YEAR 2004

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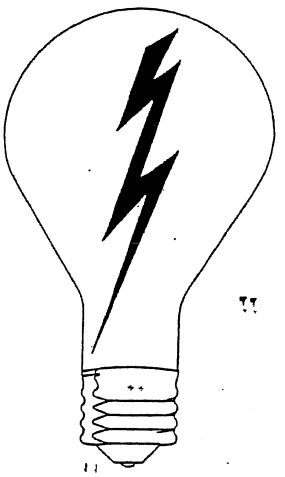
PUBLIC SERVICE
COMMISSION

ANNUAL REPORT
OF

Avista Corporation

ELECTRIC UTILITY



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

IDENTIFICATION

Year: **2004**

1.	Legal Name of Respondent:	Avista Corporation
2.	Name Under Which Respondent Does Business:	Avista Corp. and Avista Utilities
3.	Date Utility Service First Offered in Montana	July, 1960
4.	Address to send Correspondence Concerning Report:	1411 East Mission Avenue PO 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	$79,600.00
2	Kristianne Blake	P. O. Box 28338, Spokane, WA 99228	$62,382.56
3	David A. Clack	325 E. Sprague Ave., Spokane, WA 99202	$90,400.00
4	Roy Lewis Eiguren	P.O. Box 2720, Boise, ID 83701	$79,200.00
5	Jack W. Gustavel	P.O. Box J, Coeur d'Alene, ID 83816	$76,800.00
6	John F. Kelly	4915 E. Doubletree Ranch Rd., Paradise Valley, AZ	$76,000.00
7	Jessie J. Knight, Jr.	402 W. Broadway, Suite 1000, San Diego, CA 92101	$85,666.67
8	Michael L. Noel	1107 Pine Country Ct., Prescott, AZ 86303	$48,812.28
9	Lura J. Powell, Ph.D.	2400 Stevens Dr., Suite B, Richland, WA 99352	$78,000.00
10	R. John Taylor	P. O. Box 538, Lewiston, ID 83501	$84,363.77
11	Gary G. Ely (2)	1411 E. Mission Ave., Spokane, WA 99220	(1)
12			
13	(1) Mr. Ely is Chairman of the Board as well as President and Chief Executive Officer of Avista		
14	Corporation.		
15			
16			
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Officers

Year: 2004

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board		
2	President & Chief Executive Officer	All	Gary G. Ely
3			
4	Senior Vice President, Chief	Finance	Malyn K. Malquist
5	Financial Officer & Treasurer		
6			
7	Senior Vice President, President of	Utility Operations	Scott L. Morris
8	Avista Utilities		
9			
10	Vice President and Chief Counsel for	Legal	David J. Meyer
11	Regulatory and Governmental Affairs		
12			
13	Vice President & Controller	Finance/Accounting	Christy Burmeister-Smith
14			
15	Vice President of State &	Regulatory	Kelly O. Norwood
16	Federal Regulation		
17			
18	Vice President of Transmission and	Transmission and	Don F. Kopczynski
19	Distribution Operations	Distribution	
20			
21	Vice President, Business Development	Utility Operations	Roger D. Woodworth
22	and Service Optimization		
23			
24	Vice President of Human Resources &	Human Resources	Karen S. Feltes
25	Corporate Sercretary		
26			
27	Vice President of Energy Resources	Resource Management	Ronald R. Peterson
28	and Optimization		
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CORPORATE STRUCTURE

Year: 2004

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital, Inc.	Parent company to all of	$3,381,428	100.00%
3		Company's non-regulated		
4		subsidiaries		
5				
6	Avista Capital I	Business trusts formed for the purpose		
7	Avista Capital II	of issuing preferred trust securities.		
8	AVA Captial Trust III			
9				
10	Avista Advantage	Provider of utility bill processing, payment and information		
11		services to multi-site customers in North America.		
12				
13	Avista Energy, Inc.	Wholesale electricity and natural gas trading, marketing and		
14		resource management.		
15				
16	Avista Energy Canada, Ltd.	A wholly owned subsidiary of Avista Energy that provides natural		
17		gas service to 250 individual customers in BC, Canada.		
18				
19	WP Funding LP	Owns a generation asset		
20				
21	Avista Power, LLC	Owns non-regulated generation assets.		
22				
23	Avista Turbine Power, LLC	Receives assignments of purchase power agreements.		
24				
25	Avista Rathdrum, LLC	Owns 49 percent of Rathdrum Power LLC		
26				
27	Rathdrum Power, LLC	Owns a non-regulated generation asset.		
28				
29	Avista Ventures, Inc.	Invests in emerging businesses. Parent of Avista Development		
30		and Pentzer Corporation		
31				
32	Avista Development, Inc.	Non-operating company which maintains an investment portfolio		
33		of real estate and other investments.		
34				
35	Pentzer Corporation	Parent company to Advanced Manufacturing and Development.		
36				
37	Advanced Manufacturing	Performs custom sheet metal manufacturing of electronic		
38	and Devlopment, Inc.	enclosures. Has a wood products division for arcade games, kiosks		
39		store fixtures and displays.		
40				
41	Avista Receivables Corp.	Acquires and sells accounts receivable		
42		of Avista Corp.		
43				
44	Coyote Springs 2, LLC	Developed and owned an electric generation asset		
45				
46	Spokane Energy, LLC	Marketing of energy.		
47				
48				
49				
50	**TOTAL**		3,381,428	

CORPORATE ALLOCATIONS

Year: 2004

	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: 2004

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	137,029,895	49.71%	None
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32	**TOTAL**			137,029,895		

Company Name: Avista Corporation

SCHEDULE 7

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2004

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	Avista Energy	Transmission	Market Price	181,542	0.08%	
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32	TOTAL			181,542		

