

Avista Corp.
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Spokane, Washington 99220-3727
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Corp.

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September 30, 2004

IDAHO PUBLIC
UTILITIES COMMISSION

Ms. Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83720

AVU-E-04-04

Dear Ms. Jewell:

Advice No. E-04-04

Tariff I.P.U.C. No. 28, Electric Service
Residential and Farm Energy Rate Adjustment Credit

Enclosed for filing with the Commission is an original of the following tariff sheet:

Fifth Revision Sheet 59 Canceling Fourth Revision Sheet 59

The proposed revised tariff sheet sets forth a residential and small farm energy rate adjustment credit of 0.412¢ per kilowatt-hour to be effective November 1, 2004. The credit results from a residential exchange program aimed at giving electric customers a portion of benefits from federal hydroelectric projects located in the Northwest pursuant to a Settlement Agreement between Avista and the Bonneville Power Administration. The Company is proposing that the rate credit be modified from the existing 0.252¢ per kilowatt-hour to 0.412¢ per kilowatt-hour to pass through the projected balance of accumulated benefits at October 31, 2004, as well as the expected level of benefits to be received from BPA during the period November 1, 2004 through October 31, 2005.

Under the assumptions contained in the Application, the proposed rate credit results in an overall reduction in annual revenue of approximately \$1.7 million. The increase in the rate credit will have no effect on Avista's net income. For a residential customer using 1,000 kilowatt-hours per month the new credit would be \$4.12 per month or \$1.60 more than the existing credit of \$2.52 per month. With the new higher credit in place, residential customers' bills will be about 2.5% lower than they were before the increase in the rate credit.

Enclosed is a copy of the existing tariff Schedule 59 with the old rate crossed out and with the proposed rate underlined, an Application that provides information supporting the proposed tariff, a notice to customers that will be posted in the Company's offices and included as an insert in customer bills, a copy of a press release, and a set of workpapers. If you have any questions regarding this filing, please contact Ron McKenzie at (509) 495-4320.

Sincerely,

Kelly Norwood
Vice President State and Federal Regulation

Enclosures

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 59

RESIDENTIAL AND FARM ENERGY RATE ADJUSTMENT - IDAHO

APPLICABLE:

To Residential Customers in the State of Idaho where Company has electric service available. This rate adjustment results from an Agreement between the Company and Bonneville Power Administration (BPA) covering Residential Exchange Program benefits. The rate adjustment in this schedule shall be applicable to customers served under Schedules 1, 12, 22, 32 and 48.

MONTHLY RATE:

The energy charges for all blocks of electric Schedules 1, 12, 22 and 32 and the charges for area lights based on the energy usages of the lights on Schedule 48 are to be reduced by 0.412¢ per kWh.

SPECIAL TERMS AND CONDITIONS:

The rate adjustment under this schedule is subject to revision to reflect the true up from estimated to actual benefits and to reflect projected future benefits. In the event the credits applied under this schedule exceed the benefits, the Company will adjust the rate on this schedule to recover that difference.

The energy credit applied to Schedule 32 for farm irrigation and pumping load, for each billing period, shall not exceed the amount of energy determined by the following formula:

$$400 \times 0.746 \times \text{days in the billing period} \times 24$$

In no instance shall any qualifying irrigation and pumping load for any month exceed 222,000 kWh.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above rate is subject to the provisions of Tax Adjustment Schedule 58.

Issued September 30, 2004

Effective November 1, 2004

Issued by Avista Utilities

By *Kelly O. Norwood*

Kelly O. Norwood – Vice President, State and Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 59

RESIDENTIAL AND FARM ENERGY RATE ADJUSTMENT - IDAHO

APPLICABLE:

To Residential Customers in the State of Idaho where Company has electric service available. This rate adjustment results from an Agreement between the Company and Bonneville Power Administration (BPA) covering Residential Exchange Program benefits. The rate adjustment in this schedule shall be applicable to customers served under Schedules 1, 12, 22, 32 and 48.

