

Avista Corp.
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Spokane, Washington 99220-3727
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Corp.

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

January 13, 2005

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 December 2004

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 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 \$1,454,763. A deferral in the surcharge direction of 90% of that amount, or \$1,309,287, was recorded.

Actual power supply expenses were higher than authorized due partly to higher than authorized price for purchased power. The average market purchase price was \$45.36/MWh compared to an authorized rate of \$31.50/MWh. The average market sales price was \$49.32/MWh compared to an authorized sales price of \$31.20/MWh. Hydro generation was 17 aMW above the authorized levels.

Coyote Springs 2 generated 17 aMW above the authorized level of 93 aMW. Other gas-fired resources generated 9 aMW below the authorized level due to economics. Colstrip generated 6 aMW above the authorized level, and Kettle Falls generated 23 aMW above the authorized level. Both thermal fuel expense and natural gas fuel expense were above the authorized level. Washington retail sales were 93 aMW below the authorized level.

There were no new forward long-term power contracts of one year or longer entered into in the month of December 2004. If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in black ink that reads 'Kelly Norwood'.

Kelly Norwood
Vice President State and Federal Regulation

RM

Enclosure

c: Robert Cromwell
S. Bradley Van Cleve

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

MONTH OF DECEMBER 2004

Avista Corporation - General Ledger Journal Entry

Print Date: 01-12-2005 10:13 AM

Journal ID: DJ702 Journal Description: WA - ERM Effective Date: 12-31-2004

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

Control Amount Total: 5,236,005.00 Saved By: Linda Donley Saved Date: 01-11-2005 10:05:21 A

Edit Date: 01-11-2005 9:48:05 AM

Seq	WO	U	Main	Sub	RC	Cost	Code	SL	ID	LOC	Debit	Amount	Credit	Amount	Transaction	Description
10	2577	0557	29	X55	EE	X	028				2,499,252.00	0.00			POWER TRANSACTIONS /* WA ERM AMT	
12	0000	9182	35	028	EE						0.00	2,499,252.00			WASHINGTON ERM DEFERRAL BALANCE	
15	2577	0557	28	G55	EE	X	028				0.00	1,309,287.00			POWER TRANSACTIONS/* WA ERM DEF	
20	0000	9186	28	028	EE						1,309,287.00	0.00			WA ERM - CURRENT YEAR	
43	0000	9182	35	028	EE						460,474.00	0.00			WASHINGTON ERM DEFERRAL BALANCE	
<i>Interest income on deferral balance in 18235 authorized for recovery</i>																
45	0000	9186	28	028	EE						45,015.00	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			WA ERM - LAST YEAR	
<i>Interest income (expense) on deferral balance in 18629</i>																
50	Q000	9419	00	Q98	EE	X	098				0.00	505,489.00			NON-UTILITY REVENUE/INT/DIV INCOME	
70	0000	9171	00	FIN	EE						505,489.00	0.00			INTEREST & DIVIDENDS REC	
<i>Accrue interest income on deferral balance</i>																
80	0000	9171	00	FIN	EE						0.00	505,489.00			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	416,488.00			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				176,920.00	0.00			INCOME TAX /PROV DEFERED IT	
<i>DFIT entry for interest income</i>																
89	0000	9283	28	028	EE						239,568.00	0.00			ADFIT-WA ERM CURRENT AND PRIOR YRS	
90	0000	9186	01	028	EE						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			WA ERM YTD CONTRA ACCOUNT	
<i>Contra account for YTD WA ERM Company Band. Offsets 918601 to prevent Balance Sheet inflation.</i>																

Avista Corporation - General Ledger Journal Entry

Journal ID: **DJ702** Journal Description: **WA - ERM** Effective Date: **12-31-2004**
 Corp: **WWP** Journal Sponsor: **RESOURCE** \$#: **\$** Tran Type: **C** Error Code: **Q** Code: **G**
 Control Amount Total: **5,236,005.00** Saved By: **Linda Donley** Saved Date: **01-11-2005 10:05:21 A**
 Edit Date: **01-11-2005 9:48:05 AM**

Seg	WO	U	Main	Sub	RC	Cost Code	SL	ID	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:										5,236,005.00	5,236,005.00	Trans: 11 Rows: 17

ERM balance and interest deemed prudent and transferred to 18235 for recovery
Clear ERM balance from prior year balance account.

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

Linda Donley 1/11/05
 Prepared By Date
Jani Judge 1/10/05
 Reviewed By Date

Approved For Entry - Corporate
 Accounting Use Only

> C WWP,0000918628,028 ON GLMLY
 LEVEL 03 LINK FROM GLM05
 ----- 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	10,143,848.00	18,996,002.37	7,990,106.00
11	9,423,396.00	19,319,437.37	10,046,279.00
12	10,777,698.00	22,791,372.37	18,418,548.00
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:24:58 1 M3LL CIX1 _____

ERM Deferral Balance (Current Year - 2004)

Account 9186.28 028

Balance 11/30/04
 Deferral
 Interest
 Balance 12/31/04

<u>Amount</u>	<u>Journal ID</u>
\$9,423,396.00	
1,309,287.00	DJ702
45,015.00	DJ702
<u>\$10,777,698.00</u>	