MONTANA UTILITY INCOME STATEMENT

Year: 2004

	Account Number & Title		Last Year	This Year	% Change
1	400	Operating Revenues	4,548,133	2,318,693	-49.02%
2					
3		Operating Expenses			
4	401	Operation Expenses	32,373,748	17,751,408	-45.17%
5	402	Maintenance Expense	6,120,788	6,710,745	9.64%
6	403	Depreciation Expense	10,124,410	10,838,954	7.06%
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	7,303,218	7,883,840	7.95%
12	409.1	Income Taxes - Federal	none/n.a.	none/n.a.	#VALUE!
13		- Other	384,870	410,403	6.63%
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**	56,307,034	43,595,350	-22.58%
21		**NET UTILITY OPERATING INCOME**	(51,758,901)	(41,276,657)	20.25%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title		Last Year	This Year	% Change
1		Sales of Electricity			
2	440	Residential	4,883	7,091	45.22%
3	442	Commercial & Industrial - Small	1,832	2,084	13.76%
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	5,688	6,518	14.59%
9					
10		**TOTAL Sales to Ultimate Consumers**	12,403	15,693	26.53%
11	447	Sales for Resale	3,370,503		-100.00%
12					
13		**TOTAL Sales of Electricity**	3,382,906	15,693	-99.54%
14	449.1	(Less) Provision for Rate Refunds			
15					
16		**TOTAL Revenue Net of Provision for Refunds**	3,382,906	15,693	-99.54%
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	47,277	48,342	2.25%
22	455	Interdepartmental Rents			
23	456	Other Electric Revenues	1,117,950	2,254,658	101.68%
24					
25		**TOTAL Other Operating Revenues**	1,165,227	2,303,000	97.64%
26		**Total Electric Operating Revenues**	4,548,133	2,318,693	-49.02%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	58,596	36,449	-37.80%
6	501 Fuel	10,959,960	11,022,574	0.57%
7	502 Steam Expenses	1,050,888	1,118,354	6.42%
8	503 Steam from Other Sources	4,329		-100.00%
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	51,895	58,911	13.52%
11	506 Miscellaneous Steam Power Expenses	1,137,676	1,639,953	44.15%
12	507 Rents	15,952	18,573	16.43%
13				
14	TOTAL Operation - Steam	13,279,296	13,894,814	4.64%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	227,825	314,697	38.13%
18	511 Maintenance of Structures	365,816	366,524	0.19%
19	512 Maintenance of Boiler Plant	2,694,708	3,341,814	24.01%
20	513 Maintenance of Electric Plant	744,792	396,056	-46.82%
21	514 Maintenance of Miscellaneous Steam Plant	426,457	519,888	21.91%
22				
23	TOTAL Maintenance - Steam	4,459,598	4,938,979	10.75%
24				
25	**TOTAL Steam Power Production Expenses**	17,738,894	18,833,793	6.17%
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: 2004

	Account Number & Title		Last Year	This Year	% Change
1		Power Production Expenses -continued			
2	Hydraulic Power Generation				
3	Operation				
4	535	Operation Supervision & Engineering	162,209	104,729	-35.44%
5	536	Water for Power	857,399	816,763	-4.74%
6	537	Hydraulic Expenses	739,349	748,960	1.30%
7	538	Electric Expenses	753,785	876,086	16.22%
8	539	Miscellaneous Hydraulic Power Gen. Expenses	45,387	80,366	77.07%
9	540	Rents			
10					
11		TOTAL Operation - Hydraulic	2,558,129	2,626,904	2.69%
12					
13	Maintenance				
14	541	Maintenance Supervision & Engineering	38,195	71,240	86.52%
15	542	Maintenance of Structures	157,802	75,073	-52.43%
16	543	Maint. of Reservoirs, Dams & Waterways	453,746	378,054	-16.68%
17	544	Maintenance of Electric Plant	772,919	670,200	-13.29%
18	545	Maintenance of Miscellaneous Hydro Plant	63,166	143,227	126.75%
19					
20		TOTAL Maintenance - Hydraulic	1,485,828	1,337,794	-9.96%
21					
22		**TOTAL Hydraulic Power Production Expenses**	4,043,957	3,964,698	-1.96%
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			
31					
32		TOTAL Operation - Other			
33					
34	Maintenance				
35	551	Maintenance Supervision & Engineering		1,221	#DIV/0!
36	552	Maintenance of Structures			
37	553	Maintenance of Generating & Electric Plant			
38	554	Maintenance of Misc. Other Power Gen. Plant	(53)		100.00%
39					
40		TOTAL Maintenance - Other	(53)	1,221	2403.77%
41					
42		**TOTAL Other Power Production Expenses**	(53)	1,221	2403.77%
43					
44	Other Power Supply Expenses				
45	555	Purchased Power	15,081,107		-100.00%
46	556	System Control & Load Dispatching			
47	557	Other Expenses			
48					
49		TOTAL Other Power Supply Expenses	15,081,107		-100.00%
50					
51		**TOTAL Power Production Expenses**	36,863,905	22,799,712	-38.15%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

