

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



Corp.

July 13, 2004

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report
For the Month of June 2004

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of June 2004. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. Actual net power costs were higher than authorized costs by \$5,613,460. Of this amount, \$1,403,397 was applied towards the deadband, bringing the deadband balance to \$9 million for 2004. Since the deadband amount of \$9 million was reached, a deferral of 90% of the remaining excess power costs, or \$3,789,057, was recorded.

Actual power supply expenses were higher than authorized due partly to lower than authorized hydro generation. Hydro generation was 58 aMW below authorized levels. The average market purchase price was \$38.91/MWh compared to an authorized rate of \$27.47/MWh. The average market sales price was \$28.73/MWh compared to an authorized sales price of \$27.55/MWh.

Coyote Springs 2 was out-of-service while the transformer is being serviced. The authorized level of Coyote Springs 2 generation in June is 50 aMW. Other gas-fired resources generated 25 aMW below the authorized level due to economics. Colstrip generated 35 aMW below the authorized level due to planned maintenance, and Kettle Falls generated 21 aMW above the authorized level. Thermal fuel expense and natural gas fuel expense were above the authorized level. Washington retail sales were 19 aMW below the authorized level.

The Company entered into a new long-term power purchase contract in the month of June. The contract contains market-sensitive information. Avista and the counter-party to the agreement might be directly affected by disclosure of the confidential information. The first page and each specific page of the contract containing confidential information have been marked with the designation "confidential per WAC 480-07-160." The unredacted version is being filed under seal. Six copies of the unredacted version are being submitted in sealed envelopes, identified as "Confidential Attachment A", with confidential pages copied on yellow paper. Six copies of a redacted version are also being submitted in sealed envelopes and identified as "Redacted Attachment A." If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

Kelly Norwood
Vice President State and Federal Regulation
RM, Enclosures

c: Robert Cromwell, S. Bradley Van Cleve

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04 JUL 15 AM 8:42
UTILITY DIVISION
BUREAU OF ENERGY

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT

MONTH OF JUNE 2004

Print Date: 07-07-2004 02:14 PM

Avista Corporation - General Ledger Journal Entry

Journal ID: **DJ702** Journal Description: **WA - ERM** Effective Date: **06-30-2004**
 Corp: **WWP** Journal Sponsor: **RESOURCE** \$#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**
 Control Amount Total: **8,912,859.00** Saved By: **Linda Donley** Saved Date: **07-07-2004 2:14:36 PM**
 Edit Date: **07-07-2004 1:47:16 PM**

Seq	WO	UMain	Sub	RC	Cost Code	SL ID	LOC	Debit Amount	Credit Amount	Transaction Description
5	0000	9186	01	028	EE			1,403,397.00	0.00	WA ERM YTD COMPANY BAND
<i>Record YTD accumulation of Company Band for WA ERM. Allows tracking of balance on the GL.</i>										
10	0000	9186	02	028	EE			0.00	1,403,397.00	WA ERM YTD CONTRA ACCOUNT
<i>Contra account for YTD WA ERM Company Band. Offsets 918601 to prevent Balance Sheet inflation.</i>										
15	2577	0557	28	G55	EE	X	028	0.00	3,789,057.00	POWER TRANSACTIONS/* WA ERM DEF
20	0000	9186	28	028	EE			3,789,057.00	0.00	WA ERM - CURRENT YEAR
23	2577	0557	29	X55	EE	X	028	1,829,895.00	0.00	POWER TRANSACTIONS /* WA ERM AMT
27	0000	9182	35	028	EE			0.00	1,829,895.00	WASHINGTON ERM DEFERRAL BALANCE
43	0000	9182	35	028	EE			399,693.00	0.00	WASHINGTON ERM DEFERRAL BALANCE
<i>Interest income on deferral balance in 18235 authorized for recovery</i>										
45	0000	9186	28	028	EE			8,671.00	0.00	WA ERM - CURRENT YEAR
<i>Interest income (expense) on deferral balance in 18628</i>										
47	0000	9186	29	028	EE			104,318.00	0.00	WA ERM - LAST YEAR
<i>Interest income (expense) on deferral balance in 18629</i>										
50	0000	9419	00	Q98	EE	X	098	0.00	512,682.00	NON-UTILITY REVENUE/INT/DIV INCOME
70	0000	9171	00	FIN	EE			512,682.00	0.00	INTEREST & DIVIDENDS REC
<i>Accrue interest income on deferral balance</i>										
80	0000	9171	00	FIN	EE			0.00	512,682.00	INTEREST & DIVIDENDS REC
<i>Transfer interest income accrual to deferred power costs (in lieu of receipt)</i>										
82	0135	0410	10	X54	EE	X	028	685,707.00	0.00	INCOME TAX /* PRV DFIT DR
<i>DFIT entry includes, power supply deferral, generation options, surcharge amortization</i>										
85	0135	9410	20	X54	EE	X	028	179,439.00	0.00	INCOME TAX /PROV DEFERED IT
<i>DFIT entry for interest income</i>										
89	0000	9283	28	028	EE			0.00	865,146.00	ADFIT-WA ERM CURRENT AND PRIOR YFS

Print Date: 07-07-2004 02:14 PM

Avista Corporation - General Ledger Journal Entry

Journal ID: **DJ702** Journal Description: **WA - ERM** Effective Date: **06-30-2004**
 Corp: **WWP** Journal Sponsor: **RESOURCE** \$#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**
 Control Amount Total: **8,912,859.00** Saved By: **Linda Donley** Saved Date: **07-07-2004 2:14:36 PM**
 Edit Date: **07-07-2004 1:47:16 PM**

Seq	WO	UMain	Sub	RC	Cost Code	SL ID	LOC	Debit Amount	Credit Amount	Transaction Description
100	0000	9186	01	028	EE			0.00	0.00	WA ERM YTD COMPANY BAND
<i>Reverse prior year accumulation of Company Band for WA ERM. Allows tracking of balance on the GL.</i>										
101	0000	9186	02	028	EE			0.00	0.00	WA ERM YTD CONTRA ACCOUNT
<i>Reverse Contra account for prior year WA ERM Company Band. Offsets 918601 to prevent Balance Sheet inflation.</i>										
200	0000	9186	28	028	EE			0.00	0.00	WA ERM - CURRENT YEAR
<i>Transfer 2003 ERM deferral to prior year balance account</i>										
201	0000	9186	29	028	EE			0.00	0.00	WA ERM - LAST YEAR
<i>Transfer from 2003 will accrue interest in this account until it is deemed prudent for recovery</i>										
Totals:								8,912,859.00	8,912,859.00	Trans: 15 Rows: 19

Prepared By Linda Donley Date 7/7/04
 Reviewed By Jani Judge Date 7/7/04

Explanation:
 Record current month deferred power supply costs, Interest and DFIT per WA accounting order.