> C WWP,0000918629,028 ON GLMLY
 LEVEL 03 LINK FROM GLM05
 ----- 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

01/12/05 14:25:20 1 M3LL CIX1 _____

ERM Deferral Balance (Prior year - 2003)
Account 9186.29 028
 Balance 11/30/04
 Transferred to Account 9182.35 028 in August 2004
 Balance 12/31/04

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

> C WWP,0000918235,028 ON GLMLY
 LEVEL 03 LINK FROM GLM05
 ----- 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	106,046,812.65	87,584,937.28	107,664,179.28
11	104,468,744.65	85,922,928.28	106,072,397.28
12	102,429,966.65	99,774,940.28	104,166,540.28
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:21:45 1 M3LL CIX1 _____

Recoverable Deferral Balance

Account 9182.35 028

	<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/04	\$104,468,744.65	
Amortization	-2,499,252.00	DJ702
Interest	460,474.00	DJ702
Balance 12/31/04	<u>\$102,429,966.65</u>	

> C WWP,0000918236,028 ON GLMLY
 LEVEL 03 LINK FROM GLM05

----- 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	719,852.00	.00	.00
11	693,715.00	.00	.00
12	667,458.00	974,754.00	.00
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:23:10 1 M3LL CIX1 _____

Contract Buyout Deferral Balance

Account 9182.36 028

	<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/04	\$693,715.00	
Amortization*	-\$29,361.00	RJECB
Interest	3,104.00	RJECB
Balance 12/31/04	<u>\$667,458.00</u>	

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

> C WWP,0000918601,028 ON GLMLY
 LEVEL 03 LINK FROM GLM05

----- 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	9,000,000.00	9,000,000.00	4,500,000.00
11	9,000,000.00	9,000,000.00	4,500,000.00
12	9,000,000.00	9,000,000.00	4,500,000.00
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:24:43 1 M3LL CIX1 _____

ERM Deadband
Account 9186.01 028

Balance 11/30/04
 2004 deadband accumulation
 Balance 12/31/04

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

> C WWP,0000918602,028 ON GLMLY
 LEVEL 02 LINK FROM CMEXX
 ----- 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	9,000,000.00-	9,000,000.00-	4,500,000.00-
11	9,000,000.00-	9,000,000.00-	4,500,000.00-
12	9,000,000.00-	9,000,000.00-	4,500,000.00-
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:28:38 1 M3LL CIX1 _____

ERM Deadband Contra Account

Account 9186.02 028

Balance 11/30/04

2004 deadband contra entry

Balance 12/31/04

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

> C WWP,0000928328,028 ON GLMLY
 LEVEL 02 LINK FROM CMEXX

----- 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	40,666,732.00-	44,062,684.00-	40,479,002.00-
11	39,862,249.00-	43,625,888.00-	40,641,539.00-
12	39,622,681.00-	43,239,378.00-	42,904,783.00-
TOTAL	.00	.00	.00

A205W-END OF LIST

01/12/05 14:26:17 1 M3LL CIX1

Account 9186.28 028 balance	\$10,777,698.00
Account 9186.29 028 balance	0.00
Account 9182.35 028 balance	102,429,966.65
Total	<u>\$113,207,664.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$39,622,683</u>
Rounding	2
Balance in account	<u>-\$39,622,681</u>

> C WWP,0000928336,028 ON GLMLY
 LEVEL 02 LINK FROM CMEXX
 ----- 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	251,951.00-	.00	.00
11	242,803.00-	.00	.00
12	233,613.00-	.00	.00
TOTAL	.00	.00	.00
A205W-END OF LIST			

01/12/05 14:26:41 1 M3LL CIX1 _____

Account 9182.36 028 balance	\$667,458.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-\$233,610
Rounding	-3
Balance in account	-\$233,613

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	
			0.0045771 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	DFIT Expense	ADFIT
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	DFIT Expense	ADFIT
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	DFIT Expense	ADFIT
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	DFIT Expense	ADFIT
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
				Jul-04	DFIT Expense	ADFIT
06-30-2004	GL Balance including interest	88,948,869		Amortization	(685,282)	Operating 685,282
Jul-04	Surcharge Amortization	(1,957,949)		Interest	140,692	Nonoperating (140,692)
Jul-04	Interest		401,978		(544,590)	Total 544,590
07-31-2004	Balance before interest	86,990,920				
				Aug-04	DFIT Expense	ADFIT
Aug-04	ERM Transfer from 18629	23,417,280	107,005	Amortization	(823,757)	Operating 823,757
Aug-04	Surcharge Amortization	(2,353,590)		Interest	174,697	Nonoperating (174,697)
Aug-04	Interest		499,133		(649,060)	Total 649,060
08-31-2004	Balance before interest	108,054,610				
				Sep-04	DFIT Expense	ADFIT
Sep-04	Surcharge Amortization	(2,064,516)		Amortization	(722,581)	Operating 722,581
Sep-04	Interest		489,039	Interest	171,164	Nonoperating (171,164)
09-30-2004	Balance before interest	105,990,094			(551,417)	Total 551,417
				Oct-04	DFIT Expense	ADFIT
Oct-04	Surcharge Amortization	(1,920,371)		Amortization	(672,130)	Operating 672,130
Oct-04	Interest		479,934	Interest	167,977	Nonoperating (167,977)
10-31-2004	Balance before interest	104,069,723			(504,153)	Total 504,153
				Nov-04	DFIT Expense	ADFIT
Nov-04	Surcharge Amortization	(2,048,933)		Amortization	(717,127)	Operating 717,127
Nov-04	Interest		470,865	Interest	164,803	Nonoperating (164,803)
11-30-2004	Balance before interest	102,020,790			(552,324)	Total 552,324
				Dec-04	DFIT Expense	ADFIT
Dec-04	Surcharge Amortization	(2,499,252)		Amortization	(874,738)	Operating 874,738
Dec-04	Interest		460,474	Interest	161,166	Nonoperating (161,166)
12-31-2004	Balance before Interest	99,521,538			(713,572)	Total 713,572
				GL Balance	Activity	GL Balance
				@ 11/30/04	Dec-04	@ 12/31/04
	Net ERM Balance	102,429,966		104,468,744	(2,038,778)	102,429,966
	ADFIT Balance	(35,850,488)				