	Account Number & Title		Last Year	This Year	% Change
1		Transmission Expenses			
2	Operation				
3	560	Operation Supervision & Engineering	7,855	8,831	12.43%
4	561	Load Dispatching	31,887	19,888	-37.63%
5	562	Station Expenses	7,009	7,202	2.75%
6	563	Overhead Line Expenses	19,744	23,947	21.29%
7	564	Underground Line Expenses			
8	565	Transmission of Electricity by Others	225,975		-100.00%
9	566	Miscellaneous Transmission Expenses			
10	567	Rents	79,792	75,742	-5.08%
11					
12		TOTAL Operation - Transmission	372,262	135,610	-63.57%
13	Maintenance				
14	568	Maintenance Supervision & Engineering	5,896	6,510	10.41%
15	569	Maintenance of Structures	244	556	127.87%
16	570	Maintenance of Station Equipment	78,256	87,320	11.58%
17	571	Maintenance of Overhead Lines	77,853	314,299	303.71%
18	572	Maintenance of Underground Lines			
19	573	Maintenance of Misc. Transmission Plant			
20					
21		TOTAL Maintenance - Transmission	162,249	408,685	151.89%
22					
23		**TOTAL Transmission Expenses**	534,511	544,295	1.83%
24					
25		Distribution Expenses			
26	Operation				
27	580	Operation Supervision & Engineering			
28	581	Load Dispatching			
29	582	Station Expenses	697	540	-22.53%
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	113		-100.00%
35	588	Miscellaneous Distribution Expenses	100	100	
36	589	Rents			
37					
38		TOTAL Operation - Distribution	910	640	-29.67%
39	Maintenance				
40	590	Maintenance Supervision & Engineering	438	580	32.42%
41	591	Maintenance of Structures			
42	592	Maintenance of Station Equipment	1,319	28	-97.88%
43	593	Maintenance of Overhead Lines	412	7,555	1733.74%
44	594	Maintenance of Underground Lines			
45	595	Maintenance of Line Transformers			
46	596	Maintenance of Street Lighting, Signal Systems		351	#DIV/0!
47	597	Maintenance of Meters			
48	598	Maintenance of Miscellaneous Dist. Plant			
49					
50		TOTAL Maintenance - Distribution	2,169	8,514	292.53%
51					
52		**TOTAL Distribution Expenses**	3,079	9,154	197.30%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2004

	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	7,118	1,599	-77.54%
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses	7,118	1,599	-77.54%
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	75	880	1073.33%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed		438	#DIV/0!
35	924 Property Insurance	290,664	244,390	-15.92%
36	925 Injuries & Damages	6,687	12,391	85.30%
37	926 Employee Pensions & Benefits	381	233	-38.85%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	775,588	833,454	7.46%
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses			
42	930.2 Miscellaneous General Expenses	1,531	55	-96.41%
43	931 Rents			
44				
45	TOTAL Operation - Admin. & General	1,074,926	1,091,841	1.57%
46	Maintenance			
47	935 Maintenance of General Plant	10,997	15,552	41.42%
48				
49	**TOTAL Administrative & General Expenses**	1,085,923	1,107,393	1.98%
50				
51	**TOTAL Operation & Maintenance Expenses**	38,494,536	24,462,153	-36.45%

MONTANA TAXES OTHER THAN INCOME

Year: 2004

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	649	8,400	1194.30%
5	Motor Vehicle Tax	1,461	4,869	233.26%
6	KWH Tax	1,073,964	1,011,003	-5.86%
7	Property Taxes	6,226,275	6,859,528	10.17%
8	Public Commission Tax	869	40	-95.40%
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51	**TOTAL MT Taxes Other Than Income**	7,303,218	7,883,840	7.95%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES Year: 2004

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1					
2					
3	Delinea Corporation	Consulting - IT	1,238,371		
4	Deloitte & Touche LLP	Independent Accountants	869,133		
5	Dewey Ballantine, LLP	Legal	1,160,743		
6	Dorsey & Whitney, LLP	Legal	692,583		
7	Entrix, Inc.	Consulting	542,442		
8	Golder Associates, Inc.	Consulting	847,259		
9	Heller Ehrman White	Legal	1,072,382		
10	Marsh Advantage America	Insurance	6,557,212		
11	Oracle Corporation	Consulting - IT	489,431		
12	Paine Hamblen Coffin Brooke	Legal	1,129,020		
13	Van Ness Feldman	Legal	348,561		
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50	**TOTAL Payments for Services**		14,947,137		

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2004

	Description	Total Company	Montana	% Montana
1				
2	Cindy Youkin for Supreme Court	$250.00	$250.00	
3	Gillan for State Senate	$75.00	$75.00	
4	Lake for Legislature	$75.00	$75.00	
5	Roberts for Legislature	$75.00	$75.00	
6	Haines for Senate	$75.00	$75.00	
7	Brueggeman for State Senate	$75.00	$75.00	
8	Birdwell for Legislature	$75.00	$75.00	
9	Ziegler for State Senate	$75.00	$75.00	
10	Friends of Bob Brown	$1,000.00	$1,000.00	
11	Lange for Legislature	$75.00	$75.00	
12	Friends of Roy Brown	$75.00	$75.00	
13	Stapleton for State Senate	$100.00	$100.00	
14	Noennig for State Senate	$75.00	$75.00	
15	Forrester for Legislature	$75.00	$75.00	
16	Arntzen for Legislature	$50.00	$50.00	
17	Hanel for State Legislature	$50.00	$50.00	
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19	All contributions in Montana were made by PACs.			
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50	**TOTAL Contributions**	$2,275.00	$2,275.00	

Pension Costs

Year: 2004

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	250,199	223,825	-10.54%
8	Service cost	8,813	7,756	-11.99%
9	Interest Cost	15,458	14,748	-4.59%
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain	6,960	17,162	146.58%
13	Benefits paid	(12,399)	(11,789)	4.92%
14	Expenses paid	(799)	(1,503)	-88.11%
15	Benefit obligation at end of year	268,232	250,199	-6.72%
16	**Change in Plan Assets**			
17	Fair value of plan assets at beginning of year	167,962	136,126	-18.95%
18	Actual return on plan assets	16,816	33,128	97.00%
19	Acquisition			
20	Employer contribution	15,000	12,000	-20.00%
21	Benefits paid	(12,399)	(11,789)	4.92%
22	Expenses paid	(799)	(1,503)	-88.11%
23	Fair value of plan assets at end of year	186,580	167,962	-9.98%
24	**Funded Status**	(81,652)	(82,237)	-0.72%
25	Unrecognized net actuarial loss	67,531	67,148	-0.57%
26	Unrecognized prior service cost	5,058	5,712	12.93%
27	Unrecognized net transition obligation/(asset)	(499)	(1,585)	
28	Prepaid (accrued) benefit cost	(9,562)	(10,962)	-14.64%
29				
30	**Weighted-average Assumptions as of Year End**			
31	Discount rate	5.75%	6.25%	8.70%
32	Expected return on plan assets	8.00%	8.00%	
33	Rate of compensation increase	4.84%	5.00%	3.31%
34				
35	**Components of Net Periodic Benefit Costs**			
36	Service cost	8,813	7,756	-11.99%
37	Interest cost	15,458	14,748	-4.59%
38	Expected return on plan assets	(13,436)	(10,862)	19.16%
39	Transition (asset)/obligation recognition	(1,086)	(1,086)	
40	Amortization of prior service cost	654	654	
41	Recognized net actuarial loss	3,199	3,690	15.35%
42	Net periodic benefit cost	13,602	14,900	9.54%
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	2,527	2,527	
50	Not Covered by the Plan			
51	Active	1,368	1,375	0.51%
52	Retired	848	829	-2.24%
53	Deferred Vested Terminated	311	323	3.86%

