2004, the revolving amount available for sale was reduced to

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\$85.0 million. ARC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. The amount of such fees is included in operating expenses of the Company. As of December 31, 2004 and 2003, \$72.0 million in accounts receivables were sold under this revolving agreement.

NOTE 4. UTILITY ENERGY COMMODITY DERIVATIVE ASSETS AND LIABILITIES

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138 and SFAS No. 149, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires the recording of all derivatives as either assets or liabilities on the balance sheet measured at estimated fair value and the recognition of the unrealized gains and losses. In certain defined conditions, a derivative may be specifically designated as a hedge for a particular exposure. The accounting for derivatives depends on the intended use of the derivatives and the resulting designation.

Avista Corp. enters into forward contracts to purchase or sell energy. Under these forward contracts, Avista Corp. commits to purchase or sell a specified amount of energy at a specified time, or during a specified period, in the future. Certain of these forward contracts are considered derivative instruments. Avista Corp. also records derivative commodity assets and liabilities for over-the-counter and exchange-traded derivative instruments as well as certain long-term contracts. These contracts are entered into as part of Avista Corp.'s management of its loads and resources as discussed in Note 5. In conjunction with the issuance of SFAS No. 133, the WUTC and the IPUC issued accounting orders authorizing Avista Corp. to offset any derivative assets or liabilities with a regulatory asset or liability. This accounting treatment is intended to defer the recognition of mark-to-market gains and losses on energy commodity transactions until the period of settlement. The order provides for Avista Corp. to not recognize the unrealized gain or loss on utility derivative commodity instruments in the Statements of Income. Realized gains or losses are recognized in the period of settlement, subject to approval for recovery through retail rates. Realized gains and losses, subject to regulatory approval, result in adjustments to retail rates through purchased gas cost adjustments, the ERM and the PCA mechanism.

Prior to the adoption of SFAS No. 149 on July 1, 2003, Avista Corp. elected the normal purchases and sales exception for substantially all of its contracts for both capacity and energy under SFAS No. 133. As such, Avista Corp. was not required to record these contracts as derivative commodity assets and liabilities. Under SFAS No. 149, substantially all new forward contracts to purchase or sell power and natural gas used for generation, which were entered into on or after July 1, 2003, are recorded as assets or liabilities at market value with an offsetting regulatory asset or liability. Contracts that are not considered derivatives under SFAS No. 133 are generally accounted for at cost until they are settled or realized, unless there is a decline in the fair value of the contract that is determined to be other than temporary. Utility energy commodity derivatives consisted of the following as of December 31 (dollars in thousands):

	2004	2003
Current utility energy commodity derivative asset	\$10,199	\$4,983
Current utility energy commodity derivative liability	5,713	2,997
Non-current utility energy commodity derivative asset	55,825	34,517
Non-current utility energy commodity derivative liability	33,490	33,060
Net regulatory liability	26,821	3,443

The offsetting net regulatory liability is included in other regulatory liabilities on the Balance Sheets.

NOTE 5. ENERGY COMMODITY TRADING

The Company's is exposed to risks relating to, but not limited to, changes in certain commodity prices, interest rates and counterparty performance. In order to manage the various risks relating to these exposures, Avista Corp. utilizes derivative instruments, such as forwards, futures, swaps and options. Avista Corp. uses a variety of techniques to manage risks for their energy resources and wholesale energy market activities. The Company has risk management policies and procedures to manage these risks, both qualitative and quantitative. The Company's Risk Management Committee establishes the Company's risk management policies and procedures and monitors compliance. The Risk Management Committee is comprised of certain Company officers and other individuals and is overseen by the Audit Committee of the Company's Board of Directors.

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Avista Corp. engages in an ongoing process of resource optimization, which involves the pursuit of economic resources to serve load obligations and using existing resources to capture available economic value. Avista Corp. sells and purchases wholesale electric capacity and energy to and from utilities and other entities as part of the process of acquiring resources to serve its retail and wholesale load obligations. These transactions range from a term as short as one hour up to long-term contracts that extend beyond one year. Avista Corp. makes continuing projections of (1) future retail and wholesale loads based on, among other things, forward estimates of factors such as customer usage and weather as well as historical data and contract terms and (2) resource availability based on, among other things, estimates of streamflows, generating unit availability, historic and forward market information and experience. On the basis of these continuing projections, Avista Corp. makes purchases and sales of energy on an annual, quarterly, monthly, daily and hourly basis to match expected resources to expected energy requirements. Resource optimization also includes transactions such as purchasing fuel to run thermal generation and, when economic, selling fuel and substituting electric wholesale market purchases for the operation of Avista Corp.'s own resources, as well as other wholesale transactions to capture the value of available generation and transmission resources. This optimization process includes entering into financial and physical hedging transactions as a means of managing risks.

Avista Corp. manages the impact of fluctuations in electric energy prices by measuring and controlling the volume of energy imbalance between projected loads and resources and through the use of derivative commodity instruments for hedging purposes. Load/resource imbalances within a rolling 18-month planning horizon are compared against established volumetric guidelines and management determines the timing and specific actions to manage the imbalances. Management also assesses available resource decisions and actions that are appropriate for longer-term planning periods. Avista Energy is responsible for the daily management of natural gas supplies to meet the requirements of Avista Corp.'s customers in the states of Washington, Idaho and Oregon. In February 2004, the WUTC ordered that these functions be moved back to Avista Corp. for Washington customers, and in April 2004, the WUTC approved Avista Corp.'s transition plan to move these functions back into Avista Corp. by March 31, 2005. Effective April 1, 2005, the Company will also be moving these functions back to Avista Corp. for Idaho and Oregon customers with the expiration of current agreements. As part of the transition plan, Avista Corp. has begun procuring natural gas for load service. This procurement process includes entering into financial and physical hedging transactions as a means of managing risks. See description of Natural Gas Benchmark Mechanism in Note 1 for further information. Avista Corp. has continued to manage natural gas procurement for its California operations, which the Company has entered into an agreement to sell (see Note 23 for further information).

Market Risk

Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk is influenced to the extent that the performance or nonperformance by market participants of their contractual obligations and commitments affect the supply of, or demand for, the commodity. The Company manages the market risks inherent in its activities according to risk policies established by the Company's Risk Management Committee.

Credit Risk

Credit risk relates to the risk of loss that Avista Corp. would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy or make financial settlements. Avista Corp. often extends credit to counterparties and customers. Credit risk includes the risk that a counterparty may default due to circumstances relating directly to it and the risk that a counterparty may default due to circumstances that relate to other market participants that have a direct or indirect relationship with such counterparty. Should a counterparty, customer or supplier fail to perform, Avista Corp. may be required to replace existing contracts with contracts at then-current market prices or to honor the underlying commitment. Avista Corp. seeks to mitigate credit risk by applying specific eligibility criteria to existing and prospective counterparties and by actively monitoring current credit exposures. These policies include an evaluation of the financial condition and credit ratings of counterparties, collateral requirements or other credit enhancements, such as letters of credit or parent company guarantees, and the use of standardized agreements that allow for the netting or offsetting of positive and negative exposures associated with a single counterparty.

Credit risk also involves the exposure that counterparties perceive related to the ability of Avista Corp. to perform deliveries and settlement under physical and financial energy contracts. These counterparties may seek assurances of performance in the form of letters of credit, prepayment or cash deposits. In periods of price volatility, the level of exposure can change significantly, with the result that sudden and significant demands may be made against the Company's capital resource reserves (credit facilities and cash). Avista Corp. actively monitors the exposure to possible collateral calls and take steps to minimize capital requirements.

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Other Operating Risks

In addition to commodity price risk, Avista Corp.'s commodity positions are subject to operational and event risks including, among others, increases in load demand, transmission or transport disruptions, fuel quality specifications, changes in regulatory requirements, forced outages at generating plants and disruptions to information systems and other administrative tools required for normal operations. Avista Corp. also has exposure to weather conditions and natural disasters that can cause physical damage to property, requiring repairs to restore utility service. The emergence of terrorism threats, both domestic and foreign, is a risk to the entire utility industry, including Avista Corp. Potential disruptions to operations or destruction of facilities from terrorism or other malicious acts are not readily determinable. The Company has taken various steps to mitigate terrorism risks and to prepare contingency plans in the event that its facilities are targeted.

NOTE 6. JOINTLY OWNED ELECTRIC FACILITIES

As of December 31, 2004, the Company had a 50 percent ownership interest in a combined cycle natural gas-fired turbine power plant, the Coyote Springs 2 Generation Plant (Coyote Springs 2) located in north-central Oregon, which was placed into operation in 2003. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant for Coyote Springs 2 was \$108.8 million and accumulated depreciation was \$6.7 million as of December 31, 2004. In January 2005, the Company acquired the remaining 50 percent ownership interest in Coyote Springs 2 at a price of \$62.5 million. See Note 24 for further information.

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, the Colstrip Generating Project (Colstrip) located in southeastern Montana, and provides financing for its ownership interest in the project. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant for Colstrip was \$320.2 million and accumulated depreciation was \$172.4 million as of December 31, 2004.

NOTE 7. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a defined benefit pension plan covering substantially all of its regular full-time employees at Avista Corp. and Avista Energy. Individual benefits under this plan are based upon the employee's years of service and average compensation as specified in the plan. The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under the Employee Retirement Income Security Act, but not more than the maximum amounts that are currently deductible for income tax purposes. The Company made \$15 million in cash contributions to the pension plan in 2004 and \$12 million in each of 2003 and 2002. The Company expects to contribute approximately \$15 million to the pension plan in 2005.

The Finance Committee of the Company's Board of Directors establishes investment policies, objectives and strategies to seek optimum return for the pension plan, while also keeping with the assumption of prudent risk and the Finance Committee's composite return objectives. The Finance Committee reviews and approves changes to the investment policy. The Company has contracted with an investment manager who is responsible for managing the individual investment managers. The investment manager's performance and related individual fund performance is periodically reviewed by the Finance Committee to ensure compliance with investment policy objectives and strategies. Pension plan assets are invested primarily in marketable debt and equity securities. Pension plan assets may also be invested in real estate and other investments, including hedge funds and venture capital funds. In seeking to obtain the desired return to fund the pension plan, the Finance Committee has established investment allocation percentages by asset classes as indicated in the table below.

The assumed long-term rate of return on plan assets is based on past performance and economic forecasts for the types of investments held by the plan. The fair value of pension plan assets invested in debt and equity securities was based primarily on market prices. The fair value of pension plan assets invested in real estate was determined based on three basic approaches: (1) current cost of reproducing a property less deterioration and functional economic obsolescence (2) capitalization of the property's net earnings power; and (3) value indicated by recent sales of comparable properties in the market. The fair value of plan assets was determined as of December 31, 2004 and 2003.

As of December 31, 2004 and 2003, the pension plan had assets with a fair value that was less than the present value of the accumulated benefit obligation under the plan. In 2004, the pension plan funding deficit increased as compared to the end of 2003 and

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as such the Company increased the additional minimum liability for the unfunded accumulated benefit obligation by \$9.2 million and reduced the intangible asset by \$0.7 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in a charge to other comprehensive income of \$6.4 million, net of taxes of \$3.5 million for 2004. In 2003, the pension plan funding deficit decreased as compared to the end of 2002 and as such the Company reduced the additional minimum liability for the unfunded accumulated benefit obligation by \$15.5 million and the intangible asset by \$0.6 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in an increase to other comprehensive income of \$9.7 million, net of taxes of \$5.2 million for 2003. In 2002, the Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of \$33.4 million and an intangible asset of \$6.4 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in a charge to other comprehensive income of \$17.6 million, net of taxes of \$9.4 million for 2002.

The Company also has a Supplemental Executive Retirement Plan (SERP) that provides additional pension benefits to executive officers of the Company. The SERP is intended to provide benefits to executive officers whose benefits under the pension plan are reduced due to the application of Section 415 of the Internal Revenue Code of 1986 and the deferral of salary under deferred compensation plans. The Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of \$1.8 million, \$0.3 million and \$0.7 million related to the SERP for 2004, 2003 and 2002, respectively. This resulted in a charge to other comprehensive income of \$1.2 million, \$0.2 million and \$0.5 million, net of tax, for 2004, 2003 and 2002, respectively.

The Company expects that benefit payments under the pension plan and the SERP will total \$14.1 million, \$14.0 million, \$15.2 million, \$15.5 million and \$16.2 million in 2005, 2006, 2007, 2008 and 2009, respectively. For the ensuing five years (2010 through 2014), the Company expects that benefit payments under the pension plan and the SERP will total \$102.4 million.

The Company provides certain health care and life insurance benefits for substantially all of its retired employees. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The Company elected to amortize the transition obligation of \$34.5 million over a period of twenty years, beginning in 1993. In 2004, the Company recognized the effect of an amendment to the cost-sharing policy, which limits the employer portion of the premium for all retirees. This amendment reduced the accumulated benefit obligation by \$4.3 million. The Company expects that benefit payments under the postretirement benefit plan will be \$3.1 million, \$3.1 million, \$3.1 million, \$3.0 million and \$3.0 million in 2005, 2006, 2007, 2008 and 2009, respectively. For the ensuing five years (2010 through 2014), the Company expects that benefit payments under the postretirement benefit plan will total \$14.5 million.

The Company uses a December 31 measurement date for its pension and postretirement plans. The following table sets forth the pension and postretirement plan disclosures as of December 31, 2004 and 2003 and the components of net periodic benefit costs for the years ended December 31, 2004, 2003 and 2002 (dollars in thousands):

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Change in benefit obligation:				
Benefit obligation as of beginning of year	\$265,790	\$238,385	\$39,185	\$29,062
Service cost	8,914	7,806	480	482
Interest cost	16,406	15,705	2,019	2,477
Plan amendment	-	-	(4,263)	-
Actuarial loss (gain)	8,737	18,046	(2,464)	10,973
Benefits paid	(13,309)	(13,226)	(3,042)	(3,741)
Expenses paid	(800)	(926)	(47)	(68)
Benefit obligation as of end of year	<u>\$285,738</u>	<u>\$265,790</u>	<u>\$31,868</u>	<u>\$39,185</u>
Change in plan assets:				
Fair value of plan assets as of beginning of year	\$167,962	\$136,125	\$14,587	\$11,301
Actual return on plan assets	16,816	33,129	1,882	3,282
Employer contributions	15,000	12,000	1,964	1,785
Benefits paid	(12,399)	(12,366)	(1,524)	(1,713)
Expenses paid	(800)	(926)	(47)	(68)
Fair value of plan assets as of end of year	<u>\$186,579</u>	<u>\$167,962</u>	<u>\$16,862</u>	<u>\$14,587</u>

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	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Funded status	\$ (99,159)	\$ (97,828)	\$ (15,006)	\$ (24,598)
Unrecognized net actuarial loss	73,604	71,695	6,009	9,455
Unrecognized prior service cost	5,058	5,712	-	-
Unrecognized net transition obligation/(asset)	(499)	(1,585)	4,041	8,809
Accrued benefit cost	(20,996)	(22,006)	(4,956)	(6,334)
Additional minimum liability	(31,112)	(20,081)	-	-
Accrued benefit liability	<u>\$ (52,108)</u>	<u>\$ (42,087)</u>	<u>\$ (4,956)</u>	<u>\$ (6,334)</u>
Accumulated pension benefit obligation	<u>\$238,687</u>	<u>\$210,049</u>	-	-
Accumulated postretirement benefit obligation:				
For retirees			\$18,914	\$26,073
For fully eligible employees			\$5,672	\$5,427
For other participants			\$7,282	\$7,685
Weighted-average asset allocations as of December 31				
Equity securities	63%	64%	64%	59%
Debt securities	26%	25%	36%	41%
Real estate	5%	5%	-	-
Other	6%	6%	-	-
Target asset allocations as of December 31				
Equity securities	54-68%	54-68%	52-72%	-
Debt securities	22-28%	22-28%	28-48%	-
Real estate	3-7%	3-7%	-	-
Other	5-13%	5-13%	-	-
Weighted Average Assumptions as of December 31				
Discount rate for benefit obligation	5.75%	6.25%	5.75%	6.25%
Discount rate for annual expense	6.25%	6.75%	6.25%	6.75%
Expected long-term return on plan assets	8.00%	8.00%	8.00%	8.00%
Rate of compensation increase (1)	4.84%	5.00%		
Medical cost trend pre-age 65 – initial			9.00%	8.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2009	2007
Medical cost trend post-age 65 – initial			9.00%	9.00%
Medical cost trend post-age 65 – ultimate			6.00%	6.00%
Ultimate medical cost trend year post-age 65			2008	2007

(1) In 2004, changed to an age-based scale ranging from 2.50 percent to 8.00 percent.

	2004	2003	2002	2004	2003	2002
Components of net periodic benefit cost:						
Service cost	\$ 8,914	\$ 7,806	\$ 6,734	\$ 480	\$ 482	\$ 304
Interest cost	16,406	15,705	15,119	2,019	2,477	2,184
Expected return on plan assets	(13,436)	(10,862)	(12,311)	(1,106)	(842)	(1,064)
Transition (asset)/obligation recognition	(1,086)	(1,086)	(1,086)	505	979	1,256
Amortization of prior service cost	654	653	831	-	-	-
Net loss recognition	<u>3,447</u>	<u>3,896</u>	<u>1,021</u>	<u>245</u>	<u>405</u>	<u>-</u>
Net periodic benefit cost	<u>\$14,899</u>	<u>\$16,112</u>	<u>\$10,308</u>	<u>\$2,143</u>	<u>\$3,501</u>	<u>\$2,680</u>

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2004 by \$2.3 million and the service and interest cost by \$0.2 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as

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of December 31, 2004 by \$2.0 million and the service and interest cost by \$0.2 million.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (2003 Medicare Act) was signed into law. The 2003 Medicare Act expanded Medicare to include, for the first time, coverage for prescription drugs. In May 2004, the FASB issued Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." The Company implemented the 2003 Medicare Act and the related FASB Staff Position in 2004, which reduced the accumulated benefit obligation by \$2.7 million as of December 31, 2004 and the 2004 postretirement benefit expense by less than \$0.1 million.

The Company has a salary deferral 401(k) plan (Employee Investment Plan) that is a defined contribution plan and covers substantially all employees. Employees can make contributions to their respective accounts in the Employee Investment Plan on a pre-tax basis up to the maximum amount permitted by law. The Company matches a portion of the salary deferred by each participant according to the schedule in the Employee Investment Plan. Employer matching contributions of \$3.9 million, \$3.6 million and \$3.4 million were expensed in 2004, 2003 and 2002, respectively.

The Company has an Executive Deferral Plan. This plan allows executive officers and other key employees the opportunity to defer until the earlier of their retirement, termination, disability or death, up to 75 percent of their base salary and/or up to 100 percent of their incentive cash payments. Deferred compensation funds are held by the Company in a Rabbi Trust. As of December 31, 2004 and 2003, there were deferred compensation assets of \$11.5 million included in other special funds and corresponding deferred compensation liabilities of \$11.5 million included in other deferred credits on the Balance Sheets.

NOTE 8. ACCOUNTING FOR INCOME TAXES

As of December 31, 2004 and 2003, the Company had net regulatory assets of \$123.2 million and \$131.8 million, respectively, related to the probable recovery of certain deferred tax liabilities from customers through future rates.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and tax credit carryforwards.

The realization of deferred tax assets is dependent upon the ability to generate taxable income in future periods. The Company evaluated available evidence supporting the realization of its deferred tax assets and determined it is more likely than not that deferred tax assets will be realized.

NOTE 9. ENERGY PURCHASE CONTRACTS

Avista Corp. has contracts related to the purchase of fuel for thermal generation, natural gas and hydroelectric power. The termination dates of the contracts range from one month to the year 2044. Avista Corp. also has various agreements for the purchase, sale or exchange of electric energy with other utilities, cogenerators, small power producers and government agencies. Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs, which are included in operation expenses in the Statements of Income, were \$482.2 million, \$464.1 million and \$382.4 million in 2004, 2003 and 2002, respectively.

The following table details Avista Corp.'s future contractual commitments for power resources (including transmission contracts) and natural gas resources (including transportation contracts) (dollars in thousands):

	2005	2006	2007	2008	2009	Thereafter	Total
Power resources	\$142,656	\$92,507	\$95,523	\$95,981	\$96,542	\$353,128	\$876,337
Natural gas resources	<u>127,108</u>	<u>50,073</u>	<u>55,457</u>	<u>45,173</u>	<u>39,808</u>	<u>396,403</u>	<u>714,022</u>
Total	<u>\$269,764</u>	<u>\$142,580</u>	<u>\$150,980</u>	<u>\$141,154</u>	<u>\$136,350</u>	<u>\$749,531</u>	<u>\$1,590,359</u>

All of the energy purchase contracts were entered into as part of Avista Corp.'s obligation to serve its retail natural gas and electric customers' energy requirements. As a result, these costs are generally recovered either through base retail rates or adjustments to retail rates as part of the power and natural gas cost deferral and recovery mechanisms.

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In addition, Avista Corp. has operational agreements, settlements and other contractual obligations with respect to its generation, transmission and distribution facilities. The expenses associated with these agreements are reflected as operation expenses and maintenance expenses in the Statements of Income. The following table details future contractual commitments with respect to these agreements (dollars in thousands):

	2005	2006	2007	2008	2009	Thereafter	Total
Contractual obligations	\$14,516	\$14,516	\$14,516	\$14,516	\$14,516	\$176,789	\$249,369

Avista Corp. has fixed contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although Avista Corp. has no investment in the PUD generating facilities, the fixed contracts obligate Avista Corp. to pay certain minimum amounts (based in part on the debt service requirements of the PUD) whether or not the facility is operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in operation expenses in the Statements of Income. Expenses under these PUD contracts were \$7.3 million, \$8.5 million and \$7.8 million in 2004, 2003 and 2002, respectively. Information as of December 31, 2004, pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	Expira- tion Date
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	\$1,848	\$990	\$ 2,952	2011
Douglas County PUD:						
Wells Project	3.5	30,000	1,079	528	5,015	2018
Grant County PUD:						
Priest Rapids Project	6.1	55,000	1,868	795	10,961	2040
Wanapum Project	8.2	<u>75,000</u>	<u>2,522</u>	<u>1,056</u>	<u>14,888</u>	2040
Totals		<u>197,000</u>	<u>\$7,317</u>	<u>\$3,369</u>	<u>\$33,816</u>	

(1) The annual costs will change in proportion to the percentage of output allocated to Avista Corp. in a particular year. Amounts represent the operating costs for the year 2004. Debt service costs are included in annual costs.

The estimated aggregate amounts of required minimum payments (Avista Corp.'s share of existing debt service costs) under these PUD contracts are as follows (dollars in thousands):

	2005	2006	2007	2008	2009	Thereafter	Total
Minimum payments	\$3,636	\$2,957	\$3,255	\$3,115	\$3,230	\$20,472	\$36,665

In addition, Avista Corp. will be required to pay its proportionate share of the variable operating expenses of these projects.

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NOTE 10. BONDS AND OTHER LONG-TERM DEBT

The following details the interest rate and maturity dates of bonds and other long-term debt outstanding as of December 31 (dollars in thousands):

Maturity Year	Description	Interest Rate	2004	2003
2005	Secured Medium-Term Notes	6.39%-6.68%	\$ 29,500	\$ 29,500
2006	Secured Medium-Term Notes	7.89%-7.90%	30,000	30,000
2007	First Mortgage Bonds	7.75%	150,000	150,000
2007	Secured Medium-Term Notes (1)	5.99%	13,850	-
2008	Secured Medium-Term Notes (1)	6.06%-6.95%	45,000	20,000
2010	Secured Medium-Term Notes (1)	6.67%-8.02%	35,000	10,000
2012	Secured Medium-Term Notes	7.37%	7,000	7,000
2013	First Mortgage Bonds	6.13%	45,000	45,000
2018	Secured Medium-Term Notes	7.26%-7.45%	27,500	27,500
2019	First Mortgage Bonds (2)	5.45%	90,000	-
2023	Secured Medium-Term Notes	7.18%-7.54%	24,500	24,500
2028	Secured Medium-Term Notes (1)	6.37%	25,000	-
2032	Pollution Control Bonds (1)	5.00%	66,700	-
2034	Pollution Control Bonds (1)	5.13%	17,000	-
	Total secured debt		<u>606,050</u>	<u>343,500</u>
2004	Unsecured Medium-Term Notes	7.42%	-	28,500
2006	Unsecured Medium-Term Notes	8.14%	8,000	8,000
2007	Unsecured Medium-Term Notes (1)	5.99%-7.94%	12,000	25,850
2008	Unsecured Senior Notes	9.75%	280,827	317,683
2008	Unsecured Medium-Term Notes (1)	6.06%	-	25,000
2010	Unsecured Medium-Term Notes (1)	8.02%	-	25,000
2022	Unsecured Medium-Term Notes	8.15%	5,000	5,000
2023	Unsecured Medium-Term Notes	7.99%	5,000	5,000
2023	Pollution Control Bonds	6.00%	4,100	4,100
2028	Unsecured Medium-Term Notes (1)	6.37%	-	25,000
2032	Pollution Control Bonds (1)	5.00%	-	66,700
2034	Pollution Control Bonds (1)	5.13%	-	17,000
	Total unsecured debt		<u>314,927</u>	<u>552,833</u>
	Committed line of credit		<u>68,000</u>	<u>80,000</u>
	Preferred stock		<u>29,750</u>	<u>31,500</u>
	Total bonds and other long-term debt		<u>\$1,018,727</u>	<u>\$1,007,833</u>

- (1) In December 2004, the Company issued \$172.6 million of non-transferable First Mortgage Bonds (Collateral Bonds) under its Mortgage and Deed of Trust, dated as of June 1, 1939, as amended and supplemented (Mortgage), in order to provide the benefit of the lien of the Mortgage to secure its obligations with respect to previously issued and outstanding unsecured debt securities, including \$88.9 million of its Medium Term Notes, Series C and the municipal bond insurance policies insuring \$83.7 million of Pollution Control Revenue Bonds issued for the benefit of the Company by the City of Forsyth, Montana. The Collateral Bonds were issued in order to suspend certain negative covenants, which had limited the Company's ability to issue additional secured debt.
- (2) In November 2004, the Company issued \$90.0 million of 5.45 percent First Mortgage Bonds due in 2019. The Company used the proceeds to repay a portion of the borrowings outstanding under its committed line of credit.

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The following table details future long-term debt maturities, not including the committed line of credit or preferred stock (dollars in thousands):

Year	2005	2006	2007	2008	2009	Thereafter	Total
Debt maturities	\$29,500	\$38,000	\$175,850	\$325,827	\$ -	\$351,800	\$920,977

In September 1999, \$83.7 million of Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project), Series 1999A due 2032 and Series 1999B due 2034 were issued by the City of Forsyth, Montana. The proceeds of the bonds were utilized to refund the \$66.7 million of 7.13 percent First Mortgage Bonds due 2013 and the \$17.0 million of 7.40 percent First Mortgage Bonds due 2016. The Series 1999A and Series 1999B Bonds are backed by an insurance policy issued by AMBAC Assurance Corporation. In January 2002, the interest rate on the bonds was fixed for a period of seven years at a rate of 5.00 percent for Series 1999A and 5.13 percent for Series 1999B. As described above, in December 2004, the Company secured these obligations through the issuance of First Mortgage Bonds.

During 2004, the Company repurchased \$36.6 million of 9.75 percent Senior Notes scheduled to mature in 2008. In accordance with regulatory accounting practices, the total net premium on the repurchase of debt of \$6.7 million will be amortized over the average remaining maturity of outstanding debt.

In January and February 2005, the Company repurchased the following debt securities: \$5.0 million of Secured Medium-Term Notes scheduled to mature in 2018; \$11.0 million of Secured Medium-Term Notes scheduled to mature in 2023; \$5.0 million Unsecured Medium-Term Notes scheduled to mature in 2022; and \$5.0 million of Unsecured Medium-Term Notes scheduled to mature in 2023.

In April 2004, the Company filed an amended registration statement on Form S-3 with the Securities and Exchange Commission, which would allow for the issuance of up to \$349.6 million of securities (either debt or common stock). This filing amended and combined three previous registration statements filed by the Company. As of December 31, 2004, the Company had remaining availability of \$259.6 million under this registration statement.

Substantially all utility properties owned by the Company are subject to the lien of the Company's various mortgage indentures. The Mortgage and Deed of Trust securing the Company's First Mortgage Bonds (including Secured Medium-Term Notes) contains limitations on the amount of First Mortgage Bonds, which may be issued based on, among other things, a 70 percent debt-to-collateral ratio, and/or retired First Mortgage Bonds, and a 2 to 1 net earnings to First Mortgage Bond interest ratio. As of December 31, 2004, the Company could issue \$400.0 million of additional First Mortgage Bonds under the Mortgage and Deed of Trust. See Note 12 for information regarding First Mortgage Bonds issued to secure the Company's obligations under a \$350.0 million committed line of credit.

NOTE 11. ADVANCES FROM ASSOCIATED COMPANIES

In April 2004, the Company issued Junior Subordinated Debt Securities, with a principal amount of \$61.9 million to AVA Capital Trust III, an affiliated business trust formed by the Company. Concurrently, AVA Capital Trust III issued \$60.0 million of Preferred Trust Securities to third parties and \$1.9 million of Common Trust Securities to the Company. All of these securities have a fixed interest rate of 6.50 percent for five years (through March 31, 2009). Subsequent to the initial five-year fixed rate period, the securities will either have a new fixed rate or an adjustable rate. These debt securities may be redeemed by the Company on or after March 31, 2009 and will mature on April 1, 2034.

The Company used the proceeds from the Junior Subordinated Debt Securities to redeem \$61.9 million of 7.875 percent Junior Subordinated Deferrable Interest Debentures, Series A, originally issued in 1997 to Avista Capital I, an affiliated business trust formed by the Company. Avista Capital I used these proceeds to redeem \$60.0 million of Preferred Trust Securities issued to third parties and \$1.9 million of Common Trust Securities issued to the Company.

In 1997, the Company issued Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of \$51.5 million to Avista Capital II, an affiliated business trust formed by the Company. Avista Capital II issued \$50.0 million of Preferred Trust Securities with a floating distribution rate of LIBOR plus 0.875 percent, calculated and reset quarterly. The annual distribution rate paid during 2004 ranged from 1.995 percent to 3.275 percent. As of December 31, 2004, the annual distribution rate

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was 3.275 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued \$1.5 million of Common Trust Securities to the Company. These debt securities may be redeemed at the option of Avista Capital II on or after June 1, 2007 and mature on June 1, 2037; however, this is limited by an agreement under the Company's 9.75 percent Senior Notes that mature in 2008. In December 2000, the Company purchased \$10.0 million of these Preferred Trust Securities.

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount with respect to, the Preferred Trust Securities to the extent that AVA Capital Trust III and Avista Capital II have funds available for such payments from the respective debt securities. Upon maturity or prior redemption of such debt securities, the Preferred Trust Securities will be mandatorily redeemed. As discussed in Note 2, FIN 46 results in the Company no longer including these capital trusts in its financial statements as of December 31, 2003 and thereafter.

NOTE 12. COMMITTED LINE OF CREDIT

On December 17, 2004, the Company entered into a five-year committed line of credit with various banks in the amount of \$350.0 million with an expiration date of December 16, 2009. This committed line of credit replaced a \$350.0 million committed line of credit with a 364-day term that had an expiration date of May 5, 2005. The Company can request the issuance of up to \$150.0 million in letters of credit under the committed line of credit. As of December 31, 2004 and 2003, there were \$32.8 million and \$10.7 million in letters of credit outstanding, respectively. The committed line of credit is secured by \$350.0 million of non-transferable First Mortgage Bonds of the Company issued to the agent bank. Such First Mortgage Bonds would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the committed line of credit.

The committed line of credit agreement contains customary covenants and default provisions, including covenants not to permit the ratio of "consolidated total debt" to "consolidated total capitalization" of Avista Corp. to be greater than 70 percent at the end of any fiscal quarter. As of December 31, 2004, the Company was in compliance with this covenant with a ratio of 59.9 percent. The committed line of credit also has a covenant requiring the ratio of "earnings before interest, taxes, depreciation and amortization" to "interest expense" of Avista Corp. for the twelve-month period ending December 31, 2004 to be greater than 1.6 to 1. As of December 31, 2004, the Company was in compliance with this covenant with a ratio of 2.27 to 1.