Approved For Entry - Corporate Accounting Use Only _____ Date _____

> C WWP,0000918628,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918628 CENTER: 028
 WA ERM - CURRENT YEAR

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	.00	.00	730,862.00
02	.00	.00	214,588.82-
03	.00	.00	927,912.16-
04	.00	94,153.00	640,898.16-
05	.00	1,437,758.00	782,317.25
06	3,797,728.00	5,521,304.47	4,173,702.11
07	.00	10,897,385.37	.00
08	.00	14,878,366.37	3,462,701.00
09	.00	17,291,968.37	4,591,436.00
10	.00	18,996,002.37	7,990,106.00
11	.00	19,319,437.37	10,046,279.00
12	.00	22,791,372.37	18,418,548.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:36:16 1 M3LL CIX1 _____

ERM Deferral Balance (Current Year - 2004)

Account 9186.28 028

Balance 5/31/04
 Deferral
 Interest
 Balance 6/30/04

Amount	Journal ID
\$0.00	
3,789,057.00	
8,671.00	DJ702
<u>\$3,797,728.00</u>	

> C WWP,0000918629,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918629 CENTER: 028
 WA ERM - LAST YEAR

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	22,895,690.37	18,507,141.00	5,590,562.00-
02	23,000,008.37	18,595,734.00	.00
03	23,104,326.37	18,684,327.00	.00
04	23,208,644.37	18,772,920.00	.00
05	23,312,962.37	18,861,513.00	.00
06	23,417,280.37	18,950,106.00	.00
07	.00	19,040,688.00	.00
08	.00	19,131,270.00	.00
09	.00	19,221,852.00	.00
10	.00	19,312,434.00	.00
11	.00	19,403,016.00	.00
12	.00	.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:38:07 1 M3LL CIX1 _____

ERM Deferral Balance (Prior year - 2003)
Account 9186.29 028
 Balance 5/31/04
 Interest
 Balance 6/30/04

Amount	Journal ID
\$23,312,962.37	
104,318.00	DJ702
<u>\$23,417,280.37</u>	

> C WWP,0000918235,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918235 CENTER: 028
 WASHINGTON ERM DEFERRAL BALANCE

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	97,324,911.28	102,120,741.28	132,006,255.17
02	95,273,046.28	100,387,075.28	122,433,021.17
03	93,420,167.28	98,579,839.28	118,334,898.17
04	91,822,602.28	96,934,524.28	115,248,382.17
05	90,379,071.28	95,426,432.28	112,494,809.17
06	88,948,869.28	93,918,785.28	109,873,441.17
07	.00	92,464,598.28	111,925,345.28
08	.00	90,760,912.28	110,453,043.28
09	.00	89,095,467.28	109,001,480.28
10	.00	87,584,937.28	107,664,179.28
11	.00	85,922,928.28	106,072,397.28
12	.00	99,774,940.28	104,166,540.28
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:36:38 1 M3LL CIX1 _____

Recoverable Deferral Balance

Account 9182.35 028

Balance 5/31/04
 Amortization
 Interest
 Balance 6/30/04

Amount	Journal ID
\$90,379,071.28	
-1,829,895.00	DJ702
399,693.00	DJ702
<u>\$88,948,869.28</u>	

> C WWP,0000918236,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918236 CENTER: 028
 WASHINGTON ERM AMORTIZATION

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	949,785.00	.00	.00
02	924,702.00	.00	.00
03	899,504.00	.00	.00
04	874,191.00	.00	.00
05	848,762.00	.00	.00
06	823,217.00	.00	.00
07	.00	.00	.00
08	.00	.00	.00
09	.00	.00	.00
10	.00	.00	.00
11	.00	.00	.00
12	.00	974,754.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:38:25 1 M3LL CIX1 _____

Contract Buyout Deferral Balance

Account 9182.36 028

	<u>Amount</u>	<u>Journal ID</u>
Balance 5/31/04	\$848,762.00	
Amortization*	-\$29,363.00	RJECB
Interest	3,818.00	RJECB
Balance 6/30/04	<u>\$823,217.00</u>	

*Amount grossed-up from 90% to 100% for ERM deferral calculations \$32,626

> GD WWP,0000918601,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918601 CENTER: 028
 WA ERM YTD COMPANY BAND

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	3,483,950.00	4,982,867.00	.00
02	4,961,037.00	6,578,313.00	.00
03	4,843,195.00	8,748,531.00	.00
04	6,776,853.00	9,000,000.00	.00
05	7,596,603.00	9,000,000.00	.00
06	9,000,000.00	9,000,000.00	.00
07	.00	9,000,000.00	4,319,249.00
08	.00	9,000,000.00	4,500,000.00
09	.00	9,000,000.00	4,500,000.00
10	.00	9,000,000.00	4,500,000.00
11	.00	9,000,000.00	4,500,000.00
12	.00	9,000,000.00	4,500,000.00
TOTAL	.00	.00	.00

07/08/04 11:37:41 1 M3LL CIX1 _____

ERM Deadband

Account 9186.01 028

Balance 5/31/04
 2004 deadband accumulation
 Balance 6/30/04

<u>Amount</u>	<u>Journal ID</u>
\$7,596,603.00	
<u>1,403,397.00</u>	DJ702
\$9,000,000.00	

> GD WWP,0000918602,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000918602 CENTER: 028
 WA ERM YTD CONTRA ACCOUNT