Other Post Employment Benefits (OPEBS)

Year: 2004

	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	5.75%	6.25%	8.70%
8	Expected return on plan assets	8.00%	8.00%	
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	39,185	29,062	-25.83%
20	Service cost	480	482	0.42%
21	Interest Cost	2,019	2,477	22.68%
22	Plan participants' contributions			
23	Amendments	(4,263)		100.00%
24	Actuarial Gain	(2,464)	10,973	545.33%
25	Benefits paid	(3,042)	(3,741)	-22.98%
26	Expenses paid	(47)	(68)	-44.68%
27	Benefit obligation at end of year	31,868	39,185	22.96%
28	**Change in Plan Assets**			
29	Fair value of plan assets at beginning of year	14,587	11,301	-22.53%
30	Actual return on plan assets	1,882	3,282	74.39%
31	Acquisition			
32	Employer contribution	1,964	1,785	-9.11%
33	Benefits paid	(1,524)	(1,713)	-12.40%
34	Expenses paid	(47)	(68)	-44.68%
35	Fair value of plan assets at end of year	16,862	14,587	-13.49%
36	**Funded Status**	(15,006)	(24,598)	-63.92%
37	Unrecognized net actuarial loss	6,009	9,455	57.35%
38	Unrecognized prior service cost	4,041	8,809	117.99%
39	Prepaid (accrued) benefit cost	(4,956)	(6,334)	-27.80%
40	**Components of Net Periodic Benefit Costs**			
41	Service cost	480	482	0.42%
42	Interest cost	2,019	2,477	22.68%
43	Expected return on plan assets	(1,106)	(842)	23.87%
44	Amortization of prior service cost	505	979	93.86%
45	Recognized net actuarial loss	245	405	65.31%
46	Net periodic benefit cost	2,143	3,501	63.37%
47	**Accumulated Post Retirement Benefit Obligation**			
48	Amount Funded through VEBA	31,868	39,185	22.96%
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL	31,868	39,185	22.96%
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL	31,868	39,185	22.96%

Other Post Employment Benefits (OPEBS) Continued

Year: 2004

	Item	Current Year	Last Year	% Change
1	**Number of Company Employees:**			
2	Covered by the Plan	2,075	2,075	
3	Not Covered by the Plan			
4	Active	1,372	1,353	-1.38%
5	Retired	703	722	2.70%
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: 2004

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	Emmet McCabe Senior Technician				99,244	74,870	33%
2	Timothy Swant Hydro Licensing & Safety Coordinator				91,889	87,247	5%
3	Patrick Kelly Chief Operator				74,950	71,503	5%
4	Paul Aktepy Station Mechanic				72,915	66,027	10%
5	James Hanna Station Engineer				70,721	78,515	-10%
6	Joseph Dos Santos Aquatic Progam Leader				69,533	65,325	6%
7	Wesley Monroe Journeyman Operator				68,734	63,392	8%
8	Thomas Puyleart Journeyman Operator				68,472		#DIV/0!
9	Lyle Wiltse Journeyman Operator				67,730	63,835	6%
10	Robert Dougherty Journeyman Operator				67,335	61,829	9%

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	G.G. Ely Chairman, President and CEO	633,173	249,733	23,769	906,675	801,696	13%
2	M.K. Malquist Senior Vice President CFO and Treasurer	303,288	74,863	11,363	389,514	342,244	14%
3	D. J. Meyer Vice President and Chief Counsel for Reg and Gov Affairs	249,231	59,887	36,646	345,764	347,912	-1%
4	S. L. Morris Senior Vice President	283,250	68,622	27,628	379,500	367,195	3%
5	R. R. Peterson Vice President	220,711	32,296	8,991	261,998	222,568	18%

BALANCE SHEET

Year: 2004

	Account Number & Title	Last Year	This Year	% Change
1	**Assets and Other Debits**			
2	Utility Plant			
3	101 Electric Plant in Service	2,514,133,202	2,599,493,022	-3%
4	101.1 Property Under Capital Leases	3,905,446	5,270,937	-26%
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	49,615,389	49,895,114	-1%
10	108 (Less) Accumulated Depreciation	(862,032,835)	(899,493,717)	4%
11	111 (Less) Accumulated Amortization	(8,490,249)	(11,304,781)	25%
12	114 Electric Plant Acquisition Adjustments	26,580,073	26,580,073	
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(16,323,630)	(17,647,047)	7%
14	120 Nuclear Fuel (Net)			
15	**TOTAL Utility Plant**	1,707,387,396	1,752,793,601	-3%
16				
17	**Other Property & Investments**			
18	121 Nonutility Property	3,264,833	3,272,992	0%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(118,011)	(135,292)	13%
20	123 Investments in Associated Companies	13,403,000	13,403,000	
21	123.1 Investments in Subsidiary Companies	255,904,488	256,786,600	0%
22	124 Other Investments	42,335,128	37,182,363	14%
23	128 Other Special Funds	16,429,928	20,246,110	-19%
	Long-Term Derivative Instruments	34,516,248	55,824,772	-38%
24	**TOTAL Other Property & Investments**	365,735,614	386,580,545	-5%
25				
26	**Current & Accrued Assets**			
27	131 Cash	(2,136,438)	(5,239,043)	59%
28	132-134 Special Deposits		572,613	-100%
29	135 Working Funds	577,122	495,365	17%
30	136 Temporary Cash Investments	21,143,327	6,699,209	216%
31	141 Notes Receivable		153,770	-100%
32	142 Customer Accounts Receivable	45,726,942	56,067,151	-18%
33	143 Other Accounts Receivable	4,175,943	4,433,112	-6%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(2,281,537)	(2,810,071)	19%
35	145 Notes Receivable - Associated Companies	40,018,082	42,000,000	-5%
36	146 Accounts Receivable - Associated Companies	10,855	610,682	-98%
37	151 Fuel Stock	2,395,349	4,049,604	-41%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	9,522,082	9,867,767	-4%
41	155 Merchandise			
42	156 Other Material & Supplies			
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed	(496,415)	(62,610)	-693%
	164 Gas Storage	8,817,198	9,992,691	-12%
45	165 Prepayments	1,092,491	3,899,276	-72%
46	171 Interest & Dividends Receivable	961	19,493	-95%
47	172 Rents Receivable	459,233	391,040	17%
48	174 Miscellaneous Current & Accrued Assets	610,557	82,082	644%
	176 Derivative Instruments Assets - Hedges	39,499,770	66,023,684	
49	Long-Term Derivative Instruments	(34,516,248)	(55,824,772)	38%
50	**TOTAL Current & Accrued Assets**	134,619,274	141,421,043	-5%

