

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



October 12, 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 September 2004

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 2004. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. Actual net power costs were lower than authorized costs by \$603,434. A deferral in the rebate direction of 90% of that amount, or \$543,091, was recorded.

Actual power supply expenses were lower than authorized due partly to higher than authorized hydro generation. Hydro generation was 111 aMW above the authorized levels. The average market purchase price was \$34.59/MWh compared to an authorized rate of \$37.69/MWh. The average market sales price was \$38.18/MWh compared to an authorized sales price of \$39.04/MWh.

Coyote Springs 2 returned to service on September 7 and generated 90 aMW in the month compared to an authorized level of 105 aMW. Other gas-fired resources generated 71 aMW below the authorized level due to economics. Colstrip generated 11 aMW below the authorized, and Kettle Falls generated 16 aMW above the authorized level. Thermal fuel expense was slightly above the authorized level and natural gas fuel expense was below the authorized level. Washington retail sales were 59 aMW above the authorized level.

There were no new forward long-term power contracts of one year or longer entered into in the month of September 2004. 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

RECEIVED
RECORDS MANAGEMENT
04 OCT 14 AM 8:47
Corp.
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

MONTH OF SEPTEMBER 2003

Vista Corporation - General Ledger Journal Entry

Print Date: 10-06-2004 02:20 PM

Journal ID: **DJ702** Journal Description: **WA - ERM** Effective Date: **09-30-2004**
 Corp: **WWP** Journal Sponsor: **RESOURCE** \$/#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**
 Control Amount Total: **4,608,524.00** Saved By: **Linda Donley** Saved Date: **10-06-2004 2:20:09 PM**
 Edit Date: **10-06-2004 2:20:03 PM**

Seq	WO	UMain	Sub	RC	Cost Code	SL ID	LOC	Debit Amount	Credit Amount	Transaction Description
15	2577	0557	28	G55	EE	X	028	543,091.00	0.00	POWER TRANSACTIONS /* WA ERM DEF
20	0000	9186	28	028	EE		0.00	0.00	543,091.00	WA ERM - CURRENT YEAR
23	2577	0557	29	X55	EE	X	028	2,064,516.00	0.00	POWER TRANSACTIONS /* WA ERM AMT
27	0000	9182	35	028	EE		0.00	0.00	2,064,516.00	WASHINGTON ERM DEFERRAL BALANCE
43	0000	9182	35	028	EE		489,039.00	0.00	0.00	WASHINGTON ERM DEFERRAL BALANCE
<i>Interest income on deferral balance in 18235 authorized for recovery</i>										
45	0000	9186	28	028	EE		55,088.00	0.00	0.00	WA ERM - CURRENT YEAR
<i>Interest income/(expense) on deferral balance in 18628</i>										
47	0000	9186	29	028	EE		0.00	0.00	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	544,127.00	NON-UTILITY REVENUE/INT/DIV INCOME
70	0000	9171	00	FIN	EE		544,127.00	0.00	0.00	INTEREST & DIVIDENDS REC
<i>Accrue interest income on deferral balance</i>										
80	0000	9171	00	FIN	EE		0.00	544,127.00	0.00	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	0.00	912,663.00	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	190,445.00	0.00	INCOME TAX /PROV DEFERED IT
<i>DFIT entry for interest income</i>										
89	0000	9283	28	028	EE		722,218.00	0.00	0.00	ADFIT-WA ERM CURRENT AND PRIOR YRS
90	0000	9186	01	028	EE		0.00	0.00	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>										
91	0000	9186	02	028	EE		0.00	0.00	0.00	WA ERM YTD CONTRA ACCOUNT
<i>Contra account for YTD WA ERM Company Band. Offsets 918601 to prevent Balance Sheet inflation.</i>										

Visia Corporation - General Ledger Journal Entry

Print Date: 10-06-04 02:20 PM

Journal ID: **DJ702** Journal Description: **WA - ERM** Effective Date: **09-30-2004**
 Corp: **WWP** Journal Sponsor: **RESOURCE** \$#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**
 Control Amount Total: **4,608,524.00** Saved By: **Linda Donley** Saved Date: **10-06-2004 2:20:09 PM**
 Edit Date: **10-06-2004 2:20:03 PM**

Seq	WO	UMain	Sub	RC	Cost Code	SLID	LOC	Debit Amount	Credit Amount	Transaction Description
100	0000	9182	35	028	EE			0.00	0.00	WASHINGTON ERM DEFERRAL BALANCE
101	0000	9186	29	028	EE			0.00	0.00	WA ERM - LAST YEAR

Totals: 4,608,524.00 Trans: 12 Rows: 17

Prepared By: Linda Donley Date: 10/6/04
 Reviewed By: Jami Gudge Date: 10/6/04

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	9,092,702.00	10,897,385.37	.00
08	12,405,364.00	14,878,366.37	3,462,701.00
09	11,917,361.00	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			

10/11/04 08:59:24 1 M3LL CIX1 _____

ERM Deferral Balance (Current Year - 2004)

Account 9186.28 028

Balance 8/31/04

Deferral

Interest

Balance 9/30/04

<u>Amount</u>	<u>Journal ID</u>
\$12,405,364.00	
-543,091.00	DJ702
<u>55,088.00</u>	DJ702
\$11,917,361.00	

> 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	23,524,285.37	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

10/11/04 08:59:38 1 M3LL CIX1 _____

ERM Deferral Balance (Prior year - 2003)