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	3,483,950.00-	4,982,867.00-	.00
02	4,961,037.00-	6,578,313.00-	.00
03	4,843,195.00-	8,748,531.00-	.00
04	6,776,853.00-	9,000,000.00-	.00
05	7,596,603.00-	9,000,000.00-	.00
06	9,000,000.00-	9,000,000.00-	.00
07	.00	9,000,000.00-	4,319,249.00-
08	.00	9,000,000.00-	4,500,000.00-
09	.00	9,000,000.00-	4,500,000.00-
10	.00	9,000,000.00-	4,500,000.00-
11	.00	9,000,000.00-	4,500,000.00-
12	.00	9,000,000.00-	4,500,000.00-
TOTAL	.00	.00	.00

07/08/04 11:37:50 1 M3LL CIX1 _____

ERM Deadband Contra Account

Account 9186.02 028

Balance 5/31/04

2004 deadband contra entry

Balance 6/30/04

Amount	Journal ID
-\$7,596,603.00	
-1,403,397.00	DJ702
<u>-\$9,000,000.00</u>	

> C WWP,0000928328,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000928328 CENTER: 028
 ADFIT-WA ERM CURRENT AND PRIOR YRS

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	42,409,636.00-	42,219,761.00-	44,235,381.00-
02	41,719,211.00-	41,643,986.00-	42,520,405.00-
03	41,098,391.00-	41,042,461.00-	40,604,160.00-
04	40,260,936.00-	40,530,561.00-	39,702,680.00-
05	39,792,211.00-	40,503,998.00-	39,098,236.00-
06	40,657,357.00-	41,436,569.00-	39,830,678.00-
07	.00	42,840,936.00-	39,003,353.00-
08	.00	43,669,694.00-	39,870,511.00-
09	.00	43,963,253.00-	39,757,522.00-
10	.00	44,062,684.00-	40,479,002.00-
11	.00	43,625,888.00-	40,641,539.00-
12	.00	43,239,378.00-	42,904,783.00-
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:37:17 1 M3LL CIX1 _____

Account 9186.28 028 balance	\$3,797,728.00
Account 9186.29 028 balance	23,417,280.37
Account 9182.35 028 balance	<u>88,948,869.28</u>
Total	\$116,163,877.65
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$40,657,357</u>

> C WWP,0000928336,028

ON GLMLY

----- GL:M - AMOUNT MAINTENANCE -----
 CORP: WWP ACCOUNT: 0000928336 CENTER: 028
 ADFIT-ENRON CONTRACT BUYOUT

PER	CURR YEAR ACTUALS	LAST YEAR ACTUALS	2ND YEAR ACTUALS
01	.00	.00	.00
02	.00	.00	.00
03	.00	.00	.00
04	305,968.00-	.00	.00
05	297,068.00-	.00	.00
06	288,127.00-	.00	.00
07	.00	.00	.00
08	.00	.00	.00
09	.00	.00	.00
10	.00	.00	.00
11	.00	.00	.00
12	.00	.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

07/08/04 11:38:38 1 M3LL CIX1 _____

Account 9182.36 028 balance	\$823,217.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	<u>-\$288,126</u>
Rounding	-1
Balance in account	<u>-\$288,127</u>

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
The rate is based on Avista's actual cost of debt, updated semiannually.							
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.							
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.							
Interest will be accrued monthly and compounded semi-annually.							
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate							
Actual cost of debt at 12/31/03 is 8.45%.				Actual cost of debt at 6/30/04 is			
The monthly rate is:				The monthly rate is:			
0.00704 Before Tax				0.00000 Before Tax			
0.0045771 After Tax				0.00000 After Tax			
0.35 Tax rate				0.35 Tax rate			
2004 Interest							
12-31-2003	GL Balance including interest	99,774,940		Jan-04	DFIT Expense		ADFIT
Jan-04	Surcharge Amortization	(2,900,072)		Amortization	(1,015,029)	Operating	1,015,029
Jan-04	Interest		450,043	Interest	157,515	Nonoperating	(157,515)
01-31-2004	Balance before interest	96,874,868			(857,514)	Total	857,514
Feb-04							
Feb-04	Surcharge Amortization	(2,489,573)		Amortization	(871,355)	Operating	871,355
Feb-04	Interest		437,708	Interest	153,198	Nonoperating	(153,198)
02-29-2004	Balance before interest	94,385,295			(718,157)	Total	718,157
Mar-04							
Mar-04	Surcharge Amortization	(2,279,673)		Amortization	(797,890)	Operating	797,890
Mar-04	Interest		426,794	Interest	149,378	Nonoperating	(149,378)
03-31-2004	Balance before interest	92,105,622			(648,512)	Total	648,512
Apr-04							
Apr-04	Surcharge Amortization	(2,014,531)		Amortization	(705,073)	Operating	705,073
Apr-04	Interest		416,966	Interest	145,938	Nonoperating	(145,938)
04-30-2004	Balance before interest	90,091,091			(559,135)	Total	559,135
May-04							
May-04	Surcharge Amortization	(1,851,649)		Amortization	(648,077)	Operating	648,077
May-04	Interest		408,118	Interest	142,841	Nonoperating	(142,841)
05-31-2004	Balance before interest	88,239,442			(505,236)	Total	505,236
Jun-04							
Jun-04	Surcharge Amortization	(1,829,895)		Amortization	(640,463)	Operating	640,463
Jun-04	Interest		399,693	Interest	139,893	Nonoperating	(139,893)
06-30-2004	Balance before interest	86,409,547			(500,570)	Total	500,570
Summary							
				GL Balance	Activity	GL Balance	
				@ 5/31/04	Jun-04	@ 6/30/04	
	Net ERM Balance	88,948,869		90,379,071	(1,430,202)	88,948,869	
	ADFIT Balance	(31,132,104)					