MONTHLY RATE:

The energy charges for all blocks of electric Schedules 1, 12, 22 and 32 and the charges for area lights based on the energy usages of the lights on Schedule 48 are to be reduced by ~~0.2520~~ per kWh.

0.412

SPECIAL TERMS AND CONDITIONS:

The rate adjustment under this schedule is subject to revision to reflect the true up from estimated to actual benefits and to reflect projected future benefits. In the event the credits applied under this schedule exceed the benefits, the Company will adjust the rate on this schedule to recover that difference.

The energy credit applied to Schedule 32 for farm irrigation and pumping load, for each billing period, shall not exceed the amount of energy determined by the following formula:

$$400 \times 0.746 \times \text{days in the billing period} \times 24$$

In no instance shall any qualifying irrigation and pumping load for any month exceed 222,000 kWh.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above rate is subject to the provisions of Tax Adjustment Schedule 58.

Issued December 27, 2002

Effective February 1, 2003

Issued by Avista Utilities

By *Tully Norwood*

Vice-President Rates and Regulation

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IDAHO PUBLIC
UTILITIES COMMISSION

1 David J. Meyer
2 Vice President and Chief Counsel of
3 Regulatory and Governmental Affairs
4 Avista Corporation
5 1411 E. Mission Avenue
6 P. O. Box 3727
7 Spokane, Washington 99220
8 Phone: (509) 489-0500, Fax: (509) 495-4361
9
10
11

12 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
13

14 IN THE MATTER OF THE APPLICATION OF)
15 AVISTA CORPORATION FOR A MODIFICATION) CASE NO. AVU-E-04-04
16 TO THE RESIDENTIAL AND SMALL FARM) APPLICATION OF
17 ENERGY RATE ADJUSTMENT CREDIT) AVISTA CORPORATION
18

19 I. INTRODUCTION

20 Avista Corporation doing business as Avista Utilities (hereinafter Avista or Company), at
21 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the Commission
22 approve a modification to the residential and farm energy rate adjustment credit. Avista proposes
23 that the credit be modified from 0.252¢ per kilowatt-hour to 0.412¢ per kilowatt-hour effective
24 November 1, 2004. The purpose of the energy rate adjustment credit is to pass through to qualifying
25 electric residential and small farm customers the estimated benefits to be derived under the
26 Residential Exchange Settlement Agreement between Avista and the Bonneville Power
27 Administration (BPA). The proposed rate credit of 0.412¢ per kilowatt-hour is designed to pass
28 through the projected balance of accumulated benefits at October 31, 2004, as well as the expected
29 level of benefits to be received from BPA during the period November 1, 2004 through October 31,
30 2005.

1 accompany this filing. The proposed rate credit of 0.412¢ per kilowatt-hour is designed to pass
2 through the projected balance of accumulated benefits at October 31, 2004, as well as the expected
3 level of benefits to be received from BPA during the period November 1, 2004 through October 31,
4 2005.

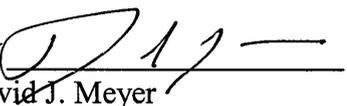
5 The proposed increase in the rate credit would result in an overall reduction in annual
6 revenue of approximately \$1.7 million. The increase in the rate credit will have no effect on Avista's
7 net income. For a residential customer using 1,000 kilowatt-hours per month the new credit would
8 be \$4.12 per month or \$1.60 more than the existing credit of \$2.52 per month. With the new higher
9 credit in place, residential customers' bills will be about 2.5% lower than they were before the
10 increase in the rate credit.

11 IV. REQUEST FOR RELIEF

12 The Company respectfully requests the Commission for an order approving the proposed
13 residential exchange rate credit of 0.412¢ per kilowatt-hour effective November 1, 2004. The
14 Company requests that this filing be processed under the Commission's Modified Procedure rules.
15 Due to the straightforward nature of the filing, the Company does not believe that a hearing is
16 required.