Account 9186.29 028

Balance 8/31/04

Transferred to Account 9182.35 028 in August 2004

Balance 9/30/04

Amount	Journal ID
\$0.00	
<hr/>	
\$0.00	DJ702

> GD 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	87,392,898.28	92,464,598.28	111,925,345.28
08	109,062,726.65	90,760,912.28	110,453,043.28
09	107,487,249.65	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

10/11/04 08:58:35 1 M3LL CIX1 _____

Recoverable Deferral Balance

Account 9182.35 028

	<u>Amount</u>	<u>Journal ID</u>
Balance 8/31/04	\$109,062,726.65	
Amortization	-2,064,516.00	DJ702
Interest	489,039.00	DJ702
Balance 9/30/04	<u>\$107,487,249.65</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	797,552.00	.00	.00
08	771,770.00	.00	.00
09	745,870.00	.00	.00
10	.00	.00	.00
11	.00	.00	.00
12	.00	974,754.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

10/11/04 08:58:49 1 M3LL CIX1 _____

Contract Buyout Deferral Balance

Account 9182.36 028

	<u>Amount</u>	<u>Journal ID</u>
Balance 8/31/04	\$771,770.00	
Amortization*	-\$29,361.00	RJECB
Interest	3,461.00	RJECB
Balance 9/30/04	<u>\$745,870.00</u>	

*Amount grossed-up from 90% to 100% for ERM deferral calculations \$32,623

> C 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	9,000,000.00	9,000,000.00	4,319,249.00
08	9,000,000.00	9,000,000.00	4,500,000.00
09	9,000,000.00	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
A205W-END OF LIST			

10/11/04 08:59:03 1 M3LL CIX1 _____

ERM Deadband
Account 9186.01 028

Balance 8/31/04
 2004 deadband accumulation
 Balance 9/30/04

Amount	Journal ID
\$9,000,000.00	
0.00	DJ702
<u>\$9,000,000.00</u>	

> C 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	9,000,000.00-	9,000,000.00-	4,319,249.00-
08	9,000,000.00-	9,000,000.00-	4,500,000.00-
09	9,000,000.00-	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
A205W-END OF LIST			

10/11/04 08:59:14 1 M3LL CIX1 _____

ERM Deadband Contra Account

Account 9186.02 028

Balance 8/31/04

2004 deadband contra entry

Balance 9/30/04

Amount	Journal ID
-\$9,000,000.00	
0.00	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	42,003,460.00-	42,840,936.00-	39,003,353.00-
08	42,513,832.00-	43,669,694.00-	39,870,511.00-
09	41,791,614.00-	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			

10/11/04 08:59:57 1 M3LL CIX1 _____

Account 9186.28 028 balance	\$11,917,361.00
Account 9186.29 028 balance	0.00
Account 9182.35 028 balance	107,487,249.65
Total	<u>\$119,404,610.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$41,791,614</u>
Rounding	0
Balance in account	<u>-\$41,791,614</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	279,145.00-	.00	.00
08	270,122.00-	.00	.00
09	261,057.00-	.00	.00
10	.00	.00	.00
11	.00	.00	.00
12	.00	.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

10/11/04 09:00:15 1 M3LL CIX1 _____

Account 9182.36 028 balance	\$745,870.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	<u>-\$261,055</u>
Rounding	-2
Balance in account	<u>-\$261,057</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 8.44%		
The monthly rate is:		0.00704 Before Tax		The monthly rate is: 0.00703 Before Tax		
		0.0045774 After-Tax		0.0045695 After Tax		
		0.35 Tax rate		0.35 Tax rate		
2004 Interest						
				Jan-04	DFIT Expense	ADFIT
12-31-2003	GL Balance including interest	99,774,940		Amortization	(1,015,029)	Operating 1,015,029
Jan-04	Surcharge Amortization	(2,900,072)		Interest	157,515	Nonoperating (157,515)
Jan-04	Interest		450,043		(857,514)	Total 857,514
01-31-2004	Balance before interest	96,874,868		Feb-04	DFIT Expense	ADFIT
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	Surcharge Amortization	(2,279,673)		Mar-04	DFIT Expense	ADFIT
Mar-04	Interest		426,794	Amortization	(797,890)	Operating 797,890
03-31-2004	Balance before interest	92,105,622		Interest	149,378	Nonoperating (149,378)
Apr-04	Surcharge Amortization	(2,014,531)			(648,512)	Total 648,512
Apr-04	Interest		416,966	Apr-04	DFIT Expense	ADFIT
04-30-2004	Balance before interest	90,091,091		Amortization	(705,073)	Operating 705,073
May-04	Surcharge Amortization	(1,851,649)		Interest	145,938	Nonoperating (145,938)
May-04	Interest		408,118		(559,135)	Total 559,135
05-31-2004	Balance before interest	88,239,442		May-04	DFIT Expense	ADFIT
Jun-04	Surcharge Amortization	(1,829,895)		Amortization	(648,077)	Operating 648,077
Jun-04	Interest		399,693	Interest	142,841	Nonoperating (142,841)
06-30-2004	Balance before interest	86,409,547			(505,236)	Total 505,236
06-30-2004	GL Balance including interest	88,948,869		Jun-04	DFIT Expense	ADFIT
Jul-04	Surcharge Amortization	(1,957,949)		Amortization	(640,463)	Operating 640,463
Jul-04	Interest		401,978	Interest	139,893	Nonoperating (139,893)
07-31-2004	Balance before interest	86,990,920			(500,570)	Total 500,570
Aug-04	ERM Transfer from 18629	23,417,280	107,005	Jul-04	DFIT Expense	ADFIT
Aug-04	Surcharge Amortization	(2,353,590)		Amortization	(685,282)	Operating 685,282
Aug-04	Interest		499,133	Interest	140,692	Nonoperating (140,692)
08-31-2004	Balance before interest	108,054,610			(544,590)	Total 544,590
Sep-04	Surcharge Amortization	(2,064,516)		Aug-04	DFIT Expense	ADFIT
Sep-04	Interest		489,039	Amortization	(722,581)	Operating 722,581
09-30-2004	Balance before interest	105,990,094		Interest	171,164	Nonoperating (171,164)
					(551,417)	Total 551,417
				GL Balance	Activity	GL Balance
				@ 8/31/04	Sep-04	@ 9/30/04
	Net ERM Balance	107,487,249		109,062,726	(1,575,477)	107,487,249
	ADFIT Balance	(37,620,537)				

