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2002 MAY -1 AM 9:16

IDAHO PUBLIC
UTILITIES COMMISSION

FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

Exact Legal Name of Respondent (Company)	Year of Report
AVISTA CORP.	Dec. 31, **2001**

INSTRUCTIONS FOR FILING THE FERC FORM NO. 2

GENERAL INFORMATION

I. Purpose

This form is designed to collect financial and operational information from major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is a nonconfidential public use form.

II. Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must submit this form. NOTE: Major means having combined gas transported or stored for a fee exceeding 50 million Dth in each of the 3 previous calendar years.

III. What and Where to Submit

(a) Submit the electronic medium in accordance with the procedures specified in 18 CFR § 385.2011 and an original and four (4) copies of this form to:

Office of the Secretary
Federal Energy Regulatory Commission
Washington, DC 20426

Retain one copy of this report for your files.

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

Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

(c) For the CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current standards of reporting which will:

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

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

Schedules	Reference Pages
Comparative Balance Sheet	110-113
Statement of Income	114-116
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122

Insert the letter or report immediately following the cover sheet of the original and each copy of this form.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirement free of charge from:

Public Reference and Files Maintenance Branch
Washington, DC 20426
(202) 208-2356

IV. When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 2,475 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, Washington, DC 20426 (Attention: Michael Miller, ED-12.4); and to the Office of Information and Regulatory Affairs. Office of the Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform Systems of Accounts (18 CFR 201)(U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.

II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for statement of income accounts.

III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, either

(a) Enter the words "Not Applicable" on the particular page(s), or
(b) Omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VII. below).

VI. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).

VII. When making revisions, resubmit the electronic medium and only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation, page 1. Mail dated resubmissions to:

Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 by 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.

IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.

X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

XI. Report all gas volumes in MMBtu and Dth.

XII. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11) instead of the schedules in the FERC Form 2 if they are in substantially the same format.

XIII. Report footnotes on pages 551 and 552. Sort data on page 551 by page number. Sort data on page 552 by footnote number. The page number component of the footnote reference is the first page of a schedule whether it is a single page schedule or a multi-page schedule. Even if a footnote appears on a later page of a multi-page schedule the footnote will only reference the first page of the schedule. The first page of a multi-page schedule now becomes a proxy for the entire schedule. For example, Gas Plant in Service ranges across pages 204 through 209. A footnote on page 207 would contain a page reference of 204.

DEFINITIONS

I. Btu per cubic foot—The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32°F, and under standard gravitational force (980.665 cm. per sec.) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

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

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

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

EXCERPTS FROM THE LAW

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

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

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

GENERAL PENALTIES

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

FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION		
01 Exact Legal Name of Respondent **Avista Corp.**	02 Year of Report Dec. 31, **2001**	
03 Previous Name and Date of Change (*If name changed during year*) **Avista Corp.**		
04 Address of Principal Office at End of Year (*Street, City, State, Zip Code*) **1411 E. Mission Avenue, Spokane, WA 99202**		
05 Name of Contact Person **J. E. Eliassen**	06 Title of Contact Person **Sr VP & CFO**	
07 Address of Contact Person (*Street, City, State, Zip Code*) **1411 E. Mission Avenue, Spokane, WA 99202**		
08 Telephone of Contact Person, Including Area Code **(509) 495-2046**	09 This Report is: ☒ An Original ☐ A Resubmission	10 Date of Report (*Mo, Da, Yr*) **04/30/2002**

ATTESTATION	
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.	
11 Name **J. E. Eliassen**	12 Title **Senior Vice President and CFO**
13 Signature	14 Date Signed **04/30/2002**
Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.	

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Name of Respondent	This Report Is: ☐ An Original ☐ A Resubmission	Date of Report *(Mo, Da, Yr)*	Year of Report Dec. 31, ____

LIST OF SCHEDULES (Natural Gas Company)

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

Name of Respondent	This Report Is: ☐ An Original ☐ A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, ____

LIST OF SCHEDULES (Natural Gas Company)(Continued)

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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.

J. E. Eliassen, 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

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) [X] No

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

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	Parent company to all of the		
2		Company's subsidiaries.	100	
3				
4	Avista Advantage, Inc.	Provides various energy	100	
5		services, such as Internet-		
6		based specialty billing and		
7		information services.		
8				
9	Avista Communications, Inc.	An Integrated Communications	100	
10		Provider (ICP) providing		
11		local telecommunications		
12		solutions and designs, builds		
13		and manages metropolitan		
14		area fiber optic networks.		
15				
16	Avista Development, Inc.	Nonoperating company which	100	
17		maintains a small investment		
18		portfolio of real estate and		
19		other investments.		
20				
21	Avista Energy, Inc.	Wholesale power trading and	100	
22		marketing.		
23				
24	Avista Laboratories, Inc.	Develops proton exchange	100	
25		membrane (PEM) fuel cell		
26		technology and fuel cell		
27		components.		

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

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
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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.	Develops/owns electric	100	
3		generation assets.		
4				
5	Avista Services, Inc.	Offers products/services to	100	
6		utility customers.		
7				
8	Avista Turbine Power, Inc.	Develops electric generation	100	
9		assets.		
10				
11	Avista Rathdrum, LLC	Develops electric generation	100	
12		assets.		
13				
14	Avista Ventures, Inc.	Invests in emerging business	100	
15		opportunities.		
16				
17	Pentzer Corporation	Within Avista Capital;	100	
18		parent company of Advanced		
19		Manufacturing and		
20		Development.		
21				
22	Advanced Manufacturing and Development, Inc.	Manufacturer of electronic	93	
23		and mechanical equipment		
24		for the computer and		
25		instrumentation industries		
26		and fabricates video arcade		
27		games.		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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
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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	WWP Receivables Corporation	Acquires and sells accounts	100	
3		receivable of Avista Corp.		
4				
5	INDIRECT CONTROL:			
6	Rathdrum Power, LLC	Develops electric generation	49	
7		assets.		
8				
9	Coyote Springs 2, LLC	Develops electric generation	50	
10		assets.		
11				
12				
13				
14				
15				
16				
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust(whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a List of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a footnote the circumstances whereby such security became vested with voting rights give other important particulars (details) concerning voting rights of such security. State whether voting right are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method explain briefly in a footnote.
4. Furnish particulars (details) concerning any options warrants, or rights outstanding at the end of the year others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or right the amount of such securities or assets so entitled to purchased by any officer, director, associated company, or of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the public where the options, warrants, or rights were issued prorata basis.

1. Give the date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy	3. Give the date and place of such meeting
November 23, 2001 to pay the December 14, 2001 dividend	Total: 41,281,081 By Proxy: 41,273,058	May 10, 2001 Spokane, Washington

Line No.	Name (Title) and Address of Security Holder	VOTING SECURITIES Number of Votes as of (date): 11/23/2001			
		Total Votes	Common Stock	Preferred Stock	Other
	(a)	(b)	(c)	(d)	(e)
4	TOTAL votes of all voting securities	47,386,883	47,386,883		
5	TOTAL number of security holders	20,170	20,170		
6	TOTAL votes of security holders listed below	368,454	368,454		
7					
8	DBH Properties LP - Coeur d' Alene, ID	77,646	77,646		
9	Otis Kline TR U/A - Tempe, AZ	70,000	70,000		
10	Harold J. White TR U/A - Spokane, WA	46,891	46,891		
11	Margaret Ann Brosnan TR U/A - Independen	31,000	31,000		
12	Alfred C. Glassell Jr. - Houston, TX	30,028	30,028		
13	Gladys L. Rikerd - Spokane, WA	25,347	25,347		
14	Paul Friedrich Eisen TR U/A - San Franci				
15	Kay Kobayashi - Los Angeles, CA	22,092	22,092		
16	Darlene L. Braune & Edmund W. Braune JT				
17	- Spokane, WA	21,835	21,835		
18	Ernest C. Gosnay Jr. & Marie K. Gosnay T	20,011	20,011		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

IMPORTANT CHANGES DURING THE 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.

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

IMPORTANT CHANGES DURING THE YEAR (Continued)

1. None
2. None
3. None
4. None
5. None
6. Reference is made to Notes 6, 13, 14, 15, 16, 17, 18 and 20 of Notes to Financial Statements, Page 122 of this Report.
7. None
8. Average annual wage increases were 3.2% in 2001 for clerical, technical and exempt personnel. Bargaining unit employees were granted a 2.5% increase.
9. Reference is made to Note 24 of Notes to Financial Statements, Page 122 of this Report.
10. None.
11. N/A
12. See Page 122 of this Report.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	2,205,229,760	2,277,779,491
3	Construction Work in Progress (107)	200-201	33,535,637	54,964,082
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,238,765,397	2,332,743,573
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	720,453,521	767,101,656
6	Net Utility Plant (Enter Total of line 4 less 5)		1,518,311,876	1,565,641,917
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)		1,518,311,876	1,565,641,917
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored Underground - Noncurrent (117)		0	0
13	**OTHER PROPERTY AND INVESTMENTS**			
14	Nonutility Property (121)	221	2,765,832	3,741,058
15	(Less) Accum. Prov. for Depr. and Amort. (122)		197,733	224,549
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	361,836,801	350,746,583
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229	0	0
20	Other Investments (124)		57,378,993	50,536,283
21	Special Funds (125-128)		18,527,208	12,076,598
22	TOTAL Other Property and Investments (Total of lines 14-17,19-21)		440,311,101	416,875,973
23	**CURRENT AND ACCRUED ASSETS**			
24	Cash (131)		-2,637,705	-513,763
25	Special Deposits (132-134)		1,205,000	2,890,636
26	Working Fund (135)		245,067	423,725
27	Temporary Cash Investments (136)		17,714,449	7,648,782
28	Notes Receivable (141)		0	0
29	Customer Accounts Receivable (142)		203,722,326	49,675,973
30	Other Accounts Receivable (143)		3,566,418	5,295,153
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,535,050	2,949,912
32	Notes Receivable from Associated Companies (145)		113,588,336	182,111,918
33	Accounts Receivable from Assoc. Companies (146)		930,301	-2,022,783
34	Fuel Stock (151)	227	1,825,797	3,395,773
35	Fuel Stock Expenses Undistributed (152)	227	0	0
36	Residuals (Elec) and Extracted Products (153)	227	0	0
37	Plant Materials and Operating Supplies (154)	227	9,336,104	9,015,274
38	Merchandise (155)	227	0	0
39	Other Materials and Supplies (156)	227	14,826	0
40	Nuclear Materials Held for Sale (157)	202-203/227	0	0
41	Allowances (158.1 and 158.2)	228-229	0	0
42	(Less) Noncurrent Portion of Allowances		0	0
43	Stores Expense Undistributed (163)	227	677,156	578,289
44	Gas Stored Underground - Current (164.1)		5,703,917	6,168,382
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		636,146	631,780
46	Prepayments (165)		3,567,475	2,185,343
47	Advances for Gas (166-167)		0	0
48	Interest and Dividends Receivable (171)		168,806	250,267
49	Rents Receivable (172)		736,224	737,960
50	Accrued Utility Revenues (173)		0	0
51	Miscellaneous Current and Accrued Assets (174)		2,320,798	1,018,091
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		360,786,391	266,540,888

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	**DEFERRED DEBITS**			
54	Unamortized Debt Expenses (181)		13,713,613	26,075,057
55	Extraordinary Property Losses (182.1)	230	0	0
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
57	Other Regulatory Assets (182.3)	232	162,517,591	445,035,675
58	Prelim. Survey and Investigation Charges (Electric) (183)		54,219	7,973,065
59	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)		0	0
60	Clearing Accounts (184)		720,623	-2,081,155
61	Temporary Facilities (185)		0	0
62	Miscellaneous Deferred Debits (186)	233	64,351,530	109,424,216
63	Def. Losses from Disposition of Utility Plt. (187)		0	0
64	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
65	Unamortized Loss on Reaquired Debt (189)		14,160,163	15,147,127
66	Accumulated Deferred Income Taxes (190)	234	58,647,476	27,044,942
67	Unrecovered Purchased Gas Costs (191)		41,067,833	52,679,575
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		355,233,048	681,298,502
69	TOTAL Assets and Other Debits (Enter Total of lines 10,11,12,22,52,68)		2,674,642,416	2,930,357,280

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	610,740,599	617,737,210
3	Preferred Stock Issued (204)	250-251	35,000,000	35,000,000
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	11,696,211	11,924,026
11	Retained Earnings (215, 215.1, 216)	118-119	-105,542,229	-106,447,403
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	238,484,148	226,474,938
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		766,986,307	760,840,719
15	**LONG-TERM DEBT**			
16	Bonds (221)	256-257	306,300,000	401,300,000
17	(Less) Reaquired Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	0	0
19	Other Long-Term Debt (224)	256-257	723,160,000	931,000,000
20	Unamortized Premium on Long-Term Debt (225)		0	0
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		112,511	2,546,888
22	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		1,029,347,489	1,329,753,112
23	**OTHER NONCURRENT LIABILITIES**			
24	Obligations Under Capital Leases - Noncurrent (227)		0	0
25	Accumulated Provision for Property Insurance (228.1)		0	0
26	Accumulated Provision for Injuries and Damages (228.2)		726,198	1,476,494
27	Accumulated Provision for Pensions and Benefits (228.3)		15,974,659	18,184,215
28	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
29	Accumulated Provision for Rate Refunds (229)		0	0
30	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)		16,700,857	19,660,709
31	**CURRENT AND ACCRUED LIABILITIES**			
32	Notes Payable (231)		0	0
33	Accounts Payable (232)		194,750,476	52,930,348
34	Notes Payable to Associated Companies (233)		0	0
35	Accounts Payable to Associated Companies (234)		41,900,175	20,512,592
36	Customer Deposits (235)		2,966,766	3,820,410
37	Taxes Accrued (236)	262-263	-14,177,077	-20,229,945
38	Interest Accrued (237)		16,584,666	18,583,369
39	Dividends Declared (238)		-2	99,026
40	Matured Long-Term Debt (239)		0	0
41	Matured Interest (240)		0	0
42	Tax Collections Payable (241)		618,174	374,374
43	Miscellaneous Current and Accrued Liabilities (242)		32,705,930	515,408
44	Obligations Under Capital Leases-Current (243)		0	0
45	TOTAL Current & Accrued Liabilities (Enter Total of lines 32 thru 44)		275,349,108	76,605,582

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	**DEFERRED CREDITS**			
47	Customer Advances for Construction (252)		1,438,407	981,208
48	Accumulated Deferred Investment Tax Credits (255)	266-267	768,192	718,884
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	65,943,409	230,560,198
51	Other Regulatory Liabilities (254)	278	87,615,847	11,931,064
52	Unamortized Gain on Reaquired Debt (257)		0	1,728,475
53	Accumulated Deferred Income Taxes (281-283)	272-277	430,492,800	497,577,329
54	TOTAL Deferred Credits (Enter Total of lines 47 thru 53)		586,258,655	743,497,158
55			0	0
56			0	0
57			0	0
58			0	0
59			0	0
60			0	0
61			0	0
62			0	0
63			0	0
64			0	0
65			0	0
66			0	0
67			0	0
68	TOTAL Liab and Other Credits (Enter Total of lines 14,22,30,45,54)		2,674,642,416	2,930,357,280

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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 02 thru 24 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 pages 122-123 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)	TOTAL Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	1,230,847,199	1,512,100,770
3	Operating Expenses			
4	Operation Expenses (401)	320-323	994,242,604	1,388,465,332
5	Maintenance Expenses (402)	320-323	26,266,457	25,746,661
6	Depreciation Expense (403)	336-337	58,204,870	54,285,384
7	Amort. & Depl. of Utility Plant (404-405)	336-337	6,845,019	10,339,617
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	99,048	99,048
9	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		-4,095	-22,863
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)		228,676	
12	(Less) Regulatory Credits (407.4)		23,255,978	17,747,983
13	Taxes Other Than Income Taxes (408.1)	262-263	53,294,525	47,758,678
14	Income Taxes - Federal (409.1)	262-263	-92,830,192	-42,508,513
15	- Other (409.1)	262-263	-5,747,504	-1,567,966
16	Provision for Deferred Income Taxes (410.1)	234, 272-277	108,321,574	43,310,225
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	5,441,839	4,572,425
18	Investment Tax Credit Adj. - Net (411.4)	266	-49,308	-49,308
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)		1,120,173,857	1,503,535,887
24	Net Util Oper Inc (Enter Tot line 2 less 23) Carry fwd to P117,line 25		110,673,342	8,564,883

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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STATEMENT OF INCOME FOR THE YEAR (Continued)

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 included on pages 122-123.
B. Enter on pages 122-123 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 2 to 23, and report the information in the blank space on pages.122-123 or in a footnote.

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
922,204,500	1,287,254,639	308,642,699	224,846,131			2
						3
747,476,434	1,214,379,954	246,766,170	174,085,378			4
22,619,436	22,091,373	3,647,021	3,655,288			5
44,592,733	41,395,721	13,612,137	12,889,663			6
6,036,769	9,472,754	808,250	866,863			7
99,048	99,048					8
-4,095	-22,863					9
						10
		228,676				11
23,255,978	17,747,983					12
34,313,701	36,009,470	18,980,824	11,749,208			13
-92,594,583	-36,694,557	-235,609	-5,813,956			14
-3,984,607	-647,869	-1,762,897	-920,097			15
101,367,176	27,495,895	6,954,398	15,814,330			16
5,137,185	4,244,958	304,654	327,467			17
		-49,308	-49,308			18
						19
						20
						21
						22
831,528,849	1,291,585,985	288,645,008	211,949,902			23
90,675,651	-4,331,346	19,997,691	12,896,229			24

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 114)		110,673,342	8,564,883
26	Other Income and Deductions			
27	Other Income			
28	Nonutilty Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		138,517	251,641
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		127,752	169,793
31	Revenues From Nonutility Operations (417)		378,855	285,960
32	(Less) Expenses of Nonutility Operations (417.1)		2,131,887	2,209,125
33	Nonoperating Rental Income (418)		-23,907	-28,427
34	Equity in Earnings of Subsidiary Companies (418.1)	119	-11,090,218	131,479,632
35	Interest and Dividend Income (419)		34,250,252	8,680,321
36	Allowance for Other Funds Used During Construction (419.1)		1,073,225	604,309
37	Miscellaneous Nonoperating Income (421)		-173,649	1,457,745
38	Gain on Disposition of Property (421.1)		84,243	18,862,673
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		22,377,679	159,214,936
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		23,458	42,703
42	Miscellaneous Amortization (425)	340	1,323,907	1,325,815
43	Miscellaneous Income Deductions (426.1-426.5)	340	2,983,159	5,651,115
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		4,330,524	7,019,633
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263	7,458	27,200
47	Income Taxes-Federal (409.2)	262-263	12,085,770	18,300,940
48	Income Taxes-Other (409.2)	262-263	-494,842	798,111
49	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	4,292,806	2,343,111
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	-40,693	18,044,012
51	Investment Tax Credit Adj.-Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)		15,931,885	3,425,350
54	Net Other Income and Deductions (Enter Total lines 39, 44, 53)		2,115,270	148,769,953
55	Interest Charges			
56	Interest on Long-Term Debt (427)		96,517,793	61,296,180
57	Amort. of Debt Disc. and Expense (428)		3,481,482	1,526,972
58	Amortization of Loss on Reaquired Debt (428.1)		2,167,105	1,882,512
59	(Less) Amort. of Premium on Debt-Credit (429)			
60	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)		9,905	
61	Interest on Debt to Assoc. Companies (430)	340		196,041
62	Other Interest Expense (431)	340	672,192	2,103,692
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		2,195,821	1,349,503
64	Net Interest Charges (Enter Total of lines 56 thru 63)		100,632,846	65,655,894
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		12,155,766	91,678,942
66	Extraordinary Items			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items (Enter Total of line 67 less line 68)			
70	Income Taxes-Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)			
72	Net Income (Enter Total of lines 65 and 71)		12,155,766	91,678,942

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. 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)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. 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.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. 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.
8. 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)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		-107,090,350
2	Changes		
3	Adjustments to Retained Earnings (Account 439)		
4			141,026
5			
6			
7			
8			
9	TOTAL Credits to Retained Earnings (Acct. 439)		141,026
10	Debits		-13,629
11			
12			
13			
14			
15	TOTAL Debits to Retained Earnings (Acct. 439)		-13,629
16	Balance Transferred from Income (Account 433 less Account 418.1)		23,245,984
17	Appropriations of Retained Earnings (Acct. 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)		
23	Dividends Declared-Preferred Stock (Account 437)		
24	Series K		-2,432,500
25			
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-2,432,500
30	Dividends Declared-Common Stock (Account 438)		
31			-22,765,047
32			
33			
34			
35			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-22,765,047
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		918,992
38	Balance - End of Year (Total 1,9,15,16,22,29,36,37)		-107,995,524
	APPROPRIATED RETAINED EARNINGS (Account 215)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. 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)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. 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.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. 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.
8. 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)	Amount (c)
39			
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)		
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)		
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)		1,548,121
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)		1,548,121
48	TOTAL Retained Earnings (Account 215, 215.1, 216) (Total 38, 47)		-106,447,403
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
49	Balance-Beginning of Year (Debit or Credit)		238,484,148
50	Equity in Earnings for Year (Credit) (Account 418.1)		-11,090,218
51	(Less) Dividends Received (Debit)		
52			-918,992
53	Balance-End of Year (Total lines 49 thru 52)		226,474,938

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in page 122-123. Information about non-cash investing and financing activities should be provided on Page 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
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 on Page 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income	12,155,766
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	58,204,870
5	Amortization	-14,991,903
6		
7		
8	Deferred Income Taxes (Net)	107,213,233
9	Investment Tax Credit Adjustment (Net)	-49,308
10	Net (Increase) Decrease in Receivables	150,836,270
11	Net (Increase) Decrease in Inventory	-1,595,553
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	-175,392,380
14	Net (Increase) Decrease in Other Regulatory Assets	-150,511,859
15	Net Increase (Decrease) in Other Regulatory Liabilities	-52,867,696
16	(Less) Allowance for Other Funds Used During Construction	-2,983,200
17	(Less) Undistributed Earnings from Subsidiary Companies	11,090,218
18	Other:	
19	Non-Monetary Power Transaction	-19,601,924
20	Power and Gas Deferrals	-187,663,747
21	Other Non-Current Assets/Liabilities	173,844,861
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	-108,526,388
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	-122,888,490
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	-948,410
30	(Less) Allowance for Other Funds Used During Construction	-2,983,200
31	Other:	
32	Other Property and Investments	8,265,696
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-112,588,004
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	-68,523,582
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

STATEMENT OF CASH FLOWS

4. Investing Activities include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123. Do not include on this statement the dollar amount of Leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of Leases capitalized with the plant cost on pages 122-123.

5. Codes used:

(a) Net proceeds or payments.

(b) Bonds, debentures and other long-term debt.

(c) Include commercial paper.

