

THIS FILING IS

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

Form 1 Approved  
OMB No. 1902-0021  
(Expires 7/31/2008)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 6/30/2007)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 6/30/2007)



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FEDERAL ENERGY REGULATORY COMMISSION

# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. 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 confidential nature

<b>Exact Legal Name of Respondent (Company)</b> Avista Corporation	<b>Year/Period of Report</b> End of <u>2005/Q4</u>
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**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>2005/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 and CFO	
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) 495-8000	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 04/17/2006

**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) 04/17/2006
02 Title Senior VP and CFO		

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.

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	NA
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	NA
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	NA
17	Electric Plant Held for Future Use	214	NA
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	
21	Materials and Supplies	227	
22	Allowances	228-229	NA
23	Extraordinary Property Losses	230	NA
24	Unrecovered Plant and Regulatory Study Costs	230	NA
25	Other Regulatory Assets	232	
26	Miscellaneous Deferred Debits	233	
27	Accumulated Deferred Income Taxes	234	
28	Capital Stock	250-251	
29	Other Paid-in Capital	253	NA
30	Capital Stock Expense	254	
31	Long-Term Debit	256-257	
32	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
33	Taxes Accrued, Prepaid and Charged During the Year	262-263	
34	Accumulated Deferred Investment Tax Credits	266-267	
35	Other Deferred Credits	269	
36	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NA

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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Other Property	274-275	
38	Accumulated Deferred Income Taxes-Other	276-277	
39	Other Regulatory Liabilities	278	
40	Electric Operating Revenues	300-301	
41	Sales of Electricity by Rate Schedules	304	
42	Sales for Resale	310-311	
43	Electric Operation and Maintenance Expenses	320-323	
44	Purchased Power	326-327	
45	Transmission of Electricity for Others	328-330	
46	Transmission of Electricity by Others	332	
47	Miscellaneous General Expenses-Electric	335	
48	Depreciation and Amortization of Electric Plant	336-337	
49	Regulatory Commission Expenses	350-351	
50	Research, Development and Demonstration Activities	352-353	NA
51	Distribution of Salaries and Wages	354-355	
52	Common Utility Plant and Expenses	356	
53	Purchase and Sale of Ancillary Services	398	
54	Monthly Transmission System Peak Load	400	
55	Electric Energy Account	401	
56	Monthly Peaks and Output	401	
57	Steam Electric Generating Plant Statistics	402-403	
58	Hydroelectric Generating Plant Statistics	406-407	
59	Pumped Storage Generating Plant Statistics	408-409	NA
60	Generating Plant Statistics Pages	410-411	
61	Transmission Line Statistics Pages	422-423	
62	Transmission Lines Added During the Year	424-425	NA
63	Substations	426-427	
64	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Four copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

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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 and Chief Financial Officer  
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 (sold California operations to Southwest Gas Corporation in April 2005)**

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	99.95	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	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	99.9	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		Inactive subsidiary
27		company.		of Avista Capital.

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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	Owens non-regulated generation	100	Subsidiary of
3		assets.		Avista Capital
4				
5	Avista Turbine Power, Inc.	Receives assignments of	100	Subsidiary of
6		purchase power agreements.		Avista Power
7				
8	Avista Rathdrum, LLC	Owens 49 percent of Rathdrum	100	Subsidiary of
9		Power, LLC		Avista Power
10				
11	Avista Ventures, Inc.	Invests in emerging business.	100	Subsidiary of
12		Parent of Avista Development		Avista Capital
13		and Pentzer Corporation		
14				
15	Pentzer Corporation	Parent company of Advanced	100	Subsidiary of
16		Manufacturing and		Avista Ventures
17		Development.		
18				
19	Advanced Manufacturing and Development, Inc.	Performs custom sheet metal	93	Subsidiary of
20		manufacturing of electronic		Pentzer Corporation
21		enclosures, parts and systems		
22		for the computer, telecom and		
23		medical industries. AM&D		
24		also has a wood products		
25		division that provides		
26		complete fabrication and		
27		turnkey assembly for arcade		

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1		games, kiosks, store fixtures		
2		and displays.		
3				
4	Avista Receivables Corporation	Acquires and sells accounts	100	
5		receivable of Avista Corp.		
6				
7	Avista Energy Canada, Ltd.	A wholly owned subsidiary of	100	Subsidiary of
8		Avista Energy, Inc. that		Avista Energy
9		provides natural gas service		
10		to approximately 250		
11		individual customers in		
12		British Columbia, Canada		
13				
14	Rathdrum Power, LLC	Developed and owns an	49	
15		electric generation asset.		
16				
17	Coyote Springs 2, LLC	Developed and owns an	100	
18		electric generation asset.		
19				
20	WP Funding LP	Owned an electric generation	0	Controlled pursuant
21		asset.		to FIN 46. No longer
22				controlled effective
23				September 2005.
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	Dissolved in 2005.
2		formed by the Company.		
3		Issued Pref. Trust Securities		
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	90	Subsidiary of
14		leasing.		Avista Development
15				
16	Courtyard Office Center	Commercial office and retail	100	Subsidiary of
17		leasing.		Avista Development
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**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Board, President and		
2	Chief Executive Officer	G. G. Ely	
3			
4	Senior Vice President, Chief Financial Officer and		
5	Treasurer	M. K. Malquist	
6			
7	Senior Vice President, President of Avista Utilities	S. L. Morris	
8			
9	Vice President and Chief Counsel for Regulatory and	D. J. Meyer	
10	Governmental Affairs		
11			
12	Vice President, with responsibility for	R. R. Peterson	
13	Energy Resources		
14			
15	Vice President, with responsibility for	R. D. Woodworth	
16	Business Development		
17			
18	Senior Vice President and Corporate Secretary	K. S. Feltes	
19	with responsibility for Human Resources		
20	(Title change effective 11/11/05)		
21			
22	Vice President and Controller	C. M. Burmeister - Smith	
23			
24	Vice President with responsibility for Transmission	D. F. Kopczynski	
25	and Distribution Operations		
26			
27	Vice President, with responsibility for State and	K. O. Norwood	
28	Federal Regulation		
29			
30	Senior Vice President, General Counsel and Chief	M. M. Durkin	
31	Compliance Officer (Hired 8/1/05; Compliance title		
32	effective 11/11/05)		
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**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	David A. Clack***	325 E. Sprague Avenue, Spokane WA 99202
2		
3	Lura J. Powell	2400 Stevens Dr., Suite B, Richland, WA 99352
4		
5	R. John Taylor***	111 Main Street, Lewiston ID 83501
6		
7	John F. Kelly	4915 E. Doubletree Ranch Rd., Paradise Valley, AZ 85253
8		
9	Jack W. Gustavel	P. O. Box J, Coeur d' Alene, ID 83816
10		
11	Jessie J. Knight, Jr.	Emerald Plaza, 402 W. Broadway, Suite 1000, San Diego, CA 92101
12		
13		
14	Erik J. Anderson	3720 Carillon Point, Kirkland, WA 98033
15		
16	Kristianne Blake***	P.O. Box 28338, Spokane WA 99228
17		
18	Gary G. Ely**	1411 E. Mission Ave, Spokane, WA 99202
19	(Chairman, President, & CEO)	
20		
21	Roy Lewis Eiguren	P.O. Box 2720, Boise, ID 83701
22		
23	Michael L. Noel	11960 W. Six Shooter Rd. , Prescott, AZ 86305
24		
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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	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) 04/17/2006	2005/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. On April 29, 2005, Avista Corporation completed the sale of its South Lake Tahoe natural gas distribution properties to Southwest Gas Corporation. The total cash proceeds from the sale were approximately \$16.6 million. 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 approximately 18,750 South Lake Tahoe customers. The transaction was approved by the California Public Utilities Commission on March 17, 2005 (Decision 05-03-010).
4. None.
5. See response at #3 above for the sale of Avista Corp.'s South Lake Tahoe natural gas distribution properties in April 2005.
6. Avista Receivables Corporation (ARC) is a wholly owned, bankruptcy-remote subsidiary of Avista Corp. formed for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. On March 22, 2005, Avista Corp., ARC and a third-party financial institution amended a Receivables Purchase Agreement. The most significant amendment was to extend the termination date from May 29, 2005 to March 21, 2006. Under the Receivables Purchase Agreement, ARC can sell without recourse, on a revolving basis, up to \$85.0 million of those receivables. As of December 31, 2005, \$85.0 million in accounts receivables were sold under this revolving agreement.  

During the fourth quarter of 2005, the Company issued \$150.0 million of 6.25 percent First Mortgage Bonds due in 2035. The proceeds from the issuance were used to repay a portion of the borrowings outstanding under the Company's \$350.0 million committed line of credit and for the payment of corporate obligations. This debt issuance was approved by the respective regulatory commission as follows: WUTC (Docket No. UE-051417 Order No. 1 and 2); OPUC (Docket UF 4221 Orders 05-1228 and 05-1081); and IPUC (Case No. AVU-U-05-1 Orders 29922 and 29896).
7. None.
8. Average annual wage increases were 2.7% during the first half of 2005 for non-exempt personnel. Average annual wage increases were 3.4% for exempt employees during the first half of 2005. Average annual wage increases were 6.3% for officers during the first half of 2005. Bargaining unit employees were granted increases of 3.5%.
9. Reference is made to Note 22 of Notes to Financial Statements, page 123 of this Report.
10. None.
11. Reserved
12. See page 123 of this Report.
13. On June 21, 2005, Avista Corp. announced the naming of Marian Durkin as senior vice president and general counsel, effective August 1, 2005.  

On November 11, 2005, the board of directors elected Karen Feltes as senior vice president and Marian Durkin as chief compliance officer. Karen Feltes is also corporate secretary and Marian Durkin is also senior vice president and general counsel.

On January 6, 2006, Avista Corp. announced the appointment of Christy Burmeister-Smith as vice president and treasurer and Ann Wilson as vice president and controller. Malyn Malquist, who remains senior vice president and chief financial officer of the Company, previously also held the position of treasurer. Christy Burmeister-Smith previously was vice president and controller of the Company since June 1999. Ann Wilson previously was vice president and controller of Avista Energy, Inc., a subsidiary of the Company, since January 2000.
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) 04/17/2006	Year/Period of Report End of <u>2005/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)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	2,847,042,774	2,631,344,033
3	Construction Work in Progress (107)	200-201	55,887,059	49,895,113
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,902,929,833	2,681,239,146
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	971,551,338	928,445,545
6	Net Utility Plant (Enter Total of line 4 less 5)		1,931,378,495	1,752,793,601
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)		1,931,378,495	1,752,793,601
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		4,142,727	3,272,992
19	(Less) Accum. Prov. for Depr. and Amort. (122)		858,924	135,292
20	Investments in Associated Companies (123)		13,903,000	13,903,000
21	Investment in Subsidiary Companies (123.1)	224-225	237,737,798	256,786,600
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)		33,701,281	36,682,363
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		14,049,946	20,246,110
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		46,731,530	55,824,772
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		349,407,358	386,580,545
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		-3,602,512	-5,239,043
36	Special Deposits (132-134)		5,408,468	2,172,613
37	Working Fund (135)		726,275	495,365
38	Temporary Cash Investments (136)		513,042	6,699,209
39	Notes Receivable (141)		39,569	153,770
40	Customer Accounts Receivable (142)		101,478,486	56,067,151
41	Other Accounts Receivable (143)		9,041,055	2,833,112
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,227,916	2,810,071
43	Notes Receivable from Associated Companies (145)		39,321,130	42,000,000
44	Accounts Receivable from Assoc. Companies (146)		0	610,682
45	Fuel Stock (151)	227	3,773,050	4,049,604
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	12,006,429	9,867,767
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) 04/17/2006	Year/Period of Report End of <u>2005/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	0	-62,610
55	Gas Stored Underground - Current (164.1)		12,469,887	9,268,257
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		1,006,819	724,434
57	Prepayments (165)		3,745,002	3,899,276
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	19,493
60	Rents Receivable (172)		361,071	391,040
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		1,449,358	82,082
63	Derivative Instrument Assets (175)		116,224,963	68,382,258
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		46,731,530	55,824,772
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		254,002,646	143,779,617
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		15,692,385	16,858,709
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	225,248,761	231,982,032
73	Prelim. Survey and Investigation Charges (Electric) (183)		10,988,821	12,084,058
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)		0	728,989
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	40,675,589	51,242,169
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)		32,829,288	36,554,021
82	Accumulated Deferred Income Taxes (190)	234	34,647,400	50,892,673
83	Unrecovered Purchased Gas Costs (191)		43,444,010	28,639,755
84	Total Deferred Debits (lines 69 through 83)		403,526,254	428,982,406
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,938,314,753	2,712,136,169

Name of Respondent Avista Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 04/17/2006	Year/Period of Report end of 2005/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	631,083,752	629,055,981
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	10,485,244	10,676,498
11	Retained Earnings (215, 215.1, 216)	118-119	132,024,036	91,642,291
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	41,804,777	64,211,690
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)	-23,299,148	-21,157,918
16	Total Proprietary Capital (lines 2 through 15)		771,128,173	753,075,546
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	719,082,687	521,300,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	115,203,000	114,803,000
21	Other Long-Term Debt (224)	256-257	391,538,636	497,427,068
22	Unamortized Premium on Long-Term Debt (225)		266,500	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		1,879,744	1,608,182
24	Total Long-Term Debt (lines 18 through 23)		1,224,211,079	1,131,921,886
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		1,983,184	3,028,272
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		790,259	1,188,972
29	Accumulated Provision for Pensions and Benefits (228.3)		47,353,587	44,754,150
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		88,272	33,489,633
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		9,956,479	6,482,354
34	Asset Retirement Obligations (230)		4,528,823	1,190,714
35	Total Other Noncurrent Liabilities (lines 26 through 34)		64,700,604	90,134,095
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		139,804,777	66,444,650
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		769,180	7,909,608
41	Customer Deposits (235)		6,264,115	6,286,185
42	Taxes Accrued (236)	262-263	-2,112,798	11,313,430
43	Interest Accrued (237)		18,643,064	18,632,069
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		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) 04/17/2006	Year/Period of Report end of 2005/Q4
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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)		2,893	1,736
48	Miscellaneous Current and Accrued Liabilities (242)		35,225,169	15,927,496
49	Obligations Under Capital Leases-Current (243)		1,050,181	946,251
50	Derivative Instrument Liabilities (244)		3,534,971	41,561,157
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		88,272	33,489,633
52	Derivative Instrument Liabilities - Hedges (245)		9,956,479	6,482,354
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		9,956,479	6,482,354
54	Total Current and Accrued Liabilities (lines 37 through 53)		203,093,280	135,532,949
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		820,898	937,286
57	Accumulated Deferred Investment Tax Credits (255)	266-267	521,652	570,960
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	36,304,164	33,121,416
60	Other Regulatory Liabilities (254)	278	116,251,545	34,700,436
61	Unamortized Gain on Reaquired Debt (257)		3,754,170	4,225,371
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		289,242,025	293,535,925
64	Accum. Deferred Income Taxes-Other (283)		228,287,163	234,380,299
65	Total Deferred Credits (lines 56 through 64)		675,181,617	601,471,693
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,938,314,753	2,712,136,169

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**STATEMENT OF INCOME**

**Quarterly**

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

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

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	1,237,767,426	1,000,167,839		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	905,198,240	706,876,899		
5	Maintenance Expenses (402)	320-323	37,138,187	34,361,705		
6	Depreciation Expense (403)	336-337	73,085,675	65,095,728		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	8,502,043	7,682,080		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	99,047	99,066		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)			-5,733		
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		184,236	230,801		
13	(Less) Regulatory Credits (407.4)		16,785,763	12,638,745		
14	Taxes Other Than Income Taxes (408.1)	262-263	68,044,198	66,293,271		
15	Income Taxes - Federal (409.1)	262-263	27,778,732	5,019,926		
16	- Other (409.1)	262-263	2,017,492	1,302,010		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	1,077,269	17,792,760		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	4,425,562	5,013,788		
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)		1,101,864,486	887,046,672		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		135,902,940	113,121,167		

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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STATEMENT OF INCOME FOR THE YEAR (Continued)

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

10. 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 material refund to the utility with respect to power or gas purchases. State for each year effected 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 or gas purchases.

11 Give concise explanations concerning significant amounts of any refunds made or received during 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.

12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.

13. 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 appropriate dollar effect of such changes.

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

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

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
794,551,229	679,674,513	443,216,197	320,493,326			2
						3
535,268,030	447,578,339	369,930,210	259,298,560			4
30,159,167	28,475,946	6,979,020	5,885,759			5
57,591,752	50,720,406	15,493,923	14,375,322			6
						7
7,285,954	6,708,236	1,216,089	973,844			8
99,047	99,066					9
	-5,733					10
						11
184,236			230,801			12
16,785,763	12,638,745					13
46,205,269	46,434,772	21,838,929	19,858,499			14
28,567,999	13,754,983	-789,267	-8,735,057			15
1,101,948	1,135,937	915,544	166,073			16
-1,917,531	7,664,355	2,994,800	10,128,405			17
4,566,602	4,939,086	-141,040	74,702			18
		-49,308	-49,308			19
						20
						21
						22
						23
						24
683,193,506	584,988,476	418,670,980	302,058,196			25
111,357,723	94,686,037	24,545,217	18,435,130			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)		135,902,940	113,121,167		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			22,042		
33	Revenues From Nonutility Operations (417)		20,984	-1,650		
34	(Less) Expenses of Nonutility Operations (417.1)		5,052,579	1,220,086		
35	Nonoperating Rental Income (418)		-5,625	-9,704		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	-6,611,524	3,381,428		
37	Interest and Dividend Income (419)		11,041,049	10,586,797		
38	Allowance for Other Funds Used During Construction (419.1)		1,388,777	1,885,496		
39	Miscellaneous Nonoperating Income (421)					
40	Gain on Disposition of Property (421.1)		4,398,103	424,383		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		5,179,185	15,024,622		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		160	1,276		
44	Miscellaneous Amortization (425)	340	1,182,975	1,323,416		
45	Donations (426.1)	340	874,169	512,357		
46	Life Insurance (426.2)		1,686,972	1,426,086		
47	Penalties (426.3)		-15,530	10,038		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		893,627	859,247		
49	Other Deductions (426.5)		537,552	3,224,942		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		5,159,925	7,357,362		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	72,878	41,313		
53	Income Taxes-Federal (409.2)	262-263	3,853,876	797,319		
54	Income Taxes-Other (409.2)	262-263	-376,668	-373,290		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	2,853,172	3,040,980		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	2,761,854	4,133,706		
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)		3,641,404	-627,384		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-3,622,144	8,294,644		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		74,268,237	73,356,536		
63	Amort. of Debt Disc. and Expense (428)		1,509,307	3,689,417		
64	Amortization of Loss on Reaquired Debt (428.1)		6,252,219	4,611,956		
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	6,202,703	5,782,104		
68	Other Interest Expense (431)	340	569,331	389,246		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,689,303	1,567,308		
70	Net Interest Charges (Total of lines 62 thru 69)		87,112,494	86,261,951		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		45,168,302	35,153,860		
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)		45,168,302	35,153,860		

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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) 04/17/2006	Year/Period of Report End of 2005/Q4
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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)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance-Beginning of Period		90,094,170	80,306,798
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6	ESOP and other adjustment		37,790	155,137
7	Dividends received from Subsidiaries		15,095,863	2,499,315
8				
9	<b>TOTAL Credits to Retained Earnings (Acct. 439)</b>		<b>15,133,653</b>	<b>2,654,452</b>
10				
11				
12	Stock Options Exercised		-788,018	( 408,940)
13				
14				
15	<b>TOTAL Debits to Retained Earnings (Acct. 439)</b>		<b>-788,018</b>	<b>( 408,940)</b>
16	Balance Transferred from Income (Account 433 less Account 418.1)		51,779,826	31,772,432
17	<b>Appropriations of Retained Earnings (Acct. 436)</b>			
18				
19				
20				
21				
22	<b>TOTAL Appropriations of Retained Earnings (Acct. 436)</b>			
23	<b>Dividends Declared-Preferred Stock (Account 437)</b>			
24				
25				
26				
27				
28				
29	<b>TOTAL Dividends Declared-Preferred Stock (Acct. 437)</b>			
30	<b>Dividends Declared-Common Stock (Account 438)</b>			
31			-26,443,242	( 24,923,827)
32				
33				
34				
35				
36	<b>TOTAL Dividends Declared-Common Stock (Acct. 438)</b>		<b>-26,443,242</b>	<b>( 24,923,827)</b>
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		699,526	693,255
38	<b>Balance - End of Period (Total 1,9,15,16,22,29,36,37)</b>		<b>130,475,915</b>	<b>90,094,170</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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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)
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
39			1,548,121	1,548,121
40				
41				
42				
43				
44				
45	<b>TOTAL Appropriated Retained Earnings (Account 215)</b>		1,548,121	1,548,121
	<b>APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)</b>			
46	<b>TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)</b>			
47	<b>TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)</b>		1,548,121	1,548,121
48	<b>TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)</b>		132,024,036	91,642,291
	<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account</b>			
	<b>Report only on an Annual Basis, no Quarterly</b>			
49	Balance-Beginning of Year (Debit or Credit)		64,211,690	64,022,832
50	Equity in Earnings for Year (Credit) (Account 418.1)		-6,611,524	3,381,428
51	(Less) Dividends Received (Debit)		15,095,863	2,499,315
52	Subsidiary Expense (Account 417.20)		-699,526	( 693,255)
53	Balance-End of Year (Total lines 49 thru 52)		41,804,777	64,211,690

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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)	45,168,302	35,153,860
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	79,158,362	72,871,141
5	Amortization of deferred power and natural gas costs	9,629,580	11,086,920
6	Amortization of debt expense	7,761,526	8,301,374
7	Amortization of investment in exchange power	2,450,031	2,450,004
8	Deferred Income Taxes (Net)	17,594,223	12,917,518
9	Investment Tax Credit Adjustment (Net)	-49,308	-49,308
10	Net (Increase) Decrease in Receivables	-54,565,111	-10,751,148
11	Net (Increase) Decrease in Inventory	-5,674,661	-3,609,238
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	75,447,322	-2,204,745
14	Net (Increase) Decrease in Other Regulatory Assets	-8,426,825	1,008,005
15	Net Increase (Decrease) in Other Regulatory Liabilities	-4,618,782	-2,401,353
16	(Less) Allowance for Other Funds Used During Construction	3,078,080	3,452,804
17	(Less) Undistributed Earnings from Subsidiary Companies	-6,611,523	3,381,428
18	Other (provide details in footnote):	-8,042,907	-7,819,348
19	Loss from IPUC related write-off of deferred power costs		11,959,115
20	Loss from IPUC related write-off of utility plant		2,457,249
21	Gain on sale of property	-4,398,103	-424,383
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	154,967,092	124,111,431
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-259,675,718	-116,391,951
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
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)	-259,675,718	-121,391,951
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	17,014,769	1,477,634
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		-2,615,571
40	Contributions and Advances from Assoc. and Subsidiary Companies	18,785,415	2,499,315
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)		

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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		
47	Collections on Loans	14,678	616,550
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	Changes in other property and investments	1,540,127	1,435,673
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-222,320,729	-117,978,350
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	149,632,500	89,760,600
62	Preferred Stock		
63	Common Stock	1,570,795	4,061,241
64	Other (provide details in footnote):		
65	Long-term debt to affiliated trusts		61,856,000
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Cash received in interest rate swap agreement	4,445,000	125,000
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	155,648,295	155,802,841
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-56,440,903	-66,186,722
74	Preferred Stock	-1,750,000	-1,750,000
75	Common Stock		
76	Premiums paid for the repurchase of long-term debt	-826,430	-6,710,409
77	Long-term debt and short-term borrowing issuance costs	-2,152,802	-6,148,807
78	Net Decrease in Short-Term Debt (c)	-5,000,000	-12,000,000
79	Long-term debt to affiliated trusts		-61,856,000
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-26,443,249	-24,912,464
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	63,034,911	-23,761,561
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-4,318,726	-17,628,480
87			
88	Cash and Cash Equivalents at Beginning of Period	1,955,531	19,584,011
89			
90	Cash and Cash Equivalents at End of period	-2,363,195	1,955,531

Name of Respondent Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/17/2006	Year/Period of Report End of <u>2005/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 as well as other energy-related businesses. Avista Corp. is an operating division of Avista Corp., comprising the regulated utility operations. 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 and northern Idaho, as well as parts of northeast and southwest Oregon. In April 2005, the Company completed the sale of its South Lake Tahoe, California natural gas distribution properties (see Note 24 for further information). This was the Company's only regulated utility operation in California. Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of all 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 price risks associated with wholesale purchases and sales of energy commodities.

#### *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 the market value of energy commodity derivative assets and liabilities, pension and other postretirement benefit plan obligations, contingent liabilities, recoverability of regulatory assets and unbilled revenues. 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 Federal Energy Regulatory Commission and adopted by the appropriate state regulatory commissions.

#### *Regulation*

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

#### *Operating Revenues*

Operating revenues 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 \$13.1 million (net of \$57.1 million of unbilled receivables sold) and \$13.0 million (net of \$48.9 million of unbilled

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NOTES TO FINANCIAL STATEMENTS (Continued)			

receivables sold) as of December 31, 2005 and 2004, 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 were not a material portion of the Company's operating expenses in 2005, 2004 and 2003.

#### *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 (primarily state excise taxes and city utility taxes) are recorded as both operating revenue and expense and totaled \$43.1 million, \$35.0 million and \$31.7 million in 2005, 2004 and 2003, 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*

Prior to January 1, 2006, the Company followed the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, employee stock options were 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 was recognized pursuant to the Company's stock option plans. However, the Company recognized compensation expense related to the initial grant (2003) of performance-based share awards. See Note 2 with respect to the revision of SFAS No. 123, which will result in changes to stock compensation recognition beginning in 2006.

If compensation expense for the Company's stock-based employee compensation 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:

	2005	2004	2003
Net income (dollars in thousands):			
As reported	\$45,168	\$35,154	\$44,504
Add: Total stock-based employee compensation expense included in net income, net of tax	2,211	-	-
Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of tax	<u>(2,911)</u>	<u>(2,033)</u>	<u>(2,186)</u>
Pro forma	<u>\$44,468</u>	<u>\$33,121</u>	<u>\$42,318</u>
Basic and diluted earnings per common share:			
Basic as reported	\$0.93	\$0.73	\$0.90
Diluted as reported	\$0.92	\$0.72	\$0.89
Basic pro forma	\$0.92	\$0.68	\$0.85
Diluted pro forma	\$0.91	\$0.68	\$0.85

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NOTES TO FINANCIAL STATEMENTS (Continued)			

### ***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 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 and contingent stock awards. See Note 20 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 of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash deposits from counterparties.

### ***Special Deposits***

Special deposits includes \$3.8 million and \$0.6 million of deposits related to Avista Corp.'s interest rate swap agreements as of December 31, 2005 and 2004, respectively. See Note 14 for further information with respect to Avista Corp.'s interest rate swap agreements.

### ***Allowance for Doubtful Accounts***

The Company maintains an allowance for doubtful accounts to provide for estimated and potential losses on accounts receivable. The Company determines the allowance for utility and other 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 allowance for doubtful accounts during the years ended December 31 (dollars in thousands):

	2005	2004	2003
Allowance as of the beginning of the year	\$2,810	\$2,281	\$2,689
Additions expensed during the year	2,752	3,195	1,762
Net deductions	<u>(2,334)</u>	<u>(2,666)</u>	<u>(2,170)</u>
Allowance as of the end of the year	<u>\$3,228</u>	<u>\$2,810</u>	<u>\$2,281</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 in service, 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 in the line item capitalized interest. 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 2005, 2004 and 2003. 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

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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 2.93 percent in 2005, 2.92 percent in 2004 and 2.98 percent in 2003.

The average service lives for the following broad categories of utility property are: electric thermal production - 29 years; hydroelectric production - 77 years; electric transmission - 43 years; electric distribution - 47 years; and natural gas distribution property - 36 years.

The Company recovers certain asset retirement costs through rates charged to customers as a portion of its depreciation expense for which the Company has not recorded asset retirement obligations (see Note 7). 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 or credits 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, regulatory asset for consolidation of variable interest entity, 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 \$5.6 million as of December 31, 2005.

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 utility energy commodity derivative assets (see Note 4 for further information) and the gain on the general office building sale/leaseback.

#### ***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.

#### ***Unamortized Debt Expense and Unamortized Loss on Reacquired Debt***

Unamortized debt expense 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.

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***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, the Company's non-regulated subsidiary. The ownership of the natural gas assets remained with Avista Corp.; however, the assets were managed by Avista Energy through an Agency Agreement. Avista Corp. always managed natural gas procurement for its California operations, which the Company sold in April 2005 (see Note 24).

Effective April 1, 2005, the Natural Gas Benchmark Mechanism and related Agency Agreement were terminated and the management of natural gas procurement functions was moved from Avista Energy back to Avista Corp. This was required for Washington customers by WUTC orders issued in February 2004, and Avista Corp.'s resulting transition plan approved by the WUTC in April 2004. The Company also elected to move these functions back to Avista Corp. for Idaho and Oregon natural gas customers.

***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 8.1 percent as of December 31, 2005. Total deferred power costs for Washington customers were \$96.2 million and \$113.2 million as of December 31, 2005 and 2004, 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 June 2005, the WUTC issued an order, which approved the recovery of the \$10.8 million of deferred power costs incurred for 2004.

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. Avista Corp. accrues interest on deferred power costs in the Idaho jurisdiction at a rate, which is adjusted annually, of 2.0 percent on current year deferrals and 4.0 percent on carryover balances as of December 31, 2005. Total deferred power costs for Idaho customers were \$8.0 million and \$9.5 million as of December 31, 2005 and 2004, 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 \$43.4 million and \$28.6 million as of December 31, 2005 and 2004, respectively.

***Reclassifications***

Certain prior period amounts were reclassified to conform to current statement format. These reclassifications were made for comparative purposes and have not affected previously reported total net income or stockholders' equity.

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## NOTE 2. NEW ACCOUNTING STANDARDS

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123R, "Share-Based Payment," which supersedes APB No. 25 and SFAS No. 123 and their related implementation guidance. This statement establishes revised 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 provisions of this statement are effective beginning in the first quarter of 2006. The Company expects to record compensation expense (net of tax) of approximately \$0.4 million in 2006 related to the periodic vesting of stock options granted to employees prior to 2005. The Company also expects to record compensation expense (net of tax) of approximately \$1.7 million, \$1.1 million and \$0.5 million in 2006, 2007 and 2008, respectively, for performance share awards granted to employees in 2004, 2005 and the first quarter of 2006.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143" (FIN 47). FIN 47 clarifies that the term "conditional asset retirement obligation" refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. Under FIN 47, the Company is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. FIN 47 also clarifies when the Company would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. The Company adopted FIN 47 as of December 31, 2005, the effects of which are disclosed in Note 7.

## NOTE 3. ACCOUNTS RECEIVABLE SALE

Avista Receivables Corporation (ARC) is a wholly owned, bankruptcy-remote subsidiary of Avista Corp. formed for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. On March 22, 2005, Avista Corp., ARC and a third-party financial institution amended a Receivables Purchase Agreement. The most significant amendment was to extend the termination date from May 29, 2005 to March 21, 2006. Under the Receivables Purchase Agreement, ARC can sell without recourse, on a revolving basis, up to \$85.0 million of those receivables. 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 operation expenses of Avista Corp. As of December 31, 2005 and 2004, \$85.0 million and \$72.0 million in accounts receivables were sold, respectively, 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, 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 orders provide 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

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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):

	2005	2004
Current utility energy commodity derivative asset	\$69,494	\$12,557
Current utility energy commodity derivative liability	3,447	8,071
Net current regulatory liability	66,047	4,486
Non-current utility energy commodity derivative asset	46,731	55,825
Non-current utility energy commodity derivative liability	88	33,490
Net non-current regulatory liability	46,643	22,335

#### NOTE 5. ENERGY COMMODITY TRADING

The Company is exposed to risks relating to, but not limited to, changes in certain commodity prices, interest rates, foreign currency and counterparty performance. Avista Corp. utilizes derivative instruments, such as forwards, futures, swaps and options in order to manage the various risks relating to these exposures. Avista Corp. uses a variety of techniques to manage risks for its 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.

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.

As part of its resource optimization process described above, 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 was 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. Effective April 1, 2005, the management of natural gas procurement functions was moved from Avista Energy back to Avista Corp. This was required for Washington customers by WUTC orders issued in February 2004, and Avista Corp.'s resulting transition plan approved by the WUTC in April 2004. The Company also elected to move these functions back to Avista Corp. for Idaho and Oregon natural gas customers. The natural gas procurement process includes entering into financial and physical hedging transactions as a means of managing risks. Avista Corp. always managed natural gas procurement for its California operations, which the Company sold in April 2005 (see Note 24).

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**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. Avista Corp. 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 and is exposed to the risk that it may not be able to collect amounts owed. Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits have been established. 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 takes steps to minimize capital requirements.

**Other Operating Risks**

In addition to market and credit risk, Avista Corp.'s commodity positions are subject to operational and event risks including, among others, increases or decreases in load demand, blackouts or disruptions to transmission or transportation systems, fuel quality, 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. 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**

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 expenses for plant in service are included in the corresponding accounts in the Statements of Income. The Company's share of utility plant in service for Colstrip was \$323.9 million and accumulated depreciation was \$183.2 million as of December 31, 2005.

**NOTE 7. ASSET RETIREMENT OBLIGATIONS**

The Company follows SFAS No. 143, "Accounting for Asset Retirement Obligations" which requires the recording of the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the associated costs of the asset retirement obligation are capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the related capitalized costs are depreciated over the useful life of the related asset. Upon retirement of the asset, the Company either settles the retirement obligation for its recorded amount or incurs a gain or loss. As asset retirement costs are recovered through rates charged to customers, the Company records regulatory assets and liabilities for the

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difference between asset retirement costs currently recovered in rates and asset retirement obligations recorded under SFAS 143. The regulatory assets do not earn a return. The adoption of SFAS No. 143 on January 1, 2003 did not have a material effect on the Company's financial condition, results of operations or cash flows.

As described in Note 2, the Company adopted FIN 47 as of December 31, 2005, which has resulted in the recording of additional asset retirement obligations under SFAS No. 143. Specifically, the Company has recorded liabilities for future asset retirement obligations to (1) restore ponds at Colstrip (2) remove plant and restore the land at the Coyote Springs 2 site at the termination of the land lease (3) remove asbestos at the corporate office building and (4) dispose of PCBs in certain transformers. With the adoption of FIN 47, the Company recorded an asset retirement obligation of \$3.2 million, a regulatory asset of \$2.7 million, capitalized asset retirement costs of \$1.0 million and related accumulated depreciation of \$0.5 million. Due to an inability to estimate a range of settlement dates, the Company cannot estimate a liability for removal and disposal of certain transmission and distribution assets, as well as abandonment and decommissioning of certain hydroelectric generation and natural gas storage facilities.

The following table documents the changes in the Company's asset retirement obligation during the years ended December 31 (dollars in thousands):

	2005	2004
Asset retirement obligation at beginning of year	\$1,191	\$ 660
Asset retirement obligation recognized	3,243	483
Asset retirement obligation settled	(28)	(20)
Asset retirement obligation accretion expense	<u>123</u>	<u>68</u>
Asset retirement obligation at end of year	<u>\$4,529</u>	<u>\$1,191</u>

The pro forma asset retirement obligation liability balances as if FIN 47 had been adopted on January 1, 2004 (rather than December 31, 2005) are as follows (dollars in thousands):

Pro forma asset retirement obligation as of January 1, 2004	\$3,538
Pro forma asset retirement obligation as of December 31, 2004	\$4,246

#### NOTE 8. 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 each of 2005 and 2004, and \$12 million in 2003. The Company expects to contribute \$15 million to the pension plan in 2006.

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 in this Note.

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, 2005 and 2004.

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As of December 31, 2005 and 2004, 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 2005, the pension plan funding deficit increased as compared to the end of 2004 and as such the Company increased the additional minimum liability for the unfunded accumulated benefit obligation by \$2.8 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 \$2.3 million, net of taxes of \$1.2 million for 2005. In 2004, the pension plan funding deficit increased as compared to the end of 2003 and 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.

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 \$0.6 million, \$1.8 million and \$0.3 million related to the SERP for 2005, 2004 and 2003, respectively. This resulted in a charge to other comprehensive income of \$0.4 million, \$1.2 million and \$0.2 million, net of tax, for 2005, 2004 and 2003, respectively.

The Company expects that benefit payments under the pension plan and the SERP will total \$14.7 million, \$15.6 million, \$15.6 million, \$16.4 million and \$18.0 million in 2006, 2007, 2008, 2009 and 2010, respectively. For the ensuing five years (2011 through 2015), the Company expects that benefit payments under the pension plan and the SERP will total \$109.6 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 \$2.7 million, \$2.6 million, \$2.5 million, \$2.3 million and \$2.2 million in 2006, 2007, 2008, 2009 and 2010, respectively. For the ensuing five years (2011 through 2015), the Company expects that benefit payments under the postretirement benefit plan will total \$9.6 million. The Company expects to contribute \$2.7 million to the postretirement benefit plan in 2006, representing expected benefit payments to be paid during the year.

The Company established a Health Reimbursement Arrangement to provide employees with tax-advantaged funds to pay for allowable medical expenses upon retirement. The amount earned by the employee is fixed on the retirement date based on employees' years of service and the ending salary. The liability and expense of this plan are included as post-retirement benefits.

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, 2005 and 2004 and the components of net periodic benefit costs for the years ended December 31, 2005, 2004 and 2003 (dollars in thousands):

	Pension Benefits		Post-retirement Benefits	
	2005	2004	2005	2004
<b>Change in benefit obligation:</b>				
Benefit obligation as of beginning of year	\$285,738	\$265,790	\$31,868	\$39,185
Service cost	9,480	8,914	566	480
Interest cost	16,228	16,406	1,652	2,019
Plan amendment	-	-	-	(4,263)
Actuarial loss (gain)	6,049	8,737	(1,800)	(2,464)
Benefits paid	(14,932)	(13,309)	(3,293)	(3,042)
Expenses paid	(817)	(800)	(30)	(47)
Benefit obligation as of end of year	<u>\$301,746</u>	<u>\$285,738</u>	<u>\$28,963</u>	<u>\$31,868</u>

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	Pension Benefits		Post-retirement Benefits	
	2005	2004	2005	2004
<b>Change in plan assets:</b>				
Fair value of plan assets as of beginning of year	\$186,579	\$167,962	\$16,862	\$14,587
Actual return on plan assets	12,460	16,816	1,236	1,882
Employer contributions	15,000	15,000	1,183	1,964
Benefits paid	(14,059)	(12,399)	(873)	(1,524)
Expenses paid	<u>(817)</u>	<u>(800)</u>	<u>(30)</u>	<u>(47)</u>
Fair value of plan assets as of end of year	<u>\$199,163</u>	<u>\$186,579</u>	<u>\$18,378</u>	<u>\$16,862</u>
Funded status	\$(102,583)	\$(99,159)	\$(10,585)	\$(15,006)
Unrecognized net actuarial loss	79,667	73,604	973	6,009
Unrecognized prior service cost	4,405	5,058	-	-
Unrecognized net transition obligation/(asset)	<u>-</u>	<u>(499)</u>	<u>3,536</u>	<u>4,041</u>
Accrued benefit cost	(18,511)	(20,996)	(6,076)	(4,956)
Additional minimum liability	<u>(34,595)</u>	<u>(31,112)</u>	<u>-</u>	<u>-</u>
Accrued benefit liability	<u>\$(53,106)</u>	<u>\$(52,108)</u>	<u>\$(6,076)</u>	<u>\$(4,956)</u>
Accumulated pension benefit obligation	<u>\$252,269</u>	<u>\$238,687</u>	-	-
Accumulated postretirement benefit obligation:				
For retirees			\$14,662	\$18,914
For fully eligible employees			\$5,980	\$5,672
For other participants			\$8,321	\$7,282
<b>Weighted-average asset allocations as of December 31:</b>				
Equity securities	63%	63%	62%	64%
Debt securities	27%	26%	36%	36%
Real estate	5%	5%	-	-
Other	5%	6%	2%	-
<b>Target asset allocations as of December 31:</b>				
Equity securities	54-68%	54-68%	52-72%	52-72%
Debt securities	22-28%	22-28%	28-48%	28-48%
Real estate	3-7%	3-7%	-	-
Other	5-13%	5-13%	-	-
<b>Weighted Average Assumptions as of December 31:</b>				
Discount rate for benefit obligation	5.75%	5.75%	5.75%	5.75%
Discount rate for annual expense	5.75%	6.25%	5.75%	6.25%
Expected long-term return on plan assets	8.50%	8.00%	8.50%	8.00%
Rate of compensation increase (1)	4.84%	4.84%		
Medical cost trend pre-age 65 – initial			9.00%	9.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2010	2009
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			2009	2008

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

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	2005	2004	2003	2005	2004	2003
<b>Components of net periodic benefit cost:</b>						
Service cost	\$ 9,480	\$ 8,914	\$ 7,806	\$ 566	\$ 480	\$ 482
Interest cost	16,228	16,406	15,705	1,652	2,019	2,477
Expected return on plan assets	(15,917)	(13,436)	(10,862)	(1,368)	(1,106)	(842)
Transition (asset)/obligation recognition	(499)	(1,086)	(1,086)	505	505	979
Amortization of prior service cost	654	654	653	-	-	-
Net loss recognition	<u>3,442</u>	<u>3,447</u>	<u>3,896</u>	<u>-</u>	<u>245</u>	<u>405</u>
Net periodic benefit cost	<u>\$13,388</u>	<u>\$14,899</u>	<u>\$16,112</u>	<u>\$1,355</u>	<u>\$2,143</u>	<u>\$3,501</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, 2005 by \$1.4 million and the service and interest cost by \$0.1 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 of December 31, 2005 by \$1.2 million and the service and interest cost by \$0.1 million.

