

YEAR ENDING 12/31/2008

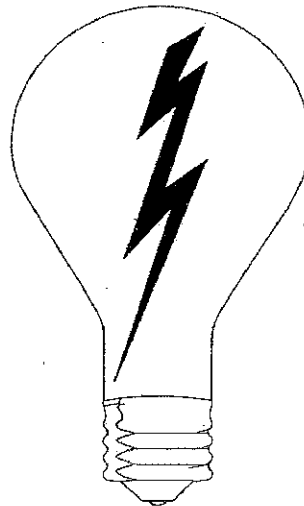
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ANNUAL REPORT
OF

2009 APR 27 A 8:41

PUBLIC SERVICE
COMMISSION

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: 2008

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, Controller and Principal Accounting Officer
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)	Remuneration
	(a)	(b)
1	Erik J. Anderson 3720 Carillon Point, Kirkland, WA 98033	\$125,000.00
2	Kristianne Blake P. O. Box 28338, Spokane, WA 99208	\$134,738.00
3	Brian W. Dunham 5721 E Columbia Way, Ste 200 Vancouver WA 98661	\$93,500.00
4	Roy Lewis Eiguren 712 Warm Springs Ave, Boise, ID 83712	\$101,917.00
5	Jack W. Gustavel P.O. Box J, Coeur d'Alene, ID 83816	\$109,500.00
6	John F. Kelly 142 Isla Dorad Blvd. Coral Gables, FL 33143	\$140,000.00
7	Michael L. Noel 11960 Six Shooter Rd., Prescott, AZ 86305	\$112,500.00
8	Lura J. Powell (1) 2400 Stevens Dr., Suite B, Richland, WA 99352	\$40,583.00
9	Heidi B. Stanley 111 N Wall Street, Spokane, WA 99201	\$108,000.00
10	R. John Taylor P. O. Box 538, Lewiston, ID 83501	\$113,792.00
11	Scott L. Morris (2) 1411 E. Mission Ave., Spokane, WA 99202	(2)
12		
13	(1) Lura J. Powell chose not to stand for re-election and resigned as a director on May 8, 2008.	
14	(2) Mr. Morris is the Chairman of the Board, President and Chief Executive Officer of Avista Corp.	
15		
16		
17		
18		
19		
20		

Officers

Year: 2008

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board, President & Chief Executive Officer	All	Scott L. Morris
2			
3			
4	Executive Vice President (1)	Finance	Malyn K. Malquist
5			
6	Senior Vice President, Chief Financial Officer (2)	Finance	Mark T. Thies
7			
8			
9	Senior Vice President, General Counsel and Chief Compliance Officer	Legal	Marian M. Durkin
10			
11			
12	Senior Vice President of Human Resources & Corporate Secretary	Human Resources	Karen S. Feltes
13			
14			
15	Vice President, Controller and Principal Accounting Officer	Accounting	Christy Burmeister-Smith
16			
17			
18	Vice President of State & Federal Regulation	Regulatory	Kelly O. Norwood
19			
20			
21	Vice President of Transmission and Distribution Operations	Transmission and Distribution	Don F. Kopczynski
22			
23			
24	Vice President, Sustainable Energy Solutions	Utility Operations	Roger D. Woodworth
25			
26			
27	Vice President and President of Avista Utilities (3)	Utility Operations	Dennis P. Vermillion
28			
29			
30	Vice President and Chief Counsel for Regulatory and Governmental Affairs	Legal/Regulatory	David J. Meyer
31			
32			
33	Vice President of Finance and Treasurer	Finance	Ann M. Wilson
34			
35	Vice President and Chief Information Officer	Information Technology	James M. Kensok
36			
37			
38	Vice President of Energy Resources	Resource Management	Richard L. Storro
39			
40			
41			
42	(1) Malyn K. Malquist retired effective March 31, 2009		
43	(2) Mark T. Thies joined the company in September 2008 as Senior Vice President and Chief Financial Officer		
44			
45	(3) In December 2008, Dennis Vermillion was appointed President of Avista Utilities effective January 1, 2009		
46			
47	(4) In December 2008, Richard Storro was appointed Vice President of Energy Resources		
48			
49			
50			

CORPORATE STRUCTURE

Year: 2008

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Avista Capital, Inc.	Parent company to the	\$4,123,038	100.00%
3		Company's subsidiaries.		
4				
5	Avista Capital II	Business trusts formed for the purpose		
6	AVA Captial Trust III	of issuing preferred trust securities.		
7				
8	Advantage IQ, Inc.	Provider of utility bill processing, payment and information		
9		services to multi-site customers in North America.		
10				
11	Avista Energy, Inc.	Wholesale electricity and natural gas trading, marketing and		
12		resource management. Majority of operations sold 6/30/2007		
13				
14	Avista Power, LLC	Owns non-regulated generation assets.		
15				
16	Avista Turbine Power, LLC	Receives assignments of purchase power agreements.		
17				
18	Steam Plant Square LLC	Commercial office and retail leasing.		
19	Courtyard Office Center	Commercial office and retail leasing.		
20				
21	Avista Ventures, Inc.	Invests in emerging businesses.		
22				
23	Avista Development, Inc.	Non-operating company which maintains an investment portfolio		
24		of real estate and other investments.		
25				
26	Pentzer Corporation	Parent of Bay Area Manufacturing and Pentzer Venture Holdings.		
27				
28	Bay Area Manufacturing	Holding Company. Parent of Advanced Manufacturing and		
29		Development, Inc.		
30				
31	Pentzer Venture Holdings	Inactive.		
32				
33	Advanced Manufacturing	Performs custom sheet metal manufacturing of electronic		
34	and Development, Inc.	enclosures. Has a wood products division.		
35				
36	Avista Receivables Corp.	Acquires and sells accounts receivable		
37		of Avista Corp.		
38				
39	Coyote Springs 2, LLC	Developed and owned an electric generation asset.		
40				
41	Spokane Energy, LLC	Marketing of energy.		
42				
43	AVA Formation Corp.	Holding Company. Formed in 2006.		
44				
45	Avista Communications	Inactive.		
46				
47				
48				
49				
50	TOTAL		4,123,038	