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%		0.00704 Before Tax		Actual cost of debt at 6/30/04 is 8.44%		0.00703 Before Tax
a monthly rate is:		0.0045774 After Tax		The monthly rate is:		0.0045695 After Tax
		0.35 Tax rate				0.35 Tax rate
2004 Interest						
12-31-2003	GL Balance including interest	\$22,791,372.37				
12-31-2003	GL Balance	(\$22,791,372.37)	Transfer to 918629			
01-01-2004	GL Balance	0				
				Jan-04	DFIT Expense	ADFIT
Jan-04	ERM Deferral	0		Deferral	0 Operating	0
Jan-04	Interest	0	0	Interest	0 Nonoperating	0
01-31-2004	Balance before interest	0			0 Total	0
				Feb-04	DFIT Expense	ADFIT
Feb-04	ERM Deferral	0		Deferral	0 Operating	0
Feb-04	Interest	0	0	Interest	0 Nonoperating	0
02-29-2004	Balance before interest	0			0 Total	0
				Mar-04	DFIT Expense	ADFIT
Mar-04	ERM Deferral	0		Deferral	0 Operating	0
Mar-04	Interest	0	0	Interest	0 Nonoperating	0
03-31-2004	Balance before interest	0			0 Total	0
				Apr-04	DFIT Expense	ADFIT
Apr-04	ERM Deferral	0		Deferral	0 Operating	0
Apr-04	Interest	0	0	Interest	0 Nonoperating	0
04-30-2004	Balance before interest	0			0 Total	0
				May-04	DFIT Expense	ADFIT
May-04	ERM Deferral	0		Deferral	0 Operating	0
May-04	Interest	0	0	Interest	0 Nonoperating	0
05-31-2004	Balance before interest	0			0 Total	0
				Jun-04	DFIT Expense	ADFIT
Jun-04	ERM Deferral	3,789,057		Deferral	1,326,170 Operating	(1,326,170)
Jun-04	Interest		8,671	Interest	3,035 Nonoperating	(3,035)
06-30-2004	Balance before interest	3,789,057			1,329,205 Total	(1,329,205)
06-30-2004	GL Balance including interest	3,797,728		Jul-04	DFIT Expense	ADFIT
Jul-04	ERM Deferral	5,265,590		Deferral	1,842,957 Operating	(1,842,957)
Jul-04	Interest		29,384	Interest	10,284 Nonoperating	(10,284)
07-31-2004	Balance before interest	9,063,318			1,853,241 Total	(1,853,241)
				Aug-04	DFIT Expense	ADFIT
Aug-04	ERM Deferral	3,263,790		Deferral	1,142,327 Operating	(1,142,327)
Aug-04	Interest		48,872	Interest	17,105 Nonoperating	(17,105)
08-31-2004	Balance before interest	12,327,108			1,159,432 Total	(1,159,432)
				Sep-04	DFIT Expense	ADFIT
Sep-04	ERM Deferral	(543,091)		Deferral	(190,082) Operating	190,082
Sep-04	Interest		55,088	Interest	19,281 Nonoperating	(19,281)
08-31-2004	Balance before interest	11,784,017			(170,801) Total	170,801
				GL Balance	Activity	GL Balance
	Net ERM Balance	11,917,361		@ 8/31/04	Sep-04	@ 9/30/04
	ADFIT Balance	(4,171,076)		12,405,364	(488,003)	11,917,361

