

Avista UE-011595
Exhibit 17

Commission scenarios

ERM Example: Prior to Zero Balance in Deferral Account

Scenario 1: Consistent High Power Costs

Assume: Calendar 2003, beginning balance of \$100M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	18.0	8.9	5.9	5.9	-	-
Feb	7.3	14.0	6.7	4.4	10.3	1.2	1.2
Mar	7.6	14.0	6.4	4.2	14.5	5.0	3.8
Apr	3.5	7.0	3.5	2.3	16.8	7.0	2.1
May	(0.3)	5.0	5.3	3.5	20.3	10.2	3.2
June	(4.4)	4.0	8.4	5.6	25.9	15.2	5.0
July	1.4	4.0	2.6	1.7	27.6	16.7	1.5
Aug	8.0	16.0	8.0	5.3	32.9	21.5	4.8
Sep	7.1	14.0	6.9	4.6	37.5	25.7	4.1
Oct	9.0	18.0	9.0	6.0	43.5	31.1	5.4
Nov	9.3	18.0	8.7	5.8	49.3	36.3	5.2
Dec	8.2	16.0	7.8	5.2	54.5	41.0	4.7
Total	65.8	148.0	82.2	54.5		41.0	41.0
Beginning Balance							100.0
Proposed Sch. 93 Surcharge Revenue							(28.2)
End of Year Balance (excluding carrying charges)							<u>112.8</u>

shaded areas are same three columns as hand written copy

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ERM Example: Prior to Zero Balance in Deferral Account

Scenario 2: Inconsistent Power Costs

Assume: Calendar 2003, beginning balance of \$100M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	12.0	2.9	1.9	1.9	-	-
Feb	7.3	6.0	(1.3)	(0.9)	1.0	-	-
Mar	7.6	7.0	(0.6)	(0.4)	0.6	-	-
Apr	3.5	4.0	0.5	0.3	0.9	-	-
May	(0.3)	(1.0)	(0.7)	(0.5)	0.4	-	-
June	(4.4)	(3.0)	1.4	0.9	1.3	-	-
July	1.4	1.0	(0.4)	(0.3)	1.0	-	-
Aug	8.0	5.0	(3.0)	(2.0)	(1.0)	-	-
Sep	7.1	7.0	(0.1)	(0.1)	(1.1)	-	-
Oct	9.0	6.0	(3.0)	(2.0)	(3.1)	-	-
Nov	9.3	10.0	0.7	0.5	(2.6)	-	-
Dec	8.2	8.0	(0.2)	(0.1)	(2.7)	-	-
Total	65.8	62.0	(3.8)	(2.7)	-	-	-
Beginning Balance							100.0
Proposed Sch. 93 Surcharge Revenue							(28.2)
End of Year Balance (excluding carrying charges)							<u>71.8</u>

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ERM Example: Prior to Zero Balance in Deferral Account

Scenario 3: Low Power Costs

Assume: Calendar 2003, beginning balance of \$100M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	6.0	(3.1)	(2.1)	(2.1)	-	-
Feb	7.3	5.0	(2.3)	(1.5)	(3.6)	-	-
Mar	7.6	5.0	(2.6)	(1.7)	(5.3)	-	-
Apr	3.5	1.0	(2.5)	(1.7)	(7.0)	-	-
May	(0.3)	(3.0)	(2.7)	(1.8)	(8.8)	-	-
June	(4.4)	(6.0)	(1.6)	(1.1)	(9.9)	(0.8)	(0.8)
July	1.4	2.0	0.6	0.4	(9.5)	(0.5)	0.4
Aug	8.0	6.0	(2.0)	(1.3)	(10.8)	(1.6)	(1.2)
Sep	7.1	4.0	(3.1)	(2.1)	(12.9)	(3.5)	(1.9)
Oct	9.0	6.0	(3.0)	(2.0)	(14.9)	(5.3)	(1.8)
Nov	9.3	5.0	(4.3)	(2.9)	(17.8)	(7.9)	(2.6)
Dec	8.2	5.0	(3.2)	(2.1)	(19.9)	(9.8)	(1.9)
Total	65.8	36.0	(29.8)	(19.9)		(9.8)	(9.8)
Beginning Balance							100.0
Proposed Sch. 93 Surcharge Revenue							(28.2)
End of Year Balance (excluding carrying charges)							<u>62.0</u>