CORPORATE ALLOCATIONS

Year: 2008

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

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2008

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	None						
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32	TOTAL						

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2008

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	Not applicable					
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32	TOTAL					

MONTANA UTILITY INCOME STATEMENT

Year: 2008

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	14,845,752	18,707,793	26.01%
2				
3	Operating Expenses			
4	401 Operation Expenses	21,031,663	25,676,666	22.09%
5	402 Maintenance Expense	8,216,621	6,955,495	-15.35%
6	403 Depreciation Expense	11,412,842	11,890,163	4.18%
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 & Regulatory Study Costs	none/n.a.	none/n.a.	#VALUE!
10				
11	408.1 Taxes Other Than Income Taxes	7,205,095	7,914,041	9.84%
12	409.1 Income Taxes - Federal	none/n.a.	none/n.a.	#VALUE!
13	- Other	507,279	(154,679)	-130.49%
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	48,373,500	52,281,686	8.08%
21	NET UTILITY OPERATING INCOME	(33,527,748)	(33,573,893)	-0.14%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	6,818	5,994	-12.09%
3	442 Commercial & Industrial - Small	2,152	1,932	-10.22%
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	7,665	18,122	136.43%
9				
10	TOTAL Sales to Ultimate Consumers	16,635	26,048	56.59%
11	447 Sales for Resale	14,751,319	18,558,350	25.81%
12				
13	TOTAL Sales of Electricity	14,767,954	18,584,398	25.84%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	14,767,954	18,584,398	25.84%
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	47,639	58,581	22.97%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues	30,159	64,814	114.91%
24				
25	TOTAL Other Operating Revenues	77,798	123,395	58.61%
26	Total Electric Operating Revenues	14,845,752	18,707,793	26.01%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	141,110	177,078	25.49%
6	501 Fuel	16,515,707	19,748,528	19.57%
7	502 Steam Expenses	1,301,489	1,322,868	1.64%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	41,533	44,456	7.04%
11	506 Miscellaneous Steam Power Expenses	1,606,237	2,945,137	83.36%
12	507 Rents	29,922	38,367	28.22%
13				
14	TOTAL Operation - Steam	19,635,998	24,276,434	23.63%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	438,221	345,391	-21.18%
18	511 Maintenance of Structures	451,048	435,332	-3.48%
19	512 Maintenance of Boiler Plant	4,557,363	3,752,319	-17.66%
20	513 Maintenance of Electric Plant	679,784	322,054	-52.62%
21	514 Maintenance of Miscellaneous Steam Plant	542,111	471,195	-13.08%
22				
23	TOTAL Maintenance - Steam	6,668,527	5,326,291	-20.13%
24				
25	TOTAL Steam Power Production Expenses	26,304,525	29,602,725	12.54%
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: 2008

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering	86,126	89,326	3.72%
5	536 Water for Power			
6	537 Hydraulic Expenses	71,797	50,496	-29.67%
7	538 Electric Expenses	927,900	981,924	5.82%
8	539 Miscellaneous Hydraulic Power Gen. Expenses	147,929	162,303	9.72%
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic	1,233,752	1,284,049	4.08%
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering	64,791	37,341	-42.37%
15	542 Maintenance of Structures	147,358	99,777	-32.29%
16	543 Maint. of Reservoirs, Dams & Waterways	46,805	33,132	-29.21%
17	544 Maintenance of Electric Plant	810,852	883,830	9.00%
18	545 Maintenance of Miscellaneous Hydro Plant	39,805	37,437	-5.95%
19				
20	TOTAL Maintenance - Hydraulic	1,109,611	1,091,517	-1.63%
21				
22	TOTAL Hydraulic Power Production Expenses	2,343,363	2,375,566	1.37%
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			
36	552 Maintenance of Structures			
37	553 Maintenance of Generating & Electric Plant			
38	554 Maintenance of Misc. Other Power Gen. Plant			
39				
40	TOTAL Maintenance - Other			
41				
42	TOTAL Other Power Production Expenses			
43				
44	Other Power Supply Expenses			
45	555 Purchased Power			
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses			
50				
51	TOTAL Power Production Expenses	28,647,888	31,978,291	11.63%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	23,339	12,145	-47.96%
4	561 Load Dispatching	23,377	21,180	-9.40%
5	562 Station Expenses	2,494	3,084	23.66%
6	563 Overhead Line Expenses	44,435	10,016	-77.46%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others			
9	566 Miscellaneous Transmission Expenses			
10	567 Rents	68,268	68,206	-0.09%
11				
12	TOTAL Operation - Transmission	161,913	114,631	-29.20%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	24,151	12,075	-50.00%
15	569 Maintenance of Structures	5,723	6,633	15.90%
16	570 Maintenance of Station Equipment	59,805	36,434	-39.08%
17	571 Maintenance of Overhead Lines	331,248	464,504	40.23%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	420,927	519,646	23.45%
22				
23	TOTAL Transmission Expenses	582,840	634,277	8.83%
24	Distribution Expenses			
25	Operation			
26	580 Operation Supervision & Engineering			
27	581 Load Dispatching			
28	582 Station Expenses			
29	583 Overhead Line Expenses		1,552	#DIV/0!
30	584 Underground Line Expenses			
31	585 Street Lighting & Signal System Expenses			
32	586 Meter Expenses			
33	587 Customer Installations Expenses			
34	588 Miscellaneous Distribution Expenses			
35	589 Rents			
36				
37				
38	TOTAL Operation - Distribution		1,552	#DIV/0!
39	Maintenance			
40	590 Maintenance Supervision & Engineering			
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment			
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			
51				
52	TOTAL Distribution Expenses		1,552	#DIV/0!