The Company has a salary deferral 401(k) plan that is a defined contribution plan and covers substantially all employees. Employees can make contributions to their respective accounts in the 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 plan. Employer matching contributions of \$4.1 million, \$3.9 million and \$3.6 million were expensed in 2005, 2004 and 2003, 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 payments. Deferred compensation funds are held by the Company in a Rabbi Trust. At each of December 31, 2005 and 2004, there were deferred compensation assets of \$11.3 million included in other special funds and corresponding deferred compensation liabilities of \$11.3 million included in other deferred credits on the Balance Sheets.

#### NOTE 9. ACCOUNTING FOR INCOME TAXES

As of December 31, 2005 and 2004, the Company had net regulatory assets of \$114.1 million and \$123.2 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.

In August 2005, the Internal Revenue Service (IRS) and Treasury Department issued a revenue ruling, and related regulations that affect the tax treatment by Avista Corp. of certain indirect overhead expenses. Avista Corp. had previously made a tax election to deduct certain indirect overhead costs on the 2002 tax return that were capitalized for financial accounting purposes. This election allowed Avista Corp. to accelerate tax deductions resulting in a reduction of approximately \$40 million in current tax liabilities. This current tax benefit was deferred on the balance sheet in accordance with provisions of SFAS No. 109, "Accounting for Income Taxes" and did not have an effect on net income.

Avista Corp. believes that the revenue ruling and related regulations requires the Company to repay the original tax deductions over a two-year period (in 2005 and 2006) and that the tax deductions claimed on the Company's tax returns were appropriate based on the applicable statutes and regulations in effect at the time. There can be no assurance that the Company's position will prevail. However, it is not expected to have a significant effect on the Company's net income.

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#### NOTE 10. ENERGY PURCHASE CONTRACTS

Avista Corp. has contracts related to the purchase of fuel for thermal generation, natural gas and various agreements for the purchase, sale or exchange of electric energy with other entities. The termination dates of the contracts range from one month to the year 2055. Total expenses for power purchased, natural gas purchased, fuel for generation and other fuel costs, which are included in operation expenses in Statements of Income, were \$652.2 million, \$482.2 million and \$464.1 million in 2005, 2004 and 2003, 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):

	2006	2007	2008	2009	2010	Thereafter	Total
Power resources	\$104,684	\$103,869	\$103,546	\$104,641	\$104,674	\$375,282	\$ 896,696
Natural gas resources	<u>259,100</u>	<u>58,133</u>	<u>44,067</u>	<u>39,711</u>	<u>39,460</u>	<u>352,155</u>	<u>792,626</u>
Total	<u>\$363,784</u>	<u>\$162,002</u>	<u>\$147,613</u>	<u>\$144,352</u>	<u>\$144,134</u>	<u>\$727,437</u>	<u>\$1,689,322</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.

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):

	2006	2007	2008	2009	2010	Thereafter	Total
Contractual obligations	<u>\$14,265</u>	<u>\$14,289</u>	<u>\$14,314</u>	<u>\$14,462</u>	<u>\$14,489</u>	<u>\$194,889</u>	<u>\$266,708</u>

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 \$9.0 million, \$7.3 million and \$8.5 million in 2005, 2004 and 2003, respectively. Information as of December 31, 2005 pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					Expira- tion Date
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	\$1,984	\$ 987	\$2,637	2011
Douglas County PUD:						
Wells Project	3.5	30,000	1,090	640	7,635	2018
Grant County PUD:						
Priest Rapids Project	5.7	55,000	2,643	773	11,892	2055
Wanapum Project	8.2	<u>75,000</u>	<u>3,257</u>	<u>1,795</u>	<u>23,821</u>	2055
Totals		<u>197,000</u>	<u>\$8,974</u>	<u>\$4,195</u>	<u>\$45,985</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 2005. Debt service costs are included in annual costs.

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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):

	2006	2007	2008	2009	2010	Thereafter	Total
Minimum payments	\$3,587	\$3,938	\$3,966	\$3,986	\$3,605	\$63,961	\$83,043

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

#### NOTE 11. 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	2005	2004
2005	Secured Medium-Term Notes	6.39%-6.68%	\$ -	\$ 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	5.99%	13,850	13,850
2008	Secured Medium-Term Notes	6.06%-6.95%	45,000	45,000
2010	Secured Medium-Term Notes	6.67%-8.02%	35,000	35,000
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%	22,500	27,500
2019	First Mortgage Bonds	5.45%	90,000	90,000
2023	Secured Medium-Term Notes	7.18%-7.54%	13,500	24,500
2028	Secured Medium-Term Notes	6.37%	25,000	25,000
2032	Pollution Control Bonds	5.00%	66,700	66,700
2034	Pollution Control Bonds	5.13%	17,000	17,000
2035	First Mortgage Bonds (1)	6.25%	150,000	-
	Total secured long-term debt		<u>710,550</u>	<u>606,050</u>
2006	Unsecured Medium-Term Notes	8.14%	8,000	8,000
2007	Unsecured Medium-Term Notes	7.90%-7.94%	12,000	12,000
2008	Unsecured Senior Notes	9.75%	279,735	279,735
2022	Unsecured Medium-Term Notes	8.15%	-	5,000
2023	Unsecured Medium-Term Notes	7.99%	-	5,000
2023	Pollution Control Bonds	6.00%	4,100	4,100
	Total unsecured long-term debt		<u>303,835</u>	<u>313,835</u>
	Interest rate swaps		<u>5,236</u>	<u>1,092</u>
	Committed line of credit		<u>63,000</u>	<u>68,000</u>
	Preferred stock		<u>28,000</u>	<u>29,750</u>
	Total long-term debt		<u>\$1,110,621</u>	<u>\$1,018,727</u>

(1) During the fourth quarter of 2005, the Company issued \$150.0 million of 6.25 percent First Mortgage Bonds due in 2035. The proceeds from the issuance were used to repay a portion of the borrowings outstanding under the Company's \$350.0 million committed line of credit and for the payment of corporate obligations.

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

Year	2006	2007	2008	2009	2010	Thereafter	Total
Debt maturities	\$38,000	\$175,850	\$324,735	\$ -	\$35,000	\$440,800	\$1,014,385

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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, 2005, the Company had remaining availability of \$109.6 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, 2005, the Company could issue \$285.5 million of additional First Mortgage Bonds under the Mortgage and Deed of Trust. See Note 13 for information regarding First Mortgage Bonds issued to secure the Company's obligations under its \$350.0 million committed line of credit.

#### NOTE 12. 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 2005 ranged from 3.275 percent to 5.285 percent. As of December 31, 2005, the annual distribution rate was 5.285 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.

#### NOTE 13. COMMITTED LINE OF CREDIT

On December 17, 2004, the Company entered into a committed line of credit agreement 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, 2005 and 2004, there were \$44.1 million and \$32.8 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

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fiscal quarter. As of December 31, 2005, the Company was in compliance with this covenant with a ratio of 60.2 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, 2005 to be greater than 1.6 to 1. As of December 31, 2005, the Company was in compliance with this covenant with a ratio of 2.46 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):

	2005	2004	2003
Balance outstanding at end of period	\$63,000	\$68,000	\$80,000
Maximum balance outstanding during the period	167,000	170,000	85,000
Average balance outstanding during the period	61,181	54,858	26,034
Average interest rate during the period	4.45%	3.14%	2.99%
Average interest rate at end of period	5.48	3.52	3.70

#### NOTE 14. INTEREST RATE SWAP AGREEMENTS

In 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 entered in 2004 provide for mandatory cash settlement of these contracts in 2008 and 2009. In June 2005, Avista Corp. entered into a forward-starting interest rate swap agreement in the amount of \$50.0 million related to the anticipated issuance of debt to fund debt that matured during the second half of 2005. This interest rate swap agreement was cash settled in 2005 and the Company received \$4.4 million, which has been deferred as a regulatory liability (part of long-term debt) and will be amortized over the 30-year life of the new debt issued in accordance with regulatory accounting practices.

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, 2005, Avista Corp. had a long-term derivative liability of \$10.0 million. As of December 31, 2005, there was an unrealized loss of \$6.5 million recorded as 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 the Statements of Accumulated Comprehensive Income and Hedging Activities. If regulatory accounting orders are not obtained prior to the mandatory cash settlements, the amount included in accumulated other comprehensive income or loss at the cash settlement date will be reclassified to a regulatory liability (part of long-term debt) 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 15. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to forty-five years. 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 2005, 2004 and 2003 was \$8.0 million, \$12.0 million and \$13.4 million, respectively.

In November 2005, the Company terminated its lease agreement related to its corporate headquarters and central operating facility. Lease payments were approximately \$2.3 million per year. In conjunction with the termination of the lease agreement, the Company purchased its corporate headquarters and central operating facility.

WP Funding LP was formed in 1993 for the purpose of acquiring the natural gas-fired combustion turbine generating facility in Rathdrum, Idaho (Rathdrum CT). WP Funding LP purchased the Rathdrum CT from Avista Corp. with funds provided by unrelated

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investors of which 97 percent represented debt and 3 percent represented equity. Avista Corp. operated the Rathdrum CT and leased it from WP Funding LP until September 2005. In September 2005, Avista Corp. terminated (by exercise of a purchase option) the lease agreement with, and acquired the Rathdrum CT from, WP Funding LP. Lease payments were approximately \$4.7 million per year.

Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2005 were as follows (dollars in thousands):

Year ending December 31:	2006	2007	2008	2009	2010	Thereafter	Total
Minimum payments required	\$1,866	\$1,355	\$1,222	\$1,085	\$223	\$2,362	\$8,113

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

Equipment under capital leases totaled \$5.6 million and \$5.3 million as of December 31, 2005 and 2004, respectively. The associated accumulated depreciation totaled \$1.1 million and \$0.5 million as of December 31, 2005 and 2004, respectively.

#### NOTE 16. 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 17. PREFERRED STOCK-CUMULATIVE (SUBJECT TO MANDATORY REDEMPTION)

In September 2005, the Company made a mandatory redemption of 17,500 shares of preferred stock for \$1.75 million. 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. On September 15, 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 for 2006. The remaining shares must be redeemed on September 15, 2007 for \$26.25 million. 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.

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.

#### NOTE 18. 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 long-term debt as of December 31, 2005 and 2004 was estimated to be \$1,063.0 million, or 105 percent of the carrying value of \$1,014.4 million, and \$998.7 million, or 108 percent of the carrying value of \$921.0 million, respectively. The fair value of the Company's mandatorily redeemable preferred stock as of December 31, 2005 and 2004 was estimated to be \$28.6 million, or 102 percent of the carrying value of \$28.0 million, and \$32.0 million, or 107 percent of the carrying value of \$29.8 million, respectively. The fair value of the Company's long-term debt to affiliated trusts (included in advances

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to associated companies) as of December 31, 2005 and 2004 was estimated to be \$104.6 million, or 95 percent of the carrying value of \$110.0 million, and \$108.3 million, or 98 percent of the carrying value of \$110.0 million, respectively. The carrying value as of December 31, 2005 and 2004 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 19. 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, were 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 repaid during 2005. The shares of common stock were allocated to the accounts of participants in the Plan as the note was repaid. During 2005, 2004 and 2003, the cost recorded for the Plan was \$1.7 million, \$6.2 million and \$6.9 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 less than \$0.1 million, \$0.4 million and less than \$0.1 million, respectively, during 2005. 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.

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.

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.

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.

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## NOTE 20. 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):

	2005	2004	2003
<b>Numerator:</b>			
Income from continuing operations	\$45,168	\$35,614	\$50,643
Loss from discontinued operations	-	-	(4,949)
Net income before cumulative effect of accounting change	45,168	35,614	45,694
Cumulative effect of accounting change	-	(460)	(1,190)
Net income	45,168	35,154	44,504
Preferred stock dividend requirements	-	-	(1,125)
Income available for common stock	<u>\$45,168</u>	<u>\$35,154</u>	<u>\$43,379</u>
<b>Denominator:</b>			
Weighted-average number of common shares outstanding-basic	48,523	48,400	48,232
Effect of dilutive securities:			
Contingent stock awards	198	209	244
Stock options	<u>258</u>	<u>277</u>	<u>154</u>
Weighted-average number of common shares outstanding-diluted	<u>48,979</u>	<u>48,886</u>	<u>48,630</u>
<b>Earnings per common share, basic:</b>			
Earnings from continuing operations	\$0.93	\$0.74	\$1.03
Loss from discontinued operations	-	-	(0.10)
Earnings before cumulative effect of accounting change	0.93	0.74	0.93
Loss from cumulative effect of accounting change	-	(0.01)	(0.03)
Total earnings per common share, basic	<u>\$0.93</u>	<u>\$0.73</u>	<u>\$0.90</u>
<b>Earnings per common share, diluted:</b>			
Earnings from continuing operations	\$0.92	\$0.73	\$1.02
Loss from discontinued operations	-	-	(0.10)
Earnings before cumulative effect of accounting change	0.92	0.73	0.92
Loss from cumulative effect of accounting change	-	(0.01)	(0.03)
Total earnings per common share, diluted	<u>\$0.92</u>	<u>\$0.72</u>	<u>\$0.89</u>

Total stock options outstanding that were not included in the calculation of diluted earnings per common share were 695,500, 730,100 and 1,306,200 for 2005, 2004 and 2003, 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. In addition, contingent stock awards of 318,900 and 156,800 were outstanding as of December 31, 2005 and 2004, respectively, which were not included in basic or diluted shares because the performance conditions were not satisfied.

## NOTE 21. 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 3.5 million shares of its common stock for grant under the 1998 Plan, including 1.0 million shares approved by shareholders in 2005. Beginning in 2000, non-employee directors began receiving options under this plan.

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

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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 Company currently does not plan to issue any further options or securities under this 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.

Prior to January 1, 2006, the Company 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. However, the Company has recognized compensation expense related to the initial grant (2003) of performance share awards that vested on December 31, 2005. 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 SFAS No. 123 and their 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 beginning in 2006. See Note 2 for further information.

In 2005, the Company granted 163,600 performance shares to certain officers and other key employees under the 1998 Plan, of which 163,100 awards were outstanding as of December 31, 2005. In 2004, the Company granted 156,800 performance shares to certain officers and other key employees under the 1998 Plan and the 2000 Plan, of which 155,800 awards were outstanding as of December 31, 2005. In 2003, the Company granted 162,600 performance shares to certain officers and other key employees under the 1998 Plan and the 2000 Plan, of which 152,914 awards were outstanding as of December 31, 2005. The performance shares are 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. Based on the change in value of the Company's common stock relative to an external benchmark during the 3-year performance cycle, the Company issued 183,497 shares of common stock in early 2006 related to the performance shares granted in 2003. This resulted in compensation expense of \$3.6 million recorded during 2005. In February 2006, the Company granted 132,266 performance shares and 34,660 restricted shares to certain officers and other key employees under the 1998 Plan.

Shares of common stock issued from the exercise of stock options under the 1998 Plan and the 2000 Plan were acquired on the open market prior to 2006. Beginning in 2006, the Company will issue new shares for the exercise of stock options. As of December 31, 2005, there were 2.7 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:

	2005	2004	2003
Number of shares under stock options:			
Options outstanding at beginning of year	2,332,198	2,481,886	2,684,350
Options granted	-	-	24,000
Options exercised	(192,377)	(99,138)	(37,439)
Options canceled	(44,610)	(50,550)	(189,025)
Options outstanding at end of year	<u>2,095,211</u>	<u>2,332,198</u>	<u>2,481,886</u>
Options exercisable at end of year	<u>1,968,629</u>	<u>1,896,648</u>	<u>1,614,455</u>

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	2005	2004	2003
Weighted average exercise price:			
Options granted	\$ -	\$ -	\$12.41
Options exercised	\$13.50	\$13.79	\$11.43
Options canceled	\$20.42	\$18.46	\$17.78
Options outstanding at end of year	\$15.68	\$15.58	\$15.57
Options exercisable at end of year	\$16.03	\$16.62	\$17.18
Weighted average fair value of options granted during the year	\$ -	\$ -	\$ 4.30
Principal assumptions used in applying the Black-Scholes model:			
Risk-free interest rate	-	-	3.17%
Expected life, in years	-	-	7
Expected volatility	-	-	37.10%
Expected dividend yield	-	-	3.87%

Information with respect to options outstanding and options exercisable as of December 31, 2005 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	459,411	\$10.26	6.2	332,828	\$10.27
\$11.69-\$14.61	523,500	11.83	5.2	523,500	11.83
\$14.62-\$17.53	416,800	17.12	4.0	416,800	17.12
\$17.54-\$20.45	266,000	18.73	2.2	266,000	18.73
\$20.46-\$23.38	403,300	22.56	4.1	403,300	22.56
\$26.30-\$28.47	<u>26,200</u>	27.39	4.1	<u>26,200</u>	27.39
Total	<u>2,095,211</u>	\$15.68	5.0	<u>1,968,628</u>	\$16.03

#### *Non-Employee Director Stock Plan*

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 22. 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 because litigation and other contested proceedings are inherently subject to numerous uncertainties. 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 rate making process.

#### *Federal Energy Regulatory Commission Inquiry*

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

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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 continue to record conversations of energy traders for two years and to improve 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 imposes no monetary remedies or penalties against Avista Corp. or Avista Energy. In April 2005 and June 2005, the California Parties and the City of Tacoma, respectively, filed petitions for review of the FERC's decisions approving the Agreement in Resolution with the United States Court of Appeals for the Ninth Circuit. Based on the FERC's order approving the Agreement in Resolution and the FERC's denial of rehearing requests, the Company does not expect that this proceeding will have any material adverse effect on its financial condition, results of operations or cash flows.

***Class Action Securities Litigation***

On November 10, 2005, an amended class action complaint was filed 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 Avista Corp., Gary G. Ely, the current Chairman of the Board, President and Chief Executive Officer of Avista Corp., and Jon E. Eliassen, the former Senior Vice President and Chief Financial Officer of Avista Corp. Several class action complaints were originally filed in September through November 2002 in the same court against the same parties. In February 2003, the court issued an order, which consolidated the complaints and in August 2003, the plaintiffs filed a consolidated amended class action complaint. On June 13, 2005, the Company filed a motion for reconsideration of its earlier motion to dismiss this complaint, based, in part, on a recent United States Supreme Court decision with respect to the pleading requirements surrounding a sufficient showing of loss causation. On October 19, 2005, the Court granted the Company's motion to dismiss this complaint. The order to dismiss was issued without prejudice, which allowed the plaintiffs to amend their complaint. The amended complaint filed on November 10, 2005 alleges damages due to the decrease in the total market value of the Company's common stock during the class period, which was approximately \$2.6 billion. These alleged losses stemmed from violations of federal securities laws through alleged misstatements and omissions of material facts with respect to the Company's energy trading practices in 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. On January 6, 2006, the Company filed a motion to dismiss the November 10, 2005 complaint. The Company's motion to dismiss has been set for hearing in March 2006. The Company continues to assert that, among other deficiencies in the complaint, the plaintiff has failed to show sufficient loss causation. 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 ordered an evidentiary hearing to determine the amount of refunds due to California energy buyers for purchases made in the spot markets operated by the California Independent System Operator (CalISO) and the California Power Exchange (CalPX) during the period from October 2, 2000 to June 20, 2001 (Refund Period) in the California spot power market. The findings of the FERC administrative law judge were largely adopted in March 2003 by the FERC. The refunds ordered are based on the development of a mitigated market clearing price methodology. If the refunds required by the formula would cause a seller to recover less than its actual costs for the refund period, the FERC has held that the seller would be allowed to document these costs and limit its refund liability commensurately. In September 2005, Avista Energy submitted its cost filing claim pursuant to the FERC's August 2005 order and demonstrated an overall revenue shortfall for sales into the California spot markets during the Refund Period after the mitigated market clearing price methodology is applied to its transactions. In January 2006, the FERC issued its Order On Cost Filings accepting Avista Energy's cost filing claim, subject to a compliance filing and the utilization of final CalISO, CalPX and Automated Power Exchange Corporation data. Once the CalISO receives updated cost offset filings from Avista Energy and other sellers, it will continue its efforts to prepare revised settlement statements for spot market sales to California during the refund period.

In 2001, Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) defaulted on payment obligations to the CalPX and the CalISO. As a result, the CalPX and the CalISO failed to pay various energy sellers, including Avista Energy. Both PG&E and the CalPX declared bankruptcy in 2001. In March 2002, SCE paid its defaulted obligations to the CalPX. In April 2004, PG&E paid its

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defaulted obligations into an escrow fund in accordance with its bankruptcy reorganization. Funds held by the CalPX and in the PG&E escrow fund are not subject to release until the FERC issues an order directing such release in the California refund proceeding. As of December 31, 2005, Avista Energy's accounts receivable outstanding related to defaulting parties in California were fully offset by reserves for uncollected amounts and funds collected from defaulting parties.

In addition, in June 2003, the FERC issued an order to review bids above \$250 per MW made by participants in the short-term energy markets operated by the CalISO and the CalPX from May 1, 2000 to October 2, 2000. Market participants with bids above \$250 per MW during the period described above have been required to demonstrate why their bidding behavior and practices did not violate applicable market rules. If violations were found to exist, the FERC would require the refund of any unjust profits and could also enforce other non-monetary penalties, such as the revocation of market-based rate authority. Avista Energy was subject to this review. In May 2004, the FERC provided notice that Avista Energy was no longer subject to this investigation. In March and April 2005, the California Parties and PG&E, respectively, petitioned for review of the FERC's decision by the United States Court of Appeals for the Ninth Circuit. In addition, many of the other orders that the FERC has issued in the California refund proceedings are now on appeal before the Ninth Circuit. Some of those issues have been consolidated as a result of a case management conference conducted in September 2004. In October 2004, the Ninth Circuit ordered that briefing proceed in two rounds. The first round is limited to three issues: (1) which parties are subject to the FERC's refund jurisdiction in light of the exemption for government-owned utilities in section 201(f) of the Federal Power Act (FPA); (2) the temporal scope of refunds under section 206 of the FPA; and (3) which categories of transactions are subject to refunds. Oral argument on those issues took place in April 2005. In September 2005, the Ninth Circuit held that the FERC did not have the authority to order refunds for sales made by municipal utilities in the California Refund Case; no decision has yet been issued on the other issues argued in April 2005. The time for seeking rehearing in the municipal utilities case has been extended until 45 days after disposition of the case presenting the other issues. The second round of issues and their corresponding briefing schedules have not yet been set by the Ninth Circuit Court of Appeals.

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 due to netting against counterparty defaults. 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 in January 2005. Petitioners other than Puget challenged the merits of the FERC's decision not to order refunds. 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. In February 2005, intervening parties, including Avista Energy and Avista Corp., filed in support of Puget and also filed in opposition to the other six petitioners. Briefing was completed in May 2005. Oral arguments are expected, but have not yet been set. 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 May 2002, the FERC conditionally dismissed a complaint filed in March 2002 by the Attorney General of the State of California (California AG) that alleged violations of the Federal Power Act by the FERC and all sellers (including Avista Corp. and its

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subsidiaries) of electric power and energy into California. The complaint alleged that the FERC's adoption and implementation of market-based rate authority was flawed and, as a result, individual sellers were liable for sales of energy at rates that were "unjust and unreasonable." In May 2002, the FERC issued an order dismissing the complaint but directing sellers to re-file certain transaction summaries. It was not clear that Avista Corp. and its subsidiaries were subject to this directive but the Company took the conservative approach and re-filed certain transaction summaries in June and July of 2002. 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 found the requirement that all sales at market-based rates be contained in quarterly reports filed with the FERC to be integral to a market-based rate tariff. The California AG has interpreted the decision as providing authority to the FERC to order refunds in the California refund proceeding for an expanded refund period. The Court's decision leaves to the FERC the determination as to whether refunds are appropriate. 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, Inc. and Avista Power, LLC (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 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. This case was transferred to the United States District Court for the Southern District of California to consolidate it with other pending actions. In May 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. In May 2004, the Port of Seattle filed an appeal with the United States Court of Appeals for the Ninth Circuit. In October 2005, the Ninth Circuit denied the plaintiffs' joint motion for summary disposition of the Port of Seattle's appeal. The Port of Seattle's appeal to the Ninth Circuit has been briefed and oral argument is scheduled for March 7, 2006. 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***

In May 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

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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 February 2005, the Court granted the defendants' motion to dismiss 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. In March 2005, Wah Chang filed an appeal with the United States Court of Appeals for the Ninth Circuit. The appeal of Wah Chang is still pending before the Ninth Circuit and awaits oral argument. 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***

In June 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 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. In March 2005, Tacoma Power 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.

#### ***State of Montana Proceedings***

In June 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.

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. In February 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.

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**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 No. 1A was filed in January 2004. In February 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. In May 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. In July 2004, the defendants (including Avista Corp.) filed a motion to dismiss the Montana AG's complaint. In September 2004, the United States District 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. Subsequently, in response to the motions of the defendants, the federal magistrate judge in January 2005 filed recommendations that the Court's previous decision be vacated based on lack of jurisdiction of the Court. In September 2005, the U.S. District Court issued an order vacating its prior decision, except as to matters of standing and jurisdiction. In November 2004, the defendants (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 and 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. In June 2005, Avista Corp. moved for leave to amend its complaint to, inter alia, add two causes of action relating to breach of contract and negligent misrepresentation arising out of its Clark Fork Settlement Agreement that was entered into in 1999 with the State of Montana relating to the relicensing of Avista Corp.'s Noxon Rapids Hydroelectric Generating Project. The Montana State Court heard the motion for summary judgment of the Montana AG and took the matter under advisement. 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, the Company intends to seek recovery of any amounts paid through the rate making process.

**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 owners of Colstrip have undertaken certain groundwater investigation and remediation measures to address groundwater contamination. These measures include improvements to the lakes and ponds of Colstrip. The Company intends to continue 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). In January 2006, the EPA issued a draft settlement agreement related to the ACO. The ACO alleges that Colstrip Units 3 & 4 have been in violation of the CAA permit at Colstrip since 1980. The permit required the Colstrip project operator 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 the other owners of Colstrip believe that the ACO is unfounded. The owners of Colstrip are discussing the proposed settlement agreement with the EPA, the Department of Environmental Quality (Montana DEQ) and the Northern Cheyenne Tribe. The draft settlement agreement would resolve the potential liability related to this issue. 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, the Company intends to seek recovery of any amounts paid through the rate making process.

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***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). 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's appeal to the MMS was substantially denied in March 2005; WECO has now appealed the order to the Board of Land Appeals of the U.S. Department of the Interior. The entire appeal process could take several 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 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. 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. After receiving input from the Company and the other PLPs, the final Cleanup Action Plan (CAP) was issued by the DOE in August 2001 and the Consent Decree to implement the CAP was finalized in September 2002. The third PLP did not sign the Consent Decree. In September 2004, a Site Preparation Agreement was reached with the third PLP with respect to the logistics of the CAP. The third PLP then completed the site preparation. The selected contractor then completed construction/installation of the work under the CAP by the end of the third quarter of 2005. The Company and BNSF filed the final Cleanup Action Report with the DOE during the fourth quarter of 2005. The Cleanup Action Plan does call for periodic ground water sampling and reporting for a period of five years.

***Harbor Oil Inc. Site***

Avista Corp. used Harbor Oil Inc. (Harbor Oil) for the recycling of waste oil and non-PCB transformer oil in the late 1980s and early 1990s. In June 2005, EPA Region 10 provided notification to Avista Corp., as a customer of Harbor Oil, that the EPA had determined that hazardous substances were released at the Harbor Oil site in Portland, Oregon and that Avista Corp. may be liable for investigation and cleanup of the site under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly referred to as the federal "Superfund" law. Harbor Oil's primary business was the collection and blending of used oil for sale as fuel to ships at sea. The initial indication from the EPA is that the site may be contaminated with PCBs, petroleum hydrocarbons, chlorinated solvents and heavy metals.

Thirteen other companies received a similar notice, including current and former owners of the site, the Bonneville Power Administration, Portland General Electric Corporation, Northwestern Energy and Unocal Oil. Several meetings have been held with the EPA and the Potentially Responsible Parties (PRPs) to ask questions of the EPA regarding the Harbor Oil site and discuss the process used by the EPA in selecting PRPs.

Based on the review of its records related to Harbor Oil, the Company does not believe it is a major contributor to this potential environmental contamination based on the relative volume of waste oil delivered to the Harbor Oil site. However, there is currently

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not enough information to allow the Company to assess the probability or amount of a liability, if any, being incurred. As such, it is currently not possible to make an estimate of any liability at this time.

***Northeast Combustion Turbine Site***

In August 2005, a diesel fuel spill occurred at the Company's Northeast Combustion Turbine generating facility (Northeast CT) located in Spokane, Washington. The Northeast CT site had fuel storage facilities that were leased to Co-op Supply, Inc., an affiliate of Cenex Cooperative (Co-op). The fuel spill occurred when Co-op made a delivery of diesel to a tank that was already nearly full and the extra fuel overflowed into a containment area. It is estimated that approximately 26,000 gallons of fuel escaped the containment area and leaked into the soil below it. An investigation, supervised by the DOE, determined the fuel was, for the most part, uniformly present in the soil to a depth of 30-35 feet. Groundwater below the site is at a depth of 170 feet. Remediation efforts included the removal of contaminated soil and the related fuel storage facilities. Options to dispose of the contaminated soil are currently being evaluated and are expected to be completed by the middle of 2006. During the fourth quarter of 2005, the Company filed a complaint against Co-op and an engineering firm to recover a substantial portion of the cleanup costs. The Company has accrued the estimated cleanup costs during 2005, which was not material to the Company's financial condition or results of operations. It is possible that a change could occur in the Company's estimate of the liability. Such a change, should it occur, is not expected to be significant.

***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.

***Spokane River Relicensing***

The Company owns and 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 are referred to, collectively, 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 on August 1, 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 filed its license application with the FERC in July 2005. The Company has requested the FERC to consider a license for Post Falls that is separate from the other four hydroelectric plants. This is due to the fact that Post Falls presents more complex issues that may take longer to resolve than those dealing with the rest of the Spokane River Project. If granted, new licenses would have a term of 30 to 50 years. In the license application, the Company has proposed a number of measures intended to address the impact of the Spokane River Project and enhance resources associated with the Spokane River. Currently, certain environmental measures in the Company's license application have estimated costs of \$3.2 million per year. For certain items, costs cannot be reasonably estimated at this time. The total annual operating and capitalized costs associated with the relicensing of the Spokane River Project will become better known and estimable as the process continues through July 2007. 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

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signatories to the agreement and completed the Gas Supersaturation Control Program (GSCP). The Idaho Department of Environmental Quality and the U.S. Fish and Wildlife Service approved the GSCP in February 2004 and the FERC issued an order approving the GSCP in January 2005. 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 Company has undertaken physical and computer modeling studies to confirm the feasibility and likely effectiveness of its tunnel solution. The results of these studies will also help the Company to refine its estimated costs for completion of the tunnels. The cost of modifying the first tunnel is currently preliminarily estimated to be \$38 million (including AFUDC and inflation) and will be incurred between 2004 and 2010 (\$1.7 million incurred through December 31, 2005), 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 U.S. Fish and Wildlife Service has listed bull trout as threatened under the Endangered Species Act. The Clark Fork Settlement Agreement describes programs intended to restore bull trout populations in the project area. 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 at Cabinet Gorge and Noxon Rapids. 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 bull trout population enhancement measures.

***Emergis Technologies, Inc. Complaint***

On January 20, 2006, Emergis Technologies, Inc. (Emergis) filed a complaint against the Company alleging that certain electronic invoicing and payment system processes employed by Avista Corp. infringe upon a patent owned and held by Emergis. The complaint was filed in the United States District Court for the Eastern District of Washington and seeks unspecified compensatory and treble damages from alleged infringement of Emergis' patent. The Company is in the process of assessing the validity of the complaint with respect to its electronic utility billing and payment processing system. Because the resolution of this complaint 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 complaint 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.

***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 basin could potentially adversely affect the energy production of the Company's Cabinet Gorge and Noxon Rapids hydroelectric

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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 and Clean Air Act Amendments at with respect to its thermal generating plants. The Company continues to monitor legislative developments at both the state and national level with respect to the potential for further restrictions on sulfur dioxide, nitrogen oxide, carbon dioxide (including cap and trade emission reduction programs), as well as other greenhouse gas and mercury emissions. In particular, the EPA has finalized mercury emission regulations that will affect coal-fired generation plants, including Colstrip. The new EPA regulations establish an emission trading program to take effect beginning in January 2010, with a second phase to take effect in 2018. In addition, the Montana DEQ is planning to propose rules for the control of mercury emissions from coal-fired plants that would be more restrictive than EPA regulations. The proposed rules will be presented to the Montana Board of Environmental Review on March 23, 2006. Compliance with these new and proposed requirements and possible additional legislation or regulations could result in increases in capital expenditures and operating expenses for expanded emission controls at the Company's thermal generating facilities. The amount of these costs and the impact of the restrictions on the operation of the facilities cannot be estimated at this time.

As of December 31, 2005, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented approximately 50 percent of all of Avista Corp.'s employees. The agreement with the local union in Washington and Idaho representing the majority (approximately 90 percent) of the bargaining unit employees expires in March 2007. Two local agreements in Oregon, which cover approximately 50 employees, expire in April 2010. Another local agreement in Oregon is up for negotiations in 2007.

#### NOTE 23. INFORMATION SERVICES CONTRACTS

The Company has information services contracts that expire between 2006 and 2012. Total payments under these contracts were \$12.8 million, \$12.8 million and \$12.0 million in 2005, 2004 and 2003, respectively. The majority of these costs are included in operation expenses in the Statements of Income. Minimum contractual obligations under the Company's information services contracts are approximately \$11.1 million, \$11.4 million, \$11.8 million, \$12.1 million, \$12.5 million, \$12.9 million and \$13.2 million from 2006 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 24. DISPOSITION OF SOUTH LAKE TAHOE PROPERTIES

In April 2005, Avista Corp. completed the sale of its South Lake Tahoe, California natural gas properties to Southwest Gas Corporation as part of Avista Corp.'s strategy to focus on its business in the northwestern United States. This was the Company's only regulated utility operation in California. The cash proceeds received during 2005 were approximately \$16.6 million. The total pre-tax gain for 2005 was \$4.1 million related to the Company's disposition of its South Lake Tahoe natural gas properties.

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 (or 4 percent of total therms) were delivered to South Lake Tahoe customers.

#### NOTE 25: SUBSEQUENT EVENT

In February 2006, the Board of Directors of Avista Corp. made the decision to ask shareholders to approve a change in the Company's organization, which would result in the formation of a holding company. The proposed holding company would become the parent to the regulated utility Avista Corp. and Avista Capital, which is the parent to the Company's non-utility subsidiaries.

The proposal for the formation of a holding company will be described for shareholders in Avista Corp.'s Proxy Statement-Prospectus to be distributed to shareholders in connection with the annual meeting of shareholders to be held on May 11, 2006. Avista Corp. has filed for regulatory approval from the FERC and the utility regulators in Washington, Idaho, Oregon and Montana, conditioned on approval by shareholders. If shareholders approve the proposal, and if state and federal regulatory approvals are received, the holding company organization could be implemented by the end of 2006.

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**NOTE 26. SUPPLEMENTAL CASH FLOW INFORMATION**

	2005	2004
Cash paid for interest	\$81,029,276	\$79,380,054
Cash paid for income taxes	26,405,411	11,320,684
Non-cash financing and investing activities:		
Equipment acquired under capital leases	-	1,365,083
Other Cash Flows from Operating Activities:		
Net change in receivables allowance	504,630	528,534
Power and natural gas deferrals	(7,451,146)	(3,049,863)
ESOP dividends	37,791	143,775
Change in special deposits	(3,235,855)	(572,613)
Change in other non-current assets/liabilities	3,269,258	(2,640,532)
Change in other current assets	(1,167,585)	(2,228,649)





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

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	2,819,060,580	2,226,358,752
4	Property Under Capital Leases	5,525,291	
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	2,824,585,871	2,226,358,752
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	55,887,059	42,250,858
12	Acquisition Adjustments	22,456,903	
13	Total Utility Plant (8 thru 12)	2,902,929,833	2,268,609,610
14	Accum Prov for Depr, Amort, & Depl	971,551,338	735,261,440
15	Net Utility Plant (13 less 14)	1,931,378,495	1,533,348,170
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	927,641,413	721,995,328
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	27,871,653	13,266,112
22	Total In Service (18 thru 21)	955,513,066	735,261,440
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	16,038,272	
33	Total Accum Prov (equals 14) (22,26,30,31,32)	971,551,338	735,261,440

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
505,690,774				87,011,054	3
1,619,845				3,905,446	4
					5
					6
					7
507,310,619				90,916,500	8
					9
					10
8,417,651				5,218,550	11
22,456,903					12
538,185,173				96,135,050	13
209,593,950				26,695,948	14
328,591,223				69,439,102	15
					16
					17
191,900,186				13,745,899	18
					19
					20
1,655,492				12,950,049	21
193,555,678				26,695,948	22
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					24
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					31
16,038,272					32
209,593,950				26,695,948	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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an 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)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	15,259,132	
4	(303) Miscellaneous Intangible Plant	11,778,529	226,609
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	27,037,661	226,609
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	2,240,849	
9	(311) Structures and Improvements	124,561,406	55,788
10	(312) Boiler Plant Equipment	159,041,158	1,758,784
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	45,193,528	560,680
13	(315) Accessory Electric Equipment	24,036,407	655,847
14	(316) Misc. Power Plant Equipment	15,252,887	22,044
15	(317) Asset Retirement Costs for Steam Production	1,114,206	134,589
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	371,440,441	3,187,732
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	53,729,875	818,084
28	(331) Structures and Improvements	37,071,155	54,837
29	(332) Reservoirs, Dams, and Waterways	102,391,509	5,352,720
30	(333) Water Wheels, Turbines, and Generators	100,111,448	2,695,158
31	(334) Accessory Electric Equipment	26,951,947	551,239
32	(335) Misc. Power PLant Equipment	6,185,337	1,747
33	(336) Roads, Railroads, and Bridges	1,999,562	
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	328,440,833	9,473,785
36	D. Other Production Plant		
37	(340) Land and Land Rights	758,811	137,267
38	(341) Structures and Improvements	8,283,913	7,555,330
39	(342) Fuel Holders, Products, and Accessories	13,917,101	8,874,085
40	(343) Prime Movers	21,856,632	20,148
41	(344) Generators	108,902,363	95,949,175
42	(345) Accessory Electric Equipment	9,036,539	6,297,990
43	(346) Misc. Power Plant Equipment	903,333	376,518

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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. 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, 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 distributed in column (f) to primary account classifications.

8. 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 requirement of these pages.