Balances and interest rates of bank borrowings under the Company's revolving committed lines of credit were as follows as of and for the years ended December 31 (dollars in thousands):

	2004	2003	2002
Balance outstanding at end of period	\$68,000	\$80,000	\$30,000
Maximum balance outstanding during the period	170,000	85,000	90,000
Average balance outstanding during the period	54,858	26,034	47,027
Average interest rate during the period	3.14%	2.99%	3.59%
Average interest rate at end of period	3.52	3.70	3.39

NOTE 13. INTEREST RATE SWAP AGREEMENTS

In July, August and December 2004, Avista Corp. entered into three forward-starting interest rate swap agreements, totaling \$200.0 million, to manage the risk that changes in interest rates may affect the amount of future interest payments. These interest rate swap agreements relate to the anticipated issuances of debt to fund debt that matures in 2007 and 2008. Under the terms of these agreements, the value of the interest rate swaps are determined based upon Avista Corp. paying a fixed rate and receiving a variable rate based on LIBOR for a term of seven years beginning in 2007 and a term of ten years beginning in 2008. The interest rate swap agreements provide for mandatory cash settlement of these contracts in 2008 and 2009. These interest rate swap agreements are considered hedges against fluctuations in future cash flows associated with changes in interest rates in accordance with SFAS No. 133. As of December 31, 2004, Avista Corp. had a derivative liability of \$6.5 million. An unrealized loss of \$4.2 million (net of taxes of \$2.3 million) was recorded in other comprehensive loss for 2004, which is reflected as component of accumulated other comprehensive loss on the Balance Sheets. The Company may request regulatory accounting orders to defer the impact of unrealized gains and losses. If such accounting orders were obtained, the Company would record a regulatory asset or liability, which would eliminate the effect of any unrealized gains and losses on these interest rate swap agreements in other comprehensive income (loss). If regulatory accounting orders are not obtained prior to the mandatory cash settlements in 2008 and 2009, the amount included in

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accumulated other comprehensive income or loss at the cash settlement date will be reclassified to unamortized debt expense in accordance with regulatory accounting practices under SFAS No. 71. This gain or loss will be amortized over the remaining life of the forecasted debt issued.

NOTE 14. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to forty-five years. The Company's most significant leased asset is the corporate office building. Certain lease arrangements require the Company, upon the occurrence of specified events, to purchase the leased assets. The Company's management believes the likelihood of the occurrence of the specified events under which the Company could be required to purchase the leased assets is remote. Rental expense under operating leases for 2004, 2003 and 2002 was \$12.0 million, \$13.4 million and \$18.4 million, respectively.

Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2004 were as follows (dollars in thousands):

Year ending December 31:	2005	2006	2007	2008	2009	Thereafter	Total
Minimum payments required	\$8,575	\$8,234	\$7,830	\$7,867	\$7,906	\$53,124	\$93,536

The payments under capital leases are \$1.1 million in each of 2005 and 2006, \$1.0 million in each of 2007 and 2008, and \$0.1 million in 2009.

Equipment under capital leases totaled \$5.3 million and \$3.9 million as of December 31, 2004 and 2003, respectively. The associated accumulated depreciation totaled \$0.5 million and \$0.2 million as of December 31, 2004 and 2003, respectively.

NOTE 15. GUARANTEES

The Company has guaranteed the payment of distributions on, and redemption price and liquidation amount with respect to, the Preferred Trust Securities issued by its affiliates, AVA Capital Trust III and Avista Capital II, to the extent that these entities have funds available for such payments from the respective debt securities.

Avista Power, LLC (Avista Power), a subsidiary of Avista Capital, through its equity investment in Rathdrum Power LLC, is a 49 percent owner of the Lancaster Project, which commenced commercial operation in September 2001. Commencing with commercial operations, all of the output from the Lancaster Project is contracted to Avista Energy, a subsidiary of Avista Capital, through 2026 under a power purchase agreement. Avista Corp. has guaranteed the power purchase agreement with respect to the performance of Avista Energy.

NOTE 16. PREFERRED STOCK-CUMULATIVE (SUBJECT TO MANDATORY REDEMPTION)

In September 2004, the Company made a mandatory redemption of 17,500 shares of preferred stock for \$1.75 million. In March 2003, the Company repurchased 17,500 shares of preferred stock for \$1.6 million, satisfying its redemption requirement for 2003. In September 2002, the Company made a mandatory redemption of 17,500 shares of preferred stock for \$1.75 million. On September 15, 2005 and 2006, the Company must redeem 17,500 shares at \$100 per share plus accumulated dividends through a mandatory sinking fund. As such, redemption requirements are \$1.75 million in each of the years 2005 and 2006. The remaining shares must be redeemed on September 15, 2007. The Company has the right to redeem an additional 17,500 shares on each September 15 redemption date; however, this right is limited by an agreement under the Company's 9.75 percent Senior Notes that mature in 2008. Upon involuntary liquidation, all preferred stock will be entitled to \$100 per share plus accrued dividends.

As discussed in Note 2, the Company adopted SFAS No. 150 effective July 1, 2003. The adoption of this statement requires the Company to classify preferred stock subject to mandatory redemption as liabilities and preferred stock dividends as interest expense. The restatement of prior periods was not permitted.

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NOTE 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, special deposits, working funds, temporary cash investments, accounts and notes receivable, accounts payable, capital leases and the committed line of credit are reasonable estimates of their fair values. Derivative assets and liabilities are reported at estimated fair value on the Balance Sheets.

The fair value of the Company's secured and unsecured debt as of December 31, 2004 and 2003 was estimated to be \$998.7 million, or 108 percent of the carrying value of \$921.0 million, and \$1,012.7 million, or 112 percent of the carrying value of \$896.3 million, respectively. The fair value of the Company's mandatorily redeemable preferred stock as of December 31, 2004 and 2003 was estimated to be \$32.0 million, or 107 percent of the carrying value of \$29.8 million, and \$29.9 million, or 95 percent of the carrying value of \$31.5 million, respectively. The fair value of the Company's long-term debt to affiliated trusts (included in advances to associated companies) as of December 31, 2004 and 2003 was estimated to be \$108.3 million, or 98 percent of the carrying value of \$110.0 million, and \$99.5 million, or 90 percent of the carrying value of \$110.0 million, respectively. The carrying value as of December 31, 2004 and 2003 does not include \$3.4 million of debt that is considered common equity by the affiliated trusts. These estimates were primarily based on available market information.

NOTE 18. COMMON STOCK

In April 1990, the Company sold 1,000,000 shares of its common stock to the Trustee of the Investment and Employee Stock Ownership Plan for Employees of the Company (Plan) for the benefit of the participants and beneficiaries of the Plan. In payment for the shares of common stock, the Trustee issued a promissory note payable to the Company in the amount of \$14.1 million. Dividends paid on the stock held by the Trustee, plus Company contributions to the Plan, if any, are used by the Trustee to make interest and principal payments on the promissory note. The balance of the promissory note receivable from the Trustee was \$0.5 million as of December 31, 2004. The shares of common stock are allocated to the accounts of participants in the Plan as the note is repaid. During 2004, 2003 and 2002, the cost recorded for the Plan was \$6.2 million, \$6.9 million and \$6.0 million, respectively. Interest on the note payable to the Company, cash and stock contributions to the Plan and dividends on the shares held by the Trustee was \$0.2 million, \$1.7 million and less than \$0.1 million, respectively during 2004. Interest on the note payable to the Company, cash and stock contributions to the Plan and dividends on the shares held by the Trustee was \$0.3 million, \$1.7 million and \$0.1 million, respectively during 2003. Interest on the note payable to the Company, cash and stock contributions to the Plan and dividends on the shares held by the Trustee was \$0.5 million, \$1.6 million and \$0.1 million, respectively during 2002.

In November 1999, the Company adopted a shareholder rights plan pursuant to which holders of common stock outstanding on February 15, 1999, or issued thereafter, were granted one preferred share purchase right (Right) on each outstanding share of common stock. Each Right, initially evidenced by and traded with the shares of common stock, entitles the registered holder to purchase one one-hundredth of a share of preferred stock of the Company, without par value, at a purchase price of \$70, subject to certain adjustments, regulatory approval and other specified conditions. The Rights will be exercisable only if a person or group acquires 10 percent or more of the outstanding shares of common stock or commences a tender or exchange offer, the consummation of which would result in the beneficial ownership by a person or group of 10 percent or more of the outstanding shares of common stock. Upon any such acquisition, each Right will entitle its holder to purchase, at the purchase price, that number of shares of common stock or preferred stock of the Company (or, in the case of a merger of the Company into another person or group, common stock of the acquiring person or group) that has a market value at that time equal to twice the purchase price. In no event will the Rights be exercisable by a person that has acquired 10 percent or more of the Company's common stock. The Rights may be redeemed, at a redemption price of \$0.01 per Right, by the Board of Directors of the Company at any time until any person or group has acquired 10 percent or more of the common stock. The Rights expire on March 31, 2009. This plan replaced a similar shareholder rights plan that expired in February 2000.

The Company has a Dividend Reinvestment and Stock Purchase Plan under which the Company's shareholders may automatically reinvest their dividends and make optional cash payments for the purchase of the Company's common stock at current market value.

From March 2000 through May 2003, the Company issued shares of its common stock to the Employee Investment Plan rather than having the Plan purchase shares of common stock on the open market. In the fourth quarter of 2000, the Company also began issuing new shares of common stock for the Dividend Reinvestment and Stock Purchase Plan.

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The payment of dividends on common stock is restricted by provisions of certain covenants applicable to preferred stock and long-term debt contained in the Company's Articles of Incorporation and various mortgage indentures. Covenants under the Company's 9.75 percent Senior Notes that mature in 2008 limit the Company's ability to increase its common stock cash dividend to no more than 5 percent over the previous quarter.

NOTE 19. EARNINGS PER COMMON SHARE

The following table presents the computation of basic and diluted earnings per common share for the years ended December 31 (in thousands, except per share amounts):

	2004	2003	2002
Numerator:			
Income from continuing operations	\$35,614	\$50,643	\$42,174
Loss from discontinued operations	-	(4,949)	(6,719)
Net income before cumulative effect of accounting change	35,614	45,694	35,455
Cumulative effect of accounting change	(460)	(1,190)	(4,148)
Net income	35,154	44,504	31,307
Deduct: Preferred stock dividend requirements	-	1,125	2,402
Income available for common stock	<u>\$35,154</u>	<u>\$43,379</u>	<u>\$28,905</u>
Denominator:			
Weighted-average number of common shares outstanding-basic	48,400	48,232	47,823
Effect of dilutive securities:			
Restricted stock	-	-	2
Contingent stock	209	244	-
Stock options	277	154	49
Weighted-average number of common shares outstanding-diluted	<u>48,886</u>	<u>48,630</u>	<u>47,874</u>
Earnings per common share, basic:			
Earnings per common share from continuing operations	\$0.74	\$1.03	\$0.83
Loss per common share from discontinued operations	-	(0.10)	(0.14)
Earnings per common share before cumulative effect of accounting change	0.74	0.93	0.69
Loss per common share from cumulative effect of accounting change	(0.01)	(0.03)	(0.09)
Total earnings per common share, basic	<u>\$0.73</u>	<u>\$0.90</u>	<u>\$0.60</u>
Earnings per common share, diluted:			
Earnings per common share from continuing operations	\$0.73	\$1.02	\$0.83
Loss per common share from discontinued operations	-	(0.10)	(0.14)
Earnings per common share before cumulative effect of accounting change	0.73	0.92	0.69
Loss per common share from cumulative effect of accounting change	(0.01)	(0.03)	(0.09)
Total earnings per common share, diluted	<u>\$0.72</u>	<u>\$0.89</u>	<u>\$0.60</u>

Total stock options outstanding that were not included in the calculation of diluted earnings per common share were 730,100, 1,306,200 and 1,445,890 for 2004, 2003 and 2002, respectively. These stock options were excluded from the calculation because they were antidilutive based on the fact that the exercise price of the stock options was higher than the average market price of Avista Corp. common stock during the respective period.

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NOTE 20. STOCK COMPENSATION PLANS

In 1998, the Company adopted and shareholders approved an incentive compensation plan, the Long-Term Incentive Plan (1998 Plan). Under the 1998 Plan, certain key employees, directors and officers of the Company and its subsidiaries may be granted stock options, stock appreciation rights, stock awards (including restricted stock) and other stock-based awards and dividend equivalent rights. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 1998 Plan. Beginning in 2000, non-employee directors began receiving options under this plan. The Company is requesting shareholder approval of an additional 1.0 million shares under the 1998 Plan at the May 2005 Annual Meeting of Shareholders.

In 2000, the Company adopted a Non-Officer Employee Long-Term Incentive Plan (2000 Plan), which was not required to be approved by shareholders. The provisions of the 2000 Plan are essentially the same as those under the 1998 Plan, except for the exclusion of directors and executive officers of the Company. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 2000 Plan.

The Board of Directors has determined that it is no longer in the Company's best interest to issue stock options under the 1998 Plan and the 2000 Plan. Other forms of compensation are in place including the issuance of performance shares to certain officers and other key employees.

The Company has accounted for stock based compensation using APB No. 25, which requires the recognition of compensation expense on the excess, if any, of the market price of the stock at the date of grant over the exercise price of the option. As the exercise price for options granted under the 1998 Plan and the 2000 Plan was equal to the market price at the date of grant, there was no compensation expense recorded by the Company. Currently, SFAS No. 123 requires the disclosure of pro forma net income and earnings per common share had the Company adopted the fair value method of accounting for stock options. Under this statement, the fair value of stock-based awards is calculated with option pricing models. These models require the use of subjective assumptions, including stock price volatility, dividend yield, risk-free interest rate and expected time to exercise. The fair value of options is estimated on the date of grant using the Black-Scholes option-pricing model. See Note 1 for disclosure of pro forma net income and earnings per common share. In December 2004, the FASB issued SFAS No. 123R, which supersedes APB No. 25 and its related implementation guidance. The statement requires that the compensation cost relating to share-based payment transactions be recognized in financial statements based on the fair value of the equity or liability instruments issued effective beginning in the third quarter of 2005. See Note 2 for further information.

In 2004, the Company granted 152,700 performance shares, all of which are still outstanding as of December 31, 2004, to certain officers and other key employees under the 1998 Plan and the 2000 Plan. In 2003, the Company granted 162,600 performance shares (153,914 outstanding as of December 31, 2004) to certain officers and other key employees under the 1998 Plan and the 2000 Plan. The performance shares will be payable at the Company's option in either cash or common stock three years from the date of grant. The amount of cash paid or common stock issued will range from 0 to 150 percent of the performance shares granted depending on the change in the value of the Company's common stock relative to an external benchmark.

Shares of common stock issued from the exercise of stock options under the 1998 Plan and the 2000 Plan are acquired on the open market. As of December 31, 2004, there were 1.9 million shares available for future stock grants under the 1998 Plan and the 2000 Plan.

The following summarizes stock options activity under the 1998 Plan and the 2000 Plan for the years ended December 31:

	2004	2003	2002
Number of shares under stock options:			
Options outstanding at beginning of year	2,481,886	2,684,350	2,440,475
Options granted	-	24,000	569,800
Options exercised	(99,138)	(37,439)	-
Options canceled	(50,550)	(189,025)	(325,925)
Options outstanding at end of year	<u>2,332,198</u>	<u>2,481,886</u>	<u>2,684,350</u>
Options exercisable at end of year	<u>1,896,648</u>	<u>1,614,455</u>	<u>1,192,775</u>

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	2004	2003	2002
Weighted average exercise price:			
Options granted	\$ -	\$12.41	\$10.51
Options exercised	\$13.79	\$11.43	\$ -
Options canceled	\$18.46	\$17.78	\$19.88
Options outstanding at end of year	\$15.58	\$15.57	\$15.69
Options exercisable at end of year	\$16.62	\$17.18	\$18.28
Weighted average fair value of options granted during the year	\$ -	\$ 4.30	\$ 3.43
Principal assumptions used in applying the Black-Scholes model:			
Risk-free interest rate	-	3.17%	3.25%-4.96%
Expected life, in years	-	7	7
Expected volatility	-	37.10%	47.13%
Expected dividend yield	-	3.87%	4.61%

Information with respect to options outstanding and options exercisable as of December 31, 2004 was as follows:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number of Shares	Weighted Average Exercise Price
\$10.17-\$11.68	494,623	\$10.26	7.2	238,073	\$10.26
\$11.69-\$14.61	616,875	11.82	6.2	450,625	11.82
\$14.62-\$17.53	490,600	17.15	4.2	478,100	17.15
\$17.54-\$20.45	271,100	18.73	3.2	270,850	18.73
\$20.46-\$23.38	432,800	22.56	5.0	432,800	22.56
\$26.30-\$28.47	26,200	27.39	5.1	26,200	27.39
Total	<u>2,332,198</u>	\$15.58	5.2	<u>1,896,648</u>	\$16.62

Non-Employee Director Stock Plan

In 1996, the Company adopted and shareholders approved the Non-Employee Director Stock Plan (1996 Director Plan). Under the 1996 Director Plan, directors who are not employees of the Company receive two-thirds of their annual retainer in Avista Corp. common stock. The common stock is acquired on the open market. The Company has available a maximum of 150,000 shares of its common stock under the 1996 Director Plan and there were 65,553 shares available for future compensation to non-employee directors as of December 31, 2004. In February 2005, the Board of Directors elected to terminate the 1996 Director Plan. With the termination of the 1996 Director Plan, directors may elect each year to receive their annual retainer in cash, in common stock, or in a combination of both cash and common stock.

NOTE 21. COMMITMENTS AND CONTINGENCIES

In the course of its business the Company becomes involved in various claims, controversies, disputes and other contingent matters, including the items described in this Note. Some of these claims, controversies, disputes and other contingent matters involve litigation or other contested proceedings. With respect to these proceedings, the Company intends to vigorously protect and defend its interests and pursue its rights. However, no assurance can be given as to the ultimate outcome of any particular matter. In addition to issues specifically identified in this Note and with respect to matters that affect the regulated utility operations, the Company intends to seek, to the extent appropriate, regulatory approval of recovery of incurred costs through the ratemaking process.

Federal Energy Regulatory Commission Inquiry

On April 19, 2004, the FERC issued an order approving the contested Agreement in Resolution of Section 206 Proceeding (Agreement in Resolution) reached by Avista Corp., Avista Energy and the FERC's Trial Staff with respect to an investigation into the activities of

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Avista Corp. and Avista Energy in western energy markets during 2000 and 2001. In the Agreement in Resolution, the FERC Trial Staff stated that its investigation found: (1) no evidence that any executives or employees of Avista Corp. or Avista Energy knowingly engaged in or facilitated any improper trading strategy; (2) no evidence that Avista Corp. or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; and (3) that Avista Corp. and Avista Energy did not withhold relevant information from the FERC's inquiry into the western energy markets for 2000 and 2001. As part of the Agreement in Resolution, Avista Corp. agreed to improve its system of taping energy trading conversations and its account settlement process. Avista Corp. and Avista Energy agreed to maintain an annual training program on the applicable FERC Code of Conduct for all employees engaged in the trading of electric energy and capacity. The Agreement in Resolution provides no remedial measures against Avista Corp. or Avista Energy and imposes no monetary remedies or penalties, and does not relinquish or modify Avista Energy's or Avista Corp.'s market-based rate authority. On May 19, 2004, the City of Tacoma and California Parties (the Office of the Attorney General, the California Public Utilities Commission (CPUC), and the California Electricity Oversight Board, filing jointly) filed requests for rehearing with respect to the FERC's April 19, 2004 order. On September 28, 2004, the State of Montana filed a motion to intervene in these proceedings citing evidence of alleged market manipulation by Avista Corp. and Avista Energy. The FERC's rulings on the rehearing requests and the State of Montana's motion to intervene are still pending. Based on the FERC's order approving the Agreement in Resolution, the Company does not expect that this proceeding will have any material effect on its financial condition, results of operations or cash flows.

Class Action Securities Litigation

On September 27, 2002, Ronald R. Wambolt filed a class action lawsuit in the United States District Court for the Eastern District of Washington against Avista Corp., Thomas M. Matthews, the former Chairman of the Board, President and Chief Executive Officer of the Company, Gary G. Ely, the current Chairman of the Board, President and Chief Executive Officer of the Company, and Jon E. Eliassen, the former Senior Vice President and Chief Financial Officer of the Company. In October and November 2002, Gail West, Michael Atlas and Peter Arnone filed similar class action lawsuits in the same court against the same parties. On February 3, 2003, the court issued an order consolidating the complaints under the name "In re Avista Corp. Securities Litigation," and on February 7, 2003 appointed the lead plaintiff and co-lead counsel. On August 19, 2003, the plaintiffs filed their consolidated amended class action complaint in the same court against the same parties. In their complaint, the plaintiffs continue to assert violations of the federal securities laws in connection with alleged misstatements and omissions of material fact pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiffs allege that the Company did not have adequate risk management processes, procedures and controls. The plaintiffs further allege that the Company engaged in unlawful energy trading practices and allegedly manipulated western power markets. The plaintiffs assert that alleged misstatements and omissions regarding these matters were made in the Company's filings with the Securities and Exchange Commission and other information made publicly available by the Company, including press releases. The class action complaint asserts claims on behalf of all persons who purchased, converted, exchanged or otherwise acquired the Company's common stock during the period between November 23, 1999 and August 13, 2002. The Company filed a motion to dismiss this complaint in October 2003 and the plaintiffs filed an answer to this motion in January 2004. Arguments before the Court on the motion were held on March 19, 2004. On April 15, 2004, the Court called for additional briefing on what effect, if any, the FERC proceedings (see "Federal Energy Regulatory Commission Inquiry" above) have on this case.

On July 30, 2004, the Court denied the Company's motion to dismiss this complaint, holding, among other things, that the FERC proceedings may ultimately have some evidentiary value relevant to the disclosure issues raised in this case, but they do not preclude the resolution of those issues by the Court. In November 2004, the Company filed its answer to the complaint denying the plaintiffs' allegations. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

California Refund Proceeding

In July 2001, the FERC initiated a proceeding to determine if refunds should be owed and, if so, the amounts of such refunds for sales during the period from October 2, 2000 to June 20, 2001 in the California power market. The order provides that any refunds owed could be offset against unpaid energy debts due to the same party. Interested parties have contested pricing determinants and other matters since the proceeding started. The CalISO and the CalPX prepared revised values for the affected power transactions and they are preparing additional iterations of revised prices and terms as directed by the FERC. The results of these calculations are likely to be appealed to the FERC and federal courts. In March 2003, the FERC issued an order that addressed issues related to the California refund proceedings, setting forth proposed retroactive pricing standards. The CalISO has estimated that it will finalize the initial

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calculation of the respective receivable/payable balances by the end of the first quarter of 2005, unless a further extension is granted. Many of the numerous orders that FERC has issued in the California refund proceedings are now on appeal before the United States Court of Appeals for the Ninth Circuit. In March 2004, the Ninth Circuit consolidated most of these appeals. The now consolidated appeals remain in abeyance pursuant to an August 2002 Ninth Circuit order directing the FERC to allow parties to file additional evidence on market manipulation. Because the resolution of the California refund proceeding remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that the California refund proceeding will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Pacific Northwest Refund Proceeding

In July 2001, the FERC initiated a preliminary evidentiary hearing to develop a factual record as to whether prices for spot market sales in the Pacific Northwest between December 25, 2000 to June 20, 2001 were just and reasonable. During the hearing, Avista Corp. and Avista Energy vigorously opposed claims that Pacific Northwest markets were dysfunctional, that rates for spot market sales were unjust and unreasonable and that the imposition of refunds would be appropriate. In September 2001, the FERC's Administrative Law Judge presiding over the evidentiary hearing issued a decision favorable to the Company's position and recommended that the FERC not order refunds and instead dismiss the entire proceeding. In June 2003, the FERC terminated the Pacific Northwest refund proceedings, after finding that the equities do not justify the imposition of refunds. In November 2003, the FERC affirmed its order. Seven petitions for review, including one filed by Puget Sound Energy, Inc. (Puget), are now pending before the United States Court of Appeals for the Ninth Circuit. Opening briefs were filed on January 14, 2005. Puget's brief is directed to the procedural flaws in the underlying docket. Puget argues that because its complaint was withdrawn as a matter of law in July 2001, the FERC erred in relying on it to serve as the basis to initiate the preliminary investigation into whether refunds for individually negotiated bilateral transactions in the Pacific Northwest were appropriate. On February 14, 2005, intervening parties, including Avista Energy and Avista Utilities, filed in support of Puget. Briefing is expected to be completed in the first half of 2005. Because the resolution of the Pacific Northwest refund proceeding remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that the Pacific Northwest refund proceeding will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

California Attorney General Complaint

In March 2002, the Attorney General of the State of California (California AG) filed a complaint with the FERC against certain specific companies (not including Avista Corp. or its subsidiaries) and "all other public utility sellers" in California. The complaint alleges that sellers with market-based rates have violated their tariffs by not filing with the FERC transaction-specific information about all of their sales and purchases at market-based rates. As a result, the California AG contends that all past sales should be subject to refund if found to be above just and reasonable levels. In May 2002, the FERC issued an order denying the claim to issue refunds. In July 2002, the California AG requested a rehearing on the FERC order, which request was denied in September 2002. Subsequently, the California AG filed a Petition for Review of the FERC's decision with the United States Court of Appeals for the Ninth Circuit. In September 2004, the United States Court of Appeals for the Ninth Circuit upheld the FERC's market-based rate authority, but remanded the case back to the FERC in order to determine whether transactional reporting under this authority was adequate, and what remedies would be appropriate for those not in compliance. In October 2004, Avista Energy joined with others in seeking rehearing of the Court's decision to remand the case back to the FERC for further proceedings. The Ninth Circuit has yet to rule on the request for rehearing. Based on information currently known to the Company's management, the Company does not expect that this matter will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Port of Seattle Complaint

In May 2003, a complaint was originally filed by the Port of Seattle in the United States District Court for the Western District of Washington against numerous companies, including Avista Corp., Avista Energy and Avista Power (collectively the Avista defendants), seeking compensatory and treble damages for alleged violations of the Sherman Act and the Racketeer Influenced and Corrupt Organization Act by transmitting, via wire communications, false information intended to increase the price of power, knowing that others would rely upon such information. The complaint alleged that the defendants and others knowingly devised and

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attempted to devise a scheme to defraud and to obtain money and property from electricity customers throughout the Western Electricity Coordinating Council (WECC), by means of false and fraudulent pretenses, representations and promises. The alleged purpose of the scheme was to artificially increase the price that the defendants received for their electricity and ancillary services, to receive payments for services they did not provide and to manipulate the price of electricity throughout the WECC. In August 2003, the Avista defendants filed a motion to dismiss this complaint. A transfer order was granted, which moved this case to the United States District Court for the Southern District of California to consolidate it with other pending actions. Arguments with respect to the motions to dismiss filed by the Avista defendants and other defendants were heard on March 26, 2004. On May 12, 2004, the United States District Court for the Southern District of California granted motions to dismiss filed by the Avista defendants, as well as other defendants, with respect to this complaint. The Court dismissed the complaint because it determined that it was without jurisdiction to hear the plaintiff's claims, based on, among other things, the exclusive jurisdiction of the FERC and the filed-rate doctrine. On May 27, 2004, the Port of Seattle filed an appeal with the United States Court of Appeals for the Ninth Circuit. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Wah Chang Complaint

On May 5, 2004, Wah Chang, a division of TDY Industries, Inc. (a subsidiary of Allegheny Technologies, Inc.), filed a complaint in the United States District Court for the District of Oregon against numerous companies, including Avista Corp., Avista Energy and Avista Power. The complaint seeks compensatory and treble damages for alleged violations of the Sherman Act, the Racketeer Influenced and Corrupt Organization Act, as well as violations of Oregon state law. According to the complaint, from September 1997 to September 2002, the plaintiff purchased electricity from PacifiCorp pursuant to a contract that was indexed to the spot wholesale market price of electricity. The plaintiff alleges that the defendants, acting in concert among themselves and/or with Enron Corporation and certain affiliates thereof (collectively, Enron) and others, engaged in a scheme to defraud electricity customers by transmitting false market information in interstate commerce in order to artificially increase the price of electricity provided by them, to receive payment for services not provided by them and to otherwise manipulate the market price of electricity, and by executing wash trades and other forms of market manipulation techniques and sham transactions. The plaintiff also alleges that the defendants, acting in concert among themselves and/or with Enron and others, engaged in numerous practices involving the generation, purchase, sale, exchange, scheduling and/or transmission of electricity with the purpose and effect of causing a shortage (or the appearance of a shortage) in the generation of electricity and congestion (or the appearance of congestion) in the transmission of electricity, with the ultimate purpose and effect of artificially and illegally fixing and raising the price of electricity in California and throughout the Pacific Northwest. As a result of the defendants' alleged conduct, the plaintiff allegedly suffered damages of not less than \$30 million through the payment of higher electricity prices. In September 2004, this case was transferred to the United States District Court for the Southern District of California for consolidation with other pending actions. In October 2004, the Avista defendants joined with other defendants in filing a joint motion to dismiss the complaint. In February 2005, the Court dismissed the complaint because it determined that it was without jurisdiction to hear the plaintiff's complaint, based on, among other things, the exclusive jurisdiction of the FERC and the filed-rate doctrine. The Court's decision is subject to appeal. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

City of Tacoma Complaint

On June 7, 2004, the City of Tacoma, Department of Public Utilities, Light Division, a Washington municipal corporation (Tacoma Power), filed a complaint in the United States District Court for the Western District of Washington against over fifty companies, including Avista Corp., Avista Energy and Avista Power. According to the complaint, Tacoma Power distributes electricity to customers in Tacoma, and Pierce County, Washington, generates electricity at several facilities in western Washington and purchases power under supply contracts and in the Northwest spot market. Tacoma Power's complaint seeks compensatory and treble damages from alleged violations of the Sherman Act. Tacoma Power alleges that the defendants, acting in concert, engaged in a pattern of activities that had the purpose and effect of creating the impressions that the demand for power was higher, the supply of power was lower, or both, than was in fact the case. This allegedly resulted in an artificial increase of the prices paid for power sold in California and elsewhere in the western United States during the period from May 2000 through the end of 2001. Due to the alleged unlawful conduct of the defendants, Tacoma Power allegedly paid an amount estimated to be \$175.0 million in excess of what it would have

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paid in the absence of such alleged conduct. In September 2004, this case was transferred to the United States District Court for the Southern District of California for consolidation with other pending actions. In February 2005, the Court granted the defendants' motion to dismiss this complaint for similar reasons to those expressed by the Court in the Wah Chang complaint described above. The Court's decision is subject to appeal. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Public Utility District No. 1 of Snohomish County

On November 5, 2004, Public Utility District No. 1 of Snohomish County filed a Petition For a Writ of Certiorari with the United States Supreme Court, requesting the Court to consider whether the filed rate doctrine applies for market-based rates so as to preempt state law antitrust and consumer fraud actions based upon alleged fraud and manipulation of electricity markets operated under market-based rate tariffs. This petition seeks review of the decision of the United States Court of Appeals for the Ninth Circuit on September 10, 2004, which held that the filed rate doctrine and field and conflict preemptions bar such actions. Seventeen states have urged the United States Supreme Court to grant the petition. On February 22, 2005, the Court invited the Solicitor General to provide the Court with the views of the United States. Although, this case does not directly involve Avista Corp. and its subsidiaries, the outcome could have a bearing on pending litigation and regulatory proceedings affecting Avista Corp. and its subsidiaries discussed above.

State of Montana Proceedings

On June 30, 2003, the Attorney General of the State of Montana (Montana AG) filed a complaint in the Montana District Court on behalf of the people of Montana and the Flathead Electric Cooperative, Inc. against numerous companies, including Avista Corp. The complaint alleges that the companies illegally manipulated western electric and natural gas markets in 2000 and 2001. This case was subsequently moved to the United States District Court for the District of Montana; however, it has since been remanded back to the Montana District Court. No further action has been made with respect to this complaint.

The Montana AG also petitioned the Montana Public Service Commission (MPSC) to fine public utilities \$1,000 a day for each day it finds they engaged in alleged "deceptive, fraudulent, anticompetitive or abusive practices" and order refunds when consumers were forced to pay more than just and reasonable rates. On February 12, 2004, the MPSC issued an order initiating investigation of the Montana retail electricity market for the purpose of determining whether there is evidence of unlawful manipulation of that market. The Montana AG has requested specific information from Avista Energy and Avista Corp. regarding their transactions within the State of Montana during the period from January 1, 2000 through December 31, 2001.