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
The rate is based on Avista's actual cost of debt, updated semiannually.							
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.							
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.							
Interest will be accrued monthly and compounded semi-annually.							
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate							
Actual cost of debt at 12/31/03 is 8.45%.				Actual cost of debt at 6/30/04 is			
The monthly rate is:				The monthly rate is:			
0.00704 Before Tax				0.00000 Before Tax			
0.0045771 After Tax				0.00000 After Tax			
0.35 Tax rate				0.35 Tax rate			
2004 Interest							
12-31-2003	GL Balance including interest	0					
12-31-2003	Transfer from 918628	\$22,791,372.37					
01-01-2004	GL Balance	\$22,791,372.37					
Jan-04	ERM Transfer to 18235	0		Jan-04	DFIT Expense		ADFIT
Jan-04	Interest		104,318	Deferral	0	Operating	0
01-31-2004	Balance before interest	22,791,372		Interest	36,511	Nonoperating	(36,511)
					36,511	Total	(36,511)
				Feb-04	DFIT Expense		ADFIT
Feb-04	ERM Transfer to 18235	0		Deferral	0	Operating	0
Feb-04	Interest		104,318	Interest	36,511	Nonoperating	(36,511)
02-29-2004	Balance before interest	22,791,372			36,511	Total	(36,511)
				Mar-04	DFIT Expense		ADFIT
Mar-04	ERM Transfer to 18235	0		Deferral	0	Operating	0
Mar-04	Interest		104,318	Interest	36,511	Nonoperating	(36,511)
03-31-2004	Balance before interest	22,791,372			36,511	Total	(36,511)
				Apr-04	DFIT Expense		ADFIT
Apr-04	ERM Transfer to 18235	0		Deferral	0	Operating	0
Apr-04	Interest		104,318	Interest	36,507	Nonoperating	(36,507)
04-30-2004	Balance before interest	22,791,372			36,507	Total	(36,507)
				May-04	DFIT Expense		ADFIT
May-04	ERM Transfer to 18235	0		Deferral	0	Operating	0
May-04	Interest		104,318	Interest	36,511	Nonoperating	(36,511)
05-31-2004	Balance before interest	22,791,372			36,511	Total	(36,511)
				Jun-04	DFIT Expense		ADFIT
Jun-04	ERM Transfer to 18235	0		Deferral	0	Operating	0
Jun-04	Interest		104,318	Interest	36,511	Nonoperating	(36,511)
06-30-2004	Balance before interest	22,791,372			36,511	Total	(36,511)
	Net ERM Balance	23,417,280		GL Balance	Activity	GL Balance	
				@ 5/31/04	Jun-04	@ 6/30/04	
	ADFIT Balance	(8,196,048)		23,312,962	104,318	23,417,280	

Tax Rate	35%		DJ702 LTD		DJ702 LTD		DJ702 LTD		RJEBC		DJ702 CURMO	
	928328	GL	928328	ADFIT	928328	ADFIT	928328	ADFIT	928328	ADFIT	928328	ADFIT
		BALANCE	918235		18236		18236		18236		928328	
		(43,239,378)	(34,921,229)	(7,976,980)	(5)	(341,164)	(341,164)	(43,239,378)	(43,239,378)	0		928328
DJ702		(43,239,378)	(34,921,229)	0	(7,976,985)	(341,164)	(341,164)	(43,239,378)	(43,239,378)	0		928328
12-31-2003		(42,409,636)	(34,063,719)	0	(8,013,492)	(332,425)	(332,425)	(42,409,636)	(42,409,636)	0		928328
01-01-2004		(41,719,211)	(33,345,566)	0	(8,050,003)	(323,646)	(323,646)	(41,719,215)	(41,719,215)	(4)		928328
01-31-2004		(41,098,391)	(32,697,058)	0	(8,086,514)	(314,827)	(314,827)	(41,098,399)	(41,098,399)	(8)		928328
02-29-2004		(40,260,936)	(32,137,911)	0	(8,123,025)	0	0	(40,260,936)	0	0		928328
03-31-2004		(39,792,211)	(31,632,675)	0	(8,159,537)	0	0	(39,792,212)	0	(1)		928328
04-30-2004		(40,657,357)	(31,132,104)	(1,329,205)	(8,196,048)	0	0	(40,657,357)	0	0		928328
05-31-2004												928328
06-30-2004												928328
07-31-2004												928328
08-31-2004												928328
09-30-2004												928328
10-31-2004												928328
11-30-2004												928328
12-31-2004												928328
			ADFIT					Interest				
			41010	941020	928328	918235	918235	918628	918628	0	104,318	941900
01-31-2004		918235	(1,015,029)	157,515	857,514	450,043	450,043	0	0	0	104,318	(554,361)
		918628	0	0	0	0	0					
		918629	0	36,511	(36,511)							
Total			(1,015,029)	194,026	821,003							
02-29-2004		918235	(871,355)	153,198	718,157	437,708	437,708	0	0	0	104,318	(542,026)
		918628	0	0	0	0	0					
		918629	0	36,511	(36,511)							
Total			(871,355)	189,709	681,646							
03-31-2004		918235	(797,890)	149,378	648,512	426,794	426,794	0	0	0	104,318	(531,112)
		918628	0	0	0	0	0					
		918629	0	36,511	(36,511)							
Total			(797,890)	185,889	612,001							
04-30-2004		918235	(705,073)	145,938	559,135	416,966	416,966	0	0	0	104,318	(521,284)
		918628	0	0	0	0	0					
		918629	0	36,507	(36,507)							
Total			(705,073)	182,445	522,628							
05-31-2004		918235	(648,077)	142,841	505,236	408,118	408,118	0	0	0	104,318	(512,436)
		918628	0	0	0	0	0					
		918629	0	36,511	(36,511)							
Total			(648,077)	179,352	468,725							
06-30-2004		918235	(640,463)	139,893	500,570	399,693	399,693	8,671	8,671	0	104,318	(512,682)
		918628	1,326,170	3,035	(1,329,205)							
		918629	0	36,511	(36,511)							
Total			685,707	179,439	(865,146)							