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2008

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	Customer Service & Information Expenses			
11	Operation			
12	907 Supervision			
13	908 Customer Assistance Expenses			
14	909 Informational & Instructional Adv. Expenses			
15	910 Miscellaneous Customer Service & Info. Exp.			
16				
17				
18	TOTAL Customer Service & Info Expenses			
19	Sales Expenses			
20	Operation			
21	911 Supervision			
22	912 Demonstrating & Selling Expenses			
23	913 Advertising Expenses			
24	916 Miscellaneous Sales Expenses			
25				
26				
27	TOTAL Sales Expenses			
28	Administrative & General Expenses			
29	Operation			
30	920 Administrative & General Salaries			
31	921 Office Supplies & Expenses			
32	922 (Less) Administrative Expenses Transferred - Cr.			
33	923 Outside Services Employed			
34	924 Property Insurance			
35	925 Injuries & Damages			
36	926 Employee Pensions & Benefits			
37	927 Franchise Requirements			
38	928 Regulatory Commission Expenses			
39	929 (Less) Duplicate Charges - Cr.			
40	930.1 General Advertising Expenses			
41	930.2 Miscellaneous General Expenses			
42	931 Rents			
43				
44				
45	TOTAL Operation - Admin. & General			
46	Maintenance			
47	935 Maintenance of General Plant	17,556	18,041	2.76%
48				
49	TOTAL Administrative & General Expenses	17,556	18,041	2.76%
50				
51	TOTAL Operation & Maintenance Expenses	29,248,284	32,632,161	11.57%

MONTANA TAXES OTHER THAN INCOME

Year: 2008

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel	11,105	46,489	318.63%
5	Motor Vehicle Tax	3,691	3,287	-10.95%
6	KWH Tax	1,117,650	1,183,035	5.85%
7	Property Taxes	6,145,973	6,676,978	8.64%
8	Public Commission Tax	21	24	14.29%
9	Colstrip Generation Tax	3,692	4,228	14.52%
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51	TOTAL MT Taxes Other Than Income	7,282,132	7,914,041	8.68%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2008

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	A W REHN AND ASSOCIATES	Employee benefit consulting	395,457		
2	ADVANCE ENGINEERING CORP	Engineering	341,185		
3	ANDERSON MRAZ DESIGN	Design Consulting	90,458		
4	ARCOS	Consulting	98,472		
5	AREVA T & D INC.	Consulting	128,727		
6	AVCO CONSULTING INC	Consulting	157,420		
7	BT COUNTERPANE INTERNET SECURITY INC	Consulting - IT	76,839		
8	CERIUM NETWORKS	Consulting - IT	357,196		
9	CH2M HILL	Engineering	219,211		
10	CHINOOK WIND	Consulting	125,985		
11	COATES KOKES	Engineering	86,508		
12	COFFMAN ENGINEERS	Engineering	157,503		
13	DAVIS WRIGHT TREMAINE LLP	Legal	898,220		
14	DELOITTE & TOUCHE LLP	Auditing	1,452,858		
15	DEVINE TARBELL & ASSOCIATES INC	Engineering	138,418		
16	DEWEY & LEBOEUF LLP	Legal	659,622		
17	EMOTO CONSULTING LLC	Consulting - IT	107,900		
18	ENSR CORP	Consulting - Environmental	213,204		
19	FUJITSU CONSULTING INC	Consulting	500,677		
20	GARLINGTON LOHN & ROBINSON PLLP	Legal	97,380		
21	GARTNER INC	Consulting - IT	119,325		
22	GEI CONSULTANTS INC	Consulting	291,905		
23	GILLESPIE PRUDHON & ASSOCIATES INC	Engineering	127,689		
24	GOLDER ASSOCIATES INC	Consulting - Environmental	280,319		
25	H2E INC	Engineering	87,137		
26	HANNA & ASSOCIATES INC	Consulting	232,869		
27	HARBOR FISHERIES INC	Consulting fish passage	218,000		
28	HATCH ACRES CORPORATION	Engineering	105,548		
29	HDR ENGINEERING, INC.	Engineering	160,549		
30	HELLER EHRMAN	Legal	663,621		
31	IDAHO DEPT OF FISH & GAME	Bull trout education program	121,477		
32	INTELLITECHTURE	Consulting - IT	164,763		
33	ITRON INC	Consulting	90,768		
34	JAMES A CAROTHERS	Consulting	286,000		
35	KLUNDT HOSMER DESIGN	Annual Report Design	79,745		
36	KORN FERRY INTERNATIONAL	Consulting	243,252		
37	MONTANA FISH WILDLIFE & PARKS	Consulting	113,369		
38	NATIONAL COLOR GRAPHICS INC	Consulting	124,993		
39	NORTHWEST POWER POOL	Consulting	115,859		
40	OPEN ACCESS TECHNOLOGY INTL	Consulting - IT	241,059		
41	PAGE 5 CONSULTING LLC	Consulting	82,353		
42	PAINE HAMBLIN LLP	Legal	738,553		
43	PARAMETRIX INC	Engineering	151,678		
44	QUEST	Consulting - IT	102,300		
45	REGULUS INTEGRATED SOLUTIONS LLC	Consulting	366,009		
46	REYNOLDS GEOSPATIAL LLC	Consulting	88,428		
47	STOEL RIVES LLP	Legal	217,337		
48	SUMTOTAL SYSTEMS INC	Consulting	77,147		
49	THE ULTIMATE SOFTWARE GROUP INC	Consulting - IT	317,485		
50	THOMSON PROPERTY TAX SERVICES	Consulting	613,710		
51	TOWERS PERRIN	Consulting	85,481		
52	U S FISH & WILDLIFE SERVICE	Consulting	299,445		
53	USDA FOREST SERVICE	Consulting	128,499		
54	USU AG	Consulting	75,000		
55	VAN NESS FELDMAN	Legal	449,234		
56	WASHINGTON GROUP INTL INC	Engineering	76,734		
57	WESTERN ELECTRICITY	Consulting	502,705		
58	WINSTON & STRAWN LLP	Legal	429,617		
60	TOTAL Payments for Services		14,973,201		

