YEAR 2002

ANNUAL REPORT
OF

Avista Corporation

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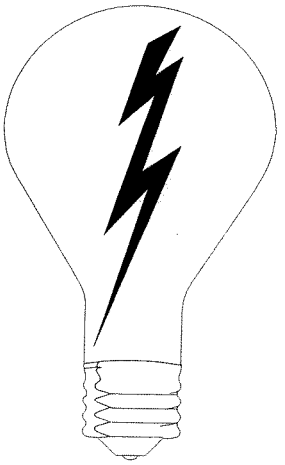
PUBLIC SERVICE
COMMISSION

ELECTRIC UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

REVISED JULY 28, 1998

Company Name: **Avista Corporation**

SCHEDULE 1

IDENTIFICATION

Year: **2002**

1.	Legal Name of Respondent:	Avista Corporation
2.	Name Under Which Respondent Does Business:	Avista Corp.
3.	Date Utility Service First Offered in Montana	July, 1960
4.	Address to send Correspondence Concerning Report:	1411 East Mission Ave. P.O. Box 3727 Spokane, WA 99220
5.	Person Responsible for This Report:	Christy Burmeister-Smith Vice President and Controller
5a.	Telephone Number:	509-495-4256

Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of year provide the following:
   1a. Name and address of the controlling organization or person:

   1b. Means by which control was held:

   1c. Percent Ownership:

SCHEDULE 2

Board of Directors

Line No.	Name of Director and Address (City, State) (a)		Remuneration (b)
1	Erik J. Anderson	2420 Carillon Point, Kirkland, WA 98033	$61,600
2	Kristianne Blake	P. O. Box 28338, Spokane, WA 99228	$68,333
3	David A. Clack	325 E. Sprague Avenue, Spokane, WA 99202	$54,400
4	Roy Lewis Eiguren	PO Box 2720, Boise, ID 83701	$36,800
5	Sarah M. R. Jewell	6750 S. 228th St., Kent, WA 98032	$50,867
6	John F. Kelly	19300 Pacific Highway S., Seattle, WA 98188	$48,400
7	Jessie J. Knight, Jr.	402 W. Broadway, Suite 1000, San Diego, CA 92101	$50,333
8	Eugene W. Meyer (1)	3 Plumbridge Lane, Hilton Head Island, SC 29928	$19,700
9	Dr. Lura J. Powell	1009 Country Court, Richland, WA 99352	(3)
10	Bobby Schmidt (1)	5 Trails End, Hilton Head Island, SC 29926	$37,667
11	R. John Taylor	111 Main St., Lewiston, ID 83501	$49,879
12	Daniel J. Zaloudek (1)	8405 S. Canton, Tulsa, OK 74137	$16,100
13	Gary G. Ely (2)	1411 E. Mission Ave, Spokane, WA 99220	(2)
14			
15	(1) Mr. Meyer, Mr. Schmidt and Mr. Zaloudek completed their service in May, 2002		
16	(2) Mr. Ely is Chairman of the Board as well as President and Chief Executive Officer of Avista		
17	Corporation.		
18	(3) Dr. Powell was appointed to the Board of Directors in January 2003		
19			
20			

Officers

Year: 2002

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board		
2	President & Chief Executive Officer		Gary G. Ely
3			
4	Senior Vice President & Chief	Finance	Malyn K. Malquist
5	Financial Officer		
6			
7	Senior Vice President		Jon E. Eliassen (1)
8			
9	Senior Vice President & General		David J. Meyer
10	Counsel		
11			
12	Chief Communications Officer		
13	Vice President - Corporate Relations &	Investor Relations	David A. Brukardt (2)
14	Strategic Planning		
15			
16	Vice President & Controller	Finance/Accounting	Christy Burmeister-Smith
17			
18	Senior Vice President	Utility Operations	Scott L. Morris
19			
20	Vice President of Rates &	Regulatory	Kelly O. Norwood
21	Regulation		
22			
23	Vice President & Treasurer	Finance	Ronald R. Peterson (3)
24			
25	Vice President & Corporate Secretary	Corporate Secretary	Terry L. Syms (4)
26			
27	Vice President	Utility Operations	Roger D. Woodworth
28			
29	Vice President of Human Resources &	Human Resources	Karen S. Feltes (5)
30	Corporate Sercices		
31			
32	Vice President of Power Supply	Resource Management	Lloyd Meyers
33			
34	(1) Chief Financial Officer through November 2002; retiring in 2003.		
35			
36	(2) Vice President and Treasurer in March 2003.		
37			
38	(3) Vice President of Energy Resources and Optimization in March 2003.		
39			
40	(4) Vice President and Assistant to the Chairman in March 2003.		
41			
42	(5) Vice President of Human Resources and Corporate Secretary in March 2003.		
43			
44			
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CORPORATE STRUCTURE

Year: 2002

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital	Parent company to all of the	($4,212,474)	100.00%
3		Company's non-regulated		
4		subsidiaries		
5				
6				
7	Avista Advantage	Various energy services, such as		
8		internet based billing and information		
9		services.		
10				
11	Avista Communications	Local telecommunications		
12		Avista Corp. has sold substantially all assets.		
13				
14	Avista Development	Non-operating investments in real estate		
15		and othe investments		
16				
17	Avista Energy	Wholesale electric and natural gas		
18		marketing and trading		
19				
20	Avista Labs	Fuel cell technology and fuel cell		
21		components		
22				
23				
24	Avista Power	Purchase and develop generating		
25		facilities		
26				
27				
28	Avista Services	Products and services to utility		
29		customers; currently inactive		
30				
31				
32	Avista Turbine Power	Develops electric generation assets		
33				
34	Avista Rathdrum	Develops electric generation assets		
35				
36	Avista Ventures	Invests in emerging business opportunities		
37				
38				
39	Pentzer Corporation	Within Avista Capital; parent company to		
40		Advanced Manufacturing & Design.		
41				
42	Advanced Manufacturin	Manufacturer of electronic and mechanical		
43	and Devlopment	equipment for the computer and		
44		instrumentation industries.		
45				
46	Avista Receivables Co	Acquires and sells accounts receivable		
47		of Avista Corp.		
48				
49				
50	**TOTAL**		(4,212,474)	

Company Name: Avista Corporation

SCHEDULE 5

CORPORATE ALLOCATIONS

Year: 2002

	Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
1						
2						
3						
4	Not applicable					
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34	TOTAL					

Company Name: Avista Corporation

SCHEDULE 6

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 2002

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1						
2	Avista Energy	Natural Gas	Market price	114,838,448	4.83%	None
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32	TOTAL			114,838,448		

Company Name: Avista Corporation

SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2002

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1						
2						
3						
4	Not applicable					
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32	TOTAL					

