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IDAHO PUBLIC
UTILITIES COMMISSION

Form Approved
OMB No. 1902-0028
(Expires 3/31/2005)

FERC Form No. 2
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

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

Exact Legal Name of Respondent (Company)	Year of Report
AVISTA CORP.	Dec. 31, 2002

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."

ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent	02 Year of Report
Avista Corp.	Dec. 31, 2002

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	06 Title of Contact Person
M. K. Malquist	Senior VP and 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	This Report Is:	10 Date of Report *(Mo, Da, Yr)*
(509) 495-4943	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003

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	12 Title
M. K. Malquist	Senior Vice President and CFO
13 Signature	14 Date Signed
M K Malquist	04/30/2003

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.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

GENERAL INFORMATION

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

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

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

State of Washington, Incorporated March 15, 1889

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

Not Applicable

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

Electric service in the states of Washington, Idaho and Montana

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

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) 04/30/2003	Year of Report Dec. 31, 2002

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	Currently inactive
10		Provider (ICP) that provided		
11		local telecommunications		
12		solutions and designed, built		
13		and managed 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 electricity and	99.82	
22		natural gas trading and		
23		marketing.		
24				
25	Avista Laboratories, Inc.	Develops proton exchange	100	
26		membrane (PEM) fuel cell		
27		technology and fuel cell		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1		components.		
2				
3	Avista Power, LLC.	Owns electric	100	
4		generation assets.		
5				
6	Avista Services, Inc.	Offers products/services to	100	Currently Inactive
7		utility customers.		
8				
9	Avista Turbine Power, Inc.	Receives assignments of	100	
10		purchase power agreements.		
11				
12	Avista Rathdrum, LLC	Owns electric	100	
13		generation assets.		
14				
15	Avista Ventures, Inc.	Invests in emerging business	100	
16		opportunities.		
17				
18	Pentzer Corporation	Within Avista Capital;	100	
19		parent company of Advanced		
20		Manufacturing and		
21		Development.		
22				
23	Advanced Manufacturing and Development, Inc.	Manufacturer of electronic	93	
24		and mechanical equipment		
25		for the computer and		
26		instrumentation industries		
27		and fabricates video arcade		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1		games.		
2				
3	Avista Receivables Corporation	Acquires and sells accounts	100	
4		receivable of Avista Corp.		
5				
6	INDIRECT CONTROL:			
7	Rathdrum Power, LLC	Develops and owns electric	49	
8		generation assets.		
9				
10	Coyote Springs 2, LLC	Develops and owns electric	50	
11		generation assets.		
12				
13	H2 Fuel, LLC	Subsidiary of Avista Labs.	70	
14		Develop and commercialize		
15		technologies for		
16		manufacturing hydrogen and		
17		hydrocarbon fuels.		
18				
19	Spokane Energy, LLC	Marketing of Energy	100	
20				
21				
22				
23				
24				
25				
26				
27				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

Security Holders and Voting Powers

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

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy.	3. Give the date and place of such meeting:
November 22, 2002 to pay the December 13, 2002 dividend.	Total: 41812176 By Proxy: 41812176	May 9, 2002 Spokane, Washington

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): 11/22/2002 Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	47,974,948	47,974,948		
6	TOTAL number of security holders	17,373	17,373		
7	TOTAL votes of security holders listed below	370,390	370,390		
8					
9	DBH Properties LP - Coeur d'Alene, ID	77,646	77,646		
10	Otis E. Kline TR U/A - Phoenix, AZ	70,000	70,000		
11	Harold J. White TR U/A - Spokane, WA	46,891	46,891		
12	Margaret Ann Brosnan TR U/A - Independence, OH	31,000	31,000		
13	Alfred C. Glassell, Jr. - Houston, TX	30,028	30,028		
14	Gladys L. Rikerd - Spokane, WA	25,978	25,978		
15	Paul Friedrich Eisen TR U/A - San Francisco, CA	24,282	24,282		
16	Darlene L. Braune & Edmund W. Braune JT TEN	22,462	22,462		
17	- Spokane, WA				
18	Kay Kobayashi - Los Angeles, CA	22,092	22,092		
19	Ernest C. Gosnay Jr. & Marie K. Gosnay TRS U/A	20,011	20,011		
20	- Spokane, WA				

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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.

1. None
2. None
3. None
4. None
5. None
6. Reference is made to Notes 3, 13, 14, and 15 of Notes to Financial Statements, Page 122 of this report.
7. None
8. Average annual wage increases were 3.86% in 2002 for non-exempt personnel. Annual average wage increases were 4.26% for exempt employees. Bargaining unit employees were granted increases ranging from 3.0% to 4.0%.
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	04/30/2003	Dec. 31, 2002

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	2,277,779,491	2,370,810,931
3	Construction Work in Progress (107)	200-201	54,964,082	17,581,119
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,332,743,573	2,388,392,050
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	767,101,656	824,688,269
6	Net Utility Plant (Enter Total of line 4 less 5)		1,565,641,917	1,563,703,781
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)		1,565,641,917	1,563,703,781
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	3,741,058	3,156,010
15	(Less) Accum. Prov. for Depr. and Amort. (122)		224,549	107,826
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	350,746,583	256,737,740
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)		50,536,283	46,498,833
21	Special Funds (125-128)		12,076,598	11,182,354
22	TOTAL Other Property and Investments (Total of lines 14-17,19-21)		416,875,973	317,467,111
23	**CURRENT AND ACCRUED ASSETS**			
24	Cash (131)		-513,763	10,048,633
25	Special Deposits (132-134)		2,890,636	2,465,146
26	Working Fund (135)		423,725	384,217
27	Temporary Cash Investments (136)		7,648,782	24,126,777
28	Notes Receivable (141)		0	0
29	Customer Accounts Receivable (142)		49,675,973	28,898,856
30	Other Accounts Receivable (143)		5,295,153	4,238,495
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,949,912	2,688,665
32	Notes Receivable from Associated Companies (145)		182,111,918	137,275,825
33	Accounts Receivable from Assoc. Companies (146)		-2,022,783	740,428
34	Fuel Stock (151)	227	3,395,773	3,261,065
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	9,015,274	8,449,512
38	Merchandise (155)	227	0	0
39	Other Materials and Supplies (156)	227	0	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	578,289	494,542
44	Gas Stored Underground - Current (164.1)		6,168,382	7,563,672
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		631,780	563,856
46	Prepayments (165)		2,185,343	2,916,606
47	Advances for Gas (166-167)		0	0
48	Interest and Dividends Receivable (171)		250,267	27,487
49	Rents Receivable (172)		737,960	676,514
50	Accrued Utility Revenues (173)		0	0
51	Miscellaneous Current and Accrued Assets (174)		1,018,091	322,206
52	Derivative Instrument Assets (175)		0	0

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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	Derivative Instrument Assets - Hedges (176)		0	60,322,238
54	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53)		266,540,888	290,087,410
55	**DEFERRED DEBITS**			
56	Unamortized Debt Expenses (181)		26,075,057	21,921,640
57	Extraordinary Property Losses (182.1)	230	0	0
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
59	Other Regulatory Assets (182.3)	232	445,035,675	248,746,931
60	Prelim. Survey and Investigation Charges (Electric) (183)		7,973,065	12,130,418
61	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)		0	0
62	Clearing Accounts (184)		-2,081,155	1,416,423
63	Temporary Facilities (185)		0	0
64	Miscellaneous Deferred Debits (186)	233	109,424,216	81,406,921
65	Def. Losses from Disposition of Utility Plt. (187)		0	0
66	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
67	Unamortized Loss on Reaquired Debt (189)		15,147,127	29,206,730
68	Accumulated Deferred Income Taxes (190)	234	27,044,942	37,595,304
69	Unrecovered Purchased Gas Costs (191)		52,679,575	11,514,486
70	TOTAL Deferred Debits (Enter Total of lines 56 thru 69)		681,298,502	443,938,853
71	TOTAL Assets and Other Debits (Enter Total of lines 10,11,12,22,54,70)		2,930,357,280	2,615,197,155

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)

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	617,737,210	623,091,721
3	Preferred Stock Issued (204)	250-251	35,000,000	33,250,000
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	11,924,026	11,927,830
11	Retained Earnings (215, 215.1, 216)	118-119	-106,447,403	60,386,146
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	226,474,938	65,750,804
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	-18,809,177
15	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		760,840,719	751,741,664
16	**LONG-TERM DEBT**			
17	Bonds (221)	256-257	401,300,000	401,300,000
18	(Less) Reaquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	931,000,000	703,778,874
21	Unamortized Premium on Long-Term Debt (225)		0	0
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		2,546,888	2,160,866
23	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		1,329,753,112	1,102,918,008
24	**OTHER NONCURRENT LIABILITIES**			
25	Obligations Under Capital Leases - Noncurrent (227)		0	621,526
26	Accumulated Provision for Property Insurance (228.1)		0	0
27	Accumulated Provision for Injuries and Damages (228.2)		1,476,494	1,446,348
28	Accumulated Provision for Pensions and Benefits (228.3)		18,184,215	50,209,349
29	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
30	Accumulated Provision for Rate Refunds (229)		0	0
31	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)		19,660,709	52,277,223
32	**CURRENT AND ACCRUED LIABILITIES**			
33	Notes Payable (231)		0	0
34	Accounts Payable (232)		52,930,348	36,247,518
35	Notes Payable to Associated Companies (233)		0	0
36	Accounts Payable to Associated Companies (234)		20,512,592	18,524,753
37	Customer Deposits (235)		3,820,410	4,533,815
38	Taxes Accrued (236)	262-263	-20,229,945	22,522,183
39	Interest Accrued (237)		18,583,369	20,307,075
40	Dividends Declared (238)		99,026	0
41	Matured Long-Term Debt (239)		0	0
42	Matured Interest (240)		0	0
43	Tax Collections Payable (241)		374,374	-754
44	Miscellaneous Current and Accrued Liabilities (242)		515,408	20,279,696
45	Obligations Under Capital Leases-Current (243)		0	0

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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	Derivative Instrument Liabilities (244)		0	0
47	Derivative Instrument Liabilities - Hedges (245)		0	50,057,633
48	TOTAL Current & Accrued Liabilities (Enter Total of lines 32 thru 44)		76,605,582	172,471,919
49	**DEFERRED CREDITS**			
50	Customer Advances for Construction (252)		981,208	913,115
51	Accumulated Deferred Investment Tax Credits (255)	266-267	718,884	669,576
52	Deferred Gains from Disposition of Utility Plant (256)		0	0
53	Other Deferred Credits (253)	269	230,560,198	29,705,406
54	Other Regulatory Liabilities (254)	278	11,931,064	20,174,502
55	Unamortized Gain on Reaquired Debt (257)		1,728,475	4,118,795
56	Accumulated Deferred Income Taxes (281-283)	272-277	497,577,329	480,206,947
57	TOTAL Deferred Credits (Enter Total of lines 47 thru 53)		743,497,158	535,788,341
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			0	0
69			0	0
70			0	0
71	TOTAL Liab and Other Credits (Enter Total of lines 14,22,30,45,54)		2,930,357,280	2,615,197,155

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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	04/30/2003	Dec. 31, 2002

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	893,963,515	1,230,847,199
3	Operating Expenses			
4	Operation Expenses (401)	320-323	606,132,796	994,242,604
5	Maintenance Expenses (402)	320-323	23,968,182	26,266,457
6	Depreciation Expense (403)	336-337	60,293,549	58,204,870
7	Amort. & Depl. of Utility Plant (404-405)	336-337	8,430,074	6,845,019
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)		-3,582	-4,095
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)		253,985	228,676
12	(Less) Regulatory Credits (407.4)		17,987,205	23,255,978
13	Taxes Other Than Income Taxes (408.1)	262-263	63,597,147	53,294,525
14	Income Taxes - Federal (409.1)	262-263	34,872,176	-92,830,192
15	- Other (409.1)	262-263	2,348,133	-5,747,504
16	Provision for Deferred Income Taxes (410.1)	234, 272-277	-7,069,837	108,321,574
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	5,080,399	5,441,839
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)		769,804,759	1,120,173,857
24	Net Util Oper Inc (Enter Tot line 2 less 23) Carry fwd to P117,line 25		124,158,756	110,673,342

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
584,141,003	922,204,500	309,822,512	308,642,699			2
						3
353,588,329	747,476,434	252,544,467	246,766,170			4
19,988,552	22,619,436	3,979,630	3,647,021			5
46,180,880	44,592,733	14,112,669	13,612,137			6
7,497,026	6,036,769	933,048	808,250			7
99,048	99,048					8
-3,582	-4,095					9
						10
		253,985	228,676			11
17,987,205	23,255,978					12
43,185,433	34,313,701	20,411,714	18,980,824			13
25,158,719	-92,594,583	9,713,457	-235,609			14
1,430,132	-3,984,607	918,001	-1,762,897			15
2,201,171	101,367,176	-9,271,008	6,954,398			16
4,997,556	5,137,185	82,843	304,654			17
		-49,308	-49,308			18
						19
						20
						21
						22
476,340,947	831,528,849	293,463,812	288,645,008			23
107,800,056	90,675,651	16,358,700	19,997,691			24

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)

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						
3						
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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	04/30/2003	Dec. 31, 2002

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)		124,158,756	110,673,342
26	Other Income and Deductions			
27	Other Income			
28	Nonutilty Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)		574,461	138,517
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		705,555	127,752
31	Revenues From Nonutility Operations (417)		361,455	378,855
32	(Less) Expenses of Nonutility Operations (417.1)		1,914,750	2,131,887
33	Nonoperating Rental Income (418)		-3,022	-23,907
34	Equity in Earnings of Subsidiary Companies (418.1)	119	-4,212,474	-11,090,218
35	Interest and Dividend Income (419)		23,649,106	34,250,252
36	Allowance for Other Funds Used During Construction (419.1)		768,323	1,073,225
37	Miscellaneous Nonoperating Income (421)		1,922,152	-173,649
38	Gain on Disposition of Property (421.1)		210,724	84,243
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		20,650,420	22,377,679
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)		68,722	23,458
42	Miscellaneous Amortization (425)	340	1,323,416	1,323,907
43	Miscellaneous Income Deductions (426.1-426.5)	340	2,537,596	2,983,159
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		3,929,734	4,330,524
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263	38,000	7,458
47	Income Taxes-Federal (409.2)	262-263	3,329,302	12,085,770
48	Income Taxes-Other (409.2)	262-263	-464,555	-494,842
49	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,845,351	4,292,806
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	-406,167	-40,693
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)		7,154,265	15,931,885
54	Net Other Income and Deductions (Enter Total lines 39, 44, 53)		9,566,421	2,115,270
55	Interest Charges			
56	Interest on Long-Term Debt (427)		93,113,627	96,517,793
57	Amort. of Debt Disc. and Expense (428)		5,538,126	3,481,482
58	Amortization of Loss on Reaquired Debt (428.1)		3,323,214	2,167,105
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		
62	Other Interest Expense (431)	340	1,621,673	672,192
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,178,216	2,195,821
64	Net Interest Charges (Enter Total of lines 56 thru 63)		102,418,424	100,632,846
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		31,306,753	12,155,766
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)		31,306,753	12,155,766

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)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		-107,995,524
2	Changes		
3	Adjustments to Retained Earnings (Account 439)		
4	Of this amount, $65,852,544 represents prior year dividends from subsidiaries.		66,471,070
5	This amount was previously reported as Unappropriated Undistributed		
6	Subsidiary Earnings, Acct. 216.10 and is now part of Unappropriated Retained		
7	Earnings, Acct. 216.00.		
8			
9	TOTAL Credits to Retained Earnings (Acct. 439)		66,471,070
10	Debits to Acct. 439		-458,678
11			
12			
13			
14			
15	TOTAL Debits to Retained Earnings (Acct. 439)		-458,678
16	Balance Transferred from Income (Account 433 less Account 418.1)		35,519,227
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			-2,402,094
25			
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-2,402,094
30	Dividends Declared-Common Stock (Account 438)		
31			-22,955,092
32			
33			
34			
35			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-22,955,092
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		90,659,116
38	Balance - End of Year (Total 1,9,15,16,22,29,36,37)		58,838,025
	APPROPRIATED RETAINED EARNINGS (Account 215)		

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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			1,548,121
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)		1,548,121
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)		
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)		
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)		1,548,121
48	TOTAL Retained Earnings (Account 215, 215.1, 216) (Total 38, 47)		60,386,146
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
49	Balance-Beginning of Year (Debit or Credit)		226,474,938
50	Equity in Earnings for Year (Credit) (Account 418.1)		-4,212,474
51	(Less) Dividends Received (Debit)		89,796,369
52	Adjustments (Prior year dividends to Corp. and Sub Expense in Account 417.12)		-66,715,291
53	Balance-End of Year (Total lines 49 thru 52)		65,750,804

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	31,306,753
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	60,293,548
5	Amortization	-8,112,744
6		
7		
8	Deferred Income Taxes (Net)	-7,898,717
9	Investment Tax Credit Adjustment (Net)	-49,308
10	Net (Increase) Decrease in Receivables	18,152,007
11	Net (Increase) Decrease in Inventory	-543,149
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	43,968,375
14	Net (Increase) Decrease in Other Regulatory Assets	167,944,943
15	Net Increase (Decrease) in Other Regulatory Liabilities	13,329,566
16	(Less) Allowance for Other Funds Used During Construction	1,814,175
17	(Less) Undistributed Earnings from Subsidiary Companies	-4,212,474
18	Other (provide details in footnote):	
19	Non-Monetary Power Transaction	747,354
20	Power and Gas Deferrals	99,222,518
21	Other Non-Currrent Assets/Liabilities	-220,199,190
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	200,560,255
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	-64,740,336
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	398,337
30	(Less) Allowance for Other Funds Used During Construction	-1,814,175
31	Other (provide details in footnote):	
32	Other Property & Investments	917,323
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-61,610,501
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	44,836,094
40	Contributions and Advances from Assoc. and Subsidiary Companies	89,796,369
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
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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 (provide details in footnote):	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	Total of lines 34 thru 55)	73,021,962
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	
62	Preferred Stock	
63	Common Stock	7,034,492
64	Other (provide details in footnote):	
65		
66	Net Increase in Short-Term Debt (c)	
67	Other (provide details in footnote):	
68		
69		
70	Cash Provided by Outside Sources (Total 61 thru 69)	7,034,492
71		
72	Payments for Retirement of:	
73	Long-term Debt (b)	-201,835,104
74	Preferred Stock	-1,750,000
75	Common Stock	
76	Other (provide details in footnote):	
77		
78	Net Decrease in Short-Term Debt (c)	-25,000,000
79		
80	Dividends on Preferred Stock	-2,402,094
81	Dividends on Common Stock	-23,054,118
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	-247,006,824
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22,57 and 83)	26,575,393
87		
88	Cash and Cash Equivalents at Beginning of Year	10,449,380
89		
90	Cash and Cash Equivalents at End of Year	37,024,773

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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 engaged 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, represents the regulated utility operations. Avista Utilities provides electric and natural gas distribution and transmission services in eastern Washington and northern Idaho. Avista Utilities also provides natural gas distribution service in northeast and southwest Oregon and in the South Lake Tahoe region of California. Avista Capital, a wholly owned subsidiary of Avista Corp., is the parent company of all of the subsidiary companies engaged in the other non-utility lines of business.

The Company's operations are exposed to risks including, but not limited to, the effects of legislative and governmental regulations, the price and supply of purchased power, fuel and natural gas, recoverability of power and natural gas costs, streamflow and 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 7).