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			15,259,132	3
149,199			11,855,939	4
149,199			27,115,071	5
				6
				7
250			2,240,599	8
114,770			124,502,424	9
332,757			160,467,185	10
				11
547,727			45,206,481	12
5,425			24,686,829	13
193,402			15,081,529	14
			1,248,795	15
1,194,331			373,433,842	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
179			54,547,780	27
13,165			37,112,827	28
32,921			107,711,308	29
1,068,067			101,738,539	30
78,067			27,425,119	31
			6,187,084	32
			1,999,562	33
				34
1,192,399			336,722,219	35
				36
18,522			877,556	37
			15,839,243	38
1,114,822			21,676,364	39
			21,876,780	40
3,702,752			201,148,786	41
2,569			15,331,960	42
			1,279,851	43

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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
44	(347) Asset Retirement Costs for Other Production		351,682
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	163,658,692	119,562,195
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	863,539,966	132,223,712
47	<b>3. TRANSMISSION PLANT</b>		
48	(350) Land and Land Rights	12,570,459	67,536
49	(352) Structures and Improvements	10,923,254	2,126,766
50	(353) Station Equipment	135,782,917	17,089,644
51	(354) Towers and Fixtures	17,069,239	
52	(355) Poles and Fixtures	89,425,621	9,350,488
53	(356) Overhead Conductors and Devices	68,173,981	4,620,175
54	(357) Underground Conduit	561,148	
55	(358) Underground Conductors and Devices	1,317,910	
56	(359) Roads and Trails	1,826,844	
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	337,651,373	33,254,609
59	<b>4. DISTRIBUTION PLANT</b>		
60	(360) Land and Land Rights	3,892,319	
61	(361) Structures and Improvements	10,243,069	87,480
62	(362) Station Equipment	71,839,161	4,755,279
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	161,910,621	6,368,827
65	(365) Overhead Conductors and Devices	108,829,175	2,848,892
66	(366) Underground Conduit	54,575,635	3,022,091
67	(367) Underground Conductors and Devices	86,696,939	5,032,126
68	(368) Line Transformers	125,446,341	6,253,506
69	(369) Services	90,262,716	4,206,101
70	(370) Meters	24,850,469	1,377,067
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	21,853,569	1,394,428
74	(374) Asset Retirement Costs for Distribution Plant		129,707
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	760,400,014	35,475,504
76	<b>5. GENERAL PLANT</b>		
77	(389) Land and Land Rights	124,681	
78	(390) Structures and Improvements	1,973,263	
79	(391) Office Furniture and Equipment	144,364	336
80	(392) Transportation Equipment	7,106,569	226,015
81	(393) Stores Equipment	100,196	
82	(394) Tools, Shop and Garage Equipment	2,768,829	171,768
83	(395) Laboratory Equipment	2,946,295	109,389
84	(396) Power Operated Equipment	17,356,998	999,586
85	(397) Communication Equipment	21,243,080	5,459,083
86	(398) Miscellaneous Equipment	1,730	
87	SUBTOTAL (Enter Total of lines 77 thru 86)	53,766,005	6,966,177
88	(399) Other Tangible Property		
89	(399.1) Asset Retirement Costs for General Plant		
90	TOTAL General Plant (Enter Total of lines 87, 88 and 89)	53,766,005	6,966,177
91	TOTAL (Accounts 101 and 106)	2,042,395,019	208,146,611
92	(102) Electric Plant Purchased (See Instr. 8)		
93	(Less) (102) Electric Plant Sold (See Instr. 8)		
94	(103) Experimental Plant Unclassified		
95	TOTAL Electric Plant in Service (Enter Total of lines 91 thru 94)	2,042,395,019	208,146,611

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
			351,682	44
4,838,665			278,382,222	45
7,225,395			988,538,283	46
			301,611	47
			12,637,995	48
25,272			13,024,748	49
1,127,370			151,745,191	50
			17,069,239	51
101,147			98,674,962	52
85,049			72,709,107	53
			561,148	54
			1,317,910	55
			1,826,844	56
				57
1,338,838			369,567,144	58
			561,148	59
158,449			3,733,870	60
36,789			10,293,760	61
915,716			75,678,724	62
				63
121,328			168,158,120	64
59,925			111,618,142	65
22,051			57,575,675	66
246,937			91,482,128	67
898,860			130,800,987	68
89,912			94,378,905	69
2,664,407			23,563,129	70
				71
				72
30,975			23,217,022	73
			129,707	74
5,245,349			790,630,169	75
			24,229,809	76
			124,681	77
			1,973,263	78
			144,700	79
86,479			7,246,105	80
			100,196	81
176,899			2,763,698	82
7,947			3,047,737	83
			18,356,584	84
41,509			26,660,654	85
28			1,702	86
312,862			60,419,320	87
				88
				89
312,862			60,419,320	90
14,271,643			2,236,269,987	91
				92
				93
				94
14,271,643			2,236,269,987	95

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**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	State of Washington	
2		
3	Electric Revenue Blanket	382,019
4	Electric Underground Replacement	129,190
5	Electric Distribution Minor Blanket	327,280
6	T&D Line Relocation	375,943
7	Spokane Elect NW Inc	865,215
8	Wood Pole Management	518,277
9	Feeder VAR Improvement	265,346
10	Metro -Post St Phase 1	163,376
11	Post St-Improve/Upgrades	331,867
12	Scada II Add Supv	112,584
13	Airway Heights-Add 12F3	131,504
14	Transportation Equipment	502,854
15	Minor Projects (94) under \$100,000	620,585
16		
17	State of Idaho	
18		
19	Electric Revenue Blanket	734,115
20	Electric Distribution Minor Blanket	174,343
21	T&D Line Relocation	127,658
22	Benewah-Shawnee 230Kv const	3,146,059
23	Avondale 115 sub	168,087
24	Scada II Add Supv	100,738
25	Wicks-Replace Fdr 12F2 and refurbish sub	187,204
26	Transportation Equipment	624,418
27	Minor Projects (79) under \$100,000	540,130
28		
29	Common-WA & ID	
30		
31	T&D Line Relocation	318,286
32	Transmission Minor Rebuild	225,830
33	Dry Creek Switching Station	183,775
34	Benewah-Shawnee 230kv const	4,346,870
35	Boulder Construction	132,975
36	Benewah-Shawnee 230kv:Prepare for Fiber Optic	260,283
37	System 115 Air Switch upgrade	115,739
38	Beacon Storage Yd Oil Containment	204,247
39	Dry Creek Integrate 115kv transmission	130,626
40	Kettle Falls Capital Project	433,001
41	Noxon Capital Project	3,517,744
42	Cabinet Gorge #4 Runner Replacement	765,271
43	TOTAL	42,250,858

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**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Cabinet Gorge Bypass Tunnel Project	1,679,871
2	CS2 Capital Projects	258,332
3	Noxon Unit#4 Runner Upgrade	193,328
4	Clark Fork Improvement	4,220,927
5	Hydro Relicensing	13,707,160
6	Spokane River License and Compliance Support	196,314
7	Minor Projects (123) under \$100,000	830,758
8		
9	Common-WA/ID/OR	
10		
11	Minor Projects (1) Under \$100,000	729
12		
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42		
43	<b>TOTAL</b>	<b>42,250,858</b>

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**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

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 electric plant in service, pages 204-207, column 9d), 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)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	681,488,277	681,488,277		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	54,642,072	54,642,072		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	887,738	887,738		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	-876,761	-876,761		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	54,653,049	54,653,049		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	13,240,738	13,240,738		
13	Cost of Removal	1,140,141	1,140,141		
14	Salvage (Credit)	606,697	606,697		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	13,774,182	13,774,182		
16	Other Debit or Cr. Items (Describe, details in footnote):	-371,816	-371,816		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	721,995,328	721,995,328		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	212,368,234	212,368,234		
21	Nuclear Production				
22	Hydraulic Production-Conventional	74,177,262	74,177,262		
23	Hydraulic Production-Pumped Storage				
24	Other Production	26,449,457	26,449,457		
25	Transmission	128,115,481	128,115,481		
26	Distribution	245,458,287	245,458,287		
27	General	35,426,607	35,426,607		
28	TOTAL (Enter Total of lines 20 thru 27)	721,995,328	721,995,328		

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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			72,534,991
4	OCI Investment in Subs			
5				
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42	Total Cost of Account 123.1 \$	0	TOTAL	256,786,600

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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
-6,611,524	-15,095,863	50,827,604		3
2,658,585		2,658,585		4
				5
				6
				7
				8
				9
				10
				11
				12
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-3,952,939	-15,095,863	237,737,798		42

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**MATERIALS AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	4,049,604	3,773,050	(1)
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	5,549,896	6,979,873	(1)
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	2,306,934	1,781,870	(1)
8	Transmission Plant (Estimated)	4,256	12,596	(1)
9	Distribution Plant (Estimated)	190,993	227,971	(1)
10	Assigned to - Other (provide details in footnote)	1,815,688	3,004,119	(1),(2)
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	9,867,767	12,006,429	
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
15	Stores Expense Undistributed (Account 163)	-62,610		
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	13,854,761	15,779,479	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**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 - Post Retirement Benefits (182300)	3,782,016		926400	472,752	3,309,264
2	Amortization period is 1996-2012					
3	FAS 109 (182310 & 182320)	123,466,657	1,682,221	283170/180	10,758,424	114,390,454
4	Idaho AMR (182330)		8,404,214	Various		8,404,214
5	BPA Residential Exchange (182345 & 182346)	2,200	454,298	Various	2,201	454,297
6	WA ERM Deferral (182350)	102,429,967	16,171,394	557290	26,549,166	92,052,195
7	WA Amortization (182360)	667,458	26,977	557162	351,834	342,601
8	New Generation Installation (182370)		552,708	407370	184,236	368,472
9	Wartsilla Units (182372)		1,271,705			1,271,705
10	FAS 143 - ARO (182376)	113,650	2,859,553	230000/108	4,643	2,968,560
11	OR DSM (182380)	( 840,801)		186700	290,759	-1,131,560
12	Workers Compensation (182383)	2,360,885		242800	161,481	2,199,404
13	CS2 Levelized Return (182384)		619,155	407420		619,155
14						
15						
16						
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42						
44	<b>TOTAL</b>	231,982,032	32,042,225		38,775,496	225,248,761

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- 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						
2	Colstrip Common Fac.	1,110,999				1,110,999
3						
4	WA Deferred Power Costs	10,777,698		var	6,639,080	4,138,618
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						
9	ID Deferred New Generation	552,708		407/182	552,708	
10	Colstrip Common Fac.	2,355,642				2,355,642
11						
12	ID Deferred Power	86,188,093	4,215,530			90,403,623
13	ID Accumulated Surcharge Am	-76,689,666		557	5,727,216	-82,416,882
14	CS2 Levelized Return	161,747		182	161,747	
15	Payroll Accrual	989,280		var	50,310	938,970
16	Payroll Loading Clearing	677,798		var	968,601	-290,803
17						
18						
19	Misc Error Suspense	24,988	68,777			93,765
20						
21	WPI-ID Terminated Elec Pur.					
22						
23	Unamortized A/R Sale	96,810		var	74,873	21,937
24						
25	Intangible Pension Asset	5,058,491		228.32	653,659	4,404,832
26						
27	Nez Perce Settlement	202,445		557	5,212	197,233
28	Misc Deferred Debit Centralia		596,927	253		596,927
29	Centralia Mine Env Balance	578,345		253	578,345	
30	Opportunity Sub Sale Proceeds		188,758			188,758
31						
32	ID Panhandle Forest Use Permit	42,148	111,733			153,881
33	Metro-Sunset 115KV TE	273,689	36,067			309,756
34	CS2 Purchase	101,095		var	101,095	
35	UPRR Permit Conv	331,628	68			331,696
36	Insurance Recvy CDA Lake	30,993	87,294			118,287
37	Ortho Business Activity	-1,665	1,665			
38	Canadian GST Tax	1,052,844		var	1,052,844	
39						
40						
41	Nez Perce Permit Conversion	53,486	54,725			108,211
42						
43						
44	Misc Work Orders <\$50,000	199,472		var	40,232	159,240
45	Subsidiary Billings	2,336,114	773,499			3,109,613
46	"Null" Projects directly to 186		208,472			208,472
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	51,242,169				40,675,589

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**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	Regulatory Assets Consv		5,124,643			5,124,643
3	Oregon Gas Comm Consvt	-7,032	32,843			25,811
4	Oregon Shower Head	174,911		908	174,911	
5	Oregon Common Gas Eff	188,568	169,164			357,732
6	WPNG HE Wtr Htrs-Oregon	276,659	245,524			522,183
7	WPNG HE Furnaces	2,326,646	1,062,059			3,388,705
8	WPNG CA RES L/I-P	24,658		var	24,658	
9	WPNG OR Res Low 1	344,851		908	4,975	339,876
10	Regulatory-Sched 67	164,284		908	164,284	
11	Reg-Water Heat Conv	880,929		908	880,929	
12	Reg-Space/Water Con	3,357,053		908	3,357,053	
13	Reg-Elec Comm/Ind	547,042		908	547,042	
14	Reg-Gas Wzn Res	879,579		908	879,579	
15	Reg-L/I Elec/Gas	298,733		908	298,733	
16	Reg-Elec Manuf Home	235,810		908	235,810	
17	Reg-Comm/Ind Gas	96,621		908	96,621	
18	Reg-Gas Res Appl Ef	1,194,257		908	1,194,257	
19	Reg-Gas Res Showerhead	27,517		908	27,517	
20	Reg Elect Res Wzn	41,591		908	41,591	
21	Reg L/I Elec Wzn	67,742		908	67,742	
22	Oregon DSM		57,085	908		57,085
23	Reg C/I Elec Fuel	160,992		908	160,992	
24	Reg Gas A.E. Wtr	37,024		908	37,024	
25	Reg Low Income Gas Wzn	280,933		908	280,933	
26	Care - California	-6,733	6,733	908		
27	Consv. & Renewable Disco	536,119	108,499			644,618
28	Sandpoint DSR - PPL	626,966		908	626,966	
29	CA PPP-Energy Eff- current	5,027		908	5,027	
30	OR/CA Comm Conserv	2,978		908	2,978	
31	Reg L/I Elec/Gas WT	23,795		908	23,795	
32	CA Low Inc Eneff Eff	13,831		908	13,831	
33	CA Energy Efficiency	45,930		908	45,930	
34	Cares Program	15,720		908	15,720	
35	Regulatory Assets Consv		556,983			556,983
36	Regulatory Assets Consv		1,456,849			1,456,849
37						
38						
39	Hamilton Street Bridge Site		7,600	var		7,600
40						
41	Port Of Seattle	92,750		var	92,750	
42	Easy Pay Billing CS	-50,532	47,130			-3,402
43	Lake CDA Issues	865,513	276,729			1,142,242
44	Shareholder Lawsuit 2002	966,255		var	903,041	63,214
45	NE Oil Spill Cleanup		748,675			748,675
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	51,242,169				40,675,589

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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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.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2		11,818,604	10,500,018
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	11,818,604	10,500,018
9	Gas		
10		-3,580,092	1,516,068
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)	-3,580,092	1,516,068
17	Other	42,654,161	22,631,314
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	50,892,673	34,647,400

Notes

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**CAPITAL STOCKS (Account 201 and 204)**

- 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.
- 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			
11				
12				
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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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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
48,593,193	631,083,752					2
						3
48,593,193	631,083,752					4
						5
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**CAPITAL STOCK EXPENSE (Account 214)**

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.  
 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.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Common Stock - Public Issue	9,151,239
2	\$6.95 Preferred Stock, Series K	1,334,005
3		
4		
5		
6		
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20		
21		
22	<b>TOTAL</b>	<b>10,485,244</b>

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LONG-TERM DEBT (Account 221, 222, 223 and 224)

- 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.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- 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.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- 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.
- 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 \$1,212,550,000	1,023,850,000	10,999,718
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	1,111,650,000	12,368,633
13			
14	Acct. 222 - Reacquired Bonds		
15			
16	Acct. 223 - Advances from Associated Companies-A. Advantage \$1,200k; A. Energy \$60	1,800,000	
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	2,344,853,000	43,033,380

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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
				631,282,687	29,560,147	2
						3
						4
						5
12/18/1984	12/01/2023	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
				719,082,687	34,012,397	12
						13
						14
						15
				1,800,000		16
4/5/2004	4/1/2034	4/30/2004	3/31/2034	61,856,000	4,020,640	17
06/03/1997	06/01/2037	06/30/1997	5/31/2037	51,547,000	2,190,568	18
						19
						20
9/15/1992	9/15/2007	9/15/1992	9/15/2007	28,000,000	2,037,219	21
12/17/2004	12/16/2009	12/13/2004	12/16/2009	63,000,000	3,779,831	22
						23
						24
						25
4/03/2001	6/01/2008	4/03/2001	6/01/2008	280,538,636	26,817,168	26
						27
						28
				20,000,000	7,613,116	29
						30
						31
						32
				1,225,824,323	80,470,939	33

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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)	45,168,302
2		
3		
4	Taxable Income Not Reported on Books	
5		6,069,688
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		85,020,424
11	Federal Income Tax	31,255,940
12	Deferred Income Tax	-3,256,976
13	Investment Tax Credit	-49,308
14	Income Recorded on Books Not Included in Return	
15		5,197,069
16	Equity in Sub Earnings (Income) / Loss	6,611,524
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		95,798,519
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29		
30	Federal Tax Net Income	80,218,144
31	$\$80,218,144 \times 35\% = 28,076,350$	28,076,350
32	Settlement of prior years tax returns & adjustment of tax reserves	
33	affecting deferred taxes	3,179,590
34		31,255,940
35		
36		
37		
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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) 04/17/2006	Year/Period of Report End of 2005/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 (2003)					1,298,448
3	Income Tax (2004)	-8,460,297		-34,838,180	-6,771,991	4,268,549
4	Income Tax (2005)			41,481,007	30,259,880	-11,841,089
5	Unemployment Ins 2003					
6	FICA (2004)					
7	FICA (2005)			7,860,594	7,860,594	
8	Retained					
9	Retained	-1,463,362				
10	Retained			-386,815		
11	Total Federal	-9,923,659		14,116,606	31,348,483	-6,274,092
12						
13	STATE OF WASHINGTON:					
14	Property Tax (2003)	3,651		380	1,008	
15	Property Tax (2004)	10,319,000		-800,128	9,545,613	
16	Property Tax (2005)			10,279,000	-127	
17	Excise Tax (2001)					
18	Excise Tax (2002)	-50,614		253,104	-205	-7
19	Excise Tax (2003)					
20	Excise Tax (2004)	2,172,926		-347,521	1,865,465	
21	Excise Tax (2005)			19,239,355	16,678,923	
22	Gas Surcharge	13,373		78,732	25,228	
23	Muni Utility & Occupation Tax	2,016,522		17,127,825	16,673,402	
24	Sales & Use Tax (2005)			725,383	765,715	
25	Motor Vehicle (2005)			8,154	8,154	
26	Total Washington	14,474,858		46,564,284	45,563,176	-7
27						
28	STATE OF IDAHO:					
29	Income Tax (1997-2000)	981,138		-637,739		
30	Income Tax (2001)	-3,085,967		2,005,879		
31	Income Tax (2002)	1,343,072		-872,997		
32	Income Tax (2003)	547,345		-355,774		
33	Income Tax (2004)	-80,977		-375,488	43,417	515,383
34	Income Tax (2005)			794,763	678,000	
35	Property Tax (2003)	2,404		-2,404		
36	Property Tax (2004)	2,690,396		63,843	2,754,239	
37	Property Tax (2005)			5,238,114	2,634,627	
38	Excise Tax (2003)					
39	Excise Tax (2004)	-8,737		15,197	6,318	
40	Excise Tax (2005)					
41	TOTAL	11,313,430		84,587,398	98,853,779	-5,667,762

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) 04/17/2006	Year/Period of Report End of <u>2005/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
1,298,448						2
-25,750,020					-34,838,180	3
-619,962		32,693,033			8,787,974	4
						5
						6
					7,860,594	7
						8
-1,463,362						9
-386,815					-386,815	10
-26,921,711		32,693,033			-18,576,427	11
						12
						13
3,023		-609			989	14
-26,741		-442,782			-357,346	15
10,279,127		8,055,000			2,224,000	16
						17
202,688		253,104				18
						19
-40,060		-347,521				20
2,560,432		12,476,301			6,763,054	21
66,877		44,710			34,022	22
2,470,945		10,842,266			6,285,559	23
-40,333					725,383	24
					8,154	25
15,475,958		30,880,469			15,683,815	26
						27
						28
343,399					-637,739	29
-1,080,088					2,005,879	30
470,075					-872,997	31
191,571					-355,774	32
15,501					-375,488	33
116,763		109,925			684,838	34
		-11,328			8,924	35
		27,605			36,238	36
2,603,487		4,493,937			744,177	37
						38
142		9,270			5,927	39
						40
-2,112,798		79,994,899			4,592,499	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) 04/17/2006	Year/Period of Report End of 2005/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	Motor Vehicle Ins. (2005)			2,600	2,600	
2	Sales & Use Tax (2005)			50,881	54,547	
3	Irrigation Credits (2002)	-12,041		5,397		6,311
4	Irrigation Credits (2003)	-1,160		7,138		-6,311
5	Irrigation Credits (2004)			83		
6	Irrigation Credits (2005)			-162	-7	
7	KWH Tax (2004)	22,881		3,545	26,427	
8	KWH Tax (2005)			289,182	289,272	
9	Franchise Tax (2003)	-268,657				268,657
10	Franchise Tax (2004)	1,397,741		2,194	1,135,751	-264,184
11	Franchise Tax (2005)			3,211,230	1,849,246	-4,473
12	Total Idaho	3,527,438		9,445,482	9,474,437	515,383
13						
14	STATE OF MONTANA:					
15	Income Tax (1996-2000)	615,757		-400,242	-969,417	
16	Income Tax (2001)	-1,186,912		771,493		
17	Income Tax (2002)	69,988		-45,492		
18	Income Tax (2003)	6,316		-250,133	-378,504	
19	Income Tax (2004)	171,403		-162,207		
20	Income Tax (2005)			897,508	394,000	
21	Property Tax (2000)	-81,384				
22	Property Tax (2001)	166,988				
23	Property Tax (2002)	-35,843		1,375		
24	Property Tax (2003)	1,572				
25	Property Tax (2004)	3,425,014			3,424,020	
26	Property Tax (2005)			7,296,988	3,655,015	
27	KWH Tax (2004)	181,383			262,866	
28	KWH Tax (2005)			1,150,555	893,617	1,276
29	Motor Vehicle (2005)			3,980	3,980	
30	Consumer Council Tax	994		11,586	11,310	-1,270
31	Public Commission Tax	7		24	25	-6
32	Total Montana	3,335,283		9,275,435	7,296,912	
33						
34	STATE OF OREGON:					
35	Income Tax (1999 & Older)	215,213		-139,513		
36	Income Tax (2000)	-158,916		103,296		
37	Income Tax (2001)	-853,745		555,415		
38	Income Tax (2002)	347,797		-226,068		
39	Income Tax (2003)	85,291		-102,792		
40	Income Tax (2004)	26,995		-40,623	-82,291	75,792
41	TOTAL	11,313,430		84,587,398	98,853,779	-5,667,762

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) 04/17/2006	Year/Period of Report End of 2005/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 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.
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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)	
					2,600	1
-3,666					50,881	2
-333		5,397				3
-333		7,138				4
83		7,226			-7,143	5
-155					-162	6
-1		3,545				7
-90		309,526			-20,344	8
						9
		543			1,651	10
1,357,511		1,890,528			1,320,702	11
4,013,866		6,853,312			2,592,170	12
						13
						14
1,184,932					-400,242	15
-415,419					771,493	16
24,496					-45,492	17
134,687					-250,133	18
9,196					-162,207	19
503,508		862,252			35,256	20
-81,384						21
166,988						22
-34,468					1,375	23
1,572						24
994						25
3,641,973		7,296,988				26
-81,483						27
258,214		1,150,555				28
					3,980	29
		11,586				30
		24				31
5,313,806		9,321,405			-45,970	32
						33
						34
75,700					-139,513	35
-55,621					103,296	36
-298,330					555,415	37
121,729					-226,068	38
-17,501					-102,792	39
144,455					-40,623	40
-2,112,798		79,994,899			4,592,499	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) 04/17/2006	Year/Period of Report End of 2005/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.
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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	Income Tax (2005)			208,857	122,500	
2	Property Tax (2003)	190,000		-148,907	41,093	
3	Property Tax (2004)	-579,527		717,318	125,518	
4	Property Tax (2005)			776,932	1,252,806	
5	Motor Vehicle (2005)			4,169	4,169	
6	Busn Energy Tax Credit	-431,020				
7	Busn Energy Tax Credit	-34,244				
8	Busn Energy Tax Credit	-55,790				
9	Busn Energy Tax Credit	8,966		15,899		
10	Busn Energy Tax Credit	-44,059				
11	Busn Energy Tax Credit			-164,041		
12	Franchise Tax (2002)					
13	Franchise Tax (2004)	793,315		747	861,323	
14	Franchise Tax (2005)			3,554,615	2,426,233	
15	Total Oregon	-489,724		5,115,304	4,751,351	75,792
16						
17	STATE OF CALIFORNIA:					
18	Income Tax (1996-2000)	158,423		-102,975		
19	Income Tax (2001)	-142,429		92,579		
20	Income Tax (2002)	26,863		-17,461		
21	Income Tax (2003)	-17,058		11,088	27,430	
22	Income Tax (2004)	-40,941		12,526	-49,583	15,158
23	Income Tax (2005)			54,137	12,000	
24	Property Tax (2004)	-51,297		51,293		4
25	Property Tax (2005)					
26	Excise Tax (1999-2000)	-2,163			-2,163	
27	Excise Tax (2001)	-34		34		
28	Excise Tax (2004)	343		1,820	2,163	
29	Excise Tax (2005)					
30	Franchise Tax (2002)					
31	Franchise Tax (2003)	159,977		-159,977		
32	Franchise Tax (2004)	405,316		491	405,807	
33	Franchise Tax (2005)					
34	California PUC Tax	137		-137		
35	California Use Tax	1,068		-27	1,041	
36	Total California	498,205		-56,609	396,695	15,162
37						
38	MISCELLANEOUS STATES:					
39	Income Tax (2004 and older)	-9,179		5,460	1,338	
40	Income Tax (2005)				38	
41	TOTAL	11,313,430		84,587,398	98,853,779	-5,667,762

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) 04/17/2006	Year/Period of Report End of 2005/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 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.
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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)	
86,357		123,689			85,168	1
		-148,907				2
12,273		185,875			531,443	3
-475,874		86,000			690,932	4
					4,169	5
-431,020						6
-34,244						7
-55,790						8
24,865					15,899	9
-44,059						10
-164,041					-164,041	11
						12
-67,261					747	13
1,128,382					3,554,615	14
-49,980		246,657			4,868,647	15
						16
						17
55,448					-102,975	18
-49,850					92,579	19
9,402					-17,461	20
-33,400					11,088	21
36,326					12,526	22
42,137					54,137	23
					51,293	24
						25
						26
					34	27
					1,820	28
						29
						30
					-159,977	31
					491	32
						33
					-137	34
					-27	35
60,063					-56,609	36
						37
						38
-5,057					5,460	39
-38						40
-2,112,798		79,994,899			4,592,499	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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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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.
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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	Total Misc States	-9,179		5,460	1,376	
2						
3	COUNTY & MUNICIPAL					
4	Forrest Fire Protection					
5	Greenacres Irrigation	-14			-14	
6	City of Spokane PBI A	-1,470		1,470	-1,470	
7	WA Dept of Natural					
8	Spokane Utility Tax	6,972		-6,767	205	
9	Columbia Irrigation	-136		23	-112	1
10	Misc.	-105,144		126,710	22,740	-1
11	Total County	-99,792		121,436	21,349	
12						
13						
14						
15						
16						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	11,313,430		84,587,398	98,853,779	-5,667,762

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

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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)	
-5,095					5,460	1
						2
						3
						4
						5
1,470					1,470	6
						7
					-6,767	8
		23				9
-1,175					126,710	10
295		23			121,413	11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
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						38
						39
						40
-2,112,798		79,994,899			4,592,499	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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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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%)	570,960			411400	49,308	
11							
12	TOTAL PROPERTY	570,960				49,308	
13							
14							
15							
16							
17							
18							
19							
20							
21							
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44							
45							
46							
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
521,652			10
			11
521,652			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
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			29
			30
			31
			32
			33
			34
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			45
			46
			47
			48

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**OTHER DEFERRED CREDITS (Account 253)**

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- 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 (253000)	2,664	171000	2,664		
3						
4	Deferred Revenue Prepayment -	42,174	456.7	9,372		32,802
5	Pacific Walla Walla/Enterprise					
6	Amort = 19 yrs (253080)					
7						
8	CIT Oper Lease (253090) 9/2006	68,734	931000	39,277		29,457
9						
10	BPA C&RD Receipts (253100)	460,980	various/186.	536,119	394,200	319,061
11						
12	Trust Fund - Centralia (253110)	896,423	186870		17,014	913,437
13						
14	Rathdrum Refund (253120)	510,154	550000	33,822		476,332
15	Amort =25 years, through 1/2020					
16						
17	NE Tank Spill (253130)		552000		1,000,000	1,000,000
18						
19	CS2 GE Long Term Service		154/232		1,938,883	1,938,883
20	Agreement (253150)					
21						
22	Supplemental Executive	15,443,268	various		1,294,155	16,737,423
23	Retirement Plan (253290)					
24						
25	Gain on Sale and leaseback	1,830,192	931000	261,456		1,568,736
26	of Building (Amortization period					
27	is 25 years) (253850)					
28						
29	ID Clark Fork Relicense (253890)	-420,706	184999	41,681		-462,387
30						
31	Deferred Compensation	12,126,250	232	255,834		11,870,416
32	(253900, 253910, 253920)					
33						
34	Amort. Unbilled Revenue Add-ons	2,161,283	various/190	281,279		1,880,004
35	(253990)					
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	<b>TOTAL</b>	<b>33,121,416</b>		<b>1,461,504</b>	<b>4,644,252</b>	<b>36,304,164</b>

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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) 04/17/2006	Year/Period of Report End of 2005/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	217,481,287	-4,356,165	
3	Gas	55,006,958	-4,160,481	
4	General Common	16,740,394	349,512	
5	TOTAL (Enter Total of lines 2 thru 4)	289,228,639	-8,167,134	
6	Non-operating	4,307,286		
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	293,535,925	-8,167,134	
10	Classification of TOTAL			
11	Federal Income Tax	285,288,190	-8,532,567	
12	State Income Tax	8,247,735	365,433	
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
				convers/ 236	12,673,790	225,798,912	2
-330,214				convers/ 236	9,199,015	59,715,278	3
		conversion	4,985,623			12,104,283	4
-330,214			4,985,623		21,872,805	297,618,473	5
159,447		conv/236/186	12,843,181			-8,376,448	6
							7
							8
-170,767			17,828,804		21,872,805	289,242,025	9
							10
-170,767			17,828,804		21,872,805	280,628,857	11
						8,613,168	12
							13

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- 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	63,707,197	-6,911,045	508,356
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	63,707,197	-6,911,045	508,356
10	Gas			
11	Gas	6,016,104	5,346,102	
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	6,016,104	5,346,102	
18	Other	164,656,998	-555,825	
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	234,380,299	-2,120,768	508,356
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) 04/17/2006	Year/Period of Report End of 2005/Q4
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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
		182320	612,211	conversi	888,996	56,564,581	3
							4
							5
							6
							7
			612,211		888,996	56,564,581	8
							9
							10
120,398		various	291,612	conversi	5,384,042	16,575,034	11
							12
							13
							14
							15
							16
120,398			291,612		5,384,042	16,575,034	17
	2,532,419	conv/var	6,643,448	236000	222,242	155,147,548	18
120,398	2,532,419		7,547,271		6,495,280	228,287,163	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) 04/17/2006	Year/Period of Report End of 2005/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 (254110)	4,749,003	47410	2,341,551		2,407,452
2						
3	FAS109-Acctg for Inc. Taxes (254180)	307,464	407110	26,556		280,908
4						
5	Nez Perce - Reg Liability (254220)	858,428	186800	22,008		836,420
6						
7	BPA Residential Exch (254345 ED WA)	1,241,201	407450	9,102,998	7,861,797	
8	BPA Residential Exch (254344 ED ID)	719,685	407450	4,270,166	3,550,481	
9						
10	BPA Residential Exch (254346 ED WA)	3,554	431100		28,852	32,406
11	BPA Residential Exch (254346 ED ID)		431100		4,367	4,367
12	Mark to Mkt FAS133 (254740)	26,821,101	176740/750		85,868,891	112,689,992
13						
14						
15						
16						
17						
18						
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33						
34						
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38						
39						
40						
41	<b>TOTAL</b>	34,700,436		15,763,279	97,314,388	116,251,545

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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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, 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.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	211,934,411	209,518,294
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	203,479,971	201,774,791
5	Large (or Ind.) (See Instr. 4)	91,551,856	90,287,659
6	(444) Public Street and Highway Lighting	4,897,543	4,846,748
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	825,393	864,472
10	TOTAL Sales to Ultimate Consumers	512,689,174	507,291,964
11	(447) Sales for Resale	221,803,806	89,993,250
12	TOTAL Sales of Electricity	734,492,980	597,285,214
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	734,492,980	597,285,214
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	450,598	483,332
18	(453) Sales of Water and Water Power	191,173	360,216
19	(454) Rent from Electric Property	2,587,470	2,344,525
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	56,829,008	79,201,226
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	60,058,249	82,389,299
27	TOTAL Electric Operating Revenues	794,551,229	679,674,513

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**ELECTRIC OPERATING REVENUES (Account 400)**

5. Commercial and industrial Sales, Account 442, 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 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
3,419,532	3,343,073	294,036	288,422	2
				3
2,994,216	2,918,600	37,282	36,728	4
2,090,941	2,076,133	1,407	1,416	5
25,060	25,307	420	418	6
				7
				8
12,925	13,503	69	65	9
8,542,674	8,376,616	333,214	327,049	10
4,144,503	2,232,653	46	43	11
12,687,177	10,609,269	333,260	327,092	12
				13
12,687,177	10,609,269	333,260	327,092	14

Line 12, column (b) includes \$ 1,254,894 of unbilled revenues.  
Line 12, column (d) includes 27,708 MWH relating to unbilled revenues

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**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	RESIDENTIAL SALES (440)					
2	1 Residential Service	3,283,153	196,064,700	281,961	11,644	0.0597
3	2 Residential Service					
4	3 Residential Service					
5	12 Res. & Farm Gen. Service	55,484	4,983,481	10,523	5,273	0.0898
6	15 MOPS II Residential					
7	22 Res. & Farm Lg. Gen. Service	55,282	3,237,518	84	658,119	0.0586
8	30 Pumping-Special		6			
9	32 Res. & Farm Pumping Service	10,022	665,672	1,468	6,827	0.0664
10	48 Res. & Farm Area Lighting	5,101	884,681			0.1734
11	49 Area Lighting-High-Press.	284	63,664			0.2242
12	56 Centralia Refund					
13	95 Wind Power		151,454			
14	72 Residential Service					
15	73 Residential Service					
16	74 Residential Service					
17	76 Residential Service					
18	77 Residential Service					
19	58A Tax Adjustment		-33,532			
20	58 Tax Adjustment		5,407,991			
21	SubTotal	3,409,326	211,425,635	294,036	11,595	0.0620
22	Residential-Unbilled	10,206	508,776			0.0499
23	Total Residential Sales	3,419,532	211,934,411	294,036	11,630	0.0620
24						
25	COMMERCIAL SALES (442)					
26	2 General Service					
27	3 General Service					
28	11 General Service	606,761	50,530,570	31,870	19,039	0.0833
29	13 MOPS II Commercial					
30	16 MOPS II Commercial					
31	19 Contract-General Service					
32	21 Large General Service	1,940,506	124,748,170	4,491	432,088	0.0643
33	25 Extra Lg. Gen. Service	344,145	14,761,475	13	26,472,692	0.0429
34	28 Contract-Extra Large Serv					
35	31 Pumping Service	82,194	4,814,927	908	90,522	0.0586
36	47 Area Lighting-Sod. Vap	7,160	1,091,384			0.1524
37	49 Area Lighting-High-Press.	2,223	387,304			0.1742
38	56 Centralia Refund					
39	95 Wind Power		17,937			
40	74 Large General Service					
41	TOTAL Billed	12,659,469	733,238,085	333,260	37,987	0.0579
42	Total Unbilled Rev.(See Instr. 6)	27,708	1,254,895	0	0	0.0453
43	TOTAL	12,687,177	734,492,980	333,260	38,070	0.0579

**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	75 Large General Service					
2	76 Large General Service					
3	77 General Service					
4	58A Tax Adjustment		-35,580			
5	58 Tax Adjustment		6,655,926			
6	SubTotal	2,982,989	202,972,113	37,282	80,012	0.0680
7	Commercial-Unbilled	11,227	507,858			0.0452
8	Total Commercial	2,994,216	203,479,971	37,282	80,313	0.0680
9						
10	INDUSTRIAL SALES (442)					
11	2 General Service					
12	3 General Service					
13	8 Lg Gen Time of Use					
14	11 General Service	6,556	568,837	246	26,650	0.0868
15	16 MOPS II Industrial					
16	21 Large General Service	195,300	12,101,120	203	962,069	0.0620
17	25 Extra Lg. Gen. Service	1,802,989	73,302,899	23	78,390,826	0.0407
18	28 Contract - Extra Large Service	201	196,842	1	201,000	0.9793
19	29 Contract Lg. Gen. Service					
20	30 Pumping Service - Special	23,749	1,184,621	40	593,725	0.0499
21	31 Pumping Service	51,520	3,172,769	736	70,000	0.0616
22	32 Pumping Svc Res & Firm	4,062	240,252	158	25,709	0.0591
23	47 Area Lighting-Sod. Vap.	238	32,016			0.1345
24	49 Area Lighting - High-Press	51	8,210			0.1610
25	95 Wind Power		110			
26	72 General Service					
27	73 General Service					
28	74 Large General Service					
29	75 Large General Service					
30	76 Pumping Service					
31	77 General Service					
32	58A Tax Adjustment		-872			
33	58 Tax Adjustment		506,791			
34	SubTotal	2,084,666	91,313,595	1,407	1,481,639	0.0438
35	Industrial-Unbilled	6,275	238,261			0.0380
36	Total Industrial	2,090,941	91,551,856	1,407	1,486,099	0.0438
37						
38	STREET AND HWY LIGHTING (444)					
39	6 Mercury Vapor St. Ltg.					
40	7 HP Sodium Vap. St. Ltg.					
41	TOTAL Billed	12,659,469	733,238,085	333,260	37,987	0.0579
42	Total Unbilled Rev.(See Instr. 6)	27,708	1,254,895	0	0	0.0453
43	TOTAL	12,687,177	734,492,980	333,260	38,070	0.0579

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	11 General Service	142	12,902	25	5,680	0.0909
2	41 Co-Owned St. Lt. Service	167	30,128	17	9,824	0.1804
3	42 Co-Owned St. Lt. Service	18,554	4,269,468	311	59,659	0.2301
4	High-Press. Sod. Vap.					
5	43 Cust-Owned St. Lt. Energy	68	5,700	2	34,000	0.0838
6	and Maint. Service					
7	44 Cust-Owned St. Lt. Energy	807	89,960	30	26,900	0.1115
8	and Maint. Svce - High-Press					
9	Sodium Vapor					
10	45 Cust. Owned St. Lt. Energy Svc	2,209	101,356	10	220,900	0.0459
11	46 Cust. Owned St. Lt. Energy Svc	3,113	218,722	25	124,520	0.0703
12	58A Tax Adjustment		-257			
13	58 Tax Adjustment		169,564			
14	SubTotal	25,060	4,897,543	420	59,667	0.1954
15	Street & Hwy Lighting-Unbilled					
16	Total Street & Hwy Lighting	25,060	4,897,543	420	59,667	0.1954
17						
18	OTHER SALES TO PUBLIC					
19	(445)					
20	None					
21						
22	INTERDEPARTMENTAL SALES	12,925	825,393	69	187,319	0.0639
23	58 Tax Adjustment					
24	Total Interdepartmental	12,925	825,393	69	187,319	0.0639
25						
26	SALES FOR RESALE (447)					
27	61 Sales to Other Utilities (NDA)	4,144,503	221,803,806	46	90,097,891	0.0535
28						
29						
30	Total Sales for Resale	4,144,503	221,803,806	46	90,097,891	0.0535
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	12,659,469	733,238,085	333,260	37,987	0.0579
42	Total Unbilled Rev.(See Instr. 6)	27,708	1,254,895	0	0	0.0453
43	TOTAL	12,687,177	734,492,980	333,260	38,070	0.0579