Because the resolution of these proceedings remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that these proceedings will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Montana Public School Trust Fund Lawsuit

In October 2003, a lawsuit was filed by Richard Dolan and Denise Hayman in the United States District Court for the District of Montana against all private owners of hydroelectric dams in Montana, including Avista Corp. The lawsuit alleges that the hydroelectric facilities are located on state-owned riverbeds and the owners have never paid compensation to the state's public school trust fund. The lawsuit requests lease payments dating back to the construction of the respective dams and also requests damages for trespassing and unjust enrichment. An Amended Complaint adding Great Falls Elementary School District No. 1 and Great Falls High School District 1A was filed on January 16, 2004. On February 2, 2004, the Company filed its motion to dismiss this lawsuit; PacifiCorp and PPL Montana, as the other named defendants also filed a motion to dismiss, or joined therein. On May 10, 2004, the Montana AG filed a complaint on behalf of the state to join in this lawsuit to allegedly protect and preserve state lands/school trust lands from use without compensation. On July 19, 2004, the defendants (including Avista Corp.) filed a motion to dismiss the Montana AG's complaint. On September 29, 2004, the Court granted the motion to dismiss filed with respect to plaintiffs Richard Dolan, Denise Hayman and the school districts. However, the motion to dismiss the Montana AG's complaint was denied, citing, among other things, that the FERC does not have exclusive jurisdiction over this matter. On November 12, 2004, the defendants

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(including Avista Corp.) filed a petition for declaratory relief in Montana State Court requesting the resolution of the controversy that the plaintiffs raised in federal court. On November 24, 2004, the Montana AG filed an answer, counterclaim and motion for summary judgment. The defendants have filed responses to the Montana AG's motion for summary judgment. The Montana State Court has not scheduled a hearing on the motions. Subsequently, in response to the motions of the defendants, the federal magistrate judge on January 19, 2005, filed recommendations that the federal court order on the merits be vacated based on lack of jurisdiction of the Court. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Colstrip Generating Project Complaint

In May 2003, various parties (all of which are residents or businesses of Colstrip, Montana) filed a consolidated complaint against the owners of the Colstrip Generating Project (Colstrip) in Montana District Court. Avista Corp. owns a 15 percent interest in Units 3 & 4 of Colstrip. The plaintiffs allege damages to buildings as a result of rising ground water, as well as damages from contaminated waters leaking from the lakes and ponds of Colstrip. The plaintiffs are seeking punitive damages, an order by the court to remove the lakes and ponds and the forfeiture of all profits earned from the generation of Colstrip. The Company intends to work with the other owners of Colstrip in defense of this complaint. Because the resolution of this lawsuit remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this lawsuit will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Environmental Protection Agency Administrative Compliance Order

In December 2003, PPL Montana, LLC, as operator of Colstrip, received an Administrative Compliance Order (ACO) from the Environmental Protection Agency (EPA) pursuant to the Clean Air Act (CAA). The ACO alleges that Colstrip Units 3 & 4 have been in violation of the CAA permit at Colstrip since 1980. The permit required Colstrip to submit for review and approval by the EPA an analysis and proposal for reducing emissions of nitrogen oxides to address visibility concerns if, and when, EPA promulgates Best Available Retrofit Technology requirements for nitrogen oxide emissions. The EPA is asserting that regulations it promulgated in 1980 triggered this requirement. Avista Corp. and PPL Montana, LLC believe that the ACO is unfounded and PPL Montana, LLC is discussing the matter with the EPA. The ACO does not expressly seek penalties, and it is unclear at this time what, if any, additional control technology the EPA may consider to be required. Accordingly, the costs to install any additional controls for nitrogen oxides, if required, cannot be estimated at this time. In addition, the Montana Department of Environmental Quality (Montana DEQ) is questioning whether the permit limits for sulfur dioxide emissions from Colstrip Units 3 & 4 are too high under provisions of the CAA that limit allowable emissions from sources built after 1978. The owners of Colstrip are engaged in settlement negotiations on these matters with the EPA, the Montana DEQ and the Northern Cheyenne Tribe. Because the resolution of this issue remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this issue will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Colstrip Royalty Claim

The Western Energy Company (WECO) supplies coal to the owners of Colstrip Units 3 & 4 under a Coal Supply Agreement and a Transportation Agreement. The Minerals Management Service (MMS) of the United States Department of the Interior issued an order to WECO to pay additional royalties concerning coal delivered to Colstrip Units 3 & 4 via the conveyor belt (approximately 4.46 miles long) that is subject to reimbursement for certain costs under the Transportation Agreement. The owners of Colstrip Units 3 & 4 take delivery of the coal at the western end (beginning) of the conveyor belt. The order asserts that additional royalties are owed MMS as a result of WECO not paying royalties in connection with revenue received by WECO from the owners of Colstrip Units 3 & 4 under the Transportation Agreement during the period October 1, 1991 through December 31, 2001. WECO has appealed the order and the appeal process could take up to five years to resolve. The owners of Colstrip Units 3 & 4 are monitoring the appeal process between WECO and MMS.

WECO has indicated to the owners of Colstrip Units 3 & 4 that if WECO is unsuccessful in the appeal process, WECO will seek

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reimbursement of any royalty payments by passing these costs through the Coal Supply Agreement. The owners of Colstrip Units 3 & 4 advised WECO that their position would be that these claims are not allowable costs per the Coal Supply Agreement nor the Transportation Agreement in the event the owners of Colstrip Units 3 & 4 were invoiced for these claims. Because the resolution of this issue remains uncertain, legal counsel cannot express an opinion on the extent, if any, of the Company's liability. However, based on information currently known to the Company's management, the Company does not expect that this issue will have a material adverse effect on its financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

Hamilton Street Bridge Site

A portion of the Hamilton Street Bridge Site in Spokane, Washington (including a former coal gasification plant site that operated for approximately 60 years until 1948) was acquired by the Company through a merger in 1958. The Company no longer owns the property. In January 1999, the Company received notice from the State of Washington's Department of Ecology (DOE) that it had been designated as a potentially liable party (PLP) with respect to any hazardous substances located on this site, stemming from the Company's past ownership of the former gas plant site. In its notice, the DOE stated that it intended to complete an on-going remedial investigation of this site, complete a feasibility study to determine the most effective means of halting or controlling future releases of substances from the site, and to implement appropriate remedial measures. The Company responded to the DOE acknowledging its listing as a PLP, but requested that additional parties also be listed as PLPs. In the spring of 1999, the DOE named two other parties as additional PLPs.

The DOE, the Company and another PLP, Burlington Northern & Santa Fe Railway Co. (BNSF) signed an Agreed Order in March 2000 that provided for the completion of a remedial investigation and a feasibility study. The work to be performed under the Agreed Order includes three major technical parts: completion of the remedial investigation; performance of a focused feasibility study; and implementation of an interim groundwater monitoring plan. During the second quarter of 2000, the Company received comments from the DOE on its initial remedial investigation, and then submitted another draft of the remedial investigation, which was accepted as final by the DOE. After responding to comments from the DOE, the feasibility study was accepted by the DOE during the fourth quarter of 2000. After receiving input from the Company and the other PLPs, the final Cleanup Action Plan (CAP) was issued by the DOE in August 2001. In September 2001, the DOE issued an initial draft Consent Decree for the PLPs to review. During the first quarter of 2002, the Company and BNSF signed a cost sharing agreement. In September 2002, the Company, BNSF and the DOE finalized the Consent Decree to implement the CAP. The third PLP has indicated it will not sign the Consent Decree. It is currently estimated that the Company's share of the costs will be less than \$1.0 million. The Engineering and Design Report for the CAP was submitted to the DOE in January 2003 and approved by the DOE in May 2003. Work under the CAP commenced during the second quarter of 2003. In September 2004, a Site Preparation Agreement was reached with the third PLP with respect to the logistics of the CAP. Under this agreement, the third PLP will have the site preparation completed by mid-2005 and work under the CAP will be completed by late 2005.

Lake Coeur d'Alene

In July 1998, the United States District Court for the District of Idaho issued its finding that the Coeur d'Alene Tribe of Idaho (Tribe) owns, among other things, portions of the bed and banks of Lake Coeur d'Alene (Lake) lying within the current boundaries of the Coeur d'Alene Reservation. This action had been brought by the United States on behalf of the Tribe against the state of Idaho. The Company was not a party to this action. The United States District Court decision was affirmed by the United States Court of Appeals for the Ninth Circuit. The United States Supreme Court affirmed this decision in June 2001. This will result in, among other things, the Company being liable to the Tribe for compensation for the use of reservation lands under Section 10(e) of the Federal Power Act.

The Company's Post Falls Hydroelectric Generating Station (Post Falls), a facility constructed in 1906 with a present capability of 18 MW, utilizes a dam on the Spokane River downstream of the Lake which controls the water level in the Lake for portions of the year (including portions of the lakebed owned by the Tribe). The Company has other hydroelectric facilities on the Spokane River downstream of Post Falls, but these facilities do not affect the water level in the Lake. The Company and the Tribe are engaged in discussions with respect to past and future compensation (which may include interest) for use of the portions of the bed and banks of the Lake, which are owned by the Tribe. If the parties cannot agree on the amount of compensation, the matter could result in litigation. The Company cannot predict the amount of compensation that it will ultimately pay or the terms of such payment. However, the Company intends to seek recovery of any amounts paid through the rate making process.

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Spokane River Relicensing

The Company operates six hydroelectric plants on the Spokane River, and five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street and Post Falls) are under one FERC license and referred to herein as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The license for the Spokane River Project expires in August 2007; the Company filed a Notice of Intent to Relicense in July 2002. The formal consultation process involving planning and information gathering with stakeholder groups has been underway since that time. The Company's goal is to develop with the stakeholders a comprehensive and cost-effective settlement agreement to be filed as part of the Company's license application to the FERC in July 2005. The Company provided a Draft License Application for public comment in February 2005. The Company intends to seek recovery of relicensing costs through the rate making process.

Clark Fork Settlement Agreement

Dissolved atmospheric gas levels exceed state of Idaho and federal water quality standards downstream of the Cabinet Gorge Hydroelectric Generating Project (Cabinet Gorge) during periods when excess river flows must be diverted over the spillway. Under the terms of the Clark Fork Settlement Agreement, the Company developed an abatement and mitigation strategy with the other signatories to the agreement and submitted the Gas Supersaturation Control Program (GSCP) in December 2002 for review and approval to the Idaho Department of Environmental Quality (DEQ) and the U.S. Fish and Wildlife Service. In February 2004, the Idaho DEQ and the U.S. Fish and Wildlife Service approved the GSCP. In January 2005, the FERC issued an order approving the GSCP. The GSCP provides for the opening and modification of one and, potentially, both of the two existing diversion tunnels built when Cabinet Gorge was originally constructed. Streamflows would be diverted to the tunnels when these flows are in excess of turbine capacity. The cost of modifying the first tunnel is currently preliminarily estimated to be \$38 million (including AFUDC and inflation) and would be incurred between 2004 and 2010, with the majority of these costs being incurred in 2007 through 2009. The second tunnel would be modified only after evaluation of the performance of the first tunnel and such modifications would commence no later than 10 years following the completion of the first tunnel. It is currently preliminarily estimated that the costs to modify the second tunnel would be \$26 million (including AFUDC and inflation). As part of the GSCP, the Company provides \$0.5 million annually as mitigation for aquatic resources that might be adversely affected by high dissolved gas levels. Mitigation funds will continue until the modification of the second tunnel commences or if the second tunnel is not modified to an agreed upon point in time commensurate with the biological effects of high dissolved gas levels. The Company intends to seek recovery of the costs for the modification of Cabinet Gorge and the mitigation payments through the rate making process.

The operating license for the Clark Fork Project describes the approach to restore bull trout populations in the project areas. Using the concept of adaptive management and working closely with the U.S. Fish and Wildlife Service, the Company is evaluating the feasibility of fish passage. The results of these studies will help the Company and other parties determine the best use of funds toward continuing fish passage efforts or other fish population enhancement measures.

Other Contingencies

In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material adverse impact on the Company's financial condition, results of operations or cash flows. It is possible that a change could occur in the Company's estimates of the probability or amount of a liability being incurred. Such a change, should it occur, could be significant.

The Company routinely assesses, based on in-depth studies, expert analyses and legal reviews, its contingencies, obligations and commitments for remediation of contaminated sites, including assessments of ranges and probabilities of recoveries from other responsible parties who have and have not agreed to a settlement and recoveries from insurance carriers. The Company's policy is to accrue and charge to current expense identified exposures related to environmental remediation sites based on estimates of investigation, cleanup and monitoring costs to be incurred.

The Company has potential liabilities under the Federal Endangered Species Act for species of fish that have either already been added to the endangered species list, been listed as "threatened" or been petitioned for listing. Thus far, measures adopted and implemented have had minimal impact on the Company.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. The State of Montana is examining the status of all water right claims within state boundaries. Claims within the Clark Fork River

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basin could potentially adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The Company is participating in this extensive adjudication process, which is unlikely to be concluded in the foreseeable future.

The Company must be in compliance with requirements under the Clean Air Act Amendments at the Colstrip thermal generating plant, in which the Company maintains an ownership interest. The anticipated share of costs at Colstrip is not expected to have a major economic impact on the Company.

As of December 31, 2004, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented approximately 50 percent of all Avista Corp. employees. The current agreement with the local union representing the majority (approximately 90 percent) of the bargaining unit employees expires on March 25, 2005. A local agreement in the South Lake Tahoe area, which represents 5 employees, also expires on March 25, 2005. Two local agreements in Oregon, which cover approximately 50 employees, will expire on March 31, 2005. Another local agreement in Oregon is not up for negotiations until 2007. Negotiations are currently ongoing with respect to the labor agreements that expire in March 2005.

NOTE 22. INFORMATION SERVICES CONTRACTS

The Company has information services contracts that expire between 2006 and 2012. Total payments under these contracts were \$12.8 million, \$12.0 million and \$9.7 million in 2004, 2003 and 2002, respectively. The majority of these costs are included in administrative and general expenses in the Statements of Income. Minimum contractual obligations under the Company's information services contracts are approximately \$12.4 million in 2005, \$12.1 million in 2006 and \$10.8 million per year from 2007 through 2012. The most significant of these contracts provides for increases due to changes in the cost of living index and further provides flexibility in the annual obligation from year-to-year subject to a three-year true-up cycle.

NOTE 23. DISPOSITION OF SOUTH LAKE TAHOE PROPERTIES

In July 2004, Avista Corp. reached an agreement to sell its South Lake Tahoe natural gas distribution properties to Southwest Gas Corporation as part of Avista Corp.'s strategy to focus on its business in the northwestern United States. The agreed upon cash purchase price for the properties is approximately \$15 million, subject to closing adjustments. In February 2005, a CPUC Administrative Law Judge issued a draft order, subject to comment, that authorizes the proposed purchase and sale agreement under the terms of a settlement agreement among the parties to the CPUC proceedings. The agreement is subject to customary closing conditions, as well as regulatory review and approval by the CPUC. Final approval of the transaction has been placed on the CPUC's meeting agenda for possible action on March 17, 2005. The Company expects the sale to be completed in the first half of 2005.

As of December 31, 2004, Avista Corp. serviced approximately 18,750 customers (or 6 percent of total natural gas customers) in the South Lake Tahoe region. Total revenues for 2004 from the South Lake Tahoe region were approximately \$20.3 million (or 6 percent of total natural gas revenues) and approximately 22.1 million therms were delivered (or 4 percent of total therms delivered) to South Lake Tahoe customers.

NOTE 24. ACQUISITION OF REMAINING INTEREST IN COYOTE SPRINGS 2

In January 2005, Avista Corp. completed the acquisition of Mirant Oregon LLC's 50 percent ownership interest in Coyote Springs 2 at a price of \$62.5 million. Mirant Oregon LLC acquired an indirect 50 percent ownership interest in Coyote Springs 2 from the Company during construction in 2001.

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NOTE 25. SUPPLEMENTAL CASH FLOW INFORMATION

	2004	2003
Cash paid for interest	\$79,380,054	\$84,644,701
Cash paid for income taxes	11,320,684	11,475,767
Non-cash financing and investing activities:		
Transfer of Coyote Springs 2 from subsidiary	-	106,766,034
Equipment acquired under capital leases	1,365,083	3,106,109
Unfunded accumulated benefit obligation	(11,022,184)	15,198,410
Intangible asset related to pension plan	(653,660)	(653,659)
Unrealized loss on interest rate swap	(6,482,354)	-
Other Cash Flows from Operating Activities:		
Loss from IPUC order deferred power costs	11,959,115	-
Loss from IPUC order utility plant	2,457,249	-
Increase in special deposits	(572,613)	-
Change in other current assets	(2,228,649)	1,803,240

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	2,599,493,023	2,032,356,785
4	Property Under Capital Leases	5,270,937	
5	Plant Purchased or Sold	0	
6	Completed Construction not Classified		
7	Experimental Plant Unclassified	0	
8	TOTAL (Enter Total of lines 3 thru 7)	2,604,763,960	2,032,356,785
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	49,895,113	38,456,293
12	Acquisition Adjustments	26,580,073	0
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	2,681,239,146	2,070,813,078
14	Accum. Prov. for Depr., Amort., & Depl.	928,445,545	692,153,884
15	Net Utility Plant (Enter total of line 13 less 14)	1,752,793,601	1,378,659,194
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	899,493,717	681,488,277
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights		
20		0	
21	Amort. of Other Utility Plant	11,304,781	10,665,607
22	TOTAL in Service (Enter Total of lines 18 thru 21)	910,798,498	692,153,884
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adjustment	17,647,047	0
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	928,445,545	692,153,884

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
503,773,459				63,362,779	3
1,365,491				3,905,446	4
					5
					6
					7
505,138,950				67,268,225	8
					9
					10
5,620,016				5,818,804	11
26,580,073					12
537,339,039				73,087,029	13
212,782,212				23,509,449	14
324,556,827				49,577,580	15
					16
					17
194,495,991				23,509,449	18
					19
					20
639,174				0	21
195,135,165				23,509,449	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
17,647,047					32
212,782,212				23,509,449	33

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

- | | |
|--|--|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, <i>Gas Plant in Service (Classified)</i>, this page and the next include Account 102, <i>Gas Plant Purchased or Sold</i>, Account 103, <i>Experimental Gas Plant Unclassified</i>, and Account 106, <i>Completed Construction Not Classified-Gas</i>.</p> <p>3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an</p> | <p>estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).</p> |
|--|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	0.00
3	302 Franchises and Consents	1,592.55	0.00
4	303 Miscellaneous Intangible Plant	3,184,365.72	169,353.10
	California	1,592.55	0.00
	Idaho	6,722.07	0.00
	Not Directly Assigned	2,223,765.97	169,353.10
	Oregon	735,152.88	0.00
	Washington	218,724.80	0.00
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	3,185,958.27	169,353.10
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	7,628.34	0.00
9	305 Structures and Improvements	0.90	(0.90)
10	306 Boiler Plant Equipment	0.00	0.00
11	307 Other Power Equipment	0.00	0.00
12	308 Coke Ovens	0.00	0.00
13	309 Producer Gas Equipment	0.00	0.00
14	310 Water Gas generating equipment	0.00	0.00
15	311 Liquefied petroleum gas equipment	65,344.39	1,945.26
16	312 Oil gas generating equipment	0.00	0.00
17	313 Generating equipment-other processes	0.00	0.00
18	314 Coal, coke, and ash handling equipment	0.00	0.00
19	315 Catalytic Cracking equipment	0.00	0.00
20	316 Other reforming equipment	0.00	0.00
21	317 Purification equipment	0.00	0.00
22	318 Residual refining equipment	0.00	0.00
23	319 Gas mixing equipment	0.00	0.00
24	320 Other Equipment	0.00	0.00
25			
26	TOTAL (Manufactured Gas Production Plant (Enter total of lines 8-24)	72,973.63	1,944.36
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	0.00
29	341 Structures and Improvements	0.00	0.00
30	342 Extraction and Refining Equipment	0.00	0.00
31	343 Pipe Lines	0.00	0.00
32	344 Extracted Products Storage Equipment	0.00	0.00
33	345 Compressor Equipment	0.00	0.00

Name of Respondent	This report is: [X] An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[] A Resubmission	April 25,2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
0.00	0.00	0.00	0.00	2
0.00	0.00	0.00	1,592.55	3
1,587,852.34	0.00	96,640.00	1,862,506.48	4
0.00	0.00	0.00	1,592.55	
0.00	0.00	96,640.00	103,362.07	
1,582,852.34	0.00	0.00	810,266.73	
5,000.00	0.00	0.00	730,152.88	
0.00	0.00	0.00	218,724.80	
1,587,852.34	0.00	96,640.00	1,864,099.03	5
				6
				7
0.00	0.00	0.00	7,628.34	8
0.00	0.00	0.00	0.00	9
0.00	0.00	0.00	0.00	10
0.00	0.00	0.00	0.00	11
0.00	0.00	0.00	0.00	12
0.00	0.00	0.00	0.00	13
0.00	0.00	0.00	0.00	14
0.00	0.00	0.00	67,289.65	15
0.00	0.00	0.00	0.00	16
0.00	0.00	0.00	0.00	17
0.00	0.00	0.00	0.00	18
0.00	0.00	0.00	0.00	19
0.00	0.00	0.00	0.00	20
0.00	0.00	0.00	0.00	21
0.00	0.00	0.00	0.00	22
0.00	0.00	0.00	0.00	23
0.00	0.00	0.00	0.00	24
				25
0.00	0.00	0.00	74,917.99	26
				27
0.00	0.00	0.00	0.00	28
0.00	0.00	0.00	0.00	29
0.00	0.00	0.00	0.00	30
0.00	0.00	0.00	0.00	31
0.00	0.00	0.00	0.00	32
0.00	0.00	0.00	0.00	33

Name of Respondent		This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	346 Gas Measuring and Regulating Equipment	0.00	0.00	
35	347 Other Equipment	0.00	0.00	
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00	
37	TOTAL Natural Gas Production Plant (Enter Total of lines 36)	0.00	0.00	
38	Manufactured Gas Production Plant (<i>Submit Supplementary Statement</i>)	72,973.63	1,944.36	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	72,973.63	1,944.36	
40	NATURAL GAS STORAGE AND PROCESSING PLANT			
41	Underground Storage Plant			
42	350.1 Land	412,611.39	0.00	
43	350.2 Rights-of-Way	23,874.03	0.00	
44	351 Structures and Improvements	1,063,699.76	0.00	
45	352 Wells	5,757,699.62	947.48	
46	352.1 Storage Leaseholds and Rights	254,354.23	0.00	
47	352.2 Reservoirs	203,330.47	0.00	
48	352.3 Non-recoverable Natural Gas	6,121,926.03	0.00	
49	353 Lines	823,422.59	0.00	
50	354 Compressor Station Equipment	1,934,085.33	82,836.87	
51	355 Measuring and Regulating Equipment	153,964.74	0.00	
52	356 Purification Equipment	403,712.62	0.00	
53	357 Other Equipment	1,644,493.28	7,173.10	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	18,797,174.09	90,957.45	
55	Other Storage Plant			
56	360 Land and Land Rights	0.00	0.00	
57	361 Structures and Improvements	0.00	0.00	
58	362 Gas Holders	0.00	0.00	
59	363 Purification Equipment	0.00	0.00	
60	363.1 Liquefaction Equipment	0.00	0.00	
61	363.2 Vaporizing Equipment	0.00	0.00	
62	363.3 Compressor Equipment	0.00	0.00	
63	363.4 Measuring and Regulating Equipment	0.00	0.00	
64	363.5 Other Equipment	0.00	0.00	
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00	
66	Base Load Liquefied Natural Gas Terminating and Processing Plant			
67	364.1 Land and Land Rights	0.00	0.00	
68	364.2 Structures and Improvements	0.00	0.00	
69	364.3 LNG Processing Terminal Equipment	0.00	0.00	
70	364.4 LNG Transportation Equipment	0.00	0.00	
71	364.5 Measuring and Regulating Equipment	0.00	0.00	
72	364.6 Compressor Station Equipment	0.00	0.00	
73	364.7 Communications Equipment	0.00	0.00	
74	364.8 Other Equipment	0.00	0.00	
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00	
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	18,797,174.09	90,957.45	
77	TRANSMISSION PLANT			
78	365.1 Land and Land Rights	0.00	0.00	
79	365.2 Rights-of-Way	0.00	0.00	
80	366 Structures and Improvements	0.00	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending		
Avista Corp.		April 25, 2005	Dec. 31, 2004		
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
0.00	0.00	0.00	0.00		34
0.00	0.00	0.00	0.00		35
0.00	0.00	0.00	0.00		36
0.00	0.00	0.00	0.00		37
0.00	0.00	0.00	74,917.99		38
0.00	0.00	0.00	74,917.99		39
					40
					41
0.00	0.00	0.00	412,611.39		42
0.00	0.00	0.00	23,874.03		43
0.00	0.00	0.00	1,063,699.76		44
44,747.18	0.00	0.00	5,713,899.92		45
0.00	0.00	0.00	254,354.23		46
0.00	0.00	0.00	203,330.47		47
0.00	0.00	0.00	6,121,926.03		48
0.00	0.00	0.00	823,422.59		49
23,123.07	0.00	0.00	1,993,799.13		50
0.00	0.00	0.00	153,964.74		51
0.00	0.00	0.00	403,712.62		52
0.00	0.00	0.00	1,651,666.38		53
67,870.25	0.00	0.00	18,820,261.29		54
					55
0.00	0.00	0.00	0.00		56
0.00	0.00	0.00	0.00		57
0.00	0.00	0.00	0.00		58
0.00	0.00	0.00	0.00		59
0.00	0.00	0.00	0.00		60
0.00	0.00	0.00	0.00		61
0.00	0.00	0.00	0.00		62
0.00	0.00	0.00	0.00		63
0.00	0.00	0.00	0.00		64
0.00	0.00	0.00	0.00		65
					66
0.00	0.00	0.00	0.00		67
0.00	0.00	0.00	0.00		68
0.00	0.00	0.00	0.00		69
0.00	0.00	0.00	0.00		70
0.00	0.00	0.00	0.00		71
0.00	0.00	0.00	0.00		72
0.00	0.00	0.00	0.00		73
0.00	0.00	0.00	0.00		74
0.00	0.00	0.00	0.00		75
67,870.25	0.00	0.00	18,820,261.29		76
					77
0.00	0.00	0.00	0.00		78
0.00	0.00	0.00	0.00		79
0.00	0.00	0.00	0.00		80

Name of Respondent		This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains	0.00	0.00	
82	368 Compressor Station Equipment	0.00	0.00	
83	369 Measuring and Regulating Equipment	0.00	0.00	
84	370 Communications Equipment	0.00	0.00	
85	371 Other Equipment	0.00	0.00	
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00	
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	113,895.64	(484.51)	
89	375 Structures and Improvements	628,124.19	6,172.80	
90	376 Mains	225,816,742.25	8,763,902.02	
91	377 Compressor Station Equipment	0.00	0.00	
92	378 Measuring and Regulating Equipment-General	4,377,497.51	206,151.74	
93	379 Measuring and Regulating Equipment-City Gate	1,831,540.91	98,883.91	
94	380 Services	162,816,596.12	9,040,822.07	
95	381 Meters	51,327,430.26	2,494,929.50	
96	382 Meter Installations	0.00	0.00	
97	383 House Regulators	0.00	0.00	
98	384 House Regulator Installations	0.00	0.00	
99	385 Industrial Measuring and Regulating Station Equipment	2,588,312.24	366,812.65	
100	386 Other Property on Customers' Premises	0.00	0.00	
101	386 Other Equipment	539.29	0.00	
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	449,500,678.41	20,977,190.18	
103	GENERAL PLANT			
104	389 Land and Land Rights	330,820.93	0.00	
105	390 Structures and Improvements	2,309,692.01	73,685.18	
106	391 Office Furniture and Equipment	9,685.00	0.00	
107	392 Transportation Equipment	2,988,671.20	1,125,847.69	
108	393 Stores Equipment	83,972.22	20,449.62	
109	394 Tools, Shop, and Garage Equipment	2,386,575.26	119,555.68	
110	395 Laboratory Equipment	906,600.34	5,272.40	
111	396 Power Operated Equipment	2,492,803.10	803,070.55	
112	397 Communication Equipment	1,621,137.01	45,993.35	
113	398 Miscellaneous Equipment	34,471.93	0.00	
114	Subtotal (Enter Totals of lines 104 thru 113)	13,164,429.00	2,193,874.47	
115	399 Other Tangible Property	0.00	0.00	
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	13,164,429.00	2,193,874.47	
117	TOTAL (Accounts 101 and 106)	484,721,213.40	23,433,319.56	
118	Gas Plant Purchased (See Instruction 8)	0.00	0.00	
119	(Less) Gas Plant Sold (See Instruction 8)	0.00		
120	Experimental Gas Plant Unclassified	0.00	0.00	
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	484,721,213.40	23,433,319.56	

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25,2005	Dec. 31, 2004	
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
0.00	0.00	0.00	0.00	81
0.00	0.00	0.00	0.00	82
0.00	0.00	0.00	0.00	83
0.00	0.00	0.00	0.00	84
0.00	0.00	0.00	0.00	85
0.00	0.00	0.00	0.00	86
				87
0.00	0.00	0.00	113,411.13	88
4,221.61	0.00	10,248.05	640,323.43	89
163,695.43	0.00	621.17	234,417,570.01	90
0.00	0.00	0.00	0.00	91
14,115.24	0.00	(255,544.88)	4,313,989.13	92
19,224.88	0.00	146,801.43	2,058,001.37	93
407,879.51	0.00	0.00	171,449,538.68	94
346,383.67	0.00	(9,554.99)	53,466,421.10	95
0.00	0.00	0.00	0.00	96
0.00	0.00	0.00	0.00	97
0.00	0.00	0.00	0.00	98
860.02	0.00	747.24	2,955,012.11	99
0.00	0.00	0.00	0.00	100
0.00	0.00	0.00	539.29	101
956,380.36	0.00	(106,681.98)	469,414,806.25	102
				103
0.00	0.00	0.00	330,820.93	104
1,951.14	0.00	0.00	2,381,426.05	105
0.00	0.00	0.00	9,685.00	106
70,773.00	0.00	0.00	4,043,745.89	107
3,526.10	0.00	0.00	100,895.74	108
257,164.14	0.00	0.00	2,248,966.80	109
2,847.04	0.00	0.00	909,025.70	110
0.00	0.00	0.00	3,295,873.65	111
54,853.93	0.00	(491.27)	1,611,785.16	112
1,831.85	0.00	0.00	32,640.08	113
392,947.20	0.00	(491.27)	14,964,865.00	114
0.00	0.00	0.00	0.00	115
392,947.20	0.00	(491.27)	14,964,865.00	116
3,005,050.15	0.00	(10,533.25)	505,138,949.56	117
	0.00	0.00	0.00	118
0.00	0.00	0.00	0.00	119
0.00	0.00	0.00	0.00	120
3,005,050.15	0.00	(10,533.25)	505,138,949.56	121

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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CONSTRUCTION WORK IN PROGRESS-GAS (ACCOUNT 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107). and Demonstration (see Account 107 of the Uniform System of Accounts).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, 3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	STATE OF WASHINGTON		
2			
3	Minor Projects (27) Under \$1,000,000	753,278.31	1,343,421.69
4			
5			
6			
7			
8			
9	STATE OF IDAHO		
10			
11			
12	Minor Projects (15) Under \$1,000,000	271,687.65	69,537.35
13			
14			
15	STATE OF OREGON		
16	Install AMR in Oregon	2,175,273.81	348,726.19
17	Minor Projects (28) Under \$1,000,000	1,905,609.72	369,717.28
18			
19			
20			
21	STATE OF CALIFORNIA		
22			
23	Minor Projects (0) under \$1,000,000	0.00	0.00
24			
25			
26	COMMON-OR/CAWA/ID		
27			
28	Minor Projects (4) under \$1,000,000	514,167.53	406,552.47
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45	TOTAL	5,620,017.02	2,537,954.98

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 119)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If

the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	181,170,101	181,170,101		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	14,264,210	14,264,210		
4	(413) Exp. of Gas Plt. Leas. to Others				
5	Transportation Expenses-Clearing	216,636	216,636		
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8	Transfer to common (transportation clear)	0			
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	14,480,846	14,480,846		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,417,198)	(1,417,198)		
12	Cost of Removal	(222,967)	(222,967)		
13	Salvage (Credit)	5,951	5,951		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(1,634,214)	(1,634,214)		
15	Other Debit or Credit Items (Describe)	0	0		
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	194,016,733	194,016,733	0	0

Section B. Balances at End of Year According to Functional Classifications

18	Production-Manufactured Gas	(69,041)	(69,041)		
19	Prod. and Gathering-Natural Gas				
20	Products Extraction-Natural Gas				
21	Underground Gas Storage	9,394,257	9,394,257		
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission	0			
25	Distribution	177,996,005	177,996,005		
26	General	6,695,512	6,695,512		
27	TOTAL (Enter Total of lines 18 thru 26)	194,016,733	194,016,733	0	0

Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- 1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
- 2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
- 3 State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					8,176,476	633,667		8,810,143
2	Gas Delivered to Storage					13,597,183	338,195		13,935,378
3	Gas Withdrawn from Storage					12,505,403	237,996		12,743,399
4	Other Debits and Credits					0	-9,433		(9,433)
5	Balance at End of Year					9,268,255	724,433		9,992,688
6	Dth					1,750,097	277,054		2,027,151
7	Amount Per Dekatherm					\$5.2959	\$2.6148		\$4.9294

8 State basis of segregation of inventory between current and noncurrent portions:

Current portion is gas expected to be sold within a 24 month period. All other gas is considered non-current.