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 include 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 includes other investments and operations of various subsidiaries as well as the operations of Avista Capital on a parent company only basis.

Avista Utilities Operating Revenues
Operating revenues for Avista Utilities related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. The determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, the amount of energy delivered to customers since the

date of the last meter reading is estimated and the corresponding unbilled revenue is estimated and recorded. Accounts receivable includes unbilled energy revenues of $6.1 million (net of $40.9 million of unbilled receivables sold) and $11.1 million (net of $46.6 million of unbilled receivables sold) as of December 31, 2002 and 2001, respectively. See Note 3 for information with respect to the sale of accounts receivable.

Research and Development Expenses
Company-sponsored research and development expenditures 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 $3.8 million, $8.4 million and $8.1 million in 2002, 2001 and 2000, respectively.

Advertising Expenses
The Company expenses advertising costs as incurred. Advertising expenses totaled $1.3 million, $1.8 million and $1.2 million in 2002, 2001 and 2000, respectively.

Taxes other than income taxes
Taxes other than income taxes include state excise taxes, city occupational and franchise taxes, real and personal property taxes and certain other taxes not based on net income. These taxes are generally based on revenues or the value of property. Utility related taxes collected from customers are recorded as both operating revenue and expense and totaled $33.1 million, $26.3 million and $23.[illegible] million in 2002, 2001 and 2000, respectively.

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

	2002	2001	2000
Interest income	$ 7,716	$19,049	$10,351
Interest on power and natural gas deferrals	9,597	12,995	1,473
Impairment of non-operating assets	-	(8,240)	-
Net gain (loss) on the disposition of assets	(33)	2,884	21,048
Minority interest	242	217	694
Other expense	(8,064)	(10,839)	(10,234)
Other income	8,009	4,615	2,529
Total	$17,467	$20,681	$25,861

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 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.

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:

	2002	2001	2000
Net income (dollars in thousands):			
As reported	$31,307	$12,156	$91,679
Pro forma	$28,256	$ 9,355	$89,850
Basic earnings per common share			
As reported	$0.60	$0.21	$1.49
Pro forma	$0.54	$0.15	$1.45
Diluted earnings per common share			
As reported	$0.60	$0.20	$1.47
Pro forma	$0.54	$0.15	$1.43

Comprehensive Income

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

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 22 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. Cash and cash equivalents include cash deposits from counterparties. See Note 6 for further information with respect to cash deposits from counterparties.

Temporary Investments

Temporary investments consist of marketable equity securities classified as "available for sale." The Company did not have any temporary investments in marketable equity securities as of December 31, 2002. The unrealized gain on temporary investments totaled $1.4 million as of December 31, 2001, net of taxes, and is reflected as a component of accumulated other comprehensive income in 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):

	2002	2001	2000
Allowance as of the beginning of the year	$50,211	$14,404	$ 4,267
Additions expensed during the year	3,469	39,947	11,835
Net deductions	(6,771)	(4,140)	(1,698)
Allowance as of the end of the year	$46,909	$50,211	$14,404

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 in the Consolidated Statements of Income and Comprehensive 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 9.72 percent for the second half of 2002, 9.03 percent for the first half of 2002 and 2001, and 10.67 percent in 2000. 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 2.92 percent in 2002, 2.84 percent in 2001 and 2.72 percent in 2000.

The average service lives and remaining average service lives, respectively, for the following broad categories of utility property are: electric thermal production - 35 and 14 years; hydroelectric production - 100 and 76 years; electric transmission - 60 and 25 years; electric distribution - 40 and 28 years; and natural gas distribution property - 44 and 27 years.

Goodwill
Goodwill arising from acquisitions represents the excess of the purchase price over the estimated fair value of net assets acquired. The Company evaluates goodwill for impairment on at least an annual basis. Goodwill is included in non-utility properties and investments-net in the Consolidated Balance Sheets and totaled $7.3 million and $13.7 million as of December 31, 2002 and 2001, respectively. The level of goodwill as of December 31, 2002 and 2001 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 because (i) the Company's rates for regulated services are established by or subject to approval by an independent third-party regulator, (ii) the regulated rates are designed to recover the Company's cost of providing the regulated services and (iii) in view of demand for the regulated services and the level of competition, it is reasonable to assume that rates can be charged to and collected from customers at levels that will recover the Company's costs. SFAS No. 71 requires the Company to reflect the impact of regulatory decisions in its financial statements. SFAS No. 71 requires that certain costs and/or obligations (such as incurred power and natural gas costs not currently recovered through rates, but expected to be recovered in the future) are reflected as deferred charges on the balance sheet. These costs and/or obligations are not reflected in the statement of income until the period during which matching revenues are recognized. If at some point in the future the Company determines that it no longer meets the criteria for continued application of

SFAS No. 71 with respect to all or a portion of the Company's regulated operations, the Company could be required to write off its regulatory assets. The Company could also be precluded from the future deferral of costs not recovered through rates at the time such costs 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 (see "Power Cost Deferrals" and "Natural Gas Cost Deferrals" below for further information), investment in exchange power (see "Investment in Exchange Power-Net" below for further information), regulatory assets for deferred income taxes (see Note 10 for further information), unamortized debt expense (see "Unamortized Debt Expense" below for further information), regulatory asset offsetting energy commodity derivative liabilities (see Note 4 for further information), 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):

	2002	2001
Regulatory asset offsetting energy commodity derivative liabilities	$ -	$157,529
Regulatory asset for postretirement benefit obligation	4,728	5,200
Demand side management and conservation programs	23,733	28,813
Other	1,274	1,218
Total	$29,735	$192,760

Deferred credits include, among other items, regulatory liabilities created when the Centralia Power Plant (Centralia) 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 other non-current liabilities and deferred credits.

Investment in Exchange Power-Net

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

Unamortized Debt Expense

Unamortized debt expense includes debt issuance costs that are amortized over the life of the related debt, as well as premiums paid to repurchase debt, which are amortized over the average remaining maturity of outstanding debt in accordance with regulatory accounting practices under SFAS No. 71.

Natural Gas Benchmark Mechanism

The Idaho Public Utilities Commission (IPUC), WUTC and Oregon Public Utilities Commission (OPUC) approved Avista Utilities' Natural Gas Benchmark Mechanism in 1999. The mechanism eliminated the majority of natural gas procurement operations within Avista Utilities and consolidated gas procurement operations under Avista Energy, the Company's non-regulated subsidiary. The ownership of the natural gas assets remains with Avista Utilities; however, the assets are managed by Avista Energy through an Agency Agreement. Avista Utilities continues to manage natural gas procurement for its California operations, which currently represents approximately four percent of its total natural gas therm sales.

The Natural Gas Benchmark Mechanism provides benefits to retail customers and allows Avista Energy to retain a portion of the benefits associated with asset optimization and the efficiencies gained in purchasing natural gas for Avista Utilities. In the first quarter of 2002, the IPUC and the OPUC approved the continuation of the Natural Gas Benchmark Mechanism and related Agency Agreement through March 31, 2005. In January 2003, the WUTC approved the continuation of the Natural Gas Benchmark Mechanism and related Agency Agreement through January 29, 2004. Hearings will be held before the WUTC during 2003 to determine whether or not the Natural Gas Benchmark Mechanism and related Agency Agreement will be extended beyond January 29, 2004.

In accordance with SFAS No. 71, profits recognized by Avista Energy on natural gas sales to Avista Utilities, including gains and losses 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 expected to be recovered through future retail rates.

Avista Utilities' natural gas purchases from Avista Energy totaled $114.8 million, $249.8 million and $175.9 million in 2002, 2001 and 2000, respectively. These costs are reflected as resource costs in the Consolidated Statements of Income and Comprehensive Income.

Power Cost Deferrals

Avista Utilities defers the recognition in the income statement of certain power supply costs as approved by the WUTC. Deferred power supply costs are recorded as a deferred charge on the balance sheet for future review and the opportunity for recovery through retail rates. The power supply costs deferred include certain differences between actual power supply costs incurred by Avista Utilities and the costs included in base retail rates. This difference in power supply costs primarily results from changes in short-term wholesale market prices, changes in the level of hydroelectric generation and changes in the level of thermal generation (including changes in fuel prices). Avista Utilities accrues interest on deferred power costs in the Washington jurisdiction at a rate, which is adjusted semi-annually, of 8.9 percent as of December 31, 2002. Total deferred power costs for Washington customers were $123.7 million and $140.2 million as of December 31, 2002 and 2001, respectively.

In June 2002, the WUTC issued an order that became effective July 1, 2002. The order provides for an overall rate of return of 9.72 percent and a return on equity of 11.16 percent. The order provided for no incremental rate increase to Avista Utilities' Washington electric customers above the rates in effect at that time. Rate increases previously approved by the WUTC totaling 31.2 percent (a 25 percent temporary surcharge approved in September 2001 for the recovery of deferred power costs and a 6.2 percent increase approved in March 2002) were restructured. The general increase to base retail rates was 19.3 percent (or $45.7 million in annual revenues) and the remaining 11.9 percent represents the continued recovery of deferred power costs over a period currently projected to continue into 2009.

In the June 2002 rate order, the WUTC approved the establishment of an Energy Recovery Mechanism (ERM). The ERM replaced a series of temporary deferral mechanisms that were in place in Washington since mid-2000. The ERM allows Avista Utilities to increase or decrease electric rates periodically with WUTC approval to reflect changes in power supply costs. The ERM provides for Avista Utilities to incur the cost of, or receive the benefit from, the first $9 million in annual power supply costs above or below the amount included in base retail rates. As the ERM was implemented on July 1, 2002, the Company's expense or benefit was limited to $4.5 million for 2002. Under the ERM, 90 percent of annual power supply costs exceeding or below the initial $9 million ($4.5 million for 2002) will be deferred for future surcharge or rebate to Avista Utilities' customers. The remaining 10 percent will be an expense of, or benefit to, the Company.

Avista Utilities has a power cost adjustment (PCA) mechanism in Idaho that allows it to modify electric rates periodically with IPUC approval to recover or rebate a portion of the difference between actual and allowed net power supply costs. The 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 expenses approved in the last Idaho general rate case. Avista Utilities accrues interest on deferred power costs in the Idaho jurisdiction at a rate, which is adjusted annually, of 2 percent as of December 31, 2002. In October 2002, the IPUC issued an order extending a 19.4 percent PCA surcharge for Idaho electric customers. The PCA surcharge will remain in effect until October 2003. 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 $31.5 million and $73.1 million as of December 31, 2002 and 2001, respectively.

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. Total deferred natural gas costs were $11.5 million and $52.7 million as of December 31, 2002 and 2001, respectively.

Deferred Revenue
In December 1998, the Company received cash proceeds of $143.4 million from a transaction 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 remaining Idaho share ($34.6 million) of the deferred revenue against deferred power costs over the 15-month period between October 2001 and December 2002. The balance was fully amortized as of December 31, 2002.

Reclassifications
Certain prior period amounts were reclassified to conform to current statement format. These reclassifications were made for comparative purposes and to conform to changes in accounting standards and have not affected previously reported total net income or common equity.

NOTE 2. NEW ACCOUNTING STANDARDS

In June 2001, the Financial Accounting Standards Board (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.

In April 2002, the Company completed its transitional test of goodwill. Accordingly, the Company determined that goodwill related to Advanced Manufacturing and Development, a subsidiary of Avista Ventures included in the Other business segment, was impaired. This was due to a change in forecasted earnings based on the decline in the performance of the business. The fair value of the reporting unit was determined using the present value of projected future cash flows. The Company recorded an impairment of $4.1 million, net of taxes, as a cumulative effect of accounting change in the Consolidated Statement of Income and Comprehensive Income.

Goodwill amortization was $1.8 million, net of taxes, for 2001. Net income and basic and diluted earnings per common share would have been $14.0 million, $0.24 and $0.24, respectively, excluding goodwill amortization for 2001. Goodwill amortization was $2.2 million, net of taxes, for 2000. Net income and basic and diluted earnings per common share would have been $93.9 million, $1.54 and $1.52, respectively, excluding goodwill amortization for 2000.

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 will be accreted to its present value each period and the related capitalized costs will be depreciated over the useful life of the related asset. Upon retirement of the asset, the Company will either settle the retirement obligation for its recorded amount or incur a gain or loss. The adoption of this statement on January 1, 2003 did not have a material impact on the Company's financial condition or results of operations. The Company recovers certain asset retirement costs through rates charged to customers as a portion of its depreciation expense. As of December 31, 2002, the Company had estimated retirement costs of $185.4 million included in accumulated depreciation.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" which nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." This statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF Issue No. 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. This statement also requires the initial measurement of the liability at fair value. This statement is effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of this statement did not have any impact on the Company's financial condition or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure" which amends SFAS No. 123 "Accounting for Stock-Based Compensation." This statement provides alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based compensation. In addition, this statement 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-based compensation in a more prominent place in the financial statements (Note 1). This statement also requires the disclosure of pro forma net income and earnings per common share in interim as well as annual financial statements. The alternative transition methods and annual financial statement disclosures are effective for fiscal years ending after December 15, 2002. Interim disclosures are required for periods ending after December 15, 2002. The adoption of this statement affects the Company's disclosures. As the Company has not elected to adopt the fair value method of accounting for stock-based compensation, the adoption of this statement does not have any impact on the Company's financial condition or results of operations.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation clarifies the requirements of SFAS No. 5, "Accounting for Contingencies" relating to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. The initial recognition and measurement provisions of this interpretation are to be applied on a prospective basis to guarantees issued or modified subsequent to December 31, 2002 and are not expected to have a material impact on the Company's financial condition or results of operations. The disclosure requirements of this interpretation are effective for financial statements issued for periods that end after December 15, 2002. See Note 16 for disclosure of the Company's guarantees.

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

The application of this FASB interpretation will require the Company to consolidate WP Funding LP effective July 1, 2003. WP Funding LP is an entity that was formed for the purpose of acquiring the natural gas-fired combustion turbine generating facility in Rathdrum, Idaho (Rathdrum CT). WP Funding LP purchased the Rathdrum CT from the Company with funds provided by unrelated investors of which 97 percent represented debt and 3 percent represented equity. The Company operates the Rathdrum CT and leases it from WP Funding LP and currently makes lease payments of $4.5 million per year. The total amount of WP Funding LP debt outstanding that is not included on the Company's balance sheet was $54.5 million as of December 31, 2002. The lease term expires in February 2020; however, the current debt matures in October 2005 and will need to be refinanced at that time. Based on current information, the difference between the book value of the debt and equity of WP Funding LP and the book value of the Rathdrum CT is approximately $15.5 million ($10.1 million, net of taxes). The Company intends to request regulatory accounting orders to record this amount as a regulatory asset upon the consolidation of WP Funding LP.

NOTE 3. ACCOUNTS RECEIVABLE SALE

In 1997, Avista Receivables Corp. (ARC), formerly known as WWP Receivables Corp., 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. On May 29, 2002, ARC, the Company and a third-party financial institution entered into a three-year agreement whereby ARC can sell without recourse, on a revolving basis, up to $100.0 million of those receivables. ARC is obligated to pay fees that approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. On a consolidated basis, the amount of such fees is included in operating expenses of the Company. As of December 31, 2002 and 2001, $65.0 million and $75.0 million, respectively, in accounts receivables were sold.

NOTE 4. UTILITY ENERGY COMMODITY DERIVATIVE ASSETS AND LIABILITIES

SFAS No. 133, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires the recording of all derivatives as either assets or liabilities 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.

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

Avista Utilities believes substantially all of its purchases and sales contracts for both capacity and energy qualify as normal purchases and sales under SFAS No. 133 and are not required to be recorded as derivative commodity assets and liabilities. Contracts that are not considered derivatives under SFAS No. 133 are generally accounted for at cost until they are settled unless there is a decline in the fair value of the contract that is determined to be other than temporary.

As of December 31, 2002, the utility derivative commodity asset balance was $60.3 million, the derivative commodity liability balance was $50.1 million and the offsetting net regulatory liability was $10.2 million. As of December 31, 2001, the utility 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. Utility derivative assets and liabilities, as well as the offsetting net regulatory asset or liability, can change significantly from period to period due to the settlement of contracts, the entering of new contracts and changes in commodity prices. The derivative commodity asset balance is included in Deferred Charges – Utility energy commodity derivative assets and the derivative commodity liability balance is included in Non-Current Liabilities and Deferred Credits – Utility energy commodity derivative liabilities on the Consolidated Balance Sheet. The offsetting net regulatory asset is included in Deferred Charges – Other regulatory assets and the offsetting net regulatory liability is included in Non-Current Liabilities and Deferred Credits – Other non-current liabilities and deferred credits on the Consolidated Balance Sheet.

Interpretations that may be issued by the Derivatives Implementation Group, a task force created to assist the FASB in answering questions that companies have in implementing SFAS No. 133, may change the conclusions that the Company has reached regarding accounting for energy contracts. As a result, the accounting treatment and financial statement impact could change in future periods.

NOTE 5. 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 risks inherent in these activities. The Company has a Risk Management Committee, separate from the units that create such risk exposure, that is 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 an annual, quarterly, monthly, daily and hourly basis to match actual resources to actual energy requirements. This process includes hedging transactions.

Avista Utilities manages the impact of fluctuations in electric energy prices 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 manage the exposure to market risk. Avista Energy is responsible for the daily management of natural gas supplies to meet the requirements of Avista Utilities' customers in the states of Washington, Idaho and Oregon.

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 use 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 energy resources owned or controlled by Avista Utilities. The market values of natural gas derivative commodity instruments held by Avista Utilities as of December 31, 2002 and 2001, were a $24.6 million net liability and a $133.2 million net liability, respectively. The significant liability position as of December 31, 2001 was a result of forward commitments to purchase natural gas entered into during 2000 and the first part of 2001 at prices in excess of the market price for natural gas as of December 31, 2001. The decrease from December 31, 2001 to December 31, 2002 reflects the settlement of contracts during the period as well as an increase in the forward price of natural gas. Realized losses are reflected as adjustments through purchased gas cost adjustments, the ERM or the PCA mechanism.

Market Risk

Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk is influenced to the extent that the performance or nonperformance by market participants of their contractual obligations and commitments affect the supply of, or demand for, the commodity.

Avista 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 not only the risk that a counterparty may default due to circumstances relating directly to it, but also 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. These policies include an evaluation of the financial condition and credit ratings of counterparties, collateral requirements or other credit enhancements, such as letters of credit or parent company guarantees, and the use of standardized agreements that allow for the netting or offsetting of positive and negative exposures associated with a single counterparty.

Credit risk also involves the exposure that counterparties perceive related to performance by Avista Utilities and Avista Energy to perform deliveries and settlement of energy transactions. These counterparties may seek assurance of performance in the form of letters of credit, prepayment or cash deposits, and, in the case of Avista Energy, parent company (Avista Capital) 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, forced outages at generating plants and disruptions to information systems and other administrative tools required for normal operations. 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 6. CASH DEPOSITS WITH AND FROM COUNTERPARTIES

Cash deposits from counterparties totaled $92.7 million and $15.7 million as of December 31, 2002 and 2001, respectively, and are included in other current liabilities on the Consolidated Balance Sheets. These funds are held by Avista Utilities and Avista Energy to mitigate the potential impact of counterparty default risk. These amounts are subject to return if conditions warrant because of continuing portfolio value fluctuations with those parties or substitution of collateral.

Cash deposited with counterparties totaled $35.7 million and $1.5 million as of December 31, 2002 and 2001, respectively, and are included in prepayments and other current assets on the Consolidated Balance Sheets.