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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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	American Electric Power	SF	WSP			
2	BC Transmission Corp.	SF	WSP			
3	BP Energy Company	SF	WSP			
4	Arizona Public Service	SF	WSP			
5	Benton County Public Utility District	SF	WSP			
6	Black Hills Power, Inc.	SF	WSP			
7	Bonneville Power Administration	SF	WSP			
8	Burbank, City of	SF	WSP			
9	Calpine Corporation	SF	WSP			
10	Cargill Power Markets, LLC	SF	WSP			
11	Chelan County PUD No. 1	SF	WSP			
12	Chelan County PUD No. 1	SF	Tariff 10			
13	Clatskanie Peoples PUD	SF	WSP			
14	Cogentrix Energy Power Marketing, Inc.	IF	Tariff 9			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
22,000		1,675,440		1,675,440	1
32		1,777		1,777	2
295,950		13,963,158		13,963,158	3
					4
4,469		237,094		237,094	5
125		7,069		7,069	6
17,547		1,056,858		1,056,858	7
800		73,400		73,400	8
10,243		525,989		525,989	9
15,610		973,297		973,297	10
18		1,200		1,200	11
	50			50	12
1,365		59,580		59,580	13
953		47,300		47,300	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447)**

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Cogentrix Energy Power Marketing, Inc.	IF	Tariff 10			
2	Conoco Phillips	SF	WSP			
3	Conoco Phillips	SF	Tariff 10			
4	Constellation Energy Commodities Group	SF	WSP			
5	Coral Power, LLC	SF	WSP			
6	Douglas County PUD No. 1	SF	WSP			
7	El Paso Merchant Energy LP	SF	WSP			
8	Enmax Energy Marketing, Inc.	SF	WSP			
9	EPCOR Merchant & Capital US	SF	WSP			
10	Eugene Water & Electric Board	SF	WSP			
11	Franklin County PUD No. 1	SF	WSP			
12	Grant County PUD No. 2	SF	WSP			
13	Grant County PUD No. 2	SF	Tariff 10			
14	Grays Harbor County PUD No. 1	SF	WSP			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
	3,753			3,753	1
6,662		267,302		267,302	2
	67,722			67,722	3
193,527		8,442,686		8,442,686	4
26,531		1,578,663		1,578,663	5
781		43,358		43,358	6
					7
1,200		89,745		89,745	8
1,433		80,191		80,191	9
4,573		262,165		262,165	10
2,296		118,305		118,305	11
15,542		795,805		795,805	12
					13
3,358		205,000		205,000	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
<b>4,144,503</b>	<b>4,027,617</b>	<b>212,215,138</b>	<b>5,561,051</b>	<b>221,803,806</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Hinson Power Company	SF	WSPP			
2	Idaho Power Company	SF	WSPP			
3	Idaho Power Company	SF	Tariff 10			
4	J. Aron and Company	SF	WSPP			
5	Klamath Falls, City of	SF	WSPP			
6	Los Angeles Dept of Water & Power	SF	WSPP			
7	MIECO	SF	WSPP			
8	Mirant Americas Energy Marketing LP	SF	WSPP			
9	Mirant Americas Energy Marketing LP	IF	Tariff 9			
10	Mirant Americas Energy Marketing LP	IF	Tariff 10			
11	Modesto Irrigation District	SF	WSPP			
12	Morgan Stanley	SF	WSPP			
13	NorthWestern Energy LLC	SF	WSPP			
14	NorthWestern Energy LLC	SF	Tariff 10			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
400		32,800		32,800	1
33,147		1,942,654		1,942,654	2
	14,925			14,925	3
134,206		6,501,212		6,501,212	4
55		2,200		2,200	5
55,225		4,938,099		4,938,099	6
					7
2,600		104,750		104,750	8
153		7,081		7,081	9
	45,749			45,749	10
61,571		4,815,016		4,815,016	11
576,221		25,118,006		25,118,006	12
51,929		2,510,121		2,510,121	13
	1,287,316			1,287,316	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
<b>4,144,503</b>	<b>4,027,617</b>	<b>212,215,138</b>	<b>5,561,051</b>	<b>221,803,806</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
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 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	NorthWestern Energy LLC	LF	Tariff 9			
2	NorthWestern Energy LLC	IF	Tariff 10			
3	NorthWestern Energy LLC	IF	Tariff 9			
4	Okanogan County PUD	SF	Tariff 9			
5	PNGC Power	SF	WSPP			
6	PacifiCorp	SF	WSPP			
7	PacifiCorp	SF	Tariff 10			
8	PacifiCorp	LF	Tariff 9			
9	Peaker LLC	LF	Tariff 10			
10	Pend Oreille Public Utility District	IF	Tariff 10			
11	Pend Oreille Public Utility District	IF	Tariff 9			
12	Pend Oreille Public Utility District	SF	Tariff 10			
13	Pend Oreille Public Utility District	SF	Tariff 9			
14	Portland General Electric Company	SF	WSPP			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
8,187		488,913		488,913	1
	92,700			92,700	2
1,308		133,358		133,358	3
16,426		823,286		823,286	4
9,485		410,705		410,705	5
77,570		5,140,437		5,140,437	6
	52,610			52,610	7
5,210		311,126		311,126	8
	1,736,420			1,736,420	9
	408,399			408,399	10
5,714		252,001		252,001	11
	62,698			62,698	12
10,440		830,935		830,935	13
1,138,626		65,273,795		65,273,795	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Portland General Electric Company	SF	Tariff 10			
2	Powerex	SF	WSPP			
3	P P L Montana	SF	WSPP			
4	P P L Montana	SF	Tariff 10			
5	P P L Montana	LF	Tariff 9			
6	PPM Energy, Inc.	SF	WSPP			
7	Public Service of Colorado	SF	WSPP			
8	Puget Sound Energy	SF	WSPP			
9	Puget Sound Energy	SF	Tariff 10			
10	Puget Sound Energy	LF	Tariff 9			
11	Rainbow Energy Marketing	SF	WSPP			
12	Redding, City of	SF	WSPP			
13	Sacramento Municipal Utility District	SF	WSPP			
14	San Diego Gas and Electric	SF	WSPP			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.  
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
	1,690			1,690	1
159,912		6,923,528		6,923,528	2
10,787		537,943		537,943	3
	168,333			168,333	4
18,606		1,111,165		1,111,165	5
152,372		7,873,387		7,873,387	6
14,834		601,494		601,494	7
37,069		1,950,349		1,950,349	8
	3,280			3,280	9
23,816		1,422,292		1,422,292	10
54,703		3,057,751		3,057,751	11
80,886		3,902,304		3,902,304	12
166,161		9,470,529		9,470,529	13
8		536		536	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
<b>4,144,503</b>	<b>4,027,617</b>	<b>212,215,138</b>	<b>5,561,051</b>	<b>221,803,806</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Seattle City Light	SF	WSPP			
2	Seattle City Light	SF	Tariff 10			
3	Sempra Energy Solutions	SF	WSPP			
4	Sempra Energy Trading	SF	WSPP			
5	Sierra Pacific Power Company	SF	WSPP			
6	Silicon Valley Power	SF	WSPP			
7	Snohomish County PUD	SF	WSPP			
8	Southern California Edison	SF	WSPP			
9	Sovereign Power	LF	Tariff 9			
10	Sovereign Power	LF	Tariff 10			
11	Suez Energy Marketing NA, Inc	SF	WSPP			
12	Tacoma Power	SF	WSPP			
13	Tacoma Power	SF	Tariff 10			
14	TransAlta Energy Marketing	SF	WSPP			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
5,857		336,466		336,466	1
					2
600		43,500		43,500	3
282,770		13,353,660		13,353,660	4
15,429		1,101,761		1,101,761	5
					6
4,460		227,545		227,545	7
2,528		218,160		218,160	8
1,754		76,949		76,949	9
	81,427			81,427	10
31,790		1,963,900		1,963,900	11
1,455		49,375		49,375	12
	545			545	13
163,944		7,353,993		7,353,993	14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
<b>4,144,503</b>	<b>4,027,617</b>	<b>212,215,138</b>	<b>5,561,051</b>	<b>221,803,806</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
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 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	TransCanada Energy Ltd.	SF	WSPP			
2	Turlock Irrigation District	SF	WSPP			
3	UBS AG (London Branch)	SF	WSPP			
4	Western Area Power Admin UGP	SF	WSPP			
5	IntraCompany Wheeling	LF				
6	IntraCompany Generation	LF				
7	Revenue Adjustment	AD				
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
16,586		923,424		923,424	2
84,600		5,086,500		5,086,500	3
2		75		75	4
		-5,513,325	5,513,325		5
			44,105	44,105	6
86			3,621	3,621	7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
4,144,503	4,027,617	212,215,138	5,561,051	221,803,806	
<b>4,144,503</b>	<b>4,027,617</b>	<b>212,215,138</b>	<b>5,561,051</b>	<b>221,803,806</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	<b>1. POWER PRODUCTION EXPENSES</b>		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	219,166	261,185
5	(501) Fuel	23,116,610	19,452,596
6	(502) Steam Expenses	1,710,478	1,663,914
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	787,042	755,670
10	(506) Miscellaneous Steam Power Expenses	1,724,147	2,052,829
11	(507) Rents	14,476	18,573
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	27,571,919	24,204,767
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	417,575	413,094
16	(511) Maintenance of Structures	474,041	475,061
17	(512) Maintenance of Boiler Plant	3,564,020	4,299,893
18	(513) Maintenance of Electric Plant	402,371	540,369
19	(514) Maintenance of Miscellaneous Steam Plant	505,402	731,802
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	5,363,409	6,460,219
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	32,935,328	30,664,986
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	1,527,418	1,418,458
45	(536) Water for Power	761,465	837,720
46	(537) Hydraulic Expenses	2,309,921	2,251,219
47	(538) Electric Expenses	4,160,958	4,089,537
48	(539) Miscellaneous Hydraulic Power Generation Expenses	585,348	545,988
49	(540) Rents	687,125	554,294
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	10,032,235	9,697,216

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	363,580	318,133
54	(542) Maintenance of Structures	598,819	315,229
55	(543) Maintenance of Reservoirs, Dams, and Waterways	532,575	1,164,438
56	(544) Maintenance of Electric Plant	2,003,438	2,358,419
57	(545) Maintenance of Miscellaneous Hydraulic Plant	431,231	177,230
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	3,929,643	4,333,449
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	13,961,878	14,030,665
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	872,108	902,645
63	(547) Fuel	71,182,560	20,226,327
64	(548) Generation Expenses	1,242,686	362,585
65	(549) Miscellaneous Other Power Generation Expenses	372,431	241,309
66	(550) Rents	3,550,181	4,694,210
67	TOTAL Operation (Enter Total of lines 62 thru 66)	77,219,966	26,427,076
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	111,465	194,528
70	(552) Maintenance of Structures	1,074,490	57,619
71	(553) Maintenance of Generating and Electric Plant	1,501,232	2,127,821
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	265,359	127,958
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	2,952,546	2,507,926
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	80,172,512	28,935,002
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	257,077,620	172,891,720
77	(556) System Control and Load Dispatching	679,530	1,174,128
78	(557) Other Expenses	67,517,684	116,339,551
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	325,274,834	290,405,399
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	452,344,552	364,036,052
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,604,219	1,760,093
84	(561) Load Dispatching	1,520,559	1,312,895
85	(562) Station Expenses	225,658	164,364
86	(563) Overhead Lines Expenses	139,096	175,275
87	(564) Underground Lines Expenses		
88	(565) Transmission of Electricity by Others	9,846,677	9,455,394
89	(566) Miscellaneous Transmission Expenses	670,773	409,169
90	(567) Rents	70,626	154,809
91	TOTAL Operation (Enter Total of lines 83 thru 90)	14,077,608	13,431,999
92	Maintenance		
93	(568) Maintenance Supervision and Engineering	368,665	418,183
94	(569) Maintenance of Structures	154,312	6,067
95	(570) Maintenance of Station Equipment	786,451	1,327,652
96	(571) Maintenance of Overhead Lines	808,075	921,940
97	(572) Maintenance of Underground Lines	883	9,487
98	(573) Maintenance of Miscellaneous Transmission Plant	131,689	
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)	2,250,075	2,683,329
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)	16,327,683	16,115,328
101	3. DISTRIBUTION EXPENSES		
102	Operation		
103	(580) Operation Supervision and Engineering	958,296	702,835

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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
104	<b>3. DISTRIBUTION Expenses (Continued)</b>		
105	(581) Load Dispatching		
106	(582) Station Expenses	352,654	296,918
107	(583) Overhead Line Expenses	1,734,484	1,994,189
108	(584) Underground Line Expenses	1,419,758	1,417,051
109	(585) Street Lighting and Signal System Expenses	193,835	244,195
110	(586) Meter Expenses	953,987	1,091,315
111	(587) Customer Installations Expenses	818,573	325,586
112	(588) Miscellaneous Expenses	4,100,378	3,710,810
113	(589) Rents	214,555	331,507
114	TOTAL Operation (Enter Total of lines 103 thru 113)	10,746,520	10,114,406
115	<b>Maintenance</b>		
116	(590) Maintenance Supervision and Engineering	1,140,694	777,831
117	(591) Maintenance of Structures	158,925	6,799
118	(592) Maintenance of Station Equipment	645,406	770,390
119	(593) Maintenance of Overhead Lines	6,287,784	5,557,253
120	(594) Maintenance of Underground Lines	879,766	696,888
121	(595) Maintenance of Line Transformers	456,523	642,918
122	(596) Maintenance of Street Lighting and Signal Systems	415,324	295,801
123	(597) Maintenance of Meters	129,670	33,333
124	(598) Maintenance of Miscellaneous Distribution Plant	379,012	212,414
125	TOTAL Maintenance (Enter Total of lines 116 thru 124)	10,493,104	8,993,627
126	TOTAL Distribution Exp (Enter Total of lines 114 and 125)	21,239,624	19,108,033
127	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>		
128	<b>Operation</b>		
129	(901) Supervision	673,887	88,890
130	(902) Meter Reading Expenses	2,641,237	2,604,323
131	(903) Customer Records and Collection Expenses	7,882,859	7,858,766
132	(904) Uncollectible Accounts	1,461,071	1,754,889
133	(905) Miscellaneous Customer Accounts Expenses	518,206	568,849
134	TOTAL Customer Accounts Expenses (Total of lines 129 thru 133)	13,177,260	12,875,717
135	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
136	<b>Operation</b>		
137	(907) Supervision		
138	(908) Customer Assistance Expenses	10,729,317	11,271,463
139	(909) Informational and Instructional Expenses	40,594	238,029
140	(910) Miscellaneous Customer Service and Informational Expenses	106,777	93,048
141	TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140)	10,876,688	11,602,540
142	<b>6. SALES EXPENSES</b>		
143	<b>Operation</b>		
144	(911) Supervision		
145	(912) Demonstrating and Selling Expenses	412,421	1,004,902
146	(913) Advertising Expenses	136,922	135,227
147	(916) Miscellaneous Sales Expenses	77,176	10,941
148	TOTAL Sales Expenses (Enter Total of lines 144 thru 147)	626,519	1,151,070
149	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
150	<b>Operation</b>		
151	(920) Administrative and General Salaries	17,783,546	16,049,712
152	(921) Office Supplies and Expenses	3,899,968	5,827,150
153	(Less) (922) Administrative Expenses Transferred-Credit	23,528	22,032

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)		
155	(923) Outside Services Employed	9,289,933	8,226,786
156	(924) Property Insurance	1,052,011	1,167,710
157	(925) Injuries and Damages	2,703,992	3,711,299
158	(926) Employee Pensions and Benefits	1,102,278	1,005,484
159	(927) Franchise Requirements	6,350	5,900
160	(928) Regulatory Commission Expenses	4,471,706	4,041,923
161	(929) (Less) Duplicate Charges-Cr.		
162	(930.1) General Advertising Expenses	-19,950	65,289
163	(930.2) Miscellaneous General Expenses	2,933,810	3,085,801
164	(931) Rents	2,464,363	4,503,122
165	TOTAL Operation (Enter Total of lines 151 thru 164)	45,664,479	47,668,144
166	Maintenance		
167	(935) Maintenance of General Plant	5,170,392	3,497,401
168	TOTAL Admin & General Expenses (Total of lines 165 thru 167)	50,834,871	51,165,545
169	TOTAL Elec Op and Maint Expn (Tot 80, 100, 126, 134, 141, 148, 168)	565,427,197	476,054,285

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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	American Electric Power	SF	WSPP			
2	Arizona Public Service	SF	WSPP			
3	Atco Power Canada	SF	WSPP			
4	BP Energy Company	SF	WSPP			
5	Benton County PUD No. 1	SF	WSPP			
6	Black Creek Hydro	LU	FERC #1			
7	Black Hills Power	SF	WSPP			
8	Bonneville Power Administration	LF	WNP#3 Agr.			
9	Bonneville Power Administration	SF	WSPP			
10	Bonneville Power Administration	EX	NWPP			
11	Bonneville Power Administration	OS	BPA OATT			
12	Bonneville Power Administration	LF	FERC #105			
13	Calpine Corporation	SF	WSPP			
14	Cargill Power Markets, LLC	SF	WSPP			
	Total					

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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PURCHASED POWER (Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
82,000				5,242,800		5,242,800	1
2,200				94,500		94,500	2
100				4,300		4,300	3
93,600				6,041,400		6,041,400	4
2,895				152,730		152,730	5
3,839				199,628		199,628	6
1,050				81,600		81,600	7
403,700				11,255,432		11,255,432	8
93,181				4,982,963		4,982,963	9
	72,381	71,126			420,932	420,932	10
			18,276			18,276	11
					-1,405,241	-1,405,241	12
35,849				1,872,951		1,872,951	13
24,819				1,568,895		1,568,895	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

**RQ** - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

**LF** - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

**IF** - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

**SF** - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

**LU** - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

**IU** - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

**EX** - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

**OS** - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Chelan County PUD No. 1	LU	Rocky Reach			
2	Chelan County PUD No. 1	SF	WSPP			
3	City of Burbank	SF	WSPP			
4	City of Klamath Falls	SF	WSPP			
5	City of Redding	SF	WSPP			
6	City of Spokane	LU	PURPA			
7	Clatskanie Peoples PUD	SF	WSPP			
8	Constellation Energy Commodities Group	SF	WSPP			
9	Coral Power	SF	WSPP			
10	Douglas County PUD No. 1	LU	Wells			
11	Douglas County PUD No. 1	LU	Wells Settlement			
12	Douglas County PUD No. 1	SF	WSPP			
13	Douglas County PUD No. 1	EX	305			
14	Duke Energy Trading & Marketing	IF	WSPP			
	Total					

PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
162,851				1,984,312		1,984,312	1
7,816				381,260		381,260	2
800				61,200		61,200	3
401				49,705		49,705	4
3,397				171,469		171,469	5
51,484				2,003,804		2,003,804	6
130				6,715		6,715	7
105,672				6,407,150		6,407,150	8
4,006				259,573		259,573	9
118,899				1,089,888		1,089,888	10
32,519				473,745		473,745	11
44,792				2,606,241		2,606,241	12
	168,395	168,935	1,631,000			1,631,000	13
438,000				12,811,500		12,811,500	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	El Paso Marketing	IF	WSPP			
2	EPCOR Merchant & Capital US	SF	WSPP			
3	Eugene Water & Electric Board	SF	WSPP			
4	Ford Hydro Limited Partnership	LU	PURPA			
5	Franklin County PUD No. 1	SF	WSPP			
6	Grant County PUD No. 2	LU	Wanapum			
7	Grant County PUD No. 2	LU	Priest Rapids			
8	Grant County PUD No. 2	LU	PR Displacement			
9	Grant County PUD No. 2	SF	WSPP			
10	Grays Harbor County PUD No. 1	SF	WSPP			
11	Haleywest LLC	IU	PURPA			
12	Hydro Technology Systems	LU	PURPA			
13	Idaho Power Company	SF	WSPP			
14	Inland Power & Light Company	RQ	Mkt Tariff			
	Total					

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555), (Continued)**  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
219,000				6,953,250		6,953,250	1
210				9,100		9,100	2
10,794				612,359		612,359	3
3,781				175,802		175,802	4
688				41,855		41,855	5
321,371				3,256,749		3,256,749	6
239,794				1,904,535		1,904,535	7
21,318				738,055		738,055	8
39,972				2,053,705		2,053,705	9
1,277				76,884		76,884	10
36,846				1,410,830		1,410,830	11
7,855				223,304		223,304	12
1,650				138,200		138,200	13
38				4,860		4,860	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	J Aron and Company	SF	WSPP			
2	Jim White	LU	PURPA			
3	John Day Hydro	LU	PURPA			
4	Mirant Americas Energy Marketing LP	SF	WSPP			
5	Mirant Americas Energy Marketing LP	IF	294			
6	Modesto Irrigation District	SF	WSPP			
7	Morgan Stanley Capital Group	IF	WSPP			
8	Morgan Stanley Capital Group	SF	WSPP			
9	NorthWestern Energy LLC	SF	WSPP			
10	Okanogan County PUD No. 1	SF	WSPP			
11	Pacific Northwest Generating Co-op	SF	WSPP			
12	PacifiCorp	SF	WSPP			
13	PacifiCorp	SF	WSPP			
14	PPL Montana, LLC	SF	WSPP			
	Total					

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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PURCHASED POWER (Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
74,800				3,479,050		3,479,050	1
1,362				94,959		94,959	2
2,199				79,510		79,510	3
9,444				342,836		342,836	4
1,807				74,366		74,366	5
800				30,400		30,400	6
219,000				6,132,000		6,132,000	7
204,018				10,525,104		10,525,104	8
69,623				3,384,063		3,384,063	9
35,932				1,940,355		1,940,355	10
6,332				330,636		330,636	11
92,497				5,408,151		5,408,151	12
			375			375	13
524,364				27,892,864		27,892,864	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	PPL Montana, LLC	SF	PPL Montana			
2	PPM Energy	LF	PPM Energy			
3	PPM Energy	SF	WSPP			
4	Pend Oreille County PUD No. 1	SF	Pend Oreille PUD			
5	Pend Oreille County PUD No. 1	EX	NWPP			
6	Phillips Ranch	LU	PURPA			
7	Pinnacle West Capital Corp	SF	WSPP			
8	Portland General Electric Company	EX	304			
9	Portland General Electric Company	EX	178			
10	Portland General Electric Company	SF	WSPP			
11	Potlatch Corporation	LU	PURPA			
12	Powerex Corp	SF	WSPP			
13	Public Service of Colorado	SF	WSPP			
14	Puget Sound Energy	SF	WSPP			
	Total					

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
			905			905	1
54,136				1,983,002		1,983,002	2
18,554				1,000,313		1,000,313	3
78,044				3,774,803		3,774,803	4
	17,475	19,997			32,322	32,322	5
55				1,720		1,720	6
8,800				439,500		439,500	7
	9,804	10,419					8
	458,285	455,945					9
781,952				47,423,043		47,423,043	10
517,623				22,216,379		22,216,379	11
61,486				4,884,765		4,884,765	12
4,376				181,666		181,666	13
52,015				2,937,358		2,937,358	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Puget Sound Energy	EX	NWPP			
2	Rainbow Energy Marketing Corp	SF	WSPP			
3	Sacramento Municipal Utility District	SF	WSPP			
4	Seattle City Light	SF	WSPP			
5	Sempra Energy Solutions	SF	WSPP			
6	Sempra Energy Trading	SF	WSPP			
7	Sheep Creek Hydro	LU	PURPA			
8	Sierra Pacific Power Company	SF	WSPP			
9	Silicon	SF	WSPP			
10	Snohomish County PUD No. 1	SF	WSPP			
11	Sovereign Power	IF	Sovereign			
12	Suez Energy Marketing	SF	WSPP			
13	Tacoma Power	SF	WSPP			
14	Tacoma Power	SF	WSPP			
	<b>Total</b>					

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
	54	54					1
115,780				7,137,140		7,137,140	2
876				38,127		38,127	3
10,962				549,306		549,306	4
8,200				762,300		762,300	5
109,200				5,713,400		5,713,400	6
9,072				528,814		528,814	7
400				29,200		29,200	8
27				1,613		1,613	9
9,582				540,607		540,607	10
4,565				295,450		295,450	11
14,595				1,077,290		1,077,290	12
11,865				682,271		682,271	13
			1,100			1,100	14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Tractebel Energy Mkt	SF	WSPP			
2	TransAlta Energy Marketing	SF	WSPP			
3	Turlock Irrigation District	SF	WSPP			
4	UBS AG	SF	WSPP			
5	IntraCompany Generation Services	LF				
6	IntraCompany Losses	SF				
7	Other - Inadvertent Interchange	EX				
8						
9						
10						
11						
12						
13						
14						
	<b>Total</b>					

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**PURCHASED POWER (Account 555) (Continued)**  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
3,200				149,200		149,200	1
59,667				3,419,920		3,419,920	2
928				41,216		41,216	3
223,240				13,407,900		13,407,900	4
					44,105	44,105	5
	20,700						6
	104						7
							8
							9
							10
							11
							12
							13
							14
6,019,972	747,198	726,476	1,651,656	256,333,846	-907,882	257,077,620	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Avista Energy	Northwestern Energy	Idaho Power	NF
2	Avista Energy	Bonneville Power Administration	Chelan PUD	NF
3	Avista Energy	Northwestern Energy	Chelan PUD	NF
4	Avista Energy	Bonneville Power Administration	Puget Sound Energy	NF
5	Avista Energy	Northwestern Energy	Bonneville Power Administration	NF
6	Avista Energy	Northwestern Energy	Portland General Electric	NF
7	Avista Energy	Bonneville Power Administration	Pacificorp	NF
8	Bonneville Power Administration	Bonneville Power Administration	Bonneville Power Administration	LFP
9	Bonneville Power Administration	Bonneville Power Administration	Idaho Power Company	NF
10	Bonneville Power Administration	Bonneville Power Administration	Idaho Power Company	SFP
11	Consolidated Irrigation District	Bonneville Power Administration	Consolidated Irrigation District	LFP
12	Grant County Public Utility District	Grant County Public Utility Dist	Grant County Public Utility Dist	LFP
13	PPL Montana	Avista Corporation	Northwestern Energy	LFP
14	PPL Montana	Northwestern Energy	Douglas PUD	NF
15	PPL Montana	Northwestern Energy	Pacificorp	NF
16	PPL Montana	Northwestern Energy	Portland General Electric	NF
17	PPL Montana	Northwestern Energy	Chelan Public Utility District	NF
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC Elc Trf,				60	60	1
FERC Elc Trf,				5,115	5,115	2
FERC Elc Trf,				8,475	8,475	3
FERC Elc Trf,				20	20	4
FERC Elc Trf,				929	929	5
FERC Elc Trf,				165	165	6
FERC Elc Trf,				10	10	7
FERC No.				1,717,181	1,717,181	8
FERC Elc Trf,				913	913	9
FERC Elc Trf,				5,966	5,966	10
FERC Elc Trf			4	5,666	5,666	11
FERC No.	Larson Substation	Round Lk Coulee City	25	93,739	93,739	12
FERC Elc Trf,			15	1,270	1,270	13
FERC Elc Trf,				480	480	14
FERC Elc, Trf,				14,490	14,490	15
FERC Elc, Trf,				4,790	4,790	16
FERC Elc, Trf,				14,171	14,171	17
			212	3,603,657	3,603,657	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	190		190	1
	15,958		15,958	2
	26,193		26,193	3
	62		62	4
	2,821		2,821	5
	521		521	6
	31		31	7
7,004,904			7,004,904	8
	5,202		5,202	9
16,150			16,150	10
32,583		57,376	89,959	11
33,172			33,172	12
21,000			21,000	13
	1,224		1,224	14
	41,878		41,878	15
	12,391		12,391	16
	42,540		42,540	17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	PPL Montana	Northwestern Energy	Grant Public Utility District	NF
2	PPL Montana	Idaho Power Company	Grant Public Utility District	NF
3	PPL Montana	Idaho Power Company	Chelan Public Utility District	NF
4	PPL Montana	Idaho Power Company	Bonneville Power Administration	NF
5	PPL Montana	Pacificorp	Northwestern Energy	NF
6	PPL Montana	Northwestern Energy	Idaho Power Company	NF
7	PPL Montana	Northwestern Energy	Puget Sound Energy	NF
8	PPL Montana	Northwestern Energy	Bonneville Power Administration	NF
9	PPL Montana	Idaho Power Company	Puget Sound Energy	NF
10	PPL Montana	Northwestern Energy	Idaho Power Company	SFP
11	PPL Montana	Northwestern Energy	Chelan Public Utility District	SFP
12	Idaho Power Company	Portland General Electric	Idaho Power company	NF
13	Idaho Power Company	Puget Sound Energy	Idaho Power Company	NF
14	Idaho Power Company	Grant County PUD	Idaho Power Company	NF
15	Idaho Power Company	Idaho Power Company	Bonneville Power Administration	NF
16	Idaho Power Company	Bonneville Power Administration	Idaho Power Company	NF
17	Idaho Power Company	Bonneville Power Administration	Portland General Electric	NF
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC Elc, Trf,				4,155	4,155	1
FERC Elc, Trf,				20	20	2
FERC Elc, Trf,				285	285	3
FERC Elc, Trf,				1,284	1,284	4
FERC Elc, Trf,				50	50	5
FERC Elc, Trf,				34,712	34,712	6
FERC Elc, Trf,				7,207	7,207	7
FERC Elc, Trf,				49,349	49,349	8
FERC Elc, Trf,				89	89	9
FERC Elc, Trf,				18,987	18,987	10
FERC Elc, Trf,				66,151	66,151	11
FERC Elc, Trf,				390	390	12
FERC Elc, Trf,				1,225	1,225	13
FERC Elc, Trf,				339	339	14
FERC Elc, Trf,				9,731	9,731	15
FERC Elc, Trf,				33,982	33,982	16
FERC Elc, Trf,				675	675	17
			<b>212</b>	<b>3,603,657</b>	<b>3,603,657</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	11,984		11,984	1
	68		68	2
	966		966	3
	4,351		4,351	4
	150		150	5
	96,950		96,950	6
	19,612		19,612	7
	138,397		138,397	8
	302		302	9
53,821			53,821	10
168,014			168,014	11
	1,325		1,325	12
	4,032		4,032	13
	1,207		1,207	14
	29,443		29,443	15
	104,085		104,085	16
	2,025		2,025	17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Idaho Power Company	Northwestern Energy	Idaho Power Company	NF
2	Idaho Power Company	Tacoma City Light	Idaho Power Company	NF
3	Idaho Power Company	Chelan Public Utility District	Idaho Power Company	NF
4	Idaho Power Company	Bonneville Power Administration	Idaho Power company	SFP
5	Idaho Power Company	Grant County PUD	Idaho Power Company	SFP
6	Idaho Power Company	Portland General Electric	Idaho Power Company	SFP
7	Idaho Power Company	Portland Sound Energy	Idaho Power Company	SFP
8	Idaho Power Company	Chelan Public Utility District	Idaho Power Company	SFP
9	Idaho Power Company	Northwestern Energy	Idaho Power company	SFP
10	Northwestern Energy	Northwestern Energy	Bonneville Power Administration	NF
11	Northwestern Energy	Northwestern Energy	Puget Sound Energy	NF
12	Northwestern Energy	Northwestern Energy	Chelan Public utility Distric	NF
13	Northwestern Energy	Northwestern Energy	Portland General Electric	NF
14	Northwestern Energy	Northwestern Energy	Grant County PUD	NF
15	Northwestern Energy	Northwestern Energy	Pacificorp	NF
16	Northwestern Energy	Northwestern Energy	Idaho Power Company	SFP
17	Pacificorp	Northwestern Energy	Pacificorp	NF
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC Elc, Trf,				400	400	1
FERC Elc, Trf,				400	400	2
FERC Elc, Trf,				5,767	5,767	3
FERC Elc, Trf,				231,327	231,327	4
FERC Elc, Trf,				2,359	2,359	5
FERC Elc, Trf,				759	759	6
FERC Elc, Trf,				3,400	3,400	7
FERC Elc, Trf,				9,637	9,637	8
FERC Elc, Trf,				1,000	1,000	9
FERC Elc, Trf,				1,073	1,073	10
FERC Elc, Trf,				94	94	11
FERC Elc, Trf,				235	235	12
FERC Elc, Trf,				245	245	13
FERC Elc, Trf,				29	29	14
FERC Elc, Trf,				100	100	15
FERC Elc, Trf,						16
FERC Elc, Trf,				12,390	12,390	17
			<b>212</b>	<b>3,603,657</b>	<b>3,603,657</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	1,555		1,555	1
	1,555		1,555	2
	17,549		17,549	3
748,728			748,728	4
8,028			8,028	5
2,225			2,225	6
12,193			12,193	7
30,894			30,894	8
2,932			2,932	9
	3,724		3,724	10
	282		282	11
	982		982	12
	1,024		1,024	13
	121		121	14
	418		418	15
29,400			29,400	16
	49,200		49,200	17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Pacificorp	Pacificorp	Montana Power Company	NF
2	Pacificorp	Pacificorp	Bonneville Power Administration	NF
3	Pacificorp	Pacificorp	Bonneville Power Administration	SFP
4	PacifiCorp	PacifiCorp	PacifiCorp	LFP
5	Powerex	Northwestern Energy	Bonneville Power Administration	NF
6	Powerex	Northwestern Energy	Puget Sound Energy	NF
7	Powerex	Idaho Power Company	Bonneville Power Administration	NF
8	Powerex	Bonneville Power Administration	Idaho Power Company	SFP
9	Powerex	Bonneville Power Administration	Idaho Power Company	NF
10	Puget Sound Energy	Northwestern Energy	Idaho Power Company	NF
11	Puget Sound Energy	Northwestern Energy	Puget Sound Energy	NF
12	Puget Sound Energy	Idaho Power Company	Puget Sound Energy	NF
13	Puget Sound Energy	Northwestern Energy	Puget Sound Energy	SFP
14	Puget Sound Energy	Northwestern Energy	Chelan Public utility District	SFP
15	Portland General Electric	Northwestern Energy	Portland General Electric	NF
16	Portland General Electric	Northwestern Energy	Bonneville Power Administration	NF
17	Portland General Electric	Northwestern Energy	Chelan Public Utility District	NF
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatt-hours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC Elc, Trf,				2,334	2,334	1
FERC Elc, Trf,				136	136	2
FERC Elc, Trf,						3
FERC No. 182	Lolo-Walla Walla	Dry Gulch 115/60 KV	20	62,150	62,150	4
FERC Elc, Trf,				3,777	3,777	5
FERC Elc, Trf,				300	300	6
FERC Elc, Trf,				4,533	4,533	7
FERC Elc Trf,						8
FERC elc, Trf,				11,209	11,209	9
FERC Elc, Trf,				1,024	1,024	10
FERC Elc, Trf,				19,384	19,384	11
FERC Elc, Trf,				512	512	12
FERC Elc, Trf,				16,374	16,374	13
FERC Elc, Trf,				39,120	39,120	14
FERC Elc, Trf,				2,642	2,642	15
FERC Elc, Trf,				3,697	3,697	16
FERC Elc, Trf,				2,636	2,636	17
			<b>212</b>	<b>3,603,657</b>	<b>3,603,657</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	7,235		7,235	1
	1,500		1,500	2
6,460			6,460	3
247,752			247,752	4
	12,879		12,879	5
	1,126		1,126	6
	14,132		14,132	7
9,690			9,690	8
	67,422		67,422	9
	3,282		3,282	10
	64,095		64,095	11
	1,612		1,612	12
54,527			54,527	13
130,273			130,273	14
	15,248		15,248	15
	20,164		20,164	16
	6,108		6,108	17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Portland General Electric	Northwestern Energy	Bonneville Power Administration	SFP
2	Portland General Electric	Northwestern Energy	Chelan Public Utility	SFP
3	Portland General Electric	Northwestern Energy	Portland General Electric	SFP
4	Morgan Stanley Capital Group	Bonneville Power Administration	Idaho Power Company	NF
5	Morgan Stanley Capital Group	Grant County PUD	Idaho Power Company	NF
6	Morgan Stanley Capital Group	Chelan Public Utility District	Idaho Power Company	NF
7	Sierra Pacific Power Co.	Bonneville Power Administration	Idaho Power Company	NF
8	Sierra Pacific Power Co.	Northwestern Energy	Idaho Power Company	NF
9	Sierra Pacific Power Co.	Chelan Public Utility District	Idaho Power Company	NF
10	Sierra Pacific Power Co.	Northwestern Energy	Pacificorp	NF
11	Sierra Pacific Power Co.	Northwestern Energy	Idaho Power Company	SFP
12	Xcel Energy Services	Northwestern Energy	Bonneville Power Administration	NF
13	Cargill Power Markets	Bonneville Power Administration	Idaho Power company	NF
14	J. Aron	Bonneville Power Administration	Idaho Power Company	NF
15	J. Aron	Pacificorp	Idaho Power Company	NF
16	Seattle City Light	Seattle City Light	Seattle City Light	LFP
17	City of Spokane	City of Spokane	Puget Sound Energy	LFP
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC Elc, Trf,				3,120	3,120	1
FERC Elc, Trf,				12,638	12,638	2
FERC Elc, Trf,				9,181	9,181	3
FERC Elc, Trf,				344	344	4
FERC elc, Trf,				48	48	5
FERC Elc, Trf,				477	477	6
FERC Elc, Trf,				335,051	335,051	7
FERC Elc, Trf,				25,740	25,740	8
FERC Elc, Trf,				3,195	3,195	9
FERC Elc, Trf,				10,700	10,700	10
FERC Elc, Trf,				10,800	10,800	11
FERC Elc, Trf,						12
FERC Elc, Trf,				582	582	13
FERC Elc, Trf,				180	180	14
FERC Elc, Trf,				41	41	15
FERC No.	Main Canal/SmmrFalls	Bell Substation	58	236,742	236,742	16
FERC No.	Sunset Trans. Line	Westside Substation	23	147,325	147,325	17
			<b>212</b>	<b>3,603,657</b>	<b>3,603,657</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
22,327			22,327	1
33,921			33,921	2
24,643			24,643	3
	1,044		1,044	4
	144		144	5
	2,733		2,733	6
	783,232		783,232	7
	82,768		82,768	8
	8,622		8,622	9
	31,836		31,836	10
29,070			29,070	11
	252		252	12
	3,348		3,348	13
	564		564	14
	156		156	15
85,650			85,650	16
127,506		32,088	159,594	17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)**  
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Spokane Tribe of Indians	Bonneville Power Administration	Spokane Indian Tribes	LFP
2	Tacoma City Light	Tacoma City Light	Tacoma City Light	LFP
3	US Bureau of Reclamation	Bonneville Power Administration	East Greenacres	LFP
4	Vaagen Brothers Lumber Company	Vaagen Brothers Lumber Company	Idaho Power Company	LFP
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	<b>TOTAL</b>			

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
FERC No.	Westside Substation	Little Falls Substa.	2	3,029	3,029	1
FERC No.	Main Canal/SmmrFalls	Bell Substation	58	236,742	236,742	2
FERC No. 90.2	Bell Substation	E Greenacres Irr	3	3,787	3,787	3
FERC No.	Colville Substation	LoLo-Oxbow 230kv	4	22,821	22,821	4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
			<b>212</b>	<b>3,603,657</b>	<b>3,603,657</b>	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
33,538			33,538	1
85,650			85,650	2
29,235			29,235	3
67,488	21,561	20,789	109,838	4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
<b>9,151,774</b>	<b>1,791,381</b>	<b>110,253</b>	<b>11,053,408</b>	

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Bonneville Power Admin	LFP			1,172,808			1,172,808
2	Bonneville Power Admin	LFP			5,440,323			5,440,323
3	Bonneville Power Admin	LFP			713,736			713,736
4	Bonneville Power Admin	LFP			1,253,178			1,253,178
5	Bonneville Power Admin	NF	464	464		1,884		1,884
6	Bonneville Power Admin	NF	239	239		868	1,387	2,255
7	Bonneville Power Admin	NF	3,231	3,231		11,730	13,827	25,557
8	Grant County PUD	OS					6,752	6,752
9	Kootenai Electric Coop	LFP			32,112			32,112
10	NorthWestern Energy	NF	63,987	63,987		298,270		298,270
11	Northwestern Energy	SFP			56,262			56,262
12	Portland General Elec	LFP			642,588			642,588
13	Portland General Elec	NF	2,502	2,502	3,701	3,248		6,949
14	Puget Sound Energy	NF	3,839	3,839		11,010	12,024	23,034
15	Seattle City Light	NF	2,000	2,000		6,300		6,300
16	Snohomish PUD	NF	47,122	47,122		129,886		129,886
	<b>TOTAL</b>		136,502	136,502	9,314,708	497,979	33,990	9,846,677

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Tacoma Power	NF	13,118	13,118		34,783		34,783
2	TOTAL		136,502	136,502	9,314,708	497,979	33,990	9,846,677
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		136,502	136,502	9,314,708	497,979	33,990	9,846,677

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	475,604
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhdrs...expn servicing outstanding Securities	188,170
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	1,358,994
6	Community Relations	404,757
7	Educational - Informational	16,401
8	Other Miscellaneous General Expenses	137,613
9	Directors Fees and Expenses	352,271
10		
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46	TOTAL	2,933,810

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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- 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 C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			2,501,458		2,501,458
2	Steam Production Plant	11,543,625				11,543,625
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	5,643,515				5,643,515
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	9,417,668			2,450,031	11,867,699
7	Transmission Plant	8,460,229				8,460,229
8	Distribution Plant	16,721,396				16,721,396
9	General Plant	2,855,638				2,855,638
10	Common Plant-Electric	2,949,681		2,334,465		5,284,146
11	<b>TOTAL</b>	<b>57,591,752</b>		<b>4,835,923</b>	<b>2,450,031</b>	<b>64,877,706</b>

**B. Basis for Amortization Charges**

- Amortization of Limited Term Electric Plant account 404 includes:
  - \$325,457 amortization of Noxon and Cabinet Relicense over 45 years.
  - \$12,316 amortization of Nez Perce Forest Service Use Permits over 30 years.
  - \$12,203 amortization of contribution for construction of Sandcreek Substation.
  - \$9,625 amortization of Misc. Intangible Electric Plant pursuant to FERC order dated 6/16/1986, Docket #EC86-17-000 relating to Company's contribution to the construction of the Sand Dunes - Taunton 115kv Transmission line in Grant County, WA in 1986.
  - \$2,111,589 amortization of software.
  - \$34,183 amortization of Leasehold Improvements Transportation/Power Operated Equipment.
  - \$745,359 allocated portion of amortization Leasehold Improvements from common plant.
  - \$1,600,108 allocated portion of amortization of software from common plant.
- Account 405 - Reflects amortization of the investment in settlement exchange power for WNP #3.
- Plant balances listed in Section C, Column b are derived at by taking the beginning plant balance plus the ending plant balance divided by two.
- A 9% Sinking Fund is in affect for our Hydro Plant Accounts that are broken out in Section C.
- Cost of Removal is included in Calculating the "Remaining Life" in Section C, Column g.