17 Dated at Spokane, Washington this 30th day of September 2004.

18
19 AVISTA CORPORATION

20
21 BY 
22 David J. Meyer
23 Vice President and Chief Counsel of
24 Regulatory and Governmental Affairs
25

Important Notice for Idaho Electric Residential and Small Farm Customers

On September 30, 2004, Avista filed with the Idaho Public Utilities Commission (IPUC) a request to modify a rate credit to qualifying residential and small farm customers. The credit results from a residential exchange program aimed at giving electric customers a share of benefits from federal hydroelectric projects located in the Northwest supplied by the Bonneville Power Administration (BPA). Avista uses the rate credit to pass on to its qualifying electric customers the residential exchange benefits it receives from BPA.

Idaho Rate Credit Modification

Avista is proposing that the rate credit be increased from the existing credit of 0.252¢ per kilowatt-hour to 0.412¢ per kilowatt-hour effective November 1, 2004. The proposed credit of 0.412¢ is designed to pass through the projected balance of accumulated benefits at October 31, 2004, as well as the expected level of benefits to be received from BPA during the period November 1, 2004 through October 31, 2005.

The proposed rate credit is a uniform cents per kilowatt-hour decrease of 0.412¢ and would apply to residential and small farm customers served under Schedules 1, 12, 22, 32, and 48. The proposed increase in the rate credit would result in an annual overall reduction in Idaho electric revenue of approximately \$1.7 million. The increase in the rate credit will have no effect on Avista's net income. For a residential customer using 1,000 kilowatt-hours per month the new credit would be \$4.12 per month or \$1.60 more than the existing credit of \$2.52 per month. With the new higher credit in place, residential customers' bills will be about 2.5% lower than they were before the increase in the rate credit. The actual reduction will vary based on customer usage.

Avista's request is a proposal, subject to public review and a decision by the IPUC. A copy of Avista's filing is available for public review at the offices of both the IPUC and Avista. A copy of the filing is also available on our website at www.avistautilities.com under "Energy Prices," "Rates and Tariffs."

If you would like information on energy conservation tips, energy assistance programs, and bill payment plans, visit our website at www.avistautilities.com, or call us at 1-800-227-9187.



News Release

Contact: Media: Catherine Markson (509) 495-2916 catherine.markson@avistacorp.com
Investors: Jason Lang (509) 495-2930 jason.lang@avistacorp.com

FOR IMMEDIATE RELEASE:
October 1, 2004
8:30 a.m. EDT

Avista Seeks Rate Reductions to Pass On Benefits from BPA Agreement *If approved, rates for residential and small farm customers would drop 2.5 percent*

Spokane, Wash.: Avista Corp. (NYSE: AVA) today asked regulators in Washington and Idaho to modify rate credits that apply to its residential and small farm customers, lowering bills for some 288,000 customers.

The credits result from a residential exchange program aimed at giving electric customers a share of benefits from federal hydroelectric projects located in the Northwest supplied by the Bonneville Power Administration (BPA). Avista uses the rate credits to pass on to its qualifying electric customers the residential exchange benefits it receives from BPA.

For a Washington residential customer using 1,000 kilowatt-hours per month the new credit would be \$4.21 per month or \$1.44 more than the existing credit of \$2.77 per month. In Idaho, the new credit would be \$4.12 per month or \$1.60 more than the existing credit of \$2.52.

With the new higher credits in place, residential customers' bills will be about 2.5 percent lower than they were before the increase in the rate credits. The actual reduction will vary based on customer usage. Avista's request to modify the rate credits is a proposal subject to public review and a decision by each respective utility commission.

