

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



April 28, 2008

Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Ms. Washburn:

RE: Docket No. UG-060518 Natural Gas Decoupling Mechanism
Quarterly Report

Attached for filing with the Commission is an electronic copy of the Quarterly Natural Gas Decoupling Mechanism Report for the period January through March 2008. This report is submitted in compliance with Section 6. I. Accounting and Quarterly Reporting for the Mechanism of the Settlement Agreement approved by Order No. 04 in Docket No. UG-060518.

The report consists of a spreadsheet showing the monthly revenue deferral calculation for the second year pilot period July 2007 through June 2008 with monthly entries through March 2008 and monthly general ledger balance summaries for the deferral accounts and related accumulated deferred federal income tax for the fourth quarter. Also included are monthly general ledger balance summaries for the expense accounts used to record the deferral and surcharge amortization entries.

Questions regarding this filing should be directed to Tara Knox at (509) 495-4325.

Sincerely,

A handwritten signature in cursive script that reads "Brian Hirschorn".

Brian Hirschorn
Manager, Retail Pricing
Enc.

**2006 Test Year
Weather Normalization**

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Normal DDH	1,169	945	790	557	338	149	44	42	196	554	897	1,168	6,849
Actual DDH	1,243	952	880	557	338	149	44	42	196	554	897	1,168	7,020
Degree Day Adjustment	(74)	(7)	(90)	-	-	-	-	-	-	-	-	-	(171)
Res 101	0.101	0.101	0.101	0.090	0.090	0.090	0.000	0.000	0.000	0.090	0.090	0.101	0.101
Com 101	0.243	0.243	0.243	0.169	0.169	0.169	0.000	0.000	0.000	0.169	0.169	0.243	0.243
Ind 101	0.422	0.422	0.422	0.306	0.306	0.306	0.000	0.000	0.000	0.306	0.306	0.422	0.422
Sch. 101													
Res 101	(927,934)	(87,884)	(1,130,678)	-	-	-	-	-	-	-	-	-	(2,146,496)
Com 101	(202,100)	(19,186)	(246,890)	-	-	-	-	-	-	-	-	-	(468,176)
Ind 101	(2,935)	(272)	(3,456)	-	-	-	-	-	-	-	-	-	(6,663)
Total 101	(1,132,969)	(107,342)	(1,381,024)	-	-	-	-	-	-	-	-	-	(2,621,335)

Monthly Unbilled Calculation

	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Unbilled DDH	702.2	756.7	554.3	549.0	-	-	-	-	-	-	-	-	-
Unbilled Factor	61.00%	57.91%	59.90%	61.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Res 101	0.1005	0.1005	0.1005	0.0951	0.0896	0.0896	0.0448	0.0000	0.0000	0.0448	0.0896	0.0951	0.1005
Com 101	0.2427	0.2427	0.2427	0.2058	0.1688	0.1688	0.0844	0.0000	0.0000	0.0844	0.1688	0.2058	0.2427
Ind 101	0.4222	0.4222	0.4222	0.3639	0.3055	0.3055	0.1528	0.0000	0.0000	0.1528	0.3055	0.3639	0.4222
Sch. 101													
Res 101	9,874,335	10,520,255	8,041,622	7,634,930	-	-	-	-	-	-	-	-	-
Com 101	2,005,485	2,142,157	1,598,421	1,358,238	-	-	-	-	-	-	-	-	-
Ind 101	27,275	30,031	21,530	18,178	-	-	-	-	-	-	-	-	-
Total	11,907,095	12,692,443	9,661,573	9,011,346	-	-	-	-	-	-	-	-	-

Revenue Run Customers (Meters Billed)

Class	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	2006 Total
Residential 101	123,861	124,155	124,306	124,387	124,402	124,602	124,358	124,482	124,715	125,061	125,868	126,533	127,078	1,499,947
Commercial 101	11,283	11,239	11,279	11,289	11,260	11,225	11,247	11,226	11,300	11,291	11,323	11,388	11,474	135,541
Industrial 101	92	94	92	91	91	88	91	91	90	91	88	92	93	1,092
Interdepartmental 1	22	22	22	22	22	23	23	23	23	23	23	23	22	271
Total	135,510	135,699	135,789	135,775	135,719	135,938	135,822	135,822	136,128	136,466	137,302	138,036	138,667	1,636,851

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:186328 Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	594,442.00	122,617.00	717,059.00
200802	717,059.00	-332,286.00	384,773.00
200803	384,773.00	364,868.00	749,641.00
Sum:			155,199.00

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:182328 Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	225,166.84	-55,020.22	170,146.62
200802	170,146.62	-48,268.88	121,877.74
200803	121,877.74	-37,507.52	84,370.22
Sum:			-140,796.62

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:182329 Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	0.00	0.00	0.00
200802	0.00	0.00	0.00
200803	0.00	0.00	0.00
Sum:			0.00

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:283328 Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	-286,863.15	-23,658.87	-310,522.02
200802	-310,522.02	133,194.21	-177,327.81
200803	-177,327.81	-114,576.17	-291,903.98
Sum:			-5,040.83

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407428 Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	0.00	-122,617.00	-122,617.00
200802	-122,617.00	0.00	-122,617.00
200803	-122,617.00	-364,868.00	-487,485.00
Sum:			-487,485.00

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407328 Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	0.00	0.00	0.00
200802	0.00	332,286.00	332,286.00
200803	332,286.00	0.00	332,286.00
Sum:			332,286.00

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407329 Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH Service:GD Jurisdiction:WA

Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200801	0.00	57,145.81	57,145.81
200802	57,145.81	47,502.97	104,648.78
200803	104,648.78	38,172.24	142,821.02
Sum:			142,821.02