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	STEAM PLANT						
13	Colstrip No. 3						
14	311	50,432	35.62	-6.30	2.93		12.57
15	312	74,021	35.96	-6.80	3.12		13.43
16	314	17,568	34.03	-6.40	3.10		16.38
17	315	8,380	35.37	-6.40	2.76		14.25
18	316	8,698	34.15	-5.50	2.73		13.20
19	Subtotal	159,099					
20							
21	Colstrip No. 4						
22	311	49,561	33.73	-6.30	2.95		13.82
23	312	45,842	34.03	-6.90	3.11		15.31
24	314	14,498	31.79	-6.40	3.11		17.65
25	315	5,720	34.54	-7.00	2.80		16.38
26	316	4,072	32.63	-5.50	2.81		15.08
27	Subtotal	119,693					
28							
29	Kettle Falls						
30	310	148	35.00		3.01		
31	311	24,538	33.01	-3.80	3.09		12.74
32	312	39,891	33.50	-4.10	3.26		15.38
33	314	13,134	33.81	-3.70	3.25		13.63
34	315	10,262	34.31	-4.20	2.96		13.66
35	316	2,397	33.08	-3.10	2.99		15.68
36	Subtotal	90,370					
37							
38	HYDRO PLANT						
39	Cabinet Gorge						
40	330	7,482	100.00			SQ	93.58
41	331	9,886	75.00	1.10	0.08	S2	44.53
42	332	21,030	100.00	-5.80	0.05	R3	75.18
43	333	32,007	60.00	0.50	0.11	S3	52.44
44	334	5,180	45.00	56.60	0.37	R3	20.78
45	335	2,405	45.00	-1.20	0.39	R2	
46	336	1,099	75.00		0.10	R3	31.70
47	Subtotal	79,089					
48							
49	Noxon Rapids						
50	330	29,974	100.00			SQ	95.39

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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)**

**C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	331	11,496	75.00	5.70	0.08	S2	57.99
13	332	31,674	100.00	64.10	0.05	R3	80.73
14	333	32,347	60.00	-1.30	0.11	S3	55.92
15	334	11,664	45.00	-16.20	0.37	R3	42.68
16	335	2,629	45.00	-5.50	0.39	R2	17.08
17	336	225	65.00		0.10	R3	47.67
18	Subtotal	120,009					
19							
20	Post Falls						
21	330	2,732	100.00			SQ	82.39
22	331	613	65.00	-8.90	0.08	S2	
23	332	6,027	90.00	0.70	0.05	R3	86.56
24	333	2,226	60.00		0.11	S3	
25	334	849	40.00	-11.60	0.37	R3	
26	335	214	55.00	5.50	0.39	R2	48.41
27	Subtotal	12,661					
28							
29	Long Lake						
30	330	418	100.00			SQ	70.57
31	331	1,585	75.00	-110.50	0.08	S2	
32	332	16,638	95.00	6.20	0.05	R3	35.47
33	333	8,808	60.00	-28.80	0.11	S3	21.97
34	334	2,750	45.00	122.10	0.37	R3	10.29
35	335	388	45.00	27.80	0.39	R2	23.49
36	Subtotal	30,587					
37							
38	Little Falls						
39	330	4,217	100.00			SQ	81.17
40	331	903	75.00	13.20	0.08	S2	
41	332	5,007	95.00	-0.50	0.05	R3	57.86
42	333	3,964	60.00	-4.20	0.11	S3	4.54
43	334	1,662	40.00	18.00	0.37	R3	10.75
44	335	137	55.00	-1.70	0.39	R2	21.73
45	Subtotal	15,890					
46							
47	Upper Falls						
48	330	64	100.00		0.01	SQ	60.18
49	331	492	75.00	-1.70	0.08	S2	
50	332	4,790	95.00	14.70	0.05	R3	77.30

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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)**

**C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	333	1,090	60.00	-201.60	0.11	S3	13.79
13	334	776	45.00	-1.00	0.37	R3	27.96
14	335	107	35.00		0.39	R2	29.78
15	Subtotal	7,319					
16							
17	Nine Mile						
18	330	11	100.00			SQ	56.00
19	331	3,927	75.00	-12.00	0.08	S2	59.51
20	332	11,841	95.00	-12.90	0.05	R3	74.85
21	333	9,465	60.00	-18.00	0.11	S3	58.56
22	334	2,658	45.00	24.60	0.37	R3	34.65
23	335	282	55.00	-0.70	0.39	R2	42.53
24	336	625	65.00		0.10	R3	63.24
25	Subtotal	28,809					
26							
27	Monroe Street						
28	331	8,189	65.00	-31.20	0.08	R3	65.75
29	332	8,045	75.00	-34.90	0.05	S2	75.78
30	333	11,018	60.00	-32.70	0.11	S3	61.72
31	334	1,649	45.00	-31.30	0.37	R3	46.03
32	335	24	45.00	-35.70	0.39	R2	46.10
33	336	50	65.00	-13.20	0.10	R3	65.91
34	Subtotal	28,975					
35							
36	OTHER PRODUCTION						
37	Northeast Turbine						
38	341	257	29.33		2.36		0.46
39	342	589	29.98		2.08		10.52
40	343	9,090	29.78		2.21		8.61
41	344	2,595	29.93		2.18		0.19
42	345	336	16.60		7.34		4.65
43	346	241	29.35		2.61		0.70
44	Subtotal	13,108					
45							
46	Rathdrum						
47	341	1,610			3.95		
48	342	850			3.37		
49	343	3,658			3.61		
50	344	24,588			3.37		

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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)**

**C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	345	1,042			3.56		
13	Subtotal	31,748					
14							
15	Kettle Falls CT						
16	342	89			4.17		
17	343	9,071			4.18		
18	344	4			2.18		
19	345	5			4.20		
20	Subtotal	9,169					
21							
22	Boulder Park						
23	341	725			5.00		
24	342	116			5.00		
25	343	47			5.00		
26	344	30,082			4.14		
27	345	262			5.00		
28	346	4			5.00		
29	Subtotal	31,236					
30							
31	Coyote Springs 2						
32	341	9,470			4.17		
33	342	16,153			4.17		
34	344	97,756			4.14		
35	345	10,540			4.20		
36	346	846			4.17		
37	Subtotal	134,765					
38							
39	TRANSMISSION PLANT						
40	350	9,932			1.32		
41	352	11,974	50.00	-5.00	2.09	R4	37.75
42	353	143,764	50.00	-25.00	2.63	R4	33.66
43	354	17,069	75.00	-5.00	1.40	R4	50.48
44	355	94,050	45.00	-33.00	3.03	R3	26.57
45	356	70,442	55.00		1.80	R2	36.50
46	357	561	60.00	-2.00	1.66	R4	32.12
47	358	1,318	60.00		1.52	R4	32.80
48	359	1,827	75.00		1.34	R5	54.67
49	Subtotal	350,937					
50							

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	DISTRIBUTION PLANT						
13	361	10,268	50.00	-10.00	2.13	R3	30.76
14	362	73,759	40.00		2.47	R1.5	27.47
15	364	165,034	45.00	5.00	1.87	R1	31.26
16	365	110,224	50.00	20.00	1.30	R2	34.91
17	366	56,076	60.00	-10.00	1.88	R4	49.29
18	367	89,090	40.00	-17.00	2.27	L1	34.77
19	368	128,124	40.00	-10.00	2.65	R2	23.52
20	369	92,321	48.00	-10.00	2.13	R3	30.13
21	370	24,207	35.00	-10.00	3.28	R3	23.63
22	373	11,852	25.00	-10.00	2.21	R2	4.50
23	373.4 Hi Press Sodium	10,684	20.00	-10.00	6.05	R2	12.34
24	Subtotal	771,639					
25							
26	GENERAL PLANT						
27	390.10 Struc & Improve	1,973	50.00	-5.00	2.01	L0.5	18.60
28	391.1 Comp Hardware	145	6.00		20.27	S1.0	1.17
29	393	100	40.00	2.00	2.41	R3	14.99
30	394	2,766	20.00	10.00	4.49	L3	9.64
31	395	2,997	28.00		3.34	L1	10.19
32	397	23,952	12.00		9.82	L2	4.42
33	398	2	25.00		3.72	R2	
34	Subtotal	31,935					
35							
36	MISC POWER						
37	392	1,013			4.93		
38	396	2,078			7.43		
39	Subtotal	3,091					
40							
41	TOTAL COMPANY	2,070,129					
42							
43							
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49							
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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.	2,380,227	35,140	2,415,367	
5					
6	WASHINGTON UTILITIES & TRANSPORTATION				
7	Includes annual fee and various other electric				
8	dockets.	620,100	446,814	1,066,914	
9					
10	Includes annual fee and various other natural	284,187	178,634	462,821	
11	gas docket.				
12					
13	IDAHO PUBLIC UTILITIES COMMISSION				
14	Includes annual fee and various other Electric				
15	dockets	470,949	120,083	591,032	
16					
17	Includes annual fee and various other natural				
18	gas docket.	152,938	40,006	192,944	
19					
20	OREGON PUBLIC UTILITIES COMMISSION				
21	Includes annual fee and various other natural				
22	gas docket	266,609	138,327	404,936	
23					
24	CALIFORNIA PUBLIC UTILITIES COMMISSION				
25	Includes annual fees and various other natural				
26	gas docket. Operations were sold in 4/2005.	4,544	25,548	30,092	
27					
28	Not directly assigned electric		398,394	398,394	
29	Not directly assigned natural gas		150,027	150,027	
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	4,179,554	1,532,973	5,712,527	

**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				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
Electric	928	2,415,367					4
							5
							6
							7
Electric	928	1,066,914					8
							9
Gas	928	462,821					10
							11
							12
							13
							14
Electric	928	591,032					15
							16
							17
Gas	928	192,944					18
							19
							20
							21
Gas	928	404,936					22
							23
							24
							25
Gas	928	30,092					26
							27
Electric	928	398,394					28
Gas	928	150,027					29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
		5,712,527					46

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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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 (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	7,832,997		
4	Transmission	1,778,128		
5	Distribution	5,728,442		
6	Customer Accounts	5,587,980		
7	Customer Service and Informational	412,907		
8	Sales	325,410		
9	Administrative and General	14,627,942		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	36,293,806		
11	Maintenance			
12	Production	2,430,410		
13	Transmission	607,516		
14	Distribution	3,375,757		
15	Administrative and General			
16	TOTAL Maint. (Total of lines 12 thru 15)	6,413,683		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	10,263,407		
19	Transmission (Enter Total of lines 4 and 13)	2,385,644		
20	Distribution (Enter Total of lines 5 and 14)	9,104,199		
21	Customer Accounts (Transcribe from line 6)	5,587,980		
22	Customer Service and Informational (Transcribe from line 7)	412,907		
23	Sales (Transcribe from line 8)	325,410		
24	Administrative and General (Enter Total of lines 9 and 15)	14,627,942		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	42,707,489	8,663,674	51,371,163
26	Gas			
27	Operation			
28	Production-Manufactured Gas			
29	Production-Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply	553,035		
31	Storage, LNG Terminating and Processing	21,207		
32	Transmission			
33	Distribution	4,123,850		
34	Customer Accounts	2,104,941		
35	Customer Service and Informational	108,553		
36	Sales	157,067		
37	Administrative and General	5,622,905		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	12,691,558		
39	Maintenance			
40	Production-Manufactured Gas			
41	Production-Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminating and Processing			
44	Transmission	426,130		
45	Distribution	2,201,601		
46	Administrative and General			
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	2,627,731		

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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
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 lines 29,			
51	Other Gas Supply (Enter Total of lines 30 and 42)	553,035		
52	Storage, LNG Terminaling and Processing (Total of lines 31 thru	21,207		
53	Transmission (Lines 32 and 44)	426,130		
54	Distribution (Lines 33 and 45)	6,325,451		
55	Customer Accounts (Line 34)	2,104,941		
56	Customer Service and Informational (Line 35)	108,553		
57	Sales (Line 36)	157,067		
58	Administrative and General (Lines 37 and 46)	5,622,905		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	15,319,289	3,087,975	18,407,264
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	58,026,778	11,751,649	69,778,427
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	19,073,079	6,000,210	25,073,289
66	Gas Plant	5,466,868	1,719,824	7,186,692
67	Other (provide details in footnote):			
68	TOTAL Construction (Total of lines 65 thru 67)	24,539,947	7,720,034	32,259,981
69	Plant Removal (By Utility Departments)			
70	Electric Plant	744,511	147,325	891,836
71	Gas Plant	105,918	20,959	126,877
72	Other (provide details in footnote):			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	850,429	168,284	1,018,713
74	Other Accounts (Specify, provide details in footnote):			
75	Stores Expense (163)	1,390,939	-1,390,939	
76	Regulatory Assets (182)	85,810		85,810
77	Preliminary Survey and Investigation (183)	100,867		100,867
78	Small Tools Expense (184)	1,742,390	-1,742,390	
79	Miscellaneous Deferred Debits (186)	22,627,172		22,627,172
80	Non-operating expenses (417)	906,004		906,004
81	Exp. of Certain Civic, Political and Related Activities (426)	211,467		211,467
82	Employee Incentive Plan (232)	3,549,262	-3,549,262	
83	DSM and Payroll accrual (accrued vacation) (242)	13,663,861	-12,957,376	706,485
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	44,277,772	-19,639,967	24,637,805
96	TOTAL SALARIES AND WAGES	127,694,926		127,694,926

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**COMMON UTILITY PLANT AND EXPENSES**

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

1 & 2. Common Plant in Service and accumulated provision for depreciation:

Acct No.	DESCRIPTION	
303	Intangible	\$ 9,504,269
389	Land and Land Rights	3,063,259
390	Structures and Improvements	40,574,147
391	Office Furniture and Equipment	17,978,139
392	Transportation Equipment	1,673,382
393	Stores Equipment	949,070
394	Tools, Shop and Garage Equipment	802,144
395	Laboratory Equipment	767,424
396	Power Operated Equipment	1,384,046
397	Communications Equipment	13,245,560
398	Miscellaneous Equipment	623,380
399	Asset Retirement Cost	351,680
		-----
	Total Common Plant	\$ 90,916,500
	Const. Work in Progress	\$ 5,218,550
		-----
	Total Utility Plant	\$ 96,135,050
	Acc.Prov.for Dep. & Amort.	\$ 26,695,948
		-----
	Net Utility Plant	\$ 69,439,102
		-----

3. Common Expenses allocated to Electric and Gas Departments:

Acct No.		Total	Electric	Gas	
901	Cust Acct/Collect Supervisison	\$ 1,267,166	\$ 673,887	\$ 593,279	# of cust @ yr end
902	Meter Reading Expenses	3,726,102	2,338,050	1,388,052	# of cust @ yr end
903	Cust rec & collectn expenses	10,227,689	5,596,327	4,631,362	# of cust @ yr end
903.90-99	A/R misc fees	2,495,118	2,043,970	451,148	net direct plant
904	Uncollectible accounts	2,752,238	1,461,072	1,291,166	# of cust @ yr end
905	Misc cust acct expenses	977,008	518,204	458,804	# of cust @ yr end
907	Cust svce & info exp supervision	0	0	0	# of cust @ yr end
908	Cust assistance expenses	930,571	582,191	348,380	# of cust @ yr end
909	Info & instruct advert expenses	31,027	18,815	12,212	# of cust @ yr end
910	Misc cust serv & info expenses	171,853	106,777	65,076	# of cust @ yr end
911	Sales expense-supervision	0	0	0	# of cust @ yr end
912	Demo and selling expenses	665,337	412,420	252,917	# of cust @ yr end
913	Advertising expenses	218,580	136,922	81,658	# of cust @ yr end

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**COMMON UTILITY PLANT AND EXPENSES**

- Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
- Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
- Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
- Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

916	Misc sales expenses	123,411	77,176	46,235	# of cust @ yr end
920	Admin & gen salaries	23,221,232	16,810,160	6,411,072	four factor
921	Office supplies & expenses	5,259,728	3,791,558	1,468,170	four factor
922	Admin expenses tranf-credit	0	0	0	four factor
923	Outside services employed	12,782,992	9,216,356	3,566,636	four factor
924	Property Insurance	1,113,273	826,679	286,594	four factor
925	Injuries and damages	5,099,420	3,754,513	1,344,907	four factor
926	Employee pensions&benefits	33,111,982	23,931,450	9,180,532	four factor
927	Franchise requirement	0	0	0	four factor
928	Regulatory commission expenses	552,577	398,394	154,183	four factor
929	Duplicate charges-credit	0	0	0	four factor
930.1	General advertising expenses	(24,897)	(17,248)	(7,649)	four factor
930.2	Misc General expenses	3,882,878	2,833,932	1,048,946	four factor
931	Rents	3,436,852	2,464,363	972,489	four factor
935	Maint of general plant	5,094,682	3,714,498	1,380,184	four factor
403	Depreciation	3,992,845	2,949,681	1,043,164	four factor
404	Amort of LTD term plant	3,245,327	2,334,465	910,862	four factor

Note 1: The 4 factor allocator is made up of 25% each-customer counts, direct labor, direct O&M, and Net direct plant.

4. Letters of approval received from staffs of State Regulatory Commissions in 1993



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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  
(2) Report on Column (b) by month the transmission system's peak load.  
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

**NAME OF SYSTEM:**

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (f)	Short-Term Firm Point-to-point Reservation (f)	Other Service (f)
1	January	1,898	14	800	1,563	335	118	316	56	125
2	February	1,709	15	800	1,409	300	124	316		100
3	March	1,504	23	900	1,269	235	124	316		
4	Total for Quarter 1	5,111			4,241	870	366	948	56	225
5	April	1,476	15	800	1,246	230	124	386	25	
6	May	1,302	27	1000	1,123	179	124	386	84	125
7	June	1,656	21	1600	1,367	289	124	386	216	388
8	Total for Quarter 2	4,434			3,736	698	372	1,158	325	513
9	July	1,753	28	1700	1,495	269	127	316	357	265
10	August	1,724	8	1700	1,473	273	126	316	182	22
11	September	1,419	8	1700	1,207	216	133	316		207
12	Total for Quarter 3	4,896			4,175	758	386	948	539	494
13	October	1,435	28	900	1,239	211	132	316		105
14	November	1,711	30	1800	1,466	276	124	316		126
15	December	1,926	8	1900	1,660	311	146	316		40
16	Total for Quarter 4	5,072			4,365	798	402	948		271
17	Total for Year to Date/Year	19,513			16,517	3,124	1,526	4,002	920	1,503

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**ELECTRIC ENERGY ACCOUNT**

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	8,542,674
3	Steam	2,108,879	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	4,144,503
5	Hydro-Conventional	3,610,823	25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	10,498
7	Other	1,557,418	27	Total Energy Losses	620,139
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	13,317,814
9	Net Generation (Enter Total of lines 3 through 8)	7,277,120			
10	Purchases	6,019,972			
11	Power Exchanges:				
12	Received	747,198			
13	Delivered	726,476			
14	Net Exchanges (Line 12 minus line 13)	20,722			
15	Transmission For Other (Wheeling)				
16	Received	3,603,657			
17	Delivered	3,603,657			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	13,317,814			

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**MONTHLY PEAKS AND OUTPUT**

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM: Avista Utilities

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	1,043,058	158,473	1,563	14	800
30	February	1,043,133	296,116	1,409	15	800
31	March	1,128,057	375,198	1,269	23	900
32	April	1,130,077	426,841	1,246	15	800
33	May	1,294,169	603,771	1,123	27	1000
34	June	1,256,105	562,044	1,367	21	1600
35	July	1,149,520	384,144	1,495	28	1700
36	August	1,066,024	290,547	1,473	8	1700
37	September	933,731	254,921	1,207	8	1700
38	October	978,096	257,107	1,239	28	900
39	November	1,090,954	281,051	1,466	30	1800
40	December	1,204,890	254,290	1,660	8	1900
41	TOTAL	13,317,814	4,144,503			

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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)
		<i>Coyote Springs 2</i>	<i>Spokane N.E.</i>
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Not Applicable	Not Applicable
3	Year Originally Constructed	2003	1978
4	Year Last Unit was Installed	2003	1978
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	287.00	61.80
6	Net Peak Demand on Plant - MW (60 minutes)	304	52
7	Plant Hours Connected to Load	6191	4
8	Net Continuous Plant Capability (Megawatts)	275	67
9	When Not Limited by Condenser Water	275	0
10	When Limited by Condenser Water	244	0
11	Average Number of Employees	22	1
12	Net Generation, Exclusive of Plant Use - KWh	1527857000	181000
13	Cost of Plant: Land and Land Rights	0	111141
14	Structures and Improvements	11670958	256733
15	Equipment Costs	153504391	12295394
16	Asset Retirement Costs	0	0
17	Total Cost	165175349	12663268
18	Cost per KW of Installed Capacity (line 17/5) Including	575.5239	204.9072
19	Production Expenses: Oper, Supv, & Engr	732049	37455
20	Fuel	68903447	12212
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	0	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	975072	9278
26	Misc Steam (or Nuclear) Power Expenses	26977	4923
27	Rents	73424	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	59289	8252
30	Maintenance of Structures	0	1066533
31	Maintenance of Boiler (or reactor) Plant	0	0
32	Maintenance of Electric Plant	1285753	66307
33	Maintenance of Misc Steam (or Nuclear) Plant	123490	16124
34	Total Production Expenses	72179501	1221084
35	Expenses per Net KWh	0.0472	6.7463
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Gas
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCF	MCF
38	Quantity (Units) of Fuel Burned	10728536	1748
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1020000	1020000
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	6.422	6.987
41	Average Cost of Fuel per Unit Burned	6.422	6.987
42	Average Cost of Fuel Burned per Million BTU	6.297	6.850
43	Average Cost of Fuel Burned per KWh Net Gen	0.045	0.068
44	Average BTU per KWh Net Generation	7162.000	9850.000

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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)**

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Kettle Falls</i> (d)	Plant Name: <i>Colstrip</i> (e)	Plant Name: <i>Rathdrum</i> (f)	Line No.							
Steam	Steam	Gas Turbine	1							
Conventional	Conventional	Not Applicable	2							
1983	1984	1995	3							
1983	1985	1995	4							
50.70	233.40	166.50	5							
54	221	173	6							
8300	8755	59	7							
53	222	176	8							
53	222	0	9							
50	222	0	10							
30	210	2	11							
338170000	1770709000	6581000	12							
941300	1299298	621682	13							
24513824	99988600	3186951	14							
65689033	179752991	55812360	15							
1114206	0	0	16							
92258363	281040889	59620993	17							
1819.6916	1204.1169	358.0840	18							
139418	103458	17125	19							
10048225	13068384	711402	20							
0	0	0	21							
554035	1165771	0	22							
0	0	0	23							
0	0	0	24							
736262	61531	109950	25							
358034	1312422	153067	26							
856	13621	3507761	27							
0	0	0	28							
94782	324441	6665	29							
68471	405900	5632	30							
958237	2611525	0	31							
421349	-17631	21013	32							
153085	354983	78777	33							
13532754	19404405	4611392	34							
0.0400	0.0110	0.7007	35							
Wood	Coal	Oil	Gas							36
TONS	TONS	Bbl	MCF							37
488805	1132294	2220	86281	0	0	0	0	0	0	38
8500000	16961500	140000	1020000	0	0	0	0	0	0	39
18.405	11.390	77.487	8.245	0.000	0.000	0.000	0.000	0.000	0.000	40
18.405	11.390	77.487	8.245	0.000	0.000	0.000	0.000	0.000	0.000	41
2.170	0.670	13.080	8.084	0.000	0.000	0.000	0.000	0.000	0.000	42
0.027	0.007	0.000	0.108	0.000	0.000	0.000	0.000	0.000	0.000	43
12288.000	10851.000	10851.000	13373.000	0.000	0.000	0.000	0.000	0.000	0.000	44

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Boulder Park</i> (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Internal Comb	
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	
3	Year Originally Constructed	2002	
4	Year Last Unit was Installed	2002	
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	24.60	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	25	0
7	Plant Hours Connected to Load	1188	0
8	Net Continuous Plant Capability (Megawatts)	25	0
9	When Not Limited by Condenser Water	0	0
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	1	0
12	Net Generation, Exclusive of Plant Use - KWh	15849000	0
13	Cost of Plant: Land and Land Rights	144733	0
14	Structures and Improvements	724602	0
15	Equipment Costs	30532259	0
16	Asset Retirement Costs	0	0
17	Total Cost	31401594	0
18	Cost per KW of Installed Capacity (line 17/5) Including	1276.4876	0.0000
19	Production Expenses: Oper, Supv, & Engr	35589	0
20	Fuel	1009484	0
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	0	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	87751	0
26	Misc Steam (or Nuclear) Power Expenses	14380	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	19657	0
30	Maintenance of Structures	135	0
31	Maintenance of Boiler (or reactor) Plant	0	0
32	Maintenance of Electric Plant	119273	0
33	Maintenance of Misc Steam (or Nuclear) Plant	43606	0
34	Total Production Expenses	1329875	0
35	Expenses per Net KWh	0.0839	0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCF	
38	Quantity (Units) of Fuel Burned	151762	0 0 0 0 0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1020000	0 0 0 0 0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	6.652	0.000 0.000 0.000 0.000 0.000
41	Average Cost of Fuel per Unit Burned	6.652	0.000 0.000 0.000 0.000 0.000
42	Average Cost of Fuel Burned per Million BTU	6.521	0.000 0.000 0.000 0.000 0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.064	0.000 0.000 0.000 0.000 0.000
44	Average BTU per KWh Net Generation	9767.000	0.000 0.000 0.000 0.000 0.000

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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)**

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name:	Plant Name:	Plant Name:	Line No.
(d)	(e)	(f)	
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0.0000	0.0000	0.0000	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

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**HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 2545 Plant Name: Monroe Street (b)	FERC Licensed Project No. 2545 Plant Name: Upper Falls (c)
1	Kind of Plant (Run-of-River or Storage)	Run-of-River	Run-of-River
2	Plant Construction type (Conventional or Outdoor)	Conventional	Conventional
3	Year Originally Constructed	1890	1922
4	Year Last Unit was Installed	1992	1922
5	Total installed cap (Gen name plate Rating in MW)	14.80	10.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	16	11
7	Plant Hours Connect to Load	8,609	8,669
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	15	8
10	(b) Under the Most Adverse Oper Conditions	14	10
11	Average Number of Employees	1	1
12	Net Generation, Exclusive of Plant Use - Kwh	101,520,000	71,315,000
13	Cost of Plant		
14	Land and Land Rights	0	1,081,854
15	Structures and Improvements	8,187,750	491,800
16	Reservoirs, Dams, and Waterways	8,045,079	7,109,532
17	Equipment Costs	12,720,967	1,972,999
18	Roads, Railroads, and Bridges	50,448	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	29,004,244	10,656,185
21	Cost per KW of Installed Capacity (line 20 / 5)	1,959.7462	1,065.6185
22	Production Expenses		
23	Operation Supervision and Engineering	49,707	52,857
24	Water for Power	0	0
25	Hydraulic Expenses	2,769	4,168
26	Electric Expenses	350,449	341,452
27	Misc Hydraulic Power Generation Expenses	27,013	46,318
28	Rents	2,345	0
29	Maintenance Supervision and Engineering	1,979	79
30	Maintenance of Structures	3,145	226,332
31	Maintenance of Reservoirs, Dams, and Waterways	34,689	40,641
32	Maintenance of Electric Plant	40,738	45,894
33	Maintenance of Misc Hydraulic Plant	571	1,047
34	Total Production Expenses (total 23 thru 33)	513,405	758,788
35	Expenses per net KWh	0.0051	0.0106



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**HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. <u>2545</u> Plant Name: Nine Mile Falls (b)	FERC Licensed Project No. <u>2545</u> Plant Name: Post Falls (c)
1	Kind of Plant (Run-of-River or Storage)	Run-of-River	Storage
2	Plant Construction type (Conventional or Outdoor)	Conventional	Conventional
3	Year Originally Constructed	1908	1906
4	Year Last Unit was Installed	1994	1980
5	Total installed cap (Gen name plate Rating in MW)	26.40	14.80
6	Net Peak Demand on Plant-Megawatts (60 minutes)	22	18
7	Plant Hours Connect to Load	8,759	8,760
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	20	18
10	(b) Under the Most Adverse Oper Conditions	14	9
11	Average Number of Employees	1	1
12	Net Generation, Exclusive of Plant Use - Kwh	107,103,000	86,653,000
13	Cost of Plant		
14	Land and Land Rights	33,429	3,076,554
15	Structures and Improvements	3,932,375	612,907
16	Reservoirs, Dams, and Waterways	11,840,543	6,044,594
17	Equipment Costs	12,406,026	3,291,475
18	Roads, Railroads, and Bridges	625,181	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	28,837,554	13,025,530
21	Cost per KW of Installed Capacity (line 20 / 5)	1,092.3316	880.1034
22	Production Expenses		
23	Operation Supervision and Engineering	67,624	64,673
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	414,027	427,906
27	Misc Hydraulic Power Generation Expenses	43,865	44,152
28	Rents	0	0
29	Maintenance Supervision and Engineering	7,817	1,013
30	Maintenance of Structures	19,536	7,872
31	Maintenance of Reservoirs, Dams, and Waterways	98,040	42,251
32	Maintenance of Electric Plant	200,028	149,280
33	Maintenance of Misc Hydraulic Plant	31	1,848
34	Total Production Expenses (total 23 thru 33)	850,968	738,995
35	Expenses per net KWh	0.0079	0.0085

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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."  
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. <u>0</u> Plant Name: Little Falls (d)	FERC Licensed Project No. <u>0</u> Plant Name: (e)	FERC Licensed Project No. <u>0</u> Plant Name: (f)	Line No.
Run-of-River			1
Conventional			2
1910			3
1911			4
32.00	0.00	0.00	5
37	0	0	6
7,289	0	0	7
			8
36	0	0	9
34	0	0	10
5	0	0	11
191,937,000	0	0	12
			13
4,325,371	0	0	14
903,811	0	0	15
5,023,887	0	0	16
5,799,703	0	0	17
0	0	0	18
0	0	0	19
16,052,772	0	0	20
501.6491	0.0000	0.0000	21
			22
31,223	0	0	23
0	0	0	24
6,107	0	0	25
395,491	0	0	26
46,170	0	0	27
619,207	0	0	28
3,176	0	0	29
39,558	0	0	30
41,714	0	0	31
98,347	0	0	32
4,186	0	0	33
1,285,179	0	0	34
0.0067	0.0000	0.0000	35

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**HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."  
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Kettle Falls CT	2002	7.20	9.0	6,950,000	9,169,338
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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**GENERATING PLANT STATISTICS (Small Plants) (Continued)**

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
1,273,519	69,529	546,016	19,271	Nat Gas	676	1
						2
						3
						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
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						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

**TRANSMISSION LINE STATISTICS**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Group Sum		60.00	60.00		1.00		
2								
3	Group Sum		115.00	115.00		1,539.00		
4								
5	Beacon Sub #4	BPA Bell Sub	230.00	230.00	Steel Tower	1.00		1
6	Beacon Sub	BPA Bell Sub	230.00	230.00	H Type	5.00		1
7	Beacon Sub #5	BPA Bell Sub	230.00	230.00	H Type	6.00		1
8	Beacon	Cabinet Gorge Plant	230.00	230.00	Steel Tower		1.00	1
9	Beacon	Cabinet Gorge Plant	230.00	230.00	Steel Pole	25.00		2
10	Beacon	Cabinet Gorge Plant	230.00	230.00	H Type	52.00		1
11	Beacon Sub	Lolo Sub	230.00	230.00	Steel Tower	1.00		1
12	Beacon Sub	Lolo Sub	230.00	230.00	H Type	108.00		1
13	Noxon Plant	Pine Creek Sub	230.00	230.00	H Type	43.00		1
14	Cabinet Gorge Plant	Noxon	230.00	230.00	H Type	19.00		1
15	Benewah Sw. Station	Pine Creek Sub	230.00	230.00	Steel Tower			1
16	Benewah Sw. Station	Pine Creek Sub	230.00	230.00	H Type	43.00		1
17	Divide Creek	Lolo Sub	230.00	230.00	Steel Tower			1
18	Divide Creek	Lolo Sub	230.00	230.00	H Type	43.00		1
19	N. Lewiston	Walla Walla	230.00	230.00	Steel Tower	4.00		1
20	N. Lewiston	Walla Walla	230.00	230.00	H Type	32.00		1
21	N. Lewiston	Shawnee	230.00	230.00	Steel Tower	7.00		1
22	N. Lewiston	Shawnee	230.00	230.00	H Type	27.00		1
23	Walla Walla	Wanapum	230.00	230.00	Alum.			1
24	Walla Walla	Wanapum	230.00	230.00	H Type	78.00		1
25	BPA (Libby)	Noxon Plant	230.00	230.00	Steel Tower	1.00		1
26	BPA/Hot Springs #1	Noxon Plant	230.00	230.00	Steel Tower	1.00		1
27	BPA/Hot Springs #2	Noxon Plant (dead)	230.00	230.00	Steel Tower		2.00	1
28	BPA/Hot Springs #2	Noxon Plant	230.00	230.00	H Type	68.00		1
29	BPA Line	West Side Sub	230.00	230.00	Steel Pole	2.00		2
30	Hatwai	N. Lewiston Sub	230.00	230.00	H Type	7.00		1
31	Divide Creek	Imnaha	230.00	230.00	H Type	20.00		1
32	Colstrip Plant	Broadview	500.00	500.00				
33								
34								
35								
36					TOTAL	2,133.00	3.00	29

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
	136,038	70,092	206,130					1
								2
	6,090,629	73,969,899	80,060,528	151,224	795,277	-5,046	941,455	3
								4
795 McMACSR	17,912	1,417,576	1,435,488		2,289		2,289	5
1272 McMACSR								6
1272 McMAL	30,323	397,933	428,256					7
795 McMACSR								8
1590 ACSS								9
795 McMACSR	324,327	39,003,949	39,328,276	3,681			3,681	10
795 McMACSR								11
1272 McMAL	456,162	6,339,493	6,795,655	711			711	12
954 McMAL	105,647	14,787,501	14,893,148		7,384		7,384	13
954 McMAL	49,049	1,133,139	1,182,188	1,118	1,864		2,982	14
954 McMAL								15
954 McMAL	157,193	2,584,723	2,741,916	1,227	18,196		19,423	16
1272 McMAL								17
1272 McMAL	86,228	3,577,252	3,663,480	6,816	3,617		10,433	18
1272 McMAL								19
1272 McMAL	623,990	5,454,975	6,078,965	5,565	3,498		9,063	20
1272 McMAL								21
1272 McMAL	872,150	7,568,673	8,440,823	297	170		467	22
1272 McMAL								23
1272 McMAL	70,781	2,244,345	2,315,126	18,052	8,920		26,972	24
1272 McMAL								25
1272 McMAL		19,521	19,521		4,424		4,424	26
1272 McMAL								27
1272 McMAL	144,638	3,286,268	3,430,906					28
1272 McMAL	36,461	587,224	623,685	409			409	29
1272 McMACSR	106,581	1,584,978	1,691,559	974			974	30
1272 McMAL	60,302	1,284,858	1,345,160					31
	595,789	28,260,542	28,856,331	63,503	136,561	67,822	267,886	32
								33
								34
								35
	9,964,200	193,572,941	203,537,141	253,577	982,200	62,776	1,298,553	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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	STATE OF WASHINGTON				
2					
3	Airway Heights	Distr. Unattended	115.00	13.80	
4	Barker Road	Distr. Unattended	110.00	13.80	
5	Beacon	Trnsm. Unattended	230.00	115.00	13.80
6	Boulder	Trnsm. Unattended	230.00	115.00	13.80
7	Chester	Distr. Unattended	115.00	13.80	
8	Chewelah 115Kv	Distr. Unattended	115.00	13.80	
9	Colbert	Distr. Unattended	115.00	13.80	
10	College & Walnut	Distr. Unattended	115.00	13.80	
11	Colville 115Kv	Distr. Unattended	115.00	13.80	
12	Dry Gulch	Distr. Unattended	115.00	13.80	
13	East Colfax	Distr. Unattended	115.00	13.80	
14	East Farms	Distr. Unattended	115.00	13.80	
15	Fort Wright	Distr. Unattended	115.00	13.80	
16	Francis and Cedar	Distr. Unattended	115.00	13.80	
17	Gifford	Distr. Unattended	115.00	34.00	
18	Glenrose	Distr. Unattended	115.00	13.80	
19	Greenwood	Distr. Unattended	115.00	13.80	
20	Hallett & White 115-13kv	Distr. Unattended	115.00	13.80	
21	Industrial Park	Distr. Unattended	115.00	13.80	
22	Kettle Falls	Distr. Unattended	115.00	13.80	
23	Lee & Reynolds	Distr. Unattended	115.00	13.80	
24	Liberty Lake	Distr. Unattended	115.00	13.80	
25	Little Falls 115/34Kv	Distr. Unattended	115.00	34.00	
26	Lyons & Standard	Distr. Unattended	115.00	13.80	
27	Mead	Distr. Unattended	115.00	13.80	
28	Metro	Distr. Unattended	115.00	13.80	
29	Milan	Distr. Unattended	115.00	13.80	
30	Millwood	Trnsm & Dist Unattd	115.00	60.00	13.80
31	Ninth & Central	Distr. Unattended	115.00	13.80	
32	Northeast	Distr. Unattended	115.00	13.80	
33	Northwest	Distr. Unattended	115.00	13.80	
34	Opportunity	Dist. Unattended	115.00	13.80	
35	Othello	Distr. Unattended	115.00	13.80	
36	Post Street	Distr. Unattended	115.00	13.80	
37	Pound Lane	Distr. Unattended	115.00	13.80	
38	Pullman	Dist Unattended	115.00	13.80	
39	Ross Park	Distr. Unattended	115.00	13.80	
40	Roxboro	Distr. Unattended	115.00	24.00	