Tax Rate	35%	DJ702 LTD	DJ702 LTD	DJ702 LTD	RJECB		DJ702 CURMO	
	928328	928328	928328	928328	928328	928328	928328	928328
DJ702	GL	ADFIT	ADFIT	ADFIT	ADFIT	BALANCE	FOR ALL	ENDING
	BALANCE	918235	18628	18629	18236	COMPONENTS	ACCOUNTS	BALANCE
12-31-2003	(43,239,378)	(34,921,229)	(7,976,980)	(5)	(341,164)	(43,239,378)	0	(43,239,378)
01-01-2004	(43,239,378)	(34,921,229)	0	(7,976,985)	(341,164)	(43,239,378)	0	(43,239,378)
01-31-2004	(42,409,636)	(34,063,719)	0	(8,013,492)	(332,425)	(42,409,636)	0	(42,409,636)
02-29-2004	(41,719,211)	(33,345,566)	0	(8,050,003)	(323,646)	(41,719,215)	(4)	(41,719,215)
03-31-2004	(41,098,391)	(32,697,058)	0	(8,086,514)	(314,827)	(41,098,399)	(8)	(41,098,399)
04-30-2004	(40,260,936)	(32,137,911)	0	(8,123,025)	0	(40,260,936)	0	(40,260,936)
05-31-2004	(39,792,211)	(31,632,675)	0	(8,159,537)	0	(39,792,212)	(1)	(39,792,212)
06-30-2004	(40,657,357)	(31,132,104)	(1,329,205)	(8,196,048)	0	(40,657,357)	0	(40,657,357)
07-31-2004	(42,003,460)	(30,587,514)	(3,182,446)	(8,233,500)	0	(42,003,460)	0	(42,003,460)
08-31-2004	(42,513,832)	(38,171,954)	(4,341,877)	0	0	(42,513,831)	1	(42,513,831)
09-30-2004	(42,513,832)	(37,620,537)	(4,171,076)	0	0	(41,791,613)	722,219	(41,791,613)
10-31-2004							0	
11-30-2004							0	
12-31-2004							0	
			ADFIT			Interest		
		41010	941020	928328	918235	918628	918629	941900
01-31-2004	918235	(1,015,029)	157,515	857,514	450,043	0	104,318	(554,361)
	918628	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	0	104,318	(542,026)
	918628	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	0	104,318	(531,112)
	918628	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	0	104,318	(521,284)
	918628	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	0	104,318	(512,436)
	918628	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	8,671	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)				
07-31-2004	918235	(685,282)	140,692	544,590	401,978	29,384	107,005	(538,367)
	918628	1,842,957	10,284	(1,853,241)				
	918629	0	37,452	(37,452)				
Total		1,157,675	188,428	(1,346,103)				
08-31-2004	918235	(823,757)	174,697	649,060	499,133	48,872	0	(548,005)
	918628	1,142,327	17,105	(1,159,432)				
	918629	0	0	0				
Total		318,570	191,802	(510,372)				
09-30-2004	918235	(722,581)	171,164	551,417	489,039	55,088	0	(544,127)
	918628	(190,082)	19,281	170,801				
	918629	0	0	0				
Total		(912,663)	190,445	722,218				
10-31-2004	918235							
	918628							
	918629							
Total								
11-30-2004	918235							
	918628							
	918629							
Total								
12-31-2004	918235							
	918628							
	918629							
Total								

			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
 SEPTEMBER 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)	Conversion Factor (f)	Deferral Amortization (g)	(e)*(f) (g)
1 (0-600 kWh)	59.908%	94,060,931	0.405¢	\$380,947	0.956277	\$364,291	
1 (601-1300 kWh)	29.569%	46,425,981	0.607¢	281,806	0.956277	269,485	
1 (over 1300 kWh)	10.523%	16,522,054	0.853¢	140,933	0.956277	134,771	
Total Sch 1	100.000%	157,008,966		803,686		768,547	
11		27,535,179	0.788¢	216,977	0.956277	207,490	
12		3,137,980	0.788¢	24,727	0.956277	23,646	
21		110,350,886	0.549¢	605,826	0.956277	579,337	
22		19,807,685	0.549¢	108,744	0.956277	103,989	
25		79,619,346	0.352¢	280,260	0.956277	268,006	
30		3,796,460	0.485¢	18,413	0.956277	17,608	
31		11,867,046	0.485¢	57,555	0.956277	55,039	
32		1,456,634	0.485¢	7,065	0.956277	6,756	
41-46		\$262,861	109.78%	23,418	0.956277	22,394	
47		\$81,359	109.78%	7,248	0.956277	6,931	
48		\$56,025	109.78%	4,991	0.956277	4,773	
Schedule Totals		414,580,182		\$2,158,910		\$2,064,516	Amortization
kWh not subject to surcharge							-35%
Schedule 28		6,650					(\$722,581) DFIT Expense
Schedule 29		0					
Sch 41-48		2,270,781					
Total kWh		416,857,613					