BALANCE SHEET

Year: 2004

	Account Number & Title		Last Year	This Year	% Change
1					
2	**Assets and Other Debits (cont.)**				
3					
4	**Deferred Debits**				
5					
6	181	Unamortized Debt Expense	20,113,211	16,858,709	19%
7	182.1	Extraordinary Property Losses			
8	182.2	Unrecovered Plant & Regulatory Study Costs			
9	182.3	Other Regulatory Assets	239,863,731	231,982,032	
10	183	Prelim. Survey & Investigation Charges	12,156,159	12,084,058	1%
11	184	Clearing Accounts	1,510,244	728,989	107%
12	185	Temporary Facilities			
13	186	Miscellaneous Deferred Debits	86,083,253	51,242,169	68%
14	187	Deferred Losses from Disposition of Util. Plant			
15	188	Research, Devel. & Demonstration Expend.			
16	189	Unamortized Loss on Reacquired Debt	28,712,173	36,554,021	-21%
17	190	Accumulated Deferred Income Taxes	34,222,386	50,892,673	-33%
	191	Unrecovered Purchased Gas Costs	15,352,084	28,639,755	
18		**TOTAL Deferred Debits**	438,013,241	428,982,406	2%
19					
20		**TOTAL Assets & Other Debits**	2,645,755,525	2,709,777,595	-2%
		Account Title	Last Year	This Year	% Change
20					
21		**Liabilities and Other Credits**			
22					
23	**Proprietary Capital**				
24					
25	201	Common Stock Issued	626,787,347	629,055,981	0%
26	202	Common Stock Subscribed			
27	204	Preferred Stock Issued	-	-	
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	(10,949,795)	(10,676,498)	-3%
33	215	Appropriated Retained Earnings	81,854,919	91,642,291	-11%
34	216	Unappropriated Retained Earnings	64,022,832	64,211,690	0%
35	217	(Less) Reacquired Capital Stock			
	219	Accumulated Other Comprehensive Income	(9,355,089)	(21,157,918)	
36		**TOTAL Proprietary Capital**	752,360,214	753,075,546	0%
37					
38	**Long Term Debt**				
39					
40	221	Bonds	431,300,000	521,300,000	-17%
41	222	(Less) Reacquired Bonds			
42	223	Advances from Associated Companies	114,836,826	114,803,000	0%
43	224	Other Long Term Debt	576,532,661	497,427,068	16%
44	225	Unamortized Premium on Long Term Debt			
45	226	(Less) Unamort. Discount on L-Term Debt-Dr.	(1,994,486)	(1,608,182)	-24%
46		**TOTAL Long Term Debt**	1,120,675,001	1,131,921,886	-1%

BALANCE SHEET

Year: 2004

	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	2,807,168	3,028,272	-7%
7	228.1	Accumulated Provision for Property Insurance			
8	228.2	Accumulated Provision for Injuries & Damages	1,299,994	1,188,972	9%
9	228.3	Accumulated Provision for Pensions & Benefits	35,897,551	44,754,150	-20%
10	228.4	Accumulated Misc. Operating Provisions			
11		Long-Term Derivative Instruments	33,060,110	39,971,987	-17%
	230	Asset Retirement Obligations	659,307	1,190,714	
12		**TOTAL Other Noncurrent Liabilities**	73,724,130	90,134,095	-18%
13					
14	**Current & Accrued Liabilities**				
15					
16	231	Notes Payable			
17	232	Accounts Payable	48,421,782	66,444,650	-27%
18	233	Notes Payable to Associated Companies			
19	234	Accounts Payable to Associated Companies	19,845,113	7,909,608	151%
20	235	Customer Deposits	4,452,327	6,286,185	-29%
21	236	Taxes Accrued	9,241,055	11,313,430	-18%
22	237	Interest Accrued	18,484,237	18,632,069	-1%
23	238	Dividends Declared			
24	241	Tax Collections Payable		1,736	-100%
25	242	Miscellaneous Current & Accrued Liabilities	28,275,405	15,927,496	78%
26	243	Obligations Under Cap. Leases - Current	633,401	946,251	-33%
27	245	Derivative Instrument Liabilities - Hedges	36,057,271	45,684,937	-21%
28		Long-Term Derivative Instruments	(33,060,110)	(39,971,987)	17%
29		**TOTAL Current & Accrued Liabilities**	132,350,481	133,174,375	-1%
30					
31	**Deferred Credits**				
32					
33	252	Customer Advances for Construction	978,187	937,286	4%
34	253	Other Deferred Credits	34,008,549	33,121,416	3%
35	254	Other Regulatory Liabilities	13,027,706	34,700,436	-62%
36	255	Accumulated Deferred Investment Tax Credits	620,268	570,960	9%
37	257	Unamortized Gain on Reacquired Debt	4,696,571	4,225,371	11%
38	281-283	Accumulated Deferred Income Taxes	513,314,418	527,916,224	-3%
39		**TOTAL Deferred Credits**	566,645,699	601,471,693	-6%
40					
41	**TOTAL LIABILITIES & OTHER CREDITS**		2,645,755,525	2,709,777,595	-2%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2004