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
						2
24	2		Frcd Oil & Air Fan	2	40	3
12	1		Two Stage Fan	1	20	4
536	4		Frcd Oil & Air Fan	4	560	5
150	1		Two Stage Fan	1	250	6
24	2		Frcd Oil & Air Fan	2	40	7
15	3		Frcd Air	3	15	8
12	1		Frcd Oil & Air Fan	1	20	9
36	2		Two Stage Fan	2	60	10
31	3		Frcd Oil & Air Fan	3	45	11
24	2		Frcd Oil & Air Fan	2	40	12
12	1		FrOil/Air Fan	1	20	13
12	1		Two Stage Fan	1	20	14
24	2		Fr Oil/Air/2StgFan	2	40	15
60	2		Frcd Air Fan	2	36	16
12	1					17
12	1		Frcd Oil & Air Fan	1	20	18
13	4	1	FrOil/Air/Two Stage	4	22	19
12	1		Two Stg Fan	1	20	20
28	3		Two Stg/Pt/Frcd Oil	40	40	21
12	1		Frcd Oil & Air Fan	1	20	22
12	1		Two Stage Fan	1	20	23
24	2		Two Stage Fan	2	40	24
12	1					25
36	2		Two Stage Fan	2	60	26
18	1		Two Stage Fan	1	30	27
24	2		Two Stage Fan	2	40	28
12	1		Frcd Oil & Air Fan	1	20	29
44	3	1	FrcAir/FrcOil/AirFan	3	61	30
24	2	1	Frcd & Two Stage Fan	2	40	31
24	2		Two Stage Fan	2	40	32
24	2		Two Stage Fan	2	40	33
12	1		Two Stage Fan	1	20	34
24	2		FrOil/AirFan	2	40	35
92	5	3	Frcd Oil & Wt Fan	5	93	36
24	2		Two Stage Fan	2	40	37
24	2		Frcd Oil & Air Fan	2	40	38
30	2		Two Stage Fan	2	60	39
24	2		Two Stage Fan	2	40	40

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Shawnee	Trans. Unattended	230.00	115.00	
2	Silver Lake	Distr. Unattended	115.00	13.80	
3	Southeast	Distr. Unattended	115.00	13.80	
4	South Othello	Distr. Unattended	115.00	13.80	
5	South Pullman	Distr. Unattended	115.00	13.80	
6	Sunset	Distr. Unattended	115.00	13.80	
7	Third & Hatch	Distr. Unattended	115.00	13.80	
8	Waikiki	Distr. Unattended	115.00	13.80	
9	West Side	Trans. Unattended	230.00	115.00	13.80
10	Other: 72substa less than 10MVA	Distr. Unattended			
11					
12	STATE OF IDAHO				
13	Appleway	Dist & Trfr Unattnd	115.00	13.80	
14	Benewah	Trans. Unattended	230.00	115.00	13.80
15	Big Creek	Distr. Unattended	115.00	13.80	
16	Blue Creek	Distr. Unattended	115.00	13.80	
17	Bunker Hill	Distr. Unattended	115.00	13.80	
18	Clark Fork	Distr. Unattended	115.00	21.80	
19	Coeur d'Alene 15th Ave	Distr. Unattended	115.00	13.80	
20	Cottonwood	Distr. Unattended	115.00	24.90	
21	Dalton	Distr. Unattended	115.00	13.80	
22	Grangeville	Dist & Trfr Unattnd	115.00	13.80	
23	Holbrook	Distr. Unattended	115.00	13.80	
24	Huetter	Distr. Unattended	115.00	13.80	
25	Juliaetta	Distr. Unattended	115.00	13.80	
26	Kamiah	Dist & Trfr Unattnd	115.00	13.80	
27	Kooskia	Distr. Unattended	115.00	13.80	
28	Lolo	Tran & Dist Unattnd	230.00	115.00	13.80
29	Moscow	Distr. Unattended	115.00	13.80	
30	Moscow 230Kv	Tran & Dist Unattnd	230.00	115.00	13.80
31	North Moscow	Distr. Unattended	115.00	13.80	
32	North Lewiston	Trans Unattended	230.00	115.00	13.80
33	North Lewiston	Distr. Unattended	115.00	13.80	
34	Oden	Distr. Unattended	115.00	21.80	
35	Oldtown	Distr. Unattended	115.00	21.80	
36	Orofino	Distr. Unattended	115.00	13.80	
37	Osburn	Distr. Unattended	115.00	13.80	
38	Pine Creek	Tran & Dist Unattnd	230.00	110.00	13.80
39	Pleasant View	Distr. Unattended	115.00	13.80	
40	Post Falls	Distr. Unattended	115.00	13.80	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
250	1					1
12	1		Frcd Oil & Air Fan	1	20	2
30	2		Two Stage Fan	2	50	3
12	1		Two Stage Fan	1	20	4
30	2		Two Stage Fan	240	50	5
35	4	1	Pt. & Two Stage Fan	4	50	6
54	3		Two Stg Fan & Cap	103	90	7
24	2		Two Stage Fan	2	40	8
250	2					9
186	137					10
						11
						12
30	2		Two Stage Fan	2	50	13
125	1					14
17	2		Portable Fan	2	22	15
20	3	1				16
12	1		Frcd Air Fan	1	26	17
10	1		Frcd Air Fan	1	13	18
36	2		Two Stage Fan	2	60	19
12	1		Two Stage Fan	1	20	20
24	2		FrcOil/Air2StgFan	2	40	21
25	4		FrcdOil/Air/Pt Fan	2	34	22
12	1		Two Stage Fan	1	20	23
12	1		Two Stage Fan	1	20	24
12	1		Frcd Oil & Air Fan	1	20	25
12	1		Two Stage Fan	1	20	26
15	3		Frcd Air Fan	2	20	27
270	3		Frcd Oil/Air/Two Stg	1	262	28
24	2		FrOil/Air/2Stg Fan	2	40	29
137	2	1	Capacitors	80	182	30
12	1		Two Stage Fan	1	20	31
250	1	1	Frcd Oil/Air&Cptrs	81	295	32
10	3					33
10	1		Frcd Air Fan		13	34
10	1		Frcd Air Fan	1	13	35
20	2		Frcd Oil & Air Fan	1	28	36
12	1		Portable Fan	1	15	37
262	3		Capacitors	80	307	38
12	1		Two Stage Fan	1	20	39
18	1		Two Stage Fan	1	30	40

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) 04/17/2006	Year/Period of Report End of 2005/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Potlatch	Dist & Trfr Unattnd	115.00	13.80	
2	Prarie	Distr. Unattended	115.00	13.80	
3	Priest River	Distr. Unattended	115.00	20.80	
4	Sandpoint	Distr. Unattended	115.00	20.80	
5	South Lewiston	Distr. Unattended	115.00	13.80	
6	Sweetwater	Distr. Unattended	115.00	24.00	
7	St. Maries	Distr. Unattended	115.00	24.00	
8	Tenth & Stewart	Distr. Unattended	115.00	13.80	
9	Wallace	Dist & Whse Unattnd	115.00	13.80	
10	Rathdrum	Tran & Dist Unattnd	230.00	115.00	13.80
11	Other: 29 substa less than 10 MVA	Distr. Unattended			
12					
13	STATE OF MONTANA				
14	1 substation less than 10 MVA	Distr. Unattended			
15					
16	SUBSTA. @ GENERATING PLANTS				
17	STATE OF WASHINGTON				
18	Boulder Park	Trans Step-Up	115.00	13.80	
19	Kettle Falls	Trans Step-Up	115.00	13.80	
20	Long Lake	Trans.	115.00	4.00	4.00
21	Nine Mile	Trns Step-Up & Dist	115.00	60.00	2.30
22	Little Falls	Trans.	115.00	4.00	
23	Northeast	Trans. Step-Up	115.00	13.80	
24					
25	STATE OF IDAHO				
26	Cabinet Gorge (Switchyard)		230.00	115.00	13.80
27	Cabinet Gorge (HED)	Trans. Step-Up	230.00	13.80	
28	Post Falls	Trans. Step-Up	115.00	2.30	
29	Rathdrum	Trans. Step-Up	115.00	13.80	
30	STATE OF MONTANA				
31	Noxon	Trans. Step-Up	230.00	13.80	
32					
33	STATE OF OREGON				
34	Coyote Springs II	Trans. Step -Up	500.00	13.80	18.00
35					
36	SUMMARY:				
37	Washington:				
38	9 subs	Trans. Unattended			
39	113 subs	Distr. Unattended			
40	3 subs	Tran & Dist Unattnd			

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
15	2		Portable Fan	2	19	1
12	1		Frcd Oil & Air Fan	1	20	2
10	1	1	Frcd Air Fan	1	13	3
30	3		Frcd Air Fan	3	38	4
27	4		Port Fan/FrcdOil/Air	4	39	5
12	1		Frcd Oil & Air Fan	1	20	6
24	2		Two Stage Fan	2	40	7
30	2		Frcd Oil/Air/Two Stg	2	50	8
10	3					9
462	3		FrcdOil/AirFan/Cptrs	243	470	10
78	47					11
						12
						13
5	1					14
						15
						16
						17
36	1		Two Stage Fan	1	60	18
30	1		Two Stage Fan	1	62	19
80	4	1				20
18	2		Frcd Oil & Air Fan	1	40	21
24	2		Frcd Oil & Air Fan	2	40	22
36	1		Two Stage Fan	1	60	23
						24
						25
125	1		2 stage fan	1	13	26
30	6	1	Frcd Oil and Air Fan	2	30	27
16	2		Frcd Air/Oil/Air Fan	2	21	28
114	2	3	Two Stage Fan	2	190	29
						30
532	9	1	Frcd Oil Air	6	555	31
						32
						33
213	1	1	Two Stage fan	2	355	34
						35
						36
						37
874						38
1174						39
604						40

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) 04/17/2006	Year/Period of Report End of <u>2005/Q4</u>
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Idaho:				
2	6 subs	Trans. Unattended			
3	56 subs	Distr. Unattended			
4	9 subs	Tran & Dist Unattnd			
5	Montana: 1 sub	Trans. Unattended			
6	1 sub	Distr. Unattended			
7	Oregon: 1 sub	Trans. Unattended			
8	System: 199 subs				
9					
10					
11					
12					
13					
14					
15					
16					
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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) 04/17/2006	Year/Period of Report End of 2005/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
660						2
533						3
1222						4
533						5
5						6
213						7
5818						8
						9
						10
						11
						12
						13
						14
						15
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						40

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) 04/17/2006	Year/Period of Report 2005/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 aquired 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.: 14 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.: 17 Column: d**

Previously 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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 5 Column: a**

Effective January 6, 2006 named Senior Vice President and Chief Financial Officer

**Schedule Page: 104 Line No.: 22 Column: a**

On January 6, 2006 named Vice President and Treasurer. Ann Wilson was named Vice President and Controller.

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) 04/17/2006	2005/Q4
FOOTNOTE DATA			

**Schedule Page: 122(a)(b) Line No.: 8 Column: e**

Foreign currency translation adjustment at Avista Energy, Inc. (a subsidiary).

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 8 Column: c**

Includes Acc Prov For Amort of Non Recoverable Plant of (282,364), FAS 143 depreciation of \$179,521, and disposals of depreciable property.

**Schedule Page: 219 Line No.: 16 Column: c**

Includes \$371,816 of Retirement Work in Progress as of 12/31/2005.

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 227 Line No.: 1 Column: d**

Electric

**Schedule Page: 227 Line No.: 5 Column: d**

Footnote Linked. See note on 227, Row: 1, col/item:

**Schedule Page: 227 Line No.: 7 Column: d**

Footnote Linked. See note on 227, Row: 1, col/item:

**Schedule Page: 227 Line No.: 8 Column: d**

Footnote Linked. See note on 227, Row: 1, col/item:

**Schedule Page: 227 Line No.: 9 Column: d**

Footnote Linked. See note on 227, Row: 1, col/item:

**Schedule Page: 227 Line No.: 10 Column: d**

Footnote Linked. See note on 227, Row: 1, col/item:

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 233.1 Line No.: 2 Column: f**

With the implementation of a new financial system the following lines were combined to equal to the balance on line 2 page 233.1: lines 10,11,12,13,15,16,20,21,23,28,& 31

**Schedule Page: 233.1 Line No.: 35 Column: f**

With the implementation of a new financial system lines 14,17,18,19,24& 25 were combined to equal balances on lines 35 and 36.

**Schedule Page: 233.1 Line No.: 36 Column: f**

With the implementation of a new financial system Conservation program balances for lines 14,17,18,19,24 and 25 were combined to equal balances on lines 35 & 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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 5 Column: b**

BPA C&RD Receipts	(141,919)
Contributions in Aid of Construction	5,495,000
CSS Temp Service Fees	(182,734)
Customer Uncollectibles - Sales for Resale	417,815
BETC Interest (Perm Diff)	(36,424)
Transportation Tax Depreciation Capitalized	517,950
<b>Taxable Income Not Reported on Books</b>	<b>6,069,688</b>

**Schedule Page: 261 Line No.: 10 Column: b**

Hamilton Street Bridge	(509,406)
Severance / Stock Options - Accelerated Vesting	-
SERP - Supplemental Exec Retire Plan	655,263
Non-monetary Purchased Power	(1,334,954)
Amortization of Centralia Gain	(2,341,551)
Book Depreciation	79,237,750
Rathdrum Turbine Lease Sales Tax Refund	(33,828)
Investment Exchange Power - WNP3	2,450,028
FAS 106 - Def Amort-Postretirement Benefits	394,920
Redemption Expense Amortization - PCB's	194,424
DSM - Program Amortization	1,782,438
Political Contributions	893,629
Paid Time Off Equalization	(102,119)
Sale/Lease General Office Building	(1,666,258)
Airplane Lease Payments	217,106
CIT Operating Lease	(26,208)
FAS 106 Current Retiree Medical Accrual (Non-op)	(1,353,456)
Redemption Expense Amortization - (except PCB's)	3,059,107
Meal Disallowances	288,000
Transportation Book Depreciation	1,178,320
Preferred Dividend Requirement	2,037,219
<b>Deductions Recorded on Books Not Deducted for Return</b>	<b>85,020,424</b>

**Schedule Page: 261 Line No.: 15 Column: b**

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

Injury & Damages	(450,711)
Kettle Falls Non-operating	(188,268)
Gain on General Office Building	(261,456)
CS2 Retention	(457,408)
Clark Fork PME's	(73,762)
Nez Perce Settlement	(16,796)
FAS 87	(2,096,235)
Deferred Compensation Accrual	98,902
WA/ID Unbilled Revenue Add-ons	(281,279)
NE Tank Spill	89,714
Boulder Disallowance	103,656
PCA Write-down (IPUC Order Oct 2004)	(2,786)
WA Deferred Power Costs	17,341,709
Idaho Purchased Cost Adjustment	1,695,922
Deferred Gas & Deferred Gas Interest	(16,039,678)
WPNG DSM & Interest	(343,996)
PGE Monetization	7,235,483
Section 199 Manufacturing Deduction	(1,100,705)
NWP Lewiston Meter	1,797,194
AFUDC	(1,174,689)
Officers' Life Insurance (Perm Diff)	(677,742)
<b>Income Recorded on Books Not Included in Return</b>	<b>5,197,069</b>

**Schedule Page: 261 Line No.: 20 Column: b**

BPA Residential Exchange - WA/ID	(2,379,766)
WA & ID DSM Tarrif Rider	1,124,284
Cost of Removal / Salvage	(653,530)
Basic American Foods - Non-utility	7,788
Tax Depreciation	(97,900,013)
WPNG Acquisition & Tax Amortization	4,002,718
<b>Deductions on Return Not Charged Against Book Income</b>	<b>(95,798,519)</b>

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 310.3 Line No.: 1 Column: b**  
NorthWestern Energy LLC sale expires October 31, 2008

**Schedule Page: 310.3 Line No.: 8 Column: b**  
PacifiCorp sale terminates October 31, 2008.

**Schedule Page: 310.3 Line No.: 9 Column: b**  
Peaker, LLC capacity contract terminates December 31, 2016.

**Schedule Page: 310.4 Line No.: 5 Column: b**  
PPL Montana sale expires October 31, 2008

**Schedule Page: 310.4 Line No.: 10 Column: b**  
Puget Sound Energy sale expires October 31, 2008

**Schedule Page: 310.5 Line No.: 9 Column: b**  
Sovereign Power contract terminates 1-31-2010

**Schedule Page: 310.5 Line No.: 10 Column: b**  
Sovereign Contract terminates 1-31-2010

**Schedule Page: 310.6 Line No.: 5 Column: a**  
Intracompany Wheeling

**Schedule Page: 310.6 Line No.: 5 Column: b**  
IntraCompany Wheeling terminates 09/30/2023.

**Schedule Page: 310.6 Line No.: 6 Column: a**  
Intracompany generation - sale of ancillary services

**Schedule Page: 310.6 Line No.: 6 Column: b**  
IntraCompany Generation - Sale of Ancillary Services terminates 12/31/2009.

**Schedule Page: 310.6 Line No.: 7 Column: b**  
Estimated revenues - true up in later periods.

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 326 Line No.: 8 Column: b**

**Schedule Page: 326 Line No.: 10 Column: l**

Storage fees & Non Monetary accrual

**Schedule Page: 326 Line No.: 11 Column: j**

Operating Reserves

**Schedule Page: 326 Line No.: 12 Column: b**

Contract terminates December 31, 2005

**Schedule Page: 326 Line No.: 12 Column: l**

Non Monetary accrual

**Schedule Page: 326.2 Line No.: 14 Column: b**

Service to Deer Lake customers delivered from Inland Power & Light.

**Schedule Page: 326.3 Line No.: 13 Column: j**

Operating Reserves

**Schedule Page: 326.4 Line No.: 1 Column: j**

Operating Reserves

**Schedule Page: 326.4 Line No.: 2 Column: b**

Contract terminates March 31, 2014

**Schedule Page: 326.4 Line No.: 5 Column: l**

Non Monetary Accrual

**Schedule Page: 326.5 Line No.: 14 Column: j**

operating Reserves

**Schedule Page: 326.6 Line No.: 5 Column: l**

IntraCompany Ancillary Services

**Schedule Page: 326.6 Line No.: 6 Column: a**

Transmission losses reported as Sales for Resale

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 332 Line No.: 6 Column: g**

Other Charges - Prior Period

**Schedule Page: 332 Line No.: 7 Column: g**

Other Charges - Prior Period

**Schedule Page: 332 Line No.: 8 Column: g**

Other Charges - Annual O&M for capacity rights

**Schedule Page: 332 Line No.: 14 Column: g**

Other Charges - storage

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 335 Line No.: 5 Column: b**

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
VENDORS LESS THAN \$5,000		113,605
PACIFIC NW UTILITIES CONFERENCE COMMITTEE	Professional Services	5,000
FOUNDATION FOR WATER & ENERGY EDUCATION	Donations	6,190
KIM E PEARMAN-GILLMAN	Office Supplies	5,313
GEORGESON SHAREHOLDER	General Services	6,204
AZAR'S FOOD SERVICES	Miscellaneous	7,006
THELEN REID & PRIEST LLP	Legal Services	7,374
MALYN K MALQUIST	Employee Misc Expenses	7,951
UNION BANK OF CALIFORNIA	Miscellaneous	8,016
R R DONNELLEY RECEIVABLES INC	Professional Services	8,732
SCOTT L MORRIS	Employee Misc Expenses	7,110
NATIONAL HYDROPOWER ASSOCIATION	Donations	16,024
TREASURERS OFFICE TAXES AND LICENSES	License Fees	13,030
THE DAVENPORT HOTEL	Pay Stations	13,303
THE RICHARDSON COMPANY	Professional Services	16,322
GARY ELY	Employee Misc Expenses	22,391
CITIBANK NA	Miscellaneous	25,089
FITCH RATINGS	Miscellaneous	25,340
THE COEUR D ALENE RESORT	Miscellaneous	30,995
GANNETT FLEMING COMPANIES	Professional Services	35,742
NEW YORK STOCK EXCHANGE INC	General Services	32,306
JPMORGAN CHASE BANK	Miscellaneous	36,606
ADP INVESTOR COMMUNICATION SERVICES INC	General Services	37,194
CORP CREDIT CARD	Subscriptions	37,329
STANDARD & POORS	Miscellaneous	40,618
MOODYS INVESTORS SERVICE	Miscellaneous	44,031
POTTER CONSULTING	Miscellaneous	51,115
DEWEY BALLANTINE LLP	General Services	124,670
THE BANK OF NEW YORK	Miscellaneous	144,956
BANKERS TRUST NYC	Miscellaneous	301,824

**Schedule Page: 335 Line No.: 9 Column: b**

<u>Directors</u>	<u>2005 Expenses</u>
ERIK J ANDERSON	\$36,178.38
KRISTIANNE BLAKE	\$57,790.65
JOHN F KELLY	\$38,452.74
MICHAEL L NOEL	\$24,254.16
DAVID A CLACK	\$70,333.86
R JOHN TAYLOR	\$35,486.90
JESSIE J KNIGHT JR	\$25,967.62
LURA J POWELL	\$28,441.88
ROY EIGUREN	\$16,510.59
JACK W GUSTAVEL	\$18,853.85

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 402 Line No.: -1 Column: b**  
Joint facility with Mirant Oregon, LLC. Operated by Portland General Electric.

**Schedule Page: 402 Line No.: -1 Column: e**  
Joint project operated by PPL Montana LLC.

**Schedule Page: 402 Line No.: -1 Column: f**  
Avista purchased plant from Lessor 9/20/2005

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) 04/17/2006	Year/Period of Report 2005/Q4
FOOTNOTE DATA			

**Schedule Page: 406 Line No.: -2 Column: b**  
License period from August 1, 1972 to July 31, 2007.

**Schedule Page: 406 Line No.: -2 Column: c**  
License period from August 1, 1972 to July 31, 2007.

**Schedule Page: 406 Line No.: -2 Column: d**  
License period from March 1, 2001 to February 28, 2046

**Schedule Page: 406 Line No.: -2 Column: e**  
License period from March 1, 2001 to February 28, 2046.

**Schedule Page: 406 Line No.: -2 Column: f**  
License period from August 1, 1972 to July 31, 2007.

**Schedule Page: 406.1 Line No.: -2 Column: b**  
License period from August 1, 1972 to July 31, 2007.

**Schedule Page: 406.1 Line No.: -2 Column: c**  
Licensed period from August 1, 1972 to July 31, 2007.

**Schedule Page: 406.1 Line No.: -2 Column: d**  
Not a licensed project.

RECEIVED  
APR 19 11:12:05  
UTILITIES COMMISSION

**2005 Form 1**  
**State Supplements**  
**(ELECTRIC)**

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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 17, 2006	Dec. 31, 2005

## 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 effect 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	\$724,016,704	\$568,604,722
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)		\$724,016,704	\$568,604,722

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 17, 2006	Dec. 31, 2005

**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
\$509,490,290	\$416,053,278	\$214,526,414	\$152,551,444			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$509,490,290	\$416,053,278	\$214,526,414	\$152,551,444		\$0	20

Name of Respondent 1  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 17, 2006	Year of Report  December 31, 2005
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## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Accounts 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an

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 of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	0	
3	(302) Franchises and Consents	0	
4	(303) Miscellaneous Intangible Plant	153,179	(3,824)
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	153,179	(3,824)
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	941,300	
9	(311) Structures and Improvements	24,562,886	27,902
10	(312) Boiler Plant Equipment	39,740,411	472,249
11	(313) Engines and Engine Driven Generators	0	
12	(314) Turbogenerator Units	13,183,048	
13	(315) Accessory Electric Equipment	10,261,817	
14	(316) Misc. Power Plant Equipment	2,493,525	
15	(317) Asset Retirement Costs for Steam Production	1,114,206	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	92,297,193	500,151
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	0	
19	(321) Structures and Improvements	0	
20	(322) Reactor Plant Equipment	0	
21	(323) Turbogenerator Units	0	
22	(324) Accessory Electric Equipment	0	
23	(325) Misc. Power Plant Equipment	0	
24	(326) Asset Retirement Costs for Nuclear Production	0	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	0	0
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	7,038,793	
28	(331) Structures and Improvements	15,092,200	10,769
29	(332) Reservoirs, Dams, and Waterways	43,983,239	4,706,732
30	(333) Water Wheels, Turbines, and Generators	34,324,013	43,441
31	(334) Accessory Electric Equipment	9,407,654	215,676
32	(335) Misc. Power Plant Equipment	937,304	
33	(336) Roads, Railroads, and Bridges	675,629	
34	(337) Asset Retirement Costs for Hydraulic Production	0	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	111,458,832	4,976,618
36	D. Other Production Plant		
37	(340) Land and Land Rights	274,396	
38	(341) Structures and Improvements	981,334	
39	(342) Fuel Holders, Products and Accessories	1,351,484	
40	(343) Prime Movers	18,198,304	20,148
41	(344) Generators	32,669,907	22,312
42	(345) Accessory Electric Equipment	600,331	6,552

Name of Respondent  Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr) April 17, 2006	Year of Report December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's 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 col-

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

7. For Account 399, state the nature and use of plant included in the 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 also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			0	(301)	2
			0	(302)	3
			149,355	(303)	4
0	0	0	149,355		5
					6
					7
			941,300	(310)	8
76,964			24,513,824	(311)	9
170,563			40,042,097	(312)	10
			0	(313)	11
98,051			13,084,997	(314)	12
			10,261,817	(315)	13
193,402			2,300,123	(316)	14
			1,114,206	(317)	15
538,980	0	0	92,258,364		16
					17
			0	(320)	18
			0	(321)	19
			0	(322)	20
			0	(323)	21
			0	(324)	22
			0	(325)	23
			0	(326)	24
0	0	0	0		25
					26
179			7,038,614	(330)	27
2,434			15,100,535	(331)	28
32,921			48,657,050	(332)	29
1,970			34,365,484	(333)	30
39,168			9,584,162	(334)	31
			937,304	(335)	32
			675,629	(336)	33
			0	(337)	34
76,672	0	0	116,358,778		35
					36
18,522			255,874	(340)	37
			981,334	(341)	38
1,114,822			236,662	(342)	39
0			18,218,452	(343)	40
			32,692,219	(344)	41
2,569		0	604,314	(345)	42

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 17, 2006	December 31, 2005
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>				
Line No.	Account (a)	Balance at Beginning of Year (g)	Additions (c)	
43	(346) Misc. Power Plant Equipment	245,344		
44	(347) Asset Retirement Costs for Other Production	0		
45	TOTAL Other Production Plant (Enter Total of lines 37 thru 44)	54,321,100	49,012	
46	TOTAL Production Plant (Enter Total of lines 16, 25, 35, and 45)	258,077,125	5,525,781	
47	<b>3. TRANSMISSION PLANT</b>			
48	(350) Land and Land Rights	7,667,109	67,536	
49	(352) Structures and Improvements	6,203,338	915,632	
50	(353) Station Equipment	61,083,163	6,966,242	
51	(354) Towers and Fixtures	499,054		
52	(355) Poles and Fixtures	39,948,307	8,310,999	
53	(356) Overhead Conductors and Devices	27,444,788	3,571,269	
54	(357) Underground Conduit	561,148		
55	(358) Underground Conductors and Devices	1,317,910		
56	(359) Roads and Trails	85,366		
57	(359.1) Asset Retirement Costs for Transmission Plant	0		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	144,810,183	19,831,678	
59	<b>4. DISTRIBUTION PLANT</b>			
60	(360) Land and Land Rights	2,952,699		
61	(361) Structures and Improvements	7,501,131	87,480	
62	(362) Station Equipment	45,017,382	4,247,967	
63	(363) Storage Battery Equipment	0		
64	(364) Poles, Towers, and Fixtures	98,738,593	3,865,613	
65	(365) Overhead Conductors and Devices	65,384,569	1,519,980	
66	(366) Underground Conduit	33,018,512	1,537,022	
67	(367) Underground Conductors and Devices	55,587,686	2,776,504	
68	(368) Line Transformers	79,795,945	4,398,089	
69	(369) Services	55,962,772	2,504,255	
70	(370) Meters	17,143,716	1,128,697	
71	(371) Installations on Customer Premises	0		
72	(372) Leased Property on Customer Premises	0		
73	(373) Street Lighting and Signal Systems	12,397,259	815,551	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	473,500,264	22,881,158	
76	<b>5. GENERAL PLANT</b>			
77	(389) Land and Land Rights	0		
78	(390) Structures and Improvements	399,420		
79	(391) Office Furniture and Equipment	0		
80	(392) Transportation Equipment	2,314,265	195,043	
81	(393) Stores Equipment	21,952		
82	(394) Tools, Shop and Garage Equipment	1,054,842	122,311	
83	(395) Laboratory Equipment	250,748	109,389	
84	(396) Power Operated Equipment	8,076,261	661,217	
85	(397) Communication Equipment	3,251,443	1,707,903	
86	(398) Miscellaneous Equipment	0		
87	SUBTOTAL (Enter Total of lines 77 thru 86)	15,368,931	2,795,863	
88	(399) Other Tangible Property	0		
89	(399.1) Asset Retirement Costs for General Plant	0		
90	TOTAL General Plant (Enter Total of lines 87 thru 89)	15,368,931	2,795,863	
91	TOTAL (Accounts 101 and 106)	891,909,682	51,030,656	
92	(102) Electric Plant Purchased	0	0	
93	(Less) (102) Electric Plant Sold	0	0	
94	(103) Experimental Plant Unclassified	0	0	
95	TOTAL Electric Plant in Service	891,909,682	51,030,656	

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report		Line No.
Avista Corp.		April 17, 2006	December 31, 2005		
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)</b>					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			245,344	(346)	43
			0	(347)	44
1,135,913	0	0	53,234,199		45
1,751,565	0	0	261,851,341		46
					47
			7,734,645	(350)	48
25,272			7,093,698	(352)	49
610,465			67,438,940	(353)	50
			499,054	(354)	51
58,136			48,201,170	(355)	52
46,517			30,969,540	(356)	53
			561,148	(357)	54
			1,317,910	(358)	55
			85,366	(359)	56
			0	(359.1)	57
740,390	0	0	163,901,471		58
					59
38,063			2,914,636	(360)	60
36,789			7,551,822	(361)	61
649,361			48,615,988	(362)	62
			0	(363)	63
94,078			102,510,128	(364)	64
47,322			66,857,227	(365)	65
11,482			34,544,052	(366)	66
203,630			58,160,560	(367)	67
893,020			83,301,014	(368)	68
73,061			58,393,966	(369)	69
2,664,407			15,608,006	(370)	70
			0	(371)	71
			0	(372)	72
14,019			13,198,791	(373)	73
			0	(374)	74
4,725,232	0	0	491,656,190		75
					76
			0	(389)	77
			399,420	(390)	78
			0	(391)	79
			2,509,308	(392)	80
			21,952	(393)	81
68,853			1,108,300	(394)	82
687			359,450	(395)	83
			8,737,478	(396)	84
5,490			4,953,856	(397)	85
			0	(398)	86
75,030	0	0	18,089,764		87
			0	(399)	88
			0	(399.1)	89
75,030	0	0	18,089,764		90
7,292,217	0	0	935,648,121		91
			0	(102)	92
			0		93
			0	(103)	94
7,292,217	0	0	935,648,121		95

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 17, 2006	Year of Report  Dec. 31, 2005
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## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below 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. Report number of customers, columns (f) and (g), on the basis of meters, 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
3. If previous year (columns (c), (e), and (g), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account  (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	141,335,728	142,026,431
3	(442) Commercial and Industrial Sales (3)		
4	Small (or Commercial)	141,993,348	140,020,703
5	Large (or Industrial)	39,045,236	38,320,438
6	(444) Public Street and Highway Lighting	3,289,060	3,314,095
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	712,660	751,710
10	TOTAL Sales to Ultimate Consumers	326,376,032 (1)	324,433,377
11	(447) Sales for Resale	162,882,986 (4)	
12	TOTAL Sales of Electricity	489,259,018	324,433,377
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Provision for Refunds	489,259,018	324,433,377
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	295,570	313,711
18	(453) Sales of Water and Water Power	191,173	157,230
19	(454) Rent from Electric Property	1,854,249	1,487,760
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	17,890,280	6,089,945
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	20,231,272	8,048,646
27	TOTAL Electric Operating Revenues	\$509,490,290	\$332,482,023

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 17, 2006	Dec. 31, 2005

## ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, 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 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

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

6. For lines 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
2,328,295	2,288,471	197,187	193,934	2
				3
2,052,868	2,003,933	21,855	21,584	4
823,133	815,186	905	900	5
17,068	17,449	284	282	6
				7
				8
11,230	11,826	40	37	9
5,232,594 (2)	5,136,865	220,271	216,737	10
3,264,440		38		11
8,497,034	5,136,865	220,309	216,737	12
				13
8,497,034	5,136,865	220,309	216,737	14

(1) Includes \$1,019,437 of unbilled revenues.

(2) Includes 18,730 MWH relating to unbilled revenues.

(3) Segregation of Commercial and Industrial made on basis of utilization of energy and not on size of account.

(4) 447 Revenues for 2004 were reported on "Not Directly Assigned" page.

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	December 31, 2005
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
1	<b>(1) POWER PRODUCTION EXPENSES</b>		
2	<b>A. Steam Power Generation</b>		
3	Operation	-	-
4	(500) Operation Supervision and Engineering	123,918	191,440
5	(501) Fuel	10,296,104	8,414,543
6	(502) Steam Expenses	547,937	545,560
7	(503) Steam from Other Sources	-	-
8	(Less) (504) Steam Transferred-Cr.	-	-
9	(505) Electric Expenses	729,234	696,759
10	(506) Miscellaneous Steam Power Expenses	393,132	410,250
11	(507) Rents	856	-
12	(509) Allowances	-	-
12	<b>TOTAL Operation (Enter Total of Lines 4 thru 11)</b>	<b>12,091,180</b>	<b>10,258,552</b>
13	Maintenance	-	-
14	(510) Maintenance Supervision and Engineering	93,705	97,088
15	(511) Maintenance of Structures	68,255	108,537
16	(512) Maintenance of Boiler Plant	954,483	958,079
17	(513) Maintenance of Electric Plant	420,469	144,313
18	(514) Maintenance of Miscellaneous Steam Plant	151,342	211,914
19	<b>TOTAL Maintenance (Enter Total of Lines 14 thru 18)</b>	<b>1,688,254</b>	<b>1,519,931</b>
20	<b>TOTAL Power Production Expenses-Steam Plant (Enter Total of lines 12 and 19)</b>	<b>13,779,435</b>	<b>11,778,483</b>
21	<b>B. Nuclear Power Generation</b>		
22	Operation		
23	(517) Operation Supervision and Engineering	-	-
24	(518) Fuel	-	-
25	(519) Coolants and Water	-	-
26	(520) Steam Expenses	-	-
27	(521) Steam from Other Sources	-	-
28	(Less) (522) Steam Transferred-Cr.	-	-
29	(523) Electric Expenses	-	-
30	(524) Miscellaneous Nuclear Power Expenses	-	-
31	(525) Rents	-	-
32	<b>TOTAL Operation (Enter Total of lines 23 thru 31)</b>	<b>-</b>	<b>-</b>
33	Maintenance		
34	(528) Maintenance Supervision and Engineering	-	-
35	(529) Maintenance of Structures	-	-
36	(530) Maintenance of Reactor Plant Equipment	-	-
37	(531) Maintenance of Electric Plant	-	-
38	(532) Maintenance of Miscellaneous Nuclear Plant	-	-
39	<b>TOTAL Maintenance (Enter Total of lines 34 thru 38)</b>	<b>-</b>	<b>-</b>
40	<b>TOTAL Power Production Expenses-Nuclear Power(Enter total of lines 32 and 39)</b>	<b>-</b>	<b>-</b>
41	<b>C. Hydraulic Power Generation</b>		
42	Operation		
43	(535) Operation Supervision and Engineering	902,345	912,747
44	(536) Water for Power	497,770	2,382
45	(537) Hydraulic Expenses	1,484,540	513,526
46	(538) Electric Expenses	2,065,503	2,011,324
47	(539) Miscellaneous Hydraulic Power Generation Expenses	300,444	325,057
48	(540) Rents	664,047	553,705
49	<b>TOTAL Operation (Enter Total of lines 43 thru 48)</b>	<b>5,914,648</b>	<b>4,318,740</b>

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	
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	153,297	168,959
53	(542) Maintenance of Structures	374,052	98,561
54	(543) Maintenance of Reservoirs, Dams, and Waterways	282,840	296,452
55	(544) Maintenance of Electric Plant	732,392	1,139,720
56	(545) Maintenance of Miscellaneous Hydraulic Plant	82,330	16,953
57	TOTAL Maintenance (Enter Total of lines 52 thru 56)	1,624,911	1,720,644
58	TOTAL Power Production Expenses-Hydraulic Power (Enter total of lines 49 and 57)	7,539,559	6,039,385
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	107,866	39,534
62	(547) Fuel	1,567,712	1,546,057
63	(548) Generation Expenses	157,332	143,056
64	(549) Miscellaneous Other Power Generation Expenses	133,651	29,099
65	(550) Rents	(20,267)	-
66	TOTAL Operation (Enter Total of lines 61 thru 65)	1,946,293	1,757,746
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	42,358	129,735
69	(552) Maintenance of Structures	1,068,873	49,864
70	(553) Maintenance of Generating and Electric Plant	194,345	610,861
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	61,928	30,221
72	TOTAL Maintenance (Enter Total of lines 68 thru 71)	1,367,504	820,681
73	TOTAL Power Production Expenses-Other Power (Enter Total of lines 66 and 72)	3,313,798	2,578,427
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	165,572,990	97,697,899
76	(556) System Control and Load Dispatching	444,209	765,062
77	(557) Other Expenses	51,111,227	68,702,142
78	TOTAL Other Power Supply Expenses (Enter Total of lines 75 thru 77)	217,128,426	167,165,103
79	TOTAL Power Production Expenses (Enter Total of lines 20, 40, 58, 73 and 78)	241,761,218	187,561,399
80	<b>2. TRANSMISSION EXPENSES</b>		
81	Operation		
82	(560) Operation Supervision and Engineering	1,032,534	1,148,326
83	(561) Load Dispatching	981,699	842,523
84	(562) Station Expenses	104,301	106,498
85	(563) Overhead Line Expenses	56,711	96,056
86	(564) Underground Line Expenses	-	-
87	(565) Transmission of Electricity by Others	6,436,773	6,161,135
88	(566) Miscellaneous Transmission Expenses	435,878	283,469
89	(567) Rents	86	41,212
90	TOTAL Operation (Enter Total of lines 82 thru 89)	9,047,981	8,679,220
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	261,900	279,719
93	(569) Maintenance of Structures	82,217	5,511
94	(570) Maintenance of Station Equipment	542,985	790,671
95	(571) Maintenance of Overhead Lines	190,896	113,849
96	(572) Maintenance of Underground Lines	1,164	9,487
97	(573) Maintenance of Miscellaneous Transmission Plant	87,428	-
98	TOTAL Maintenance (Enter Total of lines 92 thru 97)	1,166,590	1,199,237
99	TOTAL Transmission Expenses (Enter Total of lines 90 and 98)	10,214,571	9,878,457
100	<b>3. DISTRIBUTION EXPENSES</b>		
101	Operation		
102	(580) Operation Supervision and Engineering	653,550	475,275

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) <input checked="" type="checkbox"/> An Original	April 17, 2006	December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
103	<b>3. DISTRIBUTION EXPENSES (Continued)</b>		
104	(581) Load Dispatching	-	-
105	(582) Station Expenses	218,550	158,027
106	(583) Overhead Line Expenses	1,210,525	1,300,474
107	(584) Underground Line Expenses	849,332	865,733
108	(585) Street Lighting and Signal System Expenses	73,858	123,557
109	(586) Meter Expenses	919,841	621,833
110	(587) Customer Installations Expenses	442,439	139,360
111	(588) Miscellaneous Distribution Expenses	2,723,102	2,380,390
112	(589) Rents	143,905	209,390
113	TOTAL Operation (Enter Total of lines 102 thru 112)	7,235,101	6,274,039
114	Maintenance		
115	(590) Maintenance Supervision and Engineering	780,265	570,809
116	(591) Maintenance of Structures	120,839	2,380
117	(592) Maintenance of Station Equipment	511,273	566,765
118	(593) Maintenance of Overhead Lines	4,136,653	3,652,402
119	(594) Maintenance of Underground Lines	608,856	417,267
120	(595) Maintenance of Line Transformers	412,910	480,827
121	(596) Maintenance of Street Lighting and Signal Systems	305,772	211,554
122	(597) Maintenance of Meters	62,024	25,596
123	(598) Maintenance of Miscellaneous Distribution Plant	153,399	80,316
124	TOTAL Maintenance (Enter Total of lines 115 thru 123)	7,091,992	6,007,916
125	TOTAL Distribution Expenses (Enter Total of lines 113 and 124)	14,327,093	12,281,955
126	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>		
127	Operation		
128	(901) Supervision	444,651	58,829
129	(902) Meter Reading Expenses	1,740,545	1,698,365
130	(903) Customer Records and Collection Expenses	5,233,421	5,165,646
131	(904) Uncollectible Accounts	964,059	1,161,421
132	(905) Miscellaneous Customer Accounts Expenses	341,927	378,524
133	TOTAL Customer Accounts Expenses (Enter Total of lines 128 thru 132)	8,724,604	8,462,785
134	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
135	Operation		
136	(907) Supervision	-	-
137	(908) Customer Assistance Expenses	7,027,854	6,999,991
138	(909) Informational and Instructional Expenses	28,010	158,099
139	(910) Miscellaneous Customer Service and Informational Expenses	70,454	61,581
140	TOTAL Cust. Service and Informational Expenses (Enter Total of lines 136 thru 139)	7,126,318	7,219,670
141	<b>6. SALES EXPENSES</b>		
142	Operation		
143	(911) Supervision	-	-
144	(912) Demonstrating and Selling Expenses	261,524	605,414
145	(913) Advertising Expenses	90,492	89,853
146	(916) Miscellaneous Sales Expenses	77,176	7,241
147	TOTAL Sales Expenses (Enter Total of lines 143 thru 146)	429,192	702,508
148	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
149	Operation		
150	(920) Administrative and General Salaries	11,549,436	10,334,355
151	(921) Office Supplies and Expenses	2,542,204	3,740,930
152	(Less) (922) Administrative expenses Transferred-Credit	(15,343)	(14,137)