The proposed credits are designed to pass through the projected balance of accumulated benefits at Oct. 31, 2004, as well as the expected level of benefits to be received from BPA during the period November 1, 2004 through Oct. 31, 2005. The proposed rate credits are a uniform cents per kilowatt-hour decrease and would apply to residential and small farm customers. The proposed increase in the rate credits would result in an annual overall reduction in electric revenue of approximately \$5.1 million. The increase in the rate credits will have no effect on Avista's net income.

-more-

page two Avista Seeks Rate Reductions to Pass On Benefits from BPA Agreement

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides service to 325,000 electric and 300,000 natural gas customers in four western states. Avista's non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation. All other trademarks mentioned in this document are the property of their respective owners.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
AVISTA CORPORATION FOR A MODIFICATION) CASE NO. AVU-E-04-__
TO THE RESIDENTIAL AND SMALL FARM)
ENERGY RATE ADJUSTMENT CREDIT)

WORKPAPERS

AVISTA CORPORATION
 Residential Exchange Credit
 State of Idaho
Proposed Credit Effective November 1, 2004

<u>Schedule</u>	11/04-10/05 Forecast kWhs	Rate Adjustment per kWh	Annual Revenue
1	1,064,499,000	-\$0.00412	-\$4,385,736
12	15,002,000	-\$0.00412	-61,808
22	7,283,000	-\$0.00412	-30,006
32	2,575,000	-\$0.00412	-10,609
48	<u>1,664,000</u>	-\$0.00412	<u>-6,856</u>
Total	1,091,023,000		-\$4,495,015

Projected deferral balance at October 31, 2004	-\$871,807
Projected credits November '04 - October '05	<u>-3,598,561</u>
Total amount to pass through as revenue reduction	-\$4,470,368
Revenue related conversion factor (2003)	<u>0.994563</u>
Grossed-up revenue reduction amount	-\$4,494,806
Estimated kWh sales November '04 - October '05	<u>1,091,023,000</u>
Residential exchange benefit rate effective November 1, 2004	-\$0.00412

Estimated Annual Revenue Impact

New rate	-\$0.00412
Old rate	<u>-\$0.00252</u>
Difference	-\$0.00160
Estimated kWh sales November '04 - October '05	<u>1,091,023,000</u>
Reduction in annual revenue	<u>-\$1,745,637</u>

AVISTA CORPORATION

Effect on Residential Bills
 Resulting from Change in Residential Exchange Credit
 State of Idaho
Rates Effective November 1, 2004

	<u>Current Rates*</u>	<u>Current Bill</u>	<u>Bill Reduction Due to Increase in Exchange Credit**</u>	<u>% Reduction</u>
<u>600 kWh</u>				
Basic charge	\$4.00	\$4.00		
First 600 kWh	\$0.05741	34.45		
Over 600 kWh	\$0.06511			
		<u>\$38.45</u>	-\$0.96	-2.50%
<u>1,000 kWh</u>				
Basic charge	\$4.00	\$4.00		
First 600 kWh	\$0.05741	34.45		
Over 600 kWh	\$0.06511	<u>26.04</u>		
		<u>\$64.49</u>	-\$1.60	-2.48%
<u>1,400 kWh</u>				
Basic charge	\$4.00	\$4.00		
First 600 kWh	\$0.05741	34.45		
Over 600 kWh	\$0.06511	<u>52.09</u>		
		<u>\$90.53</u>	-\$2.24	-2.47%

*Rates effective September 9, 2004 including effect of Schedules 59, 65, 66 and 91.

**Increase in exchange credit

New credit	-\$0.00412
Old credit	<u>-0.00252</u>
Increase	<u>-\$0.00160</u>

Avista Corporation

Estimated Exchange Benefits to be Received from BPA
(Source: Worksheet from Jeff Schlect Entitled Residential Exchange Benefit Summary)

Note: There is a one-month lag in receiving benefits from BPA.