As is common industry practice, Avista Utilities and Avista Energy maintain margin agreements with certain counterparties. Margin calls are triggered when exposures exceed predetermined contractual limits. Price movements in electricity and natural gas can generate exposure levels in excess of these contractual limits. From time to time, margin calls are made and/or received by Avista Utilities and Avista Energy. Negotiating for collateral in the form of cash, letters of credit, or parent company performance guarantees is a common industry practice.

NOTE 7. JOINTLY OWNED ELECTRIC FACILITIES

The Company has a 50 percent ownership interest in a combined cycle natural gas-fired turbine power plant, the Coyote Springs 2 Generation Plant (Coyote Springs 2) located in northcentral Oregon. It is expected that Coyote Springs 2 will commence operations in 2003. The Company's investment in Coyote Springs 2 was $109.0 million as of December 31, 2002. The Company's investment in Coyote Springs 2 was held by Avista Power as of December 31, 2002 and is included in Non-utility properties and investments in the Consolidated Balance Sheet. In January 2003, the Company's ownership interest in the plant was transferred from Avista Power to

Avista Corp. to be operated as an asset of Avista Utilities. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service will be included in the corresponding accounts in the Consolidated Statements of Income and Comprehensive Income when Coyote Springs 2 commences operations.

The Company has a 15 percent ownership interest in a twin-unit coal-fired generating facility, the Colstrip Generating Project (Colstrip) located in southeastern Montana, and provides financing for its ownership interest in the project. The Company's share of related fuel costs as well as operating and maintenance expenses for plant in service is included in the corresponding accounts in the Consolidated Statements of Income and Comprehensive Income. The Company's share of utility plant in service for Colstrip was $316.0 million and accumulated depreciation was $158.6 million as of December 31, 2002.

NOTE 8. 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):

	2002	2001
Avista Utilities:		
Electric production	$ 740,736	$ 691,299
Electric transmission	295,284	288,739
Electric distribution	698,757	678,448
Construction work-in-progress (CWIP) and other	85,631	119,389
Electric total	1,820,408	1,777,875
Natural gas underground storage	18,285	18,130
Natural gas distribution	430,273	414,422
CWIP and other	44,675	46,404
Natural gas total	493,233	478,956
Common plant (including CWIP)	74,751	75,912
Total Avista Utilities	2,388,392	2,332,743
Energy Trading and Marketing	142,428	128,577
Information and Technology	15,294	16,030
Other	20,611	21,117
Total	$2,566,725	$2,498,467

Equipment under capital leases at Avista Utilities totaled $0.7 million as of December 31, 2002. The associated accumulated depreciation totaled $0.1 million as of December 31, 2002. Avista Utilities did not have any property, plant and equipment under capital leases as of December 31, 2001.

NOTE 9. PENSION PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a defined benefit 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. As of December 31, 2002, the Company's pension plan had assets with a fair value that was less than the present value of the accumulated benefit obligation under the plan. In 2002, the Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of $33.4 million and an intangible asset of $6.4 million (representing the amount of unrecognized prior service cost) related to the pension plan. This resulted in a charge to other comprehensive income of $17.6 million net of taxes of $9.4 million. The pension plan was amended effective July 1, 2002 to provide a lump sum payment option for collectively bargained employees.

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 2002, the Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of $0.7 million related to the SERP. In 2001, the Company recorded an additional minimum liability for the unfunded accumulated benefit obligation of $1.1 million related to the SERP. This resulted in a charge to other comprehensive income of $0.5 million and $0.7 million, net of taxes, for 2002 and 2001, respectively.

The Company provides certain health care and life insurance benefits for substantially all of its retired employees. The Company accrues the estimated cost of postretirement benefit obligations during the years that employees provide services. The Company elected to amortize the transition obligation of $34.5 million over a period of twenty years, beginning in 1993.

The following table sets forth the pension and postretirement plan disclosures as of December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000 (dollars in thousands):

	Pension Benefits		Post-retirement Benefits	
	2002	2001	2002	2001
Change in benefit obligation:				
Benefit obligation as of beginning of year	$210,510	$184,636	$36,355	$32,761
Service cost	6,734	5,716	304	460
Interest cost	15,119	14,293	2,184	2,567
Plan amendment	(2,530)	-	(5,821)	-
Actuarial loss (gain)	22,243	18,582	(660)	3,267
Benefits paid	(12,229)	(11,780)	(3,091)	(2,635)
Expenses paid	(1,462)	(937)	(209)	(65)
Benefit obligation as of end of year	$238,385	$210,510	$29,062	$36,355
Change in plan assets:				
Fair value of plan assets as of beginning of year	$153,705	$175,033	$13,969	$15,196
Actual return on plan assets	(16,677)	(9,313)	(1,451)	(902)
Employer contributions	12,000	-	-	511
Benefits paid	(11,441)	(11,078)	(1,008)	(771)
Expenses paid	(1,462)	(937)	(209)	(65)
Fair value of plan assets as of end of year	$136,125	$153,705	$11,301	$13,969
Funded status	$(102,260)	$(56,805)	$(17,761)	$(22,386)
Unrecognized net actuarial loss (gain)	79,812	31,144	1,425	(429)
Unrecognized prior service cost	6,366	9,726	-	-
Unrecognized net transition obligation/(asset)	(2,671)	(3,757)	9,788	16,865
Accrued benefit cost	(18,753)	(19,692)	(6,548)	(5,950)
Additional minimum liability	(35,303)	(1,139)	-	-
Accrued benefit liability	$(54,056)	$(20,831)	$(6,548)	$(5,950)
Assumptions as of December 31				
Discount rate	6.75%	7.25%	6.75%	7.25%
Expected long-term return on plan assets	8.00%	9.00%	8.00%	9.00%
Rate of compensation increase	5.00%	5.00%		
Medical cost trend pre-age 65 – initial			9.00%	9.00%
Medical cost trend pre-age 65 – ultimate			5.00%	5.00%

Ultimate medical cost trend year pre-age 65	2007	2003
Medical cost trend post-age 65 – initial	10.00%	12.00%
Medical cost trend post-age 65 – ultimate	6.00%	6.00%
Ultimate medical cost trend year post-age 65	2007	2004

	2002	2001	2000	2002	2001	2000
Components of net periodic benefit cost:						
Service cost	$ 6,734	$ 5,716	$ 5,372	$ 304	$ 460	$ 601
Interest cost	15,119	14,293	13,412	2,184	2,567	2,407
Expected return on plan assets	(12,311)	(15,254)	(16,243)	(1,064)	(1,311)	(1,372)
Transition (asset)/obligation recognition	(1,086)	(1,086)	(1,086)	1,256	1,534	1,534
Amortization of prior service cost	831	989	1,548	-	-	-
Net gain recognition	1,021	139	(858)	-	(52)	(300)
Net periodic benefit cost	$10,308	$ 4,797	$ 2,145	$2,680	$3,198	$2,870

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2002 by $2.0 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, 2002 by $1.7 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 $3.4 million, $3.5 million, $3.3 million were expensed in 2002, 2001 and 2000, respectively.

NOTE 10. ACCOUNTING FOR INCOME TAXES

As of December 31, 2002 and 2001, the Company had net regulatory assets of $139.1 million and $149.0 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):

	2002	2001
Deferred tax assets:		
Allowance for doubtful accounts	$ 16,343	$ 17,431
Reserves not currently deductible	15,750	11,071
Contributions in aid of construction	9,709	9,176
Deferred compensation	4,112	4,481
Centralia sale regulatory liability	2,954	3,415
Unfunded accumulated benefit obligation	9,736	399
Other	7,172	9,544
Total deferred tax assets	65,776	55,517
Deferred tax liabilities:		
Differences between book and tax basis of utility plant	364,827	367,406
Power and natural gas deferrals	58,081	88,323
Unrealized energy commodity gains	34.231	66,401
Power exchange contract	44,533	34,444
Demand side management programs	5,064	5,679

Loss on reacquired debt	8,781	4,696
Other	4,406	5,996
Total deferred tax liabilities	519,923	572,945
Net deferred tax liability	$454,147	$517,428

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

A reconciliation of federal income taxes derived from statutory federal tax rates (35 percent in 2002, 2001 and 2000) applied to pre-tax income from continuing operations as set forth in the accompanying Consolidated Statements of Income and Comprehensive Income is as follows for the years ended December 31 (dollars in thousands):

	2002	2001	2000
Federal income taxes at statutory rates	$22,506	$32,897	$62,319
Increase (decrease) in tax resulting from:			
Accelerated tax depreciation	5,166	5,849	4,835
State income tax expense	2,348	(8,870)	3,712
Prior year audit adjustments	-	(395)	72
Other-net	(26)	4,905	6,060
Total income tax expense	$29,994	$34,386	$76,998
Income Tax Expense Consisted of the Following:			
Federal taxes currently provided	$70,281	$(44,755)	$(4,839)
Deferred federal income taxes	(40,287)	79,141	81,837
Total income tax expense	$29,994	$34,386	$76,998
Income Tax Expense by Business Segment:			
Avista Utilities	$32,137	$20,177	$(1,990)
Energy Trading and Marketing	12,311	32,489	95,266
Information and Technology	(7,144)	(11,977)	(10,138)
Other	(7,310)	(6,303)	(6,140)
Total income tax expense	$29,994	$34,386	$76,998

NOTE 11. ENERGY PURCHASE CONTRACTS

The Company has contracts related to the purchase of fuel for thermal generation, natural gas and hydroelectric power. The termination dates of the contracts range from one month to the year 2044. 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, fuel for generation and other fuel costs were $382.4 million, $1,054.2 million and $1,312.7 million in 2002, 2001 and 2000, respectively. The following table details future contractual commitments for power resources (including transmission contracts) and natural gas resources (including transportation contracts) (dollars in thousands):

	2003	2004	2005	2006	2007	Thereafter	Total
Power resources	$194,873	$118,775	$ 65,349	$ 64,580	$ 66,476	$506,472	$1,016,525
Natural gas resources	195,580	171,470	82,393	48,175	48,172	385,375	931,165
Total	$390,453	$290,245	$147,742	$112,755	$114,648	$891,847	$1,947,690

All of the energy purchase contracts were entered into 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.

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

	2003	2004	2005	2006	2007	Thereafter	Total
Contractual obligations	$10,345	$12,406	$12,405	$12,406	$12,405	$185,353	$245,320

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 and Comprehensive Income. Expenses under these PUD contracts for 2002, 2001 and 2000, were $7.8 million, $7.4 million and $7.5 million, respectively.

Information as of December 31, 2002, pertaining to these PUD contracts is summarized in the following table (dollars in thousands):

	Company's Current Share of					
	Output	Kilowatt Capability	Annual Costs (1)	Debt Service Costs (1)	Bonds Outstanding	Expiration Date
Chelan County PUD:						
Rocky Reach Project	2.9%	37,000	$1,842	$623	$4,053	2011
Douglas County PUD:						
Wells Project	3.5	30,000	1,100	587	5,465	2018
Grant County PUD:						
Priest Rapids Project	6.1	55,000	1,768	910	9,662	2040
Wanapum Project	8.2	75,000	3,096	1,754	12,153	2040
Totals		197,000	$7,806	$3,874	$31,333	

(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 2002. Debt service costs are included in annual costs.

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

	2003	2004	2005	2006	2007	Thereafter	Total
Minimum payments	$4,277	$3,249	$3,402	$2,759	$2,887	$22,041	$38,615

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

NOTE 12. 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	2002	2001	Interest Rate	2002	2001
2002	-	$ -	$ *	-	$ -	$ *
2003	6.25%	15,000	15,000	6.75%-9.13%	56,250	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%	35,000	45,000
Total		$163,500	$163,500		$232,250	$376,000

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

During 2002, the Company repurchased $133.8 million of Medium-Term Notes scheduled to mature in 2003, $59.8 million of Unsecured Senior Notes scheduled to mature in 2008 and $10.0 million of Medium-Term Notes scheduled to mature in 2028. In accordance with regulatory accounting practices, total net premiums paid to repurchase debt were $9.5 million and are being amortized over the average remaining maturity of outstanding debt.

In addition to the required maturities documented in the table above, the Company has sinking fund requirements of $3.1 million in 2003, $3.0 million in each of 2004 and 2005, $2.7 million in 2006 and $2.4 million in 2007. Under its Mortgage and Deed of Trust, the Company's 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, 2002, 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, 2002, the Company could issue $109.4 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. In January 2002, the interest rate on the bonds was fixed for a period of seven years at a rate of 5.00 percent for Series 1999A and 5.13 percent for Series 1999B.

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

	2002	2001
Notes payable	$ -	$ 688
Capital lease obligations	1,618	2,101
Subsidiary total debt	1,618	2,789
Less: current portion	651	1,827
Other long-term debt	$ 967	$ 962

NOTE 13. SHORT-TERM BORROWINGS

As of December 31, 2002, the Company maintained a committed line of credit with various banks in the total amount of $225.0 million that expires on May 20, 2003. The Company may have up to $50.0 million in letters of credit outstanding under this committed line of credit. As of December 31, 2002 and 2001, there were $14.3 million and $13.9 million of letters of credit outstanding, respectively. 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 greater than 65 percent at the end of any fiscal quarter. As of December 31, 2002, the Company was in compliance with this covenant with a ratio of 54.3 percent. The committed line of credit also has a covenant requiring the ratio of "earnings before interest, taxes, depreciation and amortization" to "interest expense" of Avista Utilities for the year ending December 31, 2002 to be greater than 1.6 to 1. As of December 31, 2002, the Company was in compliance with this covenant with a ratio of 2.04 to 1.

The Company had a commercial paper program that also provided for fixed-term loans during 2000 and 2001. None of these agreements were in place as of December 31, 2002 and 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):

	2002	2001	2000
Balance outstanding at end of period:			
Fixed-term loans	$ -	$ -	$ -
Commercial paper	-	-	11,160
Revolving credit agreement	30,000	55,000	152,000
Maximum balance outstanding during the period:			
Fixed-term loans	$ -	$ -	$ 80,000
Commercial paper	-	11,160	36,900
Revolving credit agreement	90,000	223,000	185,000
Average balance outstanding during the period:			
Fixed-term loans	$ -	$ -	$ 19,538
Commercial paper	-	558	16,833
Revolving credit agreement	47,027	108,996	84,255
Average interest rate during the period:			
Fixed-term loans	-%	-%	6.70%
Commercial paper	-	7.80	6.82
Revolving credit agreement	3.59	5.95	7.26
Average interest rate at end of period:			
Fixed-term loans	-%	-%	-%
Commercial paper	-	-	7.63
Revolving credit agreement	3.39	5.42	7.55

NOTE 14. INTEREST RATE SWAP AGREEMENTS

In order to lower interest payments during a period of declining interest rates, Avista Corp. entered into an interest rate swap agreement effective July 17, 2002 and terminating on June 1, 2008. This interest rate swap agreement effectively changes the interest rate on $25 million of Unsecured Senior Notes from a fixed rate of 9.75 percent to a variable rate based on LIBOR. This interest rate swap agreement is designated as a fair value hedge, which hedges the variability of the fair value of the long-term debt attributable to interest rate risk. This interest rate swap agreement meets the conditions of a highly effective fair value hedge in accordance with SFAS No. 133. As such, this hedge is accounted for by recording the fair value of the interest rate swap on the balance sheet as either an asset or liability with a corresponding offset recorded to mark the Unsecured Senior Notes to fair value. The fair value of the interest rate swap was a $1.4 million asset as of December 31, 2002, which is included in other deferred charges in the Consolidated Balance Sheet.

Rathdrum Power, LLC (RP LLC), an unconsolidated entity that is 49 percent owned by Avista Power, operates a 270 MW natural gas-fired combustion turbine plant in northern Idaho (Lancaster Project). As of December 31, 2002, RP LLC had $118.7 million of debt outstanding that is not included in the consolidated financial statements of the Company. There is no recourse to the Company with respect to this debt. RP LLC has entered into two interest rate swap agreements, maturing in 2006, to manage the risk that changes in interest rates may affect the amount of future interest payments. RP LLC agreed to pay fixed rates of interest with the differential paid or received under the interest rate swap agreements recognized as an adjustment to interest expense. These interest rate swap agreements are considered hedges against fluctuations in future cash flows associated with changes in interest rates in accordance with SFAS No. 133. The fair value of the interest rate swap agreements was determined by reference to market values obtained from various third party sources. Avista Power's 49 percent ownership interest in RP LLC is accounted for under the equity method of accounting. The effect on the financial statements for 2002 was a $1.3 million unrealized loss recorded as other comprehensive loss and a corresponding decrease in non-utility property and investments in the Consolidated Balance Sheet.

NOTE 15. LEASES

The Company has multiple lease arrangements involving various assets, with minimum terms ranging from one to twenty-five years and expiration dates from 2003 to 2020. The Company's most significant leased assets include the Rathdrum CT and the corporate office building. See Note 2 for a change in accounting with respect to the Rathdrum CT that will become effective July 1, 2003. Certain lease arrangements require the Company, upon the occurrence of specified events, to purchase the leased assets. The Company's management believes the likelihood of the occurrence of the specified events under which the Company could be required to purchase the leased assets is remote. Rental expense under operating leases for the years ended December 31, 2002, 2001 and 2000 was $21.7 million, $19.8 million and $16.2 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, 2002 were as follows (dollars in thousands):

Year ending December 31:	2003	2004	2005	2006	2007	Thereafter	Total
Minimum payments required	$15,132	$13,117	$8,834	$8,163	$7,314	$65,515	$118,075

The payments under the Avista Corp. capital leases are $0.2 million in each of 2003, 2004 and 2005, and $0.1 million in 2006.

NOTE 16. GUARANTEES

Avista Power, through its equity investment in RP LLC, is a 49 percent owner of the Lancaster Project, which commenced commercial operation in September 2001. Commencing with commercial operations, all of the output from the Lancaster Project is contracted to Avista Energy for 25 years through a Power Purchase Agreement. Avista Corp. has guaranteed the Power Purchase Agreement with respect to the performance of Avista Energy.

NOTE 17. PREFERRED STOCK-CUMULATIVE

On September 15, 2002, the Company made a mandatory redemption of 17,500 shares of preferred stock for $1.75 million. On September 15, 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 2003 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 18. 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 19. 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. The Company has not redeemed any of these Preferred Trust Securities as of December 31, 2002.

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 2002 ranged from 2.30 percent to 2.96 percent. As of December 31, 2002, the annual distribution rate was 2.30 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 $100.0 million of Preferred Trust Securities as of December 31, 2002 and 2001 as all intercompany transactions have been eliminated.

NOTE 20. 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, 2002 and 2001 was estimated to be $1,001.2 million, or 103 percent of the carrying value, and $1,160.2 million, or 99 percent of the carrying value, respectively. The fair value of the Company's mandatorily redeemable preferred stock as of December 31, 2002 and 2001 was estimated to be $29.3 million, or 88 percent of the carrying value, and $17.5 million, or 50 percent of the carrying value, respectively. The fair value of the Company's preferred trust securities as of December 31, 2002 and 2001 was estimated to be $89.[illegible] million, or 90 percent of the carrying value, and $84.6 million, or 85 percent of the carrying value, respectively. These estimates were based on available market information.

NOTE 21. 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 ($4.1 million as of December 31, 2002) 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 2002, the cost recorded for the Plan was $6.0 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 $0.5 million

$1.6 million and $0.1 million, respectively during 2002.

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 and 2002.