Company Name: Avista Corporation

SCHEDULE 8

MONTANA UTILITY INCOME STATEMENT

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	113,318,333	2,651,422	-97.66%
2				
3	Operating Expenses			
4	401 Operation Expenses	30,232,161	21,390,988	-29.24%
5	402 Maintenance Expense	5,097,801	4,255,386	-16.53%
6	403 Depreciation Expense	9,556,558	10,289,893	7.67%
7	404-405 Amortization of Electric Plant	none/n.a.	none/n.a.	#VALUE!
8	406 Amort. of Plant Acquisition Adjustments	none/n.a.	none/n.a.	#VALUE!
9	407 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs	none/n.a.	none/n.a.	#VALUE!
11	408.1 Taxes Other Than Income Taxes	6,590,065	7,108,880	7.87%
12	409.1 Income Taxes - Federal	none/n.a.	none/n.a.	#VALUE!
13	- Other	(1,186,912)	595,199	150.15%
14	410.1 Provision for Deferred Income Taxes	none/n.a.	none/n.a.	#VALUE!
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	none/n.a.	none/n.a.	#VALUE!
16	411.4 Investment Tax Credit Adjustments	none/n.a.	none/n.a.	#VALUE!
17	411.6 (Less) Gains from Disposition of Utility Plant	none/n.a.	none/n.a.	#VALUE!
18	411.7 Losses from Disposition of Utility Plant	none/n.a.	none/n.a.	#VALUE!
19				
20	**TOTAL Utility Operating Expenses**	50,289,673	43,640,346	-13.22%
21	**NET UTILITY OPERATING INCOME**	63,028,660	(40,988,924)	-165.03%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	7,047	6,572	-6.74%
3	442 Commercial & Industrial - Small	1,608	2,038	26.74%
4	Commercial & Industrial - Large			
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales	5,627	6,470	14.98%
9				
10	**TOTAL Sales to Ultimate Consumers**	14,282	15,080	5.59%
11	447 Sales for Resale	108,362,082	1,303,825	-98.80%
12				
13	**TOTAL Sales of Electricity**	108,376,364	1,318,905	-98.78%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	**TOTAL Revenue Net of Provision for Refunds**	108,376,364	1,318,905	-98.78%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues			
19	451 Miscellaneous Service Revenues			
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property	100,902	69,501	-31.12%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues	4,841,067	1,263,016	-73.91%
24				
25	**TOTAL Other Operating Revenues**	4,941,969	1,332,517	-73.04%
26	**Total Electric Operating Revenues**	113,318,333	2,651,422	-97.66%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	124,055	113,175	-8.77%
6	501 Fuel	10,554,703	9,276,929	-12.11%
7	502 Steam Expenses	164,231	410,316	149.84%
8	503 Steam from Other Sources	(6,446)	2,878	144.65%
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	(109,951)	43,146	139.24%
11	506 Miscellaneous Steam Power Expenses	1,689,204	2,581,593	52.83%
12	507 Rents	104,574	51,624	-50.63%
13				
14	TOTAL Operation - Steam	12,520,370	12,479,661	-0.33%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	343,719	170,192	-50.49%
18	511 Maintenance of Structures	241,036	304,675	26.40%
19	512 Maintenance of Boiler Plant	3,073,177	2,127,583	-30.77%
20	513 Maintenance of Electric Plant	459,999	585,659	27.32%
21	514 Maintenance of Miscellaneous Steam Plant	296,440	275,240	-7.15%
22				
23	TOTAL Maintenance - Steam	4,414,371	3,463,349	-21.54%
24				
25	**TOTAL Steam Power Production Expenses**	16,934,741	15,943,010	-5.86%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear			
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear			
49				
50	**TOTAL Nuclear Power Production Expenses**			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1		Power Production Expenses -continued			
2	Hydraulic Power Generation				
3	Operation				
4	535	Operation Supervision & Engineering	77,478	82,509	6.49%
5	536	Water for Power	716,321	676,861	-5.51%
6	537	Hydraulic Expenses	549,279	344,833	-37.22%
7	538	Electric Expenses	596,652	699,041	17.16%
8	539	Miscellaneous Hydraulic Power Gen. Expenses	97,256	51,458	-47.09%
9	540	Rents			
10					
11		TOTAL Operation - Hydraulic	2,036,986	1,854,702	-8.95%
12					
13	Maintenance				
14	541	Maintenance Supervision & Engineering	12,845	13,524	5.29%
15	542	Maintenance of Structures	28,280	51,141	80.84%
16	543	Maint. of Reservoirs, Dams & Waterways	64,966	13,244	-79.61%
17	544	Maintenance of Electric Plant	363,969	540,767	48.58%
18	545	Maintenance of Miscellaneous Hydro Plant	10,851	9,232	-14.92%
19					
20		TOTAL Maintenance - Hydraulic	480,911	627,908	30.57%
21					
22		**TOTAL Hydraulic Power Production Expenses**	2,517,897	2,482,610	-1.40%
23					
24	Other Power Generation				
25	Operation				
26	546	Operation Supervision & Engineering			
27	547	Fuel			
28	548	Generation Expenses			
29	549	Miscellaneous Other Power Gen. Expenses			
30	550	Rents	155	155	
31					
32		TOTAL Operation - Other	155	155	
33					
34	Maintenance				
35	551	Maintenance Supervision & Engineering			
36	552	Maintenance of Structures			
37	553	Maintenance of Generating & Electric Plant			
38	554	Maintenance of Misc. Other Power Gen. Plant		186	#DIV/0!
39					
40		TOTAL Maintenance - Other		186	#DIV/0!
41					
42		**TOTAL Other Power Production Expenses**	155	341	120.00%
43					
44	Other Power Supply Expenses				
45	555	Purchased Power	14,342,309	5,436,777	-62.09%
46	556	System Control & Load Dispatching			
47	557	Other Expenses			
48					
49		TOTAL Other Power Supply Expenses	14,342,309	5,436,777	-62.09%
50					
51		**TOTAL Power Production Expenses**	33,795,102	23,862,738	-29.39%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1		Transmission Expenses			
2	Operation				
3	560	Operation Supervision & Engineering	10,199	31,762	211.42%
4	561	Load Dispatching	21,927	34,101	55.52%
5	562	Station Expenses	9,604	14,495	50.93%
6	563	Overhead Line Expenses	24,052	27,251	13.30%
7	564	Underground Line Expenses			
8	565	Transmission of Electricity by Others	365,316	192,064	-47.43%
9	566	Miscellaneous Transmission Expenses			
10	567	Rents	89,342	72,225	-19.16%
11					
12		TOTAL Operation - Transmission	520,440	371,898	-28.54%
13	Maintenance				
14	568	Maintenance Supervision & Engineering	6,756	5,210	-22.88%
15	569	Maintenance of Structures	1,473	11,700	694.30%
16	570	Maintenance of Station Equipment	58,298	114,942	97.16%
17	571	Maintenance of Overhead Lines	130,507	22,911	-82.44%
18	572	Maintenance of Underground Lines			
19	573	Maintenance of Misc. Transmission Plant			
20					
21		TOTAL Maintenance - Transmission	197,034	154,763	-21.45%
22					
23		**TOTAL Transmission Expenses**	717,474	526,661	-26.60%
24					
25		Distribution Expenses			
26	Operation				
27	580	Operation Supervision & Engineering			
28	581	Load Dispatching			
29	582	Station Expenses		230	#DIV/0!
30	583	Overhead Line Expenses			
31	584	Underground Line Expenses			
32	585	Street Lighting & Signal System Expenses			
33	586	Meter Expenses			
34	587	Customer Installations Expenses			
35	588	Miscellaneous Distribution Expenses			
36	589	Rents	90		-100.00%
37					
38		TOTAL Operation - Distribution	90	230	155.56%
39	Maintenance				
40	590	Maintenance Supervision & Engineering	219		-100.00%
41	591	Maintenance of Structures		89	#DIV/0!
42	592	Maintenance of Station Equipment	228	600	163.16%
43	593	Maintenance of Overhead Lines			
44	594	Maintenance of Underground Lines			
45	595	Maintenance of Line Transformers			
46	596	Maintenance of Street Lighting, Signal Systems			
47	597	Maintenance of Meters			
48	598	Maintenance of Miscellaneous Dist. Plant			
49					
50		TOTAL Maintenance - Distribution	447	689	54.14%
51					
52		**TOTAL Distribution Expenses**	537	919	71.14%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision			
4	902 Meter Reading Expenses			
5	903 Customer Records & Collection Expenses			
6	904 Uncollectible Accounts Expenses			
7	905 Miscellaneous Customer Accounts Expenses			
8				
9	TOTAL Customer Accounts Expenses			
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision			
14	908 Customer Assistance Expenses			
15	909 Informational & Instructional Adv. Expenses		29,962	#DIV/0!
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses		29,962	#DIV/0!
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision			
23	912 Demonstrating & Selling Expenses			
24	913 Advertising Expenses			
25	916 Miscellaneous Sales Expenses			
26				
27	TOTAL Sales Expenses			
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries			
32	921 Office Supplies & Expenses	72		-100.00%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed			
35	924 Property Insurance	122,786	260,236	111.94%
36	925 Injuries & Damages	6,970	10,213	46.53%
37	926 Employee Pensions & Benefits	45		-100.00%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	681,387	947,154	39.00%
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses			
42	930.2 Miscellaneous General Expenses	105		-100.00%
43	931 Rents			
44				
45	TOTAL Operation - Admin. & General	811,365	1,217,603	50.07%
46	Maintenance			
47	935 Maintenance of General Plant	5,484	8,491	54.83%
48				
49	**TOTAL Administrative & General Expenses**	816,849	1,226,094	50.10%
50				
51	**TOTAL Operation & Maintenance Expenses**	35,329,962	25,646,374	-27.41%