	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05
Total Credit Net of Deferrals	\$227,345	\$577,485	\$1,236,835	\$688,151	\$701,220	\$950,545	\$928,832	\$1,206,316	\$1,427,735
Washington	\$156,615	\$397,823	\$852,042	\$474,060	\$483,063	\$654,820	\$639,862	\$831,018	\$983,551
Idaho	70,730	179,662	384,793	214,091	218,157	295,725	288,970	375,298	444,184
Total	\$227,345	\$577,485	\$1,236,835	\$688,151	\$701,220	\$950,545	\$928,832	\$1,206,316	\$1,427,735

	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Sum
Total Credit Net of Deferrals	\$1,559,330	\$1,248,312	\$825,045	\$210,782	\$583,701	10/04-9/05 \$7,968,243
Washington	\$1,074,205	\$859,948	\$568,364	\$145,205	\$402,105	\$7,968,243
Idaho	485,125	388,364	256,681	65,577	181,596	3,598,561
Total	\$1,559,330	\$1,248,312	\$825,045	\$210,782	\$583,701	\$11,566,804

9/21/04
 zero SNCRAC for
 FY 2005

RESIDENTIAL EXCHANGE BENEFIT SUMMARY

(APPROXIMATE: FY2005-06 Estimated CRACs; FY2007- Estimated BPA Rates and Market Forecast, WITH AMENDMENT NO. 3)