			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			<u>918601</u>	<u>918602</u>	<u>Impact</u>
12-31-2003	Balance		\$9,000,000	(\$9,000,000)	\$0
2003 Requirement		\$9,000,000			
Jan-04	Reverse 2003		(\$9,000,000)	\$9,000,000	\$0
Jan-04	Activity		\$3,483,950	(\$3,483,950)	
01-31-2004	Balance		\$3,483,950	(\$3,483,950)	\$0
Feb-04	Activity		\$1,477,087	(\$1,477,087)	
02-29-2004	Balance		\$4,961,037	(\$4,961,037)	\$0
Mar-04	Activity		(\$117,842)	\$117,842	
03-31-2004	Balance		\$4,843,195	(\$4,843,195)	\$0
Apr-04	Activity		\$1,933,658	(\$1,933,658)	
04-30-2004	Balance		\$6,776,853	(\$6,776,853)	\$0
May-04	Activity		\$819,750	(\$819,750)	
05-31-2004	Balance		\$7,596,603 ✓	(\$7,596,603) ✓	\$0
Jun-04	Activity		\$1,403,397 ✓	(\$1,403,397)	
06-30-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Jul-04	Activity		\$0	\$0	
07-31-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Aug-04	Activity		\$0	\$0	
08-31-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Sep-04	Activity		\$0	\$0	
09-30-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Oct-04	Activity		\$0	\$0	
10-31-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Nov-04	Activity		\$0	\$0	
11-30-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
Dec-04	Activity		\$0	\$0	
12-31-2004	Balance		\$9,000,000	(\$9,000,000)	\$0

AVISTA CORPORATION
 JUNE 2004 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	Sch 1 Block Percent (b)	kWh or \$ (c)	Surcharge Rate On/After 1-Jul-02 (d)	Revenue (e) (c)*(d)	Conversion Factor (f)	Deferral Amortization (g) (e)*(f)
1 (0-600 kWh)	65.564%	91,967,620	0.405¢	\$372,469	0.956277	\$356,184
1 (601-1300 kWh)	27.093%	38,003,763	0.607¢	230,683	0.956277	220,597
1 (over 1300 kWh)	7.343%	10,300,138	0.853¢	87,860	0.956277	84,018
Total Sch 1	100.000%	140,271,521		691,012		660,799
11		24,571,059	0.788¢	193,620	0.956277	185,154
12		2,521,970	0.788¢	19,873	0.956277	19,004
21		118,235,912	0.549¢	649,115	0.956277	620,734
22		1,328,578	0.549¢	7,294	0.956277	6,975
25		74,205,527	0.352¢	261,203	0.956277	249,782
30		4,119,620	0.485¢	19,980	0.956277	19,106
31		6,460,979	0.485¢	31,336	0.956277	29,966
32		915,800	0.485¢	4,442	0.956277	4,248
41-46		\$262,690	109.78%	23,402	0.956277	22,379
47		\$82,022	109.78%	7,307	0.956277	6,988
48		\$55,876	109.78%	4,978	0.956277	4,760
Schedule Totals		372,630,966		\$1,913,562		\$1,829,895 Amortization
kWh not subject to surcharge						-35%
Schedule 28		2,650				(\$640,463) DFIT Expense
Schedule 29		4,971,433				
Sch 41-48		2,272,359				
Total kWh		379,877,408				

WCIP7761) AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF JUNE 04

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
RESIDENTIAL	1	001	185,440	140,271,521	8,212,471.15	1,115,067	185,844	1,167,270,443	69,468,670.22
FIRM-COMMERCIAL	21	001			.00				.00
INTERDEPARTMENT REV	80	001	2	140,271,521	10.00	12	2	4,777	295.82
RESIDENTIAL	1	011	17,966	24,328,073	2,146,422.12	107,569	17,928	167,985,117	14,724,564.89
FIRM-COMMERCIAL	21	011	115	186,911	17,236.19	706	117	1,464,508	131,871.73
FIRM-MISC INDUST	31	011	15	6,174	596.69	87	14	44,480	4,177.81
LIGHTING-PUB ST-HIWAY	51	011	25	49,901	4,285.64	149	24	470,405	39,971.02
INTERDEPARTMENT REV	80	011	18,121	24,571,059	2,168,540.64	108,511	18,085	169,964,510	14,900,585.45
RESIDENTIAL	1	012	6,595	2,521,970	241,096.24	39,191	6,531	20,806,931	1,896,352.03
FIRM-COMMERCIAL	21	012	6,595	2,521,970	241,096.00	39,191	6,531	20,806,931	1,896,352.00
RESIDENTIAL	1	021	3,132	109,141,172	7,252,718.24	18,629	3,104	675,353,627	44,438,639.09
FIRM-COMMERCIAL	21	021	114	8,224,300	541,647.42	706	117	55,742,359	3,632,883.11
FIRM-MISC INDUST	31	021	8	870,440	53,736.84	48	8	5,558,440	343,185.64
INTERDEPARTMENT REV	80	021	3,254	118,235,912	7,848,102.50	19,383	3,230	736,654,426	48,414,707.84
RESIDENTIAL	1	022	57	1,328,578	86,549.67	326	54	11,042,174	691,976.88
FIRM-COMMERCIAL	21	025	57	1,328,578	86,549.67	326	54	11,042,174	691,976.88
FIRM-MISC INDUST	31	025	8	20,667,431	894,736.28	50	8	127,386,503	5,488,562.05
FIRM-COMMERCIAL	21	028	11	53,538,096	2,404,092.78	66	11	303,319,437	13,066,328.07
FIRM-MISC INDUST	31	028	19	74,205,527	3,298,829.06	116	19	430,705,940	18,554,890.12
FIRM-PUMPING-IRRIG	39	029	1	4,971,433	.00	6	1	593,520	23,682.93
FIRM-PUMPING-IRRIG	39	030	1	4,971,433	.00	7	1	2,650	88,818.59
FIRM-COMMERCIAL	21	031	41	4,119,620	205,172.14	241	40	7,586,480	378,994.23
FIRM-MISC INDUST	31	031	41	4,119,620	205,172.14	241	40	7,586,480	378,994.23
FIRM-PUMPING-IRRIG	39	031	472	3,342,636	194,293.94	2,806	467	13,195,211	784,257.94
FIRM-MISC INDUST	31	031	128	778,943	46,720.74	767	127	4,200,682	254,260.90
FIRM-PUMPING-IRRIG	39	031	375	2,327,550	141,381.06	2,217	369	5,875,038	370,487.80
INTERDEPARTMENT REV	80	031	2	11,850	658.50	12	2	16,700	1,022.68
RESIDENTIAL	1	032	954	6,460,979	383,054.24	5,802	967	23,287,631	1,410,029.32
FIRM-PUMPING-IRRIG	39	032	954	6,460,979	383,054.24	5,802	967	23,287,631	1,410,029.32
LIGHTING-PUB ST-HIWAY	51	041	12	16,056	2,727.06	72	12	96,336	16,362.36
LIGHTING-PUB ST-HIWAY	51	042	12	16,056	2,727.06	72	12	96,336	16,362.36
LIGHTING-PUB ST-HIWAY	51	042	213	1,046,992	237,905.68	1,281	213	6,278,008	1,426,406.56