MONTANA TAXES OTHER THAN INCOME

Year: 2002

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	49,249	(900)	-101.83%
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	41,682	87,690	110.38%
5	Motor Vehicle Tax	5,057	8,393	65.97%
6	KWH Tax	925,564	1,039,235	12.28%
7	Property Taxes	5,568,507	5,973,731	7.28%
8	Public Commission Tax	6	731	12083.33%
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51	**TOTAL MT Taxes Other Than Income**	6,590,065	7,108,880	7.87%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2002

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Analytical Surveys Inc.	Computer Services & Consul	612,651		
2	Bain Company	Consulting	1,288,963		
3	Deloitte & Touche LLP	Independent Accountants	596,278		
4	Hanna & Associates, Inc.	Engineering Consulting	352,546		
5	Heller Ehrmann White	Legal	569,839		
6	Marsh Advantage America	Insurance	1,993,147		
7	Morrison and Foerster LLP	Legal	295,332		
8	Network Design & Manageme	Computer Services & Consul	822,819		
9	Ownens James and Vernon P	Legal	550,000		
10	Paine Hamblen Coffin & Br	Legal	1,735,856		
11	Price Waterhouse Coopers	Consulting	254,894		
12	Thelen Reid & Preist	Legal	642,947		
13	Van Ness Feldman	Legal	544,904		
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50	**TOTAL Payments for Services**		10,260,176		

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2002

	Description	Total Company	Montana	% Montana
1				
2	Committee to Elect Kim Gillan	$75.00	$75.00	100.00%
3	Committee to Elect Jeff Laszloffy	$50.00	$50.00	100.00%
4	Committee to Elect Clarice Schrumph	$50.00	$50.00	100.00%
5	Committee to Elect Gilda Clancey	$50.00	$50.00	100.00%
6	Committee to Elect Gary Forrester	$75.00	$75.00	100.00%
7	Committee to Elect Joe McKenney	$50.00	$50.00	100.00%
8	Committee to Elect Al Bishop	$100.00	$100.00	100.00%
9	Committee to Elect Jack Wells	$100.00	$100.00	100.00%
10	Committee to Elect Ric Holden	$100.00	$100.00	100.00%
11	Committee to Elect Dan Fuchs	$100.00	$100.00	100.00%
12	Committee to Elect Haley Beaudry	$100.00	$100.00	100.00%
13	Committee to Elect Tim Dowell	$100.00	$100.00	100.00%
14				
15				
16	**Contributions were made from the Energy Associates PAC.**			
17				
18	Taxpayers Against I-145	$657,150.00	$657,150.00	100.00%
19	**Contributions from the incidental committee (Avista Clark Fork**			
20	**Project Protection Committee) made to the ballot issue committee (Taxpayers**			
21	**Against I-145). These contributions include in-kind of legal and**			
22	**labor as well as monetary contributions.**			
23				
24				
25				
26				
27				
28				
29				
30				
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36				
37				
38				
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40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	**TOTAL Contributions**	658,100	658,100	

Pension Costs

Year: 2002

1	Plan Name The Retirement Plan for Employees of Avista Corporation.			
2	Defined Benefit Plan? Yes	Defined Contribution Plan? No		
3	Actuarial Cost Method? Yes	IRS Code: 001		
4	Annual Contribution by Employer: Varies	Is the Plan Over Funded? No		
5				
	Item	Current Year	Last Year	% Change
6	**Change in Benefit Obligation**			
7	Benefit obligation at beginning of year	198,574	175,291	-11.73%
8	Service cost	6,704	5,686	-15.18%
9	Interest Cost	14,276	13,450	-5.79%
10	Plan participants' contributions			
11	Amendments	(2,530)		100.00%
12	Actuarial Gain	19,704	16,162	-17.98%
13	Benefits paid	(11,441)	(11,078)	3.17%
14	Expenses paid	(1,462)	(937)	35.91%
15	Benefit obligation at end of year	223,825	198,574	-11.28%
16	**Change in Plan Assets**			
17	Fair value of plan assets at beginning of year	153,705	175,033	13.88%
18	Actual return on plan assets	(16,676)	(9,313)	44.15%
19	Acquisition			
20	Employer contribution	12,000		-100.00%
21	Benefits paid	(11,441)	(11,078)	3.17%
22	Expenses paid	(1,462)	(937)	35.91%
23	Fair value of plan assets at end of year	136,126	153,705	12.91%
24	**Funded Status**	(87,699)	(44,869)	48.84%
25	Unrecognized net actuarial loss	75,943	28,134	-62.95%
26	Unrecognized prior service cost	6,366	9,708	52.50%
27	Unrecognized net transition obligation/(asset)	(2,671)	(3,757)	
28	Prepaid (accrued) benefit cost	(8,061)	(10,784)	-33.78%
29				
30	**Weighted-average Assumptions as of Year End**			
31	Discount rate	6.75%	7.25%	7.41%
32	Expected return on plan assets	8.00%	9.00%	12.50%
33	Rate of compensation increase	5.00%	5.00%	
34				
35	**Components of Net Periodic Benefit Costs**			
36	Service cost	6,704	5,686	-15.18%
37	Interest cost	14,276	13,450	-5.79%
38	Expected return on plan assets	(12,311)	(15,254)	-23.91%
39	Transition (asset)/obligation recognition	(1,086)	(1,086)	
40	Amortization of prior service cost	813	971	19.43%
41	Recognized net actuarial loss	883		-100.00%
42	Net periodic benefit cost	9,279	3,767	-59.40%
43				
44	**Montana Intrastate Costs:**			
45	Pension Costs			
46	Pension Costs Capitalized	not available by state		
47	Accumulated Pension Asset (Liability) at Year End			
48	**Number of Company Employees:**			
49	Covered by the Plan	2,486	2,458	-1.13%
50	Not Covered by the Plan			
51	Active	1,342	1,331	-0.82%
52	Retired	807	798	-1.12%
53	Deferred Vested Terminated	337	329	-2.37%