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Intangible Plant**			
3					
4	301	Organization			
5	302	Franchises & Consents	6,415,526	6,222,448	3%
6	303	Miscellaneous Intangible Plant	194,001	185,165	5%
7					
8		**TOTAL Intangible Plant**	6,609,527	6,407,613	3%
9					
10		**Production Plant**			
11					
12	Steam Production				
13					
14	310	Land & Land Rights	1,303,915	1,299,549	0%
15	311	Structures & Improvements	99,726,191	99,998,520	0%
16	312	Boiler Plant Equipment	119,189,324	119,300,747	0%
17	313	Engines & Engine Driven Generators			
18	314	Turbogenerator Units	32,473,014	32,010,480	1%
19	315	Accessory Electric Equipment	13,480,703	13,774,590	-2%
20	316	Miscellaneous Power Plant Equipment	12,716,147	12,759,362	0%
21					
22		**TOTAL Steam Production Plant**	278,889,294	279,143,248	0%
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	40,871,967	41,236,380	-1%
38	331	Structures & Improvements	11,433,027	11,866,978	-4%
39	332	Reservoirs, Dams & Waterways	32,994,267	32,994,267	
40	333	Water Wheels, Turbines & Generators	31,190,237	31,559,072	-1%
41	334	Accessory Electric Equipment	11,307,535	11,559,497	-2%
42	335	Miscellaneous Power Plant Equipment	2,630,515	2,647,733	-1%
43	336	Roads, Railroads & Bridges	217,199	225,369	-4%
44					
45		**TOTAL Hydraulic Production Plant**	130,644,747	132,089,296	-1%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2004

	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**	409,534,041	411,232,544	0%
17					
18		**Transmission Plant**			
19					
20	350	Land & Land Rights	883,385	883,385	
21	352	Structures & Improvements	459,747	461,581	0%
22	353	Station Equipment	16,022,712	16,253,982	-1%
23	354	Towers & Fixtures	16,012,151	16,013,530	0%
24	355	Poles & Fixtures	7,171,154	7,171,154	
25	356	Overhead Conductors & Devices	15,744,525	15,744,525	
26	357	Underground Conduit			
27	358	Underground Conductors & Devices			
28	359	Roads & Trails	367,476	367,476	
29					
30		**TOTAL Transmission Plant**	56,661,150	56,895,633	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	152,268	0%
37	363	Storage Battery Equipment			
38	364	Poles, Towers & Fixtures	10,080	10,080	
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**	186,014	186,641	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2004

	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	7,498	15,910	-53%
13	398	Miscellaneous Equipment			
14	399	Other Tangible Property			
15					
16		**TOTAL General Plant**	7,498	15,910	
17					
18		**TOTAL Electric Plant in Service**	472,998,230	474,738,341	

MONTANA DEPRECIATION SUMMARY

Year: 2004

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	Accumulated Depreciation This Year Bal.	Current Avg. Rate
1					
2	Steam Production	279,143,248	153,316,338	157,327,361	4.72%
3	Nuclear Production				
4	Hydraulic Production	132,089,296	14,894,683	15,920,341	1.03%
5	Other Production				
6	Transmission	56,895,633	21,209,208	20,418,565	3.41%
7	Distribution	186,641	56,656	57,621	2.79%
8	General		1,402,776	1,246,745	3.45%
9	TOTAL	468,314,818	190,879,661	194,970,633	0

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	500,590	523,624	-4%
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)	1,375,192	1,447,783	-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	1,875,782	1,971,407	-5%

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: 2004

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	**Cash Flows from Operating Activities:**			
5	Net Income	44,504,252	35,153,860	27%
6	Depreciation	73,998,819	72,871,141	2%
7	Amortization	10,421,807	10,751,378	-3%
8	Deferred Income Taxes - Net	38,791,463	12,917,518	200%
9	Investment Tax Credit Adjustments - Net	(49,308)	(49,308)	
10	Change in Operating Receivables - Net	(18,650,796)	(10,751,148)	-73%
11	Change in Materials, Supplies & Inventories - Net	94,433	(3,609,238)	103%
12	Change in Operating Payables & Accrued Liabilities - Net	8,167,229	(2,204,745)	470%
13	Allowance for Funds Used During Construction (AFUDC)	(2,192,697)	(3,452,804)	36%
14	Change in Other Assets & Liabilities - Net	4,524,461	(6,691,368)	168%
15	Other Operating Activities (explained on attached page)	(15,099,224)	19,600,528	-177%
16	**Net Cash Provided by/(Used in) Operating Activities**	144,510,439	124,535,814	16%
17				
18	**Cash Inflows/Outflows From Investment Activities:**			
19	Construction/Acquisition of Property, Plant and Equipment	(105,617,593)	(121,391,951)	13%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets	482,872	1,477,634	-67%
23	Investments In and Advances to Affiliates	(7,344,568)	(2,615,571)	-181%
24	Contributions and Advances from Affiliates	9,990,036	2,499,315	300%
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	(3,496,712)	1,627,840	-315%
27	**Net Cash Provided by/(Used in) Investing Activities**	(105,985,965)	(118,402,733)	10%
28				
29	**Cash Flows from Financing Activities:**			
30	Proceeds from Issuance of:			
31	Long-Term Debt	44,795,250	89,760,600	-50%
32	Preferred Stock			
33	Common Stock	3,775,591	4,061,241	-7%
34	Long-Term Debt to Affiliated Trusts		61,856,000	-100%
35	Net Increase in Short-Term Debt	50,000,000		#DIV/0!
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(124,033,279)	(66,186,722)	-87%
39	Preferred Stock	(1,574,266)	(1,750,000)	10%
40	Common Stock			
41	Long-Term Debt to Affiliated Trusts		(61,856,000)	100%
42	Net Decrease in Short-Term Debt		(12,000,000)	100%
43	Dividends on Preferred Stock	(1,155,438)		#DIV/0!
44	Dividends on Common Stock	(23,633,569)	(24,912,464)	5%
45	Other Financing Activities (explained on attached page)	(4,139,525)	(12,734,216)	67%
46	**Net Cash Provided by (Used in) Financing Activities**	(55,965,236)	(23,761,561)	-136%
47				
48	**Net Increase/(Decrease) in Cash and Cash Equivalents**	(17,440,762)	(17,628,480)	1%
49	**Cash and Cash Equivalents at Beginning of Year**	37,024,773	19,584,011	89%
50	**Cash and Cash Equivalents at End of Year**	19,584,011	1,955,531	901%