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

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

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 2002, 2001 and 2000, a total of 408,799, 332,861 and 125,636 shares of common stock were issued, respectively, to these plans.

NOTE 22. 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 cost 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.

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):

	2002	2001	2000
Numerator:			
Income from continuing operations	$34,310	$59,605	$101,055
Income (loss) from discontinued operations	1,145	(47,449)	(9,376)
Net income before cumulative effect of accounting change	35,455	12,156	91,679
Cumulative effect of accounting change	(4,148)	-	-
Net income	31,307	12,156	91,679
Deduct: Preferred stock dividend requirements	2,402	2,432	23,735
Income available for common stock	$28,905	$ 9,724	$ 67,944

Denominator:			
Weighted-average number of common shares outstanding-basic	47,823	47,417	45,690
Effect of dilutive securities:			
Restricted stock	2	5	101
Stock options	49	13	312
Weighted-average number of common shares outstanding-diluted	47,874	47,435	46,103

	2002	2001	2000
Earnings per common share, basic:			
Earnings per common share from continuing operations	$0.67	$1.21	$1.69
Earnings (loss) per common share from discontinued operations	0.02	(1.00)	(0.20)
Earnings per common share before cumulative effect of accounting change	0.69	0.21	1.49
Loss per common share from cumulative effect of accounting change	(0.09)	-	-
Total earnings per common share, basic	$0.60	$0.21	$1.49
Earnings per common share, diluted:			
Earnings per common share from continuing operations	$0.67	$1.20	$1.67
Earnings (loss) per common share from discontinued operations	0.02	(1.00)	(0.20)
Earnings per common share before cumulative effect of accounting change	0.69	0.20	1.47
Loss per common share from cumulative effect of accounting change	(0.09)	-	-
Total earnings per common share, diluted	$0.60	$0.20	$1.47

NOTE 23. 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. Beginning in 2000, non-employee directors began receiving options under this plan.

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

The Company accounts for stock based compensation using APB No. 25, "Accounting for Stock Issued to Employees," which requires the recognition of compensation expense on the excess, if any, of the market price of the stock at the date of grant over the exercise price of the option. As the exercise price for options granted under the 1998 Plan and the 2000 Plan was equal to the market price at the date of grant, there was no compensation expense recorded by the Company. 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, 2002, there were 2.3 million shares available for future stock grants under the 1998 Plan and the 2000 Plan.

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

	2002	2001	2000
Number of shares under stock options:			
Options outstanding at beginning of year	2,440,475	1,843,900	1,360,325
Options granted	569,800	781,900	623,200
Options exercised	-	(2,750)	(44,975)
Options canceled	(325,925)	(182,575)	(94,650)
Options outstanding at end of year	2,684,350	2,440,475	1,843,900
Options exercisable at end of year	1,192,775	883,075	581,025
Weighted average exercise price:			
Options granted	$10.51	$12.43	$23.03
Options exercised	-	$17.96	$18.53
Options canceled	$19.88	$19.22	$18.15
Options outstanding at end of year	$15.69	$17.49	$19.81
Options exercisable at end of year	$18.28	$19.28	$18.72
Weighted average fair value of options granted during the year	$ 3.43	$ 5.54	$12.02
Principal assumptions used in applying the Black-Scholes model:			
Risk-free interest rate	3.25%-4.96%	4.05%-5.13%	5.87%-6.87%
Expected life, in years	7	7	7
Expected volatility	47.13%	60.80%	58.47%
Expected dividend yield	4.61%	3.93%	2.34%

Information with respect to options outstanding and options exercisable as of December 31, 2002 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
$10.17-$11.68	542,800	$10.25	9.8	-	$ -
$11.69-$14.61	694,600	11.80	8.9	173,650	11.80
$14.62-$17.53	587,600	17.16	6.7	405,275	17.26
$17.54-$20.45	329,875	18.75	5.5	316,775	18.70
$20.46-$23.37	494,275	22.56	7.5	267,475	22.58
$26.29-$29.22	35,200	27.19	5.5	29,600	26.95
Total	2,684,350	$15.69	7.9	1,192,775	$18.28

Non-Employee Director Stock Plan

In 1996, the Company adopted and shareholders approved the Non-Employee Director Stock Plan (1996 Director Plan). Under the 1996 Director Plan, directors who are not employees of the Company receive two-thirds of their annual retainer in Avista Corp. common stock. The Company acquires the common stock in the open market. The Company has available a maximum of 150,000 shares of its common stock under the 1996 Director Plan and there were 85,937 shares available for future compensation to non-employee directors as of December 31, 2002.

NOTE 24. 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.

Federal Energy Regulatory Commission Inquiry

In February 2002, the FERC issued an order commencing a fact-finding investigation of potential manipulation of electric and natural gas prices in the California energy markets by multiple companies. On May 8, 2002, the FERC requested data and information with respect to certain trading strategies that companies may have engaged in. Specifically, the requests inquired as to whether or not the Company engaged in certain trading strategies that were the same or similar to those used by Enron Corporation (Enron) and its affiliates. These requests were made to all sellers of wholesale electricity and/or ancillary services in the Western Interconnection during 2000 and 2001, including Avista Corp. and Avista Energy. On May 22, 2002, Avista Corp. and Avista Energy filed their responses to this request indicating that they had engaged in sound business practices in accordance with established market rules, and that no information was evident from business records or employee interviews that would indicate that Avista Corp. or Avista Energy or its employees, were knowingly engaged in these trading strategies, or any variant of the strategies.

On June 4, 2002, the FERC issued an additional order to Avista Corp. and three other companies requiring these companies to show cause within ten days as to why their authority to charge market-based rates should not be revoked. In this order, the FERC alleged that Avista Corp. failed to respond fully and accurately to the data request made on May 8, 2002. On June 14, 2002, Avista Corp. provided additional information in response to the June 4, 2002 FERC order to establish that its initial response was appropriate and adequate.

On August 13, 2002, the FERC issued an order to initiate an investigation into possible misconduct by Avista Corp. and Avista Energy and two affiliates of Enron: Enron Power Marketing, Inc. (EPMI) and Portland General Electric Corporation (PGE). The purpose of the investigation was to determine whether Avista Corp. and Avista Energy engaged in or facilitated certain Enron trading strategies, whether Avista Corp.'s or Avista Energy's role in transactions with EPMI and PGE resulted in the circumvention of a code of conduct governing transactions with affiliates, and the imposition of any appropriate remedies such as refunds and revocation of market-based rates. The investigation also explored whether the companies provided all relevant information in response to the May 8, 2002 data request.

In December 2002, the FERC staff, Avista Corp. and Avista Energy filed a joint motion announcing that the parties have reached an agreement in principle. In the joint motion, the FERC Trial Staff states that its investigation found no evidence that: (1) any executives or employees of Avista Utilities or Avista Energy knowingly engaged in or facilitated any improper trading strategy; (2) Avista Utilities or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; (3) Avista Utilities or Avista Energy withheld relevant information from the Commission's inquiry into the western energy markets for 2000 and 2001.

In December 2002, the FERC's administrative law judge approved the joint motion, suspending the procedural schedule in the FERC investigation regarding Avista Corp. and Avista Energy. In January 2003, the FERC staff, Avista Corp. and Avista Energy filed a completed agreement in resolution of the proceeding with the administrative law judge. The parties requested that the administrative law judge certify the agreement and forward it to the FERC for acceptance following a 30-day comment period.

On February 19, 2003 the City of Tacoma (Tacoma) and California Parties (the Office of the Attorney General, the CPUC, and the California Electricity Oversight Board, filing jointly) filed comments in opposition to the agreement in resolution between the FERC staff, Avista Corp. and Avista Energy. PGE filed comments supporting the agreement in resolution, but took exception to how certain transactions were reported. On March 3, 2003, Avista Corp. and Avista Energy filed joint reply comments in response to the concerns raised by Tacoma, the California Parties, and PGE. The FERC Trial Staff filed separate reply comments supporting the agreement in resolution and responding to Tacoma, the California Parties and PGE. The reply comments of Avista Corp., Avista Energy and the FERC Staff also reiterated the request that the administrative law judge certify the agreement in resolution and forward it to the FERC for approval.

U.S. Commodity Futures Trading Commission (CFTC) Subpoena

Beginning on June 17, 2002, the CFTC has issued several subpoenas directing Avista Corp. to produce certain materials, make employees available for questions and to respond to certain interrogatories. This relates to electricity and natural gas trades by Avista Corp. and any of its subsidiaries (including Avista Energy), involving "round trip trades," "wash trades," or "sell/buyback trades" and price reporting. The CFTC subpoena applies to both Avista Corp. and Avista Energy. The Company is cooperating with the CFTC and is providing the information requested by the CFTC.

Class Action Securities Litigation

On September 27, 2002, Ronald R. Wambolt filed a class action lawsuit in the United States District Court for the Eastern District of Washington against Avista Corp., Thomas M. Matthews, the former Chairman of the Board, President and Chief Executive Officer of the Company, Gary G. Ely, the current Chairman of the Board, President and Chief Executive Officer of the Company, and Jon E. Eliassen, the former Senior Vice President and Chief Financial Officer of the Company. On October 9, 2002, Gail West filed a similar class action lawsuit in the same court against the same parties. On November 7, 2002, Michael Atlas filed a similar class action lawsuit in the same court against the same parties. On November 21, 2002, Peter Arnone filed a similar class action lawsuit in the same court against the same parties. In their complaints, the plaintiffs assert violations of the federal securities laws in connection with alleged misstatements and omissions of material fact pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. In particular, the plaintiffs allege that the Company failed to disclose certain business practices that Avista Corp. was allegedly engaging in with EPMI and PGE. For further information see "Federal Energy Regulatory Commission Inquiry" above. The plaintiffs assert that such alleged misstatements and omissions have occurred in the Company's filings with the Securities and Exchange Commission and other information made publicly available by the Company, including press releases. The class action lawsuits assert claims on behalf of all persons who purchased, converted, exchanged or otherwise acquired the Company's common stock during the period between November 23, 1999 and August 13, 2002. On February 3, 2003, the court issued an order consolidating the complaints under the name "In re Avista Corp. Securities Litigation," and on February 7, 2003 appointed the lead plaintiff and co-lead counsel. The Company intends to file a motion to dismiss these consolidated complaints and vigorously defend against these lawsuits.

California Energy Markets

In April 2002, several subsidiaries of Reliant Energy, Inc. (Reliant) and Duke Energy Corporation (Duke) filed cross-complaints against Avista Energy and numerous other participants in the California energy markets. The cross-complaints are for indemnification for any liability which may arise from original complaints filed against Reliant and Duke with respect to charges of unlawful and unfair business practices in the California energy markets under California law. Avista Energy has filed motions to dismiss the cross-complaints. In the meantime, the U.S. District Court has remanded the case to California State Court, which remand is itself the subject of an appeal to the United States Court of Appeals for the Ninth Circuit.

In March 2002, the Attorney General of the State of California (California AG) filed a complaint with the FERC against certain specific companies (not including Avista Corp. or its subsidiaries) and "all other public utility sellers" in California. The complaint alleges that sellers with market-based rates have violated their tariffs by not filing with the FERC transaction-specific information about all of their sales and purchases at market-based rates. As a result, all past sales should be subject to refund if found to be above just and reasonable levels. In May 2002, the FERC issued an order denying the claim to issue refunds. In July 2002, the California AG requested a rehearing on the FERC order, which request was denied in September 2002. The California AG filed a Petition for Review of the FERC's decision with the United States Court of Appeals for the Ninth Circuit.

In April 2002, the California AG provided notice of intent to file a complaint against Avista Energy in the California State Court on behalf of the State of California. As of the filing date of this report, the California AG has not filed the threatened complaint against Avista Energy. Complaints have been filed against approximately a dozen other companies, many of which have filed motions to dismiss based upon federal preemption and primary jurisdiction arguments. The threatened complaint alleges that Avista Energy failed to file rates and changes to rates charged for each sale of wholesale electricity in California markets with the FERC as required by Federal Power Act regulations and FERC orders. The threatened complaint asserts that each violation of law, regulation and order is an unlawful and unfair business practice under the California Business and Professions Code, subject to a penalty of $2,500 per violation. The threatened complaint further alleges that certain rates charged for wholesale electricity sold in California exceeded a just and reasonable rate. As such, the threatened complaint alleges that these rates violate the Federal Power Act and are also a violation under the California Business and Professions Code, subject to penalty. A significant portion of the transactions involved in this threatened complaint are also the subject of FERC proceedings to examine potential refunds and in most cases are transactions for which Avista Energy is still owed payment.

Washington Consumer Class Action Lawsuit

On December 23, 2002, Nick A. Symonds filed a class action lawsuit in the United States District Court for the Western District of Washington against numerous purchasers and sellers of wholesale electricity and natural gas in the western United States, including Avista Utilities. The class action lawsuit asserts claims on behalf of all persons and businesses residing in Washington who were purchasers of electric and/or natural gas energy from any period beginning in January 2000 to the present. The complaint alleges that due to the deregulation of the California energy market, the defendants were able to unlawfully manipulate the wholesale energy market resulting in supply shortages and high energy prices across the western United States, including Washington. The complaint further alleges that high energy prices have resulted in profits for the defendants at the expense of rate-paying consumers in Washington. The complaint seeks treble damages, attorney fees and costs, and an order that defendants immediately remedy the alleged unlawful practices relating to the purchase and sale of wholesale energy that affects rate-paying consumers in Washington. The complaint further seeks an order enjoining the defendants from continuing any alleged unlawful practices relating to the purchase and sale of wholesale energy that affects rate-paying consumers in Washington. The Company intends to file a motion to dismiss this complaint and vigorously defend against this lawsuit.

Enron Corporation

On December 2, 2001, Enron and certain of its affiliates filed for protection under chapter 11 of the United States Bankruptcy Code. Both Avista Corp. and Avista Energy had done considerable business and had short-term and long-term contracts with Enron affiliates. The bankruptcy filing constituted an event of default under contracts between Avista Corp. and Avista Energy, respectively, and certain Enron affiliates, namely, 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 of these contracts and suspended trading activities with all Enron affiliates, including the final position that was terminated and a settlement agreement reached between Avista Corp. and EPMI in October 2002.

As of December 31, 2002, Avista Energy had net accounts receivable of $13.9 million from EPMI and ENA. Avista Corp.'s and Avista Energy's contracts 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 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. The Company further estimates that the net mark-to-market liability to Enron affiliates with respect to the terminated forward contracts not yet settled (Avista Energy with EPMI and ENA) taken together, exceeds total net accounts receivable from these entities by less than $15 million.

In October 2002, Avista Corp. settled its remaining contract with EPMI with the approval of the U.S. Bankruptcy Court. In addition, Avista Corp. reached settlement agreements on all terminated positions with ECC and ENA. Avista Energy reached a settlement agreement on its terminated ECC positions. In each instance, the settlement agreements reached satisfy all of the Avista entity's obligations and exposure to such Enron entity. Confidentiality provisions contained in the settlement agreements protect disclosure of the specific details of each settlement. None of the settlements individually, nor all of the settlements collectively, have had or ar expected to have a material adverse impact on Avista Corp.'s or Avista Energy's financial condition, results of operations or cash flows. All additional claims by the Enron entities for amounts that Avista Energy might owe with respect to the terminated forward contracts would be subject to any defenses and counterclaims which Avista Energy may have. Any residual obligation by Avista Energy for termination payments is not expected to have a material impact on the Company's financial condition, results of operations or cash flows. The Company continues to negotiate the settlement of other contracts with Enron affiliates.

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 Energy believes these assumptions are reasonable, they are subject to change and ultimately could be challenged by the Enron entities or their bankruptcy trustees, except as to those terminated forward contracts that have been fully settled by agreements among the parties as described above. 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, results of operations or cash flows of Avista Energy.

National Energy Production Corporation (NEPCO), a wholly owned subsidiary of Enron, was the contractor responsible for the engineering, procurement and construction of Coyote Springs 2. Avista Corp. owns 50 percent of Coyote Springs 2. NEPCO was not included in the initial bankruptcy filings made by Enron and its affiliates in December 2001. NEPCO subsequently filed for bankruptcy on May 20, 2002. However, Enron guaranteed NEPCO's obligations, and the bankruptcy filing by Enron was an event of default under the Coyote Springs 2 construction contract. As a result of this default and other defaults under the contract, NEPCO was removed as contractor for the project on April 15, 2002.

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 facilitating a long-term capacity contract between PGE and Avista Corp. The 1998 transaction resulted in the Company receiving $143.4 million in cash proceeds that was originally recorded as deferred revenue. Spokane Energy sells the related capacity to PGE. Subsequently, PGE became a subsidiary of Enron that has not been included in the bankruptcy filing to date. EPMI assisted in setting up the transaction 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 loan (balance of $125.8 million as of December 31, 2002) 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. EPMI defaulted on two payments to Avista Corp. prior to filing for bankruptcy. Such payments were accounted for and included in the settlement agreement reached between Avista Corp. and EPMI in October 2002.

Montana Hydroelectric Security Act Initiative

In the November 5, 2002 General Election, Montana voters rejected an initiative that would have created a public agency to study whether it would benefit the people of Montana to have the state own and operate certain hydroelectric generating facilities located within the state. The initiative would have authorized the new public agency to acquire, through a negotiated purchase or an acquisition at fair market value through a condemnation proceeding, any or all hydroelectric facilities larger than 5 MW within the state. 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.

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 indicated 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 another PLP, Burlington Northern & Santa Fe Railway Co. (BNSF) 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 an initial draft Consent Decree for the PLPs to review. During the first quarter of 2002, the Company and BNSF signed a cost sharing agreement. On September 11, 2002, the Company, BNSF and the DOE finalized the Consent Decree to implement the CAP. The third PLP has indicated it will not sign the Consent Decree. It is currently estimated that the Company's share of the costs will be less than $1.0 million. The Engineering and Design Report for the CAP was submitted to the DOE in January 2003. If approved by the DOE, it is anticipated that the CAP will be implemented in mid-2003. Negotiations are continuing with the third PLP with respect to the logistics of the CAP.

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 United States Court of Appeals for the Ninth Circuit. 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.

Spokane River Relicensing

The Company operates six hydroelectric plants on the Spokane River, and five of these (Long Lake, Nine Mile, Upper Falls, Monroe Street and Post Falls) are under one FERC license and referred to herein as the Spokane River Project. The sixth, Little Falls, is operated under separate Congressional authority and is not licensed by the FERC. The license for the Spokane River Project expires in August 2007; the Company filed a Notice of Intent to Relicense on July 29, 2002. The formal consultation process involving planning and information gathering with stakeholder groups is underway. The Company's goal is to develop with the stakeholders a comprehensive and cost-effective settlement agreement to be filed as part of the Company's license application to the FERC in July 2005.