Other Post Employment Benefits (OPEBS)

Year: 2002

	Item	Current Year	Last Year	% Change
1	**Regulatory Treatment:**			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	**Weighted-average Assumptions as of Year End**			
7	Discount rate	7.25%	7.25%	
8	Expected return on plan assets	9.00%	9.00%	
9	Medical Cost Inflation Rate	6.00%	6.00%	
10	Actuarial Cost Method		Proj Unit Credit	#VALUE!
11	Rate of compensation increase			
12	**List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:**			
13				
14				
15	**Describe any Changes to the Benefit Plan:**			
16				
17	TOTAL COMPANY			
18	**Change in Benefit Obligation**			
19	Benefit obligation at beginning of year	36,354	32,761	-9.88%
20	Service cost	303	459	51.49%
21	Interest Cost	2,184	2,567	17.54%
22	Plan participants' contributions			
23	Amendments	(5,820)		100.00%
24	Actuarial Gain	(660)	3,267	595.00%
25	Benefits paid	(3,091)	(2,635)	14.75%
26	Expenses paid	(208)	(65)	68.75%
27	Benefit obligation at end of year	29,062	36,354	25.09%
28	**Change in Plan Assets**			
29	Fair value of plan assets at beginning of year	13,969	15,195	8.78%
30	Actual return on plan assets	(1,452)	(901)	37.95%
31	Acquisition			
32	Employer contribution		511	#DIV/0!
33	Plan participants' contributions	(1,008)	(771)	23.51%
34	Benefits paid	(208)	(65)	68.75%
35	Fair value of plan assets at end of year	11,301	13,969	23.61%
36	**Funded Status**	(17,761)	(22,385)	-26.03%
37	Unrecognized net actuarial loss	(1,426)	(430)	69.85%
38	Unrecognized prior service cost	8,788	16,865	91.91%
39	Prepaid (accrued) benefit cost	(10,399)	(5,950)	42.78%
40	**Components of Net Periodic Benefit Costs**			
41	Service cost	303	459	51.49%
42	Interest cost	2,184	2,567	17.54%
43	Expected return on plan assets	(1,064)	(1,310)	-23.12%
44	Amortization of prior service cost	1,256	1,534	22.13%
45	Recognized net actuarial loss		(52)	#DIV/0!
46	Net periodic benefit cost	2,679	3,198	19.37%
47	**Accumulated Post Retirement Benefit Obligation**			
48	Amount Funded through VEBA	29,062	36,354	25.09%
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	29,062	36,354	25.09%
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL	29,062	36,354	25.09%

Other Post Employment Benefits (OPEBS) Continued

Year: 2002

	Item	Current Year	Last Year	% Change
1	**Number of Company Employees:**			
2	Covered by the Plan	2,032	1,999	-1.62%
3	Not Covered by the Plan			
4	Active	1,322	1,308	-1.06%
5	Retired	710	691	-2.68%
6	Spouses/Dependants covered by the Plan			
7	**Montana**			
8	**Change in Benefit Obligation**			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost	not available by state		
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	**Change in Plan Assets**			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	**Funded Status**			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	**Components of Net Periodic Benefit Costs**			
31	Service cost			
32	Interest cost	not available by state		
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	**Accumulated Post Retirement Benefit Obligation**			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	**Montana Intrastate Costs:**			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	**Number of Montana Employees:**			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

Company Name: Avista Corporation

SCHEDULE 16
Year: 2002

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Timothy Swant Hydro Licensing & Safety Coordinator				78,227	79,491	-2%
2	Patrick Kelly Chief Operator				66,881	65,235	3%
3	Joseph Dos Santos Aquatic Progam Leader				62,195	60,752	2%
4	Lyle Wiltse Journeyman Operator				59,289	60,209	-2%
5	Wesley Monroe Journeyman Operator				59,289	57,525	3%
6	Daniel Thomason Journeyman Operator				59,099	58,334	1%
7	Roy Brown Journeyman Operator				58,576	56,842	3%
8	Thomas Lampshire Journeyman Operator				58,391	58,384	0%
9	Robert Dougherty Journeyman Operator				58,293	56,605	3%
10	Nathan Hall Hydro Licensing & Safety Coordinator				55,895	56,403	-1%

Company Name: Avista Corporation

SCHEDULE 17
Year: 2002

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Gary Ely Chairman, President and CEO	497,115	187,464	31,471	716,050	503,973	42%
2	Jon Eliassen Senior Vice President	251,494	60,488	15,659	327,641	251,078	30%
3	David Meyer Senior Vice President and General Counsel	248,415	59,988	33,118	341,521	256,338	33%
4	Lloyd Meyers Vice President	192,081	32,827	8,805	233,713	312,038	-25%
5	Scott Morris Senior Vice President	216,523	64,488	23,370	304,381	194,533	56%