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2008

	Description	Total Company	Montana	% Montana
1				
2				
3	Committee to Elect John Brueggeman	100	100	
4	Committee to Elect John Brenden	100	100	
5	Committee to Elect Kim Gillan	100	100	
6	Committee to Elect Jack Sands	100	100	
7	Committee to Elect Jesse Laslovich	100	100	
8	Committee to Elect Gerald Bennett	75	75	
9	Committee to Elect Janna Taylor	75	75	
10	Committee to Elect Wayne Stahl	75	75	
11	Committee to Elect Penny Morgan	75	75	
12	Committee to Elect Krayton Kerns	75	75	
13	Committee to Elect Harry Klock	75	75	
14	Committee to Elect Ron Stoker	75	75	
15	Committee to Elect Ray Hawk	75	75	
16	Committee to Elect Duane Ankney	75	75	
17	Committee to Elect Bill Nooney	75	75	
18	Committee to Elect Jesse O'Hara	75	75	
19				
20	All contributions in Montana were made by PAC.			
21				
22				
23				
24				
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48				
49				

50	TOTAL Contributions	\$1,325.00	\$1,325.00	
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Pension Costs

Year: 2008

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	303,614	297,018	-2.17%
8	Service cost	9,879	10,210	3.35%
9	Interest Cost	19,633	18,038	-8.12%
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain	17,622	(6,567)	-137.27%
13	Benefits paid	(16,349)	(14,786)	9.56%
14	Expenses paid		(299)	#DIV/0!
15	Benefit obligation at end of year	334,399	303,614	-9.21%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	242,561	225,079	-7.21%
18	Actual return on plan assets	(63,574)	18,799	129.57%
19	Acquisition			
20	Employer contribution	28,000	15,000	-46.43%
21	Benefits paid	(16,349)	(16,018)	2.02%
22	Expenses paid		(299)	#DIV/0!
23	Fair value of plan assets at end of year	190,638	242,561	27.24%
24	Funded Status	(143,761)	(61,053)	57.53%
25	Unrecognized net actuarial loss	155,727	56,686	-63.60%
26	Unrecognized prior service cost	2,444	3,098	26.76%
27	Unrecognized net transition obligation/(asset)			
28	Prepaid (accrued) benefit cost	14,410	(1,269)	-108.81%
29				
30	Weighted-average Assumptions as of Year End			
31	Discount rate	6.25%	6.35%	1.60%
32	Expected return on plan assets	8.50%	8.50%	
33	Rate of compensation increase	4.72%	4.66%	-1.27%
34				
35	Components of Net Periodic Benefit Costs			
36	Service cost	9,879	10,210	3.35%
37	Interest cost	19,633	18,038	-8.12%
38	Expected return on plan assets	(21,138)	(19,217)	9.09%
39	Transition (asset)/obligation recognition			
40	Amortization of prior service cost	654	654	
41	Recognized net actuarial loss	2,994	2,603	-13.06%
42	Net periodic benefit cost	12,022	12,288	2.21%
43				
44	Montana Intrastate Costs:			
45	Pension Costs			
46	Pension Costs Capitalized			
47	Accumulated Pension Asset (Liability) at Year End	not available by state		
48	Number of Company Employees:			
49	Covered by the Plan	2,587	2,632	1.74%
50	Not Covered by the Plan			
51	Active	1,328	1,403	5.65%
52	Retired	969	929	-4.13%
53	Deferred Vested Terminated	290	300	3.45%

Other Post Employment Benefits (OPEBS)

Year: 2008

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	6.25%	6.20%	-0.80%
8 Expected return on plan assets	8.50%	8.50%	
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	34,352	33,632	-2.10%
20 Service cost	772	672	-12.95%
21 Interest Cost	2,371	2,159	-8.94%
22 Plan participants' contributions	365		-100.00%
23 Amendments		(1,601)	#DIV/0!
24 Actuarial Gain	5,611	3,197	-43.02%
25 Benefits paid	(4,518)	(3,707)	17.95%
26 Expenses paid			
27 Benefit obligation at end of year	38,953	34,352	-11.81%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	22,718	20,878	-8.10%
30 Actual return on plan assets	(6,670)	1,840	127.59%
31 Acquisition			
32 Employer contribution			
33 Benefits paid			
34 Expenses paid			
35 Fair value of plan assets at end of year	16,048	22,718	41.56%
36 Funded Status	(22,905)	(11,634)	49.21%
37 Unrecognized net actuarial loss	16,905	2,872	-83.01%
38 Unrecognized prior service cost	2,021	2,526	24.99%
39 Prepaid (accrued) benefit cost	(3,979)	(6,236)	-56.72%
40 Components of Net Periodic Benefit Costs			
41 Service cost	772	672	-12.95%
42 Interest cost	2,371	2,159	-8.94%
43 Expected return on plan assets	(1,931)	(1,775)	8.08%
44 Amortization of prior service cost	356	505	41.85%
45 Recognized net actuarial loss	575	193	-66.43%
46 Net periodic benefit cost	2,143	1,754	-18.15%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA	38,953	34,352	-11.81%
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL	38,953	34,352	-11.81%
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL	38,953	34,352	-11.81%

Other Post Employment Benefits (OPEBS) Continued

Year: 2008

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	2,541	2,463	-3.07%
3	Not Covered by the Plan			
4	Active	1,793	1,742	-2.84%
5	Retired	748	721	-3.61%
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			

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	Confidential Schedule						
2							
3							
4							
5							
6							
7							
8							
9							
10							

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	S. L. Morris Chairman of the Board, President & Chief Executive Officer	626,308	404,597	1,191,000	2,221,905	1,164,126	91%
2	M. T. Thies Chief Financial Officer as of September 29, 2008	72,692	33,716	52,968	159,376	#DIV/0!	
3	M.K. Malquist Executive Vice President - retired March 31, 2009 (and former Chief Financial Officer through September 29, 2008)	362,115	156,273	502,015	1,020,403	799,360	28%
4	M.M. Durkin Senior Vice President General Counsel and Chief Compliance Officer	273,075	117,740	328,727	719,542	602,662	19%
5	K.S. Feltes Senior Vice President and Corporate Secretary	238,077	102,755	353,204	694,036	495,012	40%
6	D. J. Meyer Vice President and Chief Counsel for Reg and Gov Affairs	240,000	68,503	211,427	519,930	502,874	3%
Other compensation includes stock-based awards and the change in pension and non-qualified deferred compensation.							