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
 - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2	Avista Capital - Common Stock	1997		184,251,609
3	Avista Capital - Equity in Earnings			71,652,879
4	Dividends from Subsidiary (Avista Capital)			
5				
6				
7				
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42	Total Cost of Account 123.1 \$	0	TOTAL	255,904,488

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
		184,251,609		2
3,381,428		75,034,306		3
	-2,499,315	-2,499,315		4
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3,381,428	-2,499,315	256,786,600		42

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year(in dollars) (b)
1	Prepaid Insurance	1,720,995
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	2,246,430
6	TOTAL	3,967,425

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	FAS 106 - Accounting for Post Retirement	4,254,768		926.65	472,752	3,782,016
2	Benefits, other than Pensions (182.30)					
3	182.30 Amort period 1996-2012					
4	FAS 109 - Acctng for Income Taxes Util Prop	132,097,287		283.17,18	8,630,630	123,466,657
5	(182.31 & 182.32)					
6	WA ERM Deferral Balance (182.35) Power Supp	99,774,940	2,655,027	186.28		102,429,967
7	WA Amortization (182.36)	974,754		557.16	307,296	667,458
8	182.36 Amort period 2004-2006			0		
9	Hamilton Street Bridge - WA (182.39, 028)	125,676		407.39	125,676	
10	Hamilton Street Bridge - ID (182.39 038)	105,300		407.39	105,300	
11	BPA RES Exchange (182.45, 028)	195,192		254.45	195,192	
12	BPA RES Exchange A/R (182.45, 098)	1,679,445		254.45	1,679,445	
13	BPA RES Exchange - Int Rec (182.46, 028)	30,267		419.00	30,267	
14	BPA RES Exchange - Int Rec (182.46, 038)	6,278		419.00	4,078	2,200
15	FAS 143-ARO Reg Asset (182.76)	(436,329)	549,979	230.10		113,650
16	Oregon DSM Long-Term Reg Asset (182.80)	(632,736)		various	208,065	-840,801
17	Workers Comp (182.83)	1,688,889	671,996	242.83		2,360,885
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44	TOTAL	239,863,731	3,877,002		11,758,701	231,982,032

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Regulatory Deferrals - WA					
2	Colstrip Common Fac.	571,320	539,679	406		1,110,999
3	WA Accrued Power Def	3,139,007			3,139,007	
4	WA Deferred Power Costs	22,791,372			12,013,674	10,777,698
5	WA ERM YTD Company Band	9,000,000				9,000,000
6	WA ERM YTD Contra Account	-9,000,000				-9,000,000
7						
8	Regulatory Deferrals - ID					
9	ID Deferred New Generation	736,944			184,236	552,708
10	Colstrip Common Fac.	1,211,544	1,144,098	406		2,355,642
11	Idaho Accrued PCA Def	1,596,258			1,596,258	
12	ID Deferred Power	82,338,083	3,850,010	var.		86,188,093
13	ID Accumulated Surcharge Am	-53,649,481		557	23,040,185	-76,689,666
14	CS2 Levelized Return		161,747			161,747
15	Payroll Accrual	1,909,178		var.	919,898	989,280
16	Payroll Loading Clearing		677,798			677,798
17	PPP Surcharge	454,349			454,349	
18						
19	Misc Error Suspense	353,016		var.	328,028	24,988
20						
21	WPI-ID Terminated Elec Pur.	391,997		555	391,997	
22						
23	Unamortized A/R Sale	241,146			144,336	96,810
24						
25	Intangible Pension Asset	5,712,151		228.32	653,660	5,058,491
26						
27	Nez Perce Settlement	207,659		557	5,214	202,445
28						
29	Centralia Mine Env Balance	572,324	6,021			578,345
30						
31	DES Contract Amortization	25,372		556	25,372	
32						
33	Metro-Sunset 115KV TE	114,581	159,108			273,689
34	CS2 Purchase		101,095			101,095
35	UPRR Permit Conv	331,370	258			331,628
36						
37	Ortho Business Activity	136,054			137,719	-1,665
38	Canadian GST Tax	13,117	1,039,727	var.		1,052,844
39						
40	Nez Perce Forest					
41	Nez Perce Permit Conversion	38,983	14,503			53,486
42	Electric Network					
43						
44	Misc Work Orders <\$50,000	278,541	101,353			379,894
45	Subsidiary Billings	1,894,860	441,254	var.		2,336,114
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	86,083,253				51,242,169

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Conservation					
2	Enhanced Low Income Wzn	2,600			2,600	
3	Oregon Gas Comm Consvt	177,675			184,707	-7,032
4	Oregon Shower Head	107,134	67,777	908		174,911
5	Oregon Common Gas Eff	163,978	24,590			188,568
6	WPNG HE Wtr Htrs-Oregon	286,496			9,837	276,659
7	WPNG HE Furnaces	2,028,309	298,337			2,326,646
8	WPNG CA RES L/I-P	-56,066	80,724	var.		24,658
9	WPNG OR Res Low 1	171,746	173,105	908		344,851
10	Regulatory-Sched 67	197,350		908	33,066	164,284
11	Reg-Water Heat Conv	1,033,287		908	152,358	880,929
12	Reg-Space/Water Con	4,061,613		908	704,560	3,357,053
13	Reg-Elec Comm/Ind	663,417		908	116,375	547,042
14	Reg-Gas Wzn Res	1,032,724		908	153,145	879,579
15	Reg-L/I Elec/Gas	348,471		908	49,738	298,733
16	Reg-Elec Manuf Home	284,794		908	48,984	235,810
17	Reg-Comm/Ind Gas	116,220		908	19,599	96,621
18	Reg-Gas Res Appl Ef	1,402,436		908	208,179	1,194,257
19	Reg-Gas Res Showerhead	82,564		908	55,047	27,517
20	Reg Elect Res Wzn	50,234		908	8,643	41,591
21	Reg L/I Elec Wzn	81,841		908	14,099	67,742
22	Reg Elec Res Shwr	20,802		908	20,802	
23	Reg C/I Elec Fuel	195,213		908	34,221	160,992
24	Reg Gas A.E. Wtr	111,154		908	74,130	37,024
25	Reg Low Income Gas Wzn	337,567		908	56,634	280,933
26	Care - California	55,207			61,940	-6,733
27	Consv. & Renewable Disco	199,787	336,332			536,119
28	Sandpoint DSR - PPL	740,353		908	113,387	626,966
29	Gas Plant					
30	Hamilton Street Bridge Site	53,693		var.	53,693	
31						
32	Electric Plant					
33	Post Falls No Channel Study					
34	Port Of Seattle	46,507	46,243			92,750
35	Easy Pay Billing CS	-137,889	87,357			-50,532
36	Lake CDA Issues	603,105	262,408			865,513
37	Shareholder Lawsuit 2002	211,186	755,069			966,255
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	86,083,253				51,242,169

Name of Respondent Avista Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (M, D, Y) April 25, 2004	Year of Report Dec. 31, 2004
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ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. At Other (Specify), include deferrals relating to other income and deductions.
3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	11,330,752	1,658,136	1,301,697
3	Gas	(1,832,996)	1,203,870	(229,448)
3.01				
4	Other (Define)	0		
4.01		0		
4.02		0		
5	Total (Total of lines 2 thru 4)	9,497,756	2,862,006	1,072,249
6	Other (Specify)	24,724,630	(241,052)	1,831,982
6.01	Common			
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6)	34,222,386	2,620,954	2,904,231
8	Classification of TOTAL			
9	Federal Income Tax	34,222,386	2,620,954	2,904,231
10	State Income Tax			
11	Local Income Tax			

Name of Respondent Avista Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2004	Year of Report Dec. 31, 2004
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ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)

4. If more space is needed, use separate pages as required.

5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other."

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits to 190		Credits to 190			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
(761,253)	83,038					11,818,604	2
287,222	0			254.18	26,556	(3,580,092)	3
						0	3.01
						0	4
						0	4.01
						0	4.02
(474,031)	83,038		0		26,556	8,238,512	5
(418,114)	1,680,714	186.65	2,268,824			31,165,316	6
		236.00	5,410,035			5,410,035	
		219.00	4,086,545			4,086,545	6.01
		various	1,992,265			1,992,265	6.02
(892,145)	1,763,752		11,765,404		26,556	50,892,673	7
							8
(892,145)	1,763,752		11,765,404		26,556	50,892,673	9
							10
							11

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock Issued			
2	No Par Value	200,000,000		
3				
4	TOTAL_COM	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9				
10	Cumulative			
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13	TOTAL_PRE	10,000,000		
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
48,471,511	629,055,981					2
						3
48,471,511	629,055,981					4
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)			
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	Common Stock - Public Issue	7,822,732	
2	Shares issued under provisions of Respondant's Dividend Reinvestment and Stock Purchase Plan	442,145	
3	Shares issued under provisions of Respondant's Employee Stock Purchase Plan	74,839	
4	Common Stock - 401k	215,137	
5	Common Stock - Periodic Offering Program (POP)	599,768	
6	\$6.95 Preferred Stock, Series K	1,334,005	
7	Common Stock Split	187,872	
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22	TOTAL	10,676,498	

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Acct. 221 - Bonds:		
2	Secured Medium Term Notes \$1,062,550,000	873,850,000	8,937,218
3	(Premium)		-50,220
4			
5	Pollution Control Revenue Bonds:		
6	6% Series due 2023	4,100,000	345,385
7	Colstrip 1999A due 2032	66,700,000	2,182,462
8	(Premium)		-1,334,000
9	Colstrip 1999B due 2034	17,000,000	565,288
10	(Premium)		-340,000
11			
12	SUBTOTAL	961,650,000	10,306,133
13			
14	Acct. 222 - Reacquired Bonds		
15			
16	Acct. 223 - Advances from Associated Companies-A. Advantage \$800k; A. Energy \$600k	1,400,000	
17	Long Term Debt to Affiliated Trusts-AVA Capital Trust III	61,856,000	6,518,278
18	Long Term Debt to Affiliated Trusts-Avista Capital I	51,547,000	3,633,783
19			
20	Acct. 224 - Other Long-term Debt		
21	Series K Preferred Stock	35,000,000	2,089,391
22	Notes Payable - Banks (local) \$350,000,000		2,578,000
23			
24	Commercial Paper		
25			
26	Unsecured Senior Notes	400,000,000	9,128,000
27	(Discount)		2,716,000
28			
29	Medium Term Notes \$1,000,000,000	683,000,000	4,071,295
30	(Premium)		-70,000
31	Long Term Curent		
32	Notes Payable to Various Parties		
33	TOTAL	2,194,453,000	40,970,880

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
				522,350,000	25,034,806	2
						3
						4
						5
12/18/1984	12/01/2014	12/18/1984	12/01/2023	4,100,000	246,000	6
9/01/1999	10/01/2032	9/01/1999	10/01/2032	66,700,000	3,335,000	7
						8
9/01/1999	3/01/2034	9/01/1999	3/01/2034	17,000,000	871,250	9
						10
						11
				610,150,000	29,487,056	12
						13
						14
						15
				1,400,000		16
4/5/2004	4/1/2034	4/30/2004	3/31/2034	61,856,000	3,565,447	17
06/03/1997	06/01/2037	06/30/1997	5/31/2037	51,547,000	1,156,745	18
						19
						20
9/15/1992	9/15/2007	9/15/1992	9/15/2007	29,750,000	2,158,844	21
12/17/2004	12/16/2009	12/13/2004	12/16/2009	68,000,000	3,100,138	22
						23
						24
						25
4/03/2001	6/01/2008	4/03/2001	6/01/2008	280,827,068	29,218,173	26
						27
						28
				30,000,000	10,511,208	29
						30
						31
						32
				1,133,530,068	79,197,611	33

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	35,153,860
2		
3		
4	Taxable Income Not Reported on Books	
5		6,775,591
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		73,032,236
11	Federal Income Tax	5,443,955
12	Deferred Income Tax	11,686,245
13	Investment Tax Credit	-49,308
14	Income Recorded on Books Not Included in Return	
15		26,298,516
16	Equity in Sub Earnings (income) / Loss	-3,381,428
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		-91,161,094
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	63,798,573
28	Show Computation of Tax:	
29	63,798,573 x .35 = 22,329,501	22,329,501
30	Settlement of prior year tax returns and adjustment of tax reserves	
31	affecting deferred taxes	-13,522,764
32	Settlement of prior year tax returns and adjustment of tax reserves	
33	affecting current taxes	-3,362,782
34		
35	Tax	5,443,955
36		
37		
38		
39		
40		
41		
42		
43		
44		

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL:					
2	Income Tax (1989-1996)	-587,439				587,439
3	Income Tax (1998)	-37,912				37,912
4	Income Tax (1999)	-19,890			-1,973,468	-1,953,578
5	Income Tax (2000)	4,120,811				-4,120,811
6	Income Tax (2001)	-53,215,684		-290,816		53,506,500
7	Income Tax (2002)	49,041,157		-1,253,144		-47,788,014
8	Income Tax (2003)	-5,664,448		-10,051,662	6,000,000	21,716,110
9	Income Tax (2004)			20,701,721	2,079,974	-27,082,044
10	Unemployment Ins 2003					
11	FICA (2003)	601		-601		
12	FICA (2004)			7,813,066	7,813,066	
13	Retained Earnings-ESOP	-147,005				147,005
14	Retained Earnings-ESOP	-419,065				419,065
15	Retained Earnings-ESOP	-141,026				141,026
16	Retained	-139,205				139,205
17	Retained	-221,742				221,742
18	Retained			-395,319		-1,068,043
19	Total Federal	-7,430,847		16,523,245	13,919,572	-5,096,486
20						
21	STATE OF WASHINGTON:					
22	Property Tax (2000 & Prior)	466,176		96,474		-562,650
23	Property Tax (2001)	-57,614		-305,259		362,872
24	Property Tax (2002)	143		1,282		-1,425
25	Property Tax (2003)	9,948,000		-935,655	9,008,694	
26	Property Tax (2004)			10,319,313	313	
27	Excise Tax (2001)	329,416		-329,416		
28	Excise Tax (2002)	1,645,877		400,680		-2,097,172
29	Excise Tax (2003)	171,529		424,485	2,693,186	2,097,172
30	Excise Tax (2004)			17,141,427	14,968,502	
31	Gas Surcharge	-6,697		49,114	29,043	
32	Motor Vehicle (2004)			3,807	3,807	
33	Total Washington	12,496,830		26,866,252	26,703,545	-201,203
34						
35	STATE OF IDAHO:					
36	Income Tax (1997-2000)	981,138				
37	Income Tax (2001)	-3,085,967				
38	Income Tax (2002)	749,501			-593,571	
39	Income Tax (2003)	277,503			-269,842	
40	Income Tax (2004)			752,406	318,000	-515,383
41	TOTAL	9,241,055		84,514,505	76,881,762	-5,560,368

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
						3
						4
						5
					-290,816	6
					-1,253,144	7
		-2,223,675			-7,827,987	8
-8,460,297		10,113,885			10,587,836	9
						10
					-601	11
					7,813,066	12
						13
						14
						15
						16
						17
-1,463,362					-395,319	18
-9,923,659		7,890,210			8,633,035	19
						20
						21
		97,723			-1,250	22
		-364,409			59,151	23
		3,127			-1,845	24
3,651		-672,210			-263,445	25
10,319,000		8,047,310			2,272,002	26
		-349,255			19,839	27
-50,614		400,680				28
		-69,869			494,355	29
2,172,926		11,747,417			5,394,010	30
13,373					49,114	31
					3,807	32
12,458,336		18,840,514			8,025,738	33
						34
						35
981,138						36
-3,085,967						37
1,343,072						38
547,345						39
-80,977		292,643			459,763	40
11,313,430		55,029,969			29,528,594	41

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	Property Tax (2000 & Prior)	-251,556		129,180		122,377
3	Property Tax (2001)	47		-106,786		106,739
4	Property Tax (2002)	-8,067		8,848		-781
5	Property Tax (2003)	2,703,492			2,701,088	
6	Property Tax (2004)			5,397,952	2,707,555	
7	Excise Tax (2000)	-8,056		8,057		-1
8	Excise Tax (2001)	-54,473		36,092	-18,381	
9	Excise Tax (2002)	-7,751		7,751		
10	Excise Tax (2003)	9,863		-875	140,428	131,441
11	Excise Tax (2004)			7,655	27,401	11,009
12	Motor Vehicle Ins. (2004)			7,744	7,744	
13	Irrigation Credits (2002)	-5,730			6,311	
14	Irrigation Credits (2003)				1,160	
15	KWH Tax (2003)	66,004			21,104	-44,900
16	KWH Tax (2004)			280,457	302,477	44,900
17	Franchise Tax (2002)	-82,585				82,585
18	Franchise Tax (2003)	730,394			1,691,460	692,408
19	Franchise Tax (2004)			3,072,235	1,125,248	-549,245
20	Total Idaho	2,013,757		9,600,716	8,168,182	81,149
21						
22	STATE OF MONTANA:					
23	Income Tax (1996-2000)	615,757				
24	Income Tax (2001)	-1,186,912				
25	Income Tax (2002)	69,988				
26	Income Tax (2003)	6,316				
27	Income Tax (2004)			410,403	239,000	
28	Property Tax (1999)	-7,086				7,086
29	Property Tax (2000)	-46,114				-35,270
30	Property Tax (2001)	1,454				165,534
31	Property Tax (2002)	5,514				-41,356
32	Property Tax (2003)	3,064,468		1,528	3,064,424	
33	Property Tax (2004)			6,858,000	3,432,987	
34	Unemployment Ins (2004)					
35	KWH Tax (2003)	235,173			235,204	30
36	KWH Tax (2004)			1,011,003	829,590	-30
37	Motor Vehicle (2004)			4,869	4,869	
38	Consumer Council Tax	-1,452		8,400	5,954	
39	Public Commission Tax	-6		40	27	
40	Total Montana	2,757,100		8,294,243	7,812,055	95,994
41	TOTAL	9,241,055		84,514,505	76,881,762	-5,560,368

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
		18,062			111,118	2
		-435			-106,350	3
		143			8,706	4
2,404						5
2,690,396		4,591,451			806,501	6
					8,057	7
		33,676			2,416	8
					7,751	9
		334			-1,210	10
-8,737		4,815			2,840	11
					7,744	12
-12,041						13
-1,160						14
						15
22,881		280,457				16
						17
-268,657						18
1,397,741		1,972,155			1,100,080	19
3,527,438		7,193,301			2,407,416	20
						21
						22
615,757						23
-1,186,912						24
69,988						25
6,316						26
171,403		390,603			19,800	27
						28
-81,384						29
166,988						30
-35,843						31
1,572		1,528				32
3,425,014		6,864,817			-6,817	33
						34
						35
181,383		1,011,003				36
					4,869	37
994		8,400				38
7		40				39
3,335,283		8,276,391			17,852	40
11,313,430		55,029,969			29,528,594	41

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
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4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	STATE OF OREGON:					
3	Income Tax (1999 & Older)	214,635			-578	
4	Income Tax (2000)	-158,916				
5	Income Tax (2001)	-854,485		740		
6	Income Tax (2002)	216,117			-131,680	
7	Income Tax (2003)	20,153			-137,989	-72,851
8	Income Tax (2004)			171,001	85,000	-59,006
9	Property Tax (1999-2000)	55,143		1		-55,144
10	Property Tax (2001)	20,499				-20,499
11	Proprty Tax (2002)	-60,055				60,055
12	Property Tax (2003)	-1,254,350		1,428,762		15,588
13	Property Tax (2004)			697,517	1,277,044	
14	Motor Vehicle (2004)					
15	Busn Energy Tax Credit	-414,235				-16,786
16	Busn Energy Tax Credit	-34,244				
17	Busn Energy Tax Credit	-55,790				
18	Busn Energy Tax Credit	-63,885				72,851
19	Busn Energy Tax Credit			-44,059		
20	Franchise Tax (2002)	-115,964				115,964
21	Franchise Tax (2003)	214,906			597,121	382,216
22	Franchise Tax (2004)			3,329,162	2,028,445	-507,402
23	Total Oregon	-2,270,471		5,583,124	3,717,363	-85,014
24						
25	STATE OF CALIFORNIA:					
26	Income Tax (1996-2000)	158,423				
27	Income Tax (2001)	-142,429				
28	Income Tax 2002	26,863				
29	Income Tax 2003	-17,058				
30	Income Tax 2004			34,200	59,983	-15,158
31	Property Tax (1999)	128,479				-128,479
32	Property Tax (2000-2001)	-1,452		-3,906		5,358
33	Property Tax (2002)	6,350		-6,354		4
34	Property Tax (2003)	-57,265		57,270		-5
35	Property Tax (2004)			60,766	112,064	1
36	Excise Tax (1999-2000)	-2,163				
37	Excise Tax (2001)	-34				
38	Excise Tax (2004)			343		
39	Franchise Tax (2002)	557,747				-557,747
40	Franchise Tax (2003)	-60,847			336,922	557,747
41	TOTAL	9,241,055		84,514,505	76,881,762	-5,560,368

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
215,213						3
-158,916						4
-853,745					740	5
347,797						6
85,291						7
26,995		21,740			149,261	8
					1	9
						10
						11
190,000		835,496			593,266	12
-579,527		60,321			637,195	13
						14
-431,020						15
-34,244						16
-55,790						17
8,966						18
-44,059						19
						20
						21
793,315					3,329,162	22
-489,724		917,557			4,709,625	23
						24
						25
158,423						26
-142,429						27
26,863						28
-17,058						29
-40,941					34,200	30
						31
					-3,906	32
					-6,354	33
					57,270	34
-51,297					60,766	35
-2,163						36
-34						37
343					343	38
						39
159,977						40
11,313,430		55,029,969			29,528,594	41

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Franchise Tax (2004)			406,036	720	
2	California PUC Tax	137				
3	California Use Tax			1,309	241	
4	Total California	596,751		549,664	509,930	-138,279
5						
6	STATE OF ARIZONA:					
7	Income Tax (2001)	-9,127		-700	-650	-2
8	Total Arizona	-9,127		-700	-650	-2
9						
10	COUNTY & MUNICIPAL					
11	Occupation	1,192,123		17,091,937	16,051,010	-216,527
12	Forrest Fire Protection					
13	Greenacres Irrigation			-7	7	
14	City of Spokane PBIA	-858			612	
15	WA Dept of Natural					
16	Spokane Utility Tax	205		6,767		
17	Columbia Irrigation				136	
18	Misc.	-104,408		-736		
19	Total County	1,087,062		17,097,961	16,051,765	-216,527
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
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35						
36						
37						
38						
39						
40						
41	TOTAL	9,241,055		84,514,505	76,881,762	-5,560,368

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
405,316					406,036	1
137						2
1,068		1,309				3
498,205		1,309			548,355	4
						5
						6
-9,179					-700	7
-9,179					-700	8
						9
						10
2,016,522		11,891,757			5,200,179	11
						12
-14					-7	13
-1,470						14
						15
6,972					6,767	16
-136						17
-105,144		18,930			-19,666	18
1,916,730		11,910,687			5,187,273	19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
11,313,430		55,029,969			29,528,594	41

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%						
6							
7							
8	TOTAL						
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Gas Property (10%)	620,268			1411.4	49,308	
11							
12	TOTAL PROPERTY	620,268				49,308	
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
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47							
48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
570,960			10
			11
570,960			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
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			47
			48

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.

2. Minor items (less than \$100,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Forest Use Permits 242.06	182,081
2		
3	R. Hanson Settlement 242.09	41,550
4		
5	Hamilton St. Bridge (Gas Plant) Accrual 242.10	756,591
6		
7	Audit Expense Accrual 242.20	64,650
8		
11	FERC Administrative Fee Accrual 242.30,242.31	1,582,000
12		
15	Non-monetary Power Exchange 242.50	75,450
16		
17	Payroll Equalization 242.70	10,773,355
18		
19	Demand Side Mgmt Tariff Rider 242.71,72,73,74	(1,566,560)
20		
21	ESOP 401-K Plan 242.75	84,297
22		
23	Low Income Energy Assistance 242.76 & 242.77	1,503,700
24		
25	California Commission Fee 242.78	5,900
26		
27	OR Gas Limited Income (LIRAP) 242.79	63,597
28		
29	Workers Compensation Reg Liab 242.83	2,360,885
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	TOTAL	15,927,496

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Unearned Interest - Customer					
2	wiring & conversions 253.00	2,352	419	2,352	2,664	2,664
3						
4	Deferred Revenue Prepayment -	51,546	456	9,372		42,174
5	Pacific Walla Walla/Enterprise					
6	Amort = 19 yrs 253.08					
7						
8	CIT Oper Lease 253.09, 9/2006	108,011	931	39,277		68,734
9						
10	BPA C&RD Receipts 253.10	65,880	various	32,850	427,950	460,980
11						
12	Trust Fund - Centralia 253.11	893,089		2,287	5,621	896,423
13						
14	Rathdrum Refund 253.12	543,976		33,822		510,154
15	Amort =25 years, through 1/2020					
16						
17	Supplemental Executive	13,201,395		903,761	3,145,634	15,443,268
18	Retirement Plan 253.29					
19						
20	Gain on Sale and leaseback	2,091,648		261,456		1,830,192
21	of Building (Amortization period					
22	is 25 years) 253.85 & 253.86					
23						
24	ID Clark Fork Relicensing 253.89	-417,543		516,424	513,261	-420,706
25						
26	Deferred Comp. 253.90,91,92	12,206,789		1,366,951	1,286,412	12,126,250
27						
28	FAS5 Mark to Market 253.95	5,261,406		21,688,590	16,427,184	
29						
30	Amort Unbilled Revenue Add-ons			14,918,048	17,079,331	2,161,283
31	253.99					
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	34,008,549		39,775,190	38,888,057	33,121,416

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	198,857,057	18,624,230	
3	Gas	47,903,080	7,103,878	
4	General Common	15,865,985	874,409	
5	TOTAL (Enter Total of lines 2 thru 4)	262,626,122	26,602,517	
6	Non-operating	2,395,174		
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	265,021,296	26,602,517	
10	Classification of TOTAL			
11	Federal Income Tax	257,655,753	25,720,325	
12	State Income Tax	7,365,543	882,192	
13	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						217,481,287	2
						55,006,958	3
						16,740,394	4
						289,228,639	5
1,552	81,704					2,315,022	6
				190	2,876,266	2,876,266	7
		190	884,002			-884,002	8
1,552	81,704		884,002		2,876,266	293,535,925	9
							10
1,552	81,704		884,002		2,876,266	285,288,190	11
						8,247,735	12
							13

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Electric	117,437,849	-55,256,109	
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	117,437,849	-55,256,109	
10	Gas			
11	Gas	3,490,222	2,484,383	
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	3,490,222	2,484,383	
18	Other	127,365,050	49,003,485	
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	248,293,121	-3,768,241	
20	Classification of TOTAL			
21	Federal Income Tax			
22	State Income Tax			
23	Local Income Tax			

NOTES

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of <u>2004/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
2,425,292		182.32	899,835			63,707,197	3
							4
							5
							6
							7
							8
2,425,292			899,835			63,707,197	9
							10
41,499						6,016,104	11
							12
							13
							14
							15
							16
41,499						6,016,104	17
-2,466,791		182.31,	9,244,746			164,656,998	18
			10,144,581			234,380,299	19
							20
							21
							22
							23

NOTES (Continued)

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

- Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
- For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Centralia Sale 254.11, 028 & 038	6,674,973	407.41	2,163,222	237,252	4,749,003
2						
3	FAS109-Acctg for Income Taxes 254.18	334,020	190.18	26,556		307,464
4						
5	Nez Perce - Regulatory Liability 254.22	880,436	186.80, 557.2	22,008		858,428
6						
7	BPA Residential Exchange 254.45, 028		407.45	7,566,823	8,808,024	1,241,201
8	BPA Residential Exchange 254.45, 038	16,333	407.45	3,274,436	3,977,788	719,685
9	BPA Residential Exchange 254.45, 098	1,679,445	182.45	1,679,445		
10	BPA Residential Exchange 254.46, 028		431.10		3,554	3,554
11						
12	Mark to Mkt FAS133 - Reg Liab 254.74	3,442,499	176.74, 245.7	325,341,924	348,720,526	26,821,101
13						
14						
15						
16						
17						
18						
19						
20						
21						
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40						
41	TOTAL	13,027,706		340,074,414	361,747,144	34,700,436

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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total. for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas. 4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.

3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted 5. If increases or decreases from previous year (columns (c), (e) and (g), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	194,470,117	166,925,006
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	104,754,350	90,522,719
5	Large (or Ind.) (See Instr. 6)	9,422,721	7,474,713
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	362,706	348,901
8	TOTAL Sales to Ultimate Consumers	309,009,894 (1)	265,271,339
9	(483) Sales for Resale	152,110	279,638
10	TOTAL Nat. Gas Service Revenues	309,162,004	265,550,977
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	309,162,004	265,550,977
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	280,063	223,829
17	(489) Rev. from Trans. of Gas of Others	8,187,511	8,539,920
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property	15,060	
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	2,848,688	2,974,051
24	TOTAL Other Operating Revenues	11,331,322	11,737,800
25	TOTAL Gas Operating Revenues	320,493,326	277,288,777
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	320,493,326	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	299,224,467	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	9,422,721	
30	Sales for Resale	152,110	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	362,706	
33	TOTAL (Same as Line 10, Columns (b) and (d))	309,162,004	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
201,696,263	198,471,049	268,571	261,063	2
				3
122,851,688	122,115,272	31,886	31,312	4
13,273,911	12,736,380	311	310	5
				6
479,230	517,438	37	37	7
338,301,092 (2)	333,840,139	300,805	292,722	8
305,000	675,000		1	9
338,606,092	334,515,139	300,805	292,723	10

NOTES

Quantities of natural gas expressed in therms:
to convert therms to MCF, divide therms by a
BTU factor of 10.20

(1) Includes \$4,627,958 unbilled revenues.

(2) Includes(361,680) therms relating to unbilled revenues.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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DISTRIBUTION TYPE SALES BY STATES

1. Report in total for each State, sales by classes of service. Report main line sales to residential and commercial consumers in total by States. Do not include field and main line sales to industrial consumers; these should be reported on page 306, Field and Main Line Industrial Sales of Natural Gas.

Line No.	Names of State (a)	Total Residential, Commercial and Industrial		Residential
		Operating Revenues (Total of (d), (f) and (h)) (b)	Therms (Total of (e), (g) and (i)) (c)	Operating Revenues (d)
1	State of Washington	145,687,195	164,587,612	91,341,542
2	State of Idaho	58,755,770	67,066,720	37,273,915
3	State of Oregon	83,757,885	84,177,703	51,206,457
4	State of California	20,446,338	21,989,827	14,648,203
5				
6	Totals	308,647,188	337,821,862	194,470,117
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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DISTRIBUTION TYPE SALES BY STATES (Continued)

2. Provide totals for sales within each State. the components of mixed gas, i.e., whether natural and oil refinery gases, natural and coke oven gases, etc., and specify the approximate percentage of natural gas in the mixture.

3. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. State in a footnote the approximate percentage of natural gas in the mixture.