WCIP7761) AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF JUNE O4

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
LIGHTING-PUB ST-HIWAY	51	044	213	1,046,992	237,905.68	1,281	213	6,278,008	1,426,406.56
			13	21,600	1,889.85	77	12	126,139	11,063.44
			13	21,600	1,889.85	77	12	126,139	11,063.44
LIGHTING-PUB ST-HIWAY	51	045	7	181,374	7,920.18	74	12	1,219,938	54,857.16
			7	181,374	7,920.18	74	12	1,219,938	54,857.16
LIGHTING-PUB ST-HIWAY	51	046	16	172,916	12,247.66	128	21	1,002,486	71,088.76
			16	172,916	12,247.66	128	21	1,002,486	71,088.76
FIRM-COMMERCIAL	21	047		499,888	79,676.46			2,994,471	476,089.92
FIRM-MISC INDUST	31	047		14,471	2,041.29			88,086	12,376.33
FIRM-PUMPING-IRRIG	39	047		207	31.82			1,042	124.72
INTERDEPARTMENT REV	80	047		1,256	272.28			7,536	1,633.68
				515,822	82,021.85			3,091,135	490,224.65
RESIDENTIAL	1	048		317,599	55,875.54			1,915,263	337,598.85
				317,599	55,875.54			1,915,263	337,598.85
RESIDENTIAL	1	056			.00				13.34
FIRM-COMMERCIAL	21	056			.00				.00
RESIDENTIAL	1	058			294,419.40				2,435,292.32
FIRM-COMMERCIAL	21	058			454,770.70				2,796,253.84
FIRM-MISC INDUST	31	058			28,892.47				175,324.35
FIRM-PUMPING-IRRIG	39	058			305.31				1,032.77
LIGHTING-PUB ST-HIWAY	51	058			12,322.72				73,985.75
MISC-RENT ELECT PROP	85	058			1,142.00				6,850.40
MISC-OTHER ELECT REV	86	058			16.72				100.32
					791,869.32				5,488,839.75
RESIDENTIAL	1	058A			2,067.77CR				17,755.90CR
FIRM-COMMERCIAL	21	058A			2,201.63CR				11,304.18CR
FIRM-MISC INDUST	31	058A			.53CR				3.08CR
FIRM-PUMPING-IRRIG	39	058A			63.94CR				291.81CR
					4,333.87CR				29,354.97CR
FIRM-ENERGY CHARGE	74	061			.00				.00
SURPLUS-ENERGY CHARG	75	061			.00				.00
					.00				.00
EE - RESIDENTIAL	61	090			4.00				24.00
					4.00				24.00
RESIDENTIAL	1	095			7,451.74				44,236.30
FIRM-COMMERCIAL	21	095			831.00				4,965.76
					8,282.74				49,202.06
THEFT OF SERVICE	18	099			3,226.24				18,030.12
MISC-SERVICE REV SNP	83	099			22,418.00				144,282.00
MISC-RENT ELECT PROP	85	099			24,193.10				148,453.75

WCIP7761) AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF JUNE O4

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
MISC-OTHER ELECT REV	86	099			262.09				1,572.54
					50,099.43				312,938.41
SVC TOTALS			215,832	379,877,408	23,763,994.47	1,296,631	216,105	2,600,492,721	164,247,378.08