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) <input checked="" type="checkbox"/> An Original	April 17, 2006	December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
153	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)</b>		
154	(923) Outside Services Employed	6,057,965	5,274,663
155	(924) Property Insurance	686,016	592,448
156	(925) Injuries and Damages	1,763,273	2,558,418
157	(926) Employee Pensions and Benefits	748,354	726,724
158	(927) Franchise Requirements	-	-
159	(928) Regulatory Commission Expenses	2,901,767	1,484,314
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	(11,083)	41,893
162	(930.2) Miscellaneous General Expenses	1,955,562	1,976,681
163	(931) Rents	2,070,847	2,889,414
164	TOTAL Operation (Enter Total of lines 150 thru 163)	30,248,999	29,605,704
165	Maintenance		
166	(935) Maintenance of General Plant	3,787,868	2,245,930
167	TOTAL Administrative and General Expenses (Enter Total of lines 164 and 166)	34,036,868	31,851,634
168	TOTAL Electric Operation and Maintenance Expenses (Enter Total of lines 79,99,125,133,140,147,and 167)	316,619,864	257,958,407

**NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES**

<p>1. The data on number of emp construction employees in a footnote. for the payroll period ending near 3. The number of employees assignable to the electric payroll period ending 60 days befct department from joint functions of combination utilities may</p> <p>2. If the respondent's payroll foibe determined by estimate, on the basis of employee equiva-cludes any special construction lents. Show the estimated number of equivalent employees employees on line 3, and show th attributed to the electric department from joint functions.</p>			
1	Payroll Period Ended (Date) December 31, 2005		
2	Total Regular Full-Time Employees	394	392
3	Total Part-Time and Temporary Employees	24	34
4	Allocation of General Employees	330	356
5	Total Employees (See Note 1)	748	782

Name of Respondent Avista Corp.	This report is: (1) (X) An Original  (2) ( ) A Resubmission	Date of Report (Mo, Da, Yr)  04/17/2006	Year of Report  Dec. 31, 2005
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**TRANSMISSION LINE STATISTICS**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uni-form System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood or steel; (2) H-frame, wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are

Line No.	DESIGNATION		VOLTAGE (KV) (Indicating where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (pole miles) (In the case of underground lines, report circuit miles.)		Number of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)		On structure of Line Designated (f)	On structure of Another Line (g)	
1	Group Sum		60	60		1.00		
2								
3	Group Sum		115	115		933.00		
4								
5	Beacon Sub #4	BPA Bell Sub	230	230	Steel Tower	1.00		1
6	Beacon Sub	BPA Bell Sub	230	230	H Type	5.00		1
7	Beacon Sub #5	BPA Bell Sub	230	230	H Type	6.00		1
8	Beacon	Cabinet Gorge Plant	230	230	Steel Tower		1.00	1
9	Beacon	Cabinet Gorge Plant	230	230	Steel Pole			2
10	Beacon	Cabinet Gorge Plant	230	230	H Type	15.50		1
11	Beacon Sub	Lolo Sub	230	230	Steel Tower	1.00		1
12	Beacon Sub	Lolo Sub	230	230	H Type	21.00		1
13	North Lewiston	Walla Walla	230	230	Steel Tower	4.00		1
14	North Lewiston	Walla Walla	230	230	H Type	31.00		1
15	North Lewiston	Shawnee	230	230	Steel Tower	7.00		1
16	North Lewiston	Shawnee	230	230	H Type	26.00		1
17	Walla Walla	Wanapum	230	230	Alum.			1
18	Walla Walla	Wanapum	230	230	H Type	78.00		1
19								
20								
21	BPA Line	West Side Sub	230	230	Steel Pole	2.00		2
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37					TOTAL	1,131.50	1.00	17

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	04/17/2006	Dec. 31, 2005

**TRANSMISSION STATISTICS (Continued)**

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the 8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.  
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material  (i)	COST OF LINE (Include in column (j) land, Land Rights, and clearing right-of-way)			Expenses, except Depreciation and Taxes				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
	136,038	70,092	206,130					1
	4,131,122	45,974,708	50,105,830	67,306	251,933	-5,046	314,193	2
795 McMACSR	17,912	1,417,576	1,435,488	0	2,289	0	2,289	3
1272McMACSR								4
1272 McMAL	30,323	397,933	428,256					5
795 McMACSR								6
1590 ACSS								7
795 McMACSR	113,410	18,737,874	18,851,284	143	0	0	143	8
795 McMACSR								9
1272 McMAL	92,558	1,170,508	1,263,066	249	0	0	249	10
1272 McMAL								11
1272 McMAL	598,171	4,444,501	5,042,672	3,923	564	0	4,487	12
1272 McMAL								13
1272 McMAL	862,135	7,389,801	8,251,936	297	170	0	467	14
1272 McMAL								15
1272 McMAL	70,781	2,244,345	2,315,126	18,052	8,920	0	26,972	16
								17
1272 McMAL	36,461	587,224	623,685	409	0	0	409	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
								36
	6,088,912	82,434,561	88,523,473	90,380	263,876	-5,046	349,210	37

Data Request for Statistics Report - 2005

Line No		Total Company Operations		Washington Operations	
		2005	2004	2005	2004
1	Electric Service Revenues				
2					
3	Residential Sales	211,934,411	209,518,294	141,335,728	142,026,431
4	Commercial & Industrial Sales	295,031,827	292,062,450	181,038,584	178,341,141
5	Public Street & Highway Lighting	4,897,543	4,846,748	3,289,060	3,314,095
6	Interdepartmental Sales	825,393	864,472	712,660	751,710
7	Sales for Resale	221,803,806	89,993,250	162,882,986	-
8	Other Operating Revenues	60,058,249	82,389,300	20,231,272	8,048,646
9					
10					
11	Total Electric Service Revenues	794,551,229	679,674,514	509,490,290	332,482,023
12					
13	Disposition of Energy-Megawatt Hrs.				
14					
15	Residential Sales	3,419,532	3,343,073	2,328,295	2,288,471
16	Commercial & Industrial Sales	5,085,157	4,994,733	2,876,001	2,819,119
17	Public Street & Highway Lighting	25,060	25,307	17,068	17,449
18	Interdepartmental Sales	12,925	13,503	11,230	11,826
19	Sales for Resale	4,144,503	2,232,653	3,264,440	-
20	Energy Losses				
21					
22	Total Disposition of Energy	12,687,177	10,609,269	8,497,034	5,136,865
23					
24	Average Number of Electric Customers Per Month				
25					
26	Residential Sales	294,036	288,422	197,187	193,934
27	Commercial & Industrial Sales	38,689	38,144	22,760	22,484
28	Public Street & Highway Lighting	420	418	284	282
29	Interdepartmental Sales	69	65	40	37
30	Sales for Resale	46	43	38	-
31					
32					
33					
34	Miles of Transmission Pole Lines (Rounded)	2,136	2,155	1,133	1,130
35	Number of Line Transformers	105,292	101,474	75,139	74,085
36	Capacity of All Line Transformers (KVA - Rounded)	4,217	4,002	3,295	3,187
37	Number of Meters	344,231	324,299	229,123	217,264

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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 17, 2006	Dec. 31, 2005

**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	\$280,597,321	\$251,031,104
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)		\$280,597,321	\$251,031,104

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 17, 2006	Dec. 31, 2005

**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
\$194,621,447	\$191,336,472	\$85,975,874	\$59,694,632			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$194,621,447	\$191,336,472	\$85,975,874	\$59,694,632		\$0	20

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 17, 2006	Year of Report  Dec. 31, 2005
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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	<b>UTILITY PLANT</b>		
2	In Service		
3	Plant in Service (Classified)	709,100,434	602,427,097
4	Property Under Capital Leases	1,486,476	
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Investment in Kettle Falls		
8	TOTAL (Enter Total of lines 3 thru 7)	710,586,910	602,427,097
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	7,473,515	5,642,818
12	Acquisition Adjustments	0	0
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12 )	718,060,425	608,069,915
14	Accum. Prov. for Depr., Amort., & Depl.	0	0
15	Net Utility Plant (Enter total of line 13 less 14)	718,060,425	608,069,915
16	<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>		
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 17, 2006	Dec. 31, 2005

**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
101,680,989				4,992,348	3
226,857				1,259,619	4
					5
					6
					7
101,907,846				6,251,967	8
					9
					10
1,775,077				55,620	11
					12
103,682,923				6,307,587	13
0					14
103,682,923				6,307,587	15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
0				0	33

Name of Respondent 2  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 17, 2006	Year of Report  December 31, 2005
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Accounts 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an 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 of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization	0	
3	(302) Franchises and Consents	9,036,684	
4	(303) Miscellaneous Intangible Plant	0	
5	<b>TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)</b>	9,036,684	0
6	<b>2. PRODUCTION PLANT</b>		
7	<b>A. Steam Production Plant</b>		
8	(310) Land and Land Rights	0	
9	(311) Structures and Improvements	0	
10	(312) Boiler Plant Equipment	0	
11	(313) Engines and Engine Driven Generators	0	
12	(314) Turbogenerator Units	0	
13	(315) Accessory Electric Equipment	0	
14	(316) Misc. Power Plant Equipment	0	
15	(317) Asset Retirement Costs for Steam Production	0	
16	<b>TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)</b>		0
17	<b>B. Nuclear Production Plant</b>		
18	(320) Land and Land Rights	0	
19	(321) Structures and Improvements	0	
20	(322) Reactor Plant Equipment	0	
21	(323) Turbogenerator Units	0	
22	(324) Accessory Electric Equipment	0	
23	(325) Misc. Power Plant Equipment	0	
24	(326) Asset Retirement Costs for Nuclear Production	0	
25	<b>TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)</b>	0	0
26	<b>C. Hydraulic Production Plant</b>		
27	(330) Land and Land Rights	5,454,702	598,896
28	(331) Structures and Improvements	10,111,977	12,313
29	(332) Reservoirs, Dams, and Waterways	25,414,003	645,988
30	(333) Water Wheels, Turbines, and Generators	34,228,363	9,253
31	(334) Accessory Electric Equipment	5,984,796	98,703
32	(335) Misc. Power Plant Equipment	2,600,300	
33	(336) Roads, Railroads, and Bridges	1,098,564	
34	(337) Asset Retirement Costs for Hydraulic Production	0	
35	<b>TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)</b>	84,892,705	1,365,153
36	<b>D. Other Production Plant</b>		
37	(340) Land and Land Rights	484,415	137,267
38	(341) Structures and Improvements	33,279	3,153,672
39	(342) Fuel Holders, Products and Accessories	0	1,700,144
40	(343) Prime Movers	3,658,328	
41	(344) Generators	602,709	47,971,567
42	(345) Accessory Electric Equipment	204,046	1,675,566

Name of Respondent  Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)  April 17, 2006	Year of Report  December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's 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 col-

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

7. For Account 399, state the nature and use of plant included in the 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 also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			0	(301)	2
			9,036,684	(302)	3
			0	(303)	4
0	0	0	9,036,684		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
			0	(317)	15
0	0	0	0		16
					17
			0	(320)	18
			0	(321)	19
			0	(322)	20
			0	(323)	21
			0	(324)	22
			0	(325)	23
			0	(326)	24
0	0	0	0		25
					26
			6,053,598	(330)	27
8,297			10,115,993	(331)	28
			26,059,991	(332)	29
			34,237,616	(333)	30
10,241			6,073,258	(334)	31
			2,600,300	(335)	32
			1,098,564	(336)	33
			0	(337)	34
18,538	0	0	86,239,320		35
					36
			621,682	(340)	37
			3,186,951	(341)	38
			1,700,144	(342)	39
			3,658,328	(343)	40
			48,574,276	(344)	41
			1,879,612	(345)	42

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 17, 2006	December 31, 2005
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
43	(346) Misc. Power Plant Equipment	0		
44	(347) Asset Retirement Costs for Other Production	0		
45	TOTAL Other Production Plant (Enter Total of lines 37 thru 45)	4,982,777	54,638,216	
46	TOTAL Production Plant (Enter Total of lines 16, 25, 35, and 45)	89,875,482	56,003,369	
47	<b>3. TRANSMISSION PLANT</b>			
48	(350) Land and Land Rights	3,959,664		
49	(352) Structures and Improvements	4,258,335	1,211,134	
50	(353) Station Equipment	54,019,886	5,704,229	
51	(354) Towers and Fixtures	556,655		
52	(355) Poles and Fixtures	41,312,688	1,036,273	
53	(356) Overhead Conductors and Devices	24,693,281	1,048,120	
54	(357) Underground Conduit	0		
55	(358) Underground Conductors and Devices	0		
56	(359) Roads and Trails	1,374,002		
57	(359.1) Asset Retirement Costs for Transmission Plant	0		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	130,174,511	8,999,756	
59	<b>4. DISTRIBUTION PLANT</b>			
60	(360) Land and Land Rights	939,620		
61	(361) Structures and Improvements	2,726,057		
62	(362) Station Equipment	26,669,511	507,312	
63	(363) Storage Battery Equipment	0		
64	(364) Poles, Towers, and Fixtures	63,161,948	2,503,214	
65	(365) Overhead Conductors and Devices	43,437,930	1,328,912	
66	(366) Underground Conduit	21,557,077	1,485,069	
67	(367) Underground Conductors and Devices	31,108,616	2,255,622	
68	(368) Line Transformers	45,649,499	1,855,417	
69	(369) Services	34,299,817	1,701,846	
70	(370) Meters	7,706,724	248,370	
71	(371) Installations on Customer Premises	0		
72	(372) Leased Property on Customer Premises	0		
73	(373) Street Lighting and Signal Systems	9,456,310	578,877	
74	(374) Asset Retirement Costs for Distribution Plant	0		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	286,713,109	12,464,639	
76	<b>5. GENERAL PLANT</b>			
77	(389) Land and Land Rights	101,907		
78	(390) Structures and Improvements	975,391		
79	(391) Office Furniture and Equipment	0		
80	(392) Transportation Equipment	1,054,474	9,359	
81	(393) Stores Equipment	30,140		
82	(394) Tools, Shop and Garage Equipment	434,926	27,655	
83	(395) Laboratory Equipment	316,589		
84	(396) Power Operated Equipment	4,610,330	336,254	
85	(397) Communication Equipment	1,364,526	936,605	
86	(398) Miscellaneous Equipment	486		
87	SUBTOTAL (Enter Total of lines 77 thru 86)	8,888,769	1,309,873	
88	(399) Other Tangible Property	0		
89	(399.1) Asset Retirement Costs for General Plant	0		
90	TOTAL General Plant (Enter Total of lines 87 and 90)	8,888,769	1,309,873	
91	TOTAL (Accounts 101 and 106)	524,688,555	78,777,637	
92	(102) Electric Plant Purchased	0		
93	(Less) (102) Electric Plant Sold	0		
94	(103) Experimental Plant Unclassified	0		
95	TOTAL Electric Plant in Service	524,688,555	78,777,637	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report		Line No.
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 17, 2006	December 31, 2005		
ELECTRIC 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	(346)	43
			0	(347)	44
0	0	0	59,620,993		45
18,538	0	0	145,860,313		46
					47
			3,959,664	(350)	48
			5,469,469	(352)	49
513,146			59,210,969	(353)	50
			556,655	(354)	51
41,940			42,307,021	(355)	52
38,532			25,702,869	(356)	53
			0	(357)	54
			0	(358)	55
			1,374,002	(359)	56
			0	(359.1)	57
593,618	0	0	138,580,649		58
					59
120,386			819,234	(360)	60
			2,726,057	(361)	61
266,355			26,910,468	(362)	62
			0	(363)	63
27,250			65,637,912	(364)	64
12,603			44,754,239	(365)	65
10,569			23,031,577	(366)	66
43,307			33,320,931	(367)	67
5,840			47,499,076	(368)	68
16,851			35,984,812	(369)	69
			7,955,094	(370)	70
			0	(371)	71
			0	(372)	72
16,956			10,018,231	(373)	73
			0	(374)	74
520,117	0	0	298,657,631		75
					76
			101,907	(389)	77
			975,391	(390)	78
			0	(391)	79
			1,063,833	(392)	80
			30,140	(393)	81
26,347			436,234	(394)	82
861			315,728	(395)	83
			4,946,584	(396)	84
			2,301,131	(397)	85
			486	(398)	86
27,208	0	0	10,171,434		87
			0	(399)	88
			0	(399.1)	89
27,208	0	0	10,171,434		90
1,159,481	0	0	602,306,711		91
			0	(102)	92
			0		93
			0	(103)	94
1,159,481	0	0	602,306,711		95

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 17, 2006	Dec. 31, 2005

## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, 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.
3. If previous year (columns (c), (e), and (g), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	70,591,725	67,484,772
3	(442) Commercial and Industrial Sales (3)		
4	Small (or Commercial)	61,484,647	61,752,004
5	Large (or Industrial)	52,506,620	51,967,221
6	(444) Public Street and Highway Lighting	1,608,483	1,532,653
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	106,340	106,244
10	TOTAL Sales to Ultimate Consumers	186,297,815 (1)	182,842,894
11	(447) Sales for Resale	1,249,035 (4)	
12	TOTAL Sales of Electricity	187,546,850	182,842,894
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Provision for Refunds	187,546,850	182,842,894
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	155,028	169,621
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	689,835	808,423
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	6,229,734	6,466,023
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	7,074,597	7,444,067
27	TOTAL Electric Operating Revenues	\$194,621,447	\$190,286,961

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 17, 2006	Year of Report Dec. 31, 2005	
<b>ELECTRIC OPERATING REVENUES (Account 400) (Continued)</b>				
4. Commercial and Industrial Sales, Account 442, 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 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)		5. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases. 6. For lines 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by accounts. 7. Include unmetered sales. Provide details of such sales in a footnote.		
<b>MEGAWATT HOURS SOLD</b>		<b>AVG. NO. OF CUSTOMERS PER MONTH</b>		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
1,091,084	1,054,446	96,838	94,476	1
941,318	914,635	15,426	15,143	2
1,267,808	1,260,947	502	516	3
7,992	7,858	136	136	4
				5
				6
				7
				8
1,599	1,578	22	22	9
3,309,801 (2)	3,239,464	112,924	110,293	10
21,878		2		11
3,331,679	3,239,464	112,926	110,293	12
				13
3,331,679	3,239,464	112,926	110,293	14
<p>(1) Includes \$235,457 of unbilled revenues.</p> <p>(2) Includes 8,978 MWH relating to unbilled revenues.</p> <p>(3) Segregation of Commercial and Industrial made on basis of utilization of energy and not on size of account.</p> <p>(4) 447 Revenues for 2004 were reported on "Not Directly Assinged" page.</p>				

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 17, 2006	Year of Report Dec. 31, 2005 State of Idaho
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the mWh of electricity sold, revenue, average number of customers, average kWh per customer, and average revenue per kWh, excluding data for Sales for Resale which is reported on pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWH Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
1	<b>RESIDENTIAL SALES (440)</b>					
2	1 Residential Service	1,056,968	67,254,975	92,669	11,406	6.36
3	2 Residential Service	0	0			
4	3 Residential Service	0	0			
5	12 Res. & Farm Gen. Service	15,612	1,360,498	3,655	4,271	8.71
6	22 Res. & Farm Lg. Gen. Service	10,282	540,563	13	790,923	5.26
7	30 Pumping-Special					
8	32 Res. & Farm Pumping Service	2,757	198,128	501	5,503	7.19
9	48 Res. & Farm Area Lighting	1,313	218,263			16.62
10	49 Area Lighting-High-Press.	284	63,664			22.42
11	56 Centralia Credit					
12	95 Wind Power		39,120			
13	73 Residential					
14	74 Residential Service					
15	76 Residential Service					
16	77 Residential Service					
17	79 Residential Service					
18	58 Tax Adjustment		784,402			
19	Total	1,087,216	70,459,613	96,838	11,227	6.47
20	Residential-Unbilled	3,868	132,112	0		
21	<b>COMMERCIAL SALES (442)</b>					
22	2 General Service					
23	3 General Service					
24	11 General Service	269,646	20,960,726	13,702	19,679	7.77
25	19 Contract-General Service					
26	21 Large General Service	568,444	34,374,996	1,333	426,440	6.05
27	25 Extra Lg. Gen. Service	73,656	3,089,800	3	24,552,000	4.19
28	28 Contract-Extra Large Service					
29	31 Pumping Service	24,068	1,510,811	388	62,031	6.28
30	47 Area Lighting-Sod. Vap.	1,268	149,446			11.79
31	49 Area Lighting-High-Press.	2,223	387,304			17.42
32	56 Centralia Credit					
33	95 Wind Power		8,321			
34	73 General Service					
35	74 Large General Service					
36	75 Large General Service					
37	76 Large General Service					
38	77 General Service					
39	79 Area Light-High Press.					
40	58 Tax Adjustment		1,006,039			
41	Total	939,305	61,487,443	15,426	60,891	6.53
42	Commercial-Unbilled	2,013	(2,796)	0		
43	Total Billed	2,026,521	131,947,056	112,264		6.51
44	Total Unbilled Rev. (See Instr. 6)	5,881	129,316	0		2.20
45	<b>TOTAL</b>	<b>2,032,402</b>	<b>132,076,372</b>	<b>112,264</b>		<b>6.50</b>

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 17, 2006	Dec. 31, 2005 State of Idaho

**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the mWh of electricity sold, revenue, average number of customers, average kWh per customer, and average revenue per kWh, excluding data for Sales for Resale which is reported on pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification

(such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWH Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
1	<b>INDUSTRIAL SALES (442)</b>					
2	2 General Service					
3	3 General Service					
4	8 Lg Gen Time of Use					
5	11 General Service	3,485	292,516	135	25,815	8.39
6	21 Large General Service	81,790	4,724,182	85	962,235	5.78
7	25 Extra Lg. Gen. Service	1,153,930	45,716,903	12	96,160,833	3.96
8	28 Contract-Extra Large Service					
9	29 Contract Lg. Gen. Service					
10	30 Pumping Service -Special					
11	31 Pumping Service	22,499	1,405,804	223	100,892	6.25
12	32 Pumping Svc Res & Frm	2,881	168,783	47	61,298	5.86
13	47 Area Lighting-Sod. Vap.	75	8,288			11.05
14	49 Area Lighting-High-Press.	51	8,210			16.10
15	56 Centralia Credit					
16	72 General Service					
17	73 General Service					
18	74 Large General Service					
19	75 Large General Service					
20	76 Pumping Service					
21	77 General Service					
22	78 Lg Gen Tim of Use					
23	58 Tax Adjustment		75,792			
24	Total	1,264,711	52,400,478	502	2,519,345	4.14
25	Industrial-Unbilled	3,097	106,142	0		
26						
27	<b>STREET AND HWY LIGHTING (444)</b>					
28	11 General Service	74	6,205	10	7,400	8.39
29	41 Co.-Owned St. Lt. Service	118	14,974	5	23,600	12.69
30	42 Co.-Owned St. Lt. Service					
31	High-Press. Sod. Vap.	6,036	1,417,987	89	67,820	23.49
32	43 Cust.-Owned St. Lt. Energy					
33	and Maint. Service	68	5,700	2	34,000	8.38
34	44 Cust.-Owned St. Lt. Energy					
35	and Maint. Svce.-High-	548	67,282	17	32,235	12.28
36	Press. Sod. Vap.					
37	45 Cust.Owned St. Lt. Energy Service	283	14,684	3	94,333	5.19
38	46 Cust.Owned St. Lt. Energy Service					
39	High-Press. Sod. Vap.	865	59,607	10	86,500	6.89
40	56 Centralia Credit					
41	58 Tax Adjustment		22,044			
42	Total	7,992	1,608,483	136	58,765	5.67
43	Street and Hwy Lighting-Unbilled					
44	Total Billed	3,299,224	185,956,017	112,902		5.64
45	Total Unbilled Rev. (See Instr. 6)	8,978	235,458	0		2.62
46	TOTAL	3,308,202	186,191,475	112,902		5.63

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 17, 2006	Year of Report  Dec. 31, 2005 State of Idaho
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the mWh of electricity sold, revenue, average number of customers, average kWh per customer, and average revenue per kWh, excluding data for Sales for Resale which is reported on pages 310-311. (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading. 4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

3. Where the same customers are served under more than one rate schedule in the same revenue account classification 5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule <i>(a)</i>	MWH Sold <i>(b)</i>	Revenue <i>(c)</i>	Average Number of Customers <i>(d)</i>	KWH of Sales per Customer <i>(e)</i>	Revenue (cents) per KWH Sold <i>(f)</i>
1	<b>OTHER SALES TO PUBLIC</b>					
2	<b>AUTHORITIES (445)</b>					
3	None					
4						
5	<b>INTERDEPARTMENTAL</b>					
6	<b>SALES (448)</b>	1,599	106,340	22	72,682	6.65
7	58 Tax Adjustment					
8	Total	1,599	106,340	22	72,682	6.65
9						
10	<b>SALES FOR RESALE (447) (1)</b>					
11	61 Sales to Other Utilities - ID	21,878	1,249,035	2		
12						
13						
14	Total	21,878	1,249,035	2		
15						
16						
17	Note: Sch. 61 is a state assigned rate schedule for Sales/Resale					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Total Billed	3,322,701	187,311,392	112,926	29,424	5.64
40	Total Unbilled Rev.	8,978	235,458	0		2.62
41	<b>TOTAL</b>	<b>3,331,679</b>	<b>187,546,850</b>	<b>112,926</b>	<b>29,503</b>	<b>5.63</b>

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 Resubmit	April 17, 2006
December 31, 2005			
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
1	<b>(1) POWER PRODUCTION EXPENSES</b>		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	(8,211)	33,296
5	(501) Fuel	-	15,479
6	(502) Steam Expenses	(3,230)	-
7	(503) Steam from Other Sources	-	-
8	(Less) (504) Steam Transferred-Cr.	-	-
9	(505) Electric Expenses	(3,723)	-
10	(506) Miscellaneous Steam Power Expenses	18,593	2,626
11	(507) Rents	-	-
12	(509) Allowances	-	-
12	TOTAL Operation (Enter Total of Lines 4 thru 11)	3,429	51,401
13	Maintenance		
14	(510) Maintenance Supervision and Engineering	(571)	-
15	(511) Maintenance of Structures	(115)	-
16	(512) Maintenance of Boiler Plant	(1,988)	-
17	(513) Maintenance of Electric Plant	(466)	-
18	(514) Maintenance of Miscellaneous Steam Plant	(923)	-
19	TOTAL Maintenance (Enter Total of Lines 14 thru 18)	(4,063)	-
20	TOTAL Power Production Expenses-Steam Plant (Enter Total of Lines 4 thru 19)	(634)	51,401
21	B. Nuclear Power Generation		
22	Operation		
23	(517) Operation Supervision and Engineering	-	-
24	(518) Fuel	-	-
25	(519) Coolants and Water	-	-
26	(520) Steam Expenses	-	-
27	(521) Steam from Other Sources	-	-
28	(Less) (522) Steam Transferred-Cr.	-	-
29	(523) Electric Expenses	-	-
30	(524) Miscellaneous Nuclear Power Expenses	-	-
31	(525) Rents	-	-
32	TOTAL Operation (Enter Total of Lines 23 thru 31)	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering	-	-
35	(529) Maintenance of Structures	-	-
36	(530) Maintenance of Reactor Plant Equipment	-	-
37	(531) Maintenance of Electric Plant	-	-
38	(532) Maintenance of Miscellaneous Nuclear Plant	-	-
39	TOTAL Maintenance (Enter Total of Lines 34 thru 38)	-	-
40	TOTAL Power Production Expenses-Nuclear Power (Enter Total of Lines 22 thru 39)	-	-
41	C. Hydraulic Power Generation		
42	Operation		
43	(535) Operation Supervision and Engineering	489,563	400,948
44	(536) Water for Power	263,695	18,575
45	(537) Hydraulic Expenses	763,857	988,659
46	(538) Electric Expenses	1,295,532	1,202,127
47	(539) Miscellaneous Hydraulic Power Generation Expenses	205,936	140,565
48	(540) Rents	23,079	589
49	TOTAL Operation (Enter Total of Lines 43 thru 48)	3,041,662	2,751,464

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) <input checked="" type="checkbox"/> An Original	April 17, 2006	December 31, 2005
	(2) <input type="checkbox"/> A Resubmit		
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	86,983	77,934
53	(542) Maintenance of Structures	151,462	141,595
54	(543) Maintenance of Reservoirs, Dams, and Waterways	190,501	489,932
55	(544) Maintenance of Electric Plant	587,959	548,499
56	(545) Maintenance of Miscellaneous Hydraulic Plant	174,658	17,050
57	TOTAL Maintenance (Enter Total of lines 52 thru 56)	1,191,563	1,275,011
58	TOTAL Power Production Expenses-Hydraulic Power (Enter total	4,233,225	4,026,474
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	32,193	17,767
62	(547) Fuel	711,402	894,206
63	(548) Generation Expenses	110,282	80,964
64	(549) Miscellaneous Other Power Generation Expenses	211,803	205,429
65	(550) Rents	3,497,025	4,694,210
66	TOTAL Operation (Enter Total of lines 61 thru 65)	4,562,704	5,892,576
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	9,817	46,778
69	(552) Maintenance of Structures	5,617	7,755
70	(553) Maintenance of Generating and Electric Plant	21,133	289,335
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	79,942	19,660
72	TOTAL Maintenance (Enter Total of lines 68 thru 71)	116,509	363,528
73	TOTAL Power Production Expenses-Other Power (Enter Total of	4,679,213	6,256,104
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	91,504,630	75,193,821
76	(556) System Control and Load Dispatching	235,321	409,066
77	(557) Other Expenses	16,406,456	47,637,409
78	TOTAL Other Power Supply Expenses (Enter Total of lines 75 th	108,146,408	123,240,296
79	TOTAL Power Production Expenses (Enter Total of lines 20, 40,	117,058,212	133,574,274
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	550,892	602,936
83	(561) Load Dispatching	519,710	450,484
84	(562) Station Expenses	82,319	31,644
85	(563) Overhead Line Expenses	60,866	54,003
86	(564) Underground Line Expenses	-	-
87	(565) Transmission of Electricity by Others	3,409,904	3,294,259
88	(566) Miscellaneous Transmission Expenses	234,895	125,700
89	(567) Rents	2,719	37,855
90	TOTAL Operation (Enter Total of lines 82 thru 89)	4,861,303	4,596,880
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	83,345	131,954
93	(569) Maintenance of Structures	71,957	-
94	(570) Maintenance of Station Equipment	200,592	449,661
95	(571) Maintenance of Overhead Lines	542,185	493,792
96	(572) Maintenance of Underground Lines	(280)	-
97	(573) Maintenance of Miscellaneous Transmission Plant	44,261	-
98	TOTAL Maintenance (Enter Total of lines 92 thru 97)	942,060	1,075,407
99	TOTAL Transmission Expenses (Enter Total of lines 90 and 98)	5,803,364	5,672,287
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	304,746	227,560

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<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
103	<b>3. DISTRIBUTION EXPENSES (Continued)</b>		
104	(581) Load Dispatching	-	-
105	(582) Station Expenses	134,104	138,351
106	(583) Overhead Line Expenses	523,959	693,715
107	(584) Underground Line Expenses	570,427	551,318
108	(585) Street Lighting and Signal System Expenses	119,976	120,638
109	(586) Meter Expenses	34,146	469,482
110	(587) Customer Installations Expenses	376,134	186,226
111	(588) Miscellaneous Distribution Expenses	1,377,277	1,330,420
112	(589) Rents	70,650	122,017
113	TOTAL Operation (Enter Total of lines 102 thru 112)	3,511,419	3,839,727
114	<b>Maintenance</b>		
115	(590) Maintenance Supervision and Engineering	360,429	206,442
116	(591) Maintenance of Structures	38,086	4,419
117	(592) Maintenance of Station Equipment	134,133	203,597
118	(593) Maintenance of Overhead Lines	2,151,130	1,897,296
119	(594) Maintenance of Underground Lines	270,910	279,621
120	(595) Maintenance of Line Transformers	43,613	162,091
121	(596) Maintenance of Street Lighting and Signal Systems	109,552	83,896
122	(597) Maintenance of Meters	67,646	7,737
123	(598) Maintenance of Miscellaneous Distribution Plant	225,613	132,098
124	TOTAL Maintenance (Enter Total of lines 115 thru 123)	3,401,112	2,977,197
125	TOTAL Distribution Expenses (Enter Total of lines 113 and 124)	6,912,532	6,816,924
126	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>		
127	<b>Operation</b>		
128	(901) Supervision	229,236	30,061
129	(902) Meter Reading Expenses	900,692	905,958
130	(903) Customer Records and Collection Expenses	2,649,438	2,693,120
131	(904) Uncollectible Accounts	497,013	593,468
132	(905) Miscellaneous Customer Accounts Expenses	176,277	190,325
133	TOTAL Customer Accounts Expenses (Enter Total of lines 128 thru 132)	4,452,656	4,412,932
134	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
135	<b>Operation</b>		
136	(907) Supervision	-	-
137	(908) Customer Assistance Expenses	3,701,463	4,271,472
138	(909) Informational and Instructional Expenses	12,585	78,331
139	(910) Miscellaneous Customer Service and Informational Expenses	36,322	31,467
140	TOTAL Cust. Service and Informational Expenses (Enter Total of lines 136 thru 139)	3,750,370	4,381,271
141	<b>6. SALES EXPENSES</b>		
142	<b>Operation</b>		
143	(911) Supervision	-	-
144	(912) Demonstrating and Selling Expenses	150,897	399,488
145	(913) Advertising Expenses	46,430	45,374
146	(916) Miscellaneous Sales Expenses	-	3,700
147	TOTAL Sales Expenses (Enter Total of lines 143 thru 146)	197,327	448,562
148	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
149	<b>Operation</b>		
150	(920) Administrative and General Salaries	6,234,111	5,715,357
151	(921) Office Supplies and Expenses	1,357,764	2,085,340
152	(Less) (922) Administrative expenses Transferred-Credit	(8,185)	(7,895)

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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
153	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)</b>		
154	(923) Outside Services Employed	3,231,968	2,951,685
155	(924) Property Insurance	365,995	330,872
156	(925) Injuries and Damages	940,719	1,140,490
157	(926) Employee Pensions and Benefits	353,924	278,527
158	(927) Franchise Requirements	6,350	5,900
159	(928) Regulatory Commission Expenses	1,569,939	1,724,155
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	(8,868)	23,396
162	(930.2) Miscellaneous General Expenses	978,249	1,109,120
163	(931) Rents	393,515	1,613,653
164	TOTAL Operation (Enter Total of lines 150 thru 163)	15,415,480	16,970,599
165	Maintenance		
166	(935) Maintenance of General Plant	1,367,039	1,235,919
167	TOTAL Administrative and General Expenses (Enter Total of lines 161 thru 166)	16,782,519	18,206,518
168	TOTAL Electric Operation and Maintenance Expenses (Enter Total of lines 154 thru 168)	154,956,979	173,512,769

**NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES**

<p>1. The data on number of emp construction employees in a footnote. for the payroll period ending near 3. The number of employees assignable to the electric payroll period ending 60 days bef department from joint functions of combination utilities may</p> <p>2. If the respondent's payroll foibe determined by estimate, on the basis of employee equiva- cludes any special construction lents. Show the estimated number of equivalent employees employees on line 3, and show thattributed to the electric department from joint functions.</p>		
1	Payroll Period Ended (Date) December 31, 2005	
2	Total Regular Full-Time Employees	81
3	Total Part-Time and Temporary Employees	10
4	Allocation of General Employees	162
5	Total Employees (See Note 1)	253

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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 17, 2006	Year of Report  December 31, 2005
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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	\$212,417,865	\$87,412,761
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)		\$212,417,865	\$87,412,761

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 17, 2006	December 31, 2005

**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
\$79,561,725	\$0	\$132,856,140	\$87,412,761			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
		\$132,856,140	\$87,412,761			20

Name of Respondent 4  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 17, 2006	Year of Report  December 31, 2005
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Accounts 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an 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 of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization	0	
3	(302) Franchises and Consents	0	
4	(303) Miscellaneous Intangible Plant	1,205	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	1,205	0
6	<b>2. PRODUCTION PLANT</b>		
7	<b>A. Steam Production Plant</b>		
8	(310) Land and Land Rights	0	
9	(311) Structures and Improvements	0	
10	(312) Boiler Plant Equipment	0	
11	(313) Engines and Engine Driven Generators	0	
12	(314) Turbogenerator Units	0	
13	(315) Accessory Electric Equipment	0	
14	(316) Misc. Power Plant Equipment	0	
15	(317) Asset Retirement Costs for Steam Production	0	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	0	0
17	<b>B. Nuclear Production Plant</b>		
18	(320) Land and Land Rights	0	
19	(321) Structures and Improvements	0	
20	(322) Reactor Plant Equipment	0	
21	(323) Turbogenerator Units	0	
22	(324) Accessory Electric Equipment	0	
23	(325) Misc. Power Plant Equipment	0	
24	(326) Asset Retirement Costs for Nuclear Production	0	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	0	0
26	<b>C. Hydraulic Production Plant</b>		
27	(330) Land and Land Rights	0	
28	(331) Structures and Improvements	0	
29	(332) Reservoirs, Dams, and Waterways	0	
30	(333) Water Wheels, Turbines, and Generators	0	
31	(334) Accessory Electric Equipment	0	
32	(335) Misc. Power Plant Equipment	0	
33	(336) Roads, Railroads, and Bridges	0	
34	(337) Asset Retirement Costs for Hydraulic Production	0	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	0	0
36	<b>D. Other Production Plant</b>		
37	(340) Land and Land Rights	0	
38	(341) Structures and Improvements	7,269,300	4,401,658
39	(342) Fuel Holders, Products and Accessories	12,565,617	7,173,941
40	(343) Prime Movers	0	
41	(344) Generators	75,629,747	47,955,296
42	(345) Accessory Electric Equipment	8,232,162	4,615,872

Name of Respondent  Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)  April 17, 2006	Year of Report  December 31, 2005
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's 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 col-

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

7. For Account 399, state the nature and use of plant included in the 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 also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			0	(301)	2
			0	(302)	3
			1,205	(303)	4
0	0	0	1,205		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
			0	(317)	15
0	0	0	0		16
					17
			0	(320)	18
			0	(321)	19
			0	(322)	20
			0	(323)	21
			0	(324)	22
			0	(325)	23
			0	(326)	24
0	0	0	0		25
					26
			0	(330)	27
			0	(331)	28
			0	(332)	29
			0	(333)	30
			0	(334)	31
			0	(335)	32
			0	(336)	33
			0	(337)	34
0	0	0	0		35
					36
			0	(340)	37
			11,670,958	(341)	38
			19,739,558	(342)	39
			0	(343)	40
3,702,752			119,882,291	(344)	41
			12,848,034	(345)	42

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 17, 2006	December 31, 2005
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
43	(346) Misc. Power Plant Equipment	657,989	376,518	
44	(347) Asset Retirement Costs for Other Production	0	351,682	
45	TOTAL Other Production Plant (Enter Total of lines 37 thru 44)	104,354,815	64,874,967	
46	TOTAL Production Plant (Enter Total of lines 16, 25, 35, and 45)	104,354,815	64,874,967	
47	<b>3. TRANSMISSION PLANT</b>			
48	(350) Land and Land Rights	60,302		
49	(352) Structures and Improvements	0		
50	(353) Station Equipment	4,425,886	4,298,128	
51	(354) Towers and Fixtures	0		
52	(355) Poles and Fixtures	993,472		
53	(356) Overhead Conductors and Devices	291,387		
54	(357) Underground Conduit	0		
55	(358) Underground Conductors and Devices	0		
56	(359) Roads and Trails	0		
57	(359.1) Asset Retirement Costs for Transmission Plant	0		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	5,771,047	4,298,128	
59	<b>4. DISTRIBUTION PLANT</b>			
60	(360) Land and Land Rights	0		
61	(361) Structures and Improvements	0		
62	(362) Station Equipment	0		
63	(363) Storage Battery Equipment	0		
64	(364) Poles, Towers, and Fixtures	0		
65	(365) Overhead Conductors and Devices	0		
66	(366) Underground Conduit	0		
67	(367) Underground Conductors and Devices	0		
68	(368) Line Transformers	0		
69	(369) Services	0		
70	(370) Meters	0		
71	(371) Installations on Customer Premises	0		
72	(372) Leased Property on Customer Premises	0		
73	(373) Street Lighting and Signal Systems	0		
74	(374) Asset Retirement Costs for Distribution Plant	0		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	0	0	
76	<b>5. GENERAL PLANT</b>			
77	(389) Land and Land Rights	0		
78	(390) Structures and Improvements	0		
79	(391) Office Furniture and Equipment	0		
80	(392) Transportation Equipment	0		
81	(393) Stores Equipment	0		
82	(394) Tools, Shop and Garage Equipment	0		
83	(395) Laboratory Equipment	0		
84	(396) Power Operated Equipment	0		
85	(397) Communication Equipment	38,444		
86	(398) Miscellaneous Equipment	0		
87	SUBTOTAL (Enter Total of lines 77 thru 86)	38,444	0	
88	(399) Other Tangible Property	0		
89	(399.1) Asset Retirement Costs for General Plant	0		
90	TOTAL General Plant (Enter Total of lines 88 and 89)	38,444	0	
91	TOTAL (Accounts 101 and 106)	110,165,511	69,173,095	
92	(102) Electric Plant Purchased	0		
93	(Less) (102) Electric Plant Sold	0		
94	(103) Experimental Plant Unclassified	0		
95	TOTAL Electric Plant in Service	110,165,511	69,173,095	

Name of Respondent  Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)  April 17, 2006	Year of Report  December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			1,034,507	(346)	43
			351,682	(347)	44
3,702,752	0	0	165,527,030		45
3,702,752	0	0	165,527,030		46
					47
			60,302	(350)	48
			0	(352)	49
			8,724,014	(353)	50
			0	(354)	51
			993,472	(355)	52
			291,387	(356)	53
			0	(357)	54
			0	(358)	55
			0	(359)	56
			0	(359.1)	57
0	0	0	10,069,175		58
					59
			0	(360)	60
			0	(361)	61
			0	(362)	62
			0	(363)	63
			0	(364)	64
			0	(365)	65
			0	(366)	66
			0	(367)	67
			0	(368)	68
			0	(369)	69
			0	(370)	70
			0	(371)	71
			0	(372)	72
			0	(373)	73
			0	(374)	74
0	0	0	0		75
					76
			0	(389)	77
			0	(390)	78
			0	(391)	79
			0	(392)	80
			0	(393)	81
			0	(394)	82
			0	(395)	83
			0	(396)	84
			38,444	(397)	85
			0	(398)	86
0	0	0	38,444		87
			0	(399)	88
			0	(399.1)	89
0	0	0	38,444		90
3,702,752	0	0	175,635,854		91
			0	(102)	92
			0		93
			0	(103)	94
3,702,752	0	0	175,635,854		95

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 17, 2006	Dec. 31, 2005

## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, 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.
3. If previous year (columns (c), (e), and (g), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account  (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales (3)		
4	Small (or Commercial)		
5	Large (or Industrial)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	0	
11	(447) Sales for Resale	47,842,187	89,993,250
12	• TOTAL Sales of Electricity	47,842,187	
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Provision for Refunds	47,842,187	
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		202,986
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	31,719,538	64,390,601
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	31,719,538	64,593,587
27	TOTAL Electric Operating Revenues	\$79,561,725	\$64,593,587

Name of Respondent  Avista Corporation	This Report Is:	State of Oregon Date of Report (Mo, Da, Yr)	State of Oregon Year of Report
	(1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	April 17, 2006	Dec. 31, 2005

**ELECTRIC OPERATING REVENUES (Account 400) (Continued)**

4. Commercial and Industrial Sales, Account 442, 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 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

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

6. For lines 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
725,554		2,232,653	1	43
725,554		2,232,653	1	43
				13
725,554		2,232,653	1	43
				14

Revenues, MWH and Customers for previous year were reported on supplemental pages titled "Not Directly Assigned" for the 2004 filings.