(d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in Allowances Held for Speculation	
52	Net Increase (Decrease) in Payables and Accrued Expenses	
53	Other	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	Total of lines 34 thru 55)	-181,111,586
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	372,565,623
62	Preferred Stock	
63	Common Stock	8,267,706
64	Other:	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total 61 thru 69)	380,833,329
71		
72	Payments for Retirement of:	
73	Long-term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	-72,160,000
79		
80	Dividends on Preferred Stock	-2,432,500
81	Dividends on Common Stock	-22,677,281
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	283,563,548
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22,57 and 83)	-6,074,426
87		
88	Cash and Cash Equivalents at Beginning of Year	16,526,811
89		
90	Cash and Cash Equivalents at End of Year	10,452,385

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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 Cormmission 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.

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SEE PAGE 123 FOR REQUIRED INFORMATION.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Avista Corporation (Avista Corp. or the Company) is an energy company involved in the generation, transmission and distribution of energy as well as other energy-related businesses. The utility portion of the Company, doing business as Avista Utilities, an operating division of Avista Corp. and not a separate entity, provides electric and natural gas service to customers in four western states and is subject to state and federal regulation. Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies engaged in the other non-regulated lines of business.

The Company's operations are exposed to risks, including legislative and governmental regulations, the price and supply of purchased power, fuel and natural gas, recovery of purchased power and purchased natural gas costs, weather conditions, availability of generation facilities, competition, technology and availability of funding. In addition, the energy business exposes the Company to the financial, liquidity, credit and commodity price risks associated with wholesale purchases and sales.

Basis of Reporting

The consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its subsidiaries. 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 8).

Use of Estimates

The preparation of the consolidated 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 consolidated financial statements. Changes in these estimates and assumptions are considered reasonably possible and may have a material impact on the consolidated 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 (FERC) and adopted by the appropriate state regulatory commissions.

Regulation

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

Business Segments

Financial information for each of the Company's lines of business is reported in the "Schedule of Information by Business Segments." Such information is an integral part of these consolidated financial statements. The business segment presentation reflects the basis currently used by the Company's management to analyze performance and determine the allocation of resources. Avista Utilities' business is managed based on the total regulated utility operation. The Energy Trading and Marketing line of business operations primarily includes non-regulated electricity and natural gas marketing and trading activities including derivative commodity instruments such as futures, options, swaps and other contractual arrangements. The Information and Technology line of business operations includes utility internet billing services and fuel cell technology. The Other line of business encompasses other investments and non-energy operations of various subsidiaries as well as the operations of Avista Capital on a parent company only basis. The Company is in the process of divesting Avista Communications, its telecommunications business, which is reported as a discontinued operation.

Operating Revenues

Operating revenues are recorded on the basis of service rendered, which includes estimated unbilled revenue. Avista Energy follows the mark-to-market method of accounting for energy contracts entered into for trading and price risk management purposes. Avista Energy recognizes revenue based on the change in the market value of outstanding derivative commodity sales contracts, net of future servicing costs and reserves, in addition to revenue related to physical and financial contracts that have settled.

Intersegment Eliminations

Intersegment eliminations represent the transactions between Avista Utilities and Avista Energy for energy commodities and services.

Research and Development Expenses

Company-sponsored research and development expenses related to present and future products are expensed as incurred. The majority of the Company's research and development expenses are related to the Information and Technology line of business. Research and development expenses totaled $8.4 million, $8.1 million and $3.3 million in 2001, 2000 and 1999, respectively.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses totaled $1.8 million, $1.2 million and $0.6 million in 2001, 2000 and 1999, respectively.

Taxes other than income taxes

Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on net income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers are recorded as both revenue and expense and totaled $26.3 million, $23.5 million and $21.3 million in 2001, 2000 and 1999, respectively.

Other Income-Net

Other income-net consisted of the following items for the years ended December 31 (dollars in thousands):

	2001	2000	1999
Interest income	$32,044	$11,824	$3,615
Net gain on subsidiary transactions	2,997	770	57,531
Gain (loss) on property dispositions	(8,338)	20,278	4,071
Minority interest	217	694	466
Other - net	(6,239)	(7,705)	8,229
Total	$20,681	$25,861	$73,912

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 1998 return.

The Company accounts for income taxes using the liability method. Under the liability method, 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.

Stock-Based Compensation

The Company follows the disclosure only provisions of Statement of Financial Accounting Standards (SFAS) No. 123, „Accounting for Stock-Based Compensation.“ Accordingly, employee stock options are accounted for under Accounting Principle Board Opinion

(APB) No. 25, „Accounting for Stock Issued to Employees." Stock options are granted at exercise prices not less than the fair value of common stock on the date of grant. Under APB No. 25, no compensation expense is recognized pursuant to the Company's stock option plans.

Comprehensive Income
The Company's comprehensive income is comprised of net income, foreign currency translation adjustments, unfunded accumulated benefit obligation and unrealized gains and losses on investments available-for-sale.

Foreign Currency Translation Adjustment
The assets and liabilities of Avista Energy Canada, Ltd. are denominated in Canadian dollars and translated to United States dollars at exchange rates in effect on the balance sheet date. Revenues and expenses are translated using an average exchange rate. Translation adjustments resulting from this process are reflected as a component of other comprehensive income in the Consolidated Statements of Comprehensive Income.

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 convertible stock. See Note 21 for earnings per common share calculations.

Cash and Cash Equivalents
For the purposes of the Consolidated Statements of Cash Flows, the Company considers all temporary investments with a purchased maturity of three months or less to be cash equivalents.

Temporary Investments
Temporary investments consist of marketable equity securities classified as "available for sale." The unrealized gain on temporary investments totaled $1.4 million as of December 31, 2001 compared to an unrealized loss of $0.7 million as of December 31, 2000, respectively, net of taxes, and are reflected as a component of accumulated other comprehensive income on the Consolidated Statements of Capitalization.

Allowance for Doubtful Accounts
The Company maintains an allowance for doubtful accounts to sufficiently 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):

	2001	2000	1999
Allowance as of the beginning of the year	$14,404	$ 4,267	$7,547
Additions expensed during the year	39,947	11,835	2,991
Net deductions	(4,140)	(1,698)	(6,271)
Allowance as of the end of the year	$50,211	$14,404	$4,267

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

Utility Plant in Service
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 is credited currently as a non-cash item to the Consolidated 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 does not occur until the related utility plant is placed in service.

The effective AFUDC rate was 9.03 percent in 2001 and 10.67 percent in 2000 and 1999. 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 hydroelectric 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 2.84 percent in 2001, 2.72 percent in 2000 and 2.69 percent in 1999.

The average service lives and remaining average service lives, respectively, for the following broad categories of utility property are: electric thermal production - 35 and 15 years; hydroelectric production - 100 and 77 years; electric transmission - 60 and 26 years; electric distribution - 40 and 29 years; and natural gas distribution property - 44 and 28 years.

Goodwill
Goodwill arising from acquisitions represents the excess of the purchase price over the estimated fair value of net assets acquired. The Company periodically evaluates goodwill for impairment. Goodwill was amortized using the straight-line method over periods not exceeding twenty years. Goodwill is included in non-utility properties and investments-net in the Consolidated Balance Sheets and totaled $13.7 million and $22.7 million as of December 31, 2001 and 2000, respectively. The level of goodwill as of December 31, 2001 and 2000 was supported by the value attributed to the operations acquired. See Note 2 for changes in accounting for goodwill effective January 1, 2002.

Regulatory Deferred Charges and Credits
The Company prepares its consolidated 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 due to the fact that (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 set at levels that will recover the Company's costs can be charged to and collected from customers. 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) be reflected as a deferred charge on the balance sheet. These costs and/or obligations are not reflected in the statement of income until the period that 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 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 were incurred, even if such costs were expected to be recovered in the future.

The Company's primary regulatory assets include power and natural gas deferrals, investment in exchange power, regulatory assets for deferred income taxes, unamortized debt expense, regulatory asset offsetting energy commodity derivative liabilities, demand side management programs, conservation programs and the provision for postretirement benefits. Those items without a specific line on the Consolidated Balance Sheets are included in other regulatory assets. Other regulatory assets consisted of the following as of December 31 (dollars in thousands):

	2001	2000
Regulatory asset offsetting energy commodity derivative liabilities	$158,747	$ -
Regulatory asset for postretirement benefit obligation	5,200	5,673
Demand side management and conservation programs	28,813	18,262
Total	$192,760	$23,935

Deferred credits include regulatory liabilities created when the Centralia Power Plant was sold and the gain on the general office building sale/leaseback which is being amortized over the life of the lease, and are included on the Consolidated Balance Sheets as Non-Current Liabilities and Deferred Credits - Other deferred credits.

Natural Gas Benchmark Mechanism

Avista Utilities received regulatory approval of its Natural Gas Benchmark Mechanism in 1999 from the Idaho Public Utilities Commission (IPUC), Washington Utilities and Transportation Commission (WUTC) and Oregon Public Utilities Commission (OPUC). The mechanism eliminated natural gas procurement operations within Avista Utilities and consolidated gas procurement operations under Avista Energy, the Company's non-regulated affiliate. The ownership of the natural gas assets remains with Avista Utilities; however, the assets are managed by Avista Energy through an Agency Agreement.

Effective January 1, 2001, the WUTC and IPUC approved Avista Utilities' modifications of the Natural Gas Benchmark Mechanism, incorporating the use of financial products (fixed-price transactions or hedging). Due to the unprecedented increase in, and volatility of, natural gas commodity costs, it was determined that such additional flexibility was needed in the Natural Gas Benchmark Mechanism to properly manage costs. The Natural Gas Benchmark Mechanism provides certain guaranteed benefits to retail customers and provides the Company with the opportunity to improve earnings, i.e., a performance-based mechanism. In accordance with SFAS No. 71, profits recognized by Avista Energy on natural gas sales to Avista Utilities, including unrealized gains on natural gas contracts, are not eliminated in the consolidated financial statements. This is due to the fact that costs incurred by Avista Utilities for natural gas purchases to serve retail customers and for fuel for electric generation are recovered through future retail rates.

Avista Utilities provided notice of its intent to continue the Natural Gas Benchmark Mechanism and related Agency Agreement with Avista Energy to the applicable state regulatory agencies in 2001. In early 2002, the WUTC approved the continuation of the Natural Gas Benchmark Mechanism and related Agency Agreement through March 31, 2003 and the IPUC approved the continuation through March 31, 2005.

Power Cost Deferrals

Avista Utilities has deferred certain power costs as approved by the WUTC. The specific power costs deferred include the changes in power costs to Avista Utilities from the costs included in base retail rates, resulting 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). The power costs deferred relate solely to the operation of Avista Utilities' system resources to serve its system retail and wholesale load obligations. During 2001, Avista Utilities deferred $145.4 million in power costs (net of the $21.8 million written off pursuant to the WUTC order); total deferred power costs were $140.2 million for Washington customers as of December 31, 2001. During 2000, Avista Utilities deferred a total of $33.9 million in power costs related to Washington customers.

In September 2001, the WUTC ordered a 25 percent temporary electric rate surcharge for the 15-month period from October 1, 2001 to December 31, 2002 to allow Avista Utilities to recover a portion of Washington deferred power costs. The order by the WUTC also provided for the termination of the accounting mechanism for the deferral of power costs effective January 1, 2002. In November 2001, Avista Utilities filed a request with the WUTC for an expedited procedural schedule to address the prudence and recoverability of deferred power costs incurred prior to September 30, 2001.

In the December 2001 general electric rate case filing, Avista Utilities requested, among other things, the issuance of an order implementing a temporary deferred accounting mechanism to be in effect during the period from January 1, 2002 through the conclusion of the general rate case. The request for a temporary deferred accounting mechanism was approved by the WUTC in December 2001. As requested by Avista Utilities, the deferred power cost accounting mechanism was modified to reflect the deferral of 90 percent of the difference between actual power supply costs and the amount of power supply costs allowed to be recovered in current retail rates. Avista Utilities also requested the establishment of a permanent power cost adjustment (PCA) mechanism to increase or decrease future electric rates based on actual power supply costs, similar to the existing Idaho PCA mechanism.

On March 4, 2002 the WUTC issued an order approving the prudence and recoverability of 90 percent of deferred power supply costs incurred during the period from July 1, 2000 through December 31, 2001. This resulted in the Company writing off $21.8 million of power supply costs previously deferred. Additionally, the order provided that one-fifth of the existing 25 percent surcharge will be applied to offset the Company's general operating costs and the remainder will continue to be a recovery of deferred power costs. The WUTC order also approved a 6.2 percent increase in base retail rates.

Avista Utilities has a PCA mechanism in Idaho that allows it to modify electric rates to recover or rebate a portion of the difference between actual and allowed net power supply costs. The current PCA mechanism allows for the deferral of 90 percent of the difference between actual net power supply expenses and the authorized level of net power supply expense approved in the last Idaho general rate case. In October 2001, the IPUC issued an order approving a 14.7 percent PCA surcharge for Idaho electric customers and granted an extension of a 4.7 percent PCA surcharge implemented earlier in 2001 that was to expire January 31, 2002. Both PCA surcharges will remain in effect until October 2002. The IPUC directed Avista Utilities to file a status report 60 days before the PCA surcharge expires. If review of the status report and the actual balance of deferred power costs support continuation of the PCA surcharge, the IPUC has indicated that it anticipates the PCA surcharge will be extended for an additional period. Total deferred power costs for Idaho customers were $73.1 million as of December 31, 2001.

Natural Gas Cost Deferrals

Under established regulatory practices in each respective state, Avista Utilities is allowed to adjust its natural gas rates periodically with appropriate 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 allowed in rates are deferred and charged or credited to expense when regulators approve inclusion of the cost changes in rates. In Oregon, regulatory provisions include a sharing of benefits and risks associated with changes in natural gas prices, as well as a sharing of benefits if certain threshold earnings levels are exceeded. Total deferred natural gas costs were $52.7 million as of December 31, 2001. Based on current natural gas rates in place and current natural gas prices, Avista Utilities expects that the deferred natural gas cost balance will be fully recovered by December 2002.

Deferred Revenue

In December 1998, the Company received cash proceeds of $143.4 million from the monetization of a contract in which the Company assigned and transferred certain rights under a long-term power sales contract to a funding trust. The proceeds were recorded as deferred revenue and were being amortized into revenues over the 16-year period of the long-term sales contract. Pursuant to the WUTC order in September 2001, the Company was directed to offset $53.8 million of the Washington share of the deferred revenue against deferred power costs. The IPUC order in October 2001 directed the Company to amortize the Idaho share of the deferred revenue against deferred power costs over the next 15 months. The unamortized balance as of December 31, 2001 was $27.7 million.

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 common equity.

NOTE 2. NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, „Accounting for Derivative Instruments and Hedging Activities.“ In June 2000, the FASB issued SFAS No. 138, which amended certain provisions of SFAS No. 133 to clarify specific areas presenting difficulties in implementation. SFAS No. 133, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments imbedded in other contracts, and for hedging activities. It requires the recording of all derivatives as either assets or liabilities in 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. The Company adopted SFAS No. 133 and the corresponding amendments under SFAS No. 138, on January 1, 2001.

Avista Utilities buys and sells energy under forward contracts that are considered derivatives. Under forward contracts, Avista Utilities commits to purchase or sell a specified amount of capacity and energy. These contracts are generally entered into to manage Avista Utilities' loads and resources. In conjunction with the issuance of SFAS No. 133, the WUTC and the IPUC issued accounting orders requiring Avista Utilities to offset any derivative assets or liabilities with a regulatory asset or liability. As a result, unrealized gains or losses for Avista Utilities are not recognized in the Consolidated Statements of Income and Comprehensive Income.

Avista Energy accounts for derivative commodity instruments entered into for trading purposes using the mark-to-market method of accounting, in compliance with Emerging Issues Task Force (EITF) Issue No. 98-10, „Accounting for Energy Trading and Risk Management Activities“, with unrealized gains and losses recognized in the Consolidated Statements of Income.

On January 1, 2001, Avista Utilities recorded a derivative commodity asset of $252.3 million and a derivative commodity liability of $36.1 million. The difference of $216.2 million was recorded as a net regulatory liability in accordance with the accounting orders from the WUTC and IPUC discussed above. The amounts recorded as of January 1, 2001 were based on Avista Utilities' original interpretations of SFAS No.'s 133, 138 and the guidance of the FASB's Derivative Implementation Group (DIG). Avista Utilities believed the majority of its long-term purchases and sales contracts for both capacity and energy qualified as normal purchases and sales under SFAS No. 133 and were not required to be recorded as derivative commodity assets and liabilities. Some contracts for less than one year in duration (short-term) are subject to booking out, whereby power may not be physically delivered. Avista Utilities believed these short-term contracts could not be classified as normal purchases and sales and were recorded as a derivative commodity asset or liability on the Consolidated Balance Sheet.

Based on subsequent interpretations of DIG guidance and rulings, Avista Utilities made changes to its accounting for certain contracts effective July 1, 2001. The DIG released its interpretation of issue C-15, „Scope Exceptions: Normal Purchases and Normal Sales Exception for Option-Type Contracts and Forward Contracts in Electricity,“ on June 27, 2001. This DIG issue allows for power purchase or sale agreements (including forward and option contracts) to qualify for the normal purchase and sale exception provided certain criteria are met. Based on its interpretation of the guidance from the DIG, Avista Utilities no longer records derivative commodity assets and liabilities for short-term contracts subject to booking out as it has concluded that these contracts could qualify for the normal purchases and sales exception. As of December 31, 2001, the derivative commodity asset balance was $1.9 million, the derivative commodity liability balance was $159.4 million and the offsetting net regulatory asset was $157.5 million.

The derivative commodity asset balance is included in Deferred Charges – Utility energy commodity derivative assets, the derivative commodity liability balance is included in Non-Current Liabilities and Deferred Credits – Utility energy commodity derivative liabilities, and the offsetting net regulatory asset is included in Deferred Charges – Other regulatory assets on the Consolidated Balance Sheet. Certain issues and interpretations that may be issued by the DIG could change the conclusions that the Company has reached regarding accounting for energy contracts and, as a result, the accounting treatment and financial statement impact could change in future periods.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," a replacement of SFAS No. 125. This statement revises the standards for accounting for securitizations and transfers of financial assets and collateral and requires certain disclosures; however, it carries over most of SFAS

No. 125's provisions without reconsideration. The standards addressed in this statement are based on consistent application of a financial components approach that focuses on control. Under this approach, after a transfer of financial assets, an entity recognizes the financial and servicing assets it controls and the liabilities it has incurred, derecognizes financial assets when control has been surrendered, and derecognizes liabilities when extinguished. This statement became effective for transfers and servicing of financial assets and extinguishments of liabilities after March 31, 2001 and was effective for recognition and reclassification of collateral and for disclosures relating to securitizations and collateral for 2000. The adoption of this statement did not have a material impact on the Company's financial condition or results of operations.

In June 2001, the FASB issued SFAS No. 141, „Business Combinations" which applies to business combinations initiated after June 30, 2001. This statement requires that business combinations be accounted for using the purchase method; the use of the pooling-of-interests method is no longer permitted. The purchase method of accounting requires the measurement of goodwill as the excess of the cost of an acquired entity over the estimated fair value of net amounts assigned to assets acquired and liabilities assumed. This statement also addresses the financial statement disclosure requirements for business combinations. The adoption of this statement did not have a material impact on the Company's financial condition or results of operations.

In June 2001, the FASB issued SFAS No. 142, „Goodwill and Other Intangible Assets" which applies to acquired intangible assets whether acquired singly, as part of a group, or in a business combination. This statement requires that goodwill not be amortized; however, goodwill for each reporting unit must be evaluated for impairment on at least an annual basis using a two-step approach. The first step used to identify potential impairment compares the estimated fair value of a reporting unit to its carrying amount, including goodwill. If the fair value of a reporting unit is less than its carrying amount, the second step of the impairment evaluation which compares the implied fair value of goodwill to its carrying amount is performed to determine the amount of the impairment loss, if any. This statement also provides standards for financial statement disclosures of goodwill and other intangible assets and related impairment losses. The Company adopted this statement on January 1, 2002. The adoption of this statement did not have a material impact on the Company's financial condition or results of operations.

In June 2001, the FASB issued SFAS No. 143, „Accounting for Asset Retirement Obligations" which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement 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 will be capitalized as part of the carrying amount of the related long-lived asset. The liability for the asset retirement obligation will be accreted to its present value each period and the related capitalized costs will be depreciated over the useful life of the related long-lived asset. Upon retirement of the asset, the Company will either settle the retirement obligation for its recorded amount or incur a gain or loss upon the retirement of the long-lived asset. The Company will be required to adopt this statement on January 1, 2003. The Company is in the process of determining the impact this statement will have on the Company's financial condition and results of operations.

On August 1, 2001, the Company adopted SFAS No. 144, „Accounting for the Impairment or Disposal of Long-Lived Assets" which supersedes SFAS No. 121, „Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This statement also supersedes the accounting and reporting provisions for the disposal of a business segment as provided for in APB No. 30 „Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The statement establishes accounting standards for all long-lived assets to be disposed of including discontinued operations. Long-lived assets to be disposed of are measured at the lower of their carrying amount or estimated fair value less selling costs, whether reported in continuing operations or discontinued operations. As such, discontinued operations will no longer be measured at net realizable value or include amounts for future operating losses. This statement allows for the reporting as discontinued operations components of an entity with distinguishable operations from the rest of the entity and not limited to reportable business segments. The Company elected to early adopt this statement. See Note 3 for further information.

NOTE 3. ACCOUNTS RECEIVABLE SALE

In 1997, WWP Receivables Corp. (WWPRC) was formed as a wholly owned, bankruptcy-remote subsidiary of the Company for the purpose of acquiring or purchasing interests in certain accounts receivable, both billed and unbilled, of the Company. Currently, WWPRC, the Company and a third-party financial institution have an agreement that expires in May 2002 whereby WWPRC can sell without recourse, on a revolving basis, up to $90.0 million of those receivables. WWPRC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. On a consolidated basis, the amount of such fees is included in operating expenses of the Company. As of December 31, 2001 and 2000, $75.0 million and $80.0 million, respectively, in accounts receivables were sold.

NOTE 4. ENERGY COMMODITY TRADING

The Company's energy-related businesses are exposed to risks relating to, but not limited to, changes in certain commodity prices and counterparty performance. In order to manage the various risks relating to these exposures, Avista Utilities utilizes electric, natural gas and related derivative commodity instruments, such as forwards, futures, swaps and options, and Avista Energy engages in the trading of such instruments. Avista Utilities and Avista Energy have policies and procedures to manage both quantitative and qualitative risks inherent in these activities. The Company has a comprehensive Risk Management Committee, separate from the units that create such risk exposure and overseen by the Audit Committee of the Company's Board of Directors, to monitor compliance with the Company's risk management policies and procedures.

Avista Utilities

Avista Utilities sells and purchases electric capacity and energy at wholesale to and from utilities and other entities under long-term contracts having terms of more than one year. In addition, Avista Utilities engages in an ongoing process of resource optimization which involves short-term purchases and sales in the wholesale market in pursuit of an economic selection of resources to serve retail and wholesale loads. Avista Utilities 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 Utilities purchases and sells energy on a quarterly, monthly, daily and hourly basis to match actual resources to actual energy requirements and sells any surplus at the best available price. This process includes hedging transactions.