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

DESCRIPTION	CLS	SCH	CURRENT MONTH		CUSTOMERS	AMOUNT	YEAR TO DATE		AMOUNT
			QUANTITY	AMOUNT			AVG CUST	QUANTITY	
RESIDENTIAL	1	001	186,283	157,008,519	185,829	1,672,467	185,829	1,659,859,638	98,515,736.00
FIRM-COMMERCIAL	21	001							
INTERDEPARTMENT REV	80	001	3	447	19	36.35	2	6,822	428.51
			186,286	157,008,966	185,831	1,672,486		1,659,866,460	98,516,164.51
RESIDENTIAL	1	011	17,972	27,254,638	17,942	161,482	17,942	250,866,508	22,015,851.42
FIRM-COMMERCIAL	21	011	118	221,145	118	1,062	118	2,132,821	193,094.22
FIRM-MISC INDUST	31	011	15	6,681	14	132	14	63,417	6,002.24
LIGHTING-PUB ST-HIWAY	51	011	25	52,715	24	224	24	626,042	53,462.05
INTERDEPARTMENT REV	80	011	18,130	27,535,179	18,100	162,900	18,100	253,688,788	22,268,409.93
RESIDENTIAL	1	012	6,639	3,137,980	6,558	59,029	6,558	29,434,606	2,704,674.52
FIRM-COMMERCIAL	21	012	6,639	3,137,980	6,558	59,029	6,558	29,434,606	2,704,674.52
RESIDENTIAL	1	021	3,132	99,882,924	3,111	28,002	3,111	1,020,545,642	67,329,393.55
FIRM-COMMERCIAL	21	021	117	9,639,102	117	1,056	117	85,068,991	5,541,717.68
FIRM-MISC INDUST	31	021	8	828,860	8	72	8	3,323,220	513,824.97
INTERDEPARTMENT REV	80	021	3,257	110,350,886	3,236	29,130	3,236	1,113,937,853	73,384,936.20
RESIDENTIAL	1	022	56	19,807,685	493	1,036,646.98	54	33,998,211	1,929,121.42
FIRM-COMMERCIAL	21	022	56	19,807,685	493	1,036,646.98	54	33,998,211	1,929,121.42
RESIDENTIAL	1	025	8	24,132,815	72	1,039,927.72	8	189,617,677	8,148,856.64
FIRM-COMMERCIAL	21	025	11	55,486,531	99	2,355,849.97	11	462,642,343	19,848,843.00
FIRM-MISC INDUST	31	025	19	79,619,346	171	3,395,777.69	19	652,260,020	27,997,699.64
FIRM-COMMERCIAL	21	028	1	6,650	6	593,520	6	593,520	23,682.93
FIRM-MISC INDUST	31	028	1	6,650	3	15,260.39	3	19,470	134,410.56
FIRM-PUMPING-IRRIG	39	029			1	612,990	1	612,990	158,093.49
FIRM-PUMPING-IRRIG	39	030	40	3,796,460	7	16,146,525	40	20,019,760	998,239.60
FIRM-PUMPING-IRRIG	39	030	40	3,796,460	7	16,146,525	40	20,019,760	998,239.60
RESIDENTIAL	1	031	516	8,141,237	482	4,346	482	40,864,919	2,307,972.68
FIRM-COMMERCIAL	21	031	129	1,061,940	128	1,152	128	7,787,974	459,770.40
FIRM-MISC INDUST	31	031	378	2,651,249	372	3,349	372	16,079,105	962,118.76
FIRM-PUMPING-IRRIG	39	031	2	12,620	18	686.73	2	57,260	3,247.10
INTERDEPARTMENT REV	80	031	1,025	11,867,046	985	8,865	985	64,789,258	3,733,108.94
RESIDENTIAL	1	032	971	1,246,684	953	8,581	953	6,831,623	434,233.74
FIRM-COMMERCIAL	21	032	110	209,950	109	981	109	1,016,829	61,886.48
FIRM-MISC INDUST	31	032	1,081	1,456,634	1,062	9,562	1,062	7,848,452	496,120.22
FIRM-PUMPING-IRRIG	39	032	12	16,056	108	108	12	144,504	24,543.54
LIGHTING-PUB ST-HIWAY	51	041	12	16,056	108	108	12	144,504	24,543.54

WICIP7761) AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF SEPTEMBER 04

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
LIGHTING-PUB ST-HIWAY	51	042	214	1,046,912	237,966.73	1,923	213	9,418,334	2,140,215.69
			214	1,046,912	237,966.73	1,923	213	9,418,334	2,140,215.69
LIGHTING-PUB ST-HIWAY	51	044	13	21,600	1,889.85	116	12	190,939	16,732.99
			13	21,600	1,889.85	116	12	190,939	16,732.99
LIGHTING-PUB ST-HIWAY	51	045	7	181,374	7,920.18	95	10	1,764,060	78,617.70
			7	181,374	7,920.18	95	10	1,764,060	78,617.70
LIGHTING-PUB ST-HIWAY	51	046	16	174,467	12,356.93	176	19	1,538,385	109,031.41
			16	174,467	12,356.93	176	19	1,538,385	109,031.41
FIRM-COMMERCIAL	21	047		495,832	78,992.37			4,479,775	712,673.65
FIRM-MISC INDUST	31	047		14,751	2,062.47			130,995	18,388.12
FIRM-PUMPING-IRRIG	39	047		207	31.82			1,663	220.18
INTERDEPARTMENT REV	80	047		1,256	272.28			11,304	2,450.52
				512,046	81,358.94			4,623,737	733,732.47
RESIDENTIAL	1	048		318,326	56,024.78			2,872,508	506,015.07
				318,326	56,024.78			2,872,508	506,015.07
RESIDENTIAL	1	056			.00				13.34
FIRM-COMMERCIAL	21	056			.00				.00
					.00				13.34
RESIDENTIAL	1	058			341,261.78				3,470,423.75
FIRM-COMMERCIAL	21	058			494,441.24				4,315,913.43
FIRM-MISC INDUST	31	058			30,898.08				267,148.77
FIRM-PUMPING-IRRIG	39	058			392.74				2,295.98
LIGHTING-PUB ST-HIWAY	51	058			12,341.21				111,055.64
MISC-RENT ELECT PROP	85	058			1,140.84				10,272.92
MISC-OTHER ELECT REV	86	058			16.72				150.48
					880,492.61				8,177,260.97
RESIDENTIAL	1	058A			1,909.90CR				23,556.25CR
FIRM-COMMERCIAL	21	058A			2,446.33CR				19,076.27CR
FIRM-MISC INDUST	31	058A			.53CR				4.73CR
FIRM-PUMPING-IRRIG	39	058A			86.54CR				616.83CR
LIGHTING-PUB ST-HIWAY	51	058A			19.72CR				39.44CR
					4,463.02CR				43,293.52CR
FIRM-ENERGY CHARGE	74	061			.00				.00
SURPLUS-ENERGY CHARG	75	061			.00				.00
					.00				.00
EE - RESIDENTIAL	61	090			4.00				36.00
					4.00				36.00
RESIDENTIAL	1	095			7,133.46				65,866.86
FIRM-COMMERCIAL	21	095			831.00				7,458.76
					7,964.46				73,325.62
THEFT OF SERVICE	18	099			2,136.43				25,838.44