Residential (Continued)		Commerical		Industrial		Line No.
Therms	Operating Revenues	Therms	Operating Revenues	Therms		
(e)	(f)	(g)	(h)	(i)		
98,040,965	51,060,026	62,146,078	3,285,627	4,400,569		1
40,813,093	19,895,903	24,149,097	1,585,952	2,104,530		2
47,129,971	28,000,286	30,278,920	4,551,142	6,768,812		3
15,712,234	5,798,135	6,277,593	0	0		4
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201,696,263	104,754,350	122,851,688	9,422,721	13,273,911		6
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Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
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GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	0	0
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0

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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
B2. Products Extraction (Continued)			
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Reg. Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases	0	0
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
69	801 Natural Gas Field Line Purchases	0	0
70	802 Natural Gas Gasoline Plant Outlet Prurchases	0	0
71	803 Natural Gas Transmission Line Purchases	-	-
72	804 Natural Gas City Gate Purchases	217,925,718	189,992,110
73	804.1 Liquefied Natural Gas Purchases	-	-
74	805 Other Gas Purchases	(4,070,037)	(9,237,733)
75	(Less) 805.1 Purchased Gas Cost Adjustments	-	-
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	213,855,681	180,754,377
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expenses-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	328,577	318,297
84	807.5 Other Purchased Gas Expenses	-	-
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	328,577	318,297
86	808.1 Gas Withdrawn from Storage-Debit	-	-
87	(Less) 808.2 Gas Delivered to Storage-Credit	(83,689)	(76,888)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas Used in Utility Operations-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0
95	813 Other Gas Supply Expenses	404,814	319,069
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	214,505,383	181,314,855
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	214,505,383	181,314,855

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	15,828	15,153
102	815 Maps and Records	-	0
103	816 Wells Expenses	-	0
104	817 Lines Expense	-	0
105	818 Compressor Station Expenses	-	0
106	819 Compressor Station Fuel and Power	-	0
107	820 Measuring and Regulating Station Expenses	-	0
108	821 Purification Expenses	-	0
109	822 Exploration and Development	-	0
110	823 Gas Losses	-	0
111	824 Other Expenses	334,655	228,242
112	825 Storage Well Royalties	-	0
113	826 Rents	-	0
114	TOTAL Operation (Enter Total of lines 101 thru 113)	350,483	243,395
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	171,691	220,501
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	171,691	220,501
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	522,174	463,896
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0

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Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(Less) 845.5 Wharfage Receipts-Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	0	0
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	522,174	463,896
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Enter Total of lines 180 thru 190)	0	0

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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
3. TRANSMISSION EXPENSES (Continued)			
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Reg. Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	928,100	913,244
205	871 Distribution Load Dispatching	-226	3,413
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0
208	874 Mains and Services Expenses	2,993,801	2,945,577
209	875 Measuring and Regulating Station Expenses-General	87,741	66,970
210	876 Measuring and Regulating Station Expenses-Industrial	973	638
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	112,188	102,072
212	878 Meter and House Regulator Expenses	1,592,238	1,491,133
213	879 Customer Installations Expenses	1,951,323	1,777,084
214	880 Other Expenses	1,713,864	1,536,942
215	881 Rents	24,161	19,500
216	TOTAL Operation (Enter Total of lines 204 thru 215)	9,404,163	8,856,573
217	Maintenance		
218	885 Maintenance Supervision and Engineering	113,811	57,543
219	886 Maintenance of Structures and Improvements	2,776	1,695
220	887 Maintenance of Mains	2,640,131	2,028,496
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	395,207	446,691
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	215,084	176,714
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	52,473	41,310
225	892 Maintenance of Services	320,696	532,764
226	893 Maintenance of Meters and House Regulators	711,130	557,024
227	894 Maintenance of Other Equipment	68,916	19,619
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	4,520,224	3,861,856
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	13,924,387	12,718,429
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	81,506	72,694
233	902 Meter Reading Expenses	2,076,492	2,000,754
234	903 Customer Records and Collection Expenses	6,247,929	5,821,781
235	904 Uncollectible Accounts	1,440,131	753,587
236	905 Miscellaneous Customer Accounts Expenses	417,106	429,906
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	10,263,164	9,078,722

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GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	5,293,430	3,718,098
242	909 Informational and Instructional Expenses	168,574	104,533
243	910 Miscellaneous Customer Service and Informational Expenses	55,101	47,014
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	5,517,105	3,869,645
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	23,836
248	912 Demonstrating and Selling Expenses	695,836	654,164
249	913 Advertising Expenses	106,417	190,041
250	916 Miscellaneous Sales Expenses	9,517	52,253
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	811,770	920,294
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	6,143,730	5,840,466
255	921 Office Supplies and Expenses	2,333,303	2,267,359
256	(Less) (922) Administrative Expenses Transferred-Cr.	-5,597	(5,727)
257	923 Outside Services Employed	3,250,858	2,986,197
258	924 Property Insurance	290,984	367,023
259	925 Injuries and Damages	1,469,382	968,396
260	926 Employee Pensions and Benefits	666,794	615,880
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	1,294,935	1,365,580
263	(Less) (929) Duplicate Charges-Cr.	0	0
264	930.1 General Advertising Expenses	0	0
265	930.2 Miscellaneous General Expenses	1,258,529	936,072
266	931 Rents	1,743,385	2,175,701
267	TOTAL Operation (Enter Total of lines 254 thru 266)	18,446,303	17,516,947
268	Maintenance		
269	935 Maintenance of General Plant	1,193,844	1,054,604
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	19,640,147	18,571,551
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	265,184,130	226,937,392

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1. Payroll Period Ended (Date)	December 31, 2004
2. Total Regular Full-Time Employees	332
3. Total Part-Time and Temporary Employees allocation of General Employees	36
4. Total Employees	368

Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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Other Gas Supply Expenses (Account 813)

1 Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4 and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250,000 or more.

Line No.	Description (a)	Amount (in Dollars) (b)
1	Gas Resource Management	
	Labor	174,894
2	Transportation	1,804
	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	22,713
3		
4	Canadian Regulatory Affairs	
	Labor	49,632
5	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	24,112
6	Send Out Modeling	
	Maintenance Fees	0
7		
8	FERC Gas Case	
	Labor	52,624
9	Misc. Other Expenses (Phone Bills, Professional Services, Postage, Etc.)	79,051
10	Departmental Administration	-16
11		
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19		
20	TOTAL	404,814

Name of Respondent	This report is: (1) (X) An Original (2) () A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
Avista Corp.			
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)			
1. Provide the information requested below on miscellaneous general expenses.		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.	
Line No.	Description (a)	Amount (b)	
1	Industry Association Dues (0930.25)	256,079	
2	Experimental and General Research Expenses a. Gas Research Institute (GRI) b. Other		
3	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	399,764	
4	Other Expenses		
5			
6	Directors Fees and Expenses (0930.27)	WA/ID Ret	WA/ID Exp
7	R. JOHN TAYLOR	8,336	62
8	DAVID A CLACK	9,470	88
9	JOHN F KELLY	6,764	760
10	JESSIE J KNIGHT JR	4,822	1,011
11	ERIK J ANDERSON	7,441	68
12	ROY LEWIS EIGUREN	7,366	153
13	LURA J POWELL	7,140	499
14	MICHAEL L NOEL	9,170	471
15	KRISTIANNE BLAKE	11,720	5,762
16	JACK W GUSTAVEL	3,157	1,552
17			
18	Total	75,386	3,112
19		37,061	1,530
20			117,089
21	Miscellaneous General Expenses (0930.20)		
22	Labor	224,715	
23	5 Items Under \$5000	-26	
24	Cash Book Journal Transfers	37,057	
25			
26	Total	261,746	
27			
28			
29			
30			
31	Community Relations (0930.22)		
32	Labor	122,394	
33	172 Items Under \$5000	17,663	
34			
35	Total	140,057	
36			
37	Educational - Informational (0930.23)		
38	Labor	23,991	
39	4 Items Under \$5000	694	
40		24,685	
41			
42	Other Miscellaneous General Expenses (0930.29)		
43	Labor	49	
44	9 Items Under \$5000	1,024	
45			
46		1,073	
47	Other Miscellaneous General Labor (0930.26-28)		
48	93027	33,795	
49			
50	Total	33,795	
51			
52	TOTAL	1,234,288	

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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 404.6, 405)
(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals

between the report years (1971, 1974 and every fifth year thereafter).

Report in column (b) all depreciable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate at the bottom of Section B the

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification <i>(a)</i>	Depreciation Expense (Account 403) <i>(b)</i>	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) <i>(c)</i>	Amortization of Underground Storage, Land, Land Rights and Misc. Intang (Account 404.2) <i>(d)</i>
1	Intangible plant			5,958
2	Production plant, manufactured gas	1,543		
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Underground gas storage plant	429,790		
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant	0		
9	Distribution plant	13,382,219		
10	General plant	469,276		
11	Common General plant-Allocated	92,493		
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22				
23				
24				
25	TOTAL	14,375,321	0	5,958

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 404.6, 405)
(Except Amortization of Acquisition Adjustments) (Continued)**

manner in which column (b) balances are obtained. If average balances, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used. Report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine

depreciation charges, show at the bottom of Section B any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of Section B the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Leasehold Improvements (Account 404.6 and 404.75) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)	Line No.
269,641			275,599	Intangible plant	1
			1,543	Production plant, manufactured gas	2
				Production and gathering plant, natural gas	3
				Products extraction plant	4
			429,790	Underground gas storage plant	5
				Other storage plant	6
				Base load LNG terminating and processing plant	7
			0	Transmission plant	8
			13,382,219	Distribution plant	9
	53,210		522,486	General plant	10
327,643	317,390		737,526	Common general plant-Allocated	11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
597,284	370,600	0	15,349,163	TOTAL	25

Name of Respondent		This Report Is:	Date of Report	Year of Report
Avista Corporation		(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	complete Dec. 31, 2004
		(2) <input type="checkbox"/> A Resubmission	April 25, 2005	
Line No.	Functional Classification:	Depreciable Plant Base (Thousands) (b) (1)	Applied Depr. Rate(s) (Percent) (c)	
	<u>Underground Gas Storage Plant: (2)</u>			
1				
2	350	24	2.05%	
3	351	1,064	1.75%	
4	352	5,731	2.12%	
5	352.2	209	2.20%	
6	352.1 (Leasehold Improvements)	254	2.22%	
7	352.3	6,122	2.43%	
8	353	823	1.97%	
9	354	1,964	2.61%	
10	355	154	2.76%	
11	356	404	3.04%	
12	357	1,648	2.74%	
13	Total	18,396		
14				
15	<u>Production - Manufactured Gas:</u>			
16	2305	0	2.80%	
17	2311	66	1.80%	
18	Total	66		
19				
20	<u>Distribution Plant:</u>			
21	375.1	634	2.24%	
22	376	230,117	2.33%	
23	378	4,346	1.90%	
24	379	1,945	2.46%	
25	380	167,133	2.78%	
26	381	52,397	1.97%	
27	385	2,772	2.51%	
28	387	1	5.40%	
29	Total	459,344		
30				
31	<u>Intangible:</u>	2,524	2.00%	
32				
33	<u>General Plant:</u>			
34	390.1	2,329	2.30%	
35	390.2	16	2.00%	
36	391.1	10	6.30%	
37	392	3,516		
38	393	92	2.43%	
39	394	2,318	4.72%	
40	395	908	4.07%	
41	396	2,894		
42	397	1,616	9.11%	
43	398	34	2.15%	
44	Total	13,734		
45				
46	Total Depreciable Gas Plant	494,064		

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Name of Respondent Avista Corp.	This report is: (1) (X) An Original (2) () A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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Particulars Concerning Certain Income Deduction and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. (a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization. (b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less the \$250,000 may be grouped by classes within the above accounts. (c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

Line No.	Description (a)	Amount (b)
1	Acct. 425.00 - MISCELLANEOUS AMORTIZATIONS	
2	Gas plant acquisition adj. Applicable to purchase of CP National,	
3	Oregon & California distribution system. Contra account 115.00.	1,323,416
4	Total - 425.00	
5		
6	Acct. 426.10 - DONATIONS	
7	El Dorado County (Project Share)	15,000
8	Donation of Microturbine to Oregon Institute of Technology	108,856
9	Spokane Neighborhood Action (Project Share)	200,000
10	Valley Vision	15,000
11	Items Under \$15,000	173,501
12		
13	Total 426.10	512,357
14		
15	Acct. 426.20 - LIFE INSURANCE	
16	Officers Life	126,078
17	SERP	1,300,008
18	Total 426.20	1,426,086
19		
20	Acct. 426.30 - PENALTIES	
21		
22	All Items Under \$10,000	10,038
23	Total 426.30	10,038
24		
25	Acct. 426.40 - EXPENDITURES FOR CERTAIN CIVIC, POLITICAL,	
26	AND RELATED ACTIVITIES	
27		
28	Legal Services	97,389
29	Items Under \$50,000	761,858
30	Total 426.40	859,247
31		
32	Acct. 426.50 - OTHER DEDUCTIONS	
33	Other	1,215
34	Write-off of utility plant pursuant to IPUC order	2,457,249
35	Kettle Falls Reserve Amortization	(228,480)
36	Executive Deferred Compensation	788,973
37	Cash Reduction for PGE Monetization	88,125
38	Accelerated vesting of stock options	117,860
39	Total 426.50	3,224,942
40		
41		

Name of Respondent Avista Corp.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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Particulars Concerning Certain Income Deduction and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. (a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization. (b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less the \$250,000 may be grouped by classes within the above accounts. (c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

Line No.	Description (a)	Amount (b)
1	Acct. 430.00 - INTEREST ON DEBT TO ASSOC. COMPANIES	
2	Avista Capital I (long-term debt) (interest rate of 7.875) (redeemed in April 2004)	1,596,650
3	Avista Capital II (long-term debt) (variable rate ranged from 1.995 to 3.275 percent)	1,214,648
4	AVA Capital Trust III (interest rate of 6.5 percent)	2,970,806
5		
6	Total 430.00	5,782,104
7		
8		
9		
10		
11		
12		
13		
14		
15	Acct. 431.00 - OTHER INTEREST EXPENSE	
16		
17		
18	Customer Deposits	(47,790)
19	Interest, Purchased Gas Adjustments	(109,294)
20	Interest on BPA residential exchange program	48,168
21	Capital lease interest	205,523
22	Interest on DSM Program Liability	217,293
23	Misc. Interest	20,375
24	Executive Deferred Compensation	54,971
25		
26		
27	Total 431.00	389,246
28		
29		
30		
31		
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41		

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FEDERAL ENERGY REGULATORY COMMISSION				
2	Charges include annual fee and license fees				
3	the Spokane River Project, and the Cabinet				
4	Gorge Project and Noxon Rapids Project.	2,267,927	27,958	2,295,885	
5					
6	WASHINGTON UTILITIES & TRANSPORTATION				
7	Includes annual fee and Electric Dockets #s:				
8	42179,42095,42084,42072,42074,41876,41795,				
9	41792,41785,41770,41712,41675,41355,41264,				
10	41222,41203,41083,41067,41020,40995,40868,				
11	40845,40843,40786,40785,40663,40611,40594,				
12	40587,40583,40472,40416,40379,40338,40329,				
13	40252,40035,31905,30751,30598,31303	615,831	345,596	961,427	
14	Gas - Docket #s:42252,42198,42180,42103,42070,				
15	41877,41865,41791,41786,41784,41771,41676,				
16	41599,41515,41514,41488,41375,41356,41265,				
17	41,223,41202,41021,41019,40869,40844,40803,				
18	40787,40595,40588,40482,40482,40473,40417,				
19	40380,40156,40036,32148,31361,30829,30599	258,236	273,489	531,725	
20					
21	IDAHO PUBLIC UTILITIES COMMISSION				
22	Includes annual fee & Electric Dockets#s:AVU-E				
23	04-01,04-02,04-03,04-04,04-05,04-06,03-09				
24	Advice #s:ADV 04-01-E through 04-06-E				
25	General Electric Docket # GNR-E-04-01	406,600	378,011	784,611	
26	Gas - Docket #s: AVU-G 04-01, 04-02 & 03-02				
27	Advice #s:ADV 04-01-G through 04-05-G				
28	RUL-G-04-01, AVU-U-04-01,04-02,04-03	125,850	177,746	303,596	
29					
30	OREGON PUBLIC UTILITIES COMMISSION				
31	Docket #s: LC 35, UF 4185				
32	Misc Advice #s: 04-03-G, UG-159, UM1162,UM1165				
33	UF4202,UF4207,UF4209,UM1115	202,045	127,977	330,022	
34					
35	CALIFORNIA PUBLIC UTILITIES COMMISSION				
36	Rulemaking:98-7-026,1-5-047,2-10-001,04-01-006				
37	Resolutions:M-4813, E-3254				
38	Decisions: 01-05-033,01-07-026,01-08-065				
39	02-10-040,02-12-011,04-08-010				
40	Advice #s: UG907G1: C-59-G,C-60-G,C-61-G				
41	C-62-G,C-63-G,C-64-G,C-65-G,C-66-G	15,343	114,249	129,592	
42					
43					
44					
45					
46	TOTAL	3,891,832	1,445,026	5,336,858	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report End of 2004/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
Electric	0928	2,295,885					4
							5
							6
							7
							8
							9
							10
							11
							12
Electric	0928	961,427					13
							14
							15
							16
							17
							18
Gas	1928	531,725					19
							20
							21
							22
							23
							24
Electric	0928	784,611					25
							26
							27
Gas	1928	303,596					28
							29
							30
							31
							32
Gas	2928	330,022					33
							34
							35
							36
							37
							38
							39
							40
Gas	2928	129,592					41
							42
							43
							44
							45
		5,336,858					46

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification <i>(a)</i>	Direct Payroll Distribution <i>(b)</i>	Allocation of Payroll Charged for Clearing Accounts <i>(c)</i>	Total <i>(d)</i>
1	Electric			
2	Operation			
3	Production	9,030,689		
4	Transmission	1,950,369		
5	Distribution	6,073,062		
6	Customer Accounts	5,225,363		
7	Customer Service and Informational	96,243		
8	Sales	677,811		
9	Administrative and General	10,727,392		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	33,780,929		
11	Maintenance			
12	Production	3,185,117		
13	Transmission	1,033,429		
14	Distribution	4,176,837		
15	Administrative and General	836,990		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	9,232,373		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	12,215,806		
19	Transmission (Enter Total of lines 4 and 13)	2,983,798		
20	Distribution (Enter Total of lines 5 and 14)	10,249,899		
21	Customer Accounts (Transcribe from line 6)	5,225,363		
22	Customer Service and Information (Transcribe from line 7)	96,243		
23	Sales (Transcribe from line 8)	677,811		
24	Administrative and General (Enter Total of lines 9 and 15)	11,564,382		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	43,013,302	1,523,089	44,536,391
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	416,719		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	5,705,855		
34	Customer Accounts	4,434,307		
35	Customer Service and Informational	166,729		
36	Sales	443,391		
37	Administrative and General	4,470,031		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	15,637,032		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution	2,243,553		
46	Administrative and General	309,646		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	2,553,199		

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification <i>(a)</i>	Direct Payroll Distribution <i>(b)</i>	Allocation of Payroll Charged for Clearing Accounts <i>(c)</i>	Total <i>(d)</i>
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas (Enter Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)	416,719		
52	Storage, LNG, Terminating and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)	0		
54	Distribution (Enter Total of lines 33 and 45)	7,949,408		
55	Customer Accounts (Transcribe from line 34)	4,434,307		
56	Customer Service and Informational (Transcribe from line 35)	166,729		
57	Sales (Transcribe from line 36)	443,391		
58	Administrative and General (Enter Total of lines 37 and 46)	4,779,677		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	18,190,231	521,014	18,711,245
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	61,203,533	2,044,103	63,247,636
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	22,424,862	1,678,531	24,103,393
66	Gas Plant	6,488,942	447,503	6,936,445
67	Other			
68	TOTAL Construction (Enter Total of lines 65 thru 67)	28,913,804	2,126,034	31,039,838
69	Plant Removal (By Utility Department)			
70	Electric Plant	724,505	(17,054)	707,451
71	Gas Plant	66,122	1,554	67,676
72	Other			
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	790,627	(15,500)	775,127
74	Other Accounts (Specify):			
75	Stores Expense (163)	0	1	1
76	Unamortized debt expense (181)	0	4,243	4,243
77	Preliminary Survey and Investigation (183)	27,597		27,597
78	Small Tool Expense (184)	11,757	41,134	52,891
79	Miscellaneous Deferred Debits (186)	24,886,682	19,364	24,906,046
80	Capital Stock Expense (214)	0	0	0
81	Merchandising Expenses (416)	0		0
82	Non-operating Expenses (417)	725,454	12,589	738,043
83	Expenditures of Certain Civic, Political and Related			
84	Activities (426)	208,513	1,281	209,794
85	Purchase and Stores Expense (980)	1,614,699	(1,581,195)	33,504
86	Transportation Expense (981)	1,530,429	(1,506,588)	23,841
87	Cafeteria Expense - Labor (984)		0	
88	Spokane Central Operating Facility Expense (985)	764,901	(759,770)	5,131
89	Clark Fork Relicensing (987)	385,697	(385,696)	1
90				
91				
92				
93				
94				
95				
96	TOTAL Other Accounts	30,155,729	(4,154,637)	26,001,092
97	TOTAL SALARIES AND WAGES	121,063,693	0	121,063,693

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 *Expenditures for Certain Civic, Political and Related Activities.*

(a) Name of person or organization rendering services.
(b) Total charges for the year.
2. Designate associated companies with an asterisk in column (b).

Line No.	Description (a)	* (b)	Amount (in dollars) (c)
1	Delinea Corporation		1,238,371
2	Deloitte & Touche LLP		869,133
3	Dewey Ballantine LLP		1,160,743
4	Dorsey & Whitney LLP		692,583
5	Entrix Inc		542,442
6	Golder Associates Inc		847,259
7	Heller Ehrman White &...		1,072,382
8	Marsh		6,557,212
9	Oracle Corporation		489,431
10	Paine Hamblen Coffin Brooke		1,129,020
11	Van Ness Feldman		348,561
12			
13			
14			
15			
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Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORAGE PROJECTS

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January	0	0	0
3	February	0	0	0
4	March	0	0	0
5	April	19,502	0	19,502
6	May	400,422	0	400,422
7	June	626,574	0	626,574
8	July	640,000	0	640,000
9	August	640,000	0	640,000
10	September	300,000	0	300,000
11	October	0	0	0
12	November	0	0	0
13	December	0	0	0
14	TOTAL (Enter Total of Lines 2 Thru 13)	2,626,498	0	2,626,498
15	Gas Withdrawn from Storage			
16	January	983,214	0	983,214
17	February	702,598	0	702,598
18	March	22,125	0	22,125
19	April	996	0	996
20	May	0	0	0
21	June	1,735	0	1,735
22	July	2,069	0	2,069
23	August	2,119	0	2,119
24	September	2,031	0	2,031
25	October	9,551	0	9,551
26	November	257,512	0	257,512
27	December	572,349	0	572,349
28	TOTAL (Enter Total of Lines 16 Thru 27)	2,556,299	0	2,556,299

29
30
31 Note:
32
33 Injections and withdrawals are based on Agency Agreement and State Benchmark Filings.
34 Agent manages storage facility and uses it as needed to meet Company requirements.
35 Scheduled injections/withdrawals are used to determine payment arrangements only.
36

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORAGE PROJECTS (Continued)

1. On Line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit as applicable on lines 2, 3, 4, 7.
If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item	Total Amount
	(a)	(b)
Storage Operations (In Dth)		
1	Top or Working Gas End of Year (Note) (1)	1,690,097
2	Cushion Gas (Including Native Gas)	7,035,107
3	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	8,725,204
4	Certificated Storage Capacity (2)	51,742,663
5	Number of Injection - Withdrawal Wells	36
6	Number of Observation Wells	56
7	Maximum Day's Withdrawal from Storage (3)	286,719
8	Date of Maximum Days' Withdrawal	January 5, 2004
9	LNG Terminal Companies (In Dth) (4)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volumes	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

- 17 Notes:
- 18 (1) Working Gas at Year End represents the amount of gas available to the Company under the synthetic
- 19 "Benchmark Injection/Withdrawal Schedules for JP Storage" according to the Benchmark Filings with Washington and Idaho.
- 20 (2) The above information, except line 4, represents the company's one-third share of Jackson Prairie Storage Project.
- 21 (3) The factor to convert Mcf to Dth is 1.028.
- 22 (4) Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.
- 23

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1						
2	Steel Coated	Over 4" through 10"	723,360	-		723,360
3	Steel Coated	4" or Less	26,400	0	5280	21,120
4						
5						
6						
7						
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43						
44						
45						
46	TOTALS			0		744,480

* Show separately and identify lines held under a title other than full ownership.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

DISTRIBUTION MAINS

Show particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	<u>The Washington Water Power System</u>					
2	Steel Wrapped	Less than 2"	6,013,920	0	5,280	6,008,640
3	Steel Wrapped	2" to 4"	1,874,400	0	0	1,874,400
4	Steel Wrapped	4" to 8"	1,145,760	0	0	1,145,760
5	Steel Wrapped	8" to 12"	163,680	0	0	163,680
6	Steel Wrapped	Over 12"	52,800	0	0	52,800
7	<u>The WP Natural Gas System</u>					
8	Steel Wrapped	Less than 2"	3,120,480	0	5,280	3,115,200
9	Steel Wrapped	2" to 4"	897,600	0	0	897,600
10	Steel Wrapped	4" to 8"	612,480	5,280	0	617,760
11	Steel Wrapped	8" to 12"	15,840	0	0	15,840
12	Steel Wrapped	Over 12"	0	0	0	0
13	<u>The Washington Water Power System</u>					
14	Plastic	Less than 2"	9,968,640	427,680	0	10,396,320
15	Plastic	2" to 4"	2,038,080	100,320	0	2,138,400
16	Plastic	4" to 8"	448,800	15,840	0	464,640
17	Plastic	8" to 12"	0	0	0	0
18	Plastic	Over 12"	0	0	0	0
19	<u>The WP Natural Gas System</u>					
20	Plastic	Less than 2"	4,920,960	242,880	0	5,163,840
21	Plastic	2" to 4"	797,280	26,400	0	823,680
22	Plastic	4" to 8"	58,080	0	0	58,080
23	Plastic	8" to 12"	0	0	0	0
24	Plastic	Over 12"	0	0	0	0
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37	TOTALS		32,128,800	818,400	10,560	32,936,640

Note: WP Natural Gas laid pipe is net of retirements.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of the year.

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Washington Water Power System						
2	Steel Wrapped	1' or Less	60,132	0	198	59,934	Not Available
3	Steel Wrapped	1" thru 2"	1,122	0	12	1,110	
4	Steel Wrapped	2" thru 4"	76	0	5	71	
5	Steel Wrapped	4" thru 8"	0	0	0	0	
6	Steel Wrapped	Over 8"	0	0	0	0	
7	WP Natural Gas System						
8	Steel Wrapped	1' or Less	39,889	41	6	39,924	
9	Steel Wrapped	1" thru 2"	583	0	83	500	
10	Steel Wrapped	2" thru 4"	22	0	2	20	
11	Steel Wrapped	4" thru 8"	2	0	0	2	
12	Steel Wrapped	Over 8"	0	0	0	0	
13	Washington Water Power System						
14	Plastic	1' or Less	122,534	5,765	0	128,299	
15	Plastic	1" thru 2"	774	65	0	839	
16	Plastic	2" thru 4"	86	5	1	90	
17	Plastic	4" thru 8"	0	0	0	0	
18	Plastic	Over 8"	0	0	0	0	
19	WP Natural Gas System						
20	Plastic	1' or Less	70,263	3,107	0	73,370	
21	Plastic	1" thru 2"	1,437	401	0	1,838	
22	Plastic	2" thru 4"	76	0	0	76	
23	Plastic	4" thru 8"	5	1	0	6	
24	Plastic	Over 8"	0	0	0	0	
25							
26							
27	TOTALS		297,001	9,385	307	306,079	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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CUSTOMER'S METERS

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	Owned Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	Owned End of Year (h)
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				316,060	15,655	3,911	327,804

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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AUXILIARY PEAKING FACILITIES

- Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum installations, gas liquefaction plants, oil gas sets, etc.
- For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
- For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility. Dth (c)	Cost of Facility (In dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1						
2	Chehalis, Washington	Underground Natural Gas Storage Field	1,126,670	18,820,261	X	
3		Washington & Idaho Supply				
4						
5						
6	Chehalis, Washington	Underground Natural Gas Storage Field	26,540	(1)		X
7		Oregon Supply				
8						
9						
10	Plymouth, Washington	Liquefied Natural Gas Storage Tanks	220,000	(2)		X
11		Washington & Idaho Supply				
12						
13						
14	Plymouth, Washington	Liquefied Natural Gas Storage Tanks	192,000	(2)		X
15		Oregon Supply				
16						
17						
18	Lovelock, Nevada	Liquefied Natural Gas Storage Tanks	65,350	(2)	X	
19		California Supply				
20						
21						
22						
23	Notes:					
24						
25	(1) The full cost of the facility is reported on line 2.					
26						
27	(2) Respondent is a participant in the facilities, not an owner and is charged a fee for demand deliverability and capacity.					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						

Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS ACCOUNT - NATURAL GAS

1 The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.

2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4 Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5 If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.

6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation, and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		34,331,608
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	15,697,754
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		50,029,362
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		33,830,110
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	15,697,754
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		30,500
28	Total Deliveries (Total lines 17 thru 27.?)		49,558,364
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		470,998
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		470,998
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		50,029,362

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/25/2005	2004/Q4
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 25 Column: d

Subsidiary of Avista Capital. In 2003, assets previously held by Avista Laboratories, Inc. were acquired by ReliOn, Inc. (formerly AVLB, Inc.) Avista Labs investment in ReliOn, Inc. is accounted for under the cost method.

Schedule Page: 103.2 Line No.: 16 Column: d

51% owned by Cogentrix Energy, Inc., which is owned by the Goldman Sach Group, Inc. Avista Corp.'s interest is owned by Avista Rathdrum, LLC.

Schedule Page: 103.2 Line No.: 19 Column: d

50% owned by Mirant Americas Development, Inc. Avista Corp. purchased Mirant's 50% ownership interest in January 2005.

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 1 Column: b

Schedule M - Worksheet for Input / Allocations / Calculations

YTD

Form 1 Code

ADFIT = 190.XX

14,945,253

BPA C&RD Receipts	395,100	4
Contributions in aid of Construction (DJ710) Utility Code 0	4,300,000	4
Contributions in aid of Construction (DJ710) Utility Code 1	500,000	4
Contributions in Aid of Construction -- OR (DJ710)	21,000	4
Contributions in Aid of Construction -- CA (DJ710)	3,000	4
Customer Uncollectibles -- Sales for Resale (144.61)	0	4
Customer Uncollectibles (all 144 accts not included in WPNG or Electric direct)	619,900	4
Customer Uncollectibles (144.08,13,26,27,66,67,76,77,80,98)	(91,364)	4
BETC Interest 419.68 Perm Diff	7,715	4
Transportation Tax Depreciation capitalized (45%)	997,200	4
Transportation Tax Depreciation Capitalized	23,040	4
Taxable income (capital) not on books	6,775,591	
Hamilton Street Bridge	55,351	9
Severance / Stock Options - Accelerated Vesting	117,860	9
SERP-Supplemental Exec Retire Plan - 9253.29	396,250	9
Non-monetary Purchased Power - 9242.50, 9174.50	427,905	9
Amortization of Centralia Gain	(1,925,970)	9
Book Depr-Electric (Utility Code 0, 7 & 9)	55,077,708	9
Book Depr-Gas (Utility Code 1 & 8)	8,634,238	9
Book Deprec (Utility Code 2)	6,714,929	9
Rathdrum Turbine Sales Tax Refund -- Check by 9/2005 if principal s/b addition	(33,828)	9
Wood Power Inc. Buyout (186.85 FIN) DJKJ1 thru 2004	391,997	9
Investment Exchange Power - WNP 3	2,450,004	9
FASB 106-Def Amort-Postretirement Benefits - WA EL See Worksheet	250,572	9
FASB 106-Def Amort-Postretirement Benefits - ID EL See Worksheet	88,788	9
FASB 106-Def Amort-Postretirement Benefits - WA Gas See Worksheet	55,560	9
Redemption Expense Amortization - PCB's (Paul Kimball)	194,424	9
DSM -- Electric Program Amortization RJ300	1,187,711	9
DSM -- Gas Program Amortization RJ300	566,736	9
DSM -- Electric Program Amortization Sandpoint RJ300	113,388	9
Political Contributions	1,440,000	9
Paid Time Off Equalization	1,360,638	9
Sale/Lease General Office Bldg (9005 9985.00)	(238,028)	9
Airplane Lease Payments	269,825	9
CSS Hardware Lease - Principal Only	178,617	9
CSS Software Lease - Principal Only	1,646,010	9
EGMA Hardware & Software Lease - Principal Only	112,100	9
WMS Software Lease - Principal Only	365,569	9
CIT Operating Lease	(39,276)	9
FAS106 Current Retiree Med accrual (3038 7926.20 B02) * (67% O&M) non-op DJ285	(1,491,756)	9
Redemption Expense Amortization - 189.86 & 257.00 except PCB's are directly assigned	(8,507,472)	9
Meal Disallowances	288,000	9
Trans Book Depreciation (57.61% --O & M) GCT,SCH M 12	618,085	9
Transportation Book Depreciation (90.63%)	97,320	9
Preferred Dividend Requirement A88	2,168,984	9

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/25/2005	2004/Q4
FOOTNOTE DATA			

Expenses recorded on books not allowed for tax return	73,032,239	
Injury & Damages - 9228.20, 21 (2841092521) - Elec DJ262	(822)	14
Injury & Damages - 9228.20, 22 (2841192521) - Gas DJ262	13,744	14
Injury & Damages (228.20/228.28/2841292521)	(123,945)	14
Kettle Falls Nonoperating 426.52, 53 RJKFR 11/18	(227,265)	14
Gain on General Office Bldg - Elec 09800051 931900 ED AN RJBLD	(196,092)	14
12/2011		
Gain on General Office Bldg - Elec 09800051 931900 GD AN RJBLD	(65,364)	14
12/2011		
Clark Fork PME's DJPME	(3,163)	14
Nez Perce Settlement 925422 -- WA RJ213	(22,008)	14
Nez Perce settlement 918680 -- ID RJ213	5,212	14
FASB 87 - 9228.32 (9291 7926.20 B02) * (67% O&M) DJ285 (Includes Retirement Pay)	1,319,397	14
Deferred Compensation Accrual - 9253.9x	330,644	14
WA & ID Unbilled Revenue Add-ons -- Electric	1,970,392	14
WA & ID Unbilled Revenue Add-ons -- Gas	190,892	14
Boulder Disallowance	2,338,249	14
PCA Writedown (IPUC Order Oct 2004)	11,906,056	14
WA Deferred Power Costs - change in 182.35, 186.28, 186.29, GLM018 & DJ702	15,675,699	14
WA Deferred Power Costs - Interest DJ702	(6,358,534)	14
Idaho PCA - change in 182.37, 186.38, 186.39, GLM 019 & DJ050	7,758,089	14
Idaho PCA - Interest DJ050	(520,155)	14
Deferred Gas - WA DJ266	(4,356,154)	14
WA Deferred Gas Costs - Interest DJ266	(83,429)	14
Deferred Gas - ID DJ266	(3,496,169)	14
ID Deferred Gas Costs - Interest DJ266	(85,740)	14
Deferred Gas - OR Resource Accounting 9191	(4,050,629)	14
OR Deferred Gas - Interest	(770,815)	14
Deferred Gas - CA Resource Accounting 9191	2,825	14
CA Deferred Gas - Interest	(49,834)	14
WPNG DSM - OR	(223,413)	14
OR DSM - Interest	50,612	14
PGE Monetization (Contract + Contract Amort from Spokane Energy, LLC Income Stmt)	6,537,852	14
AFUDC Elec @1-(8%/9.72%)	(517,563)	14
AFUDC Gas @1-(8%/9.72%)	(10,886)	14
AFUDC -- GCT, SCH M,02 [1-(8%/9.72%)]	(8,653)	14
Officers' Life Insurance (27899426.2X) Perm Diff	(630,513)	14
Income recorded on books not required for tax return	26,298,517	
BPA Residential Exchange -- WA & ID	2,174,090	19
WA & ID DSM Tariff Rider -- Electric	3,248,376	19
WA & ID DSM Tariff Rider -- Gas	1,152,543	19
Removal/Salvage - Electric	204,388	19
Removal/Salvage - WA/ID Gas	(79,154)	19
Removal/Salvage - OR/CA Gas	(162,632)	19
Basic American Foods-Non-Utility 9122.19	7,788	19
***Tax Depreciation - Basic American Foods -- Non-Utility	(12,786)	19
Engineering Overheads - Electric	(8,906,904)	19
***Tax Depreciation - Electric	(64,397,456)	19
***Tax Depreciation - Rathdrum Turbine	(3,486,895)	19
Engineering Overheads - Gas	(1,095,240)	19
***Tax Depreciation - Gas	(12,639,934)	19

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/25/2005	2004/Q4
FOOTNOTE DATA			

***Tax Depreciation - Sandpoint Acquisition Adjustment	(458,114)	19
Engineering Overheads - OR	(794,280)	19
*** Tax Depreciation - Common	(621,792)	19
*** Tax Depreciation - OR	(5,069,022)	19
*** Tax Depreciation - CA	(643,510)	19
***Tax Amortization: WPNG Acquisition - OR	(768,683)	19
***Tax Amortization: WPNG Acquisition - CA	(135,297)	19
WPNG Acquisition OR - Book (425.68)	1,117,260	19
WPNG Acquisition CA - Book (425.78)	206,160	19
	(91,161,094)	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/25/2005	2004/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 9 Column: k

A 2004 Bonus Depreciation Adjustment is being reflected in the 2004 10-K. This adjustment will be recorded in the General Ledger 3/31/05. Pages 274 and 275 have been revised to include this adjustment.