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%	
The monthly rate is:		0.0045771 After Tax		The monthly rate is:	
		0.35 Tax rate		0.00703 Before Tax	
				0.0045695 After Tax	
				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	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	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	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	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	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)
Jul-04					
				DFIT Expense	ADFIT
06-30-2004	GL Balance including interest	3,797,728			
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)
09-30-2004	Balance before interest	11,784,017		(170,801) Total	170,801
Oct-04					
				DFIT Expense	ADFIT
Oct-04	ERM Deferral	(1,823,195)	Deferral	(638,118) Operating	638,118
Oct-04	Interest		49,682 Interest	17,389 Nonoperating	(17,389)
10-31-2004	Balance before interest	9,960,822		(620,729) Total	620,729
Nov-04					
				DFIT Expense	ADFIT
Nov-04	ERM Deferral	(764,222)	Deferral	(267,478) Operating	267,478
Nov-04	Interest		43,770 Interest	15,319 Nonoperating	(15,319)
11-30-2004	Balance before interest	9,196,600		(252,159) Total	252,159
Dec-04					
				DFIT Expense	ADFIT
Dec-04	ERM Deferral	1,309,287	Deferral	458,250 Operating	(458,250)
Dec-04	Interest		45,015 Interest	15,754 Nonoperating	(15,754)
12-31-2004	Balance before Interest	10,505,887		474,004 Total	(474,004)
				GL Balance	GL Balance
	Net ERM Balance	10,777,698	@ 11/30/04	Activity Dec-04	@ 12/31/04
			9,423,396	1,354,302	10,777,698
	ADFIT Balance	(3,772,194)			

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
		0.0045771	After-Tax			0.0045695 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	DFIT Expense	ADFIT
Jan-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Jan-04	Interest		104,318	Interest	36,511	Nonoperating (36,511)
01-31-2004	Balance before interest	22,791,372			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)
06-30-2004	GL Balance including interest	23,417,280		Jul-04	DFIT Expense	ADFIT
Jul-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Jul-04	Interest		107,005	Interest	37,452	Nonoperating (37,452)
07-31-2004	Balance before interest	23,417,280			37,452	Total (37,452)
				Aug-04	DFIT Expense	ADFIT
Aug-04	ERM Transfer to 18235	(23,417,280)	(107,005)	Deferral	0	Operating 0
Aug-04	Interest		0	Interest	0	Nonoperating 0
08-31-2004	Balance before interest	0			0	Total 0
				Sep-04	DFIT Expense	ADFIT
Sep-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Sep-04	Interest		0	Interest	0	Nonoperating 0
09-30-2004	Balance before interest	0			0	Total 0
				Oct-04	DFIT Expense	ADFIT
Oct-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Oct-04	Interest		0	Interest	0	Nonoperating 0
10-31-2004	Balance before interest	0			0	Total 0
				Nov-04	DFIT Expense	ADFIT
Nov-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Nov-04	Interest		0	Interest	0	Nonoperating 0
11-30-2004	Balance before interest	0			0	Total 0
				Dec-04	DFIT Expense	ADFIT
Dec-04	ERM Transfer to 18235	0		Deferral	0	Operating 0
Dec-04	Interest		0	Interest	0	Nonoperating 0
12-31-2004	Balance before interest	0			0	Total 0
	Net ERM Balance	0		GL Balance	Activity	GL Balance
				@ 11/30/04	Dec-04	@ 12/31/04
	ADFIT Balance	0		0.00	0.00	0.00

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	18628	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	(41,791,614)	(37,620,537)	(4,171,076)	0	0	(41,791,613)	1	(41,791,613)
10-31-2004	(40,666,732)	(37,116,384)	(3,550,347)	0	0	(40,666,731)	1	(40,666,731)
11-30-2004	(39,862,249)	(36,564,060)	(3,298,189)	0	0	(39,862,249)	0	(39,862,249)
12-31-2004	(39,622,681)	(35,850,488)	(3,772,194)	0	0	(39,622,682)	0	(39,622,681)
		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	(672,130)	167,977	504,153	479,934	49,682	0	(529,616)
	918628	(638,118)	17,389	620,729				
	918629	0	0	0				
Total		(1,310,248)	185,366	1,124,882				
11-30-2004	918235	(717,127)	164,803	552,324	470,865	43,770	0	(514,635)
	918628	(267,478)	15,319	252,159				
	918629	0	0	0				
Total		(984,605)	180,122	804,483				
12-31-2004	918235	(874,738)	161,166	713,572	460,474	45,015	0	(505,489)
	918628	458,250	15,754	(474,004)				
	918629	0	0	0				
Total		(416,488)	176,920	239,568				