Avista Utilities protects itself against price fluctuations on electric energy by establishing volume limits for the imbalance between projected loads and resources and through the use of derivative commodity instruments for hedging purposes. Any imbalance is required to remain within limits, or management action or decisions are triggered to address larger imbalance situations and limit the exposure to market risk. Avista Energy is responsible for the daily management of gas resources to meet the requirements of Avista Utilities' customers. In addition, Avista Utilities utilizes derivative commodity instruments for hedging price risk associated with natural gas. The Risk Management Committee has limited the types of commodity instruments Avista Utilities may trade to those related to electricity and natural gas commodities and those instruments are to be used for hedging price fluctuations associated with the management of resources. Commodity instruments are not generally held by Avista Utilities for speculative trading purposes. The market values of natural gas derivative commodity instruments held by Avista Utilities as of December 31, 2001 and 2000, were a $133.2 million net liability and a $1.0 million net asset, respectively. The significant liability position as of December 31, 2001 is a result of forward commitments to purchase natural gas entered during 2000 and the first part of 2001 at prices in excess of the market price for natural gas as of December 31, 2001.

Market Risk

Avista Utilities and Avista Energy manage, on a portfolio basis, the market risks inherent in their activities subject to parameters established by the Company's Risk Management Committee. Market risks are monitored by the Risk Management Committee to ensure compliance with the Company's risk management policies. Avista Utilities measures exposure to market risk through daily evaluation of the imbalance between projected loads and resources. Avista Energy measures the risk in its portfolio on a daily basis utilizing a VAR model and monitors its risk in comparison to established thresholds.

Credit Risk

Credit risk relates to the risk of loss that Avista Utilities and/or Avista Energy would incur as a result of non-performance by counterparties of their contractual obligations to deliver energy and make financial settlements. 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. Avista Utilities and Avista Energy seek to mitigate credit risk by applying specific eligibility criteria to existing and prospective counterparties and by actively monitoring current credit exposures. However, despite mitigation efforts, defaults by counterparties periodically occur. Avista Energy experienced payment receipt defaults from certain parties impacted by the California energy crisis. Avista Energy and Avista Corp. (through the Avista Utilities division) have engaged in physical and financial transactions with Enron and certain of its affiliates and experienced disruptions to forward contract commitments as a result of Enron's December 2001 bankruptcy. See Note 24 for more information.

Credit risk also involves the exposure that counterparties perceive related to performance by Avista Utilities and Avista Energy to perform deliveries and settlement of energy resource transactions. These counterparties seek assurance of performance in the form of letters of credit, prepayment or cash deposits, and, in the case of Avista Energy, parent company performance guarantees. 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 Utilities and Avista Energy actively monitor the exposure to possible collateral calls and take steps to minimize capital requirements.

Other Operating Risks

In addition to commodity price risk, Avista Utilities' commodity positions are subject to operational and event risks including, among others, increases in load demand, transmission or transport disruptions, fuel quality specifications and forced outages at generating plants. Avista Utilities also has exposure to weather conditions and natural disasters that can cause physical damage to property, requiring immediate repairs to restore utility service.

NOTE 5. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 15 percent 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 operating and maintenance expenses for plant in service is included in the Consolidated Statements of Income. The Company's share of utility plant in service was \$314.3 million and accumulated depreciation was \$149.3 million as of December 31, 2001.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The balances of the major classifications of property, plant and equipment are detailed in the following table as of December 31 (dollars in thousands):

	2001	2000
Avista Utilities:		
Electric production	\$691,299	\$ 672,070
Electric transmission	288,739	280,271
Electric distribution	678,448	652,966
Construction work-in-progress (CWIP) and other	119,389	95,219
Electric total	1,777,875	1,700,526
Natural gas underground storage	18,130	18,687
Natural gas distribution	414,422	396,100
CWIP and other	46,404	48,558
Natural gas total	478,956	463,345

Common plant (including CWIP)	75,912	74,894
Total Avista Utilities	2,332,743	2,238,765
Energy Trading and Marketing	128,577	72,122
Information and Technology	16,030	13,110
Other	21,117	31,663
Total	$2,498,467	$2,355,660

Property, plant, and equipment under capital leases at Avista Capital's subsidiaries totaled $5.4 million and $12.7 million as of December 31, 2001 and 2000, respectively. The associated accumulated depreciation totaled $2.6 million and $6.8 million as of December 31, 2001 and 2000, respectively.

NOTE 7. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a pension plan covering substantially all of its regular full-time employees. Certain of the Company's subsidiaries also participate in this plan. Individual benefits under this plan are based upon years of service and the employee's average compensation as specified in the plan. The Company's funding policy is to contribute amounts that are not less than the minimum amounts required to be funded under the Employee Retirement Income Security Act, nor more than the maximum amounts which are currently deductible for income tax purposes. Pension fund assets are invested primarily in marketable debt and equity securities.

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.

In 2001, the Company recorded an unfunded accumulated benefit obligation of $1.1 million related to the SERP. This resulted in a charge to other comprehensive income of $0.7 million, net of taxes.

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 payments during the years that employees provide services. The Company elected to amortize this obligation of $34.5 million over a period of twenty years, beginning in 1993.

The following table sets forth the pension and health care plan disclosures as of December 31, 2001 and 2000 and for the years ended December 31, 2001, 2000 and 1999 (dollars in thousands):

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation as of beginning of year	$184,636	$171,424	$32,761	$30,637
Service cost	5,716	5,372	460	601
Interest cost	14,293	13,412	2,567	2,407
Actuarial loss	18,582	7,799	3,267	1,580
Benefits paid	(11,780)	(12,401)	(2,635)	(2,427)
Expenses paid	(937)	(970)	(65)	(37)
Benefit obligation as of end of year	$210,510	$184,636	$36,355	$32,761
Change in plan assets:				
Fair value of plan assets as of beginning of year	$175,033	$185,564	$15,196	$15,808
Actual return on plan assets	(9,313)	(1,005)	(902)	(784)
Employer contributions	-	3,304	511	1,182
Benefits paid	(11,078)	(11,860)	(771)	(973)

Expenses paid	(937)	(970)	(65)	(37)
Fair value of plan assets as of end of year	$153,705	$175,033	$13,969	$15,196
Funded status	$(56,805)	$ (9,603)	$(22,386)	$(17,565)
Unrecognized net actuarial loss (gain)	31,144	(12,152)	(429)	(5,961)
Unrecognized prior service cost	9,726	11,274	-	-
Unrecognized net transition obligation/(asset)	(3,757)	(4,843)	16,865	18,399
Accrued benefit cost	$(19,692)	$(15,324)	$ (5,950)	$ (5,127)
Assumptions as of December 31				
Discount rate	7.25%	7.75%	7.25%	7.75%
Expected return on plan assets	9.00%	9.00%	9.00%	9.00%
Rate of compensation increase	5.00%	5.00%		
Medical cost trend pre-age 65 – initial			9.00%	5.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%
Ultimate medical cost trend year pre-age 65			2003	2000
Medical cost trend post-age 65 – initial			12.00%	6.00%
Medical cost trend post-age 65 – ultimate			6.00%	6.00%
Ultimate medical cost trend year post-age 65			2004	2000

	2001	2000	1999	2001	2000	1999
Components of net periodic benefit cost:						
Service cost	$5,716	$ 5,372	$ 6,201	$460	$ 601	$ 696
Interest cost	14,293	13,412	12,526	2,567	2,407	2,178
Expected return on plan assets	(15,254)	(16,243)	(15,681)	(1,311)	(1,372)	(1,075)
Transition (asset)/obligation recognition	(1,086)	(1,086)	(1,086)	1,534	1,534	1,534
Amortization of prior service cost	989	1,548	1,918	-	-	-
Net gain recognition	139	(858)	46	(52)	(300)	(159)
Net periodic benefit cost	$4,797	$ 2,145	$ 3,924	$3,198	$2,870	$3,174

Assumed health 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, 2001 by $2.6 million and the service and interest cost by $0.2 million. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2001 by $2.4 million and the service and interest cost by $0.2 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 401(k) 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 401(k) plan. Employer matching contributions of $3.5 million, $3.3 million, $3.4 million were expensed in 2001, 2000 and 1999, respectively.

NOTE 8. ACCOUNTING FOR INCOME TAXES

As of December 31, 2001 and 2000, the Company had net regulatory assets of $149.0 million and $156.7 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 net deferred income tax liability consisted of the following as of December 31 (dollars in thousands):

	2001	2000
Deferred tax assets:		
Allowance for doubtful accounts	$ 17,431	$ 4,943
Reserves not currently deductible	11,071	37,080
Contributions in aid of construction	9,176	8,543
Deferred compensation	4,481	3,848
Centralia sale regulatory liability	3,415	9,650
Other	9,943	11,792
Total deferred tax assets	55,517	75,856
Deferred tax liabilities:		
Differences between book and tax basis of utility plant	367,406	366,126
Power and natural gas deferrals	88,323	27,889
Unrealized energy commodity gains	66,401	86,650
Power exchange contract monetization	34,444	25,484
Demand side management programs	5,679	5,761
Loss on reacquired debt	4,696	4,872
Other	5,996	5,384
Total deferred tax liabilities	572,945	522,166
Net deferred tax liability	$517,428	$446,310

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 it deferred tax assets and determined it is more likely than not that deferred tax assets will be realized.

A reconciliation of federal income taxes derived from statutory federal tax rates (35 percent in 2001, 2000 and 1999) applied to pre-tax income from continuing operations and expense as set forth in the accompanying Consolidated Statements of Income is as follows for the years ended December 31 (dollars in thousands):

	2001	2000	1999
Federal income taxes at statutory rates	$32,897	$62,319	$15,946
Increase (decrease) in tax resulting from:			
Accelerated tax depreciation	5,849	4,835	1,869
State income tax expense	(8,870)	3,712	(2,144)
Prior year audit adjustments	(395)	72	(1,642)
Other-net	4,905	6,060	2,868
Total income tax expense	$34,386	$76,998	$16,897
Income Tax Expense Consisted of the Following:			
Federal taxes currently provided	$(44,755)	$(4,839)	$ 4,987
Deferred federal income taxes	79,141	81,837	11,910
Total income tax expense	$34,386	$76,998	$16,897

	2001	2000	1999
Income Tax Expense by Business Segment:			
Avista Utilities	$ 20,177	$ (1,990)	$33,284

Energy Trading and Marketing	32,489	95,266	(34,098)
Information and Technology	(11,977)	(10,138)	(3,225)
Other	(6,303)	(6,140)	20,936
Total income tax expense	$34,386	$76,998	$16,897

NOTE 9. ENERGY PURCHASE CONTRACTS

The Company has long-term contracts related to the purchase of fuel for thermal generation, natural gas and hydroelectric power. The termination dates of the contracts range from one month to the year 2044 and the majority provide for minimum purchases at the then effective market rate. The Company also has various agreements for the purchase, sale or exchange of electric energy with other utilities, cogenerators, small power producers and government agencies. Total expenses for power purchased, natural gas purchased for resale and fuel for generation were $1,011.0 million, $1,311.5 million and $706.4 million in 2001, 2000 and 1999, respectively. The following table details future contractual commitments for power and natural gas resources (dollars in thousands):

	2002	2003	2004	2005	2006	Thereafter	Total
Power resources	$165,322	$179,953	$141,612	$89,387	$88,088	$892,218	$1,556,580
Natural gas resources	203,967	172,589	161,924	77,534	49,592	493,461	1,159,067
Total	$369,289	$352,542	$303,536	$166,921	$137,680	$1,385,679	$2,715,647

All of the energy purchase contracts were entered as part of Avista Utilities' 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.

The Company has fixed contracts with certain Public Utility Districts (PUD) to purchase portions of the output of certain generating facilities. Although the Company has no investment in the PUD generating facilities, the fixed contracts obligate the Company 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 resource costs in the Consolidated Statements of Income. Expenses under these PUD contracts for 2001, 2000 and 1999, were $7.4 million, $7.5 million and $6.4 million, respectively. Information as of December 31, 2001, pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Revenue Bonds Outstanding	Expiration Date
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	$1,670	$1,067	$ 9,493	2011
Grant County PUD:						
Priest Rapids Project	6.1	55,000	1,750	928	9,895	2040
Wanapum Project	8.2	75,000	3,071	1,864	13,102	2040
Douglas County PUD:						
Wells Project	3.5	30,000	942	588	5,703	2018
Totals		197,000	$7,433	$4,447	$38,193	

(1) The annual costs will change in proportion to the percentage of output allocated to the Company in a particular year. Amounts represent the operating costs for the year 2001. Debt service costs are included in annual costs.

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

2002	2003	2004	2005	2006	Thereafter	Total

Minimum payments	$4,423	$4,651	$4,275	$4,701	$3,396	$26,256	$47,702

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

NOTE 10. LONG-TERM DEBT

The following details the interest rate and maturity dates of secured and unsecured medium-term notes outstanding as of December 31 (dollars in thousands):

	Secured Medium-Term Notes			Unsecured Medium-Term Notes		
Maturity Year	Interest Rate	2001	2000	Interest Rate	2001	2000
2001	7.59%-7.60%	$ -	$ 15,000	8.01%-9.57%	$ -	$ 74,000
2002	6.28%-6.61%	*	40,000	8.15%	*	10,000
2003	6.25%	15,000	15,000	6.75%-8.99%	190,000	190,000
2004	-	-	-	7.42%	30,000	30,000
2005	6.39%-6.68%	29,500	29,500	-	-	-
2006	7.89%-7.90%	30,000	30,000	8.14%	8,000	8,000
2007	-	-	-	5.99%-7.94%	26,000	26,000
2008	6.89%-6.95%	20,000	20,000	6.06%	25,000	25,000
2010	6.67%-6.90%	10,000	10,000	8.02%	25,000	25,000
2012	7.37%	7,000	7,000	8.05%	12,000	12,000
2018	7.26%-7.45%	27,500	27,500	-	-	-
2022	-	-	-	8.15%-8.23%	10,000	10,000
2023	7.18%-7.54%	24,500	24,500	7.99%	5,000	5,000
2028	-	-	-	6.37%-6.88%	45,000	45,000
Total		$163,500	$218,500		$376,000	$460,000

* In 2001, the Company legally defeased $50.0 million of Medium-Term Notes scheduled to mature in 2002.

In addition to the required maturities documented in the table above, the Company has sinking fund requirements of $1.6 million in each of 2002 and 2003, $1.5 million in each of 2004 and 2005, and $1.2 million in 2006. The sinking fund requirements may be met by certification of property additions at the rate of 143 percent of requirements. All of the Company's utility plant is subject to the lien of the Mortgage and Deed of Trust securing outstanding First Mortgage Bonds.

In April 2001, the Company issued $400.0 million of 9.75 percent Senior Notes due in 2008. In December 2001, the Company issued $150.0 million of 7.75 percent First Mortgage Bonds due in 2007. As of December 31, 2001, the Company had remaining authorization to issue up to $317.0 million of Unsecured Medium-Term Notes.

Under various financing agreements, the Company is restricted as to the amount of additional First Mortgage Bonds that it can issue. As of December 31, 2001, the Company could issue $146.7 million of additional First Mortgage Bonds under the most restrictive of these financing agreements.

In September 1999, $83.7 million of Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project), Series 1999A due 2032 and Series 1999B due 2034 were issued by the City of Forsyth, Montana. The proceeds of the bonds were utilized to refund the $66.7 million of 7.13 percent First Mortgage Bonds due 2013 and the $17.0 million of 7.40 percent First Mortgage Bonds due 2016. The Series 1999A and Series 1999B Bonds are backed by an insurance policy issued by AMBAC Assurance Corporation. The interest rate during 2001 ranged from 2.15 percent to 4.50 percent. As of December 31, 2001, the rate was 2.17 percent and was a floating rate that adjusted periodically. In January 2002, the interest rate on the bonds was fixed for a period of seven years at a rate of 5.00 percent for Series 1999A and 5.13 percent of Series 1999B.

Other long-term debt consisted of the following items related to subsidiary operations as of December 31 (dollars in thousands):

	2001	2000
Notes payable	$ 688	$ 642
Capital lease obligations	2,101	2,878
Subsidiary total debt	2,789	3,520
Less: current portion	1,827	901
Subsidiary net long-term debt	$ 962	$ 2,619

NOTE 11. SHORT-TERM BORROWINGS

As of December 31, 2001, the Company maintained a committed line of credit with various banks in the total amount of $220 million that expires on May 29, 2002. Under this committed line of credit, the Company may have up to $50 million in letters of credit outstanding. As of December 31, 2001 there were $13.9 million of letters of credit outstanding. The Company pays commitment fees of up to 0.2 percent per annum on the average daily unused portion of the credit agreement, and utilization fees of up to 0.5 percent.

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, at the end of any fiscal quarter, greater than 60 percent. As of December 31, 2001, the ratio was in compliance with this covenant at 59.4 percent. The committed line of credit also has a covenant requiring the ratio of „consolidated cash flow" to „consolidated fixed charges" of Avista Corp. or Avista Utilities for any four-fiscal quarter period ending at any fiscal quarter end to be less than certain specified ratios. In August 2001, the Company determined that it would not be in compliance with the fixed charge coverage covenant for the period ending September 30, 2001 or for any subsequent period through the termination date of the agreement. Accordingly, in September 2001, Avista Corp. requested, and obtained, a waiver of this covenant through the termination date of the agreement. As a result of this waiver, the failure to comply with this covenant does not constitute an event of default under the agreement. Additionally, Avista Corp. secured the committed line of credit with first mortgage bonds in connection with this waiver.

In addition, the Company had a $50 million regional commercial paper program that is backed by the committed line of credit. During 2001, under various agreements with banks, the Company could also have up to $100 million in loans outstanding at any one time, with the loans available at the banks' discretion. These arrangements provided, if funds were made available, for fixed-term loans for up to 180 days at a fixed rate of interest. None of these agreements were in place as of December 31, 2001.

Balances and interest rates of bank borrowings under these arrangements were as follows as of and for the years ended December 31 (dollars in thousands):

	2001	2000	1999
Balance outstanding at end of period:			
Fixed-term loans	$ -	$ -	$ 33,500
Commercial paper	-	11,160	10,000
Revolving credit agreement	55,000	152,000	75,000
Maximum balance outstanding during the period:			
Fixed-term loans	$ -	$ 80,000	$ 93,500
Commercial paper	11,160	36,900	10,000
Revolving credit agreement	223,000	185,000	75,000
Average balance outstanding during the period:			
Fixed-term loans	$ -	$ 19,538	$ 29,110

Commercial paper	558	16,833	2,604
Revolving credit agreement	108,996	84,255	23,767
Average interest rate during the period:			
Fixed-term loans	-%	6.70%	5.48%
Commercial paper	7.80	6.82	5.89
Revolving credit agreement	5.95	7.26	5.87
Average interest rate at end of period:			
Fixed-term loans	-%	- %	6.56%
Commercial paper	-	7.63	6.70
Revolving credit agreement	5.42	7.55	6.71

As of December 31, 2001 Avista Energy and its subsidiary, Avista Energy Canada, Ltd., as co-borrowers, had a credit agreement with a group of commercial lenders in the aggregate amount of $155 million expiring June 28, 2002. This credit agreement may be terminated by the banks at any time and all extensions of credit under the agreement are payable upon demand, in either case at the lenders' sole discretion. This agreement also provides, on an uncommitted basis, for the issuance of letters of credit to secure contractual obligations to counterparties. This facility is guaranteed by Avista Capital and secured by substantially all of Avista Energy's assets. The maximum amount of credit extended by the banks for the issuance of letters of credit is the subscribed amount of the facility less the amount of outstanding cash advances, if any. The maximum amount of credit extended by the banks for cash advances is $30 million. Letters of credit outstanding under the facility totaled approximately $39.6 million and $71.5 million as of December 31, 2001 and 2000, respectively.

The Avista Energy credit agreement contains customary covenants and default provisions, including covenants to maintain „minimum net working capital" and „minimum net worth", as well as a covenant limiting the amount of indebtedness which the co-borrowers may incur. In addition, the agreement contains certain restricted payment provisions generally prohibiting distributions.

In October 2001, Avista Capital entered into a $20 million promissory note collateralized by certain receivables. The note is due in monthly installments of $0.2 million including interest at a variable rate (6.0 percent as of December 31, 2001). The note has a balloon payment of $18.8 million due in October 2002 and there was $19.8 million outstanding under the promissory note as of December 31, 2001.

NOTE 12. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to twenty-five years and expiration dates from 2002 to 2020. The Company's most significant leased assets include the Rathdrum CT and the corporate office building. Certain of the 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 the years ended December 31, 2001, 2000 and 1999 was $19.8 million, $16.2 million and $18.7 million, respectively. Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 2001 were as follows (dollars in thousands):

Year ending December 31:	2002	2003	2004	2005	2006	Thereafter	Total
Minimum payments required	$17,493	$15,843	$13,565	$8,971	$8,277	$77,507	$141,656

The payments under the Avista Capital subsidiaries' capital leases for the next three years are $1.4 million in 2002, $0.7 million in 2003 and $0.2 million in 2004. As of December 31, 2001, there were no material capital lease payments at Avista Capital subsidiaries past 2004.

NOTE 13. PREFERRED STOCK-CUMULATIVE

On September 15, 2002, 2003, 2004, 2005 and 2006, the Company must redeem 17,500 shares at $100 per share plus accumulated dividends through a mandatory sinking fund. As such, redemption requirements are $1.75 million in each of the years 2002 through 2006. The remaining shares must be redeemed on September 15, 2007. The Company has the right to redeem an additional 17,500 shares on each September 15 redemption date. Upon involuntary liquidation, all preferred stock will be entitled to $100 per share plus accrued dividends.

NOTE 14. CONVERTIBLE PREFERRED STOCK

In December 1998, as part of a dividend restructuring plan, the Company issued 1,540,460 shares of its $12.40 Convertible Preferred Stock, Series L (Series L Preferred Stock), in exchange for 15,404,595 shares of common stock, on the basis of a one-tenth interest in one share of preferred stock for each share of common stock. The Series L Preferred Stock had a liquidation preference of $182.8125 per share.

During 1999, the Company repurchased the equivalent of 32,250 shares of the Series L Preferred Stock. In February 2000, the Company exercised its option to convert all the remaining outstanding shares of Series L Preferred Stock into common stock. One share of Series L Preferred Stock equaled 10 depositary shares, also known as RECONS (Return-Enhanced Convertible Securities). The RECONS were also converted into common stock on the same conversion date. Each of the RECONS was converted into the following: 0.7205 shares of common stock, representing the optional conversion price; plus 0.0361 shares of common stock, representing the optional conversion premium; plus the right to receive $0.21 in cash, representing an amount equivalent to accumulated and unpaid dividends up until, but excluding, the conversion date. Cash payments were made in lieu of fractional shares.