Clark Fork Settlement Agreement

The issue of high levels of dissolved gas which exceed Idaho and federal water quality standards downstream of the Cabinet Gorge Hydroelectric Generating Project (Cabinet Gorge) during spill periods continues to be studied, as agreed to in the Clark Fork Settlement Agreement and incorporated into the renewed FERC license. To date, intensive biological studies in the lower Clark Fork River and Lake Pend Oreille have documented minimal biological effects of high dissolved gas levels on free ranging fish. Under the terms of the Clark Fork Settlement Agreement, the Company developed an abatement and mitigation strategy during 2002 with the other signatories to the agreement. In December 2002, the Company submitted its plan for review and approval by the other signatories as well as the FERC. The structural alternative proposed in the plan provides for the modification of the two existing diversion tunnels built when Cabinet Gorge was originally constructed. The costs of modifications to the first tunnel are currently estimated to be $37 million (including AFUDC and inflation) and would be incurred between 2004 and 2009. The second tunnel would be modified only after evaluation of the performance of the first tunnel and such modifications would commence no later than 10 years following the completion of the first tunnel. It is currently estimated that the costs to modify the second tunnel would be $23 million (including AFUDC and inflation). As part of the plan, the Company will also provide $0.5 million annually commencing a early as 2004, as mitigation for aquatic resources that might be adversely affected by high dissolved gas levels. Mitigation funds will continue until the modification of the second tunnel commences or if the second tunnel is not modified to an agreed upon point in time commensurate with the biological effects of high dissolved gas levels. The Company will seek regulatory recovery of the costs for the modification of Cabinet Gorge and the mitigation payments.

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, determining the applications of funds toward continuing fish passage efforts or other population enhancement measures.

Other Contingencies

In the normal course of business, the Company has various other legal claims and contingent matters outstanding. The Company believes that any ultimate liability arising from these actions will not have a material adverse impact on the Company's financial condition, results of operations or cash flows.

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 on the Company.

Under the federal licenses for its hydroelectric projects, the Company is obligated to protect its property rights, including water rights. The State of Montana is examining the status of all water right claims within state boundaries, which could potentially adversely affect the energy production 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, 2002, the Company's collective bargaining agreement with the International Brotherhood of Electrical Workers represented approximately 48 percent of all Avista Utilities employees. The current agreement with the local union representing the majority of the bargaining unit employees expires on March 25, 2005. A local agreement in the South Lake Tahoe area, which represents 5 employees, also expires on March 25, 2005. Three other labor agreements in Oregon, which cover approximately 55 employees, expire on March 31, 2003. Negotiations are currently ongoing with respect to the agreements that expire on March 31, 2003.

NOTE 25. DISPOSITION OF POWER PLANT

In May 2000, the owners of Centralia 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 and Comprehensive 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.

NOTE 26. 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 2002 and 2001 follows:

	Three Months Ended			
	March 31	June 30	September 30	December 31
2002				
Operating revenues	$306,979	$218,362	$189,830	$265,275
Operating expenses	260,471	180,627	169,453	225,208
Income from operations	46,508	37,735	20,377	40,067
Income (loss) from continuing operations	15,520	9,331	(1,082)	10,541
Income (loss) from discontinued operations	(272)	1,014	(533)	936
Net income before cumulative effect of accounting change	15,248	10,345	(1,615)	11,477
Cumulative effect of accounting change	(4,148)	-	-	-
Net income (loss)	11,100	10,345	(1,615)	11,477
Income (loss) available for common stock	$10,492	$9,737	$(2,223)	$10,899
Outstanding common stock:				
Weighted average	47,671	47,774	47,866	47,978
End of period	47,737	47,830	47,930	48,044
Earnings (loss) per share, basic and diluted:				
Earnings (loss) per share from continuing operations	$0.32	$0.18	$(0.04)	$0.21
Earnings (loss) per share from discontinued operations	(0.01)	0.02	(0.01)	0.02
Earnings (loss per share before cumulative effect of accounting change	0.31	0.20	(0.05)	0.23
Cumulative effect of accounting change	(0.09)	-	-	-
Total earnings (loss) per share, basic	$0.22	$0.20	$(0.05)	$0.23
Dividends paid per common share	$0.12	$0.12	$0.12	$0.12
Trading price range per common share:				
High	$16.47	$16.60	$13.89	$12.10
Low	$13.00	$11.00	$10.16	$8.75
2001				
Operating revenues	$473,855	$371,135	$232,113	$318,210
Operating expenses	408,408	314,585	198,494	304,534
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 and 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, basic	$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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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

Line No.	Classification (a)	Total (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	2,343,518,533	1,805,835,336
4	Property Under Capital Leases	712,325	
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	2,344,230,858	1,805,835,336
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	17,581,119	14,572,908
12	Acquisition Adjustments	26,580,073	
13	Total Utility Plant (8 thru 12)	2,388,392,050	1,820,408,244
14	Accum Prov for Depr, Amort, & Depl	824,688,269	607,504,878
15	Net Utility Plant (13 less 14)	1,563,703,781	1,212,903,366
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	772,278,930	603,295,686
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	5,732,382	4,209,192
22	Total In Service (18 thru 21)	778,011,312	607,504,878
23	Leased to Others		
24	Depreciation	31,676,743	
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)	31,676,743	
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	15,000,214	
33	Total Accum Prov (equals 14) (22,26,30,31,32)	824,688,269	607,504,878

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2003	Year of Report Dec. 31, 2002

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
464,916,437				72,766,760	3
				712,325	4
					5
					6
					7
464,916,437				73,479,085	8
					9
					10
2,240,889				767,322	11
26,580,073					12
493,737,399				74,246,407	13
185,506,648				31,676,743	14
308,230,751				42,569,664	15
					16
					17
168,983,244					18
					19
					20
1,523,190					21
170,506,434					22
					23
				31,676,743	24
					25
				31,676,743	26
					27
					28
					29
					30
					31
15,000,214					32
185,506,648				31,676,743	33

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2003	Dec. 31, 2002

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	0.00	0.00
3	302 Franchises and Consents	1,592.55	0.00
4	303 Miscellaneous Intangible Plant	3,063,451.35	849.82
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	3,065,043.90	849.82
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands	0.00	0.00
9	325.2 Producing Leaseholds	0.00	0.00
10	325.3 Gas Rights	0.00	0.00
11	325.4 Rights-of-Way	0.00	0.00
12	325.5 Other Land and Land Rights	0.00	0.00
13	326 Gas Well Structures	0.00	0.00
14	327 Field Compressor Station Structures	0.00	0.00
15	328 Field Measuring and Regulating Station Equipment	0.00	0.00
16	329 Other Structures	0.00	0.00
17	330 Producing Gas Wells-Well Construction	0.00	0.00
18	331 Producing Gas Wells-Well Equipment	0.00	0.00
19	332 Field Lines	0.00	0.00
20	333 Field Compressor Station Equipment	0.00	0.00
21	334 Field Measuring and Regulating Station Equipment	0.00	0.00
22	335 Drilling and Cleaning Equipment	0.00	0.00
23	336 Purification Equipment	0.00	0.00
24	337 Other Equipment	0.00	0.00
25	338 Unsuccessful Exploration and Development Costs	0.00	0.00
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	0.00	0.00
29	341 Structures and Improvements	0.00	0.00
30	342 Extraction and Refining Equipment	0.00	0.00
31	343 Pipe Lines	0.00	0.00
32	344 Extracted Products Storage Equipment	0.00	0.00
33	345 Compressor Equipment	0.00	0.00

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2003	Dec. 31, 2002

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
0.00	0.00	0.00	0.00	2
0.00	0.00	0.00	1,592.55	3
2,096.50	0.00	0.00	3,062,204.67	4
2,096.50	0.00	0.00	3,063,797.22	5
				6
				7
0.00	0.00	0.00	0.00	8
0.00	0.00	0.00	0.00	9
0.00	0.00	0.00	0.00	10
0.00	0.00	0.00	0.00	11
0.00	0.00	0.00	0.00	12
0.00	0.00	0.00	0.00	13
0.00	0.00	0.00	0.00	14
0.00	0.00	0.00	0.00	15
0.00	0.00	0.00	0.00	16
0.00	0.00	0.00	0.00	17
0.00	0.00	0.00	0.00	18
0.00	0.00	0.00	0.00	19
0.00	0.00	0.00	0.00	20
0.00	0.00	0.00	0.00	21
0.00	0.00	0.00	0.00	22
0.00	0.00	0.00	0.00	23
0.00	0.00	0.00	0.00	24
0.00	0.00	0.00	0.00	25
0.00	0.00	0.00	0.00	26
				27
0.00	0.00	0.00	0.00	28
0.00	0.00	0.00	0.00	29
0.00	0.00	0.00	0.00	30
0.00	0.00	0.00	0.00	31
0.00	0.00	0.00	0.00	32
0.00	0.00	0.00	0.00	33

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2003	Dec. 31, 2002

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment	0.00	0.00
35	347 Other Equipment	0.00	0.00
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	0.00	0.00
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)	0.00	0.00
38	Manufactured Gas Production Plant *(Submit Supplementary Statement)*	218,373.93	11,352.96
39	TOTAL Production Plant (Enter Total of lines 37 and 38)	218,373.93	11,352.96
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350.1 Land	394,113.21	18,498.18
43	350.2 Rights-of-Way	23,874.03	0.00
44	351 Structures and Improvements	1,061,767.12	0.00
45	352 Wells	5,528,478.68	36,898.36
46	352.1 Storage Leaseholds and Rights	254,354.23	0.00
47	352.2 Reservoirs	147,145.04	56,185.43
48	352.3 Non-recoverable Natural Gas	6,121,926.03	0.00
49	353 Lines	799,012.40	24,410.19
50	354 Compressor Station Equipment	1,882,178.85	362.35
51	355 Measuring and Regulating Equipment	153,964.74	0.00
52	356 Purification Equipment	403,712.62	0.00
53	357 Other Equipment	1,614,289.80	18,169.25
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)	18,384,816.75	154,523.76
55	Other Storage Plant		
56	360 Land and Land Rights	0.00	0.00
57	361 Structures and Improvements	0.00	0.00
58	362 Gas Holders	0.00	0.00
59	363 Purification Equipment	0.00	0.00
60	363.1 Liquefaction Equipment	0.00	0.00
61	363.2 Vaporizing Equipment	0.00	0.00
62	363.3 Compressor Equipment	0.00	0.00
63	363.4 Measuring and Regulating Equipment	0.00	0.00
64	363.5 Other Equipment	0.00	0.00
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)	0.00	0.00
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364.1 Land and Land Rights	0.00	0.00
68	364.2 Structures and Improvements	0.00	0.00
69	364.3 LNG Processing Terminal Equipment	0.00	0.00
70	364.4 LNG Transporation Equipment	0.00	0.00
71	364.5 Measuring and Regulating Equipment	0.00	0.00
72	364.6 Compressor Station Equipment	0.00	0.00
73	364.7 Communications Equipment	0.00	0.00
74	364.8 Other Equipment	0.00	0.00
75	TOTAL Base Load Liq Nat'l Gas, Terminal and Processing Plant (lines 67-74)	0.00	0.00
76	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75)	18,384,816.75	154,523.76
77	TRANSMISSION PLANT		
78	365.1 Land and Land Rights	0.00	0.00
79	365.2 Rights-of-Way	0.00	0.00
80	366 Structures and Improvements	0.00	0.00

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending	
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2003	Dec. 31, 2002	

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
0.00	0.00	0.00	0.00	34
0.00	0.00	0.00	0.00	35
0.00	0.00	0.00	0.00	36
0.00	0.00	0.00	0.00	37
127,795.69	0.00	(67,428.21)	34,502.99	38
127,795.69	0.00	(67,428.21)	34,502.99	39
				40
				41
0.00	0.00	0.00	412,611.39	42
0.00	0.00	0.00	23,874.03	43
0.00	0.00	0.00	1,061,767.12	44
0.00	0.00	0.00	5,565,377.04	45
0.00	0.00	0.00	254,354.23	46
0.00	0.00	0.00	203,330.47	47
0.00	0.00	0.00	6,121,926.03	48
0.00	0.00	0.00	823,422.59	49
0.00	0.00	0.00	1,882,541.20	50
0.00	0.00	0.00	153,964.74	51
0.00	0.00	0.00	403,712.62	52
0.00	0.00	0.00	1,632,459.05	53
0.00	0.00	0.00	18,539,340.51	54
				55
0.00	0.00	0.00	0.00	56
0.00	0.00	0.00	0.00	57
0.00	0.00	0.00	0.00	58
0.00	0.00	0.00	0.00	59
0.00	0.00	0.00	0.00	60
0.00	0.00	0.00	0.00	61
0.00	0.00	0.00	0.00	62
0.00	0.00	0.00	0.00	63
0.00	0.00	0.00	0.00	64
0.00	0.00	0.00	0.00	65
				66
0.00	0.00	0.00	0.00	67
0.00	0.00	0.00	0.00	68
0.00	0.00	0.00	0.00	69
0.00	0.00	0.00	0.00	70
0.00	0.00	0.00	0.00	71
0.00	0.00	0.00	0.00	72
0.00	0.00	0.00	0.00	73
0.00	0.00	0.00	0.00	74
0.00	0.00	0.00	0.00	75
0.00	0.00	0.00	18,539,340.51	76
				77
0.00	0.00	0.00	0.00	78
0.00	0.00	0.00	0.00	79
0.00	0.00	0.00	0.00	80

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* April 30, 2003	Year Ending Dec. 31, 2002

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains	0.00	0.00
82	368 Compressor Station Equipment	0.00	0.00
83	369 Measuring and Regulating Equipment	0.00	0.00
84	370 Communications Equipment	0.00	0.00
85	371 Other Equipment	0.00	0.00
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)	0.00	0.00
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights	113,916.51	0.00
89	375 Structures and Improvements	510,936.17	36,783.71
90	376 Mains	208,623,761.42	8,098,816.92
91	377 Compressor Station Equipment	0.00	0.00
92	378 Measuring and Regulating Equipment-General	3,801,275.32	495,468.78
93	379 Measuring and Regulating Equipment-City Gate	1,717,792.52	9,001.77
94	380 Services	149,553,984.23	6,444,092.71
95	381 Meters	47,820,965.09	1,524,900.50
96	382 Meter Installations	0.00	0.00
97	383 House Regulators	0.00	0.00
98	384 House Regulator Installations	0.00	0.00
99	385 Industrial Measuring and Regulating Station Equipment	2,278,355.50	103,678.87
100	386 Other Property on Customers' Premises	0.00	0.00
101	386 Other Equipment	539.29	0.00
102	TOTAL Distribution Plant (Enter Totals of lines 88 thru 101)	414,421,526.05	16,712,743.26
103	GENERAL PLANT		
104	389 Land and Land Rights	330,820.93	0.00
105	390 Structures and Improvements	2,373,943.44	3,891.00
106	391 Office Furniture and Equipment	9,685.00	0.00
107	392 Transportation Equipment	3,476,284.53	48,156.40
108	393 Stores Equipment	83,972.22	0.00
109	394 Tools, Shop, and Garage Equipment	1,950,455.37	66,565.51
110	395 Laboratory Equipment	873,821.31	1,519.99
111	396 Power Operated Equipment	2,408,353.38	199,045.45
112	397 Communication Equipment	1,499,716.10	97,094.89
113	398 Miscellaneous Equipment	34,471.93	0.00
114	Subtotal (Enter Totals of lines 104 thru 113)	13,041,524.21	416,273.24
115	399 Other Tangible Property	0.00	0.00
116	TOTAL General Plant (Enter Totals of lines 114 and 115)	13,041,524.21	416,273.24
117	TOTAL (Accounts 101 and 106)	449,131,284.84	17,295,743.04
118	Gas Plant Purchased (See Instruction 8)	0.00	0.00
119	*(Less)* Gas Plant Sold (See Instruction 8)	0.00	
120	Experimental Gas Plant Unclassified	0.00	0.00
121	TOTAL Gas Plant in Service (Enter Totals of lines 117 thru 120)	449,131,284.84	17,295,743.04

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2003	Dec. 31, 2002

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
0.00	0.00	0.00	0.00	81
0.00	0.00	0.00	0.00	82
0.00	0.00	0.00	0.00	83
0.00	0.00	0.00	0.00	84
0.00	0.00	0.00	0.00	85
0.00	0.00	0.00	0.00	86
				87
0.00	0.00	0.00	113,916.51	88
1,146.02	0.00	67,428.21	614,002.07	89
181,318.93	0.00	0.00	216,541,259.41	90
0.00	0.00	0.00	0.00	91
24,846.64	0.00	430.62	4,272,328.08	92
772.92	0.00	0.00	1,726,021.37	93
375,025.78	0.00	(430.62)	155,622,620.54	94
345,549.62	0.00	0.00	49,000,315.97	95
0.00	0.00	0.00	0.00	96
0.00	0.00	0.00	0.00	97
0.00	0.00	0.00	0.00	98
0.00	0.00	0.00	2,382,034.37	99
0.00	0.00	0.00	0.00	100
0.00	0.00	0.00	539.29	101
928,659.91	0.00	67,428.21	430,273,037.61	102
				103
0.00	0.00	0.00	330,820.93	104
0.00	0.00	0.00	2,377,834.44	105
0.00	0.00	0.00	9,685.00	106
352,993.25	0.00	0.00	3,171,447.68	107
0.00	0.00	0.00	83,972.22	108
2,272.26	0.00	0.00	2,014,748.62	109
1,368.80	0.00	0.00	873,972.50	110
87,810.48	0.00	0.00	2,519,588.35	111
9,489.75	0.00	1,895.38	1,589,216.62	112
0.00	0.00	0.00	34,471.93	113
453,934.54	0.00	1,895.38	13,005,758.29	114
0.00	0.00	0.00	0.00	115
453,934.54	0.00	1,895.38	13,005,758.29	116
1,512,486.64	0.00	1,895.38	464,916,436.62	117
	0.00	0.00	0.00	118
0.00	0.00	0.00	0.00	119
0.00	0.00	0.00	0.00	120
1,512,486.64	0.00	1,895.38	464,916,436.62	121

Name of Respondent	This report is:	Date of Report	Year Ending
	[X] An Original	*(Mo, Da, Yr)*	
Avista Corp.	[ ] A Resubmission	April 30, 2003	Dec. 31, 2002

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 (40) Under $1,000,000	707,266.93	3,538,995.07
4			
5			
6			
7			
8			
9	STATE OF IDAHO		
10			
11			
12	Minor Projects (15) Under $1,000,000	159,940.09	251,659.91
13			
14			
15	STATE OF OREGON		
16			
17	Minor Projects (18) Under $1,000,000	173,623.31	236,460.69
18			
19			
20			
21	STATE OF CALIFORNIA		
22			
23	Minor Projects (0) under $1,000,000	0.00	0.00
24			
25			
26			
27	COMMON-WASH/IDAHO		
28			
29	Minor Projects (1) Under $1,000,000	695,646.54	
30			
31			
32	COMMON-OR/CA/WA/ID		
33			
34	Minor Projects (2) under $1,000,000	504,412.02	
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45	TOTAL	2,240,888.89	4,027,115.67

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, 2003	Dec. 31, 2002

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 119)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (*a*)	Total (c+d+e) (*b*)	Gas Plant in Service (*c*)	Gas Plant Held for Future Use (*d*)	Gas Plant Leased to Others (*e*)
1	Balance Beginning of Year	157,225,747	157,225,747		
2	Depreciation Provisions for Year,				
	Charged to				
3	(403) Depreciation Expense	14,577,432	14,577,432		
4	(413) Exp. of Gas Plt. Leas. to Others				
5	Transportation Expenses-Clearing	195,169	195,169		
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)	14,772,601	14,772,601		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,510,390)	(1,510,390)		
12	Cost of Removal	(132,404)	(132,404)		
13	Salvage (Credit)	28,988	28,988		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(1,613,806)	(1,613,806)		
15	Other Debit or Credit Items (Describe)	(1,750,285)	(1,750,285)		
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	168,634,257	168,634,257	0	0
	Section B. Balances at End of Year According to Functional Classifications				
18	Production-Manufactured Gas	(84,763)	(84,763)		
19	Prod. and Gathering-Natural Gas				
20	Products Extraction-Natural Gas				
21	Underground Gas Storage	8,611,981	8,611,981		
22	Other Storage Plant				
23	Base Load LNG Term and Proc. Plt.				
24	Transmission	(34,143)	(34,143)		
25	Distribution	154,105,419	154,105,419		
26	General	6,035,763	6,035,763		
27	TOTAL (Enter Total of lines 18 thru 26)	168,634,257	168,634,257	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, 2003	Dec. 31, 2002