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

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
MISC-SERVICE REV SNP	83	099			25,324.00				213,361.00
MISC-RENT ELECT PROP	85	099			24,564.40				222,523.90
MISC-OTHER ELECT REV	86	099			262.09				2,358.81
					52,286.92				464,082.15
SVC TOTALS			216,796	416,857,613	26,200,174.48	1,945,431	216,159	3,873,155,390	244,466,881.90

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	\$132,532,335	\$20,898,976	\$14,705,597	\$10,016,319	\$11,120,205	\$12,019,655	\$12,473,990	\$18,862,665	\$19,801,656	\$12,633,272	-	-
2	501 Thermal Fuel	\$13,115,439	\$1,413,525	\$1,496,991	\$1,722,290	\$1,235,949	\$784,351	\$1,528,687	\$1,705,125	\$1,647,378	\$1,581,143	-	-
3	547 CT Fuel	\$7,674,214	\$1,642,906	\$403,167	\$278,540	\$361,288	\$378,095	\$690,676	\$690,676	\$779,333	\$2,859,252	-	-
4	447 Sale for Resale	\$60,936,032	\$6,140,479	\$2,826,196	\$3,840,479	\$4,944,388	\$11,138,434	\$10,082,366	\$8,654,928	\$5,889,168	\$7,419,594	-	-
5	Actual Net Expense	\$92,385,956	\$17,814,928	\$13,779,559	\$8,176,670	\$7,773,054	\$2,043,667	\$4,201,268	\$12,603,538	\$16,339,199	\$9,654,073	\$-	\$-
6	Potlatch 25 aMW directly assigned to ID	(\$5,317,531)	\$(601,710)	\$(562,890)	\$(601,710)	\$(581,491)	\$(601,710)	\$(601,710)	\$(601,710)	\$(601,710)	\$(582,300)	-	-
7	Potlatch 62 aMW directly assigned to ID	(\$16,955,697)	\$(2,047,319)	\$(1,907,665)	\$(1,575,121)	\$(1,933,319)	\$(1,968,354)	\$(1,966,680)	\$(2,002,261)	\$(1,674,610)	-	-	-
8	Adjusted Actual Net Expense	\$70,112,728	\$15,165,889	\$11,309,004	\$5,999,839	\$5,258,244	\$1,738,600	\$10,035,148	\$13,735,228	\$7,397,163	\$-	\$-	\$-
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	\$30,931,980	\$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	\$2,142,305
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	\$9,136,979	\$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	\$9,212,198
14	Actual - Authorized Net Expense	\$30,792,300	\$6,034,001	\$4,004,565	\$(1,618,981)	\$1,713,554	\$(203,129)	\$6,177,962	\$8,609,969	\$5,732,534	\$341,825	-	-
15	Net Fuel Expense not Incl in Acct 547 (1)	\$8,357,583	\$182,017	\$102,000	\$1,001,842	\$1,377,773	\$1,370,034	\$1,604,325	\$1,026,257	\$917,759	\$775,576	-	-
16	Adjusted Actual - Authorized Net Exp	\$39,149,883	\$6,216,018	\$4,106,565	\$(617,139)	\$3,091,327	\$1,166,905	\$7,782,287	\$9,636,226	\$6,650,293	\$1,117,401	-	-
17	Washington Alloc. @ 66.29%	\$25,952,457	\$4,120,598	\$2,722,242	\$(409,101)	\$2,049,241	\$773,541	\$5,158,878	\$6,387,854	\$4,408,479	\$740,725	-	-
18	Enron Contract Buyout	\$293,625	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,623	\$32,623	-	-
19	WA Retail Revenue Adjustment	\$(4,162,364)	\$(669,274)	\$(1,277,781)	\$258,633	\$(148,209)	\$13,583	\$421,956	\$(569,821)	\$(814,669)	\$(1,376,782)	-	-
20	Net Power Cost Increase (Decrease)	\$22,083,718	\$3,483,950	\$1,477,087	\$(117,842)	\$1,933,658	\$819,750	\$5,613,480	\$3,626,433	\$603,434	-	-	-
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	\$11,775,346	-	-	-	-	\$3,789,057	\$5,265,590	\$3,263,790	\$(543,091)	-	-	-

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	13,472,671	14,099,076	7,729,761				75,848,649
2	159,509	156,509	158,509	158,509	158,509	124,561	158,509	158,509	158,509				1,392,633
3	102,015	71,340	71,339	118,916	137,141	428,310	104,541	127,993	75,499				1,237,094
4	208,697	208,697	208,697	208,697	208,697	226,570	208,697	208,697	208,697				1,896,146
5	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817				896,642
6	247	355	331	319	283	304	352	424	-110				217,420
7	83,862	128,558	117,527	117,472	122,993	112,101	87,582	49,905	50,477				870,477
8	91,386	307,960	490,688	390,223	428,258	216,181	-4,984		38,553				1,958,265
9	2,541,438	2,296,432	1,254,691	1,215,202					0				7,307,763
10													
11	143,856	219,509	118,092	56,447	(4,793)	(34,091)	12,635	80,167	-42,934				548,888
12	567,300	530,700	567,300	549,238	567,300	549,000	567,300	567,300	549,000				5,013,438
13	1,041,600	974,400	1,041,600	1,006,600	1,041,600	1,008,000	1,041,600	1,041,600	1,008,000				9,205,000
14	590,550	552,450	590,550	570,706	590,550	571,500	590,550	590,550	571,500				5,218,906
15	149,463	144,255	145,150	111,889	105,080	96,117	144,203	125,069	135,666				1,156,892
16	2,047,319	1,907,665	1,575,121	1,933,319	1,968,354	1,880,368	1,966,680	2,002,261	1,674,610				16,955,697
17	122,000	152,500	134,500	136,500	142,500	157,500	178,750	167,250	140,500				1,332,000
18				174,197	300,319	246,493	230,748	262,484	233,791				1,448,032
19	2,624	2,613	2,789	2,053	2,758	3,256	3,014	3,024	3,232				25,363
20	20,896,976	14,705,597	10,016,319	11,120,205	12,019,655	12,473,990	18,862,665	19,801,656	12,633,272				132,532,335