BALANCE SHEET

Year: 2008

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	3,104,139,720	3,313,806,232	-6%
4	101.1 Property Under Capital Leases	5,525,291	2,419,182	128%
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use	39,828	1,631,351	-98%
8	106 Completed Constr. Not Classified - Electric			
9	107 Construction Work in Progress - Electric	75,679,838	75,568,224	0%
10	108 (Less) Accumulated Depreciation	(1,057,750,680)	(1,105,346,502)	4%
11	111 (Less) Accumulated Amortization	(14,017,595)	(17,851,932)	21%
12	114 Electric Plant Acquisition Adjustments	22,211,433	22,211,433	
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(18,269,132)	(19,379,703)	6%
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	2,117,558,703	2,273,058,285	-7%
16				
17	Other Property & Investments			
18	121 Nonutility Property	4,670,595	4,991,551	-6%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(897,192)	(890,639)	-1%
20	123 Investments in Associated Companies	13,903,000	13,903,000	
21	123.1 Investments in Subsidiary Companies	71,371,272	77,487,962	-8%
22	124 Other Investments	28,691,550	26,240,546	9%
23	128 Other Special Funds	15,878,558	10,234,544	55%
	Long-Term Derivative Instruments	55,312,881	49,312,596	12%
24	TOTAL Other Property & Investments	188,930,664	181,279,560	4%
25				
26	Current & Accrued Assets			
27	131 Cash	5,264,119	1,674,372	214%
28	132-134 Special Deposits	5,668,267	1,600,000	254%
29	135 Working Funds	679,537	619,853	10%
30	136 Temporary Cash Investments	2,608,103	2,684,444	-3%
31	141 Notes Receivable		63,451	-100%
32	142 Customer Accounts Receivable	87,238,080	207,867,900	-58%
33	143 Other Accounts Receivable	9,920,307	6,188,617	60%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(2,965,676)	(5,844,603)	49%
35	145 Notes Receivable - Associated Companies			
36	146 Accounts Receivable - Associated Companies	502,535	120,021	319%
37	151 Fuel Stock	2,213,923	3,673,039	-40%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	17,365,306	17,455,835	-1%
41	155 Merchandise			
42	156 Other Material & Supplies			
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed			
	164 Gas Storage	13,414,238	30,720,371	-56%
45	165 Prepayments	6,438,702	8,415,670	-23%
46	171 Interest & Dividends Receivable		10,934	-100%
47	172 Rents Receivable	509,924	646,271	-21%
48	174 Miscellaneous Current & Accrued Assets	6,153,636	178,045	3356%
	176 Derivative Instruments Assets - Hedges	67,390,448	61,421,267	10%
49	Long-Term Derivative Instruments	(55,312,881)	(49,312,596)	-12%
50	TOTAL Current & Accrued Assets	167,088,568	288,182,891	-42%

BALANCE SHEET

Year: 2006

	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	11,576,174	15,852,599	-27%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	182.3 Other Regulatory Assets	281,620,776	455,580,547	
10	183 Prelim. Survey & Investigation Charges	234,518	3,088,816	-92%
11	184 Clearing Accounts			
12	185 Temporary Facilities			
13	186 Miscellaneous Deferred Debits	40,642,265	32,008,980	27%
14	187 Deferred Losses from Disposition of Util. Plant			
15	188 Research, Devel. & Demonstration Expend.			
16	189 Unamortized Loss on Reacquired Debt	20,965,705	17,151,844	22%
17	190 Accumulated Deferred Income Taxes	90,823,103	131,055,525	-31%
18	191 Unrecovered Purchased Gas Costs	2,374,110	(18,646,016)	
18	TOTAL Deferred Debits	448,236,651	636,092,295	-30%
19				
20	TOTAL Assets & Other Debits	2,921,814,586	3,378,613,031	-14%
	Account Title	Last Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24				
25	201 Common Stock Issued	727,945,794	755,903,119	-4%
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	2,281,868	19,170,532	-88%
31	213 (Less) Discount on Capital Stock			
32	214 (Less) Capital Stock Expense	(3,294,916)	(87,394)	-3670%
33	215 Appropriated Retained Earnings	221,313,566	253,478,332	-13%
34	216 Unappropriated Retained Earnings	(14,672,673)	(25,488,897)	42%
35	217 (Less) Reacquired Capital Stock			
36	219 Accumulated Other Comprehensive Income	(19,607,486)	(6,092,318)	
36	TOTAL Proprietary Capital	913,966,153	996,883,374	-8%
37				
38	Long Term Debt			
39				
40	221 Bonds	671,733,175	824,970,979	-19%
41	222 (Less) Reacquired Bonds			
42	223 Advances from Associated Companies	114,603,000	114,603,000	
43	224 Other Long Term Debt	273,010,231		#DIV/0!
44	225 Unamortized Premium on Long Term Debt	248,733	239,850	4%
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.	(1,328,472)	(1,752,256)	24%
46	TOTAL Long Term Debt	1,058,266,667	938,061,573	13%