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					6,168,381	632,196		6,800,577
2	Gas Delivered to Storage					11,587,389	113,552		11,700,941
3	Gas Withdrawn from Storage					10,192,099	181,892		10,373,992
4	Other Debits and Credits					0	0		0
5	Balance at End of Year					7,563,670	563,856		8,127,526
6	Dth					1,690,003	273,604		1,963,607
7	Amount Per Dekatherm					$4.4755	$2.0608		$4.1391

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

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

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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			166,494,974
4	Dividends from Subsidiary (Avista Capital)			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 $ 0		TOTAL	350,746,583

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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
-4,212,474		162,282,500		3
	-89,796,369	-89,796,369		4
				5
				6
				7
				8
				9
				10
				11
				12
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				39
				40
				41
-4,212,474	-89,796,369	256,737,740		42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

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

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	1,592,858
2	Prepaid Rents	0
3	Prepaid Taxes	0
4	Prepaid Interest	0
5	Miscellaneous Prepayments	463,712
6	TOTAL	2,056,570

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	4,727,520
2	Benefits, other than Pensions (182.30)				
3					
4	FAS 109 - Acctng for Income Taxes Util Prop		283.17, 18	9,898,399	139,499,024
5	(182.31 & 182.32)				
6	More Options Power Supply (MOPS) - WA (182.34)		407.44	190,944	190,944
7	More Options Power Supply (MOPS) - ID (182.34)		407.44	59,184	29,592
8	WA ERM Deferral Balance (182.35)		186.28, 38	27,839,715	104,166,540
9	Hamilton Street Bridge -- WA (182.39 028)		407.39	111,480	389,388
10	Hamilton Street Bridge -- ID (182.39 038)		407.39	34,368	212,352
11	FAS 133 Reg Asset (182.74)				
12	Oregon DSM Long-Term Regulatory Asset		various	153,006	-468,429
13	(182.80)				
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
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30					
31					
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33					
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36					
37					
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39					
40					
41					
42					
43					
44	TOTAL			38,759,848	248,746,931

Name of Respondent	This report is:	Date of Report	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	(Mo, Da, Yr) April 30, 2003	Dec. 31, 2002

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.	634,800		406	31,740	603,060
3	WA Accrued Power Def	0	1,164,331			1,164,331
4	WA Deferred Power Costs	8,231,970	10,186,578			18,418,548
5	WA ERM YTD Company Band	0	4,500,000			4,500,000
6	WA ERM YTD Contra Account	0			4,500,000	(4,500,000)
7						
8	Regulatory Deferrals-ID					
9	ID Deferred New Generation	0	921,184			921,184
10	Colstrip Common Fac.	1,346,160		406	67,308	1,278,852
11	Idaho Accrued PCA Def	0	592,090			592,090
12	Idaho Deferred Power	75,046,296		var	17,086,246	57,960,050
13	ID Accumulated Surcharge Am	(2,901,409)		557	24,132,930	(27,034,339)
14						
15	Payroll Accrual	2,443,520		var	846,095	1,597,425
16						
17	PPP Surcharge	32,468	332,458			364,926
18						
19	Misc. Error Suspense	(254,559)		var	1,951,765	(2,206,324)
20						
21	Joint Projects					
22	Centralia Operating Pmts	525,000			525,000	0
23						
24	WPI-ID Terminated Elec Pur.	1,175,981		555	391,992	783,989
25						
26	Unamortized A/R Sale	269,502	87,921			357,423
27						
28	Intangible Pension Asset	0	6,365,810			6,365,810
29						
30	Bank Recon Suspense	(262,967)	262,775			(192)
31	Mark to Market Deferred Debit	1,889,288		254	1,889,288	0
32	Interest Rate Swap	0	1,368,874			1,368,874
33						
34	Nez Perce Settlement	780,360		557	567,491	212,869
35						
36	Centralia Mine Env Balance	0	567,509			567,509
37						
38	DES Contract Amortization	314,350		556	227,112	87,238
39						
40	Metro-Sunset 115KV TE	11,966	56,685			68,651
41						
42	UPRR Permit Conv	171,191	12,860			184,051
43						
44	CPRR Permit Conv	28,077	44,294			72,371
45						
46	Ortho Business Activity	38,900	46,127			85,027
47	Miscellaneous Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	109,424,216				81,406,921

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

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	Canadian GST Tax	148,151		var	52,747	95,404
2						
3	Nez Perce Forest	53,430	38,446			91,876
4						
5	Electric Network	77,595			77,595	0
6						
7	Misc. W.O. under $50,000	194,770	131,816			326,586
8	Subsidiary Billings	2,930,118		var	707,381	2,222,737
9						
10	Conservation					
11	Enhanced Low Income Wzn	0	62,505			62,505
12	OR Gas Comm Consvt	103,835	47,032			150,867
13	Oregon Shower Head	184,135		908	36,409	147,726
14	Oregon Comm Gas Eff	88,162	30,519			118,681
15	WPNG HE Wtr Htrs-OR	248,874	19,863			268,737
16	WPNG HE Furnaces	1,467,548	259,194			1,726,742
17	WPNG CA RES L/I -P	(169,899)		var	190,837	(360,736)
18	WPNG OR Res Low 1	196,739		908	11,549	185,190
19	Regulatory-Sched-67	263,484		908	33,067	230,417
20	Reg-Water Heat Conv	1,338,003		908	152,358	1,185,645
21	Reg-Space/Water Con	5,470,734		908	704,560	4,766,174
22	Reg-Elec Comm/Ind	896,167		908	116,375	779,792
23	Reg-Gas Wzn Res	1,339,014		908	153,145	1,185,869
24	Reg-L/I Elec/Gas	447,947		908	49,738	398,209
25	Reg-Elec Manuf Home	382,763		908	48,985	333,778
26	Reg-Comm/Ind Gas	155,419		908	19,599	135,820
27	Reg-Gas Res Appl Ef	1,818,793		908	208,179	1,610,614
28	Reg-Gas Res Showerhead	192,658		908	55,047	137,611
29	Reg Elect Res Wzn	67,521		908	8,644	58,877
30	Reg L/I Elec Wzn	110,039		908	14,099	95,940
31	Reg Elec Res Shwr	96,675		908	37,936	58,739
32	Reg C/I Elec Fuel	263,656		908	34,221	229,435
33	Reg Gas A.E. Wtr	259,414		908	74,130	185,284
34	Reg Low Income Gas Wzn	450,835		908	56,634	394,201
35						
36	Sandpoint DSR - PPL	967,127		908	113,387	853,740
37						
38	Gas Plant					
39	Hamilton Street Bridge Site	108,137		var	260,657	(152,520)
40						
41	Electric Plant					
42	Post Falls No Channel Study	49,984	1,007			50,991
43						
44	Easy Pay Billing CS	(531,496)	228,071			(303,425)
45						
46	Lake CDA Issues	232,990	89,002			321,992
47	Miscellaneous Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	109,424,216				81,406,921

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp	(1) [X] An Original (2) [ ] A Resubmission	(M, D, Y) April 30, 2003	Dec. 31, 2002

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	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	*(b)*	*(c)*	*(d)*
1	Account 190			
2	Electric	9,583,164	2,582,324	4,987,200
3	Gas	(960,359)	(2,968,050)	83,052
3.01				
4	Other (Define)			
4.01				
4.02				
5	Total (Total of lines 2 thru 4)	**8,622,805**	**(385,726)**	**5,070,252**
6	Other (Specify)	18,422,137	3,535,707	(491,615)
6.01				
6.02				
7	TOTAL Account 190 (Total of lines 5 thru 6)	**27,044,942**	**3,149,981**	**4,578,637**
8	Classification of TOTAL			
9	Federal Income Tax	**27,044,942**	**3,149,981**	**4,578,637**
10	State Income Tax			
11	Local Income Tax			

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, 2003	Dec. 31, 2002

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					
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits to 190		Credits to 190		Balance at End of Year	Line No.
		Acct. No.	Amount	Acct. No.	Amount		
(e)	*(f)*	*(g)*	*(h)*	*(i)*	*(j)*	*(k)*	
							1
126,031	0					**11,862,009**	2
4,780	0			283.39	161,852	**1,924,111**	3
				283.71	11,933	**(11,933)**	3.01
				254.18	4,391	**(4,391)**	4
						0	4.01
						0	4.02
130,811	**0**		**0**		**178,176**	**13,769,796**	5
287,225	(410,100)	216.02	**398,504**			**14,095,994**	6
		228.32	9,478,869			**9,478,869**	6.01
		253.29	250,645			**250,645**	6.02
418,036	**(410,100)**		**10,128,018**		**178,176**	**37,595,304**	7
							8
418,036	**(410,100)**		**10,128,018**		**178,176**	**37,595,304**	9
							10
							11

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	$6.95 Series K Mandatorily Redeemable		100.00	
10	Cumulative			
11				
12				
13	TOTAL_PRE	10,000,000		
14				
15				
16				
17				
18				
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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	04/30/2003	Dec. 31, 2002

CAPITAL STOCKS (Account 201 and 204) (Continued)

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
48,044,208	623,092,000					2
						3
48,044,208	623,092,000					4
						5
						6
						7
						8
332,500	33,250,000					9
						10
						11
						12
332,500	33,250,000					13
						14
						15
						16
						17
						18
						19
						20
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						42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	8,318,679
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		
9		
10		
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21		
22	TOTAL	11,927,830

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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) 04/30/2003	Year of Report Dec. 31, 2002

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) $225,000,000		2,844,500
21			
22	Commercial Paper		
23			
24	Unsecured Senior Notes	400,000,000	9,128,000
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	597,800,000	39,498,226

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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)	AMORTIZATION PERIOD 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	22,235,332	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	3,335,000	7
						8
9/01/1999	3/01/2034	9/01/1999	3/01/2034	17,000,000	872,161	9
						10
						11
				401,300,000	26,688,493	12
						13
						14
						15
						16
						17
						18
						19
				30,000,000	2,967,548	20
						21
						22
						23
				341,528,874	35,337,708	24
						25
						26
				232,250,000	22,478,645	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	986,363	32
				1,105,078,874	93,183,757	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	04/30/2003	Dec. 31, 2002

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)	31,306,753
2		
3		
4	Taxable Income Not Reported on Books	
5		6,782,579
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		66,339,514
11	Federal Income Tax	37,736,923
12	Deferred Income Tax	-7,898,717
13	Investment Tax Credit	-49,308
14	Income Recorded on Books Not Included in Return	
15		47,025,686
16	Equity in Sub Earnings (Income) / Loss	4,212,474
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		-77,636,119
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	107,819,785
28	Show Computation of Tax:	37,736,923
29		
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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	04/30/2003	Dec. 31, 2002

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 (989-1996)	-587,439				
3	Income Tax (1997)	2,043,665				-2,043,665
4	Income Tax (1998)	-905,998				868,086
5	Income Tax (1999)	-2,233,598			-78,533	1,216,192
6	Income Tax (2000)	-370,301			2,898,190	10,366,392
7	Income Tax (2001)	-30,392,782			12,456,564	-10,366,338
8	Income Tax (2002)			37,736,923	-17,206,503	
9	Unemployment Ins 2001	8,377		-8,377		
10	FICA (2001)	-23,857		23,857		
11	FICA (2002)			7,791,912	7,789,319	
12	Retained Earnings-ESOP	-408,268				408,268
13	Retained Earnings-ESOP	-329,623				329,623
14	Retained Earnings-ESOP	-147,175				-737,891
15	Retained Earnings-ESOP	-419,065				
16	Retained Earnings-ESOP	-141,026				
17	Retained			-139,205		
18	Total Federal	-33,907,090		45,405,110	5,859,037	40,667
19						
20	STATE OF WASHINGTON:					
21	Property Tax (2000)	485,660				
22	Property Tax (2001)	8,954,826		-537,213	8,475,227	6
23	Property Tax (2002)			9,966,072	1,442	
24	Excise Tax (2001)	2,132,526			1,803,110	
25	Excise Tax (2002)			20,169,667	18,523,789	
26	Gas Surcharge	-8,734		23,047	14,314	
27	Unemployment Ins. (2001)	2,426		-2,426		
28	Unemployment Ins. (2002)			766,052	766,052	
29	Motor Vehicle (2002)			27,818	27,818	
30	Total Washington	11,566,704		30,413,017	29,611,752	6
31						
32	STATE OF IDAHO:					
33	Income Tax (1997-2000)	855,431				
34	Income Tax (2001)	-3,085,967				
35	Income Tax (2002)			1,343,462	593,961	
36	Property Tax (2000)	-383				
37	Property Tax (2001)	2,287,690			2,287,643	
38	Property Tax (2002)			5,149,005	2,583,035	
39	Excise Tax (2000)	-8,056				
40	Excise Tax (2001)	-54,473				
41	TOTAL	-20,229,945		114,399,073	71,687,563	40,613

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2003	Year of Report Dec. 31, 2002

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
-587,439						2
						3
-37,912						4
-938,867						5
7,097,901						6
-53,215,684						7
54,943,426						8
		25,158,719			12,578,204	9
					-8,377	10
2,594					23,857	11
					7,703,905	12
						13
-885,066						14
-419,065						15
-141,026						16
-139,205					-139,205	17
5,679,657		25,158,719			20,158,384	18
						19
						20
485,660						21
-57,614		-274,217			-262,996	22
9,964,632		7,978,208			1,984,994	23
329,416						24
1,645,877		11,595,728			8,573,939	25
					23,047	26
					-2,426	27
					766,052	28
					27,818	29
12,367,971		19,299,719			11,110,428	30
						31
						32
855,431						33
-3,085,967						34
749,501					1,343,462	35
-383						36
47						37
2,565,970		4,316,245			832,760	38
-8,056						39
-54,473						40
22,522,183		58,458,643			56,079,796	41

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2003	Year of Report Dec. 31, 2002

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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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	Excise Tax (2002)			1,869	9,004	
2	Unemployment Ins (2001)	29,268		-29,268		
3	Unemployment Ins. (2002)			12,651	12,651	
4	Motor Vehicle Ins. (2002)			32,849	32,849	
5	Irrigation Credits (2002)	-3,616		3,747	132	
6	KWH Tax (2001)	46,662		-29,766	16,896	
7	KWH Tax (2002)			402,361	360,859	
8	Franchise Tax (2002)	681,486		2,998,074	3,046,678	
9	Total Idaho	748,042		9,884,984	8,943,708	
10						
11	STATE OF MONTANA:					
12	Income Tax (1996-2000)	369,410			-246,347	
13	Income Tax (2001)	-1,186,912				
14	Income Tax (2002)			595,199	525,211	
15	Property Tax (1999)	-93,657				
16	Property Tax (2000)	-46,114				
17	Property Tax (2001)	2,781,455			2,780,001	
18	Property Tax (2002)			5,973,731	2,989,231	
19	Unemployment Ins (2001)	5,473		-5,473		
20	Unemployment Ins (2002)			4,573	4,573	
21	KWH Tax (2001)	275,333		-61,419	213,915	
22	KWH Tax (2002)			1,100,654	896,080	
23	Motor Vehicle (2002)			8,393	8,393	
24	Consumer Council Tax	-87,266		87,690	423	
25	Public Commission Tax	-18		732	714	
26	Total Montana	2,017,704		7,704,080	7,172,194	
27						
28	STATE OF OREGON:					
29	Income Tax (1995)	-24,207				
30	Income Tax (1999)	214,635				
31	Income Tax (2000)	-158,916				
32	Income Tax (2001)	-854,575			-90	
33	Income Tax (2002)			347,806	131,690	
34	Property Tax (1999-2000)	55,143				
35	Property Tax (2001)	-580,573		651,504	50,432	
36	Proprty Tax (2002)			562,157	1,033,598	
37	Unemployment Ins (2001)	8,108		-8,108		
38	Unemployment Ins. (2002)			22,643	22,643	
39	Motor Vehicle (2002)			2,343	2,343	
40	Busn Energy Tax Credit	-414,235				
41	TOTAL	-20,229,945		114,399,073	71,687,563	40,61[illegible]

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2003	Year of Report Dec. 31, 2002

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)	
-7,135		1,236			633	1
					-29,268	2
					12,651	3
					32,849	4
					3,747	5
		-29,766				6
41,502		402,361				7
632,882		1,660,406			1,337,668	8
1,689,319		6,350,482			3,534,502	9
						10
						11
615,757						12
-1,186,912						13
69,988					595,199	14
-93,657						15
-46,114						16
1,454		5,973,731				17
2,984,500						18
					-5,473	19
					4,573	20
					-61,419	21
204,574					1,100,654	22
					8,393	23
					87,690	24
					731	25
2,549,590		5,973,731			1,730,348	26
						27
						28
-24,207						29
214,635						30
-158,916						31
-854,485						32
216,117					347,807	33
55,143						34
20,499					651,504	35
-471,442		15,586			546,570	36
					-8,108	37
					22,643	38
					2,343	39
-414,235						40
22,522,183		58,458,643			56,079,796	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	04/30/2003	Dec. 31, 2002

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	Busn Energy Tax Credit	-34,244				
2	Busn Energy Tax Credit			-55,790		
3	Franchise Tax (2002)	195,353		2,663,664	2,637,589	
4	Total Oregon	-1,593,511		4,186,219	3,878,205	
5						
6	STATE OF CALIFORNIA:					
7	Income Tax (1996-2000)	146,857			-11,566	
8	Income Tax (2001)	-142,429				
9	Income Tax 2002			61,665	34,802	
10	Property Tax (1999)	128,479				
11	Property Tax (2000-2001)	-59,094		63,000		
12	Property Tax (2002)			53,934	107,920	
13	Excise Tax (1999-2000)	-2,163				
14	Excise Tax (2001)	100			134	
15	Unemployment Ins (2001)	61,000		-61,000		
16	Motor Vehicle (2002)			5,175	5,175	
17	Franchise Tax (2002)	293,925		577,706	313,884	
18	California PUC Tax	-194		554	360	
19	California Gas Surcharge	-187,659			-187,659	
20	Total California	238,822		701,034	263,050	
21						
22	STATE OF ARIZONA:					
23	Income Tax (2001)	-1,656			2,510	-60
24	Total Arizona	-1,656			2,510	-60
25						
26	STATE OF TEXAS					
27	Unemploymnt Ins					
28	Unemployment Ins (2001)	1,208		-1,208		
29	Total Texas	1,208		-1,208		
30						
31	STATE OF KENTUCKY					
32	Unemploymnt Ins					
33	Unemployment Ins (2001)	-725		725		
34	Total Kentucky	-725		725		
35						
36	STATE OF VIRGINIA					
37	Unemploymnt Ins					
38	Unemployment Ins (2001)	200		-200		
39	Total Virginia	200		-200		
40						
41	TOTAL	-20,229,945		114,399,073	71,687,563	40,613