(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	8,174,493	5,435,905	6,937,831				57,398,738
22	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000				1,350,000
23	25,061	30,273	5,762	11,251	19,012	22,282	67,299	39,686	82,624				303,250
24	137	118	116	1,067									1,438
25	34,437	26,372	27,044	25,162	25,079	26,648	24,951	24,791	24,633				239,117
26	183,354	192,024	96,058	151,560	176,290	153,746	239,961	240,184	181,386				1,614,563
27	14,655	0							43,873				58,528
28	(11,310)	(4,173)	(3,856)	(5,473)	(3,978)	(12,978)	(4,790)	(4,421)	(3,985)				(54,964)
29	2,624	2,613	2,789	2,053	2,758	3,256	3,014	3,024	3,232				25,363
29	6,140,479	2,826,196	3,840,479	4,944,368	11,138,434	10,082,366	8,654,928	5,889,168	7,419,594				60,936,033

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
501 FUEL-DOLLARS													
30	wood	557,912	515,287	583,079	563,676	708,456	649,545	619,745	631,816				5,106,560
31	coal	862,129	981,341	1,129,753	670,981	789,491	988,765	1,005,947	925,685				7,857,777
32	Total Coal & Wood	1,420,041	1,496,628	1,712,832	1,234,657	1,497,947	1,638,310	1,625,692	1,557,501				12,964,337
33	gas	1,911	209	178	186	3,846	282	320	229				10,892
34	oil	(8,427)	154	9,280	1,106	26,894	66,533	21,366	23,413				140,410
35	Total Oil & Gas	(6,516)	363	9,458	1,292	30,740	66,815	21,686	23,642				151,102
36	Total Account 501	1,413,525	1,496,991	1,722,290	1,235,949	1,528,687	1,705,125	1,647,378	1,581,143				13,115,439
501 FUEL-TONS													
37	Kettle Falls	46,083	45,232	48,458	44,712	36,427	46,049	41,993	46,044				376,145
38	Colstrip	101,926	89,232	102,899	62,461	64,628	85,911	83,125	85,080				722,716
501 FUEL-COST PER TON													
39	Kettle Falls	12.11 \$	11.39 \$	12.03 \$	12.61 \$	19.45 \$	14.11 \$	14.76 \$	13.72 \$				\$ 13.58
40	Colstrip	8.46 \$	11.00 \$	10.98 \$	10.74 \$	12.22 \$	11.51 \$	12.10 \$	10.88 \$				\$ 10.87
547 FUEL													
41	NE Combustion Turbine Gas/Oil	7	22	629	3,678	978	(47)	(897)					4,370
42	Boulder Park	69,742	12	(23)	61,521	25,326	311,111	369,940	72,923				983,432
43	Kettle Falls CT	28,115	17	(32)	23,727	2,730	184,645	167,718	34,254				473,929
44	Coyote Springs2	1,208,463	375,047	237,939	232,347	211,947	112,878	202,510	2,712,069				5,525,686
45	Rathdrum Gas Storage Fee	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000				360,000
46	Rathdrum Fuel Exp	296,579	(11,931)	27	15	(24)	42,089	62	6				326,797
47	Total Account 547	1,642,906	403,167	278,540	361,288	280,957	690,676	779,333	2,859,252				7,674,214
48	TOTAL NET EXPENSE	17,814,928	13,779,559	8,176,670	7,773,054	4,201,268	12,603,538	16,339,199	9,654,073				92,385,955

AVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of September 2004

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	527,785,476	470,834,527	438,463,416	405,573,683	377,898,211	379,877,408	391,730,893	464,134,163	416,857,613				3,873,155,390
Deduct Sales for Resale kWhs	(2,466,273)	(1,660,477)	(1,750,308)	(2,711,651)	(2,586,385)	(4,971,433)							(18,146,525)
Deduct Exchange (Sch 29) kWhs	(350,076,810)	(294,920,596)	(290,532,463)	(282,078,422)	(271,759,641)	(272,306,395)	(250,189,343)	(261,360,335)	(273,277,338)				(2,546,501,343)
Deduct Prior Month Unbilled kWhs Heating							(11,310,979)	(24,554,051)	(18,203,926)				(54,068,956)
Deduct Prior Month Unbilled kWhs Cooling							261,360,335	273,277,338	271,581,077				2,468,005,610
Add Current Month Unbilled kWhs Heating	294,920,596	290,532,463	282,078,422	271,759,641	272,306,395	250,189,343	24,554,051	18,203,926	286,524				54,355,480
Add Current Month Unbilled kWhs Cooling						11,310,979	24,554,051	18,203,926	286,524				54,355,480
Washington Retail kWhs	470,162,889	464,785,917	428,259,069	392,543,251	375,858,580	364,099,902	416,144,957	469,701,041	397,243,950				3,778,799,656
Test Year Consumption from Attachment 1 Settlement Stipulation	449,477,904	425,137,067	436,508,558	388,111,383	376,471,457	377,440,327	398,566,301	444,487,437	354,506,791	387,418,707	437,561,917	533,208,120	5,008,915,969
Difference from Test Year	20,685,085	39,648,850	(8,249,489)	4,431,868	(612,877)	(13,340,425)	17,578,656	25,213,604	42,737,159				128,092,431
WA Retail Revenue Credit	\$663,578	\$1,271,935	(\$284,644)	\$142,174	(\$19,661)	(\$427,961)	\$563,923	\$808,852	\$1,371,008				\$4,109,205
Net Wind Revenue Credit	\$5,696	\$5,846	\$6,011	\$6,035	\$6,078	\$6,005	\$5,898	\$5,817	\$5,774				\$53,160
Total Revenue Credit	\$669,274	\$1,277,781	(\$258,633)	\$148,209	(\$13,583)	(\$421,956)	\$569,821	\$814,669	\$1,376,782	\$0	\$0	\$0	\$4,162,365