			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			918601	918602	Impact
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
 DECEMBER 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)	45.735%	103,362,427	0.405¢	\$418,618	0.956277	\$400,315
1 (601-1300 kWh)	31.716%	71,679,080	0.607¢	435,092	0.956277	416,068
1 (over 1300 kWh)	22.549%	50,961,394	0.853¢	434,701	0.956277	415,695
Total Sch 1.	100.000%	226,002,901		1,288,411		1,232,078
11		31,264,146	0.788¢	246,361	0.956277	235,589
12		3,964,445	0.788¢	31,240	0.956277	29,874
21		123,857,845	0.549¢	679,980	0.956277	650,249
22		9,761,721	0.549¢	53,592	0.956277	51,249
25		74,388,757	0.352¢	261,848	0.956277	250,399
30		9,700	0.485¢	47	0.956277	45
31		3,230,119	0.485¢	15,666	0.956277	14,981
32		158,707	0.485¢	770	0.956277	736
41-46		\$263,290	109.78%	23,456	0.956277	22,430
47		\$80,776	109.78%	7,196	0.956277	6,881
48		\$55,652	109.78%	4,958	0.956277	4,741
Schedule Totals		472,638,341		\$2,613,525		\$2,499,252 Amortization
kWh not subject to surcharge						-35%
Schedule 28		47,040				(\$874,738) DFIT Expense
Schedule 29		0				
Sch 41-48		2,270,636				
Total kWh		474,956,017				

AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF DECEMBER 04

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
RESIDENTIAL	1	001	188,350	226,001,843	13,173,893.18	2,235,862	186,321	2,202,614,109	130,183,279.00
FIRM-COMMERCIAL	21	001			.00				.00
INTERDEPARTMENT REV	80	001	3	1,058	67.49	28	2	8,590	559.54
			188,353	226,002,901	13,173,960.67	2,235,890	186,324	2,202,622,699	130,183,838.54
RESIDENTIAL	1	011			.00				.00
FIRM-COMMERCIAL	21	011	18,073	30,850,546	2,693,333.05	215,570	17,964	332,786,240	29,214,534.80
FIRM-MISC INDUST	31	011	118	329,244	29,426.88	1,417	118	2,955,738	267,551.84
LIGHTING-PUB ST-HIWAY	51	011	15	7,955	177	177	14	85,805	8,112.05
INTERDEPARTMENT REV	80	011	25	76,401	6,480.17	299	24	814,287	69,493.93
			18,231	31,264,146	2,729,984.07	217,463	18,121	336,642,070	29,559,692.62
RESIDENTIAL	1	012	6,761	3,964,445	351,274.00	79,172	6,597	39,067,414	3,587,375.26
FIRM-COMMERCIAL	21	012	6,761	3,964,445	351,274.00	79,172	6,597	39,067,414	3,587,375.26
RESIDENTIAL	1	021			.00				.00
FIRM-COMMERCIAL	21	021	3,157	112,938,863	7,424,629.91	37,452	3,121	1,357,321,301	89,585,860.39
FIRM-MISC INDUST	31	021	120	10,013,562	647,708.64	1,411	117	114,500,474	7,451,958.78
INTERDEPARTMENT REV	80	021	8	905,420	55,251.02	96	8	10,918,920	674,411.61
			3,285	123,857,845	8,127,589.57	38,959	3,246	1,482,740,695	97,712,230.78
RESIDENTIAL	1	022	68	9,761,721	528,080.33	683	56	52,678,766	2,959,165.13
FIRM-COMMERCIAL	21	022	68	9,761,721	528,080.33	683	56	52,678,766	2,959,165.13
FIRM-MISC INDUST	31	025	8	22,030,444	946,172.99	96	8	256,807,515	11,049,393.63
INTERDEPARTMENT REV	80	025	11	52,358,313	2,231,060.76	132	11	624,562,075	26,681,802.01
			19	74,388,757	3,177,233.75	228	19	881,369,590	37,731,195.64
FIRM-COMMERCIAL	21	028	1	47,040	.00	6		593,520	23,682.93
FIRM-MISC INDUST	31	028	1	47,040	29,739.69	5		87,420	195,131.06
FIRM-PUMPING-IRRIG	39	029			.00	7		16,146,525	.00
FIRM-PUMPING-IRRIG	39	030	40	9,700	725.60	481	40	22,041,700	1,099,704.91
			40	9,700	725.60	481	40	22,041,700	1,099,704.91
RESIDENTIAL	1	031			.00				.00
FIRM-COMMERCIAL	21	031	511	2,302,470	137,682.71	5,886	490	51,131,942	2,905,655.12
FIRM-MISC INDUST	31	031	131	681,705	41,252.22	1,545	128	10,731,679	642,938.27
FIRM-PUMPING-IRRIG	39	031	380	245,924	18,291.73	4,484	373	18,089,558	1,095,403.34
INTERDEPARTMENT REV	80	031	2	20	13.34	24	2	69,240	3,977.62
			1,024	3,230,119	197,240.00	11,939	994	80,022,419	4,647,974.35
RESIDENTIAL	1	032	967	135,672	13,616.10	11,493	957	7,629,389	497,734.26
FIRM-PUMPING-IRRIG	39	032	109	23,035	1,964.65	1,310	109	1,153,328	71,687.67
			1,076	158,707	15,580.75	12,803	1,066	8,782,717	569,421.93
LIGHTING-PUB ST-HIWAY	51	041	12	16,056	2,727.06	144	12	192,672	32,724.72
			12	16,056	2,727.06	144	12	192,672	32,724.72