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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).
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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)	
-34,243					-55,790	1
-55,790					2,663,664	2
221,428						3
-1,285,496		15,586			4,170,633	4
						5
						6
158,423						7
-142,429						8
26,863					61,665	9
128,479						10
3,906					63,000	11
-53,986					53,934	12
-2,163						13
-34						14
					-61,000	15
					5,175	16
557,747					577,706	17
					468	18
					240,562	19
676,806					941,510	20
						21
						22
-4,226						23
-4,226						24
						25
						26
						27
					-1,208	28
					-1,208	29
						30
						31
						32
					725	33
					725	34
						35
						36
						37
					-200	38
					-200	39
						40
22,522,183		58,458,643			56,079,796	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	04/30/2003	Dec. 31, 2002

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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1	STATE OF WYOMING					
2	Unemployment Ins					
3	Unemployment Ins (2001)	582		-582		
4	Total Wyoming	582		-582		
5						
6	STATE OF FLORIDA					
7	Unemployment Ins (2000)					
8	Unemployment Ins (2001)	-370		370		
9	Total Florida	-370		370		
10	STATE OF NEW YORK					
11	Unemployment Ins (2000)					
12	Unemployment Ins (2001)	300		-300		
13	Total New York	300		-300		
14						
15	COUNTY & MUNICIPAL					
16	Occupation	719,110		16,067,719	15,938,257	
17	Forrest Fire Protection	-294		294		
18	Greenacres Irrigation					
19	City of Spokane PBIA			18,530	18,530	
20	WA Dept of Natural	-18,930		19,250	320	
21	Spokane Utility Tax					
22	Misc.	1,347		-1,357		
23	Total County	701,233		16,104,436	15,957,107	
24						
25	STATE OF ILLINOIS					
26	Unemploymnt Ins. 1999-2000					
27	Unemployment Ins. 2001	270		-270		
28	Total Illinois	270		-270		
29						
30	STATE OF UTAH					
31	Unemployment Ins. 2001	-1,658		1,658		
32	Total Utah	-1,658		1,658		
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	-20,229,945		114,399,073	71,687,563	40,613

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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).
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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
					-582	3
					-582	4
						5
						6
					370	7
						8
					370	9
						10
					-300	11
						12
					-300	13
						14
						15
848,569		1,660,406			14,395,724	16
					294	17
						18
					18,530	19
					19,250	20
						21
-7						22
848,562		1,660,406			14,433,798	23
						24
						25
					-270	26
						27
					-270	28
						29
						30
					1,658	31
					1,658	32
						33
						34
						35
						36
						37
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						39
						40
22,522,183		58,458,643			56,079,796	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	04/30/2003	Dec. 31, 2002

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: Account No. (c)	Deferred for Year: Amount (d)	Allocations to Current Year's Income: Account No. (e)	Allocations to Current Year's Income: Amount (f)	Adjustments (g)
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%)	718,884			1411.40	49,308	
11							
12	TOTAL PROPERTY	718,884				49,308	
13							
14							
15							
16							
17							
18							
19							
20							
21							
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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	04/30/2003	Dec. 31, 2002

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

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
669,576			10
			11
669,576			12
			13
			14
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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, 2003	Dec. 31, 2002

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	Misc. Liab -- Margin Call Deposit 242.05	17,500,000
2		
3	Hamilton St. Bridge (Gas Plant) Accrual 242.10	985,909
4		
5	Audit Expense Accrual 242.20	25,000
6		
7	FERC Administrative Fee Accrual 242.30,242.31	600,000
8		
9	WUTC Fee Accrual 242.40	81,000
10		
11	Non-monetary Power Exchange 242.50	69,046
12		
13	Misc. Liab -- Transmission Deposits 242.51	65,800
14		
15	Payroll Equalization 242.70	8,636,557
16		
17	Demand Side Mgmt Tariff Rider 242.71,72,73,74	(8,713,739)
18		
19	ESOP 401-K Plan 242.75	32,645
20		
21	Low Income Energy Assistance 242.76 & 242.77	907,327
22		
23	California Commission Fee 242.78	5,768
24		
25	OR Gas Limited Income (LIRAP) 242.79	84,383
26		
27		
28		
29		
30		
31		
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42		
43	TOTAL	20,279,696

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	18	419	3,059	11,100	8,059
3						
4	Deferred revenue prepayment -					
5	Pacific Walla Walla/Enterprise					
6	Amort = 19 yrs 253.08	70,290	456	9,372		60,918
7						
8	BPA C&RD Receipts 253.10	65,700		394,200	394,200	65,700
9						
10	Trust Fund - Centralia 253.11	852,529	128	11,608	49,497	890,418
11						
12	Rathdrum Refund 253.12	611,621	550	33,823		577,798
13	Amort = 25 years					
14						
15	Supplemental Executive	10,362,946	426	822,973	3,001,426	12,541,399
16	Retirement Plan 253.29					
17						
18	Deferred PGE Contract 253.70	30,597,960		30,597,960		
19						
20	Mark to Market 253.74	159,418,185	557	1,157,747,883	998,329,698	
21						
22	Gain on Sale and leaseback	2,614,560	931	261,456		2,353,104
23	of Building (Amortization period					
24	is 25 years) 253.85 & 253.86					
25						
26	WA Clark Fork Relicensing 253.88	114,550	171	5,414,550	5,300,000	
27	ID Clark Fork Relicensing 253.89	-605,387	171	569,152	783,190	-391,349
28						
29	Deferred Compensation 90,91,92	12,746,394	131	2,182,300	1,083,686	11,647,780
30						
31	Long Term Incentive Plan 253.93	57,103	920/417	94,606	37,503	
32						
33	FAS5 Mark to Market 253.95	13,653,729		120,921,889	109,219,739	1,951,579
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	230,560,198		1,319,064,831	1,118,210,039	29,705,406

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	04/30/2003	Dec. 31, 2002

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	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	161,842,987	5,043,434	
3	Gas	33,103,340	3,894,155	
4	General Common	12,990,001	-1,276,087	
5	TOTAL (Enter Total of lines 2 thru 4)	207,936,328	7,661,502	
6	Non-operating	2,293,161	98,714	
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	210,229,489	7,760,216	
10	Classification of TOTAL			
11	Federal Income Tax	204,565,233	8,642,206	
12	State Income Tax	5,664,256	881,990	
13	Local Income Tax			

NOTES

Name of Respondent Avista Corp.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2003	Year of Report Dec. 31, 2002

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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		Balance at End of Year	Line No.
		Account Credited	Amount	Account Debited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
						166,886,421	2
						36,997,495	3
						11,713,914	4
						215,597,830	5
						2,391,875	6
							7
							8
						217,989,705	9
							10
						213,207,439	11
						6,546,246	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	04/30/2003	Dec. 31, 2002

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)	CHANGES DURING YEAR: Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Electric	130,520,472	-9,734,409	440,304
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	130,520,472	-9,734,409	440,304
10	Gas			
11	Gas	17,276,605	-11,919,054	
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)	17,276,605	-11,919,054	
18	Other	139,550,762	3,706,754	
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	287,347,839	-17,946,709	440,304
20	Classification of TOTAL			
21	Federal Income Tax	287,347,839		
22	State Income Tax			
23	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	04/30/2003	Dec. 31, 2002

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 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
3,005,188						123,350,947	3
							4
							5
							6
							7
							8
3,005,188						123,350,947	9
							10
323,412		190.10	161,852			5,519,111	11
		190.88	11,933			-11,933	12
							13
							14
							15
							16
323,412			173,785			5,507,178	17
		182.31 &	9,898,399			133,359,117	18
3,328,600			10,072,184			262,217,242	19
							20
							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	04/30/2003	Dec. 31, 2002

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	1,494,265	176,335	8,438,779
2					
3	FAS 109 - Accounting for Income Taxes 254.18	190.18	53,100	48,709	360,576
4					
5	Nez Perce - Regulatory Liability 254.22	186.80/557.2	16,506	918,950	902,444
6					
7	Rate Base Credit - WA 254.43	253.70	2,915,400		
8					
9	BPA Residential Exchange 254.45, 028 & 038	407.45	11,156,707	12,470,816	208,098
10					
11	Mark to Market FAS133 - Reg Liab 254.74	176.74/245.7	3,604,007	13,868,612	10,264,605
12					
13					
14					
15					
16					
17					
18					
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40					
41	TOTAL		19,239,985	27,483,422	20,174,502

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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, 2003	Dec. 31, 2002

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	183,963,929	179,584,411
3	(481) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	104,973,791	104,012,334
5	Large (or Ind.) (See Instr. 6)	7,126,920	11,129,400
6	(482) Other Sales to Public Authorities		
7	(484) Interdepartmental Sales	499,585	523,959
8	TOTAL Sales to Ultimate Consumers	296,564,225 (1)	295,250,104
9	(483) Sales for Resale	694,944	1,761,597
10	TOTAL Nat. Gas Service Revenues	297,259,169	297,011,701
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	297,259,169	297,011,701
13	OTHER OPERATING REVENUES		
14	(485) Intracompany Transfers		
15	(487) Forfeited Discounts		
16	(488) Misc. Service Revenues	251,976	211,056
17	(489) Rev. from Trans. of Gas of Others	9,695,204	8,882,255
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	2,616,164	2,537,687
24	TOTAL Other Operating Revenues	12,563,344	11,630,998
25	TOTAL Gas Operating Revenues	309,822,513	308,642,699
26	(Less) (496) Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds	309,822,513	
28	Dis. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)	288,937,720	
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)	7,126,920	
30	Sales for Resale	694,944	
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales	499,585	
33	TOTAL (Same as Line 10, Columns (b) and (d))	297,259,169	

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, 2003	Dec. 31, 2002

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
199,686,485	198,413,267	254,700	249,650	2
				3
126,219,715	126,869,447	30,823	30,355	4
11,242,261	15,523,094	315	328	5
				6
631,864	767,820	38	37	7
337,780,325 (2)	341,573,628	285,876	280,370	8
2,306,160	4,830,610	1	1	9
340,086,485	346,404,238	285,877	280,371	10
				11
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NOTES

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

(1) Includes ($12,832,438) unbilled revenues.

(2) Includes (8,324,186) 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, 2003	Dec. 31, 2002

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	Total Residential, Commerical and Industrial		Residential
		Operating Revenues (Total of (d), (f) and (h))	Therms (Total of (e), (g) and (i))	Operating Revenues
	(a)	(b)	(c)	(d)
1	State of Washington	150,972,721	169,471,377	92,757,509
2	State of Idaho	58,954,452	66,893,758	36,888,657
3	State of Oregon	67,101,070	79,922,630	40,894,191
4	State of California	19,036,397	20,860,696	13,423,572
5				
6	Totals	296,064,640	337,148,461	183,963,929
7				
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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, 2003	Dec. 31, 2002

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 (e)	Operating Revenues (f)	Therms (g)	Operating Revenues (h)	Therms (i)	Line No.
99,538,153	54,593,107	65,251,272	3,622,105	4,681,952	1
39,797,088	20,789,795	24,352,120	1,276,000	2,744,550	2
45,551,016	23,978,064	30,555,855	2,228,815	3,815,759	3
14,800,228	5,612,825	6,060,468	0	0	4
					5
199,686,485	104,973,791	126,219,715	7,126,920	11,242,261	6
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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, 2003	December 31, 2002

GAS OPERATION AND MAINTENANCE EXPENSES

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

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

Name of Respondent	This Report Is:	Date of Report	Year of Report
Avista Corp.	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) April 30, 2003	December 31, 2002

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	170,443,279	218,998,115
73	804.1 Liquefied Natural Gas Purchases	-	1,483,797
74	805 Other Gas Purchases	150,713	25,755,446
75	(Less) 805.1 Purchased Gas Cost Adjustments	42,229,253	(33,295,074)
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 76)	212,823,245	212,942,284
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	212,466	154,476
84	807.5 Other Purchased Gas Expenses	91,114	71,416
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	303,580	225,892
86	808.1 Gas Withdrawn from Storage-Debit	(113,552)	-
87	(Less) 808.2 Gas Delivered to Storage-Credit	181,476	4,366
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	300,084	317,541
96	TOTAL Other Gas Supply Exp (Total of lines 77,78,85,86 thru 89,94,95)	213,494,832	213,490,082
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65, and 96)	213,494,832	213,490,082

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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	(4,013)	(12,086)
102	815 Maps and Records	-	0
103	816 Wells Expenses	9,984	15,901
104	817 Lines Expense	6	0
105	818 Compressor Station Expenses	58,007	142,194
106	819 Compressor Station Fuel and Power	7,706	16,448
107	820 Measuring and Regulating Station Expenses	3,041	10,850
108	821 Purification Expenses	-	5,571
109	822 Exploration and Development	-	0
110	823 Gas Losses	-	0
111	824 Other Expenses	63,344	22,399
112	825 Storage Well Royalties	29,607	26,315
113	826 Rents	(1,146)	(1,558)
114	TOTAL Operation (Enter Total of lines 101 thru 113)	166,536	226,034
115	Maintenance		
116	830 Maintenance Supervision and Engineering	31,270	61,321
117	831 Maintenance of Structures and Improvements	1,972	1,841
118	832 Maintenance of Reservoirs and Wells	30,872	45,301
119	833 Maintenance of Lines	2,507	6,661
120	834 Maintenance of Compressor Station Equipment	66,968	97,921
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	1,735	1,708
123	837 Maintenance of Other Equipment	55,268	4,126
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)	190,592	218,880
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	357,128	444,915
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)	357,128	444,915
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	0	6,923
187	857 Measuring and Regulating Station Expenses	0	0
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)	0	6,923

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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	0	8,884
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Reg. Station Equipment	0	0
198	866 Maintenance of Communication Equipment	-1,777	66,535
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Enter Total of lines 193 thru 199)	-1,777	75,419
201	TOTAL Transmission Expenses (Enter Total of lines 191 and 200)	-1,777	82,342
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	551,020	482,722
205	871 Distribution Load Dispatching	0	17,013
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0
208	874 Mains and Services Expenses	2,920,726	2,596,022
209	875 Measuring and Regulating Station Expenses-General	59,448	57,914
210	876 Measuring and Regulating Station Expenses-Industrial	1,958	5,834
211	877 Measuring and Regulating Station Expenses-City Gate Check Station	87,906	74,259
212	878 Meter and House Regulator Expenses	1,537,662	980,611
213	879 Customer Installations Expenses	1,663,395	1,509,491
214	880 Other Expenses	1,487,755	1,490,622
215	881 Rents	113,369	64,019
216	TOTAL Operation (Enter Total of lines 204 thru 215)	8,423,239	7,278,507
217	Maintenance		
218	885 Maintenance Supervision and Engineering	35,332	30,763
219	886 Maintenance of Structures and Improvements	4,577	7,339
220	887 Maintenance of Mains	1,317,915	1,266,227
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Meas. and Reg. Sta. Equip.-General	359,632	318,826
223	890 Maintenance of Meas. and Reg. Sta. Equip.-Industrial	151,478	144,173
224	891 Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	46,853	56,551
225	892 Maintenance of Services	273,338	274,396
226	893 Maintenance of Meters and House Regulators	539,776	489,129
227	894 Maintenance of Other Equipment	30,081	0
228	TOTAL Maintenance (Enter Total of lines 218 thru 227)	2,758,983	2,587,405
229	TOTAL Distribution Expenses (Enter Total of lines 216 and 228)	11,182,223	9,865,912
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	88,559	59,658
233	902 Meter Reading Expenses	1,896,434	1,714,244
234	903 Customer Records and Collection Expenses	5,425,787	5,296,071
235	904 Uncollectible Accounts	1,746,963	1,631,245
236	905 Miscellaneous Customer Accounts Expenses	616,857	678,654
237	TOTAL Customer Accounts Expenses (Enter Total of lines 232 thru 236)	9,774,600	9,379,872

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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	3,115,433	2,182,626
242	909 Informational and Instructional Expenses	87,332	118,827
243	910 Miscellaneous Customer Service and Informational Expenses	105,585	75,116
244	TOTAL Customer Service and Information Expenses (Lines 240 thru 243)	3,308,350	2,376,569
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	11,529	26,807
248	912 Demonstrating and Selling Expenses	507,687	557,476
249	913 Advertising Expenses	106,461	89,849
250	916 Miscellaneous Sales Expenses	71,230	121,492
251	TOTAL Sales Expenses (Enter Total of lines 247 thru 250)	696,907	795,624
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	5,138,786	3,817,778
255	921 Office Supplies and Expenses	2,183,794	1,784,261
256	(Less) (922) Administrative Expenses Transferred-Cr.	-6,611	(20,980)
257	923 Outside Services Employed	3,332,309	2,535,956
258	924 Property Insurance	239,077	128,166
259	925 Injuries and Damages	877,947	561,282
260	926 Employee Pensions and Benefits	437,843	451,154
261	927 Franchise Requirements	0	0
262	928 Regulartory Commission Expenses	1,213,921	938,607
263	(Less) (929) Duplicate Charges-Cr.	0	0
264	930.1 General Advertising Expenses	640	370
265	930.2 Miscellaneous General Expenses	1,001,574	971,198
266	931 Rents	2,198,246	2,084,430
267	TOTAL Operation (Enter Total of lines 254 thru 266)	16,617,526	13,252,223
268	Maintenance		
269	935 Maintenance of General Plant	960,335	767,621
270	TOTAL Administrative and General Exp (Total of lines 267 and 269)	17,577,860	14,019,844
271	TOTAL Gas O. and M. Exp (Lines 97,177,201,229,237,244,251,and 270)	256,390,122	250,455,160

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, 2002	
2. Total Regular Full-Time Employees	343
3. Total Part-Time and Temporary Employees allocation of General Employees	33
4. Total Employees	376

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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	70,675
2	Transportation	1,610
	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	15,259
3		
4	Canadian Regulatory Affairs	
	Labor	44,906
5	Misc. Other Expenses (Phone Bills, Professional Services, Gas Reports, Travel, Etc.)	22,126
6	Send Out Modeling	
	Maintenance Fees	0
7		
8	FERC Gas Case	
	Labor	52,111
9	Misc. Other Expenses (Phone Bills, Professional Services, Postage, Etc.)	85,522
10	Departmental Administration	108
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	292,318

Name of Respondent	This report is:	Date of Report	Year of Report
Avista Corp.	(1) (X)An Original (2) ( ) A Resubmissior	(Mo, Da, Yr) April 30, 2003	Dec. 31, 2002

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)*	WA/ID Ret	WA/ID Exp	OR/CA Ret	OR/CA Exp		Amount *(b)*
1	Industry Association Dues **(0930.25)**						199,769
2	Experimental and General Research Expenses a. Gas Research Institute (GRI) b. Other						
3	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent						298,492
4	Other Expenses						
5							
6	**Directors Fees and Expenses (0930.27)**	WA/ID Ret	WA/ID Exp	OR/CA Ret	OR/CA Exp		
7	Erik J. Anderson	7,694	183	4,006	96		11,979
8	Kristianne Blake	8,939	64	4,655	33		13,691
9	David A. Clack	6,362	560	3,313	291		10,526
10	Sarah M. R. Jewell	5,709	142	2,973	74		8,898
11	Jessie Knight	3,761	1,241	1,959	646		7,607
12	John F. Kelly	5,253	8	2,735	4		8,000
13	Eugene W. Meyer	2,104	2,362	1,095	1,230		6,791
14	Bobby Schmidt	1,419	409	739	213		2,780
15	Row Lewis Eiguren	6,751	386	3,515	201		10,853
16	R. John Taylor	5,526	813	2,878	424		9,641
17	Dan Zaloudek	1,438	349	749	182		2,718
18							
19	Total	54,956	6,517	28,617	3,394		
20						93,484	
21							
22	**Miscellaneous General Expenses (0930.20)**						
23	Labor						193,806
24	2 Items Under $5000						7,916
25							
26	Total					201,722	
27							
28							
29							
30							
31	**Community Relations (0930.22)**						
32	Labor						114,766
33	#REF!						17,339
34							
35	Total					132,105	
36							
37	**Educational - Informational (0930.23)**						
38	Labor						31,141
39	1 Item Under $5000						466
40						31,607	
41							
42	**Other Miscellaneous General Expenses (0930.29)**						
43	Labor						79
44	Spokane Regional Business Center						5,396
45							
46						5,475	
47	**Other Miscellaneous General Labor (0930.26-28)**						
48	93027						36654.05
49	93028						1,524
50						38,178.05	
51							
52	TOTAL						1,000,832