BALANCE SHEET

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1	**Assets and Other Debits**				
2	Utility Plant				
3	101	Electric Plant in Service	2,237,279,559	2,343,518,533	-5%
4	101.1	Property Under Capital Leases	13,919,860	712,325	1854%
5	102	Electric Plant Purchased or Sold			
6	104	Electric Plant Leased to Others			
7	105	Electric Plant Held for Future Use			
8	106	Completed Constr. Not Classified - Electric			
9	107	Construction Work in Progress - Electric	54,964,082	17,581,119	213%
10	108	(Less) Accumulated Depreciation	(750,636,956)	(803,955,673)	7%
11	111	(Less) Accumulated Amortization	(2,787,903)	(5,732,382)	51%
12	114	Electric Plant Acquisition Adjustments	26,580,072	26,580,073	0%
13	115	(Less) Accum. Amort. Elec. Acq. Adj.	(13,676,797)	(15,000,214)	9%
14	120	Nuclear Fuel (Net)			
15		**TOTAL Utility Plant**	1,565,641,917	1,563,703,781	0%
16					
17	**Other Property & Investments**				
18	121	Nonutility Property	3,741,058	3,156,010	19%
19	122	(Less) Accum. Depr. & Amort. for Nonutil. Prop.	(224,549)	(107,826)	-108%
20	123	Investments in Associated Companies			
21	123.1	Investments in Subsidiary Companies	350,746,583	256,737,740	37%
22	124	Other Investments	50,536,283	46,498,833	9%
23	125	Sinking Funds	12,076,598	11,182,354	8%
24		**TOTAL Other Property & Investments**	416,875,973	317,467,111	31%
25					
26	**Current & Accrued Assets**				
27	131	Cash	(513,763)	10,048,633	-105%
28	132-134	Special Deposits	2,890,636	2,465,146	17%
29	135	Working Funds	423,725	384,217	10%
30	136	Temporary Cash Investments	7,648,782	24,126,777	-68%
31	141	Notes Receivable			
32	142	Customer Accounts Receivable	49,675,973	28,898,856	72%
33	143	Other Accounts Receivable	5,295,153	4,238,495	25%
34	144	(Less) Accum. Provision for Uncollectible Accts.	(2,949,912)	(2,688,665)	-10%
35	145	Notes Receivable - Associated Companies	182,111,918	137,275,825	33%
36	146	Accounts Receivable - Associated Companies	(2,022,783)	740,428	-373%
37	151	Fuel Stock	3,395,773	3,261,065	4%
38	152	Fuel Stock Expenses Undistributed			
39	153	Residuals			
40	154	Plant Materials and Operating Supplies	9,015,274	8,449,512	7%
41	155	Merchandise			
42	156	Other Material & Supplies			
43	157	Nuclear Materials Held for Sale			
44	163	Stores Expense Undistributed	578,289	494,542	17%
	164	Gas Storage	6,800,162	8,127,528	-16%
45	165	Prepayments	2,185,343	2,916,606	-25%
46	171	Interest & Dividends Receivable	250,267	27,487	810%
47	172	Rents Receivable	737,960	676,514	9%
48	173	Accrued Utility Revenues			
	174	Miscellaneous Current & Accrued Assets	1,018,091	322,206	
49	176	Miscellaneous Current & Accrued Assets		60,322,238	-100%
50		**TOTAL Current & Accrued Assets**	266,540,888	290,087,410	-8%

BALANCE SHEET

Year: 2002

	Account Number & Title		This Year	This Year	% Change
1					
2		**Assets and Other Debits (cont.)**			
3					
4	**Deferred Debits**				
5					
6	181	Unamortized Debt Expense	26,075,057	21,921,640	19%
7	182.1	Extraordinary Property Losses			
8	182.2	Unrecovered Plant & Regulatory Study Costs			
9	182.3	Other Regulatory Assets	445,035,675	248,746,931	
10	183	Prelim. Survey & Investigation Charges	7,973,065	12,130,418	-34%
11	184	Clearing Accounts	(2,081,155)	1,416,423	-247%
12	185	Temporary Facilities			
13	186	Miscellaneous Deferred Debits	109,424,216	81,406,921	34%
14	187	Deferred Losses from Disposition of Util. Plant			
15	188	Research, Devel. & Demonstration Expend.			
16	189	Unamortized Loss on Reacquired Debt	15,147,127	29,206,730	-48%
17	190	Accumulated Deferred Income Taxes	27,044,942	37,595,304	-28%
	191	Unrecovered Purchased Gas Costs	52,679,575	11,514,486	
18		**TOTAL Deferred Debits**	681,298,502	443,938,853	53%
19					
20		**TOTAL Assets & Other Debits**	2,930,357,280	2,615,197,155	12%

		Account Title	Last Year	This Year	% Change
20					
21		**Liabilities and Other Credits**			
22					
23	**Proprietary Capital**				
24					
25	201	Common Stock Issued	617,737,210	623,091,721	-1%
26	202	Common Stock Subscribed			
27	204	Preferred Stock Issued	35,000,000	33,250,000	5%
28	205	Preferred Stock Subscribed			
29	207	Premium on Capital Stock			
30	211	Miscellaneous Paid-In Capital			
31	213	(Less) Discount on Capital Stock			
32	214	(Less) Capital Stock Expense	(11,924,026)	(11,927,830)	0%
33	215	Appropriated Retained Earnings	(106,447,403)	60,386,146	-276%
34	216	Unappropriated Retained Earnings	226,474,938	65,750,804	244%
35	217	(Less) Reacquired Capital Stock			
	219	Accumulated Other Comprehensive Income		(18,809,177)	
36		**TOTAL Proprietary Capital**	760,840,719	751,741,664	1%
37					
38	**Long Term Debt**				
39					
40	221	Bonds	401,300,000	401,300,000	
41	222	(Less) Reacquired Bonds			
42	223	Advances from Associated Companies			
43	224	Other Long Term Debt	931,000,000	703,778,874	32%
44	225	Unamortized Premium on Long Term Debt			
45	226	(Less) Unamort. Discount on L-Term Debt-Dr.	(2,546,888)	(2,160,866)	-18%
46		**TOTAL Long Term Debt**	1,329,753,112	1,102,918,008	21%