Avista Utilities
 WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2004	Actual Jan-04	Actual Feb-04	Actual Mar-04	Actual Apr-04	Actual May-04	Actual Jun-04	Actual Jul-04	Actual Aug-04	Actual Sep-04	Actual Oct-04	Actual Nov-04	Actual Dec-04
1	555 Purchased Power	\$81,234,742	\$20,898,976	\$14,705,597	\$10,016,319	\$11,120,205	\$12,019,655	\$12,473,990					
2	501 Thermal Fuel	\$8,181,793	\$1,413,525	\$1,496,991	\$1,722,290	\$1,235,949	\$784,351	\$1,528,687					
3	547 CT Fuel	\$3,344,953	\$1,642,906	\$403,167	\$278,540	\$361,288	\$378,095	\$280,957					
4	447 Sale for Resale	\$38,972,342	\$6,140,479	\$2,826,196	\$3,840,479	\$4,944,388	\$11,138,434	\$10,062,366					
5	Actual Net Expense	\$53,789,146	\$17,814,928	\$13,779,559	\$8,176,670	\$7,773,054	\$2,043,667	\$4,201,268					
6	Pollatch 25 aMW directly assigned to ID	(\$3,531,811)	\$(601,710)	\$(562,890)	\$(601,710)	\$(581,491)	\$(601,710)	\$(582,300)					
7	Pollatch 62 aMW directly assigned to ID	(\$11,312,146)	\$(2,047,319)	\$(1,907,665)	\$(1,575,121)	\$(1,933,319)	\$(1,968,354)	\$(1,880,368)					
8	Adjusted Actual Net Expense	\$38,945,189	\$15,165,899	\$11,309,004	\$5,999,839	\$5,258,244	\$(526,397)	\$1,738,600					
AUTHORIZED NET EXPENSE-SYSTEM													
9	555 Purchased Power	\$68,370,477	\$7,820,601	\$6,873,178	\$6,877,530	\$2,970,502	\$1,220,238	\$781,522	\$5,416,130	\$7,510,269	\$6,429,357	\$8,215,787	\$8,175,700
10	501 Thermal Fuel	\$15,777,429	\$1,497,543	\$1,328,377	\$1,321,593	\$1,193,467	\$566,463	\$1,103,034	\$1,501,955	\$1,550,936	\$1,519,166	\$1,449,825	\$1,455,980
11	547 CT Fuel	\$30,931,880	\$3,209,570	\$2,713,553	\$2,216,117	\$1,302,967	\$642,820	\$1,720,868	\$3,644,073	\$4,169,327	\$4,111,073	\$2,703,227	\$2,355,980
12	447 Sale for Resale	\$49,213,167	\$3,395,816	\$3,610,669	\$2,796,420	\$1,922,246	\$2,752,789	\$8,044,786	\$9,136,879	\$5,227,838	\$4,654,564	\$1,545,341	\$2,563,932
13	Authorized Net Expense	\$65,866,619	\$9,131,898	\$7,304,439	\$7,618,820	\$3,544,690	\$(323,268)	\$(4,439,362)	\$1,425,179	\$8,002,694	\$7,055,338	\$9,037,068	\$8,212,198
14	Actual - Authorized Net Expense	\$16,107,972	\$6,034,001	\$4,004,565	\$(1,618,981)	\$1,713,554	\$(203,129)	\$6,177,962					
15	Net Fuel Expense not incl in Acct 547 (1)	\$5,637,991	\$182,017	\$102,000	\$1,001,842	\$1,377,773	\$1,370,034	\$1,604,325					
16	Adjusted Actual - Authorized Net Exp	\$21,745,963	\$6,216,018	\$4,106,565	\$(617,139)	\$3,091,327	\$1,166,905	\$7,782,287					
17	Washington Alloc. @ 66.29%	\$14,415,399	\$4,120,598	\$2,722,242	\$(409,101)	\$2,049,241	\$773,541	\$5,158,878					
18	Enron Contract Buyout	\$195,756	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626					
19	WA Retail Revenue Adjustment	\$(1,401,092)	\$(669,274)	\$(1,277,781)	\$258,633	\$(148,209)	\$13,583	\$421,956					
20	Net Power Cost Increase (Decrease)	\$13,210,063	\$3,483,950	\$1,477,087	\$(117,842)	\$1,933,658	\$819,750	\$5,613,460					
21	100% Net Power Cost Less \$9.0 million Company Band	\$4,210,063					\$4,210,063						
22	90% Net Power Cost Less \$9.0 million Company Band	\$3,789,057					\$3,789,057						

Avista Utilities
 System Power Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

Line No.	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL 2004
555 PURCHASED POWER													
1	12,948,293	6,949,837	3,439,618	4,271,101	6,150,289	6,788,003							40,547,141
2	158,509	158,509	158,509	158,509	158,509	124,561							917,106
3	102,015	71,340	71,339	118,916	137,141	428,310							929,061
4	208,697	208,697	208,697	208,697	208,697	226,570							1,270,055
5	99,817	99,817	99,817	99,817	99,817	99,817							598,902
6		0											
7	247	355	331	319	283	304							1,839
8	83,862	128,558	117,527	117,472	122,993	112,101							682,513
9	91,386	307,960	490,688	390,223	428,258	216,181							1,924,696
10	2,541,438	2,296,432	1,254,691	1,215,202									7,307,763
11	143,856	219,509	118,092	56,447	(4,793)	(34,091)							499,020
12	567,300	530,700	567,300	548,238	567,300	549,000							3,329,838
13	1,041,600	974,400	1,041,600	1,006,600	1,041,600	1,008,000							6,113,800
14	590,550	552,450	590,550	570,706	590,550	571,500							3,466,306
15	149,463	144,255	145,150	111,889	105,080	96,117							751,954
16	2,047,319	1,907,665	1,575,121	1,933,319	1,968,354	1,880,368							11,312,146
17	122,000	152,500	134,500	136,500	142,500	157,500							845,500
18	2,624	2,613	2,769	174,197	300,319	246,493							721,009
19				2,053	2,758	3,256							16,093
20	20,898,976	14,705,597	10,016,319	11,120,205	12,019,655	12,473,990	0	0	0	0	0	0	81,234,742

(1) Effective November, 2003, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$33.78/MWh for the 2003-04 contract year) per Settlement Agreement, Cause No. U-86-99

447 SALES FOR RESALE

21	5,741,521	2,428,969	3,562,566	4,608,768	10,769,273	9,739,412							36,850,509
22	150,000	150,000	150,000	150,000	150,000	150,000							900,000
23	25,061	30,273	5,762	11,251	19,012	22,282							113,641
24	137	118	116	1,067									1,438
25	34,437	26,372	27,044	25,162	25,079	26,648							164,742
26	183,354	192,024	96,058	151,560	176,290	153,746							953,032
27	14,655	0											14,655
28	(11,310)	(4,173)	(3,856)	(5,473)	(3,978)	(12,978)							(41,768)
28	2,624	2,613	2,769	2,053	2,758	3,256							16,093
29	6,140,479	2,626,196	3,840,479	4,944,388	11,138,434	10,082,366							38,972,342