Company Name: Avista Corp. SCHEDULE 23A

STATEMENT OF CASH FLOWS

Year: 2004

	Description	Last Year	This Year	% Change
1				
2	**Detail of Lines 15, 26 and 45**			
3				
4	**Line 15: Other Operating Activities**			
5	Change in allowance for uncollectible receivables	(407,128)	528,534	-177%
6	Regulatory Gas Cost and Power Cost Adjustment	(5,535,312)	8,037,057	-169%
7	Write-down of assets from IPUC order	-	14,416,364	
8	Subsidiary earnings	(9,156,784)	(3,381,427)	-171%
9	Total Line 15	(15,099,224)	19,600,528	-177%
10				
11	**Line 26: Other Investing Activities**			
	Additions to non-utility plant	(581,511)	-	
	Gain on disposition of property	-	(424,383)	
	Changes in other property and investments	(2,848,976)	1,435,673	
12	Notes receivable	(66,225)	616,550	
13	Total Line 26	(3,496,712)	1,627,840	
10	**Line 45: Other Financing Activities**			
	Cash received in interest rate swap agreement		125,000	
11	Premiums paid for repurchase of debt	(1,709,769)	(6,710,409)	
12	Debt Issuance costs	(2,429,756)	(6,148,807)	
13	Total Line 45	(4,139,525)	(12,734,216)	

LONG TERM DEBT

Year: 2004

	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	Medium-Term Notes								
3	Series A	various	various	250,000,000	248,374,625	89,500,000	7.95%	7,116,288	7.95%
4	Series B	various	various	161,000,000	160,141,500	59,000,000	7.31%	4,314,638	7.31%
5	Series A	various	various	200,000,000	198,800,000	3,000,000	8.02%	247,203	8.24%
6	Series B	various	various	150,000,000	149,175,000	27,000,000	8.33%	2,250,109	8.33%
7	Series C	various	various	109,000,000	108,272,250	88,850,000	6.55%	5,815,727	6.55%
8									
9									
10	Pollution Control Bonds								
11	Colstrip 1999A	9/1/99	10/1/32	66,700,000	59,343,493	66,700,000	5.75%	4,043,730	6.06%
12	Colstrip 1999B	9/1/99	3/1/34	17,000,000	14,875,407	17,000,000	5.99%	1,017,541	5.99%
13	6% Pollution Control Bonds	7/1/93	12/1/23	4,100,000	2,838,725	4,100,000	6.51%	266,795	6.51%
14									
15	First Mortgage Bonds								
16	7.75% Issued December 2001	12/19/01	1/1/07	150,000,000	148,125,000	150,000,000	8.25%	13,463,482	8.98%
17	6.125% Issued September 2003	9/1/03	9/1/13	45,000,000	44,795,250	45,000,000	6.41%	2,965,488	6.59%
18	5.45% Issued November 2004	11/18/04	12/1/19	90,000,000	88,975,000	90,000,000	5.56%	5,006,273	5.56%
19									
20	Senior Notes	4/3/01	6/1/08	400,000,000	392,000,000	279,735,000	10.34%	31,236,886	11.17%
21									
22	Junior Subordinated Debentures	4/5/04	4/1/34	61,856,000	53,109,004	61,856,000	7.46%	4,478,559	7.24%
23	Junior Subordinated Debentures	6/3/97	6/1/37	51,547,000	36,828,822	51,547,000	3.75%	1,498,871	2.91%
24									
25	5-year committed line of credit	12/19/04	12/19/05	350,000,000	68,000,000	68,000,000	3.35%	4,282,945	6.30%
26									
27									
28									
29									
30									
31									
32	**TOTAL**			2,106,203,000	1,773,654,076	1,101,288,000		88,004,535	7.99%

PREFERRED STOCK

Year: 2004

	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	315,000	$100	-	$27,974,019	$6.95	$29,750,000	$2,067,625	7.39%
5										
6	Included as Long-Term Debt on the Balance Sheet									
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
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21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	**TOTAL**					27,974,019		29,750,000	2,067,625	

COMMON STOCK

Year: 2004

		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	48,351,689	15.65	0.25	0.125		18.92	17.55	
9									
10	April								
11									
12	May								
13									
14	June	48,383,624	15.75	0.21	0.13		19.17	15.51	
15									
16	July								
17									
18	August								
19									
20	September	48,415,941	15.39	(0.20)	0.13		18.56	16.95	
21									
22	October								
23									
24	November								
25									
26	December	48,446,367	15.54	0.46	0.13		18.55	16.95	
27									
28									
29									
30									
31									
32	TOTAL Year End	48,471,511	15.54	0.72	0.515	28.47%	17.67		24.5