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ERM Example: Prior to Zero Balance in Deferral Account

Scenario 4: VERY HIGH Power Costs

Assume: Calendar 2003, beginning balance of \$100M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	20.0	10.9	7.2	7.2	-	-
Feb	7.3	18.0	10.7	7.1	14.3	4.8	4.8
Mar	7.6	16.0	8.4	5.6	19.9	9.8	5.0
Apr	3.5	6.0	2.5	1.7	21.6	11.3	1.5
May	(0.3)	5.0	5.3	3.5	25.1	14.5	3.2
June	(4.4)	6.0	10.4	6.9	32.0	20.7	6.2
July	1.4	6.0	4.6	3.0	35.0	23.4	2.7
Aug	8.0	12.0	4.0	2.7	37.7	25.8	2.4
Sep	7.1	15.0	7.9	5.2	42.9	30.5	4.7
Oct	9.0	20.0	11.0	7.3	50.2	37.1	6.6
Nov	9.3	25.0	15.7	10.4	60.6	46.4	9.4
Dec	8.2	25.0	16.8	11.1	71.7	56.4	10.0
Total	65.8	174.0	108.2	71.7		56.4	56.4
Beginning Balance							100.0
Proposed Sch. 93 Surcharge Revenue							(28.2)
End of Year Balance (excluding carrying charges)							<u>128.2</u>

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ERM Example: AFTER Schedule 93 is Closed

Scenario 5: Consistent High Power Costs

Assume: Calendar 2005, beginning balance of \$0M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	18.0	8.9	5.9	5.9	-	-
Feb	7.3	14.0	6.7	4.4	10.3	1.2	1.2
Mar	7.6	14.0	6.4	4.2	14.5	5.0	3.8
Apr	3.5	7.0	3.5	2.3	16.8	7.0	2.1
May	(0.3)	5.0	5.3	3.5	20.3	10.2	3.2
June	(4.4)	4.0	8.4	5.6	25.9	15.2	5.0
July	1.4	4.0	2.6	1.7	27.6	16.7	1.5
Aug	8.0	16.0	8.0	5.3	32.9	21.5	4.8
Sep	7.1	14.0	6.9	4.6	37.5	25.7	4.1
Oct	9.0	18.0	9.0	6.0	43.5	31.1	5.4 *1
Nov	9.3	18.0	8.7	5.8	49.3	36.3	5.2
Dec	8.2	16.0	7.8	5.2	54.5	41.0	4.7
Total	65.8	148.0	82.2	54.5		41.0	41.0
Beginning Balance							-
Proposed Surcharge Revenue							-
End of Year Balance							41.0

*1 At end of October the threshold of \$27.8M is surpassed and a surcharge would be requested during November. The surcharge could be granted after the 90 day review period, i.e. after the beginning of the year.

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ERM Example: AFTER Schedule 93 is Closed

Scenario 6: Inconsistent Power Costs

Assume: Calendar 2005, beginning balance of \$0M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	12.0	2.9	1.9	1.9	-	-
Feb	7.3	6.0	(1.3)	(0.9)	1.0	-	-
Mar	7.6	7.0	(0.6)	(0.4)	0.6	-	-
Apr	3.5	4.0	0.5	0.3	0.9	-	-
May	(0.3)	(1.0)	(0.7)	(0.5)	0.4	-	-
June	(4.4)	(3.0)	1.4	0.9	1.3	-	-
July	1.4	1.0	(0.4)	(0.3)	1.0	-	-
Aug	8.0	5.0	(3.0)	(2.0)	(1.0)	-	-
Sep	7.1	7.0	(0.1)	(0.1)	(1.1)	-	-
Oct	9.0	6.0	(3.0)	(2.0)	(3.1)	-	-
Nov	9.3	10.0	0.7	0.5	(2.6)	-	-
Dec	8.2	8.0	(0.2)	(0.1)	(2.7)	-	-
Total	65.8	62.0	(3.8)	(2.7)		-	-
Beginning Balance							-
Proposed Surcharge Revenue							-
End of Year Balance							-