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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. (d)
1	Intangible plant			
2	Prodution plant, manufactured gas	(70,469)		
3	Production and gathering plant, natural gas			
4	Products extraction plant			
5	Undergound gas storage plant	407,746		
6	Other storage plant			
7	Base load LNG terminating and processing plant			
8	Transmission plant	(67,103)		
9	Distribution plant	12,094,000		
10	General plant	462,973		
11	Common General plant-Allocated	1,285,522		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	14,112,669	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.
126,517		126,517	Intangible plant	1
		(70,469)	Prodution plant, manufactured gas	2
			Production and gathering plant, natural gas	3
			Products extraction plant	4
		407,746	Undergound gas storage plant	5
			Other storage plant	6
			Base load LNG terminating and processing plant	7
		(67,103)	Transmission plant	8
		12,094,000	Distribution plant	9
		462,973	General plant	10
569,224		1,854,746	Common general plant-Allocated	11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
695,741	0	14,808,410	TOTAL	25

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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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	1,062	1.75%
4	352	5,542	2.00%
5	352.2	180	2.53%
6	352.1 (Leasehold Improvements)	254	2.22%
7	352.3	6,122	2.54%
8	353	811	2.06%
9	354	1,882	2.32%
10	355	154	2.66%
11	356	404	2.97%
12	357	1,623	2.77%
13	Total	18,059	
14			
15	Production - Manufactured Gas:		
16	2305	34	2.80%
17	2311	85	1.80%
18	Total	119	
19	Transmission Plant:		
20	2366	0	2.60%
21	2367	0	2.60%
22	2369	0	3.45%
23	2370	0	7.10%
24	Total	0	
25	Distribution Plant:		
26	375.1	562	2.19%
27	376	212,583	2.38%
28	378	4,037	2.13%
29	379	1,722	2.24%
30	380	152,588	2.67%
31	381	48,411	1.94%
32	382	0	2.07%
33	383	0	2.27%
34	384	0	2.53%
35	385	2,330	2.43%
36	387	1	5.40%
37	Total	422,233	
38	Intangible	3,063	2.00%
39	General Plant:		
40	390.1	2,364	2.14%
41	390.2	12	2.00%
42	391.1	10	6.30%
43	393	84	2.40%
44	394	1,983	4.96%
45	395	874	4.48%
46	397	1,544	8.76%
47	398	34	2.59%
48	Total	6,905	
49	Total Gas Plant	450,379	

Name of Respondent	This report is:	Date of Report	Year of Report
	(1) (X)An Origin	(Mo, Da, Yr)	
Avista Corp.	(2) ( ) A Resubm	April 30, 2003	Dec. 31, 2002

Particulars Concerning Certain Income Deduction and Interest Charges Accounts

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

Line No.	Description *(a)*	Amount *(b)*
1	Acct. 425.00 - MISCELLANEOUS AMORTIZATIONS	
2	Gas plant acquisition adj. Applicable to purchase of CP National,	
3	Oregon & California distribution system. Contra account 115.00.	1,323,416
4	Total - 425.00	
5		
6	Acct. 426.10 - DONATIONS	
7	El Dorado County (Project Share)	15,000
8	Pullman Chamber of Commerce	12,148
9	Spokane Neighborhood Action	150,000
10	Team Idaho Inc.	25,000
11	Items Under $10,250	159,444
12		
13	Total 426.10	361,592
14		
15	Acct. 426.20 - LIFE INSURANCE	
16	Officers Life	101,418
17	SERP	1,146,713
18	Total 426.20	1,248,131
19		
20	Acct. 426.30 - PENALTIES	
21	Gas Safety Audit Fine	80,927
22	Items Under $2,000	2,285
23	Total 426.30	83,212
24		
25	Acct. 426.40 - EXPENDITURES FOR CERTAIN CIVIC, POLITICAL,	
26	AND RELATED ACTIVITIES	
27	Lobbyist	415,406
28	Legal Services	47,322
29		
30		
31	Items Under $42,500	997,688
32	Total 426.40	1,460,416
33		
34	Acct. 426.50 - OTHER DEDUCTIONS	
35	Kettle Falls Reserve Amortization	-228,480
36	Executive Deferred Compensation	-710,067
37	Cash Reduction for PGE Monetization	352,500
38	Fuel Cell Retirement	-29,708
39	Total 426.50	-615,755
40		
41		

Name of Respondent	This report is:	Date of Report	Year of Report
	(1) (X)An Origin	(Mo, Da, Yr)	
Avista Corp.	(2) ( ) A Resubm	April 30, 2003	Dec. 31, 2002

Particulars Concerning Certain Income Deduction and Interest Charges Accounts

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

Line No.	Description *(a)*	Amount *(b)*
1	Acct. 431.00 - OTHER INTEREST EXPENSE	
2	Customer Deposits	295,116
3	Misc. Oregon Deferrals and Amortizations	156,469
4	Interest, WA PGA	763,818
5	Interest, ID PGA	205,966
6	Other Interest	125,731
7	Misc. AP	2,467
8	Interest on DSM Program Liability	2,810
9	Misc. Interest	1,697
10	Executive Deferred Compensation	67,600
11		
12	Total 431.00	1,621,673
13		
14		
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, 2003	Dec. 31, 2002

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:CP02-39,40,41,42,CP02-4,CP93-618,				
3	GT02-37,GT02-503,RP00-412,RP00-414,RP01-94,RP02-164,				
4	RP02-169,RP02-191,RP02-272,RP02-308,RP02-323,RP02-331,				
5	RP02-337,RP02-344,RP02-362,RP02-391,RP02-410,RP02-451,				
6	RP02-452,RP02-453,RP02-455,RP02-471,RP02-503,RP02-552,				
7	RP02-553,RP02-564,RP02-69,RP03-18,RP03-41,RP03-68 & 70	2,136,368	100,232	2,236,600	
8					
9	WASHINGTON UTILITIES & TRANSPORTATION				
10	Misc. Electric-Docket #s: UE-011595,UE-020344,UE-020352,				
11	UE-020471,UE-020635,UE-020699,UE-020765,UE-021052,				
12	UE-021124,UE-021123,UE-021455,UE-021521,UE021699,				
13	UE-0021731	477,420	673,142	1,150,562	
14					
15	Misc. Gas - Docket #s: UG-020219,UG-020218,UG-020345				
16	UG-020472,UG-020575,UG-020700,UG-021043,UG-021258				
17	UG-021456,UG-021584,UG-021639,UG-021639	301,836	162,836	464,672	
18					
19	IDAHO PUBLIC UTILITIES COMMISSION				
20	Misc. Electric- Docket #s:AVU-E-02-2,AVU-E-02-3,AVU-E-02-4				
21	AVU-E-02-5,AVU-E-02-6,AVU-E-02-7,AVU-E-02-8				
22	Advice #s: 02-01-E,02-03-E,02-04-E				
23	General Docket #s: GNR-E-02-1,GNR-E-02-2	420,728	235,190	655,918	
24					
25	Misc. Gas - Docket #s:AVU-G-01-3,AVU-G-02-1,AVU-G-02-2				
26	Advice #s: 02-01-G,02-02-G,02-03-G,02-04-G				
27	General Docket #: GNR-U-02-1	149,438	88,538	237,976	
28					
29	OREGON PUBLIC UTILITIES COMMISSION				
30	Docket #s: UM-903,UM-1056,AR-357/427,UG-148,UF4153/4079				
31	Misc Advice #s: 01-8-G,02-1-G,02-2-G,02-9-G,02-10-G				
32	02-11-G,02-12-G,02-13-G	217,216	191,484	408,700	
33					
34	CALIFORNIA PUBLIC UTILITIES COMMISSION				
35	Decisions: 01-05-033,01-07-026,01-08-065,02-10-040,02-12-011				
36	Resolutions: E-3524,G-3303,G-3329				
37	Misc. Advice #s: U907G/C44G-C50G				
38	Rulemaking #s:98-7-026,01-05-047,01-08-027,02-10-001	16,602	85,969	102,571	
39	TOTAL	3,719,608	1,537,391	5,256,999	

Name of Respondent Avista Corp.	This report is: [X] An Original [ ] A Resubmission	Date of Report (Mo, Da, Yr) April 30, 2003	Year Ending Dec. 31, 2002

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	2,236,600					4
							5
							6
							7
Electric	0928	1,150,562					8
							9
Gas	1928	464,672					10
							11
							13
Electric	0928	655,918					15
							16
Gas	1928	237,976					17
							18
							19
Gas	2928	408,700					20
							22
							23
Gas	2928	102,571					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, 2003	Dec. 31, 2002

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	7,448,601		
4	Transmission	1,746,532		
5	Distribution	4,899,800		
6	Customer Accounts	4,454,808		
7	Customer Service and Informational	43,424		
8	Sales	516,401		
9	Administrative and General	9,737,935		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	28,847,501		
11	Maintenance			
12	Production	2,753,739		
13	Transmission	738,689		
14	Distribution	3,938,933		
15	Administrative and General	690,140		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	8,121,501		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	10,202,340		
19	Transmission (Enter Total of lines 4 and 13)	2,485,221		
20	Distribution (Enter Total of lines 5 and 14)	8,838,733		
21	Customer Accounts (Transcribe from line 6)	4,454,808		
22	Customer Service and Information (Transcribe from line 7)	43,424		
23	Sales (Transcribe from line 8)	516,401		
24	Administrative and General (Enter Total of lines 9 and 15)	10,428,075		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	36,969,002	1,577,285	38,546,287
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	335,330		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	5,074,534		
34	Customer Accounts	3,809,779		
35	Customer Service and Informational	111,842		
36	Sales	310,451		
37	Administrative and General	3,777,353		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	13,419,289		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution	1,597,762		
46	Administrative and General	183,084		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	1,780,846		

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, 2003	Dec. 31, 2002

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)	335,330		
52	Storage, LNG, Terminaling and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)	0		
54	Distribution (Enter Total of lines 33 and 45)	6,672,296		
55	Customer Accounts (Transcribe from line 34)	3,809,779		
56	Customer Service and Informational (Transcribe from line 35)	111,842		
57	Sales (Transcribe from line 36)	310,451		
58	Administrative and General (Enter Total of lines 37 and 46)	3,960,437		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	15,200,135	445,043	15,645,178
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	52,169,137	2,022,328	54,191,465
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	15,165,287	1,420,734	16,586,021
66	Gas Plant	4,961,097	271,180	5,232,277
67	Other			
68	TOTAL Construction (Enter Total of lines 65 thru 67)	20,126,384	1,691,914	21,818,298
69	Plant Removal (By Utility Department)			
70	Electric Plant	603,682	(1,330)	602,352
71	Gas Plant	53,810	725	54,535
72	Other			
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	657,492	(605)	656,887
74	Other Accounts (Specify):			
75	Stores Expense (163)	0	41	41
76	Prepayments (165)	0		0
77	Preliminary Survey and Investigation (183)	32,503	1,830	34,333
78	Small Tool Expense (184)	54,604	6,477	61,081
79	Miscellaneous Deferred Debits (186)	34,601,080	26,646	34,627,726
80	Capital Stock Expense (214)	0	0	0
81	Merchandising Expenses (416)	369,904	1,579	371,483
82	Non-operating Expenses (417)	780,418	21,390	801,808
83	Expenditures of Certain Civic, Political and Related			
84	Activities (426)	257,273	920	258,193
85	Purchase and Stores Expense (980)	1,182,363	(1,165,372)	16,991
86	Transportation Expense (981)	1,339,182	(1,320,122)	19,060
87	Cafeteria Expense - Labor (984)		0	
88	Spokane Central Operating Facility Expense (985)	761,378	(757,222)	4,156
89	Clark Fork Relicensing (987)	536,108	(529,804)	6,304
90				
91				
92				
93				
94				
95				
96	TOTAL Other Accounts	39,914,813	(3,713,637)	36,201,176
97	TOTAL SALARIES AND WAGES	112,867,826	0	112,867,826

Name of Respondent	This report is:	Date of Report (Mo, Da, Yr)	Year Ending
Avista Corp.	[X] An Original [ ] A Resubmission	April 30, 2003	Dec. 31, 2002

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	Analytical Surveys Inc.		612,651
2	Bain Company		1,288,963
3	Deloitte & Touche		596,278
4	Hanna & Associates, Inc.		352,546
5	Heller Ehrman White		569,839
6	Marsh Advantage America		1,993,147
7	Morrison & Foerster LLP		295,332
8	Network Design & Management		822,819
9	Owens James and Vernon PA		550,000
10	Paine Hamblen Coffin & Brooke		1,735,856
11	Pricewaterhouse Coopers LLP		254,894
12	Thelen Reid & Priest		642,947
13	Van Ness Feldman		544,904
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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, 2003	Dec. 31, 2002

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	346,673
7	June	600,000
8	July	620,000
9	August	620,000
10	September	300,000
11	October	0
12	November	0
13	December	0
14	TOTAL (Enter Total of Lines 15 Thru 26)	2,486,673
15	Gas Withdrawn from Storage	
16	January	757,614
17	February	445,655
18	March	267,393
19	April	89,131
20	May	0
21	June	0
22	July	0
23	August	0
24	September	0
25	October	0
26	November	236,670
27	December	620,000
28	TOTAL (Enter Total of Lines 29 Thru 40)	2,416,463

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, 2003	Dec. 31, 2002

GAS STORAGE PROJECTS (Continued)

Line No.	Item *(a)*	Total Amount *(b)*
	Storage Operations (In Dekatherms)	
42	Top or Working Gas End of Year (Note)	1,630,003
43	Cushion Gas (Including Native Gas)	6,586,667
44	Total Gas in Reservoir (Enter Total of Line 42 and Line 43)	8,216,670
45	Certificated Storage Capacity	51,742,663
46	Number of Injection - Withdrawal Wells	45
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, 2003	Dec. 31, 2002

TRANSMISSION MAINS

Show particulars Called for Concerning Transmission Mains*

Line No.	Kind of Material (a)	Diameter of Pipe, Inches (b)	Total Length in Use Beginning of Year, Feet (c)	Laid During Year, Feet (d)	Taken up or Abandoned During Year, Feet (e)	Total Length in Use End of Year, Feet (f)
1						
2	Steel Coated	Over 4" through 10"	332,640	-		332,640
3	Steel Coated	4" or Less	26400	0	0	26400
4						
5						
6						
7						
8						
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45						
46	TOTALS			0		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, 2003	Dec. 31, 2002

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"	6,057,277	0	9,001	6,048,276
3	Steel Wrapped	2" to 4"	1,881,783	2,640	5,280	1,879,143
4	Steel Wrapped	4" to 8"	1,148,160	0	0	1,148,160
5	Steel Wrapped	8" to 12"	156,250	0	2,640	153,610
6	Steel Wrapped	Over 12"	52,622	0	0	52,622
7	The WP Natural Gas System					
8	Steel Wrapped	Less than 2"	3,119,796	0	9,876	3,109,920
9	Steel Wrapped	2" to 4"	901,915	965	0	902,880
10	Steel Wrapped	4" to 8"	583,702	28,778	0	612,480
11	Steel Wrapped	8" to 12"	12,625	3,215	0	15,840
12	Steel Wrapped	Over 12"	0	0	0	0
13	The Washington Water Power System					
14	Plastic	Less than 2"	9,322,702	285,667	519	9,607,850
15	Plastic	2" to 4"	1,959,441	26,400	0	1,985,841
16	Plastic	4" to 8"	426,770	5,280	0	432,050
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"	4,576,469	164,971	0	4,741,440
21	Plastic	2" to 4"	752,008	13,592	0	765,600
22	Plastic	4" to 8"	55,781	2,299	0	58,080
23	Plastic	8" to 12"	0	0	0	0
24	Plastic	Over 12"	0	0	0	0
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37	TOTALS		31,007,301	533,807	27,316	31,513,792

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, 2003	Dec. 31, 2002

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	20,512	0	171	20,341	Not
3	Steel Wrapped	1" thru 2"	1,141	0	7	1,134	Available
4	Steel Wrapped	2" thru 4"	80	0	0	80	
5	Steel Wrapped	4" thru 8"	4	0	5	(1)	
6	Steel Wrapped	Over 8"	0	0	0	0	
7	WP Natural Gas System						
8	Steel Wrapped	1' or Less	40,036	0	87	39,949	
9	Steel Wrapped	1" thru 2"	586	0	3	583	
10	Steel Wrapped	2" thru 4"	22	0	0	22	
11	Steel Wrapped	4" thru 8"	2	0	0	2	
12	Steel Wrapped	Over 8"	0	0	0	0	
13	Washington Water Power System						
14	Plastic	1' or Less	113,728	4,270	0	117,998	
15	Plastic	1" thru 2"	747	5	0	752	
16	Plastic	2" thru 4"	62	26	2	86	
17	Plastic	4" thru 8"	1	0	1	0	
18	Plastic	Over 8"	0	0	0	0	
19	WP Natural Gas System						
20	Plastic	1' or Less	64,267	2,879	0	67,146	
21	Plastic	1" thru 2"	1,365	52	0	1,417	
22	Plastic	2" thru 4"	76	1	0	77	
23	Plastic	4" thru 8"	5	0	0	5	
24	Plastic	Over 8"	0	0	0	0	
25							
26							
27	TOTALS		242,634	7,233	276	249,591	

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, 2003	Dec. 31, 2002

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				292,336	16,405	3,413	305,328

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, 2003	Dec. 31, 2002

AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent' 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	18,539,341	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
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GAS ACCOUNT - NATURAL GAS

1 The purpose of this schedule is to account for the quality of natural gas received and delivered by the respondent.
2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries.
4 Indicated in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
5 If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.
6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the 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)		34,479,982
4	Gas of Others Received for Gathering (Account 489.1)	303	
5	Gas of Others Received for Transmission (489.2)	305	17,640,451
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.?)		52,120,433
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 - 484)		33,778,032
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	17,640,451
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		230,616
28	Total Deliveries (Total lines 17 thru 27.?)		51,649,099
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		471,334
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total lines 30 thru 35)		471,334
37	Total Deliveries & Unaccounted For (Total lines 28 thru 36)		52,120,433

FOOTNOTE DATA

Schedule Page: 103.1 Line No.: 23 Column: d

Schedule Page: 103.2 Line No.: 7 Column: d

51% owned by Cogentrix, Inc.

Schedule Page: 103.2 Line No.: 10 Column: d

50% owned by Mirant Americas Development, Inc.

Name of Respondent Avista Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report *(Mo, Da, Yr)* April 28, 2003	Year of Report Dec. 31, 2002

FOOTNOTE DATA

Schedule Page: 219 Line No.: 15 Column: c

OR/CA Transmission written off books Feb. 2002.

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, 2003	Dec. 31, 2002

FOOTNOTE DATA

Schedule Page: 219 Line No.: 15 Column: c

OR/CA Transmission written off books Feb. 2002.