BALANCE SHEET

Year: 2008

	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	75,206		#DIV/0!
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages	344,000	1,579,821	-78%
9	228.3 Accumulated Provision for Pensions & Benefits	90,554,881	184,587,850	-51%
10	228.4 Accumulated Misc. Operating Provisions	1,826,000	2,936,173	-38%
11	Long-Term Derivative Instruments	12,400,978	7,140,857	74%
	230 Asset Retirement Obligations	3,990,011	4,208,327	
12	TOTAL Other Noncurrent Liabilities	109,191,076	200,453,028	-46%
13				
14	Current & Accrued Liabilities			
15				
16	231 Notes Payable		250,000,000	-100%
17	232 Accounts Payable	114,760,498	153,032,408	-25%
18	233 Notes Payable to Associated Companies	2,182,637	2,854,178	-24%
19	234 Accounts Payable to Associated Companies	600,647	737,710	-19%
20	235 Customer Deposits	6,331,722	6,979,171	-9%
21	236 Taxes Accrued	(4,717,808)	6,105,577	-177%
22	237 Interest Accrued	12,577,801	10,871,471	16%
23	238 Dividends Declared			
24	241 Tax Collections Payable	252	(16,874)	101%
25	242 Miscellaneous Current & Accrued Liabilities	41,016,254	32,188,393	27%
26	243 Obligations Under Cap. Leases - Current	295,029	75,206	292%
27	245 Derivative Instrument Liabilities - Hedges	31,649,965	78,603,554	-60%
28	Long-Term Derivative Instruments	(12,400,978)	(7,140,857)	-74%
29	TOTAL Current & Accrued Liabilities	192,296,019	534,289,937	-64%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	1,265,933	1,263,086	0%
34	253 Other Deferred Credits	18,072,332	24,985,882	-28%
35	254 Other Regulatory Liabilities	65,481,339	55,429,522	18%
36	255 Accumulated Deferred Investment Tax Credits	423,036	373,728	13%
37	257 Unamortized Gain on Reacquired Debt	3,528,194	3,237,373	9%
38	281-283 Accumulated Deferred Income Taxes	559,323,837	623,635,528	-10%
39	TOTAL Deferred Credits	648,094,671	708,925,119	-9%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	2,921,814,586	3,378,613,031	-14%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents	6,222,448	6,222,448	
6	303 Miscellaneous Intangible Plant	(20,531)	(20,356)	-1%
7				
8	TOTAL Intangible Plant	6,201,917	6,202,092	0%
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights	1,291,607	1,290,825	0%
15	311 Structures & Improvements	99,970,611	100,045,629	0%
16	312 Boiler Plant Equipment	121,320,039	122,467,682	-1%
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units	34,799,911	34,405,081	1%
19	315 Accessory Electric Equipment	16,066,058	16,066,109	0%
20	316 Miscellaneous Power Plant Equipment	12,951,363	13,011,813	0%
21	317 Asset Retirement Costs	134,589	134,588	
22	TOTAL Steam Production Plant	286,534,178	287,421,727	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	42,652,083	42,868,347	-1%
38	331 Structures & Improvements	13,330,502	13,358,295	0%
39	332 Reservoirs, Dams & Waterways	33,179,949	33,179,949	
40	333 Water Wheels, Turbines & Generators	40,550,212	49,802,776	-19%
41	334 Accessory Electric Equipment	13,001,156	14,150,152	-8%
42	335 Miscellaneous Power Plant Equipment	2,665,428	2,693,024	-1%
43	336 Roads, Railroads & Bridges	225,369	225,369	
44				
45	TOTAL Hydraulic Production Plant	145,604,699	156,277,912	-7%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	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	432,138,877	443,699,639	-3%
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	883,384	883,384	
21	352 Structures & Improvements	477,507	477,507	
22	353 Station Equipment	16,465,350	16,618,729	-1%
23	354 Towers & Fixtures	16,024,245	16,042,605	0%
24	355 Poles & Fixtures	7,173,570	7,201,094	0%
25	356 Overhead Conductors & Devices	15,746,564	15,778,629	0%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails	367,476	367,476	
29				
30	TOTAL Transmission Plant	57,138,096	57,369,424	0%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights			
35	361 Structures & Improvements	15,881	15,881	
36	362 Station Equipment	152,268	152,268	
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	10,080	36,113	-72%
39	365 Overhead Conductors & Devices	6,676	10,273	-35%
40	366 Underground Conduit	46	46	
41	367 Underground Conductors & Devices	637	637	
42	368 Line Transformers	897	1,257	-29%
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	186,641	216,631	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2008

	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	192,433	203,572	-5%
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment		11,972	-100%
10	395 Laboratory Equipment			
11	396 Power Operated Equipment	35,726	41,044	-13%
12	397 Communication Equipment	691,266	688,952	0%
13	398 Miscellaneous Equipment			
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	919,425	945,540	
17				
18	TOTAL Electric Plant in Service	496,584,956	508,433,326	

MONTANA DEPRECIATION SUMMARY

Year: 2008

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1					
2	Steam Production	287,421,727	178,220,649	183,586,040	N/A
3	Nuclear Production				
4	Hydraulic Production	156,277,912	17,673,936	21,222,470	N/A
5	Other Production				
6	Transmission	57,369,424	18,543,451	18,896,057	N/A
7	Distribution	216,631	56,896	65,112	N/A
8	General		1,576,205	1,969,161	N/A
9	TOTAL	501,285,694	216,071,137	225,738,840	

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	696,214	1,180,136	-41%
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)	1,721,978	1,911,080	-10%
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	2,418,192	3,091,216	-22%