MONTANA EARNED RATE OF RETURN

Year: 2004

		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: 2004

		Description	Amount
1			
2		Plant (Intrastate Only) (000 Omitted)	
3			
4	101	Plant in Service	474,738
5	107	Construction Work in Progress	
6	114	Plant Acquisition Adjustments	
7	105	Plant Held for Future Use	
8	154, 156	Materials & Supplies	1,971
9		(Less):	
10	108, 111	Depreciation & Amortization Reserves	(194,971)
11	252	Contributions in Aid of Construction	
12			
13		**NET BOOK COSTS**	281,739
14			
15		Revenues & Expenses (000 Omitted)	
16			
17	400	Operating Revenues	2,319
18			
19	403 - 407	Depreciation & Amortization Expenses	10,839
20		Federal & State Income Taxes	410
21		Other Taxes	7,884
22		Other Operating Expenses	24,462
23		TOTAL Operating Expenses	43,595
24			
25		Net Operating Income	(41,277)
26			
27	415-421.1	Other Income	
28	421.2-426.5	Other Deductions	
29			
30		**NET INCOME**	(41,277)
31			
32		Customers (Intrastate Only)	
33			
34		Year End Average:	
35		Residential	12
36		Commercial	1
37		Industrial	
38		Other	6
39			
40		**TOTAL NUMBER OF CUSTOMERS**	19
41			
42		Other Statistics (Intrastate Only)	
43			
44		Average Annual Residential Use (Kwh))	13,000
45		Average Annual Residential Cost per (Kwh) (Cents) *	4.55
46		* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47		Average Residential Monthly Bill	49.24
48		Gross Plant per Customer	39,562

MONTANA CUSTOMER INFORMATION

Year: 2004

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		12	1	6	19
3						
4						
5						
6						
7						
8						
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29						
30						
31						
32	**TOTAL Montana Customers**		12	1	6	19

Company Name: Avista Corporation

SCHEDULE 30

MONTANA EMPLOYEE COUNTS

Year: 2004

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	35	30	33
3				
4				
5				
6				
7				
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45				
46				
47				
48				
49				
50	**TOTAL Montana Employees**	35	30	33

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) Year: 2004

	Project Description	Total Company	Total Montana
1			
2	Noxon Rapids Capital Projects Upgrades	2,623,727	2,623,727
3			
4	Clark Fork Settlement Agreement	1,202,278	1,202,278
5			
6	Minor Projects (6) under $100,000	29,179	29,179
7			
8			
9			
10			
11			
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44			
45			
46			
47			
48			
49			
50	TOTAL	3,855,184	3,855,184

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2004

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	5	100	1766	1,019,903	131,451
2	Feb.	12	800	1434	836,560	64,586
3	Mar.	3	1900	1366	830,833	96,242
4	Apr.	1	800	1177	821,810	154,507
5	May	12	800	1121	1,020,993	349,617
6	Jun.	23	1600	1418	1,054,948	352,785
7	Jul.	15	1700	1477	967,866	194,877
8	Aug.	2	1600	1485	891,066	128,292
9	Sep.	1	1200	1176	844,737	176,959
10	Oct.	26	800	1279	914,656	196,158
11	Nov.	30	1800	1433	945,152	172,332
12	Dec.	22	1800	1454	1,076,648	214,847
13	**TOTAL**				11,225,172	2,232,653

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	1,970,527	Sales to Ultimate Consumers	
3	Nuclear		(Include Interdepartmental)	8,376,616
4	Hydro - Conventional	3,789,045		
5	Hydro - Pumped Storage		Requirements Sales	
6	Other	437,716	for Resale	2,232,653
7	(Less) Energy for Pumping			
8	**NET Generation**	6,197,288	Non-Requirements Sales	
9	Purchases	4,976,808	for Resale	
10	Power Exchanges			
11	Received	774,435	Energy Furnished	
12	Delivered	(723,359)	Without Charge	
13	**NET Exchanges**	51,076		
14	Transmission Wheeling for Others		Energy Used Within	
15	Received	4,428,355	Electric Utility	13,510
16	Delivered	(4,428,355)		
17	**NET Transmission Wheeling**		Total Energy Losses	602,393
18	Transmission by Others Losses			
19	**TOTAL**	11,225,172	**TOTAL**	11,225,172

SOURCES OF ELECTRIC SUPPLY

Year: 2004

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3					
4	Thermal	Kettle Falls	Kettle Falls, WA	43	365,753
5	Hydro	Little Falls	Ford, WA	37	211,820
6	Hydro	Long Lake	Ford, WA	84	510,719
7	Hydro	Monroe Street	Spokane, WA	16	107,103
8	Hydro	Nine Mile	Spokane, WA	25	134,860
9	Hydro	Upper Falls	Spokane, WA	11	70,769
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	-	91
12	Combustion -				
13	Turbine	Kettle Falls Bi-fuel	Kettle Falls, WA	10	8,697
14	Combustion -				
15	Turbine	Boulder Park	Spokane, WA	24	15,838
16					
17					
18	Idaho:				
19	Hydro	Cabinet Gorge	Clark Fork, ID	250	1,061,993
20	Hydro	Post Falls	Post Falls, ID	18	96,356
21	Combustion -				
22	Turbine	Rathdrum	Rathdrum, ID	90	5,977
23					
24					
25					
26	Montana:				
27	Thermal	Colstrip #3 and #4	Colstrip, MT	216	1,604,774
28	Hydro	Noxon	Thompson Falls, MT	352	1,595,423
29					
30	Oregon:				
31	Combustion -				
32	Turbine	Coyote Springs 2	Boardman, OR	138	407,113
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	**Total**			1,314	6,197,286

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2004

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1							
2							
3	Not applicable						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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25							
26							
27							
28							
29							
30							
31							
32	**TOTAL**						

MONTANA CONSUMPTION AND REVENUES

Year: 2004

	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	$7,091	$4,883	156	109	12	9
2	Commercial - Small	2,084	1,832	32	28	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		3,370,503		79,062	6	6
11	Interdepartmental	6,518	5,688	99	84		7
12							
13	**TOTAL**	$15,693	$3,382,906	287	79,283	19	23