Schedule 95 Wind Revenue	\$7,856.03	\$8,064.13	\$8,290.50	\$8,324.79	\$8,363.87	\$8,282.74	\$8,135.04	\$8,024.06	\$7,964.46				\$73,325.92
Deduct Admin Expense	\$2,160.41	\$2,217.64	\$2,279.89	\$2,289.32	\$2,305.56	\$2,277.75	\$2,237.14	\$2,206.62	\$2,190.23	\$0.00	\$0.00	\$0.00	\$20,164.55
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$5,695.62	\$5,846.49	\$8,010.61	\$6,035.47	\$6,078.31	\$6,004.99	\$5,897.90	\$5,817.44	\$5,774.23	\$0.00	\$0.00	\$0.00	\$53,161.07

Journal ID: **RJECB** Journal Description: Enron Contract Buyout Amort Effective Date: 09-30-2004

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

Control Amount Total: 46,559.00 Saved By: Lori Hamilton Saved Date: 09-29-2004 10:19:15 A

Edit Date: 09-29-2004 10:19:09 AM

Seq	WO	UMain	Sub	RC	Cost Code	SL_ID	LOC	Debit Amount	Credit Amount	Transaction Description
5	0000	9182	36	028	EE			0.00	29,361.00	WASHINGTON ERM AMORTIZATION
<i>Amortize Enron Contract buyout for WA ERM</i>										
10	2577	0557	16	X55	EE	X	028	29,361.00	0.00	POWER TRANSACTIONS /*PS REG EXPENSE
<i>Amortization expense for Enron Contract Buyout</i>										
15	0000	9182	36	028	EE			3,461.00	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	3,461.00	NON-UTILITY REVENUE/INT/DIV INCOME
<i>Interest income accrued</i>										
25	0000	9171	00	FIN	EE			3,461.00	0.00	INTEREST & DIVIDENDS REC
<i>Accrue interest income</i>										
30	0000	9171	00	FIN	EE			0.00	3,461.00	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	10,276.00	INCOME TAX /* PRV DFIT DR
<i>DFIT expense on Amortization (Operating)</i>										
40	0135	9410	20	X54	EE	X	028	1,211.00	0.00	INCOME TAX /PROV DEFERED IT
<i>DFIT expense on Interest Income (Non-Operating)</i>										
45	0000	9283	36	028	EE			9,065.00	0.00	ADFIT-ENRON CONTRACT BUYOUT

Totals: 46,559.00 Trans: 9 Rows: 9

Prepared By: *Lori Hamilton* Date: 9/29/04
Reviewed By: *Jani Judas* Date: 9/30/04

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

Approved For Entry - Corporate Accounting Use Only Date

Avista Corporation									
Enron Contract Buyout		Weighted cost of debt at 12/31/03 is		8.45%					
Amortization Schedule		Weighted cost of debt at 06/30/04 is		8.44%					
January 2004 - December 2006									
		90%	100%						
Uniform Monthly Amortization		-\$29,363	\$32,626 Expense for deferral calculation. January through June 2004				0000928328		
		-\$29,361	\$32,623 Expense for deferral calculation. July through Dec 2004.				0000928336		
				DR	CR	DFIT	DFIT	ADFIT	
Balance	06-30-2004	\$823,217						(288,127)	
Amortization	Jul-04	-29,361	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,276)		10,276	
Net of amortization		793,856							
Average balance		808,537							
Interest (net of tax)	0.0045717	3,696	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,294		(1,294)	
Balance	07-31-2004	\$797,552						(279,145)	
Amortization	Aug-04	-29,361	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,276)		10,276	
Net of amortization		768,191							
Average balance		782,872							
Interest (net of tax)	0.0045717	3,579	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,253		(1,253)	
Balance	08-31-2004	\$771,770						(270,122)	
Amortization	Sep-04	-29,361	2577055716 X55 028	0000918236 028	0135041010 X54 028	(10,276)		10,276	
Net of amortization		742,409							
Average balance		757,090							
Interest (net of tax)	0.0045717	3,461	0000918236 028	Q000941900 Q98 098	0135941020 X54 028	1,211		(1,211)	
Balance	09-30-2004	\$745,870						(261,057)	
Amortization	Oct-04	-29,361							
Net of amortization		716,509							
Average balance		731,190							
Interest (net of tax)	0.0045717	3,343							
Balance	10-31-2004	\$719,852							
Amortization	Nov-04	-29,361							
Net of amortization		690,491							
Average balance		705,172							
Interest (net of tax)	0.0045717	3,224							
Balance	11-30-2004	\$693,715							
Amortization	Dec-04	-29,361							
Net of amortization		664,354							
Average balance		679,035							
Interest (net of tax)	0.0045717	3,104							
Balance	12-31-2004	\$667,458							

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