Period	Hrs	RL-02 BASE RATES				CRAC ADJUSTED				Forward Price (\$/MWh)	Power Overturned (MW)	Power Return (MW)	Monthly Power Cost	Monthly Power Credit	Power Return Credit	Monetary Benefits Credit	Net Credit	FY2003 Deferral	FY04-05-06 Deferral	Credit Net of Deferrals				
		Demand		LLH		Demand		LLH																
		(\$/KW)	(\$/MWh)	(\$/KW)	(\$/MWh)	(\$/KW)	(\$/MWh)	(\$/KW)	(\$/MWh)															
Oct-03	745	432	313	1.76	16.27	11.76	0.213	0.123	0.101	2.53	23.37	16.89	38.00	48	0	42	(\$859,858)	\$1,358,880	\$0	\$612,457	\$1,111,479	(\$113,236)	\$0	\$1,224,714
Nov-03	720	400	320	2.31	22.00	17.71	0.213	0.123	0.101	3.32	31.61	25.44	38.00	48	0	42	(\$1,152,169)	\$1,313,280	\$0	\$376,553	\$637,664	(\$151,730)	\$0	\$689,395
Dec-03	744	416	328	2.31	22.65	17.37	0.213	0.123	0.101	3.32	32.54	24.95	38.00	48	0	42	(\$1,201,900)	\$1,357,056	\$0	\$381,510	\$536,666	(\$158,280)	\$0	\$694,945
Jan-04	744	416	328	2.16	20.12	14.14	0.213	0.123	0.101	3.10	28.90	20.31	38.00	48	0	42	(\$1,045,926)	\$1,357,056	\$0	\$486,096	\$1,797,227	(\$137,739)	\$0	\$934,966
Feb-04	696	384	312	2.03	18.58	13.14	0.213	0.123	0.101	2.92	26.69	18.88	38.00	48	0	42	(\$914,671)	\$1,269,504	\$0	\$497,499	\$852,333	(\$120,454)	\$0	\$972,787
Mar-04	744	432	312	1.82	16.83	11.42	0.213	0.123	0.101	2.61	24.18	16.41	38.00	48	0	42	(\$677,552)	\$1,357,056	\$0	\$607,394	\$1,337,097	(\$114,907)	\$0	\$1,201,761
Apr-04	719	416	303	1.45	13.18	8.82	0.246	0.123	0.101	2.13	19.37	12.97	38.00	48	0	42	(\$472,459)	\$1,357,056	\$0	\$763,146	\$1,472,743	(\$83,327)	\$0	\$1,556,071
May-04	744	400	344	1.43	13.13	7.25	0.246	0.123	0.101	2.10	19.30	10.66	38.00	48	0	42	(\$479,921)	\$1,313,280	\$0	\$626,244	\$1,141,604	(\$102,692)	\$0	\$1,244,295
Jun-04	720	416	304	1.79	16.45	8.80	0.246	0.123	0.101	2.63	24.18	12.94	38.00	48	0	42	(\$1,137,879)	\$1,357,056	\$0	\$441,775	\$660,952	(\$146,444)	\$0	\$807,396
Jul-04	744	416	328	2.31	21.63	14.69	0.246	0.123	0.101	3.40	31.80	21.59	38.00	48	0	42	(\$1,517,842)	\$1,357,056	\$0	\$192,786	\$362,000	(\$195,345)	\$0	\$227,345
Aug-04	744	416	328	2.31	22.94	17.93	0.246	0.123	0.101	3.40	33.72	27.62	38.00	48	0	42	(\$1,234,715)	\$1,313,280	\$0	\$340,014	\$418,579	(\$158,907)	\$0	\$577,485
Sep-04	720	400	320	2.31	22.94	17.93	0.246	0.123	0.101	3.40	33.72	27.62	38.00	48	0	42	(\$1,234,715)	\$1,313,280	\$0	\$340,014	\$418,579	(\$158,907)	\$0	\$577,485
Oct-04	745	416	329	1.76	16.27	11.76	0.217	0.112	0.000	2.34	21.61	15.62	38.00	48	0	42	(\$790,376)	\$1,358,880	\$0	\$668,331	\$1,236,835	\$0	\$0	\$1,236,835
Nov-04	720	400	320	2.31	22.00	17.71	0.217	0.112	0.000	3.07	29.22	23.52	38.00	48	0	42	(\$1,069,607)	\$1,313,280	\$0	\$444,478	\$688,151	\$0	\$0	\$688,151
Dec-04	744	416	328	2.31	22.65	17.37	0.217	0.112	0.000	3.07	30.08	23.07	38.00	48	0	42	(\$1,111,210)	\$1,357,056	\$0	\$455,374	\$701,220	\$0	\$0	\$701,220
Jan-05	744	400	344	2.16	20.12	14.14	0.217	0.112	0.000	2.87	26.72	18.78	38.00	48	0	42	(\$960,904)	\$1,357,056	\$0	\$554,393	\$950,545	\$0	\$0	\$950,545
Feb-05	672	384	288	2.03	18.58	13.14	0.217	0.112	0.000	2.70	24.68	17.45	38.00	48	0	42	(\$825,548)	\$1,225,728	\$0	\$628,652	\$928,832	\$0	\$0	\$928,832
Mar-05	744	432	312	1.82	16.83	11.42	0.217	0.112	0.000	2.42	22.35	15.17	38.00	48	0	42	(\$806,713)	\$1,357,056	\$0	\$655,973	\$1,206,316	\$0	\$0	\$1,206,316
Apr-05	719	416	303	1.45	13.18	8.82	0.250	0.112	0.000	1.97	17.95	12.01	38.00	48	0	42	(\$627,820)	\$1,311,456	\$0	\$744,100	\$1,427,735	\$0	\$0	\$1,427,735
May-05	744	400	344	1.43	13.13	7.25	0.250	0.112	0.000	1.95	17.88	9.87	38.00	48	0	42	(\$599,758)	\$1,357,056	\$0	\$802,032	\$1,559,330	\$0	\$0	\$1,559,330