Avista Utilities
 System Power Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	TOTAL 2004
ACTUALS														
501 FUEL-DOLLARS														
30	Kettle Falls	557,912	515,287	583,079	563,676	277,044	708,456							3,205,454
31	Colstrip	862,129	981,341	1,129,753	670,981	503,685	789,491							4,937,380
32	Total Coal & Wood	1,420,041	1,496,628	1,712,832	1,234,657	780,729	1,497,947							8,142,834
33	Kettle Falls GS	1,911	209	178	186	3,531	3,846							9,861
34	Colstrip	(8,427)	154	9,280	1,106	91	26,894							29,098
35	Total Oil & Gas	(6,516)	363	9,458	1,292	3,622	30,740							38,959
36	Total Account 501	1,413,525	1,496,991	1,722,290	1,235,949	784,351	1,528,687							8,181,793
501 FUEL-TONS														
37	Kettle Falls	46,083	45,232	48,458	44,712	21,147	36,427							242,059
38	Colstrip	101,926	89,232	102,899	62,461	47,454	64,628							468,600
501 FUEL-COST PER TON														
39	Kettle Falls	12.11 \$	11.39 \$	12.03 \$	12.61 \$	13.10 \$	19.45 \$	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 13.24
40	Colstrip	8.46 \$	11.00 \$	10.98 \$	10.74 \$	10.61 \$	12.22 \$	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 10.54
547 FUEL														
41	NE Combustion Turbine Gas/Oil	7	22	629	3,678		978							5,314
42	Boulder Park	69,742	12	(23)	61,521	72,880	25,326							229,458
43	Kettle Falls CT	28,115	17	(32)	23,727	32,755	2,730							87,312
44	Coyote Springs2	1,208,463	375,047	237,939	232,347	232,486	211,947							2,498,229
45	Rathdrum Gas Storage Fee	40,000	40,000	40,000	40,000	40,000	40,000							240,000
46	Rathdrum Fuel Exp	296,579	(11,931)	27	15	(26)	(24)							284,640
47	Total Account 547	1,642,906	403,167	278,540	361,288	378,095	280,957							3,344,953
48	TOTAL NET EXPENSE	17,814,928	13,779,559	8,176,670	7,773,054	2,043,667	4,201,268							53,789,146

Print Date: 07-01-2004 03:07 PM

Avista Corporation - General Ledger Journal Entry

Journal ID: **RJECB** Journal Description: **Enron Contract Buyout Amort** Effective Date: **06-30-2004**

Corp: **WWP** Journal Sponsor: **RESOURCE** \$#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**

Control Amount Total: **47,276.00** Saved By: **Linda Donley** Saved Date: **07-01-2004 3:06:58 PM**

Edit Date: **07-01-2004 3:06:52 PM**

Seq	WO	UMain	Sub	RC	Cost Code	SL_ID	LOC	Debit Amount	Credit Amount	Transaction Description
5	0000	9182	36	028	EE			0.00	29,363.00	WASHINGTON ERM AMORTIZATION
<i>Amortize Enron Contract buyout for WA ERM</i>										
10	2577	0557	16	X55	EE	X	028	29,363.00	0.00	POWER TRANSACTIONS / PS REG EXPENSE
<i>Amortization expense for Enron Contract Buyout</i>										
15	0000	9182	36	028	EE			3,818.00	0.00	WASHINGTON ERM AMORTIZATION
<i>Accrue Interest Income on unamortized balance for future recovery</i>										
20	Q000	9419	00	Q98	EE	X	098	0.00	3,818.00	NON-UTILITY REVENUE/INT/DIV INCOME
<i>Interest income accrued</i>										
25	0000	9171	00	FIN	EE			3,818.00	0.00	INTEREST & DIVIDENDS REC
<i>Accrue Interest Income</i>										
30	0000	9171	00	FIN	EE			0.00	3,818.00	INTEREST & DIVIDENDS REC
<i>Transfer Interest Income accrual to deferred contract buyout for future recovery</i>										
35	0135	0410	10	X54	EE	X	028	0.00	10,277.00	INCOME TAX / PRV DFIT DR
<i>DFIT expense on Amortization (Operating)</i>										
40	0135	9410	20	X54	EE	X	028	1,336.00	0.00	INCOME TAX / PROV DEFERED IT
<i>DFIT expense on Interest Income (Non-Operating)</i>										
45	0000	9283	36	028	EE			8,941.00	0.00	ADFIT-ENRON CONTRACT BUYOUT

Totals: 47,276.00 Trans: 9 Rows: 9

Explanation:

WA ERM settlement created a regulatory asset to be recovered over the 3 years of the original purchased power contract (2004 - 2006). As the contract buyout is amortized it will become part of the monthly ERM calculation. See attached for details

Prepared By Linda Donley Date 7/1/04
 Reviewed By Jami Audge Date 7/1/04

Approved For Entry - Corporate Accounting Use Only _____ Date _____

Avista Corporation		Weighted cost of debt at 12/31/03 is 8.45%.						
Enron Contract Buyout								
Amortization Schedule								
January 2004 - December 2006								
		90%	100%					
Uniform Monthly Amortization		-\$29,363	\$32,626 Expense for deferral calculation. January through June 2004					
			DR	CR	DFIT	DFIT	ADFIT	
Balance	12-31-2003	\$974,754					(341,164)	
Amortization	Jan-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		945,391						
Average balance		960,073						
Interest (net of tax)	0.0045771	4,394	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,538	(1,538)	
Total DFIT for the month expense - (benefit)						(8,739)		
Balance	01-31-2004	\$949,785					(332,425)	
Amortization	Feb-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		920,422						
Average balance		935,104						
Interest (net of tax)	0.0045771	4,280	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,498	(1,498)	
Total DFIT for the month - expense (benefit)						(8,779)		
Balance	02-29-2004	\$924,702					(323,646)	
Amortization	Mar-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		895,339						
Average balance		910,021						
Interest (net of tax)	0.0045771	4,165	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,458	(1,458)	
Total DFIT for the month - expense (benefit)						(8,819)		
Balance	03-31-2004	\$899,504					(314,827)	
Amortization	Apr-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		870,141						
Average balance		884,823						
Interest (net of tax)	0.0045771	4,050	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,418	(1,418)	
Total DFIT for the month - expense (benefit)						(8,859)		
Balance	04-30-2004	\$874,191					(305,968)	
Amortization	May-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		844,828						
Average balance		859,510						
Interest (net of tax)	0.0045771	3,934	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,377	(1,377)	
Total DFIT for the month - expense (benefit)						(8,900)		
Balance	05-31-2004	\$848,762					(297,068)	
Amortization	Jun-04	-29,363	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,277)	10,277	
Net of amortization		819,399						
Average balance		834,081						
Interest (net of tax)	0.0045771	3,818	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,336	(1,336)	
Total DFIT for the month - expense (benefit)						(8,941)		
Balance	06-30-2004	\$823,217					(288,127)	

Note: The interest rate will be updated every six months and the uniform monthly amortization will also be updated every six months.