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: 2008

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	38,475,085	73,619,720	-48%
6	Depreciation	88,540,958	90,390,864	-2%
7	Amortization	28,425,416	52,958,619	-46%
8	Deferred Income Taxes - Net	4,003,423	41,798,683	-90%
9	Investment Tax Credit Adjustments - Net	(49,308)	(49,308)	
10	Change in Operating Receivables - Net	1,881,714	(116,961,581)	102%
11	Change in Materials, Supplies & Inventories - Net	(3,940,327)	(18,855,778)	79%
12	Change in Operating Payables & Accrued Liabilities - Net	(28,529,359)	2,228,853	-1380%
13	Allowance for Funds Used During Construction (AFUDC)	(4,736,330)	(5,692,491)	17%
14	Change in Other Assets & Liabilities - Net	(11,056,553)	(26,239,000)	58%
15	Other Operating Activities (explained on attached page)	9,584,545	(2,562,188)	474%
16	Net Cash Provided by/(Used in) Operating Activities	122,599,264	90,636,393	35%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(196,772,585)	(219,796,264)	10%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets		7,998,322	-100%
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates	170,364,287	1,191,118	14203%
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	(2,924,658)	2,012,509	-245%
27	Net Cash Provided by/(Used in) Investing Activities	(29,332,956)	(208,594,315)	86%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt		296,165,000	-100%
32	Preferred Stock			
33	Common Stock	4,977,331	28,564,671	-83%
34	Long-Term Debt to Affiliated Trusts			
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(26,156,580)	(401,855,029)	93%
39	Preferred Stock	(26,250,000)		#DIV/0!
40	Common Stock			
41	Long-Term Debt to Affiliated Trusts			
42	Net Decrease in Short-Term Debt	(4,000,000)	250,000,000	-102%
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(31,450,517)	(37,070,823)	15%
45	Other Financing Activities (explained on attached page)	(164,700)	(21,418,987)	99%
46	Net Cash Provided by (Used in) Financing Activities	(83,044,466)	114,384,832	-173%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	10,221,842	(3,573,090)	386%
49	Cash and Cash Equivalents at Beginning of Year	(1,670,083)	8,551,759	-120%
50	Cash and Cash Equivalents at End of Year	8,551,759	4,978,669	72%

STATEMENT OF CASH FLOWS

Year: 2008

	Description	Last Year	This Year	% Change
1	Detail of Lines 15, 26 and 45			
2	Line 15: Other Operating Activities			
	Regulatory disallowance of debt repurchase costs	3,849,725		
	Write-down of asset	2,289,978		
3	Gain on disposition of property		(1,123,412)	
4	ESOP Dividends	1,045		
5	Change in allowance for uncollectible receivables	235,324	2,878,927	-92%
6	Regulatory Gas Cost and Power Cost Adjustment	(3,898,852)	(2,735,693)	-43%
7	Non-cash stock compensation	2,511,576	2,541,028	
8	Subsidiary earnings	4,595,749	(4,123,038)	211%
9	Total Line 15	9,584,545	(2,562,188)	474%
10				
11	Line 26: Other Investing Activities			
	Proceeds from sale of utility property claim		2,006,496	
	Changes in other property and investments	(2,942,625)		
12	Notes receivable	17,967	6,013	
13	Total Line 26	(2,924,658)	2,012,509	
10	Line 45: Other Financing Activities			
	Cash received (paid) in interest rate swap agreement		(16,395,000)	
11	Premiums paid for repurchase of debt			
12	Debt Issuance costs	(164,700)	(5,023,987)	
13	Total Line 45	(164,700)	(21,418,987)	

LONG TERM DEBT

Year: 2008

	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	<u>Medium-Term Notes</u>								
3	Series A	various	various	250,000,000	248,374,625	48,000,000	8.86%	4,250,689	8.86%
4	Series B	various	various	161,000,000	160,141,500	5,000,000	7.42%	371,012	7.42%
5	Series C	various	various	109,000,000	108,272,250	50,000,000	7.58%	3,790,416	7.58%
6									
7	<u>Pollution Control Bonds</u>								
8	Colstrip 2008	12-31-08	3-1-34	17,000,000	15,313,465	17,000,000	1.73%	293,716	1.73%
9	6% Pollution Control Bonds	7-1-93	12-1-23	4,100,000	2,838,725	4,100,000	6.52%	267,441	6.52%
10									
11									
12									
13	<u>First Mortgage Bonds</u>								
14	6.125% Issued September 2003	9-1-03	9-1-13	45,000,000	44,795,250	45,000,000	6.70%	3,016,248	6.70%
15	5.45% Issued November 2004	11-18-04	12-1-19	90,000,000	88,975,000	90,000,000	6.46%	5,815,418	6.46%
16	6.25% Issued Nov/Dec 2005	11-17-05	12-1-35	150,000,000	147,937,500	150,000,000	6.23%	9,342,301	6.23%
17	5.70% Issued Dec 2006	12-15-06	7-1-37	150,000,000	145,687,500	150,000,000	6.12%	9,179,740	6.12%
18	5.95% Issued April 2008	4-2-08	6-1-18	250,000,000	230,523,581	250,000,000	7.03%	17,585,352	7.03%
19	7.25% Issued Dec 2008	12-16-08	12-16-13	30,000,000	29,579,694	30,000,000	7.59%	2,277,590	7.59%
20									
21	Junior Subordinated Debentures	4-5-04	4-1-34	61,856,000	53,109,004	61,856,000	6.97%	4,311,363	6.97%
22	Junior Subordinated Debentures	6-3-97	6-1-37	51,547,000	36,828,822	51,547,000	3.96%	2,041,261	3.96%
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL			1,369,503,000	1,312,376,916	952,503,000		62,542,547	6.57%

Company Name: Avista Corporation

PREFERRED STOCK

Year: 2008

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1										
2										
3	N/A									
4										
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									

COMMON STOCK

Year: 2008

		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	February								
6	March	53,019,659	17.7	0.47	0.165		21.39	18.09	
7	April								
8	May								
9	June	53,301,134	18.05	0.44	0.165		22.10	19.86	
10	July								
11	August								
12	September	53,773,468	17.98	0.13	0.180		23.30	20.72	
13	October								
14	November								
15	December	54,821,763	18.30	0.32	0.180		22.06	16.58	
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL Year End	54,487,574	18.30	1.36	0.69	49.26%	21.54		15.8

MONTANA EARNED RATE OF RETURN

Year: 2008

	Description	Last Year	This Year	% Change
1	Rate Base			
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: 2008