Name of Respondent  Avista Cor	This Report Is:	Date of Report	Year of Report
	(1) <input checked="" type="checkbox"/> An Original	April 17, 2006	December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
1	<b>(1) POWER PRODUCTION EXPENSES</b>		
2	<b>A. Steam Power Generation</b>		
3	Operation		
4	(500) Operation Supervision and Engineering	-	-
5	(501) Fuel	-	-
6	(502) Steam Expenses	-	-
7	(503) Steam from Other Sources	-	-
8	(Less) (504) Steam Transferred-Cr.	-	-
9	(505) Electric Expenses	-	-
10	(506) Miscellaneous Steam Power Expenses	-	-
11	(507) Rents	-	-
12	(509) Allowances	-	-
12	TOTAL Operation (Enter Total of Lines 4 thru 11)	-	-
13	Maintenance		
14	(510) Maintenance Supervision and Engineering	-	1,309
15	(511) Maintenance of Structures	-	-
16	(512) Maintenance of Boiler Plant	-	-
17	(513) Maintenance of Electric Plant	-	-
18	(514) Maintenance of Miscellaneous Steam Plant	-	-
19	TOTAL Maintenance (Enter Total of Lines 14 thru 18)	-	1,309
20	TOTAL Power Production Expenses-Steam Plant (Enter Total of lines 12 thru 19)	-	1,309
21	<b>B. Nuclear Power Generation</b>		
22	Operation		
23	(517) Operation Supervision and Engineering	-	-
24	(518) Fuel	-	-
25	(519) Coolants and Water	-	-
26	(520) Steam Expenses	-	-
27	(521) Steam from Other Sources	-	-
28	(Less) (522) Steam Transferred-Cr.	-	-
29	(523) Electric Expenses	-	-
30	(524) Miscellaneous Nuclear Power Expenses	-	-
31	(525) Rents	-	-
32	TOTAL Operation (Enter Total of lines 23 thru 31)	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering	-	-
35	(529) Maintenance of Structures	-	-
36	(530) Maintenance of Reactor Plant Equipment	-	-
37	(531) Maintenance of Electric Plant	-	-
38	(532) Maintenance of Miscellaneous Nuclear Plant	-	-
39	TOTAL Maintenance (Enter Total of lines 34 thru 38)	-	-
40	TOTAL Power Production Expenses-Nuclear Power(Enter total of lines 32 thru 39)	-	-
41	<b>C. Hydraulic Power Generation</b>		
42	Operation		
43	(535) Operation Supervision and Engineering	-	34
44	(536) Water for Power	-	-
45	(537) Hydraulic Expenses	-	74
46	(538) Electric Expenses	-	-
47	(539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48	(540) Rents	-	-
49	TOTAL Operation (Enter Total of lines 43 thru 48)	-	108

Name of Respondent	This Report is:	Date of Report	Year of Report
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	(2) <input type="checkbox"/>	A Resubmission	
April 17, 2006			
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	-	-
53	(542) Maintenance of Structures	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55	(544) Maintenance of Electric Plant	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant	-	-
57	TOTAL Maintenance (Enter Total of lines 52 thru 56)	-	-
58	TOTAL Power Production Expenses-Hydraulic Power (Enter total of lines	-	108
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	732,049	845,344
62	(547) Fuel	68,903,447	17,786,064
63	(548) Generation Expenses	975,072	138,565
64	(549) Miscellaneous Other Power Generation Expenses	26,977	6,781
65	(550) Rents	73,424	-
66	TOTAL Operation (Enter Total of lines 61 thru 65)	70,710,969	18,776,754
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	59,289	16,794
69	(552) Maintenance of Structures	-	-
70	(553) Maintenance of Generating and Electric Plant	1,285,753	1,227,625
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	123,490	78,077
72	TOTAL Maintenance (Enter Total of lines 68 thru 71)	1,468,532	1,322,496
73	TOTAL Power Production Expenses-Other Power (Enter Total of lines 66	72,179,501	20,099,250
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	-	-
76	(556) System Control and Load Dispatching	-	-
77	(557) Other Expenses	-	-
78	TOTAL Other Power Supply Expenses (Enter Total of lines 75 thru 77)	-	-
79	TOTAL Power Production Expenses (Enter Total of lines 20, 40, 58, 73 a	72,179,501	20,100,667
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	-	-
83	(561) Load Dispatching	-	-
84	(562) Station Expenses	36,876	19,020
85	(563) Overhead Line Expenses	123	1,269
86	(564) Underground Line Expenses	-	-
87	(565) Transmission of Electricity by Others	-	-
88	(566) Miscellaneous Transmission Expenses	-	-
89	(567) Rents	-	-
90	TOTAL Operation (Enter Total of lines 82 thru 89)	36,999	20,289
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	-	-
93	(569) Maintenance of Structures	-	-
94	(570) Maintenance of Station Equipment	-	-
95	(571) Maintenance of Overhead Lines	7,174	-
96	(572) Maintenance of Underground Lines	-	-
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-
98	TOTAL Maintenance (Enter Total of lines 92 thru 97)	7,174	-
99	TOTAL Transmission Expenses (Enter Total of lines 90 and 98)	44,172	20,289
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	-	-

Name of Respondent	This Report Is:	Date of Report	Year of Report
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<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
103	<b>3. DISTRIBUTION EXPENSES (Continued)</b>		
104	(581) Load Dispatching	-	-
105	(582) Station Expenses	-	-
106	(583) Overhead Line Expenses	-	-
107	(584) Underground Line Expenses	-	-
108	(585) Street Lighting and Signal System Expenses	-	-
109	(586) Meter Expenses	-	-
110	(587) Customer Installations Expenses	-	-
111	(588) Miscellaneous Distribution Expenses	-	-
112	(589) Rents	-	-
113	TOTAL Operation (Enter Total of lines 102 thru 112)	-	-
114	Maintenance		
115	(590) Maintenance Supervision and Engineering	-	-
116	(591) Maintenance of Structures	-	-
117	(592) Maintenance of Station Equipment	-	-
118	(593) Maintenance of Overhead Lines	-	-
119	(594) Maintenance of Underground Lines	-	-
120	(595) Maintenance of Line Transformers	-	-
121	(596) Maintenance of Street Lighting and Signal Systems	-	-
122	(597) Maintenance of Meters	-	-
123	(598) Maintenance of Miscellaneous Distribution Plant	-	-
124	TOTAL Maintenance (Enter Total of lines 115 thru 123)	-	-
125	TOTAL Distribution Expenses (Enter Total of lines 113 and 124)	-	-
126	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>		
127	Operation		
128	(901) Supervision	-	-
129	(902) Meter Reading Expenses	-	-
130	(903) Customer Records and Collection Expenses	-	-
131	(904) Uncollectible Accounts	-	-
132	(905) Miscellaneous Customer Accounts Expenses	-	-
133	TOTAL Customer Accounts Expenses (Enter Total of lines 128 thru 132)	-	-
134	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
135	Operation		
136	(907) Supervision	-	-
137	(908) Customer Assistance Expenses	-	-
138	(909) Informational and Instructional Expenses	-	-
139	(910) Miscellaneous Customer Service and Informational Expenses	-	-
140	TOTAL Cust. Service and Informational Expenses (Enter Total of lines 136 thru 139)	-	-
141	<b>6. SALES EXPENSES</b>		
142	Operation		
143	(911) Supervision	-	-
144	(912) Demonstrating and Selling Expenses	-	-
145	(913) Advertising Expenses	-	-
146	(916) Miscellaneous Sales Expenses	-	-
147	TOTAL Sales Expenses (Enter Total of lines 143 thru 146)	-	-
148	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
149	Operation		
150	(920) Administrative and General Salaries	-	-
151	(921) Office Supplies and Expenses	-	-
152	(Less) (922) Administrative expenses Transferred-Credit	-	-

Name of Respondent  Avista Corp	This Report Is:	<input checked="" type="checkbox"/>	An Original	Date of Report	Year of Report
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
153	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)		
154	(923) Outside Services Employed	-	-
155	(924) Property Insurance	-	-
156	(925) Injuries and Damages	-	-
157	(926) Employee Pensions and Benefits	-	-
158	(927) Franchise Requirements	-	-
159	(928) Regulatory Commission Expenses	-	-
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	-	-
162	(930.2) Miscellaneous General Expenses	-	-
163	(931) Rents	-	-
164	TOTAL Operation (Enter Total of lines 150 thru 163)	-	-
165	Maintenance		
166	(935) Maintenance of General Plant	-	-
167	TOTAL Administrative and General Expenses (Enter Total of lines 164 a	-	-
168	TOTAL Electric Operation and Maintenance Expenses (Enter Total of lin	72,223,674	20,120,956
	79,99,125,133,140,147,and 167)		

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES			
<p>1. The data on number of emp construction employees in a footnote. for the payroll period ending near 3. The number of employees assignable to the electric payroll period ending 60 days bef department from joint functions of combination utilities may</p> <p>2. If the respondent's payroll fo be determined by estimate, on the basis of employee equiva- cludes any special construction lents. Show the estimated number of equivalent employees employees on line 3, and show th attributed to the electric department from joint functions.</p>			
1	Payroll Period Ended (Date)	December 31, 2005	
2	Total Regular Full-Time Employees	-	-
3	Total Part-Time and Temporary Employees	-	-
4	Allocation of General Employees	-	-
5	Total Employees (See Note 1)	-	-

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) Note (1)	300-301	\$9,857,770	\$20,682,299
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)		\$9,857,770	\$20,682,299

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
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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
		\$9,857,770	\$20,682,299			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
		\$9,857,770	\$20,682,299			20

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	April 17, 2006	Dec. 31, 2005

## 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	\$10,877,767	\$7,691,177
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)		\$10,877,767	\$7,691,177

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
\$10,877,767	\$7,691,177					2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$10,877,767	\$7,691,177	\$0	\$0	\$0	\$0	20

Name of Respondent 3  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 17, 2006	Year of Report  December 31, 2005
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Accounts 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an 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 of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization	0	
3	(302) Franchises and Consents	6,222,448	
4	(303) Miscellaneous Intangible Plant	185,165	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	6,407,613	0
6	<b>2. PRODUCTION PLANT</b>		
7	<b>A. Steam Production Plant</b>		
8	(310) Land and Land Rights	1,299,549	
9	(311) Structures and Improvements	99,998,520	27,886
10	(312) Boiler Plant Equipment	119,300,747	1,286,535
11	(313) Engines and Engine Driven Generators	0	
12	(314) Turbogenerator Units	32,010,480	560,680
13	(315) Accessory Electric Equipment	13,774,590	655,847
14	(316) Misc. Power Plant Equipment	12,759,362	22,044
15	(317) Asset Retirement Costs for Steam Production	0	134,589
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	279,143,248	2,687,581
17	<b>B. Nuclear Production Plant</b>		
18	(320) Land and Land Rights	0	
19	(321) Structures and Improvements	0	
20	(322) Reactor Plant Equipment	0	
21	(323) Turbogenerator Units	0	
22	(324) Accessory Electric Equipment	0	
23	(325) Misc. Power Plant Equipment	0	
24	(326) Asset Retirement Costs for Nuclear Production	0	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	0	0
26	<b>C. Hydraulic Production Plant</b>		
27	(330) Land and Land Rights	41,236,380	219,188
28	(331) Structures and Improvements	11,866,978	31,755
29	(332) Reservoirs, Dams, and Waterways	32,994,267	
30	(333) Water Wheels, Turbines, and Generators	31,559,072	2,642,464
31	(334) Accessory Electric Equipment	11,559,497	236,860
32	(335) Misc. Power Plant Equipment	2,647,733	1,747
33	(336) Roads, Railroads, and Bridges	225,369	
34	(337) Asset Retirement Costs for Hydraulic Production	0	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 35)	132,089,296	3,132,014
36	<b>D. Other Production Plant</b>		
37	(340) Land and Land Rights	0	
38	(341) Structures and Improvements	0	
39	(342) Fuel Holders, Products and Accessories	0	
40	(343) Prime Movers	0	
41	(344) Generators	0	
42	(345) Accessory Electric Equipment	0	

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 17, 2006	December 31, 2005

**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's 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 col-

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

7. For Account 399, state the nature and use of plant included in the 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 also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			0	(301)	2
			6,222,448	(302)	3
20,357			164,808	(303)	4
20,357	0	0	6,387,256		5
					6
					7
250			1,299,299	(310)	8
37,806			99,988,600	(311)	9
162,194			120,425,088	(312)	10
			0	(313)	11
449,676			32,121,484	(314)	12
5,425			14,425,012	(315)	13
			12,781,406	(316)	14
			134,589	(317)	15
655,351	0	0	281,175,478		16
					17
			0	(320)	18
			0	(321)	19
			0	(322)	20
			0	(323)	21
			0	(324)	22
			0	(325)	23
			0	(326)	24
0	0	0	0		25
					26
			41,455,568	(330)	27
2,434			11,896,299	(331)	28
			32,994,267	(332)	29
1,066,097			33,135,439	(333)	30
28,658			11,767,699	(334)	31
			2,649,480	(335)	32
			225,369	(336)	33
				(337)	34
1,097,189	0	0	134,124,121		35
					36
			0	(340)	37
			0	(341)	38
			0	(342)	39
			0	(343)	40
			0	(344)	41
			0	(345)	42

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 17, 2006	December 31, 2005
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
43	(346) Misc. Power Plant Equipment	0		
44	(347) Asset Retirement Costs for Other Production	0		
45	TOTAL Other Production Plant (Enter Total of lines 37 thru 44)	0	0	
46	TOTAL Production Plant (Enter Total of lines 16, 25, 35, and 45)	411,232,544	5,819,595	
47	<b>3. TRANSMISSION PLANT</b>			
48	(350) Land and Land Rights	883,384		
49	(352) Structures and Improvements	461,581		
50	(353) Station Equipment	16,253,982	121,045	
51	(354) Towers and Fixtures	16,013,530		
52	(355) Poles and Fixtures	7,171,154	3,216	
53	(356) Overhead Conductors and Devices	15,744,525	786	
54	(357) Underground Conduit	0		
55	(358) Underground Conductors and Devices	0		
56	(359) Roads and Trails	367,476		
57	(359.1) Asset Retirement Costs for Transmission Plant	0		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	56,895,632	125,047	
59	<b>4. DISTRIBUTION PLANT</b>			
60	(360) Land and Land Rights	0		
61	(361) Structures and Improvements	15,881		
62	(362) Station Equipment	152,268		
63	(363) Storage Battery Equipment	0		
64	(364) Poles, Towers, and Fixtures	10,080		
65	(365) Overhead Conductors and Devices	6,676		
66	(366) Underground Conduit	46		
67	(367) Underground Conductors and Devices	637		
68	(368) Line Transformers	897		
69	(369) Services	127		
70	(370) Meters	29		
71	(371) Installations on Customer Premises	0		
72	(372) Leased Property on Customer Premises	0		
73	(373) Street Lighting and Signal Systems	0		
74	(374) Asset Retirement Costs for Distribution Plant	0		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	186,641	0	
76	<b>5. GENERAL PLANT</b>			
77	(389) Land and Land Rights	0		
78	(390) Structures and Improvements	0		
79	(391) Office Furniture and Equipment	0		
80	(392) Transportation Equipment	0	23,520	
81	(393) Stores Equipment	0		
82	(394) Tools, Shop and Garage Equipment	0		
83	(395) Laboratory Equipment	0		
84	(396) Power Operated Equipment	0		
85	(397) Communication Equipment	15,910	7,971	
86	(398) Miscellaneous Equipment	0		
87	SUBTOTAL (Enter Total of lines 77 thru 86)	15,910	31,491	
88	(399) Other Tangible Property	0		
89	(399.1) Asset Retirement Costs for General Plant	0		
90	TOTAL General Plant (Enter Total of lines 87 thru 89)	15,910	31,491	
91	TOTAL (Accounts 101 and 106)	474,738,340	5,976,133	
92	(102) Electric Plant Purchased	0		
93	(Less) (102) Electric Plant Sold	0		
94	(103) Experimental Plant Unclassified	0		
95	TOTAL Electric Plant in Service	474,738,340	5,976,133	

Name of Respondent  Avista Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)  April 17, 2006	Year of Report  December 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

ELECTRIC 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	(346)	43
			0	(347)	44
0	0	0	0		45
1,752,540	0	0	415,299,599		46
					47
			883,384	(350)	48
			461,581	(352)	49
3,759			16,371,268	(353)	50
			16,013,530	(354)	51
1,071			7,173,299	(355)	52
			15,745,311	(356)	53
			0	(357)	54
			0	(358)	55
			367,476	(359)	56
			0	(359.1)	57
4,830	0	0	57,015,849		58
					59
			0	(360)	60
			15,881	(361)	61
			152,268	(362)	62
			0	(363)	63
			10,080	(364)	64
			6,676	(365)	65
			46	(366)	66
			637	(367)	67
			897	(368)	68
			127	(369)	69
			29	(370)	70
			0	(371)	71
			0	(372)	72
			0	(373)	73
			0	(374)	74
0	0	0	186,641		75
					76
			0	(389)	77
			0	(390)	78
			0	(391)	79
			23,520	(392)	80
			0	(393)	81
			0	(394)	82
			0	(395)	83
			0	(396)	84
			23,881	(397)	85
			0	(398)	86
0	0	0	47,401		87
			0	(399)	88
			0	(399.1)	89
0	0	0	47,401		90
1,777,727	0	0	478,936,746		91
			0	(102)	92
			0		93
			0	(103)	94
1,777,727	0	0	478,936,746		95

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 17, 2006	Dec. 31, 2005

## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, 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.
3. If previous year (columns (c), (e), and (g), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
		1	Sales of Electricity
2	(440) Residential Sales	6,958	7,091
3	(442) Commercial and Industrial Sales (3)		
4	Small (or Commercial)	1,976	2,084
5	Large (or Industrial)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	6,393	6,518
10	TOTAL Sales to Ultimate Consumers	15,327 (1)	15,693
11	(447) Sales for Resale	9,829,598 (4)	
12	TOTAL Sales of Electricity	9,844,925	15,693
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Provision for Refunds	9,844,925	15,693
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	43,386	48,342
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	989,456	2,254,658
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	1,032,842	2,303,000
27	TOTAL Electric Operating Revenues	\$10,877,767	\$2,318,693

Name of Respondent  Avista Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)  April 17, 2006	Year of Report  Dec. 31, 2005
	(2) <input type="checkbox"/> A Resubmission		

**ELECTRIC OPERATING REVENUES (Account 400) (Continued)**

4. Commercial and Industrial Sales, Account 442, 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 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

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

6. For lines 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
153		11	12	2
				3
30		1	1	4
				5
				6
				7
				8
96		7	6	9
279 (2)		19	19	10
132,631		5		11
132,910		24	19	12
				13
132,910		24	19	14

(1) Includes \$(0) of unbilled revenues.

(2) Includes 0 MWH relating to unbilled revenues.

(3) Segregation of Commercial and Industrial made on basis of utilization of energy and not on size of account.

(4) 447 Revenues for 2004 were reported on "Not Directly Assigned" page.

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	
		April 17, 2006	December 31, 2005

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
1	<b>(1) POWER PRODUCTION EXPENSES</b>		
2	<b>A. Steam Power Generation</b>		
3	Operation		
4	(500) Operation Supervision and Engineering	103,458	36,449
5	(501) Fuel	12,820,507	11,022,574
6	(502) Steam Expenses	1,165,771	1,118,354
7	(503) Steam from Other Sources	-	-
8	(Less) (504) Steam Transferred-Cr.	-	-
9	(505) Electric Expenses	61,531	58,911
10	(506) Miscellaneous Steam Power Expenses	1,312,422	1,639,953
11	(507) Rents	13,621	18,573
12	(509) Allowances	-	-
12	TOTAL Operation (Enter Total of Lines 4 thru 11)	15,477,309	13,894,814
13	Maintenance		
14	(510) Maintenance Supervision and Engineering	324,441	314,697
15	(511) Maintenance of Structures	405,900	366,524
16	(512) Maintenance of Boiler Plant	2,611,525	3,341,814
17	(513) Maintenance of Electric Plant	(17,631)	396,056
18	(514) Maintenance of Miscellaneous Steam Plant	354,983	519,888
19	TOTAL Maintenance (Enter Total of Lines 14 thru 18)	3,679,218	4,938,979
20	TOTAL Power Production Expenses-Steam Plant (Enter Total of Lines 4 thru 19)	19,156,527	18,833,793
21	<b>B. Nuclear Power Generation</b>		
22	Operation		
23	(517) Operation Supervision and Engineering	-	-
24	(518) Fuel	-	-
25	(519) Coolants and Water	-	-
26	(520) Steam Expenses	-	-
27	(521) Steam from Other Sources	-	-
28	(Less) (522) Steam Transferred-Cr.	-	-
29	(523) Electric Expenses	-	-
30	(524) Miscellaneous Nuclear Power Expenses	-	-
31	(525) Rents	-	-
32	TOTAL Operation (Enter Total of Lines 23 thru 31)	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering	-	-
35	(529) Maintenance of Structures	-	-
36	(530) Maintenance of Reactor Plant Equipment	-	-
37	(531) Maintenance of Electric Plant	-	-
38	(532) Maintenance of Miscellaneous Nuclear Plant	-	-
39	TOTAL Maintenance (Enter Total of Lines 34 thru 38)	-	-
40	TOTAL Power Production Expenses-Nuclear Power(Enter Total of Lines 22 thru 39)	-	-
41	<b>C. Hydraulic Power Generation</b>		
42	Operation		
43	(535) Operation Supervision and Engineering	135,509	104,729
44	(536) Water for Power	-	816,763
45	(537) Hydraulic Expenses	61,525	748,960
46	(538) Electric Expenses	799,923	876,086
47	(539) Miscellaneous Hydraulic Power Generation Expenses	78,968	80,366
48	(540) Rents	-	-
49	TOTAL Operation (Enter Total of Lines 43 thru 48)	1,075,925	2,626,904

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

AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	123,300	71,240
53	(542) Maintenance of Structures	73,305	75,073
54	(543) Maintenance of Reservoirs, Dams, and Waterways	59,234	378,054
55	(544) Maintenance of Electric Plant	683,087	670,200
56	(545) Maintenance of Miscellaneous Hydraulic Plant	174,242	143,227
57	TOTAL Maintenance (Enter Total of lines 52 thru 56)	1,113,168	1,337,794
58	TOTAL Power Production Expenses-Hydraulic Power (Enter total	2,189,093	3,964,698
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	-	-
62	(547) Fuel	-	-
63	(548) Generation Expenses	-	-
64	(549) Miscellaneous Other Power Generation Expenses	-	-
65	(550) Rents	-	-
66	TOTAL Operation (Enter Total of lines 61 thru 65)	-	-
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	-	1,221
69	(552) Maintenance of Structures	-	-
70	(553) Maintenance of Generating and Electric Plant	-	-
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	-
72	TOTAL Maintenance (Enter Total of lines 68 thru 71)	-	1,221
73	TOTAL Power Production Expenses-Other Power (Enter Total of	-	1,221
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	-	-
76	(556) System Control and Load Dispatching	-	-
77	(557) Other Expenses	-	-
78	TOTAL Other Power Supply Expenses (Enter Total of lines 75 th	-	-
79	TOTAL Power Production Expenses (Enter Total of lines 20, 40,	21,345,620	22,799,712
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	20,794	8,831
83	(561) Load Dispatching	19,150	19,888
84	(562) Station Expenses	2,162	7,202
85	(563) Overhead Line Expenses	21,397	23,947
86	(564) Underground Line Expenses	-	-
87	(565) Transmission of Electricity by Others	-	-
88	(566) Miscellaneous Transmission Expenses	-	-
89	(567) Rents	67,822	75,742
90	TOTAL Operation (Enter Total of lines 82 thru 89)	131,325	135,610
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	23,419	6,510
93	(569) Maintenance of Structures	138	556
94	(570) Maintenance of Station Equipment	42,874	87,320
95	(571) Maintenance of Overhead Lines	67,820	314,299
96	(572) Maintenance of Underground Lines	-	-
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-
98	TOTAL Maintenance (Enter Total of lines 92 thru 97)	134,251	408,685
99	TOTAL Transmission Expenses (Enter Total of lines 90 and 98)	265,576	544,295
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	-	-

Name of Respondent  Avista Corp	This Report Is:	<input checked="" type="checkbox"/>	An Original	Date of Report	Year of Report
	(1)	<input type="checkbox"/>	A Resubmit	April 17, 2006	December 31, 2005

AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
103	<b>3. DISTRIBUTION EXPENSES (Continued)</b>		
104	(581) Load Dispatching	-	-
105	(582) Station Expenses	-	540
106	(583) Overhead Line Expenses	-	-
107	(584) Underground Line Expenses	-	-
108	(585) Street Lighting and Signal System Expenses	-	-
109	(586) Meter Expenses	-	-
110	(587) Customer Installations Expenses	-	-
111	(588) Miscellaneous Distribution Expenses	-	-
112	(589) Rents	-	100
113	TOTAL Operation (Enter Total of lines 102 thru 112)	-	640
114	Maintenance		
115	(590) Maintenance Supervision and Engineering	-	580
116	(591) Maintenance of Structures	-	-
117	(592) Maintenance of Station Equipment	-	28
118	(593) Maintenance of Overhead Lines	-	7,555
119	(594) Maintenance of Underground Lines	-	-
120	(595) Maintenance of Line Transformers	-	-
121	(596) Maintenance of Street Lighting and Signal Systems	-	351
122	(597) Maintenance of Meters	-	-
123	(598) Maintenance of Miscellaneous Distribution Plant	-	-
124	TOTAL Maintenance (Enter Total of lines 115 thru 123)	-	8,514
125	TOTAL Distribution Expenses (Enter Total of lines 113 and 124)	-	9,154
126	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>		
127	Operation		
128	(901) Supervision	-	-
129	(902) Meter Reading Expenses	-	-
130	(903) Customer Records and Collection Expenses	-	-
131	(904) Uncollectible Accounts	-	-
132	(905) Miscellaneous Customer Accounts Expenses	-	-
133	TOTAL Customer Accounts Expenses (Enter Total of lines 128 thru 132)	-	-
134	<b>5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
135	Operation		
136	(907) Supervision	-	-
137	(908) Customer Assistance Expenses	-	-
138	(909) Informational and Instructional Expenses	-	1,599
139	(910) Miscellaneous Customer Service and Informational Expenses	-	-
140	TOTAL Cust. Service and Informational Expenses (Enter Total of lines 135 thru 139)	-	1,599
141	<b>6. SALES EXPENSES</b>		
142	Operation		
143	(911) Supervision	-	-
144	(912) Demonstrating and Selling Expenses	-	-
145	(913) Advertising Expenses	-	-
146	(916) Miscellaneous Sales Expenses	-	-
147	TOTAL Sales Expenses (Enter Total of lines 143 thru 146)	-	-
148	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
149	Operation		
150	(920) Administrative and General Salaries	-	-
151	(921) Office Supplies and Expenses	-	880
152	(Less) (922) Administrative expenses Transferred-Credit	-	-

Name of Respondent  Avista Corp	This Report Is:	<input checked="" type="checkbox"/>	An Original	Date of Report  April 17, 2006	Year of Report  December 31, 2005
	(1)				
	(2)	<input type="checkbox"/>	A Resubmission		

AND MAINTENANCE EXPENSES			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Prior Year (c)
153	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)		
154	(923) Outside Services Employed	-	438
155	(924) Property Insurance	-	244,390
156	(925) Injuries and Damages	-	12,391
157	(926) Employee Pensions and Benefits	-	233
158	(927) Franchise Requirements	-	-
159	(928) Regulatory Commission Expenses	-	833,454
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	-	-
162	(930.2) Miscellaneous General Expenses	-	-
163	(931) Rents	-	55
164	TOTAL Operation (Enter Total of lines 150 thru 163)	-	1,091,841
165	Maintenance		
166	(935) Maintenance of General Plant	15,484	15,552
167	TOTAL Administrative and General Expenses (Enter Total of lines 153 thru 166)	15,484	1,107,393
168	TOTAL Electric Operation and Maintenance Expenses (Enter Total of lines 153 thru 167)	21,626,680	24,462,153

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES		
<p>1. The data on number of emp construction employees in a footnote. for the payroll period ending near 3. The number of employees assignable to the electric payroll period ending 60 days befc department from joint functions of combination utilities may</p> <p>2. If the respondent's payroll foibe determined by estimate, on the basis of employee equiva- cludes any special construction lents. Show the estimated number of equivalent employees employees on line 3, and show thattributed to the electric department from joint functions.</p>		
1 Payroll Period Ended (Date)	December 31, 2005	
2 Total Regular Full-Time Employees		30
3 Total Part-Time and Temporary Employees		-
4 Allocation of General Employees		-
5 Total Employees (See Note 1)		30

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	\$0	\$64,745,777
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)		\$0	\$64,745,777

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 (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
\$0	\$64,593,587	\$0	\$152,190			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
\$0	\$64,593,587	\$0	\$152,190		\$0	20

Name of Respondent 4  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 17, 2006	Year of Report  December 31, 2005
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Accounts 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Un-Classified; and Account 106, Completed Construction Not Classified - Electric.

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an 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 of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization	0	
3	(302) Franchises and Consents	0	
4	(303) Miscellaneous Intangible Plant	11,438,980	230,433
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	11,438,980	230,433
6	<b>2. PRODUCTION PLANT</b>		
7	<b>A. Steam Production Plant</b>		
8	(310) Land and Land Rights	0	
9	(311) Structures and Improvements	0	
10	(312) Boiler Plant Equipment	0	
11	(313) Engines and Engine Driven Generators	0	
12	(314) Turbogenerator Units	0	
13	(315) Accessory Electric Equipment	0	
14	(316) Misc. Power Plant Equipment	0	
15	(317) Asset Retirement Costs for Steam Production	0	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	0	0
17	<b>B. Nuclear Production Plant</b>		
18	(320) Land and Land Rights	0	
19	(321) Structures and Improvements	0	
20	(322) Reactor Plant Equipment	0	
21	(323) Turbogenerator Units	0	
22	(324) Accessory Electric Equipment	0	
23	(325) Misc. Power Plant Equipment	0	
24	(326) Asset Retirement Costs for Nuclear Production	0	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	0	0
26	<b>C. Hydraulic Production Plant</b>		
27	(330) Land and Land Rights	0	
28	(331) Structures and Improvements	0	
29	(332) Reservoirs, Dams, and Waterways	0	
30	(333) Water Wheels, Turbines, and Generators	0	
31	(334) Accessory Electric Equipment	0	
32	(335) Misc. Power Plant Equipment	0	
33	(336) Roads, Railroads, and Bridges	0	
34	(337) Asset Retirement Costs for Hydraulic Production	0	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	0	0
36	<b>D. Other Production Plant</b>		
37	(340) Land and Land Rights	0	
38	(341) Structures and Improvements	0	
39	(342) Fuel Holders, Products and Accessories	0	
40	(343) Prime Movers	0	
41	(344) Generators	0	
42	(345) Accessory Electric Equipment	0	

Name of Respondent  Avista Corp.	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's 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 col-

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

7. For Account 399, state the nature and use of plant included in the 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 also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			0	(301)	2
			0	(302)	3
128,842			11,540,571	(303)	4
128,842	0	0	11,540,571		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
			0	(317)	15
0	0	0	0		16
					17
			0	(320)	18
			0	(321)	19
			0	(322)	20
			0	(323)	21
			0	(324)	22
			0	(325)	23
			0	(326)	24
0	0	0	0		25
					26
			0	(330)	27
			0	(331)	28
			0	(332)	29
			0	(333)	30
			0	(334)	31
			0	(335)	32
			0	(336)	33
			0	(337)	34
0	0	0	0		35
					36
			0	(340)	37
			0	(341)	38
			0	(342)	39
			0	(343)	40
			0	(344)	41
			0	(345)	42

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 17, 2006	December 31, 2005
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
43	(346) Misc. Power Plant Equipment	0		
44	(347) Asset Retirement Costs for Other Production	0		
45	TOTAL Other Production Plant (Enter Total of lines 37 thru 44)	0	0	
46	TOTAL Production Plant (Enter Total of lines 16, 25, 35, and 45)	0	0	
47	<b>3. TRANSMISSION PLANT</b>			
48	(350) Land and Land Rights	0		
49	(352) Structures and Improvements	0		
50	(353) Station Equipment	0		
51	(354) Towers and Fixtures	0		
52	(355) Poles and Fixtures	0		
53	(356) Overhead Conductors and Devices	0		
54	(357) Underground Conduit	0		
55	(358) Underground Conductors and Devices	0		
56	(359) Roads and Trails	0		
57	(359.1) Asset Retirement Costs for Transmission Plant	0		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	0	0	
59	<b>4. DISTRIBUTION PLANT</b>			
60	(360) Land and Land Rights	0		
61	(361) Structures and Improvements	0		
62	(362) Station Equipment	0		
63	(363) Storage Battery Equipment	0		
64	(364) Poles, Towers, and Fixtures	0		
65	(365) Overhead Conductors and Devices	0		
66	(366) Underground Conduit	0		
67	(367) Underground Conductors and Devices	0		
68	(368) Line Transformers	0		
69	(369) Services	0		
70	(370) Meters	0		
71	(371) Installations on Customer Premises	0		
72	(372) Leased Property on Customer Premises	0		
73	(373) Street Lighting and Signal Systems	0		
74	(374) Asset Retirement Costs for Distribution Plant	0	129,707	
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	0	129,707	
76	<b>5. GENERAL PLANT</b>			
77	(389) Land and Land Rights	22,774		
78	(390) Structures and Improvements	598,452		
79	(391) Office Furniture and Equipment	144,364	336	
80	(392) Transportation Equipment	3,737,830	(1,907)	
81	(393) Stores Equipment	48,104		
82	(394) Tools, Shop and Garage Equipment	1,279,061	21,802	
83	(395) Laboratory Equipment	2,378,958		
84	(396) Power Operated Equipment	4,670,407	2,115	
85	(397) Communication Equipment	16,572,757	2,806,604	
86	(398) Miscellaneous Equipment	1,244		
87	SUBTOTAL (Enter Total of lines 77 thru 86)	29,453,951	2,828,950	
88	(399) Other Tangible Property	0		
89	(399.1) Asset Retirement Costs for General Plant	0		
90	TOTAL General Plant (Enter Total of lines 87 thru 89)	29,453,951	2,828,950	
91	TOTAL (Accounts 101 and 106)	40,892,931	3,189,090	
92	(102) Electric Plant Purchased	0		
93	(Less) (102) Electric Plant Sold	0		
94	(103) Experimental Plant Unclassified	0		
95	TOTAL Electric Plant in Service	40,892,931	3,189,090	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report		Line No.
Avista Corp.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	April 17, 2006	December 31, 2005		
ELECTRIC 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	(346)	43
			0	(347)	44
0	0	0	0		45
0	0	0	0		46
					47
			0	(350)	48
			0	(352)	49
			0	(353)	50
			0	(354)	51
			0	(355)	52
			0	(356)	53
			0	(357)	54
			0	(358)	55
			0	(359)	56
			0	(359.1)	57
0	0	0	0		58
					59
			0	(360)	60
			0	(361)	61
			0	(362)	62
			0	(363)	63
			0	(364)	64
			0	(365)	65
			0	(366)	66
			0	(367)	67
			0	(368)	68
			0	(369)	69
			0	(370)	70
			0	(371)	71
			0	(372)	72
			0	(373)	73
			129,707	(374)	74
0	0	0	129,707		75
					76
			22,774	(389)	77
			598,452	(390)	78
			144,700	(391)	79
86,479			3,649,444	(392)	80
			48,104	(393)	81
81,699			1,219,164	(394)	82
6,399			2,372,559	(395)	83
			4,672,522	(396)	84
36,019			19,343,342	(397)	85
28			1,216	(398)	86
210,624	0	0	32,072,277		87
			0	(399)	88
			0	(399.1)	89
210,624	0	0	32,072,277		90
339,466	0	0	43,742,555		91
			0	(102)	92
			0		93
			0	(103)	94
339,466	0	0	43,742,555		95