BALANCE SHEET

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1					
2	**Total Liabilities and Other Credits (cont.)**				
3					
4	**Other Noncurrent Liabilities**				
5					
6	227	Obligations Under Cap. Leases - Noncurrent		621,526	-100%
7	228.1	Accumulated Provision for Property Insurance			
8	228.2	Accumulated Provision for Injuries & Damages	1,476,494	1,446,348	2%
9	228.3	Accumulated Provision for Pensions & Benefits	18,184,215	50,209,349	-64%
10	228.4	Accumulated Misc. Operating Provisions			
11	229	Accumulated Provision for Rate Refunds			
12		**TOTAL Other Noncurrent Liabilities**	19,660,709	52,277,223	-62%
13					
14	**Current & Accrued Liabilities**				
15					
16	231	Notes Payable			
17	232	Accounts Payable	52,930,348	36,247,518	46%
18	233	Notes Payable to Associated Companies			
19	234	Accounts Payable to Associated Companies	20,512,592	18,524,753	11%
20	235	Customer Deposits	3,820,410	4,533,815	-16%
21	236	Taxes Accrued	(20,229,945)	22,522,183	-190%
22	237	Interest Accrued	18,583,369	20,307,075	-8%
23	238	Dividends Declared	99,026		#DIV/0!
24	239	Matured Long Term Debt			
25	240	Matured Interest			
26	241	Tax Collections Payable	374,374	(754)	49752%
27	242	Miscellaneous Current & Accrued Liabilities	515,408	20,279,696	-97%
28	243	Obligations Under Capital Leases - Current			
29		**TOTAL Current & Accrued Liabilities**	76,605,582	122,414,286	-37%
30					
31	**Deferred Credits**				
32					
33	252	Customer Advances for Construction	981,208	913,115	7%
34	253	Other Deferred Credits	230,560,198	79,763,039	189%
35	254	Other Regulatory Liabilities	11,931,064	20,174,502	-41%
36	256	Accumulated Deferred Investment Tax Credits	718,884	669,576	7%
37	257	Unamortized Gain on Reacquired Debt	1,728,475	4,118,795	-58%
38	281-283	Accumulated Deferred Income Taxes	497,577,329	480,206,947	4%
39		**TOTAL Deferred Credits**	743,497,158	585,845,974	27%
40					
41	**TOTAL LIABILITIES & OTHER CREDITS**		2,930,357,280	2,615,197,155	12%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1					
2	**Intangible Plant**				
3					
4	301	Organization	6,415,526	6,415,526	
5	302	Franchises & Consents	194,175	194,175	
6	303	Miscellaneous Intangible Plant			
7					
8	**TOTAL Intangible Plant**		6,609,701	6,609,701	
9					
10	**Production Plant**				
11					
12	Steam Production				
13					
14	310	Land & Land Rights	1,307,499	1,307,499	
15	311	Structures & Improvements	99,333,966	99,570,102	0%
16	312	Boiler Plant Equipment	116,037,120	117,184,830	-1%
17	313	Engines & Engine Driven Generators	31,050,804	31,301,778	-1%
18	314	Turbogenerator Units	13,480,703	13,480,703	
19	315	Accessory Electric Equipment	12,584,360	12,642,512	0%
20	316	Miscellaneous Power Plant Equipment			
21					
22	**TOTAL Steam Production Plant**		273,794,452	275,487,424	-1%
23					
24	Nuclear Production				
25					
26	320	Land & Land Rights			
27	321	Structures & Improvements			
28	322	Reactor Plant Equipment			
29	323	Turbogenerator Units			
30	324	Accessory Electric Equipment			
31	325	Miscellaneous Power Plant Equipment			
32					
33	**TOTAL Nuclear Production Plant**				
34					
35	Hydraulic Production				
36					
37	330	Land & Land Rights	39,252,415	40,189,009	-2%
38	331	Structures & Improvements	11,093,351	11,425,004	-3%
39	332	Reservoirs, Dams & Waterways	31,787,902	32,085,880	-1%
40	333	Water Wheels, Turbines & Generators	30,980,761	30,894,593	0%
41	334	Accessory Electric Equipment	8,961,063	10,281,602	-13%
42	335	Miscellaneous Power Plant Equipment	2,592,476	2,611,255	-1%
43	336	Roads, Railroads & Bridges	217,199	217,283	0%
44					
45	**TOTAL Hydraulic Production Plant**		124,885,167	127,704,626	-2%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1					
2		Production Plant (cont.)			
3					
4	Other Production				
5					
6	340	Land & Land Rights			
7	341	Structures & Improvements			
8	342	Fuel Holders, Producers & Accessories			
9	343	Prime Movers			
10	344	Generators			
11	345	Accessory Electric Equipment			
12	346	Miscellaneous Power Plant Equipment			
13					
14		**TOTAL Other Production Plant**			
15					
16		**TOTAL Production Plant**	398,679,619	403,192,050	-1%
17					
18		**Transmission Plant**			
19					
20	350	Land & Land Rights	883,384	883,384	
21	352	Structures & Improvements	456,643	456,643	
22	353	Station Equipment	15,760,538	15,839,576	0%
23	354	Towers & Fixtures	16,012,151	16,012,151	
24	355	Poles & Fixtures	7,137,702	7,162,523	0%
25	356	Overhead Conductors & Devices	15,740,543	15,744,096	0%
26	357	Underground Conduit			
27	358	Underground Conductors & Devices			
28	359	Roads & Trails	367,476	367,476	
29					
30		**TOTAL Transmission Plant**	56,358,437	56,465,849	0%
31					
32		**Distribution Plant**			
33					
34	360	Land & Land Rights			
35	361	Structures & Improvements	15,881	15,881	
36	362	Station Equipment	151,641	151,641	
37	363	Storage Battery Equipment			
38	364	Poles, Towers & Fixtures	9,955	10,080	-1%
39	365	Overhead Conductors & Devices	6,676	6,676	
40	366	Underground Conduit	46	46	
41	367	Underground Conductors & Devices	637	637	
42	368	Line Transformers	897	897	
43	369	Services	127	127	
44	370	Meters	29	29	
45	371	Installations on Customers' Premises			
46	372	Leased Property on Customers' Premises			
47	373	Street Lighting & Signal Systems			
48					
49		**TOTAL Distribution Plant**	185,889	186,014	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title		Last Year	This Year	% Change
1					
2		**General Plant**			
3					
4	389	Land & Land Rights			
5	390	Structures & Improvements			
6	391	Office Furniture & Equipment			
7	392	Transportation Equipment			
8	393	Stores Equipment			
9	394	Tools, Shop & Garage Equipment			
10	395	Laboratory Equipment			
11	396	Power Operated Equipment			
12	397	Communication Equipment	9,862	7,502	31%
13	398	Miscellaneous Equipment			
14	399	Other Tangible Property			
15					
16		**TOTAL General Plant**	9,862	7,502	
17					
18		**TOTAL Electric Plant in Service**	461,843,508	466,461,116	

MONTANA DEPRECIATION SUMMARY

Year: 2002

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	Accumulated Depreciation This Year Bal.	Current Avg. Rate
1					
2	Steam Production	275,487,424	136,485,984	144,993,366	4.72%
3	Nuclear Production				
4	Hydraulic Production	127,704,626	12,854,214	13,867,550	1.03%
5	Other Production				
6	Transmission	56,465,849	19,742,954	20,611,038	3.41%
7	Distribution	186,014	53,373	55,235	2.79%
8	General	3,553,342	1,328,833	1,228,062	3.45%
9	TOTAL	463,397,255	170,465,358	180,755,251	0

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	363,038	558,037	-35%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	1,336,453	1,406,608	-5%
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	**TOTAL Materials & Supplies**	1,699,491	1,964,645	-13%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number			
2	Order Number			
3		Reference is made to Schedule 27		
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	TOTAL			
9				
10	Actual at Year End			
11				
12	Common Equity			
13	Preferred Stock			
14	Long Term Debt			
15	Other			
16	TOTAL			