NOTE 15. COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED TRUST SECURITIES

In 1997, Avista Capital I, a business trust, issued $60.0 million of Preferred Trust Securities with an annual distribution rate of 7.875 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital I issued $1.9 million of Common Trust Securities to the Company. The sole assets of Avista Capital I are the Company's 7.875 percent Junior Subordinated Deferrable Interest Debentures, Series A, with a principal amount of $61.9 million. These debt securities may be redeemed at the Company's option on or after January 15, 2002 and mature January 15, 2037.

In 1997, Avista Capital II, a business trust, 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 2001 ranged from 2.95625 percent to 7.61125 percent. As of December 31, 2001, the annual distribution rate was 2.95625 percent. Concurrent with the issuance of the Preferred Trust Securities, Avista Capital II issued $1.5 million of Common Trust Securities to the Company. The sole assets of Avista Capital II are the Company's Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, with a principal amount of $51.5 million. These debt securities may be redeemed at the Company's option on or after June 1, 2007 and mature June 1, 2037. 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 in respect of, the Preferred Trust Securities to the extent that Avista Capital I 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 Trust Securities will be mandatorily redeemed. The Consolidated Statements of Capitalization reflect only $60.0 million and $40.0 million of Preferred Trust Securities as all intercompany transactions have been eliminated.

NOTE 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Company's long-term debt (including current-portion, but excluding notes payable and other) as of December 31, 2001 and 2000 was estimated to be $1,160.2 million, or 99 percent of the carrying value, and $772.5 million, or 101 percent of the carrying value, respectively. The fair value of the Company's mandatorily redeemable preferred stock was estimated to be $17.5 million, or 50 percent of the carrying value as of December 31, 2001 and 2000. The fair value of the Company's preferred trust securities as of December 31, 2001 and 2000 was estimated to be $84.6 million, or 85 percent of the carrying value, and $79.2 million, or 79 percent of the carrying value, respectively. These estimates were based on available market information.

NOTE 17. COMMON STOCK

In April 1990, the Company sold 1,000,000 shares of its common stock to the Trustee of the Investment and Employee Stock Ownership Plan for Employees of the Company (Plan) for the benefit of the participants and beneficiaries of the Plan. In payment for the shares of common stock, the Trustee issued a promissory note payable to the Company in the amount of $14.1 million. Dividends paid on the stock held by the Trustee, plus Company contributions to the Plan, if any, are used by the Trustee to make interest and principal payments on the promissory note. The balance of the promissory note receivable from the Trustee ($5.7 million as of December 31, 2001) is reflected as a reduction to common equity. The shares of common stock are allocated to the accounts of participants in the Plan as the note is repaid. During 2001, the cost recorded for the Plan was $5.8 million. Interest on the note payable to the Company, cash and stock contributions to the Plan and dividends on the shares held by the Trustee were $0.6 million, $1.6 million and $0.1 million, respectively during 2001.

In May 1999, the Company's Board of Directors authorized the Company to repurchase in the open market or through privately negotiated transactions up to an aggregate of 10 percent of its common stock and common stock equivalents over the next two years. The repurchased shares return to the status of authorized but unissued shares. During 1999 and 2000, the Company repurchased approximately 4.8 million common shares and 322,500 shares of Return-Enhanced Convertible Securities (equivalent to 32,250 shares of Convertible Preferred Stock, Series L). The combined repurchases of these two securities represented 9 percent of outstanding common stock and common stock equivalents. No common shares were repurchased during 2001.

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) that has a market value at that time equal to twice the purchase price. In no event will the Rights be exercisable by a person that has acquired 10 percent or more of the Company's common stock. The Rights may be redeemed, at a redemption price of $0.01 per Right, by the Board of Directors of the Company at any time until any person or group has acquired 10 percent or more of the common stock. The Rights expire on March 31, 2009. This plan replaced a similar shareholder rights plan that expired in February 2000.

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

In March 2000, the Company began issuing 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. During the 2001 and 2000, a total of 332,861 and 125,636 shares of common stock were issued to these plans, respectively.

NOTE 18. EARNINGS PER COMMON SHARE

In February 2000, all outstanding shares of Series L Preferred Stock were converted into 11,410,047 shares of common stock. The weighted-average number of shares of common stock outstanding during 2000 related to the converted shares was 9,975,997. The costs of converting the Series L Preferred Stock into common stock totaled $21.3 million during the first quarter of 2000, with $18.1 million representing the optional conversion premium and $3.2 million attributable to the regular dividend on the preferred stock. As of December 31, 1999 1,508,210 shares of $12.40 Convertible Preferred Stock, Series L, that was convertible into 15,082,100 shares of common stock were outstanding. All of these potential common shares and the associated dividends were excluded from the computation of diluted earnings per common share for 1999 because their inclusion had an anti-dilutive effect on 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):

	2001	2000	1999
Numerator:			
Income from continuing operations	$59,605	$101,055	$28,662
Loss from discontinued operations	(47,449)	(9,376)	(2,631)
Net income	$12,156	91,679	26,031
Deduct: Preferred stock dividend requirements	2,432	23,735	21,392
Income available for common stock	$9,724	$67,944	$ 4,639
Denominator:			
Weighted-average number of common shares outstanding-basic	47,417	45,690	38,213
Effect of dilutive securities:			
Restricted stock	5	101	112
Stock options	13	312	-
Weighted-average number of common shares outstanding-diluted	47,435	46,103	38,325
Earnings per common share, basic:			
Earnings per common share from continuing operations	$1.21	$1.69	$0.19
Loss per common share from discontinued operations	(1.00)	(0.20)	(0.07)
Total earnings per common share, basic	$0.21	$1.49	$0.12
Earnings per common share, diluted:			
Earnings per common share from continuing operations	$1.20	$1.67	$0.19
Loss per common share from discontinued operations	(1.00)	(0.20)	(0.07)
Total earnings per common share, diluted	$0.20	$1.47	$0.12

NOTE 19. STOCK COMPENSATION PLANS

Avista Corp.

In 1998, the Company adopted and shareholders approved an incentive compensation plan, the Long-Term Incentive Plan (1998 Plan). Under the 1998 Plan, certain key employees, directors and officers of the Company and its subsidiaries may be granted stock options, stock appreciation rights, stock awards (including restricted stock) and other stock-based awards and dividend equivalent rights. The Company has available a maximum of 2.5 million shares of its common stock for grant under the 1998 Plan. The shares issued under the 1998 Plan are purchased by the trustee on the open market. Non-employee Directors were added to this plan in 2000.

In 2000, the Company adopted a Non-Officer Employee Long-Term Incentive Plan (2000 Plan). The provisions of the 2000 Plan are essentially the same as those under the 1998 Plan, except for the exclusion of directors and 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 accounts for stock based compensation using APB No. 25 „Accounting for Stock Issued to Employees" which requires the recognition of compensation cost 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 is no compensation expense recorded by the Company. SFAS No. 123, „Accounting for Stock-Based Compensation," 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.

As of December 31, 2001, there were 2.5 million shares available for future stock option 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:

	2001	2000	1999
Number of shares under stock options:			
Options outstanding at beginning of year	1,843,900	1,360,325	589,800
Options granted	781,900	623,200	780,700
Options exercised	(2,750)	(44,975)	-
Options canceled	(182,575)	(94,650)	(10,175)
-- Options outstanding at end of year	2,440,475	1,843,900	1,360,325
Options exercisable at end of year	883,075	581,025	147,200

	2001	2000	1999
Weighted average exercise price:			
Options granted	$ 12.43	$ 23.03	$ 17.21
Options exercised	$ 17.96	$ 18.53	$ -
Options canceled	$ 19.22	$ 18.15	$ 18.63
Options outstanding at end of year	$ 17.49	$ 19.80	$ 18.29
Options exercisable at end of year	$ 19.28	$ 18.72	$ 19.63
Weighted average fair value of options granted during the year	$ 5.54	$ 12.02	$ 5.02
Principal assumptions used in applying the Black-Scholes model:			
Risk-free interest rate	4.05% - 5.13%	5.87% - 6.87%	5.57% - 6.63%
Expected life, in years	7	7	7
Expected volatility	60.80%	58.47%	27.92%
Expected dividend yield	3.93%	2.34%	3.11%

Information with respect to options outstanding and options exercisable as of December 31, 2001 was as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number of Shares	Weighted Average Exercise Price
$11.80	700,900	$11.80	9.9	-	$ -
$16.48-$17.31	673,900	17.23	7.0	356,350	17.29
$18.31-$20.11	395,775	18.73	6.2	279,750	18.61

$22.54-$23.00	611,700	22.58	7.5	230,175	22.59
$26.59-$28.72	58,200	27.19	7.9	16,800	27.11
Total	2,440,475	$17.49	7.8	883,075	$19.28

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

	2001	2000	1999
Net income (dollars in thousands):			
As reported	$12,156	$ 91,679	$ 26,031
Pro forma	$ 9,355	$ 89,850	$ 24,636
Basic earnings per common share			
As reported	$ 0.21	$ 1.49	$ 0.12
Pro forma	$ 0.15	$ 1.45	$ 0.08
Diluted earnings per common share			
As reported	$ 0.20	$ 1.47	$ 0.12
Pro forma	$ 0.15	$ 1.43	$ 0.08

The Company granted 1,000 and 20,000 shares of restricted common stock in 2000 and 1999, respectively. No shares of restricted stock were granted in 2001. Participants are entitled to dividends and to vote their respective shares. The sale or transfer of restricted stock is prohibited during the vesting period except as specified in the award agreements. The value of restricted stock awards is established by the average market price on the date of grant. Restricted stock awarded in 2001, 2000 and 1999 vests over periods from four to five years.

Common equity was reduced in the accompanying Consolidated Statements of Capitalization by the cost of restricted shares acquired on the open market. Accordingly, the Company is recording compensation expense ratably over the restriction periods based on the reduction to common equity.

Avista Capital Companies

Certain subsidiaries of Avista Capital have employee stock incentive plans under which certain employees and directors of the Company and the subsidiaries are granted options to purchase subsidiary shares at prices no less than the fair market value on the date of grant. Options outstanding under these plans usually vest over periods of between three and five years from the date granted and terminate ten years from the date granted. Upon termination of employment, vested options may be exercised and the related subsidiary shares may be, but are not required to be, repurchased by the applicable subsidiary at estimated fair value.

NOTE 20. COMMITMENTS AND CONTINGENCIES

The Company believes, based on the information presently known, that the ultimate liability for the matters discussed in this note, individually or in the aggregate, taking into account established accruals for estimated liabilities, will not be material to the consolidated financial condition of the Company, but could be material to results of operations or cash flows for a particular quarter or annual period. No assurance can be given, however, as to the ultimate outcome with respect to any particular issue.

Securities Litigation

On July 27, 2000, John Bain filed a lawsuit in the U.S. District Court for the Eastern District of Washington against the Company and Thomas M. Matthews, the former Chairman of the Board, President and Chief Executive Officer of the Company, and Jon E. Eliassen, a Senior Vice President and the Chief Financial Officer of the Company. On August 2, 2000, Wei Cao and William Dalton filed separate lawsuits in the same Court against the Company and Mr. Matthews. On August 7, 2000, Martin Capetz filed a lawsuit in the same Court against the Company, Mr. Matthews and Mr. Eliassen. On November 9, 2000, the Court entered an order consolidating the cases, appointing the lead stockholder-plaintiff, and appointing lead stockholders-plaintiffs' counsel to prosecute the litigation. On February 13, 2001, plaintiffs filed their First Amended and Consolidated Class Action Complaint asserting claims on behalf of a purported class of persons who purchased Company common stock during the period April 14, 2000, through June 21, 2000. In their consolidated complaint, plaintiffs asserted violations of Section 10(b) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 thereunder, arising out of various alleged misstatements and omissions in the Company's Annual Report on Form 10-K for the year 1999, its Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, and in other information made publicly available by the Company, and, further, claimed that plaintiffs and the purported class suffered damages as a result thereof. Such alleged misstatements and omissions were claimed to relate to the Company's trading activities in wholesale energy markets, the Company's risk management policies and procedures with respect thereto, and the Company's trading losses in the second quarter of 2000. The plaintiffs requested, among other things, compensatory damages in unspecified amounts and other relief as the Court may deem proper. On March 29, 2001, the Company filed a Motion to Dismiss the Consolidated Complaint, which was granted by the Court on June 14, 2001 without prejudice to allow the plaintiffs the opportunity to amend the complaint to seek to cure the deficiencies identified by the Court.

On January 8, 2002, plaintiffs filed a protective notice of appeal with the Ninth Circuit Court of Appeals, wherein they appealed the District Court's Order Granting Defendants' Motion to Dismiss on June 14, 2001, and its December 20, 2001 Order Denying Plaintiffs' Motion to Lift Stay of Discovery. On February 2, 2002, the parties filed a stipulation with the Ninth Circuit Court of Appeals, whereby all parties agreed to dismiss the appeal with prejudice. On February 4, 2002, the parties also filed a stipulation of dismissal of the case with prejudice in the District Court. On February 7, 2002, the District Court issued its order dismissing the case with prejudice, and on February 14, 2002, the Court of Appeals issued its order dismissing the appeal with prejudice.

Securities and Exchange Commission Inquiry

In October 2000, the staff of the Securities and Exchange Commission requested certain information and documentation from the Company regarding Avista Utilities' wholesale trading activities and its risk management policies and procedures with respect thereto. The Company complied with this request, and has supplemented its response, at the Securities and Exchange Commission's request, with respect to current risk management practices.

Commodity Futures Trading Commission Investigation

Avista Energy and several of its former employees were subjected to an investigation by the Commodity Futures Trading Commission (CFTC) into futures trading of certain Palo Verde and California Oregon Border electricity futures contracts traded on the New York Mercantile Exchange on four separate dates in 1998. The CFTC's Division of Enforcement (Division) recommended to the CFTC Commissioners that Avista Energy and several of its former employees be charged with manipulation, attempted manipulation and other charges in connection with trading on those four dates. In August 2001 Avista Energy reached a settlement with the Division in which it neither admits nor denies the allegations, paid a fine of $2.1 million and agreed to a cease and desist order with respect to certain trading activities.

State of Washington Business and Occupation Tax

The State of Washington's Business and Occupation Tax applies to gross revenue from business activities. For most types of business, the tax applies to the gross sales price received for goods or services. For certain types of financial trading activities, including the sale of stocks, bonds and other securities, the tax applies to the realized gain from the sale of the financial asset. On an audit for the years 1997 through June 2000, the Department of Revenue (DOR) took the position that approximately 20 percent of the energy futures trades of Avista Energy should not be treated as securities trades, but rather as energy deliveries. As a result, the DOR applied tax against the gross sales price of the energy contracts at issue. Avista Energy subsequently received an assessment of $14.5 million for tax and interest related to the disputed issue. It is the position of Avista Energy that all of its futures trading activities are substantively the same and there is no proper basis for the distinction made by the DOR. An administrative appeal was filed with the DOR and a hearing was held on September 25, 2001. Avista Energy is prepared to seek relief in the Washington courts if a satisfactory determination is not received.

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. Initial core samples taken from the site indicate environmental contamination at the site. On January 15, 1999, the Company received notice from the State of Washington's Department of Ecology (DOE) that it had been designated as a potentially liable party (PLP) with respect to any hazardous substances located on this site, stemming from the Company's past ownership of the former gas plant site. In its notice, the DOE stated that it intended to complete an on-going remedial investigation of this site, complete a feasibility study to determine the most effective means of halting or controlling future releases of substances from the site, and to implement appropriate remedial measures. The Company responded to the DOE acknowledging its listing as a PLP, but requested that additional parties also be listed as PLPs. In the spring of 1999, the DOE named two other parties as additional PLPs.

An Agreed Order was signed by the DOE, the Company and Burlington Northern & Santa Fe Railway Co. (BNSF) (another PLP) on March 13, 2000 that provided for the completion of a remedial investigation and a feasibility study. The work to be performed under the Agreed Order includes three major technical parts: completion of the remedial investigation; performance of a focused feasibility study; and implementation of an interim groundwater monitoring plan. During the second quarter of 2000, the Company received comments from the DOE on its initial remedial investigation, then submitted another draft of the remedial investigation, which was accepted as final by the DOE. After responding to comments from the DOE, the feasibility study was accepted by the DOE during the fourth quarter of 2000. After receiving input from the Company and the other PLPs, the final Cleanup Action Plan (CAP) was issued by the DOE on August 10, 2001. On September 10, 2001, the DOE issued a draft Consent Decree for the PLPs to review. During the fourth quarter of 2001, the Company and BNSF commenced negotiations on a PLP agreement and provided joint comments regarding the draft Consent Decree to the DOE. The Company's portion of the costs associated with the CAP is not material to the Consolidated Statements of Income and were accrued for in the Consolidated Balance Sheet.

Sale of Certain Pentzer Corporation Subsidiaries

On February 26, 2001, IDX Corporation, formerly known as Store Fixtures Group, Inc., filed a complaint against Pentzer in the United States District Court for the District of Massachusetts, alleging breach of contract and negligent misrepresentation relating to a stock purchase agreement. Pursuant to this agreement, Pentzer sold the capital stock of a group of companies on August 31, 1999. Plaintiff alleges that Pentzer breached various representations and warranties concerning financial statements and inventory, contending that reliance on such representations and warranties caused them to pay more for the group of companies than they were worth. In total, plaintiff claims damages in the approximate amount of $9 million. Pentzer has retained legal counsel and intends to vigorously defend against this action.

On April 7, 2000, Creative Solutions Group, Inc. and Form House Holdings, Inc. filed a complaint against Pentzer in the United States District Court for the District of Massachusetts, alleging misrepresentations and breach of representations and warranties made under a stock purchase agreement. Pursuant to this agreement, Pentzer sold the capital stock of a group of companies on March 31, 1999. On November 2, 2001, plaintiffs filed a motion to amend their complaint. The proposed amended pleading, among other things, removes Form House Holdings, Inc. as a plaintiff; however, plaintiff Creative Solutions Group, Inc. continues to allege that Pentzer made misrepresentations and breached various representations and warranties concerning financial statements, cost of goods sold and inventory, contending that reliance on such representations and warranties caused them to pay more for the group of companies than they were worth. In total, plaintiff alleges damages in the approximate amount of $31 million, plus exemplary damages, interest and attorney's fees. A trial date is currently scheduled for June 2002. Pentzer has retained legal counsel and intends to vigorously defend against this action.

Spokane River

In March 2001, the Washington State Department of Ecology (Ecology) informed Avista Development of a health advisory concerning PCBs found in fish caught in a portion of the Spokane River. In June 2001 Avista Development received official notice as a potentially liable person with respect to contaminated sites on the Spokane River. Ecology discovered PCBs in fish and sediments in the 1970s and 1980s. In the 1990s, Ecology performed subsequent sampling of the river and identified potential sources of the PCBs, including the Spokane Industrial Park (SIP) and a number of other entities in the area. The SIP, renamed Pentzer Development Corporation (Pentzer Development) in 1990, operated a wastewater treatment plant at the site until it was closed in December 1993. The SIP's treatment plant discharged to the Spokane River under the terms of a National Pollutant Discharge Elimination System permit issued by Ecology. Pentzer Development sold the property in 1996 and merged with Avista Development in 1998. Avista Development filed a response to this notice in August 2001. In December 2001, Ecology confirmed Avista Development's status as a PLP and named at least three other PLPs in this matter. The Company has not accrued a liability for any potential future costs; however, the Company believes that any future costs would be immaterial.

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 owns portions of the bed and banks of Lake Coeur d'Alene and the St. Joe River lying within the current boundaries of the Coeur d'Alene Reservation. This action was brought by the United States on behalf of the Tribe against the State of Idaho. While the Company is not a party to this action, the Company is continuing to evaluate the potential impact of this decision on the operation of its hydroelectric facilities on the Spokane River, downstream of Lake Coeur d'Alene. The United States District Court decision was affirmed by the Ninth Circuit Court of Appeals. The United States Supreme Court affirmed this decision in June 2001. This will result in the Company being liable to the Coeur d'Alene Tribe of Idaho for payments for use of reservation lands under Section 10(e) of the Federal Power Act. The amount of such payments and other effects this ruling may have on the Company is not known and can not be estimated at this time.

Montana Hydroelectric Security Act Initiative

In November 2001, an initiative was presented in the state of Montana to create a public agency to own and operate all hydroelectric generating facilities within the State. The initiative would allow for the new public agency to acquire through a negotiated purchase or an acquisition at fair market value through a condemnation proceeding all hydroelectric facilities larger than 5 MW that are in the „public interest" to own and operate for the benefit of the people of Montana. The output from the hydroelectric facilities could be sold at wholesale or retail, with preferences for non-industrial customers and customers with demand of less than 1 aMW. The Company's largest generation plant, the Noxon Rapids Hydroelectric Generating Station (Noxon Rapids) (527 MW), is located in Montana on the Clark Fork River. In February 2000, Avista Utilities received a new 45-year operating license from the FERC that applies jointly to the Cabinet Gorge (located in Idaho) and Noxon Rapids projects.

The proposal is being presented as a ballot initiative, which allows for the enactment of law through public vote without legislative approval. The initiative was reviewed and approved by the following parties in the state of Montana: the Legislative Service Division, the Attorney General and the Secretary of State. The supporters of the initiative need to gather 20,510 signatures, including at least 5 percent of the voters in 34 of the 100 state districts by June 21, 2002. If this is accomplished, the initiative will be presented to the public in the November 2002 General Election and will require a majority vote to become law.

If this proposed initiative is passed into law and Noxon Rapids were to be acquired from the Company, it could have significant negative ramifications for the Company. As such, the Company intends to vigorously oppose this initiative and intends to legally defend itself against the acquisition of Noxon Rapids. The Company is unable predict whether or not the proposed initiative will obtain the necessary signatures and if it does, whether or not the initiative would pass in the November 2002 election. Further, the Company is not able to predict whether any legal challenge would be successful and ultimately the full impact this initiative could have on the Company's financial condition and results of operations.

Enron Corporation

On December 2, 2001, Enron Corporation (Enron) and certain of its affiliates filed for protection under chapter 11 of the United States Bankruptcy Code. The bankruptcy filing constituted an event of default under contracts between Avista Corp. and Avista

Energy, respectively, and certain Enron affiliates, Enron Power Marketing, Inc. (EPMI), Enron North America Company (ENA) and Enron Canada Corp. (ECC), that are guaranteed by Enron. As a result, Avista Corp. and Avista Energy terminated all but one of these contracts and suspended trading activities with most Enron affiliates; short-term, balance of the month deals with EPMI are still being transacted through Avista Energy on a prepaid basis.

Both Avista Corp. and Avista Energy engage in physical and financial transactions for the purchase and sale of electric energy and capacity and natural gas. Both companies had done considerable business and had short-term and long-term contracts with Enron affiliates. Avista Corp. has one three-year purchase with remaining deliveries scheduled from 2004 to 2006 with EPMI. Avista Energy's long-term contracts with Enron affiliates were terminated entirely.