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2005	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 9 Column: c

PGE Monetization has been reclassified from Electric 410 to Non-operating 410 in the amount of \$41,724,683.

2004 Form 2
State Supplements

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Name of Respondent Avista Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$568,604,722	\$537,422,242
3	Operating Expenses			
4	Operation Expenses (401)	320-325	\$367,871,095	\$390,472,489 ⁽¹⁾
5	Maintenance Expenses (402)	320-325	16,257,718	\$13,471,205 ⁽¹⁾
6	Depreciation Expense (403)	336-338	\$37,716,369	\$39,116,652
7	Amort. & Depl. of Utility Plant (404-405)	336-338	\$5,599,495	\$5,734,887
8	Amort. of Utility Plant Acq. Adj. (406)	336-338	\$31,691	\$31,740
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		(\$3,736)	(\$2,418)
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		168,551	\$159,376
12	(Less Regulatory Credits (407.4))		\$7,459,555	\$6,148,479
12	Taxes Other Than Income Taxes (408.1)	262-263	\$49,416,932	\$46,743,095 ⁽²⁾
14	Income Taxes - Federal (409.1)	262-263	\$8,004,703	\$15,001,845
15	- Other (409.1)	262-263	-	-
16	Provision for Deferred Income Taxes (410.1)	234,272-277	\$5,807,668	(\$2,029,717)
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266	\$30,624	\$30,624
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		483,380,307	502,520,051
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$85,224,415	\$34,902,191

⁽¹⁾ Revised information to be consistent with data reported on State of Washington referenced pages

⁽²⁾ Previous year balances did not include Washington State B&O and Excise taxes. Prior year balances have been revised.

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$416,053,278	\$398,534,451	\$152,551,444	\$138,887,791			2
						3
244,444,072	262,744,416	123,427,023	127,728,073			4
13,514,339	11,232,097	2,743,379	2,239,108			5
32,273,958	33,118,653	5,442,411	5,997,999			6
5,214,442	5,291,883	385,053	443,004			7
31,691	31,740	-	-			8
(3,736)	(2,418)	-	-			9
						10
		168,551	159,376			11
7,459,555	6,148,479	-	-			12
36,569,590	35,112,078	12,847,342	11,631,017			13
11,863,378	15,858,298	(3,858,675)	(856,453)			14
-	-	-	-			15
2,008,276	(2,422,952)	3,799,392	393,235			16
0	0	30,624	30,624			17
-	-					18
-	-					19
-	-					20
-	-					21
-	-					22
338,456,455	354,815,316	144,923,852	147,704,735			23
\$77,596,823	\$43,719,135	\$7,627,592	(\$8,816,944)		\$0	24

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts. estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	
3	302 Franchises and Consents	0.00	
4	303 Miscellaneous Intangible Plant	218,724.80	
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	218,724.80	0.00
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	0.00	
9	305 Structures and Improvements	0.00	
10	306 Boiler Plant Equipment	0.00	
11	307 Other Power Equipment	0.00	
12	308 Coke Ovens	0.00	
13	309 Producer gas equipment	0.00	
14	310 Water Gas Generating Equipment	0.00	
15	311 Liquefied Petroleum Gas Equipment	0.00	
16	312 Oil Gas Generating Equipment	0.00	
17	313 Generating Equipment-Other Processes	0.00	
18	314 Coal, Coke, and ash handling equipment	0.00	
19	315 Catalytic Cracking Equipment	0.00	
20	316 Other reforming equipment	0.00	
21	317 Purification equipment	0.00	
22	318 Residual refining equipment	0.00	
23	319 Gas mixing equipment	0.00	
24	320 Other Equipment	0.00	
25			
26	TOTAL Manufactured Gas Production Plant (Enter Total of lines 8 thru 24)	0.00	0.00
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	
29	341 Structures and Improvements	0.00	
30	342 Extraction and Refining Equipment	0.00	
31	343 Pipe Lines	0.00	
32	344 Extracted Products Storage Equipment	0.00	
33	345 Compressor Equipment	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25,2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			0.00	2
			0.00	3
			218,724.80	4
0.00	0.00	0.00	218,724.80	5
				6
				7
			0.00	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			0.00	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
			0.00	25
0.00	0.00	0.00	0.00	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

Name of Respondent		This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		[X] An Original [] A Resubmission	April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	346 Gas Measuring and Regulating Equipment	0.00		
35	347 Other Equipment	0.00		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00	
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00	
38	Manufactured Gas Production Plant (Submit Supplementary Statement)	0.00		
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	0.00	0.00	
40	NATURAL GAS STORAGE AND PROCESSING PLANT			
41	Underground Storage Plant			
42	350.1 Land	412,611.39	0.00	
43	350.2 Rights-of-Way	23,874.03		
44	351 Structures and Improvements	1,063,699.76	0.00	
45	352 Wells	5,757,699.62	947.48	
46	352.1 Storage Leaseholds and Rights	254,354.23		
47	352.2 Reservoirs	203,330.47	0.00	
48	352.3 Non-recoverable Natural Gas	6,121,926.03		
49	353 Lines	823,422.59	0.00	
50	354 Compressor Station Equipment	1,934,085.33	82,836.87	
51	355 Measuring and Regulating Equipment	153,964.74		
52	356 Purification Equipment	403,712.62		
53	357 Other Equipment	1,644,493.28	7,173.10	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	18,797,174.09	90,957.45	
55	Other Storage Plant			
56	360 Land and Land Rights	0.00		
57	361 Structures and Improvements	0.00		
58	362 Gas Holders	0.00		
59	363 Purification Equipment	0.00		
60	363.1 Liquefaction Equipment	0.00		
61	363.2 Vaporizing Equipment	0.00		
62	363.3 Compressor Equipment	0.00		
63	363.4 Measuring and Regulating Equipment	0.00		
64	363.5 Other Equipment	0.00		
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00	
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant			
67	364.1 Land and Land Rights	0.00		
68	364.2 Structures and Improvements	0.00		
69	364.3 LNG Processing Terminal Equipment	0.00		
70	364.4 LNG Transportation Equipment	0.00		
71	364.5 Measuring and Regulating Equipment	0.00		
72	364.6 Compressor Station Equipment	0.00		
73	364.7 Communications Equipment	0.00		
74	364.8 Other Equipment	0.00		
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00	
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	18,797,174.09	90,957.45	
77	TRANSMISSION PLANT			
78	365.1 Land and Land Rights	0.00		
79	365.2 Rights-of-Way	0.00		
80	366 Structures and Improvements	0.00		

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25,2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
			0.00	38
0.00	0.00	0.00	0.00	39
				40
				41
			412,611.39	42
			23,874.03	43
			1,063,699.76	44
44,747.18			5,713,899.92	45
			254,354.23	46
			203,330.47	47
			6,121,926.03	48
			823,422.59	49
23,123.07			1,993,799.13	50
			153,964.74	51
			403,712.62	52
			1,651,666.38	53
67,870.25	0.00	0.00	18,820,261.29	54
				55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
				66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
67,870.25	0.00	0.00	18,820,261.29	76
				77
			0.00	78
			0.00	79
			0.00	80

Name of Respondent		This report is: [X] An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		[] A Resubmission	April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains	0.00		
82	368 Compressor Station Equipment	0.00		
83	369 Measuring and Regulating Equipment	0.00		
84	370 Communications Equipment	0.00		
85	371 Other Equipment	0.00		
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00	
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	60,812.27	(484.51)	
89	375 Structures and Improvements	340,589.43	5,740.85	
90	376 Mains	96,830,859.26	3,463,695.82	
91	377 Compressor Station Equipment	0.00		
92	378 Measuring and Regulating Equipment-General	2,147,387.18	109,206.41	
93	379 Measuring and Regulating Equipment-City Gate	674,899.59	53,653.96	
94	380 Services	73,967,703.31	3,185,850.75	
95	381 Meters	22,130,931.48	1,022,027.78	
96	382 Meter Installations	0.00		
97	383 House Regulators	0.00		
98	384 House Regulator Installations	0.00		
99	385 Industrial Measuring and Regulating Station Equipment	1,490,198.81	212,800.78	
100	386 Other Property on Customers' Premises	0.00		
101	386 Other Equipment	0.00		
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	197,643,381.33	8,052,491.84	
103	GENERAL PLANT			
104	389 Land and Land Rights	0.00		
105	390 Structures and Improvements	384,166.43	59,637.12	
106	391 Office Furniture and Equipment	0.00		
107	392 Transportation Equipment	1,031,485.23	736,092.13	
108	393 Stores Equipment	23,687.64	20,449.62	
109	394 Tools, Shop, and Garage Equipment	733,421.21	9,871.75	
110	395 Laboratory Equipment	181,920.98		
111	396 Power Operated Equipment	1,659,396.98	606,750.18	
112	397 Communication Equipment	491,366.75	11,453.52	
113	398 Miscellaneous Equipment	0.00		
114	Subtotal (Enter Totals of lines 104 thru 113)	4,505,445.22	1,444,254.32	
115	399 Other Tangible Property	0.00		
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	4,505,445.22	1,444,254.32	
117	TOTAL (Accounts 101 and 106)	221,164,725.44	9,587,703.61	
118	Gas Plant Purchased (See Instruction 8)	0.00		
119	(Less) Gas Plant Sold (See Instruction 8)	0.00		
120	Experimental Gas Plant Unclassified	0.00		
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	221,164,725.44	9,587,703.61	

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	81
			0.00	82
			0.00	83
			0.00	84
			0.00	85
0.00	0.00	0.00	0.00	86
				87
			60,327.76	88
4,221.61		(988.91)	341,119.76	89
22,094.52		40,875.52	100,313,336.08	90
			0.00	91
8,040.75		(26,868.00)	2,221,684.84	92
12,145.44			716,408.11	93
87,979.27		0.00	77,065,574.79	94
147,886.02		(3,236.53)	23,001,836.71	95
			0.00	96
			0.00	97
			0.00	98
860.02		0.00	1,702,139.57	99
			0.00	100
			0.00	101
283,227.63	0.00	9,782.08	205,422,427.62	102
				103
			0.00	104
0.00		0.00	443,803.55	105
			0.00	106
11,970.00		0.00	1,755,607.36	107
			44,137.26	108
15,028.96			728,264.00	109
743.84			181,177.14	110
0.00			2,266,147.16	111
0.00		(6,389.60)	496,430.67	112
			0.00	113
27,742.80	0.00	(6,389.60)	5,915,567.14	114
			0.00	115
27,742.80	0.00	(6,389.60)	5,915,567.14	116
378,840.68	0.00	3,392.48	230,376,980.85	117
			0.00	118
			0.00	119
			0.00	120
378,840.68	0.00	3,392.48	230,376,980.85	121

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Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- 1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
- 2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
- 3 State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					5,807,527	129,522		5,937,049
2	Gas Delivered to Storage					9,553,358	0		9,553,358
3	Gas Withdrawn from Storage					8,675,240	0		8,675,240
4	Other Debits and Credits					0	0		0
5	Balance at End of Year					6,685,645	129,522		6,815,167
6	Dth					1,268,976	72,561		1,341,537
7	Amount Per Dekatherm					\$5.2685	\$1.7850		\$5.0801

8 State basis of segregation of inventory between current and noncurrent portions:

Current portion is gas expected to be sold within a 24 month period. All other gas is considered non-current.

Name of Respondent Avista Corporation	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted.

4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a term basis, give the contents of the gas sold and the sales converted to Mcf.

5. If increases or decreases from previous year (columns (c), (e) and (g), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	91,341,542	82,716,711
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	51,060,026	46,202,878
5	Large (or Ind.) (See Instr. 6)	3,285,627	3,131,778
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	334,126	326,180
8	TOTAL Sales to Ultimate Consumers	146,021,321 (1)	132,377,547
9	(483) Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	146,021,321	132,377,547
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	146,021,321	132,377,547
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	12,239	9,154
17	(489) Rev. from Trans. of Gas of Others	3,561,997 (1)	3,550,505
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property		
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	2,955,887	2,950,585
24	TOTAL Other Operating Revenues	6,530,123	6,510,244
25	TOTAL Gas Operating Revenues	152,551,444	138,887,791
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	152,551,444	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	142,401,568	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	3,285,627	
30	Sales for Resale	0	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	334,126	
33	TOTAL (Same as Line 10, Columns (b) and (d))	146,021,321	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
98,040,965		118,972	116,188	2
				3
62,146,078		12,811	12,583	4
4,400,569		160	163	5
				6
443,156		28	30	7
165,030,768 (2)		131,971	128,964	8
0		0		9
165,030,768		131,971	128,964	10
				11
				12
				13
				14
				15
				16
				17
				18
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				29
				30
				31
				32
				33

NOTES

(1) Includes \$1,813,022 unbilled revenues.

(2) Includes (520,958) therms relating to unbilled revenues.

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production	0	0	
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and Expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0	

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
B2. Products Extraction (Continued)				
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	
C. Exploration and Development				
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	
D. Other Gas Supply Expenses				
66	Operation			
67	800 Natural Gas Well Head Purchases	0	0	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
69	801 Natural Gas Field Line Purchases	0	0	
70	802 Natural Gas Gasoline Plant Outlet Prurchases	0	0	
71	803 Natural Gas Transmission Line Purchases	0	0	
72	804 Natural Gas City Gate Purchases	100,951,201	84,881,056	
73	804.1 Liquefied Natural Gas Purchases	0	-	
74	805 Other Gas Purchases	-	-	
75	(Less) 805.1 Purchased Gas Cost Adjustments	-	24,376,801	
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	100,951,201	109,257,856	
78	806 Exchange Gas	0		
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	147,609	91,854	
84	807.5 Other Purchased Gas Expenses	0	39,390	
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	147,609	131,244	
86	808.1 Gas Withdrawn from Storage-Debit	0	0	
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas used for Other Utility Operations-Credit	0	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses	181,026	127,420	
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	101,279,836	109,516,520	
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	101,279,836	109,516,520	

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	11,542	(4,013)	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	0	9,984	
104	817 Lines Expense	0	6	
105	818 Compressor Station Expenses	0	58,007	
106	819 Compressor Station Fuel and Power	0	7,706	
107	820 Measuring and Regulating Station Expenses	0	3,041	
108	821 Purification Expenses	0	0	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	244,030	63,344	
112	825 Storage Well Royalties	0	29,607	
113	826 Rents	-	(1,146)	
114	TOTAL Operation (Enter Total of lines 101 thru 113)	255,572	166,536	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	31,270	
117	831 Maintenance of Structures and Improvements	0	1,972	
118	832 Maintenance of Reservoirs and Wells	0	30,872	
119	833 Maintenance of Lines	0	2,507	
120	834 Maintenance of Compressor Station Equipment	0	66,968	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	1,735	
123	837 Maintenance of Other Equipment	125,197	55,268	
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	125,197	190,592	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	380,769	357,128	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0	

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)		0	0
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)		0	0
176	TOTAL Liquefied Nat Gas Terminating and Processing Exp (Lines 165 & 175)		0	0
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)		380,769	357,128
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)		0	0

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		0	0
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)		0	0
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering		405,243	66,511
205	871 Distribution Load Dispatching		-226	0
206	872 Compressor Station Labor and Expenses		0	0
207	873 Compressor Station Fuel and Power		0	0
208	874 Mains and Services Expenses		1,422,873	1,398,678
209	875 Measuring and Regulating Station Expenses-General		52,835	32,822
210	876 Measuring and Regulating Station Expenses-Industrial		0	0
211	877 Measuring and Regulating Station Expenses-City Gate Check Station		65,476	41,327
212	878 Meter and House Regulator Expenses		724,571	632,687
213	879 Customer Installations Expenses		561,901	586,872
214	880 Other Expenses		925,678	825,498
215	881 Rents		7,335	35,472
216	TOTAL Operation (Enter Total of lines 204 thru 215)		4,165,686	3,619,867
217	Maintenance			
218	885 Maintenance Supervision and Engineering		0	108
219	886 Maintenance of Structures and Improvements		2,776	3,109
220	887 Maintenance of Mains		1,224,476	863,353
221	888 Maintenance of Compressor Station Equipment		0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General		170,603	165,533
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial		127,207	93,791
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station		35,849	30,877
225	892 Maintenance of Services		53,298	143,752
226	893 Maintenance of Meters and House Regulators		336,170	234,476
227	894 Maintenance of Other Equipment		0	0
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)		1,950,379	1,534,999
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)		6,116,065	5,154,866
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision		35,536	45,017
233	902 Meter Reading Expenses		1,008,161	907,643
234	903 Customer Records and Collection Expenses		2,740,346	2,366,493
235	904 Uncollectible Accounts		701,549	651,640
236	905 Miscellaneous Customer Accounts Expenses		228,564	330,494
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)		4,714,156	4,301,287

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
	(2) <input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	4,082,180	2,143,937
242	909 Informational and Instructional Expenses	79,610	35,965
243	910 Miscellaneous Customer Service and Informational Expenses	37,198	71,920
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	4,198,988	2,251,822
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	7,853
248	912 Demonstrating and Selling Expenses	366,342	253,935
249	913 Advertising Expenses	65,737	71,515
250	916 Miscellaneous Sales Expenses	4,374	35,618
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	436,453	368,921
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	2,828,248	2,327,506
255	921 Office Supplies and Expenses	1,042,254	970,054
256	(Less) (922) Administrative Expenses Transferred-Cr.	-3,847	(4,575)
257	923 Outside Services Employed	1,462,026	1,519,826
258	924 Property Insurance	137,385	111,129
259	925 Injuries and Damages	648,917	422,043
260	926 Employee Pensions and Benefits	306,111	211,290
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	531,725	461,237
263	(Less) (929) Duplicate Charges-Cr.	0	0
264	930.1 General Advertising Expenses	0	101
265	930.2 Miscellaneous General Expenses	616,166	488,702
266	931 Rents	807,347	995,805
267	TOTAL Operation (Enter Total of lines 254 thru 266)	8,376,332	7,503,120
268	Maintenance		
269	935 Maintenance of General Plant	667,803	513,517
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	9,044,135	8,016,636
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251, and 270)	126,170,402	129,967,181

Operations Expense	123,427,023	127,728,073
Maintenance Expense	2,743,379	2,239,107
	126,170,402	129,967,181

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1. Payroll Period Ended (Date) December 31, 2004	
2. Total Regular Full-Time Employees	153
3. Total Part-Time and Temporary Employees allocation of General Employees	13
4. Total Employees	166

Name of Respondent Avista Corp.	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel	4" or Less				
2	Steel	4" to 10"	390,720			390,720
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	TOTALS			0		390,720

* Show separately and identify lines held under a title other than full ownership.

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 25, 2005		Year of Report Dec. 31, 2004	
DISTRIBUTION MAINS							
Show particulars Called for Concerning Distribution Mains							
Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)	
1	Steel Wrapped	Less than 2"	4,382,400		5,280	4,377,120	
2	Steel Wrapped	2" to 4"	1,272,480			1,272,480	
3	Steel Wrapped	4" to 8"	813,120			813,120	
4	Steel Wrapped	8" to 12"	158,400			158,400	
5	Steel Wrapped	Over 12"	52,800			52,800	
6							
7							
8	Plastic	Less than 2"	5,961,120	232,320		6,193,440	
9	Plastic	2" to 4"	939,840	52,800		992,640	
10	Plastic	4" to 8"	195,360	5,280		200,640	
11	Plastic	8" to 12"	0			0	
12	Plastic	Over 12"	0			0	
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTALS		13,775,520	290,400	5,280	14,060,640	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Remove or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	* 43,940		121	43,819	Not Available
2	Steel Wrapped	1" thru 2"	1,087		11	1,076	
3	Steel Wrapped	2" thru 4"	71			71	
4	Steel Wrapped	4" thru 8"	0			0	
5	Steel Wrapped	Over 8"	0			0	
6							
7							
8	Plastic	1' or Less	78,776	3,213		81,989	
9	Plastic	1" thru 2"	618	61		679	
10	Plastic	2" thru 4"	83	5		88	
11	Plastic	4" thru 8"	0			0	
12	Plastic	Over 8"	0			0	
13							
14							
15							
16							
17	TOTALS		124,575	3,279	132	127,722	

In 1996 40,000 1" services were dropped from the report.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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CUSTOMER'S METERS

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	Owned Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	Owned End of Year (h)
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				137,739	4,921	1,654	141,006

Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS ACCOUNT - NATURAL GAS

1 The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.

2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4 Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5 If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.

6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation, and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		17,253,656
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	5,562,675
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		22,816,331
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		16,503,077
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	5,562,675
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		
28	Total Deliveries (Total lines 17 thru 27.?)		22,065,752
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		750,579
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		750,579
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		22,816,331

Data Request for Statistics Report - 2004

Line No		Total Company Operations		Washington Operations	
		Current Year	Prior Year	Current Year	Prior Year
1	GAS SERVICE REVENUES				
2					
3	RESIDENTIAL SALES	194470117	166925006	91341542	82716711
4	COMMERCIAL SALES	104754350	90522719	51060026	46202878
5	INDUSTRIAL SALES	9422721	7474713	3285627	3131778
6	OTHER SALES	362706	348901	334126	326180
7	SALES FOR RESALE	152110	279638	0	0
8	TRANSPORTATION OF GAS OF OTHERS	8187511	8539920	3561997	3550505
9	OTHER OPERATING REVENUES	3143811	3197880	2968126	2959739
10					
11	TOTAL GAS SERVICE REVENUES	320493326	277288777	152551444	138887791
12					
13	THERMS OF GAS SOLD-TRANSPORTED				
14					
15	RESIDENTIAL SALES	201696263	198471049	98040965	98644765
16	COMMERCIAL SALES	122851688	122115272	62146078	63204517
17	INDUSTRIAL SALES	13273911	12736380	4400569	4865895
18	OTHER SALES	479230	517438	443156	486680
19	SALES FOR RESALE	305000	675000	0	0
20	TRANSPORTATION OF GAS OF OTHERS	156977535	155958628	55626751	49926204
21					
22	TOTAL THERMS OF GAS SOLD-TRANSPORTED	495583627	490473767	220657519	217128061
23					
24	AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
25					
26	RESIDENTIAL SALES	268571	261063	118972	116188
27	COMMERCIAL SALES	31886	31312	12811	12583
28	INDUSTRIAL SALES	311	310	160	163
29	OTHER SALES	37	37	28	30
30	SALES FOR RESALE	0	1	0	0
31	TRANSPORTATION OF GAS OF OTHERS	81	84	33	32
32					
33					
34	TRANS. & DISTRN. MAINS - FEET (END OF YEAR) (See page 514-A)	33681120	32878560	14166240	14166240
35	NO.OF METERS IN SERV.& HELD IN RESERVE (AVE.)	327804	316060	141006	137739
36	AVERAGE B.T.U. CONTENT PER CU. FT.	1027	1020	1027	1020

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$251,031,104	\$229,561,337
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes - Federal (409.1)	262-263		
15	- Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	234,272-277		
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)			
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$251,031,104	\$229,561,337

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$191,336,472	\$177,232,917	\$59,694,632	\$52,328,420			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$191,336,472	\$177,232,917	\$59,694,632	\$52,328,420		\$0	20

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	627,558,748	524,688,555	
4	Property Under Capital Leases	1,665,704		
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Investment in Kettle Falls			
8	TOTAL (Enter Total of lines 3 thru 7)	629,224,452	524,688,555	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	8,961,688	8,668,138	
12	Acquisition Adjustments	0	0	
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	638,186,140	533,356,693	
14	Accum. Prov. for Depr., Amort., & Depl.	0	0	
15	Net Utility Plant (Enter total of line 13 less 14)	638,186,140	533,356,693	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation			
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights			
20	Accumulated Depreciation - Kettle Falls			
21	Amort. of Other Utility Plant			
22	TOTAL in Service (Enter Total of lines 18 thru 21)			
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort. of Plant Acquisition Adjustment	0	0	
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	0	0	

Name of Respondent Avista Corporation	This Report Is:	Date of Report	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Gas <i>(d)</i>	Other (Specify) <i>(e)</i>	Other (Specify) <i>(f)</i>	Other (Specify) <i>(g)</i>	Common <i>(h)</i>	Line No.
					1
					2
97,920,249				4,949,944	3
403,189				1,262,515	4
					5
					6
					7
98,323,438				6,212,459	8
					9
					10
293,550				0	11
					12
98,616,988				6,212,459	13
0					14
98,616,988				6,212,459	15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
0				0	33

Name of Respondent Avista Corp.	This report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

- | | |
|--|--|
| <p>1. Report below the original cost of gas plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, <i>Gas Plant in Service (Classified)</i>, this page and the next include Account 102, <i>Gas Plant Purchased or Sold</i>, Account 103, <i>Experimental Gas Plant Unclassified</i>, and Account 106, <i>Completed Construction Not Classified-Gas</i>.</p> <p>3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an</p> | <p>estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).</p> |
|--|--|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	
3	302 Franchises and Consents	0.00	
4	303 Miscellaneous Intangible Plant	6,722.07	0.00
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	6,722.07	0.00
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	0.00	
9	305 Structures and Improvements	0.00	
10	306 Boiler Plant Equipment	0.00	
11	307 Other Power Equipment	0.00	
12	308 Coke Ovens	0.00	
13	309 Producer gas equipment	0.00	
14	310 Water Gas Generating Equipment	0.00	
15	311 Liquefied Petroleum Gas Equipment	0.00	
16	312 Oil Gas Generating Equipment	0.00	
17	313 Generating Equipment-Other Processes	0.00	
18	314 Coal, Coke, and ash handling equipment	0.00	
19	315 Catalytic Cracking Equipment	0.00	
20	316 Other reforming equipment	0.00	
21	317 Purification equipment	0.00	
22	318 Residual refining equipment	0.00	
23	319 Gas mixing equipment	0.00	
24	320 Other Equipment	0.00	
25			
26	TOTAL Manufactured Gas Production Plant (Enter Total of lines 8 thru 24)	0.00	0.00
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	
29	341 Structures and Improvements	0.00	
30	342 Extraction and Refining Equipment	0.00	
31	343 Pipe Lines	0.00	
32	344 Extracted Products Storage Equipment	0.00	
33	345 Compressor Equipment	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			0.00	2
			0.00	3
		96,640.00	103,362.07	4
0.00	0.00	96,640.00	103,362.07	5
				6
				7
			0.00	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			0.00	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
				25
0.00	0.00	0.00	0.00	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
Avista Corp.			
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment	0.00	
35	347 Other Equipment	0.00	
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00
38	Manufactured Gas Production Plant (Submit Supplementary Statement)	0.00	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	0.00	0.00
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land	0.00	
43	350.2 Rights-of-Way	0.00	
44	351 Structures and Improvements	0.00	
45	352 Wells	0.00	
46	352.1 Storage Leaseholds and Rights	0.00	
47	352.2 Reservoirs	0.00	
48	352.3 Non-recoverable Natural Gas	0.00	
49	353 Lines	0.00	
50	354 Compressor Station Equipment	0.00	
51	355 Measuring and Regulating Equipment	0.00	
52	356 Purification Equipment	0.00	
53	357 Other Equipment	0.00	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	0.00	0.00
55	Other Storage Plant		
56	360 Land and Land Rights	0.00	
57	361 Structures and Improvements	0.00	
58	362 Gas Holders	0.00	
59	363 Purification Equipment	0.00	
60	363.1 Liquefaction Equipment	0.00	
61	363.2 Vaporizing Equipment	0.00	
62	363.3 Compressor Equipment	0.00	
63	363.4 Measuring and Regulating Equipment	0.00	
64	363.5 Other Equipment	0.00	
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364.1 Land and Land Rights	0.00	
68	364.2 Structures and Improvements	0.00	
69	364.3 LNG Processing Terminal Equipment	0.00	
70	364.4 LNG Transportation Equipment	0.00	
71	364.5 Measuring and Regulating Equipment	0.00	
72	364.6 Compressor Station Equipment	0.00	
73	364.7 Communications Equipment	0.00	
74	364.8 Other Equipment	0.00	
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	0.00	0.00
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	0.00	
79	365.2 Rights-of-Way	0.00	
80	366 Structures and Improvements	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
			0.00	38
0.00	0.00	0.00	0.00	39
				40
				41
			0.00	42
			0.00	43
			0.00	44
			0.00	45
			0.00	46
			0.00	47
			0.00	48
			0.00	49
			0.00	50
			0.00	51
			0.00	52
			0.00	53
0.00	0.00	0.00	0.00	54
				55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
				66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
0.00	0.00	0.00	0.00	76
				77
			0.00	78
			0.00	79
			0.00	80

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains	0.00	
82	368 Compressor Station Equipment	0.00	
83	369 Measuring and Regulating Equipment	0.00	
84	370 Communications Equipment	0.00	
85	371 Other Equipment	0.00	
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	29,391.56	
89	375 Structures and Improvements	109,876.49	0.00
90	376 Mains	48,322,407.83	1,771,863.71
91	377 Compressor Station Equipment	0.00	
92	378 Measuring and Regulating Equipment-General	1,298,067.81	20,956.09
93	379 Measuring and Regulating Equipment-City Gate	562,923.07	0.00
94	380 Services	34,151,812.25	2,816,441.04
95	381 Meters	6,723,557.98	203,972.79
96	382 Meter Installations	0.00	
97	383 House Regulators	0.00	
98	384 House Regulator Installations	0.00	
99	385 Industrial Measuring and Regulating Station Equipment	413,026.96	67,940.54
100	386 Other Property on Customers' Premises	0.00	
101	386 Other Equipment	0.00	
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	91,611,063.95	4,881,174.17
103	GENERAL PLANT		
104	389 Land and Land Rights	0.00	
105	390 Structures and Improvements	0.00	
	391 Office Furniture and Equipment	0.00	
107	392 Transportation Equipment	306,363.58	267,523.38
108	393 Stores Equipment	0.00	
109	394 Tools, Shop, and Garage Equipment	326,174.94	7,147.12
110	395 Laboratory Equipment	59,330.57	
111	396 Power Operated Equipment	404,054.17	196,320.37
112	397 Communication Equipment	261,664.02	8,096.67
113	398 Miscellaneous Equipment	0.00	
114	Subtotal (Enter Totals of lines 104 thru 113)	1,357,587.28	479,087.54
115	399 Other Tangible Property	0.00	
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	1,357,587.28	479,087.54
117	TOTAL (Accounts 101 and 106)	92,975,373.30	5,360,261.71
118	Gas Plant Purchased (See Instruction 8)	0.00	
119	(Less) Gas Plant Sold (See Instruction 8)	0.00	
120	Experimental Gas Plant Unclassified	0.00	
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	92,975,373.30	5,360,261.71

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25, 2005	Dec. 31, 2004	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	81
			0.00	82
			0.00	83
			0.00	84
			0.00	85
0.00	0.00	0.00	0.00	86
				87
			29,391.56	88
		11,236.96	121,113.45	89
37,295.66		46,780.28	50,103,756.16	90
			0.00	91
6,074.49		(228,676.88)	1,084,272.53	92
7,079.44		146,801.43	702,645.06	93
33,915.81			36,934,337.48	94
			6,927,530.77	95
			0.00	96
			0.00	97
			0.00	98
		747.24	481,714.74	99
			0.00	100
			0.00	101
84,365.40	0.00	(23,110.97)	96,384,761.75	102
				103
			0.00	104
			0.00	105
			0.00	106
0.00		0.00	573,886.96	107
			0.00	108
6,683.84			326,638.22	109
242.59			59,087.98	110
			600,374.54	111
332.70		5,898.33	275,326.32	112
			0.00	113
7,259.13	0.00	5,898.33	1,835,314.02	114
			0.00	115
7,259.13	0.00	5,898.33	1,835,314.02	116
91,624.53	0.00	79,427.36	98,323,437.84	117
			0.00	118
			0.00	119
			0.00	120
91,624.53	0.00	79,427.36	98,323,437.84	121

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Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- 1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
- 2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
- 3 State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					2,085,371	48,100		2,133,471
2	Gas Delivered to Storage					3,613,395	0		3,613,395
3	Gas Withdrawn from Storage					3,438,977	0		3,438,977
4	Other Debits and Credits					0	0		0
5	Balance at End of Year					2,259,790	48,100		2,307,890
6	Dth					421,121	26,946		448,067
7	Amount Per Dekatherm					\$5.3661	\$1.7850		\$5.1508

8 State basis of segregation of inventory between current and noncurrent portions:

Current portion is gas expected to be sold within a 24 month period. All other gas is considered non-current.