STATEMENT OF CASH FLOWS

Year: 2002

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	**Cash Flows from Operating Activities:**			
5	Net Income	12,155,764	31,306,753	-61%
6	Depreciation	58,204,870	60,293,548	-3%
7	Amortization	(14,991,903)	(8,112,744)	-85%
8	Deferred Income Taxes - Net	107,163,925	(7,898,717)	1457%
9	Investment Tax Credit Adjustments - Net	(49,308)	(49,308)	
10	Change in Operating Receivables - Net	129,531,882	18,152,007	614%
11	Change in Materials, Supplies & Inventories - Net	(1,595,553)	(543,149)	-194%
12	Change in Operating Payables & Accrued Liabilities - Ne	(147,458,248)	43,968,375	-435%
13	Allowance for Funds Used During Construction (AFUDC)	(2,983,200)	(1,814,175)	-64%
14	Change in Other Assets & Liabilities - Net	8,340,496	(38,924,684)	121%
15	Other Operating Activities (explained on attached page)	(256,848,118)	104,182,346	-347%
16	**Net Cash Provided by/(Used in) Operating Activities**	(108,529,393)	200,560,252	-154%
17				
18	**Cash Inflows/Outflows From Investment Activities:**			
19	Construction/Acquisition of Property, Plant and Equipmer	(119,905,290)	(62,926,161)	-91%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	7,317,286	1,315,660	456%
23	Investments In and Advances to Affiliates	(68,523,582)		#DIV/0!
24	Contributions and Advances from Affiliates		134,632,463	-100%
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)			
27	**Net Cash Provided by/(Used in) Investing Activities**	(181,111,586)	73,021,962	-348%
28				
29	**Cash Flows from Financing Activities:**			
30	Proceeds from Issuance of:			
31	Long-Term Debt	550,000,000		#DIV/0!
32	Preferred Stock			
33	Common Stock	8,267,706	7,034,492	18%
34	Other:			
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(140,000,000)	(201,835,104)	31%
39	Preferred Stock		(1,750,000)	100%
40	Common Stock			
41	Other:			
42	Net Decrease in Short-Term Debt	(107,160,000)	(25,000,000)	-329%
43	Dividends on Preferred Stock	(2,432,500)	(2,402,094)	-1%
44	Dividends on Common Stock	(22,677,281)	(23,054,118)	2%
45	Other Financing Activities (explained on attached page)	(2,434,377)		#DIV/0!
46	**Net Cash Provided by (Used in) Financing Activities**	283,563,548	(247,006,824)	215%
47				
48	**Net Increase/(Decrease) in Cash and Cash Equivalents**	(6,077,431)	26,575,390	-123%
49	**Cash and Cash Equivalents at Beginning of Year**	16,526,811	10,449,380	58%
50	**Cash and Cash Equivalents at End of Year**	10,449,380	37,024,770	-72%

Company Name: Avista Corp.

SCHEDULE 23A

STATEMENT OF CASH FLOWS

Year: 2002

	Description	Last Year	This Year	% Change
1				
2	**Detail of Lines 15 and 26**			
3				
4	**Line 15: Other Operating Activities**			
5	Non-Monetary Power Transactions	(19,601,924)	747,354	-2723%
6	Regulatory Gas Cost and Power Cost Adjustment	(248,385,720)	99,222,518	-350%
7	Gain/Loss on Asset Disposition	-		
8	Other	11,139,526	4,212,474	164%
9	Total Line 15	(256,848,118)	104,182,346	-347%
10				
11	**Line 26: Other Investing Activities**			
12	Other	-	-	
13	Total Line 26	-	-	

LONG TERM DEBT

Year: 2002

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1									
2	Secured Medium-Term Notes								
3	Series A	various	various	250,000,000	248,374,625	104,500,000	7.17%	7,488,241	7.17%
4	Series B	various	various	161,000,000	160,141,500	59,000,000	7.25%	4,279,415	7.25%
5					Annual Net Cost and Total Cost % figures are for both Series combined				
6									
7									
8	Pollution Control Bonds								
9	Colstrip 1999A	9-1-99	10-1-32	66,700,000	61,612,366	66,700,000	5.50%	3,670,475	5.50%
10	Colstrip 1999B	9-1-99	3-1-34	17,000,000	15,648,108	17,000,000	5.65%	960,734	5.65%
11	6% Pollution Control Bonds	7-1-93	12-1-23	4,100,000	3,913,000	4,100,000	6.34%	259,924	6.34%
12									
13									
14									
15	Unsecured Medium-Term Notes								
16	Series A	various	various	200,000,000	198,800,000	13,000,000	8.83%	1,148,192	8.83%
17	Series B	various	various	150,000,000	149,175,000	74,300,000	7.87%	5,849,792	7.87%
18	Series C	various	various	109,000,000	108,272,250	99,000,000	6.78%	6,713,014	6.78%
19	Series D	8-28-00	9-1-03	224,000,000	223,314,000	45,950,000	9.26%	4,255,105	9.26%
20					Annual Net Cost and Total Cost % figures are for all four Series combined				
21	First Mortgage Bonds								
22	7.75% Issued December 2	12-19-01	1-1-07	150,000,000	148,125,000	150,000,000	8.06%	12,083,720	8.06%
23									
24	Senior Notes	4-3-01	6-1-08	400,000,000	392,000,000	340,160,000	10.14%	34,507,048	10.14%
25									
26									
27									
28									
29									
30									
31									
32	TOTAL			1,731,800,000	1,709,375,849	973,710,000		81,215,660	8.34%

PREFERRED STOCK

Year: 2002

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1										
2	Subject to									
3	mandatory redemption:									
4	Series K	09-15-92	332,500	$100	-	$31,160,609	$6.95	$33,250,000	$2,310,875	7.42%
5										
6										
7										
8										
9										
10	Company-Obligated									
11	Mandatorily Redeemable									
12	Preferred Trust Securities:									
13	Series A	01-23-97	2,400,000	$25	-	$54,039,839	$1.96875	$60,000,000	$4,725,000	8.744%
14	Series B	06-03-97	40,000	$1,000	-	$36,828,222	2.3000%	$40,000,000	$920,000	2.4981%
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	TOTAL					122,028,670		133,250,000	7,955,875	

COMMON STOCK

Year: 2002

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
1									
2									
3									
4	January								
5									
6	February								
7									
8	March	47,670,790	15.22	0.22	0.12		16.47	13.00	
9									
10	April								
11									
12	May								
13									
14	June	47,773,793	15.29	0.20	0.12		16.60	11.00	
15									
16	July								
17									
18	August								
19									
20	September	47,866,007	15.11	(0.05)	0.12		13.89	10.16	
21									
22	October								
23									
24	November								
25									
26	December	47,977,586	14.84	0.23	0.12		12.10	8.75	
27									
28									
29									
30									
31									
32	TOTAL Year End	48,044,208		0.60	0.48	20.00%	11.56		19.3

MONTANA EARNED RATE OF RETURN

Year: 2002

		Description	Last Year	This Year	% Change
		Rate Base			
1					
2	101	Plant in Service			
3	108	(Less) Accumulated Depreciation			
4		**NET Plant in Service**			
5					
6		Additions			
7	154, 156	Materials & Supplies			
8	165	Prepayments			
9		Other Additions			
10		**TOTAL Additions**			
11					
12		Deductions			
13	190	Accumulated Deferred Income Taxes			
14	252	Customer Advances for Construction			
15	255	Accumulated Def. Investment Tax Credits			
16		Other Deductions			
17		**TOTAL Deductions**			
18		**TOTAL Rate Base**			
19					
20		**Net Earnings**			
21					
22		**Rate of Return on Average Rate Base**			
23					
24		**Rate of Return on Average Equity**			
25					
26		Major Normalizing Adjustments & Commission			
27		Ratemaking adjustments to Utility Operations			
28					
29					
30		**Rates charged were based on the**			
31		**Company's last rate order from the Idaho**			
32		**Public Utilities Commission and accepted by**			
33		**the Montana Commission. The Company**			
34		**does not calculate separate rates of return**			
35		**for the Montana jurisdiction.**			
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47		**Adjusted Rate of Return on Average Rate Base**			
48					
49		**Adjusted Rate of Return on Average Equity**			