As of December 31, 2001, Avista Corp. and Avista Energy had net accounts receivable of $3.1 million and $14.1 million, respectively, from Enron affiliates. The contracts of Avista Corp. and Avista Energy with each Enron affiliate provide that, upon termination, the net settlement of accounts receivable and accounts payable with such entity will be netted against the net mark-to-market value of the terminated forward contracts with such entity. It is estimated that, for each of Avista Corp. and Avista Energy, netting the mark-to-market liability against the defaulted net accounts receivable will result in no significant loss due to non-collection from the Enron affiliates. It is further estimated that the net mark-to-market liability to Enron affiliates in respect of terminated forward contracts of Avista Corp. and Avista Energy, taken together, exceeds total net accounts receivable from these entities by less than $30 million. Any claims by the Enron entities for amounts that Avista Corp. and Avista Energy might owe in respect of the terminated forward contracts would be subject to any defenses and counterclaims which Avista Corp. and Avista Energy may have. Any residual obligation by Avista Corp. or Avista Energy for termination payments is not expected to have a material impact on the Company's financial condition or results of operations.

The estimates of the mark-to-market values of terminated forward contracts are based on available broker quotes, for the respective periods, and on assumptions as to future market prices and other information. While Avista Corp. and Avista Energy believe these assumptions are reasonable, they are subject to change and ultimately could be challenged by the Enron entities or their bankruptcy trustees. The mark-to-market value of terminated contracts has not been firmly established and could result in undercollection that is not expected to be material to the financial condition or results of operations of either Avista Corp. or Avista Energy.

National Energy Production Corporation (NEPCO), a wholly owned subsidiary of Enron, is the contractor responsible for the engineering, procurement and construction of the Coyote Springs 2 project. Avista Corp. owns 50 percent of the Coyote Springs 2 project, which is expected to commence commercial operation in the third quarter of 2002. NEPCO was not included in the bankruptcy filings made by Enron and its affiliates. However, Enron guaranteed NEPCO's obligations, and the bankruptcy filing by Enron was an event of default under the Coyote Springs 2 construction contract. NEPCO and Coyote Springs 2, LLC amended the construction contract to, among other things, authorize Coyote Springs 2, LLC to make immediate draws under a letter of credit posted to secure NEPCO's performance and to permit Coyote Springs 2, LLC to pay third-party subcontractors of NEPCO directly. Coyote Springs 2, LLC is continuing to assess the ability of NEPCO to perform its obligations under the construction contract and may need to exercise additional remedies in the event the impact of the Enron bankruptcy prevents NEPCO from performing its obligations under the construction contract.

Avista Corp. is party to a power exchange arrangement which expires in 2016. Under this power exchange arrangement, EPMI purchases capacity from Avista Corp. and sells capacity to Spokane Energy LLC (Spokane Energy), a subsidiary of Avista Corp., formed in 1998 solely for the purpose of monetizing the long-term capacity contract between PGE and Avista Corp. Spokane Energy sells the related capacity to PGE, a subsidiary of Enron that has not been included in the bankruptcy filing to date and is in the process of being sold to another company. This power exchange arrangement was originally established for the purpose of monetizing a $145 million long-term capacity contract between Avista Corp. and PGE. EPMI assisted in setting up the monetization structure and acts as an intermediary to abide by certain regulatory restrictions that currently prevent Spokane Energy and Avista Corp. from dealing directly with each other. The transaction is structured such that Spokane Energy bears full recourse risk for a monetization loan (balance of $131.1 million as of December 31, 2001) that matures in January 2015 with no recourse to Avista Corp. related to the loan. EPMI is obligated to pay approximately $150,000 per month to Avista Corp. for its capacity purchase and servicing functions related to this power exchange arrangement. EPMI defaulted on two payments to Avista Corp. prior to filing for bankruptcy. As a result, in December 2001, Avista Corp. and EPMI entered an agreement that allows Avista Corp. to continue receiving the monthly payments from EPMI while Avista Corp. evaluates alternatives with respect to EPMI's involvement in the transaction going forward.

Other Contingencies

In the normal course of business, the Company has various legal claims and other 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 or results of operations.

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 immediately 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 (ESA) 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 of the Company. The operating license for the Clark Fork Projects describes the approach to restore bull trout populations in the project areas. Using the concept of adaptive management, the Company is evaluating the feasibility of fish passage, and, depending upon the results of these experimental studies, determine the applications of funds toward continuing fish passage efforts or other population enhancement measures.

The Company continues to study the issue of high dissolved gas levels downstream of Cabinet Gorge during spill periods, as agreed to in the Settlement Agreement for the new license for Cabinet Gorge. To date, intensive biological studies in the lower Clark Fork River and Lake Pend Oreille documented minimal biological effects of high dissolved gas levels on free ranging fish. Under the terms of the Settlement Agreement, the Company will develop an abatement and/or mitigation strategy in 2002.

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, which could potentially adversely affect the generating capacity of the Company's Cabinet Gorge and Noxon Rapids hydroelectric facilities. The Company is participating in this extended process, which is unlikely to be concluded in the foreseeable future.

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

As of December 31, 2001, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented approximately 53 percent of all employees. The current agreement with the local union representing the majority of the bargaining unit employees expires on March 25, 2002. A local agreement in the South Lake Tahoe area, which represents 5 employees, expires on March 25, 2002. Negotiations are currently ongoing with respect to both agreements that expire on March 25, 2002.

NOTE 21. ACQUISITIONS AND DISPOSITIONS

In May 2000, the owners of the Centralia Power Plant sold the plant to TransAlta. Avista Utilities recorded an after-tax gain totaling $37.2 million from the sale of its 17.5 percent ownership interest in the plant. Of the total after-tax gain, $9.0 million was recorded in the Consolidated Statements of Income for the year ended December 31, 2000 and $28.2 million was deferred and returned to Avista Utilities' customers through rates over established periods of time. Washington customers received $20.7 million of the after-tax gain through pre-tax credits to their electric bills over the two-month period of December 2000 and January 2001. Idaho customers are receiving the remaining $7.5 million of the after-tax gain, which is a rate reduction of 1.8 percent, over an eight-year period.

During the first quarter of 1999, Pentzer sold its Creative Solutions Group, a group of five portfolio companies that provide point-of-purchase displays and other merchandising and packaging services to retailers and consumer product companies. The sale resulted in a gain of $10.1 million, net of taxes. During the third quarter of 1999, Pentzer sold its Store Fixtures Group, a group of six portfolio companies that design, manufacture and deliver store fixture products to major retailers. The sale resulted in a gain of $27.6 million, net of taxes. In November 1999, Pentzer purchased the International Retail Services Group, a company that provides backroom supplies for retail stores; this company was sold in November 2000.

NOTE 22. SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

The Company's energy operations are significantly affected by weather conditions. Consequently, there can be large variances in revenues, expenses and net income between quarters based on seasonal factors such as temperatures and streamflow conditions. A summary of quarterly operations (in thousands, except per share amounts) for 2001 and 2000 follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
2001				
Operating revenues	$2,024,882	$1,546,493	$1,401,183	$1,037,289
Operating expenses	1,959,435	1,489,943	1,367,564	1,023,613
Income from operations	65,447	56,550	33,619	13,676
Income (loss) from continuing operations	32,121	25,980	6,111	(4,607)
Loss from discontinued operations	(2,718)	(3,255)	(38,421)	(3,055)
Net income (loss)	29,403	22,725	(32,310)	(7,662)
Income (loss) available for common stock	$28,795	$22,117	$(32,918)	$(8,270)
Outstanding common stock:				
Weighted average	47,237	47,372	47,486	47,569
End of period	47,266	47,465	47,537	47,633
Earnings (loss) per share, basic:				
Earnings (loss) per share from continuing operations	$0.67	$0.54	$0.12	$(0.11)
Loss per share from discontinued operations	(0.06)	(0.07)	(0.81)	(0.06)
Total earnings (loss) per share, basic	$0.61	$0.47	$(0.69)	$(0.17)
Earnings (loss) per share, diluted:				
Earnings (loss) per share from continuing operations	$0.67	$0.54	$0.12	$(0.11)
Loss per share from discontinued operations	(0.06)	(0.07)	(0.81)	(0.06)
Total earnings (loss) per share, diluted	$0.61	$0.47	$(0.69)	$(0.17)
Dividends paid per common share	$0.12	$0.12	$0.12	$0.12
Trading price range per common share:				
High	$20.63	$23.97	$19.98	$14.60
Low	$15.60	$16.27	$13.40	$10.60
2000				
Operating revenues	$1,380,935	$1,352,432	$2,862,809	$2,309,401
Operating expenses	1,348,668	1,376,919	2,791,581	2,171,321
Income (loss) from operations	32,267	(24,487)	71,228	138,080
Income (loss) from continuing operations	12,755	(19,123)	36,419	71,004
Loss from discontinued operations	(2,230)	(2,370)	(1,879)	(2,897)
Net income (loss)	10,525	(21,493)	34,540	68,107

Income (loss) available for common stock	$(11,385)	$(22,101)	$33,932	$67,498
Outstanding common stock:				
Weighted average	41,297	47,113	47,147	47,172
End of period	47,078	47,128	47,159	47,209
Earnings (loss) per share, basic:				
Earnings (loss) per share from continuing operations	$(0.22)	$(0.42)	$0.76	$1.49
Loss per share from discontinued operations	(0.06)	(0.05)	(0.04)	(0.06)
Total earnings (loss) per share, basic	$(0.28)	$(0.47)	$0.72	$1.43
Earnings (loss) per share, diluted:				
Earnings (loss) per share from continuing operations	$(0.22)	$(0.42)	$0.76	$1.48
Loss per share from discontinued operations	(0.06)	(0.05)	(0.04)	(0.06)
Total earnings (loss) per share, diluted	$(0.28)	$(0.47)	$0.72	$1.42
Dividends paid per common share	$0.12	$0.12	$0.12	$0.12
Trading price range per common share:				
High	$68.00	$41.13	$30.44	$23.50
Low	$14.63	$15.75	$16.81	$17.88

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

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

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified) Note (1)	2,237,279,559	1,728,655,137
4	Property Under Capital Leases	13,919,860	7,033
5	Plant Purchased or Sold	0	
6	Completed Construction not Classified		
7	Experimental Plant Unclassified	0	
8	TOTAL (Enter Total of lines 3 thru 7)	2,251,199,419	1,728,662,170
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	54,964,082	49,212,991
12	Acquisition Adjustments	26,580,073	0
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	2,332,743,574	1,777,875,161
14	Accum. Prov. for Depr., Amort., & Depl.	767,101,656	567,893,375
15	Net Utility Plant (Enter total of line 13 less 14)	1,565,641,918	1,209,981,786
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation Note (1)	750,636,956	566,628,662
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights		
20		0	
21	Amort. of Other Utility Plant Note (2)	2,787,903	1,264,713
22	TOTAL in Service (Enter Total of lines 18 thru 21)	753,424,859	567,893,375
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	13,676,797	0
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	767,101,656	567,893,375

Note: (1) Includes Investment in Kettle Falls: 1984 approximately 10% of the company's investment in Kettle Falls was disallowed recovery through rates. Pursuant to FAS-90, a reserve was established to recognize this rate treatment. This amount was charged to net income in 1986 and is offset against electric plant-in-service on the balance sheet. The amount is ($2,787,845) for Washington and ($1,096,189) for Idaho.

Note: (2) Accumulated Amortization of Plant Acquisition Adjustments is charged to account 114.xx; 111.20 Miscellaneous Amortization. Accumulated Amortization of Computer Software is charged to 111.48 and Amortization of Lease Hold Improvements to account 111.46

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Completed Dec. 31, 2001

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

Gas *(d)*	Other (Specify) *(e)*	Other (Specify) *(f)*	Other (Specify) *(g)*	Common *(h)*	Line No.
					1
					2
448,010,603				60,613,819	3
332,603				13,580,224	4
					5
					6
					7
448,343,206				74,194,043	8
					9
					10
4,032,981				1,718,110	11
26,580,073					12
478,956,260				75,912,153	13
172,415,429				26,792,852	14
306,540,831				49,119,301	15
					16
					17
157,215,442				26,792,852	18
					19
					20
1,523,190				0	21
158,738,632				26,792,852	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
13,676,797					32
172,415,429				26,792,852	33

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	490.72	(0.02)
3	302 Franchises and Consents	1,592.55	
4	303 Miscellaneous Intangible Plant	3,040,521.77	245,843.17
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	3,042,605.04	245,843.15
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25)	0.00	0.00
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights		
29	341 Structures and Improvements		
30	342 Extraction and Refining Equipment		
31	343 Pipe Lines		
32	344 Extracted Products Storage Equipment		
33	345 Compressor Equipment		

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	Dec. 31, 2001

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

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

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
		(490.70)	0.00	2
			1,592.55	3
222,913.59			3,063,451.35	4
222,913.59	0.00	(490.70)	3,065,043.90	5
				6
				7
			0.00	8
			0.00	9
			0.00	10
			0.00	11
			0.00	12
			0.00	13
			0.00	14
			0.00	15
			0.00	16
			0.00	17
			0.00	18
			0.00	19
			0.00	20
			0.00	21
			0.00	22
			0.00	23
			0.00	24
			0.00	25
0.00	0.00	0.00	0.00	26
				27
			0.00	28
			0.00	29
			0.00	30
			0.00	31
			0.00	32
			0.00	33

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

Line No.	Account (a)		
34	346 Gas Measuring and Regulating Equipment		
35	347 Other Equipment		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00
38	Manufactured Gas Production Plant *(Submit Supplementary Statement)*	218,373.93	
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	218,373.93	0.00
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land	368,627.73	25,485.48
43	350.2 Rights-of-Way	23,874.03	
44	351 Structures and Improvements	1,069,958.40	
45	352 Wells	5,571,336.52	17,129.30
46	352.1 Storage Leaseholds and Rights	254,354.23	
47	352.2 Reservoirs	173,991.80	(13,858.98)
48	352.3 Non-recoverable Natural Gas	6,121,926.03	0.00
49	353 Lines	799,012.40	
50	354 Compressor Station Equipment	1,578,718.15	323,674.42
51	355 Measuring and Regulating Equipment	940,961.30	
52	356 Purification Equipment	458,570.06	
53	357 Other Equipment	1,580,587.18	45,609.48
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	18,941,917.83	398,039.70
55	Other Storage Plant		
56	360 Land and Land Rights		
57	361 Structures and Improvements		
58	362 Gas Holders		
59	363 Purification Equipment		
60	363.1 Liquefaction Equipment		
61	363.2 Vaporizing Equipment		
62	363.3 Compressor Equipment		
63	363.4 Measuring and Regulating Equipment		
64	363.5 Other Equipment		
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364.1 Land and Land Rights		
68	364.2 Structures and Improvements		
69	364.3 LNG Processing Terminal Equipment		
70	364.4 LNG Transporation Equipment		
71	364.5 Measuring and Regulating Equipment		
72	364.6 Compressor Station Equipment		
73	364.7 Communications Equipment		
74	364.8 Other Equipment		
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	18,941,917.83	398,039.70
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	7,973.05	
79	365.2 Rights-of-Way	49,777.73	
80	366 Structures and Improvements	15,788.60	

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

				Line No.
			0.00	34
			0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
		0.00	218,373.93	38
0.00	0.00	0.00	218,373.93	39
				40
				41
			394,113.21	42
			23,874.03	43
			1,061,767.12	44
			5,528,478.68	45
			254,354.23	46
			147,145.04	47
			6,121,926.03	48
			799,012.40	49
			1,882,178.85	50
			153,964.74	51
			403,712.62	52
			1,614,289.80	53
955,140.78	0.00	0.00	18,384,816.75	54
				55
			0.00	56
			0.00	57
			0.00	58
			0.00	59
			0.00	60
			0.00	61
			0.00	62
			0.00	63
			0.00	64
0.00	0.00	0.00	0.00	65
				66
			0.00	67
			0.00	68
			0.00	69
			0.00	70
			0.00	71
			0.00	72
			0.00	73
			0.00	74
0.00	0.00	0.00	0.00	75
955,140.78	0.00	0.00	18,384,816.75	76
				77
			0.00	78
			0.00	79
		(15,788.60)	0.00	80

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	Dec. 31, 2001

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

Line No.	Account (a)		
81	367 Mains	2,463,107.98	177,055.04
82	368 Compressor Station Equipment		
83	369 Measuring and Regulating Equipment	88,062.89	
84	370 Communications Equipment	49,100.02	
85	371 Other Equipment		
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	2,673,810.27	177,055.04
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	105,943.46	
89	375 Structures and Improvements	472,781.31	22,489.11
90	376 Mains	198,442,690.06	7,716,839.18
91	377 Compressor Station Equipment		
92	378 Measuring and Regulating Equipment-General	3,918,346.11	(304,411.55)
93	379 Measuring and Regulating Equipment-City Gate	1,657,216.14	158,798.95
94	380 Services	143,719,446.42	6,072,704.08
95	381 Meters	45,834,043.60	2,412,343.41
96	382 Meter Installations	0.00	
97	383 House Regulators	0.00	
98	384 House Regulator Installations		
99	385 Industrial Measuring and Regulating Station Equipment	1,948,791.86	358,959.82
100	386 Other Property on Customers' Premises		
101	386 Other Equipment	539.29	
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	396,099,798.25	16,437,723.00
103	GENERAL PLANT		
104	389 Land and Land Rights	330,820.93	
105	390 Structures and Improvements	2,382,268.02	7,552.01
106	391 Office Furniture and Equipment	9,685.00	
107	392 Transportation Equipment	3,351,153.40	125,131.13
108	393 Stores Equipment	83,972.22	0.00
109	394 Tools, Shop, and Garage Equipment	1,873,695.68	91,741.12
110	395 Laboratory Equipment	865,739.20	9,260.92
111	396 Power Operated Equipment	2,305,082.63	103,270.75
112	397 Communication Equipment	1,494,887.75	6,979.82
113	398 Miscellaneous Equipment	34,471.93	
114	Subtotal (Enter Totals of lines 104 thru 113)	12,731,776.76	343,935.75
115	399 Other Tangible Property		
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	12,731,776.76	343,935.75
117	TOTAL (Accounts 101 and 106)	433,708,282.08	17,602,596.64
118	Gas Plant Purchased (See Instruction 8)		
119	*(Less)* Gas Plant Sold (See Instruction 8)		
120	Experimental Gas Plant Unclassified		
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	433,708,282.08	17,602,596.64

Name of Respondent	This report is:	Date of Report	Year Ending	
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	Dec. 31, 2001	

				Line No.
0.00		(2,640,163.02)	0.00	81
			0.00	82
536.85		(87,526.04)	0.00	83
0.00		(49,100.02)	0.00	84
			0.00	85
536.85	0.00	(2,850,328.46)	0.00	86
				87
		7,973.05	113,916.51	88
(1,457.84)		14,207.91	510,936.17	89
99,409.60		2,563,641.78	208,623,761.42	90
			0.00	91
19,693.20		207,033.96	3,801,275.32	92
78,714.65		(19,507.92)	1,717,792.52	93
238,166.27			149,553,984.23	94
429,390.24			47,820,965.09	95
		0.00	0.00	96
		0.00	0.00	97
			0.00	98
30,854.02		1,457.84	2,278,355.50	99
			0.00	100
0.00			539.29	101
894,770.14	0.00	2,778,774.94	414,421,526.05	102
				103
			330,820.93	104
15,999.44		122.85	2,373,943.44	105
			9,685.00	106
0.00		0.00	3,476,284.53	107
			83,972.22	108
14,981.43			1,950,455.37	109
1,178.81			873,821.31	110
0.00			2,408,353.38	111
51,251.49		49,100.02	1,499,716.10	112
			34,471.93	113
83,411.17	0.00	49,222.87	13,041,524.21	114
			0.00	115
83,411.17	0.00	49,222.87	13,041,524.21	116
2,156,772.53	0.00	(22,821.35)	449,131,284.84	117
			0.00	118
			0.00	119
			0.00	120
2,156,772.53	0.00	(22,821.35)	449,131,284.84	121

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* April 30, 2002	Year Ending Dec. 31, 2001

CONSTRUCTION WORK IN PROGRESS-GAS (ACCOUNT 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	STATE OF WASHINGTON		
2			
3	Minor Projects (53) Under $1,000,000	1,864,978.59	1,449,782.41
4			
5			
6			
7			
8			
9	STATE OF IDAHO		
10			
11			
12	Minor Projects (23) Under $1,000,000	220,822.09	217,426.91
13			
14			
15	STATE OF OREGON		
16			
17	Minor Projects (32) Under $1,000,000	1,358,627.13	565,756.87
18			
19			
20			
21	STATE OF CALIFORNIA		
22			
23	Minor Projects (2) under $1,000,000	13,221.85	6,778.15
24			
25			
26			
27	COMMON-WASH/IDAHO		
28			
29	Minor Projects (1) Under $1,000,000	575,330.93	
30			
31			
32			
33	COMMON-OR/CA/WA/ID		
34			
35	Minor Projects (2) under $1,000,000	278,507.45	
36			
37			
38			
39			
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43			
44			
45	TOTAL	4,311,488.04	2,239,744.34

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo. Da. Yr.) 4/30/2002	Year of Report Dec. 31, 2001

CONSTRUCTION OVERHEADS - GAS

1. List in column (a) to kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. On Page 218 furnish information concerning construction overheads. 3. A respondent should not report "none" to the page if no overhead apportionments are made, but rather shoud explain on Page 218 the accounting procedures, employed and the amounts of engineering, supervision and administrative costs, etc. which are directly charged to construction. 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1	Gas Distribution Construction Engineering & Supervision - WA/ID	1,213,798
2	Gas Distribution Construction Engineering & Supervision - OR/CA	548,759
3		
4		
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46	TOTAL	$1,762,557

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	(Mo. Da. Yr.) 04-30-2002	Dec. 31, 2001

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining th amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instructions 3(17) of the U.S. of A.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Construction costs with a direct relationship to new construction and capital replacement activities tha cannot be clearly identified with specific projects are charged to overhead pools. The established pools are:

Gas Distribution Construction Engineering and Supervision-WA/IL

Gas Distribution Construction Engineering and Supervision-OR/CA

Pool costs are allocated to direct project costs, excluding AFUDC, based on a percentage rate. Each pool percentage rate is calculated separately and applied only to the related pool balance for allocatior

Allowance for funds used during construction is calculated system wide using a rate that is equivalent t the allowed rate of return in the company's primary state jurisdiction

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the averag rate earned during the preceding three years

1. Components of Formula (Derived from actual book balances and actual cost rates)

Line No.	Title (a)	Amount (b)		Capitalization Ratio(Percent) (c)		Cost Rate Percentage (d)	
1	Average Short-Term Debt & Computation of Allowance text	S	108,995,000				
2	Short-term Interest					s	8.45
3	Long-Term Debt	D	1,175,715,000	57.49%		d	8.70
4	Preferred Stock	P	135,000,000	6.60%		p	6.73
5	Common Equity	C	734,318,710	35.91%		c	11.16
6	Total Capitalization		2,045,033,710	100.00	1.00%		
7	Average Construction Work in Progress Balance	W	49,112,037				

2. Gross Rate for Borrowed Funds $s\left(\frac{S}{W}\right) + d\left(\frac{D}{D+P+C}\right)\left(1-\frac{S}{W}\right)$ 0.00

3. Rate for Other Funds $\left[1-\frac{S}{W}\right]\left[p\left(\frac{P}{D+P+C}\right) + c\left(\frac{C}{D+P+C}\right)\right]$ 0.00

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 5.87

b. Rate for Other Funds - 3.16

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 28, 2002	Dec. 31, 2001

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS 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 gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item *(a)*	Total (c+d+e) *(b)*	Gas Plant in Service *(c)*	Gas Plant Held for Future Use *(d)*	Gas Plant Leased to Others *(e)*
	Section A. Balances and Changes During Year				
1	Balance Beginning of Year	146,391,488	146,391,488		
2	Depreciation Provisions for Year,				
	Charged to				
3	(403) Depreciation Expense	12,594,911	12,594,911		
4	(413) Exp. of Gas Plt. Leas. to Others				
5	Transportation Expenses-Clearing	264,243	264,243		
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8	Transfer to common (transporation clear)	0			
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	12,859,154	12,859,154		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,933,859)	(1,933,859)		
12	Cost of Removal	(168,499)	(168,499)		
13	Salvage (Credit)	77,463	77,463		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(2,024,895)	(2,024,895)		
15	Other Debit or Credit Items (Describe)				
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	157,225,747	157,225,747	0	0
	Section B. Balances at End of Year According to Functional Classifications				
18	Production-Manufactured Gas	113,501	113,501		
19	Prod. and Gathering-Natural Gas				
20	Products Extraction-Natural Gas				
21	Underground Gas Storage	8,204,235	8,204,235		
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission	2,461,601	2,461,601		
25	Distribution	140,638,549	140,638,549		
26	General	5,807,861	5,807,861		
27	TOTAL (Enter Total of lines 18 thru 26)	157,225,747	157,225,747	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	[X] An Original [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

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

1 If durring the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.

2 Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.