AVISTA UTILITIES - STATEMENT OF ELECTRIC REVENUES BY RATE SCHEDULE FOR WASHINGTON MONTH OF DECEMBER 04

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
LIGHTING-PUB ST-HIWIY	51	042	216	1,047,542	238,178.52	2,567	213	12,558,485	2,854,042.73
			216	1,047,542	238,178.52	2,567	213	12,558,485	2,854,042.73
LIGHTING-PUB ST-HIWIY	51	044	13	21,600	1,889.85	155	12	255,739	22,402.54
			13	21,600	1,889.85	155	12	255,739	22,402.54
LIGHTING-PUB ST-HIWIY	51	045	7	184,520	8,104.39	116	9	2,311,956	102,599.16
			7	184,520	8,104.39	116	9	2,311,956	102,599.16
LIGHTING-PUB ST-HIWIY	51	046	16	174,919	12,389.97	224	18	2,062,694	146,167.04
			16	174,919	12,389.97	224	18	2,062,694	146,167.04
FIRM-COMMERCIAL	21	047		492,497	78,449.27			5,960,500	948,602.42
FIRM-MISC INDUST	31	047		14,498	2,022.61			174,267	24,455.95
FIRM-PUMPING-IRRIG	39	047		207	31.82			2,284	315.64
INTERDEPARTMENT REV	80	047		1,256	272.28			15,072	3,267.36
				508,458	80,775.98			6,152,123	976,641.37
RESIDENTIAL	1	048		317,541	55,652.22			3,828,189	673,973.71
				317,541	55,652.22			3,828,189	673,973.71
RESIDENTIAL	1	056			.00			13.34	13.34
FIRM-COMMERCIAL	21	056			.00				.00
RESIDENTIAL	1	058			475,755.61				4,620,985.43
FIRM-COMMERCIAL	21	058			472,700.06				5,705,558.73
FIRM-MISC INDUST	31	058			30,593.23				361,804.95
FIRM-PUMPING-IRRIG	39	058			94.98				2,859.49
LIGHTING-PUB ST-HIWIY	51	058			12,355.94				148,101.45
MISC-RENT ELECT PROP	85	058			1,140.84				13,695.44
MISC-OTHER ELECT REV	86	058			16.72				200.64
					992,657.38				10,853,206.13
RESIDENTIAL	1	058A			3,868.64CR				32,368.92CR
FIRM-COMMERCIAL	21	058A			3,370.93CR				27,533.30CR
FIRM-MISC INDUST	31	058A			.51CR				6.36CR
FIRM-PUMPING-IRRIG	39	058A			31.46CR				750.46CR
LIGHTING-PUB ST-HIWIY	51	058A			19.72CR				98.60CR
					7,291.26CR				60,757.64CR
FIRM-ENERGY CHARGE	74	061			.00				.00
SURPLUS-ENERGY CHARG	75	061			.00				.00
EE - RESIDENTIAL	61	090			4.00				48.00
					4.00				48.00
RESIDENTIAL	1	095			8,956.53				90,958.58
FIRM-COMMERCIAL	21	095			884.40				10,017.89
					9,840.93				100,976.47
THEFT OF SERVICE	18	099			3,987.99				34,741.37

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

DESCRIPTION	CLS	SCH	CUSTOMERS	CURRENT MONTH QUANTITY	AMOUNT	CUSTOMERS	AVG CUST	YEAR TO DATE QUANTITY	AMOUNT
MISC-SERVICE REV SNP	83	099			20,913.00				278,922.00
MISC-RENT ELECT PRDP	85	099			24,564.40				296,217.10
MISC-OTHER ELECT REV	86	099			262.09				3,145.08
					49,727.48				613,025.55
SVC TOTALS			219,122	474,956,017	29,776,064.95	2,600,842	216,736	5,150,157,393	324,584,476.27