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	508,433
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	3,091
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(225,739)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	285,786
14	Revenues & Expenses (000 Omitted)	
15		
16		
17	400 Operating Revenues	18,708
18		
19	403 - 407 Depreciation & Amortization Expenses	11,890
20	Federal & State Income Taxes	(155)
21	Other Taxes	7,914
22	Other Operating Expenses	32,632
23	TOTAL Operating Expenses	52,282
24		
25	Net Operating Income	(33,574)
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	NET INCOME	(33,574)
31	Customers (Intrastate Only)	
32		
33		
34	Year End Average:	
35	Residential	10
36	Commercial	1
37	Industrial	
38	Other	8
39		
40	TOTAL NUMBER OF CUSTOMERS	19
41	Other Statistics (Intrastate Only)	
42		
43		
44	Average Annual Residential Use (Kwh)	13,200
45	Average Annual Residential Cost per (Kwh) (Cents) *	4.54
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	49.95
48	Gross Plant per Customer	50,843

MONTANA CUSTOMER INFORMATION

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1						
2	Noxon, Montana		10	1	8	19
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
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26						
27						
28						
29						
30						
31						
32	TOTAL Montana Customers		10	1	8	19

MONTANA EMPLOYEE COUNTS

Year: 2008

	Department	Year Beginning	Year End	Average
1				
2	Noxon Generating Station	29	27	28
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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31				
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36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL Montana Employees	29	27	28

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2008

	Project Description	Total Company	Total Montana
1			
2	Noxon Rapids Capital Projects Upgrades	12,955,321	12,955,321
3			
4	Clark Fork Improvement	3,497,641	3,497,641
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
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36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50	TOTAL	16,452,962	16,452,962

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2008

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	23	800	1705	1,105,963	134,731
2	Feb.	5	1900	1509	1,000,743	163,745
3	Mar.	25	800	1397	1,244,292	407,272
4	Apr.	1	900	1345	1,000,410	235,222
5	May	19	1400	1255	1,125,257	398,014
6	Jun.	30	1600	1568	1,122,422	410,743
7	Jul.	2	1600	1492	1,302,391	502,218
8	Aug.	18	1600	1602	1,012,735	230,104
9	Sep.	19	1700	1224	885,426	184,688
10	Oct.	29	800	1303	1,009,099	248,685
11	Nov.	24	1800	1373	1,101,927	316,093
12	Dec.	16	1900	1821	1,318,243	334,558
13	TOTAL				13,228,908	3,566,073

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.					
17	Apr.					
18	May					
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	TOTAL					

Information is not available by state

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,958,082	Sales to Ultimate Consumers (Include Interdepartmental)	9,029,319
3	Nuclear			
4	Hydro - Conventional	3,851,251		
5	Hydro - Pumped Storage		Requirements Sales for Resale	3,566,073
6	Other	1,734,908		
7	(Less) Energy for Pumping			
8	NET Generation	7,544,241	Non-Requirements Sales for Resale	
9	Purchases	5,686,485		
10	Power Exchanges			
11	Received	718,926	Energy Furnished Without Charge	
12	Delivered	(720,744)		
13	NET Exchanges	(1,818)		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	9,705
15	Received			
16	Delivered			
17	NET Transmission Wheeling		Total Energy Losses	623,811
18	Transmission by Others Losses			
19	TOTAL	13,228,908	TOTAL	13,228,908

SOURCES OF ELECTRIC SUPPLY

Year: 2008

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1					
2	Washington:				
3					
4	Thermal	Kettle Falls	Kettle Falls, WA	50	200,423
5	Hydro	Little Falls	Ford, WA	37	204,514
6	Hydro	Long Lake	Ford, WA	90	496,845
7	Hydro	Monroe Street	Spokane, WA	16	104,210
8	Hydro	Nine Mile	Spokane, WA	20	104,892
9	Hydro	Upper Falls	Spokane, WA	11	77,977
10	Combustion -				
11	Turbine	Northeast	Spokane, WA	30	2,154
12	Combustion -				
13	Turbine	Kettle Falls Bi-fuel	Kettle Falls, WA	8	2,762
14	Combustion -				
15	Turbine	Boulder Park	Spokane, WA	25	20,606
16					
17					
18	Idaho:				
19	Hydro	Cabinet Gorge	Clark Fork, ID	261	1,080,836
20	Hydro	Post Falls	Post Falls, ID	18	85,518
21	Combustion -				
22	Turbine	Rathdrum	Rathdrum, ID	176	13,067
23					
24					
25					
26	Montana:				
27	Thermal	Colstrip #3 and #4	Colstrip, MT	226	1,757,659
28	Hydro	Noxon	Thompson Falls, MT	530	1,696,459
29					
30	Oregon:				
31	Combustion -				
32	Turbine	Coyote Springs 2	Boardman, OR	307	1,696,319
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total			1,805	7,544,241

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2008

	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							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	TOTAL						

Electric Universal System Benefits Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2	Avista Corp. does not have any benefit programs in Montana.					
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Renewable Resources					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Large Customer Self Directed					
36						
37						
38						
39						
40						
41						
42	Total					
43	Number of customers that received low income rate discounts					
44	Average monthly bill discount amount (\$/mo)					
45	Average LIEAP-eligible household income					
46	Number of customers that received weatherization assistance					
47	Expected average annual bill savings from weatherization					
48	Number of residential audits performed					

Montana Conservation & Demand Side Management Programs

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MW and MWh)	Most recent program evaluation
1	Local Conservation					
2						
3	Avista Corp. does not have any conservation & demand side management programs in Montana.					
4						
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Other					
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Total					

MONTANA CONSUMPTION AND REVENUES

Year: 2008

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$5,994	\$6,818	132	150	10	10
2	Commercial - Small	1,932	2,152	30	33	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						
11	Interdepartmental	18,122	7,665	275	122	8	8
12							
13	TOTAL	\$26,048	\$16,635	437	305	19	19