Jun-05	720	416	304	1.79	16.45	8.80	0.250	0.112	0.000	2.44	22.40	11.98	38.00	48	0	42	(\$739,135)	\$1,313,280	\$0	\$674,167	\$1,248,312	\$0	\$0	\$1,248,312
Jul-05	744	400	344	2.31	21.63	14.69	0.250	0.112	0.000	3.15	29.45	20.00	38.00	48	0	42	(\$1,046,790)	\$1,357,056	\$0	\$674,167	\$1,248,312	\$0	\$0	\$1,248,312
Aug-05	744	432	312	2.31	22.94	17.93	0.250	0.112	0.000	3.15	31.24	25.59	38.00	48	0	42	(\$1,420,752)	\$1,357,056	\$0	\$274,478	\$210,782	\$0	\$0	\$210,782
Sep-05	720	400	320	2.31	22.94	17.93	0.250	0.112	0.000	3.15	31.24	25.59	38.00	48	0	42	(\$1,420,752)	\$1,357,056	\$0	\$274,478	\$210,782	\$0	\$0	\$210,782
Oct-05	745	416	329	1.76	16.27	11.76	0.227	0.096	0.041	2.40	22.18	16.03	38.00	48	0	42	(\$811,263)	\$1,358,880	\$0	\$647,139	\$1,194,755	\$0	\$0	\$1,194,755
Nov-05	720	400	320	2.31	22.00	17.71	0.227	0.096	0.041	3.15	29.99	24.14	38.00	48	0	42	(\$1,097,873)	\$1,313,280	\$0	\$415,799	\$631,206	\$0	\$0	\$631,206
Dec-05	744	416	328	2.31	22.65	17.37	0.227	0.096	0.041	3.15	30.88	23.68	38.00	48	0	42	(\$1,140,576)	\$1,357,056	\$0	\$425,580	\$642,060	\$0	\$0	\$642,060
Jan-06	744	400	344	2.16	20.12	14.14	0.227	0.096	0.041	2.94	27.43	19.28	38.00	48	0	42	(\$986,298)	\$1,357,056	\$0	\$528,629	\$899,387	\$0	\$0	\$899,387
Feb-06	672	384	288	2.03	18.58	13.14	0.227	0.096	0.041	2.77	25.33	17.91	38.00	48	0	42	(\$847,364)	\$1,225,728	\$0	\$506,517	\$884,881	\$0	\$0	\$884,881
Mar-06	744	432	312	1.82	16.83	11.42	0.227	0.096	0.041	2.48	22.94	15.57	38.00	48	0	42	(\$828,031)	\$1,357,056	\$0	\$634,343	\$1,163,367	\$0	\$0	\$1,163,367
Apr-06	719	400	319	1.45	13.18	8.82	0.246	0.096	0.041	2.00	18.22	12.19	38.00	48	0	42	(\$632,644)	\$1,311,456	\$0	\$730,730	\$1,409,542	\$0	\$0	\$1,409,542
May-06	744	416	304	1.43	13.13	7.25	0.246	0.096	0.041	1.98	18.15	10.02	38.00	48	0	42	(\$615,029)	\$1,357,056	\$0	\$782,234	\$1,524,261	\$0	\$0	\$1,524,261
Jun-06	720	416	304	1.79	16.45	8.80	0.246	0.096	0.041	2.47	22.74	12.16	38.00	48	0	42	(\$750,263)	\$1,313,280	\$0	\$654,837	\$1,217,854	\$0	\$0	\$1,217,854
Jul-06	744	400	344	2.31	21.63	14.69	0.246	0.096	0.041	3.19	29.90	20.30	38.00	48	0	42	(\$1,062,549)	\$1,357,056	\$0	\$487,402	\$781,910	\$0	\$0	\$781,910
Aug-06	744	432	312	2.31	22.94	17.93	0.246	0.096	0.041	3.19	31.71	25.97	38.00	48	0	42	(\$1,442,141)	\$1,357,056	\$0	\$237,322	\$152,236	\$0	\$0	\$152,236
Sep-06	720	400	320	2.31	22.94	17.93	0.246	0.096	0.041	3.19	31.71	25.97	38.00	48	0	42	(\$1,442,141)	\$1,357,056	\$0	\$237,322	\$152,236	\$0	\$0	\$152,236
Oct-06	745	416	329	1.76	16.27	11.76	0.000	0.000	0.500	2.84	24.41	17.64	40.00	0	0	149	\$0	\$0	\$0	\$1,669,390	\$1,669,390	\$0	\$0	\$1,669,390
Nov-06	720	400	320	2.31	22.00	17.71	0.000	0.000	0.500	3.47	33.00	26.57	40.00	0	0	149	\$0	\$0	\$0	\$541,496	\$541,496	\$0	\$0	\$541,496
Dec-06	744	400	344	2.31	22.65	17.37	0.000	0.000	0.500	3.47	33.98	26.06	40.00	0	0	149	\$0	\$0	\$0	\$557,570	\$557,570	\$0	\$0	\$557,570
Jan-07	744	416	328	2.16	20.12	14.14	0.000	0.000	0.500	3.24	30.18	21.21	40.00	0	0	149	\$0	\$0	\$0	\$1,044,228	\$1,044,228	\$0	\$0	\$1,044,228
Feb-07	672	384	288	2.03	18.58	13.14	0.000	0.000	0.500	3.05	27.87	19.71	40.00	0	0	149	\$0	\$0	\$0	\$1,111,010	\$1,111,010	\$0	\$0	\$1,111,010
Mar-07	744	416	328	1.82	16.83	11.42	0.000	0.000	0.500	2.73	25.25	17.13	40.00	0	0	149	\$0	\$0	\$0	\$1,625,507	\$1,625,507	\$0	\$0	\$1,625,507
Apr-07	719	416	303	1.45	13.18	8.82	0.000	0.000	0.500	2.18	19.77	13.23	40.00	0	0	149	\$0	\$0	\$0	\$2,138,447	\$2,138,447	\$0	\$0	\$2,138,447
May-07	744	416	328	1.43	13.13	7.25	0.000	0.000	0.500	2.15	19.70	10.88	40.00	0	0	149	\$0	\$0	\$0	\$2,362,377	\$2,362,377	\$0	\$0	\$2,362,377
Jun-07	720	400	320	1.79	16.45	8.80	0.000	0.000	0.500	2.69														