MONTANA COMPOSITE STATISTICS

Year: 2002

		Description	Amount
1			
2		Plant (Intrastate Only) (000 Omitted)	
3			
4	101	Plant in Service	466,461
5	107	Construction Work in Progress	
6	114	Plant Acquisition Adjustments	
7	105	Plant Held for Future Use	
8	154, 156	Materials & Supplies	1,965
9		(Less):	
10	108, 111	Depreciation & Amortization Reserves	(180,755)
11	252	Contributions in Aid of Construction	
12			
13		**NET BOOK COSTS**	287,671
14			
15		Revenues & Expenses (000 Omitted)	
16			
17	400	Operating Revenues	2,651
18			
19	403 - 407	Depreciation & Amortization Expenses	10,290
20		Federal & State Income Taxes	595
21		Other Taxes	7,109
22		Other Operating Expenses	25,646
23		TOTAL Operating Expenses	43,640
24			
25		Net Operating Income	(40,989)
26			
27	415-421.1	Other Income	
28	421.2-426.5	Other Deductions	
29			
30		**NET INCOME**	(40,989)
31			
32		Customers (Intrastate Only)	
33			
34		Year End Average:	
35		Residential	11
36		Commercial	1
37		Industrial	
38		Other	11
39			
40		**TOTAL NUMBER OF CUSTOMERS**	23
41			
42		Other Statistics (Intrastate Only)	
43			
44		Average Annual Residential Use (Kwh))	12,909
45		Average Annual Residential Cost per (Kwh) (Cents) *	4.63
46		* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47		Average Residential Monthly Bill	49.79
48		Gross Plant per Customer	42,406

Company Name: Avista Corporation

SCHEDULE 29

MONTANA CUSTOMER INFORMATION

Year: 2002

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		11	1	7	19
3						
4	Sales for resale (wholesale customers)				4	4
5						
6						
7						
8						
9						
10						
11						
12						
13						
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29						
30						
31						
32	**TOTAL Montana Customers**		11	1	11	23

Company Name: Avista Corporation

SCHEDULE 30

MONTANA EMPLOYEE COUNTS

Year: 2002

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	23	24	24
3				
4				
5				
6				
7				
8				
9				
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15				
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47				
48				
49				
50	**TOTAL Montana Employees**	23	24	24

Company Name: Avista Corporation

SCHEDULE 31

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2003

	Project Description	Total Company	Total Montana
1			
2	Noxon Rapids Capital Projects Upgrades	412,298	412,298
3			
4	Clark Fork Settlement Agreement	1,096,266	1,096,266
5			
6	Minor Projects (1) under $100,000	8,444	8,444
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
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46			
47			
48			
49			
50	TOTAL	1,517,008	1,517,008

Company Name: Avista Corporation

SCHEDULE 32

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2002

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	29	1800	1333	876,384	105,228
2	Feb.	25	800	1326	785,919	101,899
3	Mar.	6	1900	1340	886,676	157,370
4	Apr.	24	800	1123	825,744	199,125
5	May	7	900	1128	909,080	278,072
6	Jun.	26	1700	1313	1,037,755	394,963
7	Jul.	12	1400	1389	988,103	279,752
8	Aug.	14	1700	1273	884,350	216,391
9	Sep.	12	1700	1138	734,766	136,213
10	Oct.	29	1800	1298	768,698	96,513
11	Nov.	1	800	1264	820,297	118,933
12	Dec.	9	1800	1346	895,751	131,086
13	**TOTAL**				10,413,523	2,215,545

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.					
15	Feb.					
16	Mar.		Information is not available by state			
17	Apr.					
18	May					
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	**TOTAL**					

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,658,530	Sales to Ultimate Consumers	
3	Nuclear		(Include Interdepartmental)	7,598,029
4	Hydro - Conventional	4,009,637		
5	Hydro - Pumped Storage		Requirements Sales	
6	Other	55,752	for Resale	
7	(Less) Energy for Pumping			
8	**NET Generation**	5,723,919	Non-Requirements Sales	
9	Purchases	4,664,491	for Resale	2,215,545
10	Power Exchanges			
11	Received	632,543	Energy Furnished	
12	Delivered	(607,430)	Without Charge	
13	**NET Exchanges**	25,113		
14	Transmission Wheeling for Others		Energy Used Within	
15	Received	3,735,844	Electric Utility	7,486
16	Delivered	(3,735,844)		
17	**NET Transmission Wheeling**		Total Energy Losses	592,463
18	Transmission by Others Losses			
19	**TOTAL**	10,413,523	**TOTAL**	10,413,523

SOURCES OF ELECTRIC SUPPLY

Year: 2002

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3					
4	Thermal	Kettle Falls	Kettle Falls, WA	54	261,425
5	Hydro	Little Falls	Ford, WA	41	204,960
6	Hydro	Long Lake	Ford, WA	89	510,996
7	Hydro	Monroe Street	Spokane, WA	17	104,697
8	Hydro	Nine Mile	Spokane, WA	24	125,566
9	Hydro	Upper Falls	Spokane, WA	12	74,623
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	24	198
12	Combustion -				
13	Turbine	Kettle Falls Bi-fuel	Kettle Falls, WA	9	293
14	Combustion -				
15	Turbine	Boulder Park	Spokane, WA	25	8,537
16					
17					
18	Idaho:				
19	Hydro	Cabinet Gorge	Clark Fork, ID	259	1,084,836
20	Hydro	Post Falls	Post Falls, ID	18	87,468
21	Combustion -				
22	Turbine	Rathdrum	Rathdrum, ID	170	39,424
23					
24					
25					
26	Montana:				
27	Thermal	Colstrip #3 and #4	Colstrip, MT	225	1,397,105
28	Hydro	Noxon	Thompson Falls, MT	548	1,816,491
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	**Total**			1515	5,716,619

Company Name: **Avista Corporation**

SCHEDULE 35

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2002

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1							
2							
3							
4	Not applicable						
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	**TOTAL**						

Company Name: Avista Corporation

SCHEDULE 36

MONTANA CONSUMPTION AND REVENUES

Year: 2002

	Sales of Electricity	Operating Revenues Current Year	Operating Revenues Previous Year	MegaWatt Hours Sold Current Year	MegaWatt Hours Sold Previous Year	Avg. No. of Customers Current Year	Avg. No. of Customers Previous Year
1	Residential	$6,572	$7,047	142	152	11	10
2	Commercial - Small	2,038	1,608	31	24	1	1
3	Commercial - Large						
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities	1,303,825	108,362,082	64,753	537,366	4	5
11	Interdepartmental	6,470	5,627	96	85	7	5
12							
13	**TOTAL**	$1,318,905	$108,376,364	65,022	537,627	23	21