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Commission scenarios

ERM Example: AFTER Schedule 93 is Closed

Scenario 7: Low Power Costs

Assume: Calendar 2005, beginning balance of \$0M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	6.0	(3.1)	(2.1)	(2.1)	-	-
Feb	7.3	5.0	(2.3)	(1.5)	(3.6)	-	-
Mar	7.6	5.0	(2.6)	(1.7)	(5.3)	-	-
Apr	3.5	1.0	(2.5)	(1.7)	(7.0)	-	-
May	(0.3)	(3.0)	(2.7)	(1.8)	(8.8)	-	-
June	(4.4)	(6.0)	(1.6)	(1.1)	(9.9)	(0.8)	(0.8)
July	1.4	2.0	0.6	0.4	(9.5)	(0.5)	0.4
Aug	8.0	6.0	(2.0)	(1.3)	(10.8)	(1.6)	(1.2)
Sep	7.1	4.0	(3.1)	(2.1)	(12.9)	(3.5)	(1.9)
Oct	9.0	6.0	(3.0)	(2.0)	(14.9)	(5.3)	(1.8)
Nov	9.3	5.0	(4.3)	(2.9)	(17.8)	(7.9)	(2.6)
Dec	8.2	5.0	(3.2)	(2.1)	(19.9)	(9.8)	(1.9)
Total	65.8	36.0	(29.8)	(19.9)		(9.8)	(9.8)
Beginning Balance							-
Proposed Surcharge Revenue							-
End of Year Balance							<u>(9.8)</u> *2

*2 Balance does not exceed threshold of minus \$27.8M.
Avista makes no filing to reduce rates.

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Commission scenarios

ERM Example: AFTER Schedule 93 is Closed

Scenario 8: VERY HIGH Power Costs

Assume: Calendar 2005, beginning balance of \$0M

Months	System BASE Power Cost	System ACTUAL Power Cost	System Difference	66.29% WA Allocation	WA Cumulative Difference	90% Cumulative WA Deferral	Derived Monthly Deferral entry
Jan	9.1	20.0	10.9	7.2	7.2	-	-
Feb	7.3	18.0	10.7	7.1	14.3	4.8	4.8
Mar	7.6	16.0	8.4	5.6	19.9	9.8	5.0
Apr	3.5	6.0	2.5	1.7	21.6	11.3	1.5
May	(0.3)	5.0	5.3	3.5	25.1	14.5	3.2
June	(4.4)	6.0	10.4	6.9	32.0	20.7	6.2
July	1.4	6.0	4.6	3.0	35.0	23.4	2.7
Aug	8.0	12.0	4.0	2.7	37.7	25.8	2.4
Sep	7.1	15.0	7.9	5.2	42.9	30.5	4.7 *3
Oct	9.0	20.0	11.0	7.3	50.2	37.1	6.6
Nov	9.3	25.0	15.7	10.4	60.6	46.4	9.4
Dec	8.2	25.0	16.8	11.1	71.7	56.4	10.0
Total	65.8	174.0	108.2	71.7		56.4	56.4
Beginning Balance							-
Proposed Surcharge Revenue							-
End of Year Balance							<u>56.4</u>

*3 At end of September the threshold of \$27.8M is surpassed and a surcharge would be requested during October. The surcharge could be granted after the 90 day review period, i.e. after the beginning of the year.

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