3 State in a footnote the basis of segregation of inventory between current and noncurrent protions. Also state in a footnote the method used to report storage (I.e. fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of Year					5,703,917	636,146		6,340,063
2	Gas Delivered to Storage					8,621,909	211,671		8,833,580
3	Gas Withdrawn from Storage					8,157,445	215,621		8,373,066
4	Other Debits and Credits					0	0		0
5	Balance at End of Year					6,168,381	632,196		6,800,577
6	Dth					1,619,793	282,487		1,902,280
7	Amount Per Dekatherm					$3.8081	$2.2380		$3.5750

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

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

Name of Respondent	This report is:	Date of Report	Year Ending
	(1) [X] An Original	(Mo, Da, Yr)	
Avista Corp.	(2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of non-utility property included in Account 121.
2. Designate with a double asterisk any property which is leased to another company. State name of Lessee and whether Lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.

4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items (5% of the Balance at the End of the Year, for Account 121or $100,000, whichever is less) may be grouped by (1) previously devoted to public service (line 44), or (2) other nonutilty property (line 45).

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	STATE OF WASHINGTON			
2	Spokane River Project (1)	$174,023		$174,023
3	Upriver Drive (2)	656,033		$656,033
4	Marshal Sub Property (3)	980,939		$980,939
5	Colville Service Center Property (4)	152,864		$152,864
6	Pullman Service Center (5)	180,941		$180,941
7	Boulder Park Property (6)	0	589,819	$589,819
8	Spokane Industrial Park Property (7)	0	419,132	$419,132
9				
10	Total State of Washington	2,144,800		$0
11				
12	STATE OF IDAHO			
13	Bunker Hill Equipment (8)	60,695		$60,695
14				
15				
16	Total State of Idaho	60,695		$60,695
17				
18				
19				
20				
21				
22				
23				
24				
25				
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27				
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29				
30				
31	Notes: (1) Previously devoted to public service; transferred to Account 121, April 1979.			
32	(2) Transferred to Account 121, December 1986.			
33	(3) Transferred to Account 121, December 1991.			
34	(4) Transferred to Account 121, June 1995.			
35	(5) Previously devoted to public service; transferred to Account 121, April 1999.			
36	(6) Acquired to Account 121, May 2001.			
37	(7) Acquired to Account 121, September 2001.			
38	(8) Transferred to Account 121, December 1991.			
39				
40				
41				
42				
43				
44	Minor Items Previously Devoted to Public Service	481,441	(33,582)	$447,859
45	Minor Items - Other Nonutility Property	78,896	(143)	$78,753
46	TOTAL	2,765,832	$975,226	$587,307

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. 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)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) 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.
3. 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			177,585,192
4				
5				
6				
7				
8				
9				
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41				
42	Total Cost of Account 123.1 $ 0		TOTAL	361,836,801

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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 form investments, including such revenues form 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
-11,090,218		166,494,974		3
				4
				5
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-11,090,218		350,746,583		42

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the rate making actions of regulatory agencies (and not includable in other accounts)
2. For regulatory assets being amortized, show period of amortization in column (a)
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS Account Charged (c)	CREDITS Amount (d)	Balance at End of Year (e)
1	FAS 106 - Accounting for Post Retirement		926.65	472,752	5,200,272
2	Benefits, other than Pensions (182.30)				
3					
4	FAS 109 - Acctng for Income Taxes Util Prop		283.17,18	7,712,979	149,397,423
5	(182.31 & 182.32)				
6					
7	More Options Power Supply (MOPS) - WA (182.34)	381,888	407.44		381,888
8	More Options Power Supply (MOPS) - ID (182.34)	88,776	407.44		88,776
9	WA Power Deferral Pre 2002 Settle (182.35)	132,006,255	186.28/29		132,006,255
10	Hamilton Street Bridge -- WA (182.39 028)	500,868	407.39		500,868
11	Hamilton Street Bridge -- ID (182.39 038)	246,720	407.39		246,720
12	FAS 133 Reg Asset (182.74)	157,528,897	186 & 253		157,528,897
13					
14	Oregon DSM Long-Term Regulatory Asset		various	49,589	-315,424
15					
16					
17					
18					
19					
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43					
44	TOTAL	290,753,404		8,235,320	445,035,675

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2002	Year Ending Dec. 31, 2001

MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

1. Report below the details called for concerning miscellaneous deferred debits

2. For any deferred debit being amortized, show period of amortization in column (a).

3. Mino

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Regulatory Deferrals-WA					
2	Colstrip Common Fac.	666,540		406	31,740	634,800
3	WA Deferred Power Costs	34,579,863			26,347,893	8,231,970
4	WA Accumulated Surcharge Am	0				0
5						
6	Regulatory Deferrals-ID					
7	Colstrip Common Fac.	1,413,468		406	67,308	1,346,160
8	Idaho Deferred Power	0	75,046,296			75,046,296
9	ID Accumulated Surcharge Am	0		557	2,901,409	(2,901,409)
10						
11	Payroll Accrual	1,164,987	1,278,533			2,443,520
12						
13	Regulatory Deferrals-OR					
14	OR State Misc. Deferral	(163,359)	163,359			0
15						
16	Misc. Error Suspense	(473,636)	219,077			(254,559)
17						
18	Joint Projects					
19	Centralia Operating Pmts	525,000				525,000
20						
21	WPI-ID Terminated Elec Pur.	1,567,974		555	391,993	1,175,981
22	Term Elec Purch Cont	1,128,879			1128879	0
23						
24	Unamortized A/R Sale	159,936	109,566			269,502
25						
26	Bank Recon Suspense	(301,714)	38,747			(262,967)
27						
28	Mark to Market Deferred Debit	0	1,889,288			1,889,288
29						
30	Nez Perce Settlement	798,940		557	18,580	780,360
31						
32	DES Contract Amortization	489,379		556	175,029	314,350
33						
34	Reg Low Income Gas Wzn	507,469		908	56,634	450,835
35						
36	UPRR Permit Conv	0	171,191			171,191
37						
38	Ortho Business Activity	55,512		var	16,612	38,900
39						
40	Canadian GST Tax	188,085		var	39,934	148,151
41						
42	Nez Perce Forest	0	53,430			53,430
43						
44	Electric Network	0	77,595			77,595
45						
46	Misc. W.O. under $50,000	311,966	4,970			316,936
47	Subsidiary Billings	2,420,387	509,731			2,930,118
48	Miscellaneous Work in Progress					
49	TOTAL	64,351,530				109,424,216

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	Dec. 31, 2001

MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

1. Report below the details called for concerning miscellaneous deferred debits

2. For any deferred debit being amortized, show period of amortization in column (a).

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Conservation					
2	OR Gas Comm Consvt	79,117	24,718			103,835
3	Oregon Shower Head	216,043		908	31,908	184,135
4	Oregon Comm Gas Eff	74,291	13,871			88,162
5	WPNG HE Wtr Htrs-OR	226,009	22,865			248,874
6	WPNG HE Furnaces	1,257,618	209,930			1,467,548
7	WPNG CA RES L/I -P	0		var	169,899	(169,899)
8	WPNG OR Res Low 1	142,880	53,859			196,739
9	Regulatory-Sched-67	296,550		908	33,066	263,484
10	Reg-Water Heat Conv	1,490,361		908	152,358	1,338,003
11	Reg-Space/Water Con	6,175,295		908	704,561	5,470,734
12	Reg-Elec Comm/Ind	1,012,541		908	116,374	896,167
13	Reg-Gas Wzn Res	1,492,159		908	153,145	1,339,014
14	Reg-L/I Elec/Gas	497,684		908	49,737	447,947
15	Reg-Elec Manuf Home	431,747		908	48,984	382,763
16	Reg-Comm/Ind Gas	175,018		908	19,599	155,419
17	Reg-Gas Res Appl Ef	2,026,972		908	208,179	1,818,793
18	Reg-Gas Res Showerhead	247,705		908	55,047	192,658
19	Reg Elect Res Wzn	76,164		908	8,643	67,521
20	Reg L/I Elec Wzn	124,138		908	14,099	110,039
21	Reg Elec Res Shwr	134,612		908	37,937	96,675
22	Reg C/I Elec Fuel	297,878		908	34,222	263,656
23	Reg Gas A.E. Wtr	333,544		908	74,130	259,414
24						
25	Shareholder Litigation	262,726		var	262,397	329
26						
27	Sandpoint DSR - PPL	1,080,514		908	113,387	967,127
28						
29	Mops Tariff	352,107		var	352,107	0
30						
31	Mops II	188,404		var	188,404	0
32						
33						
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36						
37						
38						
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47						
48	Miscellaneous Work in Progress					
49	TOTAL	64,351,530				109,424,216

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* April 30, 2002	Year Ending - Dec. 31, 2001

MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

1. Report below the details called for concerning miscellaneous deferred debits
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Gas Plant					
2	Hamilton Street Bridge Site	1,070,352		var	962,215	108,137
3						
4	Easy Pay Billing CS	(608,120)	76,624			(531,496)
5						
6	Lake CDA Issues	157,545	75,445			232,990
7						
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10						
11						
12						
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47						
48	Miscellaneous Work in Progress					
49	TOTAL	64,351,530				109,424,216

Name of Respondent	This Report Is:	Date of Report (M, D, Y)	Year of Report
Avista Corp	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)

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

2. At Other (Specify), include deferrals relating to other income and deductions.

3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.

Line No.	Account Subdivisions *(a)*	Balance at Beginning of Year *(b)*	CHANGES DURING YEAR Amounts Debited to Account 410.1 *(c)*	CHANGES DURING YEAR Amounts Credited to Account 411.1 *(d)*
1	Account 190			
2	Electric	41,318,988	20,506,340	1,843,115
3	Gas	1,709,352	3,037,791	(29,247)
3.01				
4	Other (Define)			
4.01				
4.02				
5	Total (Total of lines 2 thru 4)	**43,028,340**	**23,544,131**	**1,813,868**
6	Other (Specify)	15,619,136	(800,054)	913,858
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6)	**58,647,476**	**22,744,077**	**2,727,726**
8	Classification of TOTAL			
9	Federal Income Tax	**58,647,476**	**22,744,077**	**2,727,726**
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)* April 30, 2002	Dec. 31, 2001

ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)

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

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

CHANGES DURING YEAR		ADJUSTMENTS					
		Debits		Credits			
Amounts Debited to Account 410.2 *(e)*	Amounts Credited to Account 411.2 *(f)*	Acct. No. *(g)*	Amount *(h)*	Acct. No. *(i)*	Amount *(j)*	Balance at End of Year *(k)*	Line No.
							1
118,451	23,736			283	12,977,884	**9,583,164**	2
135,226	0	283	585,653	254	53,100	**(960,359)**	3
						0	3.01
						0	4
						0	4.01
						0	4.02
253,677	**23,736**		**585,653**		**13,030,984**	**8,622,805**	5
(287,226)	(64,428)	236	371,328			**17,927,174**	6
		253	494,963			**494,963**	6.01
						0	6.02
(33,549)	**(40,692)**		**1,451,944**		**13,030,984**	**27,044,942**	7
							8
(33,549)	**(40,692)**		**1,451,944**		**13,030,984**	**27,044,942**	9
							10
							11

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

CAPITAL STOCKS (Account 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Account 201 - Common Stock Issued			
2	No Par Value	200,000,000		
3				
4	TOTAL_COM	200,000,000		
5				
6				
7	Account 204 - Preferred Stock Issued	10,000,000		
8				
9	No Par $6.25 Series K		100.00	
10	Cumulative			
11				
12				
13	TOTAL_PRE	10,000,000		
14				
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Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

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
47,635,409	617,737,000					2
						3
47,635,409	617,737,000					4
						5
						6
						7
						8
350,000	35,000,000					9
						10
						11
						12
350,000	35,000,000					13
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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	8,314,875
2	Shares issued under provisions of Respondant's Dividend Reinvestment and Stock Purchase Plan	442,144
3	Shares issued under provisions of Respondant's Employee Stock Purchase Plan	74,839
4	Common Stock - 401k	215,137
5	Common Stock - Periodic Offering Program (POP)	599,768
6	$6.95 Preferred Stock, Series K	2,089,391
7	Common Stock Split	187,872
8		
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22	TOTAL	11,924,026

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Acct. 221 - Bonds:		
2	Secured Medium Term Notes $650,000,000		4,130,555
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	87,800,000	8,947,910
13			
14	Acct. 222 - Reacquired Bonds		
15			
16	Acct. 223 - Advances from Associated Companies		
17			
18	Acct. 224 - Other Long-term Debt		
19			
20	Notes Payable - Banks (local) $220,000,000	55,000,000	2,844,500
21			
22	Commercial Paper		
23			
24	Unsecured Senior Notes	400,000,000	9,004,512
25	(Discount)		2,716,000
26			
27	Medium Term Notes $1,000,000,000		6,197,873
28	(Premium)		70,000
29	Long Term Curent		
30	Notes Payable to Various Parties		
31	Preferred Trust Securities	60,000,000	5,960,160
32		50,000,000	3,633,783
33	TOTAL	652,800,000	39,374,738

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

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 Date From (f)	Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
				313,500,000	14,987,643	2
						3
						4
						5
12/18/1984	12/01/2014	12/18/1984	12/01/2014	4,100,000	246,000	6
9/01/1999	10/01/2032	9/01/1999	10/01/2032	66,700,000	2,288,109	7
						8
9/01/1999	3/01/2034	9/01/1999	3/01/2034	17,000,000	583,176	9
						10
						11
				401,300,000	18,104,928	12
						13
						14
						15
						16
						17
						18
						19
				55,000,000	7,058,245	20
						21
						22
						23
				400,000,000	29,033,333	24
						25
						26
				376,000,000	7,473,064	27
						28
						29
						30
01/23/1997	01/15/2037	01/31/1997	12/31/2036	60,000,000	4,725,000	31
06/03/1997	06/01/2037	06/30/1997	05/31/2037	40,000,000	2,883,899	32
				1,332,300,000	69,278,469	33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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 field, 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)	12,155,766
2		
3		
4	Taxable Income Not Reported on Books	
5		7,933,609
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Tax	-81,239,264
11	Deferred Income Tax	107,213,233
12	Investment Tax Credit	-49,308
13	Other	38,714,234
14	Income Recorded on Books Not Included in Return	
15	Equity in Sub Earnings (Income) / Loss	11,090,218
16	Other	-233,345,831
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		-94,584,841
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	-232,112,184
28	Show Computation of Tax:	-81,239,264
29		
30		
31		
32	Total Federal Income Tax Accrual -- Current Year	-81,239,264
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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 Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	FEDERAL:					
2	Income Tax (1&5)(1989-1995)	-26,859				-155,480
3	Income Tax (1&5)(1996)	-560,580				155,480
4	Income Tax (1&5)(1997)	-1,941,632			-4,409,931	-424,634
5	Income Tax (1&5)(1998)	-1,336,400			-275,395	155,007
6	Income Tax (1&5)(1999)	-2,034,198				-199,400
7	Income Tax 2000	-22,040,812			-18,157,463	3,513,048
8	Income Tax 2001			-81,243,527	-50,850,745	
9	Umemployment	294,765		-294,765		
10	Unemployment Ins 2001			6,640	-1,737	
11	FICA (1998-2000)	-105,790		105,790		
12	FICA (2001)			8,812,938	8,836,795	
13	Retained Earnings-ESOP	-408,268				
14	Retained Earnings-ESOP	-329,623				
15	Retained Earnings-ESOP	-147,175				
16	Retained Earnings-ESOP	-419,065				
17	Retained Earnings-ESOP			-141,026		
18	Motor Vehicle (1999)					
19	Motor Vehicle (2000)	22,943		-22,943		
20	Total Federal	-29,032,694		-72,776,893	-64,858,476	3,044,021
21						
22	STATE OF WASHINGTON:					
23	Property Tax (1998-1999)(3)	165,738		-165,738		
24	Property Tax 2000	9,021,638		-747,006	8,249,973	461,001
25	Property Tax 2001			8,954,826		
26	Excise Tax (1998-1999)	263,695		-263,695		
27	Excise Tax (2000)	764,555		292,693	1,057,247	
28	Excise Tax (2001)			15,800,216	13,667,691	
29	Gas Surcharge			529	9,263	
30	Unemployment Ins.	-27,386		27,386		
31	Unemployment Ins. (2001)			669,174	666,748	
32	Motor Vehicle (2001)			3,557	3,557	
33	Total Washington	10,188,240		24,571,942	23,654,479	461,001
34						
35	STATE OF IDAHO:					
36	Income Tax (1996)(4&5)	150,000			118,671	-31,329
37	Income Tax (1997)(4&5)	150,000				
38	Income Tax (1998)(4&5)	388,736				316
39	Income Tax (1999)(4&5)	-9,516				472,847
40	Income Tax 2000	-1,276,224			-321,370	807,902
41	TOTAL	-14,177,077		-22,844,092	-11,482,144	5,309,084

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-182,339						2
-405,100						3
2,043,665						4
-905,998						5
-2,233,598						6
-370,301						7
-30,392,782						8
						9
8,377						10
						11
-23,857						12
-408,268						13
-329,623						14
-147,175						15
-419,065						16
-141,026						17
						18
						19
-33,907,090						20
						21
						22
						23
485,660						24
8,954,826						25
						26
						27
2,132,526						28
-8,734						29
						30
2,426						31
						32
11,566,704						33
						34
						35
						36
150,000						37
389,052						38
463,331						39
-146,952						40
-20,229,945						41

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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 Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	Income Tax 2001			-3,085,967		
2	Property Tax (1998-1999)(3)	-128,294		128,294		
3	Property Tax (2000)	2,784,336			2,323,750	-460,968
4	Property Tax (2001)			4,575,001	2,287,311	
5	Excise Tax (2000)	2,474		2,473	13,003	
6	Excise Tax (2001)			10,784	65,257	
7	Unemployment Ins (1998)(2)	108,156		-108,156		
8	Unemployment Ins (2001)			50,152	20,885	
9	Motor Vehicle (2000)			1,556	1,556	
10	Irrigation Credits (2001)	-5,778			3,616	5,778
11	KWH Tax (1998-1999)	7,606		-7,606		
12	KWH Tax (2000)	15,961		26,552	42,513	
13	KWH Tax (2001)			239,240	192,578	
14	Franchise Tax (2001)	468,387		2,120,732	2,290,588	382,956
15	Total Idaho	2,655,844		3,953,055	7,038,358	1,177,502
16						
17	STATE OF MONTANA:					
18	Income Tax (1996)(4&5)	100,000				
19	Income Tax (1997)(4&5)	100,000				
20	Income Tax (1998)(4&5)	100,000				
21	Income Tax (1999)(4&5)	2,797				315,427
22	Income Tax (2000)	-581,288				332,474
23	Income Tax (2001)			-1,186,912		
24	Property Tax (1998-1999)(3)	-127,810				34,153
25	Property Tax (2000)	2,665,894			2,712,009	
26	Property Tax (2001)			5,568,507	2,787,052	
27	Unemployment Ins (1997)(2)	-23,919		23,919		
28	Unemployment Ins (2001)			25,330	19,857	
29	KWH Tax (1998-2000)	281,411		-52,352	229,059	
30	KWH Tax (2001)			977,916	702,583	
31	Motor Vehicle (1999)	-2,203		2,203		
32	Motor Vehicle (2001)			2,854	2,854	
33	Consumer Council Tax			41,682	128,948	
34	Public Commission Tax			6	24	
35	Total Montana	2,514,882		5,403,153	6,582,386	682,054
36						
37	STATE OF OREGON:					
38	Income Tax (1995)(4&5)					-24,207
39	Income Tax (1996)(4&5)	150,000			150,000	
40	Income Tax (1997)(4&5)	60,450			60,450	
41	TOTAL	-14,177,077		-22,844,092	-11,482,144	5,309,084

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
-3,085,967						1
						2
-383						3
2,287,690						4
-8,056						5
-54,473						6
						7
29,268						8
						9
-3,616						10
						11
						12
46,662						13
681,486						14
748,042						15
						16
						17
100,000						18
100,000						19
100,000						20
318,224						21
-248,814						22
-1,186,912						23
-93,657						24
-46,114						25
2,781,455						26
						27
5,473						28
						29
275,333						30
						31
						32
-87,266						33
-18						34
2,017,704						35
						36
						37
-24,207						38
						39
						40
-20,229,945						41