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	\$174,845,636	\$20,898,976	\$14,705,597	\$10,016,319	\$11,120,205	\$12,019,655	\$12,473,990	\$18,862,865	\$19,801,656	\$12,633,272	\$11,943,468	\$14,336,972	\$16,032,861
2	501 Thermal Fuel	\$18,222,547	\$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	\$1,820,776	\$1,515,336	\$1,770,998
3	547 CT Fuel	\$20,183,774	\$1,642,906	\$403,167	\$278,540	\$361,288	\$378,095	\$280,957	\$690,676	\$779,333	\$2,859,252	\$5,117,402	\$4,070,234	\$3,321,924
4	447 Sale for Resale	\$89,983,263	\$6,140,479	\$2,826,196	\$3,840,479	\$4,944,388	\$11,138,434	\$10,082,366	\$8,654,928	\$7,419,594	\$9,073,203	\$8,781,387	\$11,202,641	
5	Actual Net Expense	\$123,258,694	\$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	\$9,808,443	\$11,141,155	\$9,923,140
6	Pollatch 25 aMW directly assigned to ID	(\$7,104,060)	\$(601,710)	\$(562,890)	\$(601,710)	\$(581,491)	\$(601,710)	\$(582,300)	\$(601,710)	\$(601,710)	\$(582,300)	\$(602,519)	\$(582,300)	\$(601,710)
7	Pollatch 62 aMW directly assigned to ID	(\$22,797,280)	\$(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)	\$(1,987,582)	\$(1,782,725)	\$(2,071,276)
8	Adjusted Actual Net Expense	\$93,357,354	\$15,165,899	\$11,309,004	\$5,999,839	\$5,256,244	\$(526,397)	\$1,798,600	\$10,035,148	\$13,735,228	\$7,397,163	\$7,218,342	\$8,776,130	\$7,250,154
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	\$1,289,090	\$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	\$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	\$3,561,787
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	\$9,002,694	\$7,055,338	\$9,037,068	\$9,296,925	\$8,212,198
14	Actual - Authorized Net Expense	\$27,490,735	\$6,034,001	\$4,004,565	\$(1,618,981)	\$1,713,554	\$(203,129)	\$6,177,962	\$8,609,969	\$5,732,534	\$34,825	\$(1,818,726)	\$(520,795)	\$(962,044)
15	Net Fuel Expense not incl in Acct 547 (1)	\$8,612,002	\$182,017	\$102,000	\$1,001,842	\$1,377,773	\$1,370,034	\$1,604,325	\$1,026,257	\$917,759	\$775,576	\$528,190	\$(35,965)	\$(237,806)
16	Adjusted Actual - Authorized Net Exp	\$36,102,737	\$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	\$(1,290,536)	\$(556,760)	\$(1,199,850)
17	Washington Alloc. @ 66.29%	\$23,932,504	\$4,120,598	\$2,722,242	\$(409,101)	\$2,049,241	\$773,541	\$5,156,878	\$6,387,854	\$4,408,479	\$740,725	\$(855,496)	\$(369,076)	\$(795,381)
18	Error Contract Buyout	\$391,494	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,626	\$32,623	\$32,623	\$32,623	\$32,623	\$32,623	\$32,623
19	WA Retail Revenue Adjustment	\$(3,660,425)	\$(669,274)	\$(1,277,781)	\$258,633	\$(148,209)	\$13,583	\$421,956	\$(569,821)	\$(814,669)	\$(1,376,782)	\$(1,202,899)	\$(512,683)	\$2,217,521
20	Net Power Cost Increase (Decrease)	\$20,663,573	\$3,483,950	\$1,477,087	\$(117,842)	\$1,933,658	\$819,750	\$5,613,460	\$5,850,656	\$3,626,433	\$(803,434)	\$(2,025,772)	\$(849,136)	\$1,454,763
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	\$10,497,216					\$0	\$3,789,057	\$5,265,590	\$3,263,790	\$(543,091)	\$(1,823,195)	\$(764,222)	\$1,309,287