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted

for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.

4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.

5. If increases or decreases from previous year (columns (c), (e) and (g), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	37,273,915	32,545,885
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	19,895,903	17,432,929
5	Large (or Ind.) (See Instr. 6)	1,585,952	1,246,277
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	28,580	22,721
8	TOTAL Sales to Ultimate Consumers	58,784,350 (1)	51,247,812
9	(483) Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	58,784,350	51,247,812
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	58,784,350	51,247,812
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	7,348	6,579
17	(489) Rev. from Trans. of Gas of Others	902,934 (1)	1,074,029
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property		
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	0	0
24	TOTAL Other Operating Revenues	910,282	1,080,608
25	TOTAL Gas Operating Revenues	59,694,632	52,328,420
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	59,694,632	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	57,169,818	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	1,585,952	
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	28,580	
33	TOTAL (Same as Line 10, Columns (b) and (d))	58,784,350	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
40,813,093	39,099,380	55,501	53,325	2
				3
24,149,097	23,165,338	7,199	7,027	4
2,104,530	1,793,217	103	100	5
				6
36,074	30,758	6	7	7
67,102,794 (2)	64,088,693	62,809	60,459	8
0	0			9
67,102,794	64,088,693	62,809	60,459	10

NOTES

(1) Includes \$893,742 unbilled revenues.

(2) Includes (253,010) therms relating to unbilled revenues.

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnotes.					
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. PRODUCTION EXPENSES				
2	A. Manufactured Gas Production	0	0		
3	Manufactured Gas Production (Submit Supplemental Statement)				
4	B. Natural Gas Production				
5	B1. Natural Gas Production and Gathering				
6	Operation				
7	750 Operation Supervision and Engineering				
8	751 Production Maps and Records				
9	752 Gas Wells Expenses				
10	753 Field Lines Expenses				
11	754 Field Compressor Station Expenses				
12	755 Field Compressor Station Fuel and Power				
13	756 Field Measuring and Regulating Station Expenses				
14	757 Purification Expenses				
15	758 Gas Well Royalties				
16	759 Other Expenses				
17	760 Rents				
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0		
19	Maintenance				
20	761 Maintenance Supervision and Engineering				
21	762 Maintenance of Structures and Improvements				
22	763 Maintenance of Producing Gas Wells				
23	764 Maintenance of Field Lines				
24	765 Maintenance of Field Compressor Station Equipment				
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment				
26	767 Maintenance of Purification Equipment				
27	768 Maintenance of Drilling and Cleaning Equipment				
28	769 Maintenance of Other Equipment				
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0		
31	B2. Products Extraction				
32	Operation				
33	770 Operation Supervision and Engineering				
34	771 Operation Labor				
35	772 Gas Shrinkage				
36	773 Fuel				
37	774 Power				
38	775 Materials				
39	776 Operation Supplies and Expenses				
40	777 Gas Processed by Others				
41	778 Royalties on Products Extracted				
42	779 Marketing Expenses				
43	780 Products Purchased for Resale				
44	781 Variation in Products Inventory				
45	(Less) 782 Extracted Products Used by the Utility-Credit				
46	783 Rents				
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0		

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GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
B2. Products Extraction (Continued)				
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)		0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)		0	0
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)		0	0
D. Other Gas Supply Expenses				
66	Operation			
67	800 Natural Gas Well Head Purchases		0	0
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		0	0
69	801 Natural Gas Field Line Purchases		0	0
70	802 Natural Gas Gasoline Plant Outlet Prurchases		0	0
71	803 Natural Gas Transmission Line Purchases		0	0
72	804 Natural Gas City Gate Purchases		41,178,093	30,823,195
73	804.1 Liquefied Natural Gas Purchases		0	0
74	805 Other Gas Purchases		0	0
75	(Less) 805.1 Purchased Gas Cost Adjustments		0	11,778,200
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)		41,178,093	42,601,394
78	806 Exchange Gas		0	
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas		0	0
81	807.2 Operation of Purchased Gas Measuring Stations		0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations		0	0
83	807.4 Purchased Gas Calculations Expenses		76,372	48,600
84	807.5 Other Purchased Gas Expenses		0	20,841
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)		76,372	69,441
86	808.1 Gas Withdrawn from Storage-Debit		0	0
87	(Less) 808.2 Gas Delivered to Storage-Credit		0	0
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit		0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit		0	0
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit		0	0
92	811 Gas Used for Products Extraction-Credit		0	0
93	812 Gas used for Other Utility Operations-Credit		0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)		0	0
95	813 Other Gas Supply Expenses		94,924	70,954
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)		41,349,389	42,741,789
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)		41,349,389	42,741,789

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering	4,286	-1,505	
102	815 Maps and Records	0	0	
103	816 Wells Expenses	0	3,745	
104	817 Lines Expense	0	2	
105	818 Compressor Station Expenses	0	21,761	
106	819 Compressor Station Fuel and Power	0	2,891	
107	820 Measuring and Regulating Station Expenses	0	1,141	
108	821 Purification Expenses	0	0	
109	822 Exploration and Development	0	0	
110	823 Gas Losses	0	0	
111	824 Other Expenses	90,625	23,763	
112	825 Storage Well Royalties	0	11,107	
113	826 Rents	0	(430)	
114	TOTAL Operation (Enter Total of lines 101 thru 113)	94,911	62,475	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	11,730	
117	831 Maintenance of Structures and Improvements	0	740	
118	832 Maintenance of Reservoirs and Wells	0	11,581	
119	833 Maintenance of Lines	0	941	
120	834 Maintenance of Compressor Station Equipment	0	25,122	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	651	
123	837 Maintenance of Other Equipment	46,494	20,733	
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	46,494	71,498	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	141,405	133,973	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0	

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminating and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)		0	0
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)		0	0
176	TOTAL Liquefied Nat Gas Terminating and Processing Exp (Lines 165 & 175)		0	0
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)		141,405	133,973
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)		0	0

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GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment			
198	866 Maintenance of Communication Equipment			
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)		0	0
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)		0	0
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering		154,937	101,939
205	871 Distribution Load Dispatching		0	0
206	872 Compressor Station Labor and Expenses		0	0
207	873 Compressor Station Fuel and Power		0	0
208	874 Mains and Services Expenses		671,483	520,993
209	875 Measuring and Regulating Station Expenses-General		17,317	18,236
210	876 Measuring and Regulating Station Expenses-Industrial		973	1,884
211	877 Measuring and Regulating Station Expenses-City Gate Check Station		45,249	42,279
212	878 Meter and House Regulator Expenses		287,903	319,343
213	879 Customer Installations Expenses		315,521	300,896
214	880 Other Expenses		351,019	275,753
215	881 Rents		1,844	11,885
216	TOTAL Operation (Enter Total of lines 204 thru 215)		1,846,246	1,593,207
217	Maintenance			
218	885 Maintenance Supervision and Engineering		0	424
219	886 Maintenance of Structures and Improvements		0	1,468
220	887 Maintenance of Mains		246,437	97,677
221	888 Maintenance of Compressor Station Equipment		0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General		61,026	52,761
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial		49,373	31,249
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station		12,767	12,808
225	892 Maintenance of Services		57,220	38,736
226	893 Maintenance of Meters and House Regulators		171,210	159,260
227	894 Maintenance of Other Equipment		0	0
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)		598,033	394,382
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)		2,444,279	1,987,589
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision		17,104	21,071
233	902 Meter Reading Expenses		491,325	440,476
234	903 Customer Records and Collection Expenses		1,354,541	1,136,726
235	904 Uncollectible Accounts		337,660	305,022
236	905 Miscellaneous Customer Accounts Expenses		108,298	153,405
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)		2,308,928	2,056,700

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0		0
241	908 Customer Assistance Expenses	514,541		479,545
242	909 Informational and Instructional Expenses	38,139		16,834
243	910 Miscellaneous Customer Service and Informational Expenses	17,903		33,665
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	570,583		530,044
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0		3,676
248	912 Demonstrating and Selling Expenses	229,423		159,425
249	913 Advertising Expenses	31,388		34,946
250	916 Miscellaneous Sales Expenses	2,105		16,672
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	262,916		214,718
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	1,263,147		1,008,409
255	921 Office Supplies and Expenses	473,022		430,291
256	(Less) (922) Administrative Expenses Transferred-Cr.	-1,750		(2,036)
257	923 Outside Services Employed	665,630		678,940
258	924 Property Insurance	62,492		49,441
259	925 Injuries and Damages	295,168		188,383
260	926 Employee Pensions and Benefits	141,458		83,750
261	927 Franchise Requirements	0		0
262	928 Regulatory Commission Expenses	303,596		241,411
263	(Less) (929) Duplicate Charges-Cr.	0		0
264	930.1 General Advertising Expenses	0		538
265	930.2 Miscellaneous General Expenses	281,788		230,404
266	931 Rents	368,226		443,968
267	TOTAL Operation (Enter Total of lines 254 thru 266)	3,852,777		3,353,500
268	Maintenance			
269	935 Maintenance of General Plant	291,628		218,654
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	4,144,405		3,572,154
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	51,221,905		51,236,967

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special

construction employees in a footnote.

3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

1. Payroll Period Ended (Date) December 31, 2004

2. Total Regular Full-Time Employees

42

3. Total Part-Time and Temporary Employees allocation of General Employees

0

4. Total Employees

42

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	TOTALS			0		0

* Show separately and identify lines held under a title other than full ownership.

Name of Respondent Avista Corp.	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

DISTRIBUTION MAINS

Show Particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel Wrapped	Less than 2"	1,631,520			1,631,520
2	Steel Wrapped	2" to 4"	601,920			601,920
3	Steel Wrapped	4" to 8"	332,640			332,640
4	Steel Wrapped	8" to 12"	5,280			5,280
5	Steel Wrapped	Over 12"	0			0
6						
7						
8	Plastic	Less than 2"	4,007,520	195,360		4,202,880
9	Plastic	2" to 4"	1,098,240	47,520		1,145,760
10	Plastic	4" to 8"	253,440	10,560		264,000
11	Plastic	8" to 12"	0			0
12	Plastic	Over 12"	0			0
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	TOTALS		7,930,560	253,440	0	8,184,000

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	16,192		77	16,115	Not Available
2	Steel Wrapped	1" thru 2"	35		1	34	
3	Steel Wrapped	2" thru 4"	5		5	0	
4	Steel Wrapped	4" thru 8"	0			0	
5	Steel Wrapped	Over 8"	0			0	
6							
7							
8	Plastic	1' or Less	43,758	2,552		46,310	
9	Plastic	1" thru 2"	156	4		160	
10	Plastic	2" thru 4"	3		1	2	
11	Plastic	4" thru 8"	0			0	
12	Plastic	Over 8"	0			0	
13							
14							
15							
16							
17	TOTALS		60,149	2,556	84	62,621	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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CUSTOMER'S METERS

Line No.	Size <i>(a)</i>	Type <i>(b)</i>	Make <i>(c)</i>	Capacity <i>(d)</i>	Owned Beginning of Year <i>(e)</i>	Added During Year <i>(f)</i>	Retired During Year <i>(g)</i>	Owned End of Year <i>(h)</i>
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				62,541	2,721		65,262

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation		April 25, 2005	Dec. 31, 2004

GAS ACCOUNT - NATURAL GAS

1	The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.	or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
2	Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.	
3	Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.	
4	Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.	7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation, and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
5	If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.	
6	Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities the reporting pipeline transported or sold through its local distribution facilities	8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM			
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		6,407,419
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	5,028,087
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		11,435,506
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		6,710,280
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	5,028,087
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		
28	Total Deliveries (Total lines 17 thru 27.?)		11,738,367
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		(302,861)
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		(302,861)
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		11,435,506

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Name of Respondent Avista Corp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
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STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400) Note (1)	300-301	\$87,412,761	\$68,218,847
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	262-263		
12	Income Taxes - Federal (409.1)	262-263		
13	- Other (409.1)	262-263		
14	Provision for Deferred Income Taxes (410.1)	234,272-277		
15	(Less) Provision for Deferred Income Taxes - Cr. (411)	234,272-277		
16	Investment Tax Credit Adj. - Net (411.4)	266		
17	(Less) Gains from Disp. of Utility Plant (411.7)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 18)			
20	Net Utility Operating Income (Enter Total of line 2 less 19) (Carry forward to page 117, line 21)		\$87,412,761	\$68,218,847

Note: (1) Information other than operating revenue not available by state.

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004

STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		\$87,412,761	\$68,218,847			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
		\$87,412,761	\$68,218,847			20

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
Avista Corp.			

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts. estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	
3	302 Franchises and Consents	0.00	
4	303 Miscellaneous intangible Plant	735,152.88	0.00
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	735,152.88	0.00
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	7,628.34	
9	305 Structures and Improvements	0.90	(0.90)
10	306 Boiler Plant Equipment	0.00	
11	307 Other Power Equipment	0.00	
12	308 Coke Ovens	0.00	
13	309 Producer gas equipment	0.00	
14	310 Water Gas Generating Equipment	0.00	
15	311 Liquefied Petroleum Gas Equipment	65,344.39	1,945.26
16	312 Oil Gas Generating Equipment	0.00	
17	313 Generating Equipment-Other Processes	0.00	
18	314 Coal, Coke, and ash handling equipment	0.00	
19	315 Catalytic Cracking Equipment	0.00	
20	316 Other reforming equipment	0.00	
21	317 Purification equipment	0.00	
22	318 Residual refining equipment	0.00	
23	319 Gas mixing equipment	0.00	
24	320 Other Equipment	0.00	
25			
26	TOTAL Manufactured Gas Production Plant (Enter Total of lines 8 thru 24)	72,973.63	1,944.36
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	
29	341 Structures and Improvements	0.00	
30	342 Extraction and Refining Equipment	0.00	
31	343 Pipe Lines	0.00	
32	344 Extracted Products Storage Equipment	0.00	
33	345 Compressor Equipment	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			0.00	2
			0.00	3
5,000.00			730,152.88	4
5,000.00	0.00	0.00	730,152.88	5
				6
				7
			7,628.34	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			67,289.65	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
				25
0.00	0.00	0.00	74,917.99	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment	0.00	
35	347 Other Equipment	0.00	
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00
38	Manufactured Gas Production Plant (Submit Supplementary Statement)	72,973.63	1,944.36
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	72,973.63	1,944.36
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land	0.00	
43	350.2 Rights-of-Way	0.00	
44	351 Structures and Improvements	0.00	
45	352 Wells	0.00	
46	352.1 Storage Leaseholds and Rights	0.00	
47	352.2 Reservoirs	0.00	
48	352.3 Non-recoverable Natural Gas	0.00	
49	353 Lines	0.00	
50	354 Compressor Station Equipment	0.00	
51	355 Measuring and Regulating Equipment	0.00	
52	356 Purification Equipment	0.00	
53	357 Other Equipment	0.00	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	0.00	0.00
55	Other Storage Plant		
56	360 Land and Land Rights	0.00	
57	361 Structures and Improvements	0.00	
58	362 Gas Holders	0.00	
59	363 Purification Equipment	0.00	
60	363.1 Liquefaction Equipment	0.00	
61	363.2 Vaporizing Equipment	0.00	
62	363.3 Compressor Equipment	0.00	
63	363.4 Measuring and Regulating Equipment	0.00	
64	363.5 Other Equipment	0.00	
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00
66	Base Load Liquefied Natural Gas Terminating and Processing Plant		
67	364.1 Land and Land Rights	0.00	
68	364.2 Structures and Improvements	0.00	
69	364.3 LNG Processing Terminal Equipment	0.00	
70	364.4 LNG Transportation Equipment	0.00	
71	364.5 Measuring and Regulating Equipment	0.00	
72	364.6 Compressor Station Equipment	0.00	
73	364.7 Communications Equipment	0.00	
74	364.8 Other Equipment	0.00	
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	0.00	0.00
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	0.00	
79	365.2 Rights-of-Way	0.00	
80	366 Structures and Improvements	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25, 2005	Dec. 31, 2004	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
0.00		0.00	74,917.99	38
0.00	0.00	0.00	74,917.99	39
				40
			0.00	41
			0.00	42
			0.00	43
			0.00	44
			0.00	45
			0.00	46
			0.00	47
			0.00	48
			0.00	49
			0.00	50
			0.00	51
			0.00	52
0.00	0.00	0.00	0.00	53
			0.00	54
			0.00	55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
			0.00	66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
0.00	0.00	0.00	0.00	76
				77
		0.00	0.00	78
		0.00	0.00	79
		0.00	0.00	80

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains	0.00	0.00
82	368 Compressor Station Equipment	0.00	
83	369 Measuring and Regulating Equipment	0.00	
84	370 Communications Equipment	0.00	
85	371 Other Equipment	0.00	
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	23,531.79	0.00
89	375 Structures and Improvements	177,658.27	431.95
90	376 Mains	70,477,854.36	3,500,094.27
91	377 Compressor Station Equipment	0.00	
92	378 Measuring and Regulating Equipment-General	901,292.41	75,989.24
93	379 Measuring and Regulating Equipment-City Gate	538,679.04	45,229.95
94	380 Services	47,505,303.41	2,742,398.69
95	381 Meters	19,965,205.70	1,235,644.86
96	382 Meter Installations	0.00	
97	383 House Regulators	0.00	
98	384 House Regulator Installations	0.00	
99	385 Industrial Measuring and Regulating Station Equipment	667,050.11	86,071.33
100	386 Other Property on Customers' Premises	0.00	
101	387 Other Equipment	539.29	
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	140,257,114.38	7,685,860.29
103	GENERAL PLANT		
104	389 Land and Land Rights	7,952.44	
105	390 Structures and Improvements	373,646.31	8,700.06
106	391 Office Furniture and Equipment	9,685.00	
107	392 Transportation Equipment	1,126,744.62	78,699.38
108	393 Stores Equipment	59,673.54	
109	394 Tools, Shop, and Garage Equipment	734,878.34	0.00
110	395 Laboratory Equipment	289,357.94	
111	396 Power Operated Equipment	5,315.22	
112	397 Communication Equipment	116,215.14	0.00
113	398 Miscellaneous Equipment	0.00	
114	Subtotal (Enter Totals of lines 104 thru 113)	2,723,468.55	87,399.44
115	399 Other Tangible Property	0.00	
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	2,723,468.55	87,399.44
117	TOTAL (Accounts 101 and 106)	143,788,709.44	7,775,204.09
118	Gas Plant Purchased (See Instruction 8)	0.00	
119	(Less) Gas Plant Sold (See Instruction 8)	0.00	
120	Experimental Gas Plant Unclassified	0.00	
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	143,788,709.44	7,775,204.09

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25, 2005	Dec. 31, 2004	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
		0.00	0.00	81
			0.00	82
0.00		0.00	0.00	83
		0.00	0.00	84
			0.00	85
0.00	0.00	0.00	0.00	86
				87
		0.00	23,531.79	88
		0.00	178,090.22	89
104,305.25			73,873,643.38	90
			0.00	91
0.00			977,281.65	92
		0.00	583,908.99	93
285,984.43			49,961,717.67	94
198,497.65		(6,318.46)	20,996,034.45	95
			0.00	96
			0.00	97
			0.00	98
		0.00	753,121.44	99
			0.00	100
			539.29	101
588,787.33	0.00	(6,318.46)	147,347,868.88	102
				103
			7,952.44	104
			382,346.37	105
			9,685.00	106
58,803.00			1,146,641.00	107
3,526.10			56,147.44	108
75,507.05			659,371.29	109
0.00			289,357.94	110
0.00			5,315.22	111
			116,215.14	112
			0.00	113
137,836.15	0.00	0.00	2,673,031.84	114
			0.00	115
137,836.15	0.00	0.00	2,673,031.84	116
731,623.48	0.00	(6,318.46)	150,825,971.59	117
			0.00	118
			0.00	119
			0.00	120
731,623.48	0.00	(6,318.46)	150,825,971.59	121

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Name of Respondent Avista Corporation	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- 1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
- 2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
- 3 State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					283,577	204,357		487,934
2	Gas Delivered to Storage					430,430	0		430,430
3	Gas Withdrawn from Storage					391,186	0		391,186
4	Other Debits and Credits						0		0
5	Balance at End of Year					322,821	204,357		527,178
6	Dth					60,000	107,608		167,608
7	Amount Per Dekatherm					\$5.3804	\$1.8991		\$3.1453

8 State basis of segregation of inventory between current and noncurrent portions:

Current portion is gas expected to be sold within a 24 month period. All other gas is considered non-current.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each for each group of meters added. The average number of prescribed account, and manufactured gas revenues in total customers means the average of twelve figures at the close of each month.

2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts of the gas sold and the sales converted to Mcf. counts; except that where separate meter readings are added for billing purposes, one customer should be counted.

4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu content of the gas sold and the sales converted to Mcf.

5. If increases or decreases from previous year (collected for billing purposes, one customer should be counted) are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	51,206,457	39,788,372
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	28,000,286	21,662,420
5	Large (or Ind.) (See Instr. 6)	4,551,142	3,096,658
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	0	0
8	TOTAL Sales to Ultimate Consumers	83,757,885 (1)	64,547,450
9	(483) Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	83,757,885	64,547,450
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	83,757,885	64,547,450
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	104,716	69,845
17	(489) Rev. from Trans. of Gas of Others	3,574,389 (1)	3,791,933
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property	15,060	
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	(39,289)	(190,381)
24	TOTAL Other Operating Revenues	3,654,876	3,671,397
25	TOTAL Gas Operating Revenues	87,412,761	68,218,847
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	87,412,761	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	79,206,743	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	4,551,142	
30	Sales for Resale	0	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	0	
33	TOTAL (Same as Line 10, Columns (b) and (d))	83,757,885	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
47,129,971	46,079,738	76,919	74,516	1
30,278,920	29,349,523	10,480	10,329	2
6,768,812	6,077,268	48	47	3
				4
				5
		0		6
84,177,703 (2)	81,506,529	87,447	84,892	7
0	0	0	0	8
84,177,703	81,506,529	87,447	84,892	9

NOTES

(1) Includes \$1,495,740 unbilled revenues.

(2) Includes (191,235) therms relating to unbilled revenues.

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production	0	0	
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and Expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0	

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
B2. Products Extraction (Continued)				
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	
D. Other Gas Supply Expenses				
66	Operation			
67	800 Natural Gas Well Head Purchases	0	0	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
69	801 Natural Gas Field Line Purchases	0	0	
70	802 Natural Gas Gasoline Plant Outlet Pruchases	0	0	
71	803 Natural Gas Transmission Line Purchases	0	0	
72	804 Natural Gas City Gate Purchases	59,463,988	40,098,422	
73	804.1 Liquefied Natural Gas Purchases	0	0	
74	805 Other Gas Purchases	(4,062,980)	150,713	
75	(Less) 805.1 Purchased Gas Cost Adjustments	0	5,694,448	
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	55,401,008	45,943,583	
78	806 Exchange Gas	0		
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	88,839	60,917	
84	807.5 Other Purchased Gas Expenses	0	26,123	
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	88,839	87,040	
86	808.1 Gas Withdrawn from Storage-Debit	0	0	
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas used for Other Utility Operations-Credit	0	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses	110,063	87,146	
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	55,599,910	46,117,769	
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	55,599,910	46,117,769	

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Wells Expenses			
104	817 Lines Expense			
105	818 Compressor Station Expenses			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)		0	0
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)		0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		0	0
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)		0	0
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)		0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)		0	0

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0	
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0	
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	0	0	
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	0	0	
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering	0	0	
181	851 System Control and Load Dispatching	0	0	
182	852 Communication System Expenses	0	0	
183	853 Compressor Station Labor and Expenses	0	0	
184	854 Gas for Compressor Station Fuel	0	0	
185	855 Other Fuel and Power for Compressor Stations	0	0	
186	856 Mains Expenses	0	0	
187	857 Measuring and Regulating Station Expenses	0	0	
188	858 Transmission and Compression of Gas by Others	0	0	
189	859 Other Expenses	0	0	
190	860 Rents	0	0	
191	TOTAL Operation (Enter Total of lines 180 thru 190)	0	0	

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GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering	0	0	
194	862 Maintenance of Structures and Improvements	0	0	
195	863 Maintenance of Mains	0	0	
196	864 Maintenance of Compressor Station Equipment	0	0	
197	865 Maintenance of Measuring and Reg. Station Equipment	0	0	
198	866 Maintenance of Communication Equipment	0	-1,777	
199	867 Maintenance of Other Equipment	0	0	
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	0	-1,777	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	0	-1,777	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	307,024	136,047	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	
208	874 Mains and Services Expenses	807,426	916,874	
209	875 Measuring and Regulating Station Expenses-General	17,589	8,348	
210	876 Measuring and Regulating Station Expenses-Industrial	0	75	
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	-2,986	238	
212	878 Meter and House Regulator Expenses	473,370	447,096	
213	879 Customer Installations Expenses	994,232	721,700	
214	880 Other Expenses	406,986	347,980	
215	881 Rents	13,432	61,294	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	3,017,073	2,639,652	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	106,058	33,941	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	1,160,270	340,165	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	155,135	133,651	
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	38,500	25,874	
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	3,857	2,884	
225	892 Maintenance of Services	198,113	92,961	
226	893 Maintenance of Meters and House Regulators	191,655	123,943	
227	894 Maintenance of Other Equipment	65,339	29,441	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	1,918,927	782,859	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	4,936,000	3,422,511	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	23,798	18,437	
233	902 Meter Reading Expenses	491,161	466,423	
234	903 Customer Records and Collection Expenses	1,816,144	1,617,268	
235	904 Uncollectible Accounts	320,880	632,452	
236	905 Miscellaneous Customer Accounts Expenses	66,360	109,287	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	2,718,343	2,843,867	

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnotes.					
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
239	Operation				
240	907 Supervision	0	0		
241	908 Customer Assistance Expenses	691,389	486,756		
242	909 Informational and Instructional Expenses	49,003	34,353		
243	910 Miscellaneous Customer Service and Informational Expenses	0	0		
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	740,392	521,109		
245	7. SALES EXPENSES				
246	Operation				
247	911 Supervision	0	0		
248	912 Demonstrating and Selling Expenses	100,071	94,327		
249	913 Advertising Expenses	7,657	0		
250	916 Miscellaneous Sales Expenses	2,503	15,540		
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	110,231	109,867		
252	8. ADMINISTRATIVE AND GENERAL EXPENSES				
253	Operation				
254	920 Administrative and General Salaries	1,803,385	1,566,722		
255	921 Office Supplies and Expenses	717,726	681,184		
256	(Less) (922) Administrative Expenses Transferred-Cr.	0	0		
257	923 Outside Services Employed	944,572	984,296		
258	924 Property Insurance	80,064	68,155		
259	925 Injuries and Damages	461,626	232,245		
260	926 Employee Pensions and Benefits	185,749	122,037		
261	927 Franchise Requirements	0	0		
262	928 Regulatory Commission Expenses	330,022	405,783		
263	(Less) (929) Duplicate Charges-Cr.	0	0		
264	930.1 General Advertising Expenses	0	0		
265	930.2 Miscellaneous General Expenses	317,568	245,864		
266	931 Rents	498,988	658,461		
267	TOTAL Operation (Enter Total of lines 254 thru 266)	5,339,700	4,964,746		
268	Maintenance				
269	935 Maintenance of General Plant	201,222	197,748		
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	5,540,922	5,162,494		
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	69,645,798	58,175,839		

NUMBER OF GAS DEPARTMENT EMPLOYEES	
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1. Payroll Period Ended (Date)	December 31, 2004
2. Total Regular Full-Time Employees	129
3. Total Part-Time and Temporary Employees allocation of General Employees	23
4. Total Employees	152

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1						
2	Steel Coated	Over 4" through 10"	332,640			332,640
3	Steel Coated	4" or Less	26,400		5280	21,120
4						-
5						-
6						-
7						-
8						-
9						-
10						-
11						-
12						-
13						-
14						-
15						-
16						-
17						-
18						-
19						-
20						-
21						-
22						-
23						-
24						-
25						-
26						-
27						-
28						-
29						-
30						-
31						-
32						-
33						-
34						-
35						-
36						-
37						-
38						-
39						-
40						-
41						-
42						-
43						-
44						-
45						-
46	TOTALS		359,040	0		353,760

* Show separately and identify lines held under a title other than full ownership.

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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DISTRIBUTION MAINS

Show Particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel Wrapped	Less than 2"	2,724,480		5,280	2,719,200
2	Steel Wrapped	2" to 4"	828,960			828,960
3	Steel Wrapped	4" to 8"	422,400	5,280		427,680
4	Steel Wrapped	8" to 12"	15,840			15,840
5	Steel Wrapped	Over 12"	0			0
6						
7						
8	Plastic	Less than 2"	4,408,800	242,880		4,651,680
9	Plastic	2" to 4"	733,920	21,120		755,040
10	Plastic	4" to 8"	58,080			58,080
11	Plastic	8" to 12"	0			0
12	Plastic	Over 12"	0			0
13						
14						
15						
16						
17						
18						
19	Change in footage reflects additions net of retirements.					
20						
21						
22						
23						
24	TOTALS		9,192,480	269,280	5,280	9,456,480

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of the y

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	32,082	41		32,123	Not Available
2	Steel Wrapped	1" thru 2"	556		83	473	
3	Steel Wrapped	2" thru 4"	22		2	20	
4	Steel Wrapped	4" thru 8"	2			2	
5	Steel Wrapped	Over 8"	0			0	
6							
7							
8	Plastic	1' or Less	62,022	2,915		64,937	
9	Plastic	1" thru 2"	1,419	401		1,820	
10	Plastic	2" thru 4"	73			73	
11	Plastic	4" thru 8"	3	1		4	
12	Plastic	Over 8"	0			0	
13							
14							
15	Number added is net of retirements						
16							
17	TOTALS		96,179	3,358	85	99,452	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> April 25, 2005	Year of Report Dec. 31, 2004
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CUSTOMER'S METERS

Line No.	Size <i>(a)</i>	Type <i>(b)</i>	Make <i>(c)</i>	Capacity <i>(d)</i>	Owned Beginning of Year <i>(e)</i>	Added During Year <i>(f)</i>	Retired During Year <i>(g)</i>	Owned End of Year <i>(h)</i>
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				96,940	7,845	2,257	102,528

Name of Respondent Avista Corporation	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS ACCOUNT - NATURAL GAS

1 The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.

2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.