Calendar Year (Budget) ANNUAL TOTAL	Contract Year ANNUAL TOTAL
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\$8,850,976

\$11,555,484

\$11,572,635

\$11,566,805

\$11,408,620

\$11,038,029

\$11,338,464

\$13,642,266

\$13,607,257
ars 2008-2010 Equal to 2007

**AVISTA UTILITIES
CALCULATION OF CONVERSION FACTOR: IDAHO ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 2003**

Revenue:		1.000000
Expense:		
Uncollectibles (1)		0.003053
Commission Fees (2)		0.002384
Idaho Income Tax (3)		0.011039
Total Expense		<u>0.016476</u>
Net Operating Income Before FIT		0.983524
Federal Income Tax @	35.00%	0.344233
REVENUE CONVERSION FACTOR		<u>0.639291</u>

0.994563

NOTES:

(1) Calculation of Effective Uncollectibles Rate:

Net Write-Offs *	513,915	
Divided by:		
Sales to Ultimate Customers **	168,334,768	
EFFECTIVE RATE		<u>0.003053</u>

* From Uncollectibles Adjustment Workpapers.

** From Results of Operations Report E-OPS-12A.

(2) IPUC fees rate per IPUC Letter 4/29/2003

(3) Calculation of effective Idaho Income Tax

Net Income attributable to Idaho ***		0.146042
Multiplied by:		
Idaho Income Tax		0.076000
Adjusted Rate		<u>0.011099</u>
Adj for: Effective Uncoll	0.003053	
Commission fees	0.002384	0.005437
EFFECTIVE RATE = (0.011099 * (1 - 0.005437))		<u>0.011039</u>

*** From 2002 Form 41-Idaho Corporation Income Tax. (unaudited)