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	6,497,872	6,362,215	7,280,926	95,989,662
2	158,509	158,509	158,509	158,509	158,509	124,561	158,509	158,509	158,509	158,509	158,509	158,509	1,868,160
2	102,015	71,340	71,339	118,916	137,141	428,310	104,541	127,993	75,499	101,539	114,906	394,060	1,847,599
3	208,697	208,697	208,697	208,697	208,697	226,570	208,697	208,697	208,697	208,697	208,697	208,697	2,522,237
4	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817	99,817	(13,861)	1,078,993
5		0						217,530	-110			358,14	217,420
6	247	355	331	319	283	304	352	424	415	409	313	358,14	4,110
7	83,862	128,558	117,527	117,472	122,993	112,101	87,582	49,905	50,477	52,729	92,017	121,306	1,136,529
8	91,386	307,960	490,688	390,223	428,258	216,181	-4,984		38,553	158,564	228,284	373,836	2,718,949
9	2,541,438	2,296,432	1,254,691	1,215,202					0		2,866,000	2,961,240	13,135,003
10	WPI Amort												
11	143,856	219,509	118,092	56,447	(4,793)	(34,091)	12,635	80,167	(42,934)	(16,642)	(90,876)	(13,465)	427,905
12	567,300	530,700	567,300	548,238	567,300	549,000	567,300	567,300	549,000	569,063	549,000	567,300	6,697,801
13	DUKE #2108 (25 FLAT)-30.50	974,400	1,041,600	1,006,600	1,041,600	1,008,000	1,041,600	1,041,600	1,008,000	1,043,000	1,008,000	1,041,600	12,297,600
14	EL PASO #2107 (25 FLAT)	590,550	552,450	590,550	570,706	571,500	590,550	590,550	571,500	591,344	571,500	590,550	6,972,300
15	Haleywest - Plummer Forest Prod.	149,463	144,255	145,150	111,889	105,080	96,117	125,069	135,666	122,358	128,150	118,078	1,525,478
16	Pollatch 62 atMW Purch	2,047,319	1,907,665	1,575,121	1,933,319	1,968,354	1,880,368	2,002,261	1,674,610	1,987,582	1,782,725	2,071,276	22,797,280
17	Douglas Capacity	122,000	152,500	134,500	136,500	157,500	178,750	167,250	140,500	112,500	112,500	90,000	1,647,000
18	PPLM Wind Power			174,197	300,319	246,493	230,748	252,484	233,791	256,328	144,169	79,870	1,928,399
19	WPM Ancillary Services	2,624	2,613	2,789	2,053	3,256	3,014	3,024	3,232	2,510	2,756	2,582	33,211
20	Total Account 555	20,898,976	14,705,597	10,016,319	11,120,205	12,019,655	18,862,665	19,801,656	12,633,272	11,943,468	14,336,972	16,032,861	174,845,636
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	8,593,879	8,247,275	10,673,151	84,913,043
22	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
23	25,061	30,273	5,762	11,251	19,012	22,282	67,299	39,686	82,624	2,873	70,874	10,927	387,923
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	25,316	27,210	33,610	325,253
26	183,354	192,024	96,058	151,560	176,290	153,746	239,961	240,184	181,386	217,271	225,792	241,462	2,299,088
27	14,655	0							43,873	86,476	61,730	94,872	301,606
28	(11,310)	(4,173)	(3,856)	(5,473)	(3,978)	(12,978)	(4,790)	(4,421)	(3,985)	(5,121)	(4,251)	(3,862)	(68,299)
29	2,624	2,613	2,789	2,053	2,758	3,256	3,014	3,024	3,232	2,510	2,756	2,582	33,211
28	6,140,479	2,826,196	3,840,479	4,944,388	11,136,434	10,082,366	8,654,928	5,889,168	7,419,594	9,073,203	8,781,387	11,202,641	89,993,263

(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). Effective November 2004, the mid-point price is \$34.79/MWh per Settlement Agreement, Cause No. U-86-99

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
<u>501 FUEL-DOLLARS</u>													
30	557,912	515,287	583,079	563,676	277,044	708,456	649,545	619,745	631,816	653,140	736,864	895,376	7,391,940
31	862,129	981,341	1,129,753	670,981	503,685	789,491	988,765	1,005,947	925,685	1,136,012	765,645	869,840	10,629,274
32	1,420,041	1,496,628	1,712,832	1,234,657	780,729	1,497,947	1,638,310	1,625,692	1,557,501	1,789,152	1,502,509	1,765,216	18,021,214
33	1,911	209	178	186	3,531	3,846	282	320	229	510	1,841	23	13,066
34	(8,427)	154	9,280	1,106	91	26,894	66,533	21,366	23,413	31,114	10,986	5,757	188,267
35	(6,516)	363	9,458	1,292	3,622	30,740	66,815	21,686	23,642	31,624	12,827	5,780	201,333
36	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	1,820,776	1,515,336	1,770,996	18,222,547
<u>501 FUEL-TONS</u>													
37	46,083	45,232	48,458	44,712	21,147	36,427	46,049	41,993	46,044	45,702	48,547	53,976	524,370
38	101,926	89,232	102,899	62,461	47,454	64,628	85,911	83,125	85,080	101,446	99,600	96,882	1,020,644
<u>501 FUEL-COST PER TON</u>													
39	12.11 \$	11.39 \$	12.03 \$	12.61 \$	13.10 \$	19.45 \$	14.11 \$	14.76 \$	13.72 \$	14.29 \$	15.18 \$	16.59 \$	14.10 \$
40	8.46 \$	11.00 \$	10.98 \$	10.74 \$	10.61 \$	12.22 \$	11.51 \$	12.10 \$	10.88 \$	11.20 \$	7.69 \$	8.98 \$	10.41 \$
<u>547 FUEL</u>													
41	7	22	629	3,678	978	978	(47)	(697)	-	2,954	(154)	(5)	7,165
42	69,742	12	(23)	61,521	72,880	25,326	311,111	369,940	72,923	702	1,289	6,144	991,567
43	28,115	17	(92)	23,727	32,755	2,730	184,645	167,718	34,254	24,798	1,587	26,115	526,429
44	1,208,463	375,047	237,939	232,347	232,486	211,947	112,878	202,510	2,712,069	5,048,893	3,981,012	3,209,188	17,764,779
45	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
46	296,579	(11,931)	27	15	(26)	(24)	42,089	62	6	55	46,500	40,482	413,834
47	1,642,906	403,167	278,540	361,288	378,095	280,957	690,676	779,333	2,859,252	5,117,402	4,070,234	3,321,924	20,183,774
48	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	9,808,443	11,141,155	9,923,140	123,258,694

AVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of December 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	391,600,607	410,445,379	474,956,017	5,150,157,393
Deduct Sales for Resale kWhs	(2,466,273)	(1,660,477)	(1,750,306)	(2,711,651)	(2,586,385)	(4,971,433)	-	-	-	-	-	-	(16,146,525)
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)	(271,581,077)	(304,992,151)	(347,897,976)	(3,470,972,547)
Deduct Prior Month Unbilled kWhs Heating	-	-	-	-	-	-	(11,310,979)	(24,554,051)	(18,203,926)	(286,524)	(304,992,151)	-	(54,355,480)
Add Current Month Unbilled kWhs Cooling	294,920,596	290,532,463	282,078,422	271,759,641	272,306,395	250,189,343	261,360,335	273,277,338	271,581,077	304,992,151	347,897,976	336,802,948	3,457,698,685
Add Current Month Unbilled kWhs Heating	-	-	-	-	-	11,310,979	24,554,051	18,203,926	286,524	-	-	-	54,355,480
Washington Retail kWhs	470,162,989	464,785,917	428,259,069	392,543,251	375,858,580	364,099,902	416,144,957	469,701,041	397,243,950	424,725,157	453,351,204	463,860,989	5,120,737,006
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	437,581,917	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	37,306,450	15,769,287	(69,347,131)	111,821,037
WA Retail Revenue Credit	\$663,578	\$1,271,935	(\$264,644)	\$142,174	(\$19,661)	(\$427,961)	\$563,923	\$808,852	\$1,371,008	\$1,196,791	\$505,879	(\$2,224,656)	\$3,587,219
Net Wind Revenue Credit	\$5,696	\$5,846	\$6,011	\$6,035	\$9,078	\$6,005	\$5,898	\$5,817	\$5,774	\$6,108	\$6,804	\$7,135	\$73,207
Total Revenue Credit	\$669,274	\$1,277,781	(\$258,633)	\$148,209	(\$13,583)	(\$421,956)	\$569,821	\$814,669	\$1,376,782	\$1,202,899	\$512,683	(\$2,217,521)	\$3,660,426

Schedule 95 Wind Revenue	\$7,856.03	\$8,064.13	\$8,290.50	\$8,324.79	\$8,383.87	\$8,282.74	\$8,135.04	\$9,024.06	\$7,964.46	\$8,425.22	\$9,384.70	\$9,840.93	\$100,976.47
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	\$2,316.94	\$2,580.79	\$2,706.26	\$27,768.53
0.275 per Revenue \$	\$5,695.62	\$5,846.49	\$6,010.61	\$6,035.47	\$6,078.31	\$6,004.99	\$5,897.90	\$6,817.44	\$5,774.23	\$6,108.28	\$6,803.91	\$7,134.67	\$73,207.94

Avista Corporation - General Ledger Journal Entry

Print Date: 01-09-2005 02:15 PM

Journal ID: **RJECB** Journal Description: **Enron Contract Buyout Amort** Effective Date: **12-31-2004**

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

Control Amount Total: **45,845.00** Saved By: **Linda Donley** Saved Date: **01-09-2005 2:15:18 PM**

Edit Date: **01-09-2005 2:15:12 PM**

Seq	WO	U Main	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			3,104.00	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	3,104.00	NON-UTILITY REVENUE/INT/DIV INCOME
<i>Interest income accrued</i>										
25	0000	9171	00	FIN	EE			3,104.00	0.00	INTEREST & DIVIDENDS REC
<i>Accrue interest income</i>										
30	0000	9171	00	FIN	EE			0.00	3,104.00	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	1,086.00	0.00	INCOME TAX /PROV DEFERED IT
<i>DFIT expense on Interest Income (Non-Operating)</i>										
45	0000	9283	36	028	EE			9,190.00	0.00	ADFIT-ENRON CONTRACT BUYOUT
Totals:								45,845.00	45,845.00	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 1/9/05
Date: _____
Reviewed By: Jami Audley 1/10/05
Date: _____

Approved For Entry - Corporate
Accounting Use Only
Date: _____

Avista Corporation									
Enron Contract Buyout Amortization Schedule			Weighted cost of debt at 12/31/03 is		8.45%				
January 2004 - December 2006			Weighted cost of debt at 06/30/04 is		8.44%				
			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	2577055716 X55 028	0000918236 028	0135041010 X54 028		(10,276)	10,276	
Net of amortization		716,509							
Average balance		731,190							
Interest (net of tax)	0.0045717	3,343	0000918236 028	Q000941900 Q98 098	0135941020 X54 028		1,170	(1,170)	
							Total DFIT for the month - expense (benefit)	(9,106)	9,106
Balance	10-31-2004	\$719,852						(251,951)	
Amortization	Nov-04	-29,361	2577055716 X55 028	0000918236 028	0135041010 X54 028		(10,276)	10,276	
Net of amortization		690,491							
Average balance		705,172							
Interest (net of tax)	0.0045717	3,224	0000918236 028	Q000941900 Q98 098	0135941020 X54 028		1,128	(1,128)	
							Total DFIT & ADFIT for the month	(9,148)	9,148
Balance	11-30-2004	\$693,715						(242,803)	
Amortization	Dec-04	-29,361	2577055716 X55 028	0000918236 028	0135041010 X54 028		(10,276)	10,276	
Net of amortization		664,354							
Average balance		679,035							
Interest (net of tax)	0.0045717	3,104	0000918236 028	Q000941900 Q98 098	0135941020 X54 028		1,086	(1,086)	
							Total DFIT & ADFIT for the month	(9,190)	9,190
Balance	12-31-2004	\$667,458						(233,613)	

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