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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 Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
1	Income Tax (1998)(4&5)	148,500			148,500	
2	Income Tax (1999)(4&5)	15,885				198,750
3	Income Tax (2000)	-396,357			-132,180	105,261
4	Income Tax (2001)			-854,575		
5	Property Tax (1998-1999)(3)	35,054				-2
6	Property Tax (2000)	-545,757		600,000		-34,153
7	Property Tax (2001)			580,650	1,161,223	
8	Unemployment Ins (1998)(2)	-20,038		20,038		
9	Unemployment Ins (2001)			20,933	12,825	
10	Motor Vehicle (2001)			2,322	2,322	
11	Busn Energy Tax Credit	-463,435				49,200
12	Busn Energy Tax Credit			-34,244		
13	Franchise Tax (2001)	359,708		2,261,811	2,425,632	-535
14	Total Oregon	-655,990		2,596,935	3,828,772	294,314
15						
16	STATE OF CALIFORNIA:					
17	Income Tax (1996)(4&5)	50,000				
18	Income Tax (1997)(4&5)	20,000				
19	Income Tax (1998)(4&5)	72,983				
20	Income Tax (1999)(4&5)	-17,636			-60,193	
21	Income Tax (2000)	-71,831				33,148
22	Income Tax (2001)			-142,429		
23	Property Tax (1999)(3)	128,479				
24	Property Tax (2000)	-68,757		64,998		
25	Property Tax (2001)			47,601	102,936	
26	Excise Tax (1999-2000)	-2,037			126	
27	Excise Tax (2001)			357	258	
28	Unemployment Ins (1998)(2)	1,395		-1,395		
29	Unemployment Ins (2001)			2,920	-58,081	
30	Motor Vehicle (2001)	-966		3,068	2,102	
31	Franchise Tax (2001)	148,018		399,996	254,089	
32	California PUC Tax	4,377			4,571	
33	California Gas Surcharge				187,659	
34	Total California	264,025		375,116	433,467	33,148
35						
36	STATE OF ARIZONA:					
37	Income Tax (2001)	-1,656				
38	Total Arizona	-1,656				
39						
40	STATE OF TEXAS					
41	TOTAL	-14,177,077		-22,844,092	-11,482,144	5,309,084

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
214,635						2
-158,916						3
-854,575						4
35,052						5
20,091						6
-580,573						7
						8
8,108						9
						10
-414,235						11
-34,244						12
195,353						13
-1,593,511						14
						15
						16
50,000						17
20,000						18
72,983						19
42,557						20
-38,683						21
-142,429						22
128,479						23
-3,759						24
-55,335						25
-2,163						26
100						27
						28
61,000						29
						30
293,925						31
-194						32
-187,659						33
238,822						34
						35
						36
-1,656						37
-1,656						38
						39
						40
-20,229,945						41

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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 Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	Unemploymnt Ins	-24,553		24,553		
2	Unemployment Ins (2001)			1,576	368	
3	Total Texas	-24,553		26,129	368	
4						
5	STATE OF KENTUCKY					
6	Unemploymnt Ins	-74		74		
7	Unemployment Ins (2001)			1,624	2,349	
8	Total Kentucky	-74		1,698	2,349	
9						
10	STATE OF INDIANA					
11	Unemployment Ins (1999)	-142		142		
12	Unemployment Ins (2000)					
13	Total Indiana	-142		142		
14						
15	STATE OF					
16	Unemployment Ins	-30,777		30,777		
17	Total Massachusetts	-30,777		30,777		
18						
19	STATE OF VIRGINIA					
20	Unemploymnt Ins	65		-65		
21	Unemployment Ins (2001)			200		
22	Total Virginia	65		135		
23						
24	STATE OF WEST VIRGINIA					
25	Unemployment Ins	279		-279		
26	Total West Virginia	279		-279		
27						
28	STATE OF WYOMING					
29	Unemployment Ins	707		-707		
30	Unemployment Ins (2001)			585		
31	Total Wyoming	707		-122		
32						
33	STATE OF FLORIDA					
34	Unemployment Ins (2000)	-141		141		
35	Unemployment Ins (2001)			280	650	
36	Total Florida	-141		421	650	
37	STATE OF NEW YORK					
38	Unemployment Ins (2000)	-4,063		4,063		
39	Unemployment Ins (2001)			300		
40	Total New York	-4,063		4,363		
41	TOTAL	-14,177,077		-22,844,092	-11,482,144	5,309,084

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
1,208						2
1,208						3
						4
						5
						6
-725						7
-725						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
200						21
200						22
						23
						24
						25
						26
						27
						28
						29
582						30
582						31
						32
						33
						34
-370						35
-370						36
						37
						38
300						39
300						40
-20,229,945						41

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
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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 Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust- ments (f)
1						
2	COUNTY & MUNICIPAL					
3	Occupation	-50,357		12,967,045	11,814,621	-382,956
4	Forrest Fire Protection	-396		396	294	
5	Greenacres Irrigation	-7		7		
6	City of Spokane PBIA	-619		620		
7	WA Dept of Natural	139		-139	18,930	
8	Spokane Utility Tax	1,419		-1,419		
9	Misc.	-622		1,970		
10	Total County	-50,443		12,968,480	11,833,845	-382,956
11						
12	STATE OF ILLINOIS					
13	Unemploymnt Ins. 1999-2000	-586		586		
14	Unemployment Ins. 2001			270		
15	Total Illinois	-586		856		
16						
17	STATE OF UTAH					
18	Unemployment Ins. 2001				1,658	
19	Total Utah				1,658	
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	-14,177,077		-22,844,092	-11,482,144	5,309,084

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

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)	
						1
						2
719,108						3
-294						4
						5
						6
-18,930						7
						8
1,349						9
701,233						10
						11
						12
						13
270						14
270						15
						16
						17
-1,658						18
-1,658						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
-20,229,945						41

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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 Propertry (10%)	768,192			1411.40	49,308	
11							
12	TOTAL PROPERTY	768,192				49,308	
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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
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			8
			9
718,884			10
			11
718,884			12
			13
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

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

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

Line No.	Item *(a)*	Balance at End of Year *(b)*
1	Gas Plant Accrual 242.10	985,909
2		
3	California Commission Fee	28,105
4		
5	Rate Refund - Idaho PCA 242.11	0
6		
7	Audit Expense Accrual 242.20	25,000
8		
9	FERC Administrative Fee Accrual 242.30,242.31	638,084
10		
11	WUTC Fee Accrual 242.40	0
12		
13	Non-monetary Power Exchange 242.50	1,150,091
14		
15	Payroll Equalization	9,080,942
16		
17	Demand Side Mgmt Tariff Rider 242.71,72,73,74	(12,426,638)
18		
19	Low Income Energy Assistance 242.76 & 242.77	813,285
20		
21	ESOP 401-K Plan 242.75	70,442
22		
23	Other Miscellaneous	150,189
24		
25	Idaho Comm Fee	0
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Rounding	(1)
42		
43	TOTAL	515,408

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001

OTHER DEFFERED CREDITS (Account 253)

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

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Unearned Interest - Customer					
2	wiring & conversions 253.00	5,578	419	9,843	4,283	18
3						
4	California PGA - WPNG 253.02	63	431	63		
5						
6	Deferred revenue prepayment -					
7	Pacific Walla Walla/Enterprise					
8	Line. (Amort = 19 yrs) 253.08	79,662	456	9,372		70,290
9						
10	BPA C & RD 253.10				65,700	65,700
11						
12	Supplemental Executive					
13	Retirement Plan 253.29	8,411,916	426	884,632	2,835,662	10,362,946
14						
15	Deferred Compensation 90,91,92	10,986,599	131	2,469,703	4,229,498	12,746,394
16						
17	Gain on Sale and leaseback					
18	of Building (Amortization period					
19	is 25 years)	2,876,016	931	261,456		2,614,560
20						
21	Rathdrum Refund 253.12					
22	Amortization period is 25 years	645,443	550	33,822		611,621
23						
24	Mark to Market 253.74		557	1,542,579,771	1,701,997,956	159,418,185
25						
26	Power Cost Adjustment - Idaho	1,374,000	557	3,341,000	1,967,000	
27						
28	FAS5 Mark to Market 253.95				13,653,729	13,653,729
29						
30						
31						
32						
33						
34	Water Heater Program - WPNG	-35,000	417		35,000	
35						
36	Deferred PGE Contract 253.70	40,412,401	456/495	9,814,441		30,597,960
37						
38	Major Mtce. Reserve - Rathdrum					
39						
40	Trust Fund - Centralia 253.11	857,707	128	5,178		852,529
41						
42	Long Term Incentive Plan 253.93	7,099	920/417		50,004	57,103
43						
44	ID Clark Fork Relicensing 253.89	-389,955	171	695,949	480,517	-605,387
45						
46	WA Clark Fork Relicensing 253.88	711,880	171	711,880	114,550	114,550
47	TOTAL	65,943,409		1,560,817,110	1,725,433,899	230,560,198

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

ACCUMULATED DEFFERED 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)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	158,493,540	3,349,447	
3	Gas	29,757,615	3,345,725	
4	General Common	12,457,616	532,385	
5	TOTAL (Enter Total of lines 2 thru 4)	200,708,771	7,227,557	
6	Non-operating			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	200,708,771	7,227,557	
10	Classification of TOTAL			
11	Federal Income Tax	196,023,276	8,541,957	
12	State Income Tax	4,685,495	978,761	
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits: Account Credited (g)	Debits: Amount (h)	Credits: Account Debited (i)	Credits: Amount (j)	Balance at End of Year (k)	Line No.
							1
						161,842,987	2
						33,103,340	3
						12,990,001	4
						207,936,328	5
2,293,161						2,293,161	6
							7
							8
2,293,161						210,229,489	9
							10
						204,565,233	11
						5,664,256	12
							13

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Electric	67,205,822	77,521,662	2,714,113
4	Electric			
5	Electric			
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	67,205,822	77,521,662	2,714,113
10	Gas			
11	Gas	15,735,897	3,314,579	2,126,758
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	15,735,897	3,314,579	2,126,758
18	Other	146,842,311	226,109	
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	229,784,030	81,062,350	4,840,871
20	Classification of TOTAL			
21	Federal Income Tax	229,784,030		
22	State Income Tax			
23	Local Income Tax			

NOTES

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					
		Debits		Credits			
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Account Credited	Amount	Account Debited	Amount	Balance at End of Year	Line No.
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
1,680,306		190	12,960,704	283.85	1,157,026	131,889,999	3
		182	1,352,347			-1,352,347	4
		190	17,180			-17,180	5
							6
							7
							8
1,680,306			14,330,231		1,157,026	130,520,472	9
							10
352,887						17,276,605	11
							12
							13
							14
							15
							16
352,887						17,276,605	17
		182 & 28	7,517,658			139,550,762	18
2,033,193			21,847,889		1,157,026	287,347,839	19
							20
						287,347,839	21
							22
							23

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (Details) called for concerning other regulatory liabilities which are created through the rate-making actions of regulatory agencies (and not includable in other amounts)
2. For regulatory Liabilities being amortized show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is Less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS Account Credited (b)	DEBITS Amount (c)	Credits (d)	Balance at End of Year (e)
1	Centralia Sale 254.11, 028 & 038	407.41	17,976,924	160,786	9,756,709
2					
3	FAS 109 - Accounting for Income Taxes 254.18	190.18	53,100		364,967
4					
5	Rate Base Credit - WA 254.43	253.70	19,678,950		2,915,400
6					
7	BPA Residential Exchange 254.45, 028 & 038	407.45	2,024,335	918,324	-1,106,012
8					
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40					
41	TOTAL		39,733,309	1,079,110	11,931,064

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

GAS OPERATING REVENUES (Account 400)

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

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

3. Report number of customers, columns (f) and (g), on the basis of meter, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.

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

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

Line No.	Title of Account (a)	OPERATING REVENUES Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	(480) Residential Sales	179,584,411	128,240,271
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	104,012,334	69,981,662
5	Large (or Ind.) (See Instr. 6)	11,129,400	7,679,593
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	523,959	316,107
8	TOTAL Sales to Ultimate Consumers	295,250,104 (1)	206,217,633
9	(483) Sales for Resale	1,761,597	5,690,979
10	TOTAL Nat. Gas Service Revenues	297,011,701	211,908,612
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	297,011,701	211,908,612
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	211,056	145,174
17	(489) Rev. from Trans. of Gas of Others	8,882,255	10,254,480
18	(490) Sales of Prod. Ext. from Nat. Gas		
19	(491) Rev. from Nat. Gas Proc. by Others		
20	(492) Incidental Gasoline and Oil Sales		
21	(493) Rent from Gas Property		
22	(494) Interdepartmental Rents		
23	(495) Other Gas Revenues	2,537,687	2,537,866
24	TOTAL Other Operating Revenues	11,630,998	12,937,520
25	TOTAL Gas Operating Revenues	308,642,699	224,846,132
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	308,642,699	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	283,596,745	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	11,129,400	
30	Sales for Resale	1,761,597	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	523,959	
33	TOTAL (Same as Line 10, Columns (b) and (d))	297,011,701	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

GAS OPERATING REVENUES (Account 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

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

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
198,413,267	212,198,330	249,650	242,983	2
				3
126,869,447	135,125,943	30,355	29,739	4
15,523,094	18,349,638	328	334	5
				6
767,820	801,523	37	36	7
341,573,628 (2)	366,475,434	280,370	273,092	8
4,830,610	4,034,470	1	15	9
346,404,238	370,509,904	280,371	273,107	10

Line Nos. 11–33:

NOTES

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

(1) Includes $6,834,784 unbilled revenues.

(2) Includes (7,240,316) therms relating to unbilled revenues.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

DISTRIBUTION TYPE SALES BY STATES

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

Line No.	Names of State (a)	Total Residential, Commerical and Industrial Operating Revenues (Total of (d), (f) and (h)) (b)	Total Residential, Commerical and Industrial Therms (Total of (e), (g) and (i)) (c)	Residential Operating Revenues (d)
1	State of Washington	146,178,791	170,995,869	89,997,931
2	State of Idaho	57,212,722	67,873,477	33,618,469
3	State of Oregon	75,161,232	82,134,999	44,350,935
4	State of California	16,173,400	19,801,463	11,617,076
5				
6	Totals	294,726,145	340,805,808	179,584,411
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

DISTRIBUTION TYPE SALES BY STATES (Continued)

2. Provide totals for sales within each State.
3. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. State in a footnote the components of mixed gas, i.e., whether natural and oil refinery gases, natural and coke oven gases, etc., and specify the appproximate percentage of natural gas in the mixture.

Residential (Continued)	Commerical		Industrial		
Therms	Operating Revenues	Therms	Operating Revenues	Therms	Line No.
(e)	(f)	(g)	(h)	(i)	
100,090,898	51,975,312	65,046,956	4,205,548	5,858,015	1
38,426,323	21,014,830	25,944,201	2,579,423	3,502,953	2
45,558,382	26,465,868	30,414,491	4,344,429	6,162,126	3
14,337,664	4,556,324	5,463,799	0	0	4
					5
198,413,267	104,012,334	126,869,447	11,129,400	15,523,094	6
					7
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	December 31, 2001

GAS OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Amount (a	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	0	113
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Enter Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of Lines 33 thru 46)	0	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	December 31, 2001

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount *(a*	Amount for Current Year *(b)*	Amount for Previous Year *(c)*
	B2. Products Extraction (Continued)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Reg. Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)	0	0
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)	0	0
	D. Other Gas Supply Expenses		
66	Operation		
67	800 Natural Gas Well Head Purchases	0	
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	
69	801 Natural Gas Field Line Purchases	0	
70	802 Natural Gas Gasoline Plant Outlet Pruchases	0	
71	803 Natural Gas Transmission Line Purchases	-	-
72	804 Natural Gas City Gate Purchases	218,998,115	168,147,943
73	804.1 Liquefied Natural Gas Purchases	1,483,797	1,540,514
74	805 Other Gas Purchases	25,755,446	(14,336,705)
75	(Less) 805.1 Purchased Gas Cost Adjustments	(33,295,074)	(14,034,511)
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	212,942,284	141,317,241
78	806 Exchange Gas	0	
79	Purchased Gas Expenses		
80	807.1 Well Expenses-Purchased Gas	0	
81	807.2 Operation of Purchased Gas Measuring Stations	0	
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	
83	807.4 Purchased Gas Calculations Expenses	154,476	190,879
84	807.5 Other Purchased Gas Expenses	71,416	92,952
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	225,892	283,831
86	808.1 Gas Withdrawn from Storage-Debit	-	79,840
87	(Less) 808.2 Gas Delivered to Storage-Credit	4,366	(67,546)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	
90	Gas Used in Utility Operations-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	
92	811 Gas Used for Products Extraction-Credit	0	
93	812 Gas used for Other Utility Operations-Credit	0	
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0
95	813 Other Gas Supply Expenses	317,541	86,971
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	213,490,082	141,700,337
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	213,490,082	141,700,450

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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a	Amount for Current Year (b)	Amount for Previous Year (c)
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	(12,086)	(3,743)
102	815 Maps and Records	-	0
103	816 Wells Expenses	15,901	49,119
104	817 Lines Expense	-	21
105	818 Compressor Station Expenses	142,194	74,717
106	819 Compressor Station Fuel and Power	16,448	8,667
107	820 Measuring and Regulating Station Expenses	10,850	30,381
108	821 Purification Expenses	5,571	6,347
109	822 Exploration and Development	-	0
110	823 Gas Losses	-	0
111	824 Other Expenses	22,399	16,461
112	825 Storage Well Royalties	26,315	39,269
113	826 Rents	(1,558)	(3,475)
114	TOTAL Operation (Enter Total of lines 101 thru 113)	226,034	217,764
115	Maintenance		
116	830 Maintenance Supervision and Engineering	61,321	66,869
117	831 Maintenance of Structures and Improvements	1,841	9,150
118	832 Maintenance of Reservoirs and Wells	45,301	19,471
119	833 Maintenance of Lines	6,661	4,262
120	834 Maintenance of Compressor Station Equipment	97,921	80,448
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	1,708	21,001
123	837 Maintenance of Other Equipment	4,126	9,864
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	218,880	211,066
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	444,915	428,830
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842.1 Fuel		
132	842.2 Power		
133	842.3 Gas Losses		
134	TOTAL Operation (Enter Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering		
137	843.2 Maintenance of Structures and Improvements		
138	843.3 Maintenance of Gas Holders		
139	843.4 Maintenance of Purification Equipment		
140	843.5 Maintenance of Liquefaction Equipment		
141	843.6 Maintenance of Vaporizing Equipment		
142	843.7 Maintenance of Compressor Equipment		
143	843.8 Maintenance of Measuring and Regulating Equipment		
144	843.9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)	0	0

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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(Less) 845.5 Wharfage Receipts-Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Enter Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Miantenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Enter Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Processing Exp (Lines 165 & 175)	0	0
177	TOTAL Natural Gas storage (Enter Total of lines 125, 146, and 176)	444,915	428,830
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	
181	851 System Control and Load Dispatching	0	
182	852 Communication System Expenses	0	
183	853 Compressor Station Labor and Expenses	0	
184	854 Gas for Compressor Station Fuel	0	
185	855 Other Fuel and Power for Compressor Stations	0	
186	856 Mains Expenses	6,923	1,641
187	857 Measuring and Regulating Station Expenses	0	10
188	858 Transmission and Compression of Gas by Others	0	
189	859 Other Expenses	0	
190	860 Rents	0	
191	TOTAL Operation (Enter Total of lines 180 thru 190)	6,923	1,651

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GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Amount (a	Amount for Current Year (b)	Amount for Previous Year (c)
	3. TRANSMISSION EXPENSES (Continued)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	8,884	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Reg. Station Equipment	0	12,083
198	866 Maintenance of Communication Equipment	66,535	94,139
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	75,419	106,222
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	82,342	107,873
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	482,722	459,818
205	871 Distribution Load Dispatching	17,013	15,246
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0
208	874 Mains and Services Expenses	2,596,022	2,162,655
209	875 Measuring and Regulating Station Expenses-General	57,914	54,511
210	876 Measuring and Regulating Station Expenses-Industrial	5,834	7,524
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	74,259	95,075
212	878 Meter and House Regulator Expenses	980,611	976,989
213	879 Customer Installations Expenses	1,509,491	1,491,534
214	880 Other Expenses	1,490,622	835,923
215	881 Rents	64,019	20,097
216	TOTAL Operation (Enter Total of lines 204 thru 215)	7,278,507	6,119,373
217	Maintenance		
218	885 Maintenance Supervision and Engineering	30,763	39,761
219	886 Maintenance of Structures and Improvements	7,339	554
220	887 Maintenance of Mains	1,266,227	1,200,677
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	318,826	285,359
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	144,173	120,351
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	56,551	72,438
225	892 Maintenance of Services	274,396	266,898
226	893 Maintenance of Meters and House Regulators	489,129	535,504
227	894 Maintenance of Other Equipment	0	351
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	2,587,405	2,521,893
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	9,865,912	8,641,266
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	59,676	335,371
233	902 Meter Reading Expenses	1,713,178	1,735,392
234	903 Customer Records and Collection Expenses	5,288,594	4,934,429
235	904 Uncollectible Accounts	1,630,684	1,090,659
236	905 Miscellaneous Customer Accounts Expenses	678,136	163,507
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	9,370,267	8,259,358

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GAS OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Amount (a	Amount for Current Year (b)	Amount for Previous Year (c)
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	2,182,552	987,472
242	909 Informational and Instructional Expenses	118,755	74,156
243	910 Miscellaneous Customer Service and Informational Expenses	75,062	0
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	2,376,369	1,061,628
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	26,775	1,065
248	912 Demonstrating and Selling Expenses	557,158	1,322,155
249	913 Advertising Expenses	89,814	75,488
250	916 Miscellaneous Sales Expenses	121,347	0
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	795,094	1,398,707
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	3,808,493	4,359,305
255	921 Office Supplies and Expenses	1,779,946	2,014,518
256	(Less) (922) Administrative Expenses Transferred-Cr.	-20,934	(39,816)
257	923 Outside Services Employed	2,530,351	2,759,526
258	924 Property Insurance	127,767	95,745
259	925 Injuries and Damages	559,417	361,887
260	926 Employee Pensions and Benefits	450,554	717,080
261	927 Franchise Requirements	0	917,948
262	928 Regulartory Commission Expenses	938,607	1,058,035
263	(Less) (929) Duplicate Charges-Cr.	0	0
264	930.1 General Advertising Expenses	1,962	2,610
265	930.2 Miscellaneous General Expenses	967,535	1,038,923
266	931 Rents	2,079,195	2,040,801
267	TOTAL Operation (Enter Total of lines 254 thru 266)	13,222,894	15,326,561
268	Maintenance		
269	935 Maintenance of General Plant	765,317	815,995
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	13,988,211	16,142,556
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	250,413,192	177,740,668

NUMBER OF GAS DEPARTMENT EMPLOYEES

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

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

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

1. Payroll Period Ended (Date) December 31, 2001	
2. Total Regular Full-Time Employees	303
3. Total Part-Time and Temporary Employees allocation of General Employees	66
4. Total Employees	369

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 805.2)

1. Provide total for the following accounts:
   - 800 Natural Gas Well Head Purchases
   - 800 Natural Gas Well Head Purchases, Intracomp Transfers
   - 801 Natural Gas Field Line Purchases
   - 802 Natural Gas Gasoline Plant Outlet Purchases
   - 803 Natural Gas Transmission Line Purchases
   - 804 Natural Gas City Gate Purchases
   - 804 Liquefied Natural Gas Purchases
   - 805 Other Gas Purchases
   - 805 Purchase Gas Cost Adjustments
   - 805 Incremental Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.

2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of make-up gas that was paid for in prior years.

3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).