3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.

4 Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.

5 If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.

6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.

7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation, and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.

8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		8,415,310
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	5,017,422
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		13,432,732
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		8,417,770
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	5,017,422
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		
28	Total Deliveries (Total lines 17 thru 27.?)		13,435,192
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		(2,460)
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		(2,460)
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		13,432,732

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Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400) Note (1)	300-301	\$20,682,299	\$17,571,796
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Taxes Other Than Income Taxes (408.1)	262-263		
12	Income Taxes - Federal (409.1)	262-263		
13	- Other (409.1)	262-263		
14	Provision for Deferred Income Taxes (410.1)	234,272-277		
15	(Less) Provision for Deferred Income Taxes - Cr. (411)	234,272-277		
16	Investment Tax Credit Adj. - Net (411.4)	266		
17	(Less) Gains from Disp. of Utility Plant (411.7)			
18	Losses from Disp. of Utility Plant (411.7)			
19	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 18)			
20	Net Utility Operating Income (Enter Total of line 2 less 19) (Carry forward to page 117, line 21)		\$20,682,299	\$17,571,796

Note: (1) Information other than operating revenue not available by state.

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		\$20,682,299	\$17,571,796			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
		\$20,682,299	\$17,571,796			20

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts. estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	
3	302 Franchises and Consents	1,592.55	
4	303 Miscellaneous Intangible Plant	0.00	
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	1,592.55	0.00
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	0.00	
9	305 Structures and Improvements	0.00	
10	306 Boiler Plant Equipment	0.00	
11	307 Other Power Equipment	0.00	
12	308 Coke Ovens	0.00	
13	309 Producer gas equipment	0.00	
14	310 Water Gas Generating Equipment	0.00	
15	311 Liquefied Petroleum Gas Equipment	0.00	
16	312 Oil Gas Generating Equipment	0.00	
17	313 Generating Equipment-Other Processes	0.00	
18	314 Coal, Coke, and ash handling equipment	0.00	
19	315 Catalytic Cracking Equipment	0.00	
20	316 Other reforming equipment	0.00	
21	317 Purification equipment	0.00	
22	318 Residual refining equipment	0.00	
23	319 Gas mixing equipment	0.00	
24	320 Other Equipment	0.00	
25			
26	TOTAL Manufactured Gas Production Plant (Enter Total of lines 8 thru 24)	0.00	0.00
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	
29	341 Structures and Improvements	0.00	
30	342 Extraction and Refining Equipment	0.00	
31	343 Pipe Lines	0.00	
32	344 Extracted Products Storage Equipment	0.00	
33	345 Compressor Equipment	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			0.00	2
			1,592.55	3
			0.00	4
0.00	0.00	0.00	1,592.55	5
				6
				7
			0.00	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			0.00	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
			0.00	25
0.00	0.00	0.00	0.00	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

Name of Respondent		This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
Avista Corp.				
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	346 Gas Measuring and Regulating Equipment	0.00		
35	347 Other Equipment	0.00		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00	
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00	
38	Manufactured Gas Production Plant (Submit Supplementary Statement)	0.00		
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	0.00	0.00	
40	NATURAL GAS STORAGE AND PROCESSING PLANT			
41	Underground Storage Plant			
42	350.1 Land	0.00		
43	350.2 Rights-of-Way	0.00		
44	351 Structures and Improvements	0.00		
45	352 Wells	0.00		
46	352.1 Storage Leaseholds and Rights	0.00		
47	352.2 Reservoirs	0.00		
48	352.3 Non-recoverable Natural Gas	0.00		
49	353 Lines	0.00		
50	354 Compressor Station Equipment	0.00		
51	355 Measuring and Regulating Equipment	0.00		
52	356 Purification Equipment	0.00		
53	357 Other Equipment	0.00		
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	0.00	0.00	
55	Other Storage Plant			
56	360 Land and Land Rights	0.00		
57	361 Structures and Improvements	0.00		
58	362 Gas Holders	0.00		
59	363 Purification Equipment	0.00		
60	363.1 Liquefaction Equipment	0.00		
61	363.2 Vaporizing Equipment	0.00		
62	363.3 Compressor Equipment	0.00		
63	363.4 Measuring and Regulating Equipment	0.00		
64	363.5 Other Equipment	0.00		
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00	
66	Base Load Liquefied Natural Gas Terminating and Processing Plant			
67	364.1 Land and Land Rights	0.00		
68	364.2 Structures and Improvements	0.00		
69	364.3 LNG Processing Terminal Equipment	0.00		
70	364.4 LNG Transportation Equipment	0.00		
71	364.5 Measuring and Regulating Equipment	0.00		
72	364.6 Compressor Station Equipment	0.00		
73	364.7 Communications Equipment	0.00		
74	364.8 Other Equipment	0.00		
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00	
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	0.00	0.00	
77	TRANSMISSION PLANT			
78	365.1 Land and Land Rights	0.00		
79	365.2 Rights-of-Way	0.00		
80	366 Structures and Improvements	0.00		

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
			0.00	38
0.00	0.00	0.00	0.00	39
				40
				41
			0.00	42
			0.00	43
			0.00	44
			0.00	45
			0.00	46
			0.00	47
			0.00	48
			0.00	49
			0.00	50
			0.00	51
			0.00	52
			0.00	53
0.00	0.00	0.00	0.00	54
				55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
				66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
0.00	0.00	0.00	0.00	76
				77
			0.00	78
			0.00	79
			0.00	80

Name of Respondent		This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains	0.00		
82	368 Compressor Station Equipment	0.00		
83	369 Measuring and Regulating Equipment	0.00		
84	370 Communications Equipment	0.00		
85	371 Other Equipment	0.00		
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00	
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	160.02		
89	375 Structures and Improvements	0.00		
90	376 Mains	10,098,586.17	28,248.22	
91	377 Compressor Station Equipment	0.00		
92	378 Measuring and Regulating Equipment-General	30,750.11		
93	379 Measuring and Regulating Equipment-City Gate	55,039.21		
94	380 Services	7,191,777.15	296,131.59	
95	381 Meters	2,507,735.10	33,284.07	
96	382 Meter Installations	0.00		
97	383 House Regulators	0.00		
98	384 House Regulator Installations	0.00		
99	385 Industrial Measuring and Regulating Station Equipment	18,036.36	0.00	
100	386 Other Property on Customers' Premises	0.00		
101	386 Other Equipment	0.00		
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	19,902,084.12	357,663.88	
103	GENERAL PLANT			
104	389 Land and Land Rights	69,136.60		
105	390 Structures and Improvements	189,942.27		
106	391 Office Furniture and Equipment	0.00		
107	392 Transportation Equipment	115,775.98		
108	393 Stores Equipment	611.04		
109	394 Tools, Shop, and Garage Equipment	209,137.12	0.00	
110	395 Laboratory Equipment	33,109.04		
111	396 Power Operated Equipment	55,892.64		
112	397 Communication Equipment	21,548.29		
113	398 Miscellaneous Equipment	3,139.93		
114	Subtotal (Enter Totals of lines 104 thru 113)	698,292.91	0.00	
115	399 Other Tangible Property	0.00		
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	698,292.91	0.00	
117	TOTAL (Accounts 101 and 106)	20,601,969.58	357,663.88	
118	Gas Plant Purchased (See Instruction 8)	0.00		
119	(Less) Gas Plant Sold (See Instruction 8)	0.00		
120	Experimental Gas Plant Unclassified	0.00		
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	20,601,969.58	357,663.88	

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25, 2005	Dec. 31, 2004	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	81
			0.00	82
			0.00	83
			0.00	84
			0.00	85
0.00	0.00	0.00	0.00	86
			160.02	88
			0.00	89
			10,126,834.39	90
			0.00	91
			30,750.11	92
			55,039.21	93
			7,487,908.74	94
			2,541,019.17	95
			0.00	96
			0.00	97
			0.00	98
			18,036.36	99
			0.00	100
			0.00	101
0.00	0.00	0.00	20,259,748.00	102
			69,136.60	104
			189,942.27	105
			0.00	106
0.00			115,775.98	107
			611.04	108
153,640.84			55,496.28	109
561.30			32,547.74	110
			55,892.64	111
			21,548.29	112
1,831.85			1,308.08	113
156,033.99	0.00	0.00	542,258.92	114
			0.00	115
156,033.99	0.00	0.00	542,258.92	116
156,033.99	0.00	0.00	20,803,599.47	117
			0.00	118
			0.00	119
			0.00	120
156,033.99	0.00	0.00	20,803,599.47	121

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Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, AND 164.3)

- 1 If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
- 2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
- 3 State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year						251,688		251,688
2	Gas Delivered to Storage						338,195		338,195
3	Gas Withdrawn from Storage						237,996		237,996
4	Other Debits and Credits						(9,433)		(9,433)
5	Balance at End of Year						342,454		342,454
6	Dth						69,939		69,939
7	Amount Per Dekatherm						\$4.8965		\$4.8965

8 State basis of segregation of inventory between current and noncurrent portions:

Current portion is gas expected to be sold within a 24 month period. All other gas is considered non-current.

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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.
5. If increases or decreases from previous year (columns (c), (e) and (g), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	14,648,203	11,874,038
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	5,798,135	5,224,492
5	Large (or Ind.) (See Instr. 6)		
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales		
8	TOTAL Sales to Ultimate Consumers	20,446,338 (1)	17,098,530
9	(483) Sales for Resale		
10	TOTAL Nat. Gas Service Revenues	20,446,338	17,098,530
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	20,446,338	17,098,530
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	155,760	138,251
17	(489) Rev. from Trans. of Gas of Others	148,191 (1)	123,453
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property		
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	(67,990)	211,562
24	TOTAL Other Operating Revenues	235,961	473,266
25	TOTAL Gas Operating Revenues	20,682,299	17,571,796
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	20,682,299	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	20,446,338	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales		
33	TOTAL (Same as Line 10, Columns (b) and (d))	20,446,338	

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GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	

Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
15,712,234		14,647,166	17,179	2
				3
6,277,593		6,395,894	1,396	4
				5
				6
				7
21,989,827 (2)		21,043,060	18,575	8
0		0	0	9
21,989,827		21,043,060	18,575	10

	NOTES	Line No.
	(1) Includes \$425,454 unbilled revenues.	11
	(2) Includes 603,523 therms relating to unbilled revenues.	12
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Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production	0	0	
3	Manufactured Gas Production (Submit Supplemental Statement)			
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering			
8	751 Production Maps and Records			
9	752 Gas Wells Expenses			
10	753 Field Lines Expenses			
11	754 Field Compressor Station Expenses			
12	755 Field Compressor Station Fuel and Power			
13	756 Field Measuring and Regulating Station Expenses			
14	757 Purification Expenses			
15	758 Gas Well Royalties			
16	759 Other Expenses			
17	760 Rents			
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering			
21	762 Maintenance of Structures and Improvements			
22	763 Maintenance of Producing Gas Wells			
23	764 Maintenance of Field Lines			
24	765 Maintenance of Field Compressor Station Equipment			
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment			
26	767 Maintenance of Purification Equipment			
27	768 Maintenance of Drilling and Cleaning Equipment			
28	769 Maintenance of Other Equipment			
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	
31	B2. Products Extraction			
32	Operation			
33	770 Operation Supervision and Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies and Expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	(Less) 782 Extracted Products Used by the Utility-Credit			
46	783 Rents			
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0	

Name of Respondent		This Report Is:	Date of Report	Year of Report
Avista Corp.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) April 25, 2005	December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
B2. Products Extraction (Continued)				
48	Maintenance			
49	784 Maintenance Supervision and Engineering			
50	785 Maintenance of Structures and Improvements			
51	786 Maintenance of Extraction and Refining Equipment			
52	787 Maintenance of Pipe Lines			
53	788 Maintenance of Extracted Products Storage Equipment			
54	789 Maintenance of Compressor Equipment			
55	790 Maintenance of Gas Measuring and Reg. Equipment			
56	791 Maintenance of Other Equipment			
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0	
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0	
59	C. Exploration and Development			
60	Operation			
61	795 Delay Rentals			
62	796 Nonproductive Well Drilling			
63	797 Abandoned Leases			
64	798 Other Exploration			
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0	
66	D. Other Gas Supply Expenses			
66	Operation			
67	800 Natural Gas Well Head Purchases	0	0	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0	
69	801 Natural Gas Field Line Purchases	0	0	
70	802 Natural Gas Gasoline Plant Outlet Purchases	0	0	
71	803 Natural Gas Transmission Line Purchases	0	0	
72	804 Natural Gas City Gate Purchases	16,332,436	14,640,607	
73	804.1 Liquefied Natural Gas Purchases	0	0	
74	805 Other Gas Purchases	-7,057	0	
75	(Less) 805.1 Purchased Gas Cost Adjustments	0	379,804	
76				
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	16,325,379	15,020,411	
78	806 Exchange Gas	0		
79	Purchased Gas Expenses			
80	807.1 Well Expenses-Purchased Gas	0	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0	
83	807.4 Purchased Gas Calculations Expenses	15,757	11,096	
84	807.5 Other Purchased Gas Expenses	0	4,759	
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	15,757	15,855	
86	808.1 Gas Withdrawn from Storage-Debit	0	(113,552)	
87	(Less) 808.2 Gas Delivered to Storage-Credit	-83,689	181,476	
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0	
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0	
90	Gas Used in Utility Operations-Credit			
91	810 Gas Used for Compressor Station Fuel-Credit	0	0	
92	811 Gas Used for Products Extraction-Credit	0	0	
93	812 Gas used for Other Utility Operations-Credit	0	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0	
95	813 Other Gas Supply Expenses	18,801	14,564	
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	16,276,248	15,118,754	
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	16,276,248	15,118,754	

Name of Respondent Avista Corp.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report December 31, 2004
GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Wells Expenses			
104	817 Lines Expense			
105	818 Compressor Station Expenses			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)		0	0
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)		0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		0	0
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)		0	0
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)		0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)		0	0

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GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
147	C. Liquefied Natural Gas Terminaling and Processing Expenses			
148	Operation			
149	844.1 Operation Supervision and Engineering			
150	844.2 LNG Processing Terminal Labor and Expenses			
151	844.3 Liquefaction Processing Labor and Expenses			
152	844.4 Liquefaction Transportation Labor and Expenses			
153	844.5 Measuring and Regulating Labor and Expenses			
154	844.6 Compressor Station Labor and Expenses			
155	844.7 Communication System Expenses			
156	844.8 System Control and Load Dispatching			
157	845.1 Fuel			
158	845.2 Power			
159	845.3 Rents			
160	845.4 Demurrage Charges			
161	(Less) 845.5 Wharfage Receipts-Credit			
162	845.6 Processing Liquefied or Vaporized Gas by Others			
163	846.1 Gas Losses			
164	846.2 Other Expenses			
165	TOTAL Operation (Enter Total of lines 149 thru 164)		0	0
166	Maintenance			
167	847.1 Maintenance Supervision and Engineering			
168	847.2 Maintenance of Structures and Improvements			
169	847.3 Maintenance of LNG Processing Terminal Equipment			
170	847.4 Maintenance of LNG Transportation Equipment			
171	847.5 Maintenance of Measuring and Regulating Equipment			
172	847.6 Maintenance of Compressor Station Equipment			
173	847.7 Maintenance of Communication Equipment			
174	847.8 Maintenance of Other Equipment			
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)		0	0
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)		0	0
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)		0	0
178	3. TRANSMISSION EXPENSES			
179	Operation			
180	850 Operation Supervision and Engineering			
181	851 System Control and Load Dispatching			
182	852 Communication System Expenses			
183	853 Compressor Station Labor and Expenses			
184	854 Gas for Compressor Station Fuel			
185	855 Other Fuel and Power for Compressor Stations			
186	856 Mains Expenses			
187	857 Measuring and Regulating Station Expenses			
188	858 Transmission and Compression of Gas by Others			
189	859 Other Expenses			
190	860 Rents			
191	TOTAL Operation (Enter Total of lines 180 thru 190)		0	0

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GAS OPERATION AND MAINTENANCE EXPENSES				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
3. TRANSMISSION EXPENSES (Continued)				
192	Maintenance			
193	861 Maintenance Supervision and Engineering			
194	862 Maintenance of Structures and Improvements			
195	863 Maintenance of Mains			
196	864 Maintenance of Compressor Station Equipment			
197	865 Maintenance of Measuring and Reg. Station Equipment			
198	866 Maintenance of Communication Equipment	0	0	
199	867 Maintenance of Other Equipment			
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	0	0	
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	0	0	
202	4. DISTRIBUTION EXPENSES			
203	Operation			
204	870 Operation Supervision and Engineering	60,896	34,034	
205	871 Distribution Load Dispatching	0	0	
206	872 Compressor Station Labor and Expenses	0	0	
207	873 Compressor Station Fuel and Power	0	0	
208	874 Mains and Services Expenses	92,019	84,181	
209	875 Measuring and Regulating Station Expenses-General	0	41	
210	876 Measuring and Regulating Station Expenses-Industrial	0	0	
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	4,449	4,063	
212	878 Meter and House Regulator Expenses	106,394	138,536	
213	879 Customer Installations Expenses	79,669	53,927	
214	880 Other Expenses	30,181	38,524	
215	881 Rents	1,550	4,719	
216	TOTAL Operation (Enter Total of lines 204 thru 215)	375,158	358,026	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	7,753	859	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	8,948	16,720	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	8,443	7,688	
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	4	565	
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	0	284	
225	892 Maintenance of Services	12,065	-2,110	
226	893 Maintenance of Meters and House Regulators	12,095	22,097	
227	894 Maintenance of Other Equipment	3,577	640	
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	52,885	46,743	
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	428,043	404,769	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	5,068	4,034	
233	902 Meter Reading Expenses	85,845	81,892	
234	903 Customer Records and Collection Expenses	336,898	305,300	
235	904 Uncollectible Accounts	80,042	157,849	
236	905 Miscellaneous Customer Accounts Expenses	13,884	23,671	
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	521,737	572,746	

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GAS OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Amount (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	5,320	5,196	
242	909 Informational and Instructional Expenses	1,822	179	
243	910 Miscellaneous Customer Service and Informational Expenses	0	0	
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	7,142	5,375	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	0	0	
248	912 Demonstrating and Selling Expenses	0	0	
249	913 Advertising Expenses	1,635	0	
250	916 Miscellaneous Sales Expenses	535	3,400	
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	2,170	3,400	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	248,950	236,148	
255	921 Office Supplies and Expenses	100,301	102,266	
256	(Less) (922) Administrative Expenses Transferred-Cr.	0	0	
257	923 Outside Services Employed	178,630	149,247	
258	924 Property Insurance	11,043	10,352	
259	925 Injuries and Damages	63,671	35,275	
260	926 Employee Pensions and Benefits	33,476	20,766	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	129,592	105,491	
263	(Less) (929) Duplicate Charges-Cr.	0	0	
264	930.1 General Advertising Expenses	0	0	
265	930.2 Miscellaneous General Expenses	43,007	36,604	
266	931 Rents	68,824	100,012	
267	TOTAL Operation (Enter Total of lines 254 thru 266)	877,494	796,161	
268	Maintenance			
269	935 Maintenance of General Plant	33,191	30,416	
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	910,685	826,577	
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251, and 270)	18,146,025	16,931,620	

NUMBER OF GAS DEPARTMENT EMPLOYEES	
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the gas department from joint function of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1. Payroll Period Ended (Date)	December 31, 2004
2. Total Regular Full-Time Employees	8
3. Total Part-Time and Temporary Employees allocation of General Employees	0
4. Total Employees	8

Name of Respondent Avista Corp.	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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TRANSMISSION MAINS

Show Particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	None					
2						
3						
4						
5						
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12						
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41						
42						
43						
44						
45						
46	TOTALS			0		0

* Show separately and identify lines held under a title other than full ownership.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

DISTRIBUTION MAINS

Show Particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	Steel Wrapped	Less than 2"	396,000	0	0	396,000
2	Steel Wrapped	2" to 4"	68,640	0	0	68,640
3	Steel Wrapped	4" to 8"	190,080	0	0	190,080
4	Steel Wrapped	8" to 12"	0	0	0	0
5	Steel Wrapped	Over 12"	0	0	0	0
6						
7						
8	Plastic	Less than 2"	512,160	0	0	512,160
9	Plastic	2" to 4"	63,360	5,280	0	68,640
10	Plastic	4" to 8"	0	0	0	0
11	Plastic	8" to 12"	0	0	0	0
12	Plastic	Over 12"	0	0	0	0
13						
14						
15						
16						
17						
18						
19	Change in footage reflects additions net of retirements.					
20						
21						
22						
23						
24	TOTALS		1,230,240	5,280	0	1,235,520

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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SERVICE PIPES GAS

Show the particulars called for concerning the line service pipe in possession of the respondent at the close of

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Steel Wrapped	1' or Less	7,807		6	7,801	Not Available
2	Steel Wrapped	1" thru 2"	27		0	27	
3	Steel Wrapped	2" thru 4"	0			0	
4	Steel Wrapped	4" thru 8"	0			0	
5	Steel Wrapped	Over 8"	0			0	
6							
7							
8	Plastic	1' or Less	8,241	192		8,433	
9	Plastic	1" thru 2"	18			18	
10	Plastic	2" thru 4"	3			3	
11	Plastic	4" thru 8"	2			2	
12	Plastic	Over 8"	0			0	
13							
14							
15	Number added is net of retirements.						
16							
17	TOTALS		16,098	192	6	16,284	

Name of Respondent Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> April 25, 2005	Year of Report Dec. 31, 2004
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CUSTOMER'S METERS

Line No.	Size <i>(a)</i>	Type <i>(b)</i>	Make <i>(c)</i>	Capacity <i>(d)</i>	Owned Beginning of Year <i>(e)</i>	Added During Year <i>(f)</i>	Retired During Year <i>(g)</i>	Owned End of Year <i>(h)</i>
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				18,840	168		19,008

Name of Respondent Avista Corporation	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
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GAS ACCOUNT - NATURAL GAS

- 1 The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.
- 2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- 3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
- 4 Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
- 5 If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
- 6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
- 7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation, and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
- 8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.

01 NAME OF SYSTEM			
Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		2,255,223
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	89,570
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		2,344,793
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		2,198,983
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	89,570
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		30,500
28	Total Deliveries (Total lines 17 thru 27.?)		2,319,053
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		25,740
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		25,740
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		2,344,793

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Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$64,745,777	\$72,075,587
3	Operating Expenses			
4	Operation Expenses (500-935)	320-325		
5	Maintenance Expenses (500-935)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes - Federal (409.1)	262-263		
15	- Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	234,272-277		
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)			
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$64,745,777	\$72,075,587

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$64,593,587	\$71,795,949	\$152,190	\$279,638			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$64,593,587	\$71,795,949	\$152,190	\$279,638		\$0	20

Name of Respondent	This report is: [X] An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[] A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts. Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).
2. In addition to Account 101, *Gas Plant in Service (Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified-Gas*.
3. Include in column (c) and (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	0.00	
3	302 Franchises and Consents	0.00	
4	303 Miscellaneous Intangible Plant	2,223,765.97	169,353.10
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	2,223,765.97	169,353.10
6	PRODUCTION PLANT		
7	Manufactured Gas Production Plant		
8	304 Land and Land Rights	0.00	
9	305 Structures and Improvements	0.00	
10	306 Boiler Plant Equipment	0.00	
11	307 Other Power Equipment	0.00	
12	308 Coke Ovens	0.00	
13	309 Producer gas equipment	0.00	
14	310 Water Gas Generating Equipment	0.00	
15	311 Liquefied Petroleum Gas Equipment	0.00	
16	312 Oil Gas Generating Equipment	0.00	
17	313 Generating Equipment-Other Processes	0.00	
18	314 Coal, Coke, and ash handling equipment	0.00	
19	315 Catalytic Cracking Equipment	0.00	
20	316 Other reforming equipment	0.00	
21	317 Purification equipment	0.00	
22	318 Residual refining equipment	0.00	
23	319 Gas mixing equipment	0.00	
24	320 Other Equipment	0.00	
25			
26	TOTAL Manufactured Gas Production Plant (Enter Total of lines 8 thru 24)	0.00	0.00
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights	0.00	
29	341 Structures and Improvements	0.00	
30	342 Extraction and Refining Equipment	0.00	
31	343 Pipe Lines	0.00	
32	344 Extracted Products Storage Equipment	0.00	
33	345 Compressor Equipment	0.00	

Name of Respondent	This report is: <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	<input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,

and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			0.00	2
			0.00	3
1,582,852.34			810,266.73	4
1,582,852.34	0.00	0.00	810,266.73	5
				6
				7
			0.00	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			0.00	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
0.00	0.00	0.00	0.00	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

Name of Respondent Avista Corp.	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment	0.00	
35	347 Other Equipment	0.00	
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00
38	Manufactured Gas Production Plant (Submit Supplementary Statement)	0.00	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	0.00	0.00
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land		
43	350.2 Rights-of-Way	0.00	
44	351 Structures and Improvements	0.00	
45	352 Wells	0.00	
46	352.1 Storage Leaseholds and Rights	0.00	
47	352.2 Reservoirs	0.00	
48	352.3 Non-recoverable Natural Gas	0.00	
49	353 Lines	0.00	
50	354 Compressor Station Equipment	0.00	
51	355 Measuring and Regulating Equipment	0.00	
52	356 Purification Equipment	0.00	
53	357 Other Equipment	0.00	
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	0.00	0.00
55	Other Storage Plant		
56	360 Land and Land Rights	0.00	
57	361 Structures and Improvements	0.00	
58	362 Gas Holders	0.00	
59	363 Purification Equipment	0.00	
60	363.1 Liquefaction Equipment	0.00	
61	363.2 Vaporizing Equipment	0.00	
62	363.3 Compressor Equipment	0.00	
63	363.4 Measuring and Regulating Equipment	0.00	
64	363.5 Other Equipment	0.00	
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364.1 Land and Land Rights	0.00	
68	364.2 Structures and Improvements	0.00	
69	364.3 LNG Processing Terminal Equipment	0.00	
70	364.4 LNG Transportation Equipment	0.00	
71	364.5 Measuring and Regulating Equipment	0.00	
72	364.6 Compressor Station Equipment	0.00	
73	364.7 Communications Equipment	0.00	
74	364.8 Other Equipment	0.00	
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	0.00	0.00
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	0.00	
79	365.2 Rights-of-Way	0.00	
80	366 Structures and Improvements	0.00	

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.		April 25, 2005	Dec. 31, 2004	
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
			0.00	38
0.00	0.00	0.00	0.00	39
			0.00	40
			0.00	41
			0.00	42
			0.00	43
			0.00	44
			0.00	45
			0.00	46
			0.00	47
			0.00	48
			0.00	49
			0.00	50
			0.00	51
			0.00	52
			0.00	53
0.00	0.00	0.00	0.00	54
			0.00	55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
			0.00	66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
0.00	0.00	0.00	0.00	76
			0.00	77
			0.00	78
			0.00	79
			0.00	80

Name of Respondent		This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) April 25, 2005	Year Ending Dec. 31, 2004
Avista Corp.				
GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains	0.00		
82	368 Compressor Station Equipment	0.00		
83	369 Measuring and Regulating Equipment	0.00		
84	370 Communications Equipment	0.00		
85	371 Other Equipment	0.00		
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00	
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	0.00		
89	375 Structures and Improvements	0.00		
90	376 Mains	87,034.63	0.00	
91	377 Compressor Station Equipment	0.00		
92	378 Measuring and Regulating Equipment-General	0.00		
93	379 Measuring and Regulating Equipment-City Gate	0.00		
94	380 Services	0.00		
95	381 Meters	0.00		
96	382 Meter Installations	0.00		
97	383 House Regulators	0.00		
98	384 House Regulator Installations	0.00		
99	385 Industrial Measuring and Regulating Station Equipment	0.00		
100	386 Other Property on Customers' Premises	0.00		
101	386 Other Equipment	0.00		
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	87,034.63	0.00	
103	GENERAL PLANT			
104	389 Land and Land Rights	253,731.89		
105	390 Structures and Improvements	1,361,937.00	5,348.00	
106	391 Office Furniture and Equipment	0.00		
107	392 Transportation Equipment	408,301.79	43,532.80	
108	393 Stores Equipment	0.00		
109	394 Tools, Shop, and Garage Equipment	382,963.65	102,536.81	
110	395 Laboratory Equipment	342,881.81	5,272.40	
111	396 Power Operated Equipment	368,144.09		
112	397 Communication Equipment	730,342.81	26,443.16	
113	398 Miscellaneous Equipment	31,332.00		
114	Subtotal (Enter Totals of lines 104 thru 113)	3,879,635.04	183,133.17	
115	399 Other Tangible Property	0.00		
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	3,879,635.04	183,133.17	
117	TOTAL (Accounts 101 and 106)	6,190,435.64	352,486.27	
118	Gas Plant Purchased (See Instruction 8)	0.00		
119	(Less) Gas Plant Sold (See Instruction 8)	0.00		
120	Experimental Gas Plant Unclassified	0.00		
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	6,190,435.64	352,486.27	

Name of Respondent	This report is: [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending	
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			0.00	81
			0.00	82
			0.00	83
			0.00	84
			0.00	85
0.00	0.00	0.00	0.00	86
				87
			0.00	88
			0.00	89
		(87,034.63)	0.00	90
			0.00	91
			0.00	92
			0.00	93
			0.00	94
			0.00	95
			0.00	96
			0.00	97
			0.00	98
			0.00	99
			0.00	100
			0.00	101
0.00	0.00	(87,034.63)	0.00	102
				103
			253,731.89	104
1,951.14			1,365,333.86	105
			0.00	106
0.00		0.00	451,834.59	107
			0.00	108
6,303.45			479,197.01	109
1,299.31			346,854.90	110
			368,144.09	111
54,521.23			702,264.74	112
			31,332.00	113
64,075.13	0.00	0.00	3,998,693.08	114
			0.00	115
64,075.13	0.00	0.00	3,998,693.08	116
1,646,927.47	0.00	(87,034.63)	4,808,959.81	117
				118
			0.00	119
			0.00	120
1,646,927.47	0.00	(87,034.63)	4,808,959.81	121

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. Report quantities of natural gas sold in Mcf (14.73 psia at 60 degrees F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.
5. If increases or decreases from previous year (columns (c), (e) and (g), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales		
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)		
5	Large (or Ind.) (See Instr. 6)		
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	0	0
8	TOTAL Sales to Ultimate Consumers	0	0
9	(483) Sales for Resale	152,110	279,638
10	TOTAL Nat. Gas Service Revenues	152,110	279,638
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	152,110	279,638
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues		
17	(489) Rev. from Trans. of Gas of Others		
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property		
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	80	2,285
24	TOTAL Other Operating Revenues	80	
25	TOTAL Gas Operating Revenues	152,190	279,638
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	152,190	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
30	Sales for Resale	152,110	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	0	
33	TOTAL (Same as Line 10, Columns (b) and (d))	152,110	

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 25, 2005	Year of Report Dec. 31, 2004
	(2) <input type="checkbox"/> A Resubmission		

GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD

AVG. NO. OF NAT. GAS CUSTRS. PER MO.

Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
305,000	675,000	0	1	9
305,000	675,000	0	1	10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 01 thru 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$7,691,177	\$4,548,133
3	Operating Expenses			
4	Operation Expenses (401)	320-325		
5	Maintenance Expenses (402)	320-325		
6	Depreciation Expense (403)	336-338		
7	Amort. & Depl. of Utility Plant (404-405)	336-338		
8	Amort. of Utility Plant Acq. Adj. (406)	336-338		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263		
14	Income Taxes - Federal (409.1)	262-263		
15	- Other (409.1)	262-263		
16	Provision for Deferred Income Taxes (410.1)	234,272-277		
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)			
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$7,691,177	\$4,548,133

Name of Respondent Avista Corp	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 25, 2005	Dec. 31, 2004

STATEMENT OF INCOME FOR THE YEAR

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which

had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$7,691,177	\$4,548,133					2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$7,691,177	\$4,548,133	\$0	\$0		\$0	20