4. State in column (d) the average cost per Mcf to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased Dth (14.73 psia at 60Þ F (b)	Cost of Gas (In dollars) (c)	Average Cost Per Dth (To nearest .01 of a cent) (d)
01	800 - Natural Gas Well Head Purchases			
02	800 - Natural Gas Well Head Purchases, Intracompany Transf.			
03	801 - Natural Gas Field Line Purchases			
04	802 - Natural Gas Gasoline Plant Outlet Purchases			
05	803 - Natural Gas Transmission Line Purchases			
06	804 - Natural Gas City Gate Purchase	34,861,189	220,486,277	6.32
07	804 - Liquefied Natural Gas Purchases			
08	805 - Other Gas Purchases		205,460	
09	805 - Purchased Gas Cost Adjustments		(7,745,088)	
10	805 - Incremental Gas Cost Adjustments		0	
11	TOTAL (Enter Total of lines 01 thru 10)	34,861,189	212,946,649	6.11

Notes to Gas Purchases

1) Natural gas city gate purchases, as referenced on line No. 6, include storage activities and sale for resale.

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Other Gas Supply Expenses (Account 813)

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

Line No.	Description (a)	Amount (in Dollars) (b)
1	Gas Resource Management	
	Labor	74,341
2	Transportation	484
	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	25,663
3		
4	Canadian Regulatory Affairs	
	Labor	34,775
5	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	41,501
6	Send Out Modeling	
	Maintenance Fees	31,668
7		
8	FERC Gas Case	
	Labor	35,547
9	Misc. Other Expenses (Phone Bills, Professional Services, Postage, Etc.)	73,562
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	317,541

Name of Respondent	This report is:	Date of Report	Year of Report
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

1. Provide the information requested below on miscellaneous general expenses.

2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description *(a)*						Amount *(b)*
1	Industry Association Dues **(0930.25)**						74,837
2	Experimental and General Research Expenses a. Gas Research Institute (GRI) b. Other						0
3	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent						336,282
4	Other Expenses						
5							
6							
7	**Directors Fees and Expenses (0930.27)**	WA/ID Ret	WA/ID Exp	OR/CA Ret	OR/CA Exp		
8	Erik J. Anderson	9,583	586	4,894	300		15,363
9	Kristianne Blake	8,340	0	4,259	0		12,599
10	David A. Clack	6,950	552	3,549	282		11,333
11	Sarah M. R. Jewell	6,146	197	3,139	101		9,583
12	Jessie Knight	3,514	1,158	1,795	591		7,058
13	John F. Kelly	5,488	180	2,802	91		8,561
14	Eugene W. Meyer	6,804	2,276	3,475	1,163		13,718
15	Bobby Schmidt	3,660	1,498	1,869	765		7,792
16	Larry A. Stanley	7,205	0	3,679	0		10,884
17	R. John Taylor	7,148	147	3,650	75		11,020
18	Dan Zaloudek	5,122	1,352	2,616	690		9,780
19	Total	69,960	7,946	35,727	4,058		
20						117,691	
21	**Community Relations (0930.22)**						
22	Labor						112,676
23	167 Items under $5,000						49,428
24							
25							
26						162,104	
27	**Educational - Informational (0930.23)**						
28	Labor						44,446
29	13 Items under $5,000						3,479
30						47,925	
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	**Other Miscellaneous General Expenses (0930.29)**						
45	Labor						56,450
46	1 Item under $5,000						-195
47	Spokane Regional Business Center						5,209
48						61,464	
49							
50							
51							
52	TOTAL						800,303

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report all available information called for in Section B for the report year 1971, 1974 and every fifth year thereafter. Report only annual changes in the intervals between the report years (1971, 1974 and every fifth year thereafter).

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

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant			
2	Prodution plant, manufactured gas	4,456		
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Undergound gas storage plant	433,835		
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant	69,093		
9	Distribution plant	11,716,581		
10	General plant	442,765		
11	Common General plant-Allocated	939,567		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	13,606,297	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquistion Adjustments) (Continued)

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

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

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

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
546,456		546,456	Intangible plant	1
		4,456	Prodution plant, manufactured gas	2
			Production and gathering plant, natural gas	3
			Products extraction plant	4
		433,835	Undergound gas storage plant	5
			Other storage plant	6
			Base load LNG terminating and processing plant	7
		69,093	Transmission plant	8
		11,716,581	Distribution plant	9
		442,765	General plant	10
		939,567	Common general plant-Allocated	11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
546,456	0	14,152,753	TOTAL	25

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Line No.	Functional Classifications (a)	Depreciable Plant Base (Thousands) (b) (1)	Applied Depr. Rate(s) (Percent) (c)
	Underground Gas Storage Plant: (2)		
1			
2	350	24	2.05%
3	351	1,066	1.75%
4	352	5,545	2.00%
5	352.2	166	2.53%
6	352.1 (Leasehold Improvements)	254	2.22%
7	352.3	6,122	2.54%
8	353	799	2.06%
9	354	1,730	2.32%
10	355	547	2.66%
11	356	431	2.97%
12	357	1,597	2.77%
13	Total	18,282	
14			
15	Production - Manufactured Gas:		
16	2305	67	2.80%
17	2311	143	1.80%
18	Total	211	
19	Transmission Plant:		
20	2366	8	2.60%
21	2367	1,232	2.60%
22	2369	44	3.45%
23	2370	25	7.10%
24	Total	1,308	
25	Distribution Plant:		
26	375.1	492	3.20%
27	376	203,533	2.99%
28	378	3,860	3.78%
29	379	1,688	3.47%
30	380	146,637	3.86%
31	381	46,828	2.68%
32	382	0	2.07%
33	383	0	2.27%
34	384	0	2.53%
35	385	2,114	4.08%
36	387	1	5.40%
37	Total	405,151	
38	Intangible	3,052	2.00%
39	General Plant:		
40	390.1	2,366	2.14%
41	390.2	12	2.00%
42	391.1	10	6.30%
43	393	84	2.40%
44	394	1,912	4.96%
45	395	864	4.48%
46	397	1,497	8.76%
47	398	34	2.59%
48	Total	6,779	
49	Total Gas Plant	434,783	

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges account. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425): Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions: Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or $1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Acct. 425.00 - MISCELLANEOUS AMORTIZATIONS	
2	Gas plant acquisition adj. applicable to purchase of	
3	CP National, Oregon & California distribution	
4	system. Contra acct - 115.00	1,323,907
5	TOTAL - 425.00	1,323,907
6		
7	Acct. 426.10 - DONATIONS	
8	Spokane Symphony	20,000
9	Concerned Businesses, Inc.	15,000
10	336 Items under $10,250	169,973
11	TOTAL 426.10	204,973
12		
13	Acct 426.20 - LIFE INSURANCE	
14	Officers' Life Insurance	97,151
15	Supplemental Executive Retirement Program	1,419,000
16	TOTAL 426.20	1,516,151
17		
18	Acct. 426.30 - PENALTIES	
19	IRS Refund-WWP Employees Retirement Plan	-102,758
20	Internal Revenue Service	64,268
21	Washington Dept of Revenue	28,333
22	Commonwealth of Massachusetts	17,998
23	Department of Tax & Revenue	1,399
24	United States Treasury	10,312
25	Arizona Department of Revenue	1,533
26	12 Items under $1,088	672
27	TOTAL 426.30	21,757
28		
29	Acct 426.40 - EXPENDITURES FOR CERTAIN CIVIC,	
30	POLITICAL AND RELATED ACTIVITIES	
31	Lobbyist	519,889
32	114 Items under $42,250	325,094
33	TOTAL 426.40	844,983
34		
35	Acct. 426.50 - Other Deductions	
36	Executive Deferred Compensation	-196,869
37	Downtown Fuel Cell Retirement Reserve	820,645
38	Kettle Falls Reserve Amortization	-228,480
39	TOTAL 426.50	395,296
40		
41		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2002	Dec. 31, 2001

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges account. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425): Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions: Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or $1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Acct 431.00 - OTHER INTEREST EXPENSE	
2	(VARIOUS INTEREST RATES)	
3	Customer Deposits	118,771
4	Misc. Oregon Deferrals & Amortizations	89,709
5	WA/ID Gas Amortizations	45,565
6	Miscellaneous Accts Payable	185,116
7	Executive Deferred Compensation	75,444
8	Centralia Gain	67,693
9	Clark Fork license	136,437
10	Interest Accrual on DSM Program Liability	-60,614
11	Other Miscellaneous	14,071
12	TOTAL 431.00	672,192
13		
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15		
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Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2002	Dec. 31, 2001

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous year, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FEDERAL ENERGY REGULATORY COMMISSION				
2	FERC Cases Doc #s:RP01-400,RP01-416,RP 01-232,CP01-153				
3	CP93-618,CP01-141,RP00-506,CP01-49,CP00-141,CP00-138				
4	RP01-333,RP01-380,RP99-518,CP01-361,RP95-409,RM01-9				
5	RP00-402,RP01-94,CP01-438,CP02-04,RP01-613,RP02-24				
6	RP02-21,RP00-506,CP02-24,RP02-116,RP02-69				
7	CP02-39,40,41,42,CP93-618	1,649,911		1,649,911	
8					
9	WASHINGTON UTILITIES & TRANSPORTATION				
10	Misc. Electric-Docket #s: UE-000972,UE-002066,UE-010295,				
11	UE-010395,UE-010510,UE-010839,UE-011143,UE-011352,				
12	UE-011353,UE-011475,UE-011476,UE-011514,UE011591,				
13	UE-0011595, UE-010297	466,927	659,073	1,126,000	
14					
15	Misc. Gas - Docket #: UG-101319	205,296	135,309	340,605	
16					
17	IDAHO PUBLIC UTILITIES COMMISSION				
18	Misc. Electric- ocket #s:AVU-E-00-06,AVU-E-00-09,AVU-E-00-11				
19	AVU-E-00-12,AVU-E-01-01,AVU-E-01-02,AVU-E-01-03				
20	AVU-E-01-04,AVU-E-01-05,AVU-E-01-06,AVU-E-01-07				
21	AVU-E-01-08,AVU-E-01-09,AVU-E-01-10,AVU-E-01-11				
22	AVU-E-01-12,AVU-E-01-13,AVU-E-01-14,AVU-E-01-15				
23	AVU-E-01-16,GRE-E-99-01	545,241	225,324	770,565	
24					
25	Misc. Gas - Docket #s:AVU-G-00-1,AVU-G-00-4,AVU-G-00-5				
26	AVU-G-00-6,AVU-G-00-7,AVU-G-00-8,AVU-G-01-1				
27	AVU-G-01-2,AVU-G-01-3	142,674	81,203	223,877	
28					
29	OREGON PUBLIC UTILITIES COMMISSION				
30	Docket #s: UM-903, UM-1011, AR-357, AR-427	186,791	109,691	296,482	
31					
32	CALIFORNIA PUBLIC UTILITIES COMMISSION				
33	Docket #s:98-7-038,01-08-027,01-05-047,G-3329,99-01-015	17,802	59,841	77,643	
34	TOTAL	3,214,642	1,270,441	4,485,083	

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* April 30, 2002	Year Ending Dec. 31, 2001

REGULATORY COMMISSION EXPENSES (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CHARGED CURRENTLY TO							
Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
							1
							2
							3
Electric	0928	1,649,911					4
							5
							6
							7
Electric	0928	1,126,000					8
							9
Gas	1928	340,605					10
							11
							12
							13
							14
Electric	0928	770,565					15
							16
Gas	1928	223,877					17
							18
							19
Gas	2928	296,482					20
							22
							23
Gas	2928	77,643					24
							25

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

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	7,370,080		
4	Transmission	1,679,835		
5	Distribution	4,351,085		
6	Customer Accounts	4,273,040		
7	Customer Service and Informational	170,111		
8	Sales	572,954		
9	Administrative and General	10,262,052		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	28,679,157		
11	Maintenance			
12	Production	2,295,044		
13	Transmission	734,917		
14	Distribution	3,937,592		
15	Administrative and General	847,422		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	7,814,975		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	9,665,124		
19	Transmission (Enter Total of lines 4 and 13)	2,414,752		
20	Distribution (Enter Total of lines 5 and 14)	8,288,677		
21	Customer Accounts (Transcribe from line 6)	4,273,040		
22	Customer Service and Information (Transcribe from line 7)	170,111		
23	Sales (Transcribe from line 8)	572,954		
24	Administrative and General (Enter Total of lines 9 and 15)	11,109,474		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	36,494,132	1,498,882	37,993,014
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	391,504		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	4,055,098		
34	Customer Accounts	3,535,140		
35	Customer Service and Informational	206,694		
36	Sales	324,081		
37	Administrative and General	3,683,891		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	12,196,408		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission	46,326		
45	Distribution	1,958,372		
46	Administrative and General	209,850		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	2,214,548		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas (Enter Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)	391,504		
52	Storage, LNG, Terminaling and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)	46,326		
54	Distribution (Enter Total of lines 33 and 45)	6,013,470		
55	Customer Accounts (Transcribe from line 34)	3,535,140		
56	Customer Service and Informational (Transcribe from line 35)	206,694		
57	Sales (Transcribe from line 36)	324,081		
58	Administrative and General (Enter Total of lines 37 and 46)	3,893,741		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	14,410,956	417,872	14,828,828
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	50,905,088	1,916,754	52,821,842
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	17,982,552	1,502,096	19,484,648
66	Gas Plant	5,282,641	284,665	5,567,306
67	Other			
68	TOTAL Construction (Enter Total of lines 65 thru 67)	23,265,193	1,786,761	25,051,954
69	Plant Removal (By Utility Department)			
70	Electric Plant	652,841	(2,340)	650,501
71	Gas Plant	84,974	773	85,747
72	Other			
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	737,815	(1,567)	736,248
74	Other Accounts (Specify):			
75	Stores Expense (163)	0	176	176
76	Prepayments (165)	0	176	176
77	Preliminary Survey and Investigation (183)	26,178	1,783	27,961
78	Small Tool Expense (184)	65,067	6,810	71,877
79	Miscellaneous Deferred Debits (186)	55,092,628	27,775	55,120,403
80	Capital Stock Expense (214)	0	18	18
81	Merchandising Expenses (416)	22,648	1,517	24,165
82	Non-operating Expenses (417)	953,662	21,366	975,028
83	Expenditures of Certain Civic, Political and Related			
84	Activities (426)	268,918	963	269,881
85	Purchase and Stores Expense (980)	1,215,291	(1,197,493)	17,798
86	Transportation Expense (981)	1,391,499	(1,371,565)	19,934
87	Cafeteria Expense - Labor (984)	0	0	0
88	Spokane Central Operating Facility Expense (985)	680,996	(676,699)	4,297
89	Clark Fork Relicensing (987)	523,341	(516,775)	6,566
90				
91				
92				
93				
94				
95				
96	TOTAL Other Accounts	60,240,228	(3,701,948)	56,538,280
97	TOTAL SALARIES AND WAGES	135,148,324	0	135,148,324

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

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

Line No.	Description (a)	* (b)	Amount (in dollars) (c)
1	Acres International Corp		646,717
2	Analytical Surveys Inc.		982,484
3	Deloitte & Touche		729,199
4	Dorsey & Whitney, LLP		732,255
5	Ecos Consulting		2,336,427
6	General Physics		320,900
7	Hanna & Associates, Inc.		1,315,905
8	Heller Ehrman White		509,057
9	Land & Water Consulting, Inc.		352,572
10	Marsh Advantage America		302,322
11	Network Design & Management		803,948
12	Paine Hamblen Coffin & Brooke		1,881,699
13	Reid & Priest		961,881
14	RLG International		469,307
15	Van Ness Feldman		485,587
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

GAS STORAGE PROJECTS

	Storage Operations (In Dth) (Note: Injections and withdrawals are based on Agency Agreement and State Benchmark Filings. Agent manages storage facility and uses it as needed to meet Company requirements. Scheduled injections/withdrawals are used) to determine payment arrangements only.)	
1	Gas Delivered to Storage	
2	January	0
3	February	0
4	March	0
5	April	0
6	May	231,732
7	June	534,786
8	July	534,786
9	August	534,786
10	September	347,611
11	October	0
12	November	0
13	December	0
14	TOTAL (Enter Total of Lines 15 Thru 26)	2,183,701
15	Gas Withdrawn from Storage	
16	January	757,167
17	February	445,393
18	March	267,236
19	April	89,077
20	May	0
21	June	0
22	July	0
23	August	0
24	September	0
25	October	0
26	November	89,131
27	December	534,786
28	TOTAL (Enter Total of Lines 29 Thru 40)	2,182,790

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

GAS STORAGE PROJECTS (Continued)

Line No.	Item *(a)*	Total Amount *(b)*
	Storage Operations (In Dekatherms)	
42	Top or Working Gas End of Year (Note)	1,559,793
43	Cushion Gas (Including Native Gas)	6,586,667
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	8,146,460
45	Certificated Storage Capacity	51,742,663
46	Number of Injection - Withdrawal Wells	43
47	Number of Observation Wells	48
48	Maximum Day's Withrawal from Storage	
49	Date of Maximum Days' Withdrawal	
50	LNG Terminal Companies (In Mcf)	
51	Number of Tanks	
52	Capacity of Tanks	
53	LNG Volumes	
54	a) Received at "Ship Rail"	
55	b) Transferred to Tanks	
56	c) Withdrawn from Tanks	
57	d) "Boil Off" Vaporization Loss	
58	e) Converted to Mcf at Tailgate of Terminal	

Note: The above information represents the company's one-third share of Jackson Prairie Storage Project.

Note: Working Gas at Year End represents the amount of gas available to the Company under the synthetic "Benchmark Injection/Withdrawal Schedules for JP Storage" according to the Benchmark Filings with Washington and Idaho.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1						
2	Steel Coated	Over 4" through 10"	335,280	-	2,640	332,640
3	Steel Coated	4" or less	-	26,400	-	26,400
4						
5						
6						
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46	TOTALS			26,400		359,040

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

DISTRIBUTION MAINS

Show particulars Called for Concerning Distribution Mains

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1	The Washington Water Power System					
2	Steel Wrapped	Less than 2"	6,062,487	1,740	8,426	6,055,801
3	Steel Wrapped	2" to 4"	1,881,485	305	7	1,881,783
4	Steel Wrapped	4" to 8"	1,422,564	(274,180)	224	1,148,160
5	Steel Wrapped	8" to 12"	156,250	0	0	156,250
6	Steel Wrapped	Over 12"	52,622	0	0	52,622
7	The WP Natural Gas System					
8	Steel Wrapped	Less than 2"	3,124,757	2,003	6,964	3,119,796
9	Steel Wrapped	2" to 4"	901,824	1,351	1,260	901,915
10	Steel Wrapped	4" to 8"	577,104	8,234	1,636	583,702
11	Steel Wrapped	8" to 12"	12,619	6	0	12,625
12	Steel Wrapped	Over 12"	0	0	0	0
13	The Washington Water Power System					
14	Plastic	Less than 2"	8,994,700	331,800	3,798	9,322,702
15	Plastic	2" to 4"	1,895,138	64,405	102	1,959,441
16	Plastic	4" to 8"	398,093	28,677	0	426,770
17	Plastic	8" to 12"	0	0	0	0
18	Plastic	Over 12"	0	0	0	0
19	The WP Natural Gas System					
20	Plastic	Less than 2"	4,368,883	209,406	1,820	4,576,469
21	Plastic	2" to 4"	724,258	29,492	1,742	752,008
22	Plastic	4" to 8"	46,992	8,789	0	55,781
23	Plastic	8" to 12"	0	0	0	0
24	Plastic	Over 12"	0	0	0	0
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37	TOTALS		30,619,776	412,028	25,979	31,005,825

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

SERVICE PIPES GAS

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

Line No.	Type (a)	Diameter in Inches (b)	Number at Beginning of Year (c)	Number Added During Year (d)	Number Removed or Abandoned During Year (e)	Number at Close of Year (f)	Average Length in Feet (g)
1	Washington Water Power System						
2	Steel Wrapped	1' or Less	20,650	9	147	20,512	Not
3	Steel Wrapped	1" thru 2"	1,154	1	14	1,141	Available
4	Steel Wrapped	2" thru 4"	82	0	2	80	
5	Steel Wrapped	4" thru 8"	4	0	0	4	
6	Steel Wrapped	Over 8"	0	0	0	0	
7	WP Natural Gas System						
8	Steel Wrapped	1' or Less	40,160	2	126	40,036	
9	Steel Wrapped	1" thru 2"	657	15	86	586	
10	Steel Wrapped	2" thru 4"	25	1	4	22	
11	Steel Wrapped	4" thru 8"	1	1	0	2	
12	Steel Wrapped	Over 8"	0	0	0	0	
13	Washington Water Power System						
14	Plastic	1' or Less	109,641	4,277	192	113,726	
15	Plastic	1" thru 2"	725	33	11	747	
16	Plastic	2" thru 4"	62	0	0	62	
17	Plastic	4" thru 8"	1	0	0	1	
18	Plastic	Over 8"	0	0	0	0	
19	WP Natural Gas System						
20	Plastic	1' or Less	61,241	3,124	98	64,267	
21	Plastic	1" thru 2"	1,366	15	16	1,365	
22	Plastic	2" thru 4"	73	3	0	76	
23	Plastic	4" thru 8"	3	2	0	5	
24	Plastic	Over 8"	0	0	0	0	
25							
26							
27	TOTALS		235,845	7,483	696	242,632	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

CUSTOMER'S METERS

Line No.	Size (a)	Type (b)	Make (c)	Capacity (d)	Owned Beginning of Year (e)	Added During Year (f)	Retired During Year (g)	Owned End of Year (h)
1	Detailed information not available.							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	TOTAL				286,405	10,265	4,334	292,336

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	(1) [X] An Original (2) [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installation, gas liquefaction plants, oil gas sets, etc.

2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.

3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility. Therms (c)	Cost of Facility (In dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery? Yes (e)	No (f)
1						
2	Chehalis, Washington	Undergound Natural Gas	1,126,670	18,384,817	X	
3		Storage Field				
4						
5	Chehalis, Washington	Undergound Natural Gas	26,540	(1)		X
6		Storage Field				
7						
8	Plymouth, Washington	Liquified Natural Gas	220,000	(1)		X
9		Storage Tanks				
10						
11	Plymouth, Washington	Liquified Natural Gas	192,000	(1)		X
12		Storage Tanks				
13						
14	Lovelock, Nevada	Liquified Natural Gas	65,350	(1)		X
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	Note: (1) Respondent is only a participant in the facilities, not an owner.					
27	Repondent is charged a fee for demand deliverability and capacity.					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corporation	[X] An Original [ ] A Resubmission	April 30, 2002	Dec. 31, 2001

GAS ACCOUNT - NATURAL GAS

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

01 NAME OF SYSTEM

Line No.	Item (a)	Ref. Page No. (b)	Amount of Dth (1) (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800-805)		34,861,189
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	19,557,956
6	Gas of Others Received for Distribution (Account 489.3)	301	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts pf Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify):		
15	Total Receipts (Total lines 3 thru 14.?)		54,419,145
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		34,157,363
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	19,557,956
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify): Sales for Resale		483,061
28	Total Deliveries (Total lines 17 thru 27.?)		54,198,380
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		220,765
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		220,765
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		54,419,145