

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



Corp.

February 17, 2005

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, S.W.  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report  
For the Month of January 2005

RECORDED  
05 FEB 22 AM 9:43  
COMMUNICATIONS  
UNIT

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of January 2005. 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 \$31,191. However, no deferral entry was recorded as the entire amount was applied toward the \$9 million deadband for 2005.

Actual power supply expenses were lower than authorized due partly to higher than authorized hydro generation. Hydro generation was 9 aMW above the authorized levels. The average market purchase price was \$45.31/MWh compared to an authorized rate of \$43.72/MWh. The average market sales price was \$47.63/MWh compared to an authorized sales price of \$33.24/MWh.

On January 20, 2005 Avista acquired the second half of Coyote Springs 2. Due to economics the plant generated 28 aMW below the authorized level of 110 aMW. Other gas-fired resources generated 24 aMW below the authorized level due to economics. Colstrip generated 15 aMW above the authorized level, and Kettle Falls generated 20 aMW above the authorized level. Thermal fuel expense was above the authorized level and natural gas fuel expense was below the authorized level. Washington retail sales were 45 aMW above the authorized level.

The journal and workpapers associated with the Enron contract amortization are included in the enclosed report at pages 23-27. Workpapers supporting the semi-annual update of the carrying charge are included in the enclosed report at pages 28-31. There were no new forward long-term power contracts of one year or longer entered into in the month of January 2005. 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

Enclosure

RM

c: Robert Cromwell  
S. Bradley Van Cleve

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

MONTH OF JANUARY 2005

**Avista Corporation Journal Entry**

Journal: RA - WA ERM

Sponsor: Resource Accounting

Tran Type: C

Bal. Cdi.: G

Effective Date: 200501

Last Saved by: Lori Hamilton Saved Date: 02-10-2005 3:32:0

Submitted by: ~~Tamara Judge~~ *LH*

Seq	Co.	FERC	Ser.	Jur.	S.L.	Debit	Credit	Comment	
10	001	557290	ED	WA	DL	2,686,159.00		WA ERM surcharge amortization	
20	001	182350	ED	WA	DL		2,686,159.00	WA ERM authorized for recovery	
30	001	557280	ED	WA	DL	0.00		WA ERM current month deferral	
40	001	186280	ED	WA	DL	0.00		WA ERM current year deferral	
50	001	182350	ED	WA	DL	453,375.00		Accrue interest on deferral balance authorized for recovery	
60	001	186280	ED	WA	DL	0.00		Accrue interest on current year deferral balance	
70	001	186290	ED	WA	DL	48,338.00		Accrue interest on previous year deferral balance	
80	001	419000	ZZ	ZZ	DL		501,713.00	Non-utility interest income	
90	001	410100	ED	WA	DL		940,160.00	DFIT entry for power supply deferral and surcharge amortization	
100	001	410200	ZZ	ZZ	DL	175,599.00		Non -op DFIT entry for interest income	
110	001	283280	ED	WA	DL	764,561.00		ADFIT WA ERM current and prior years	
120	001	186010	ED	WA	DL		31,191.00	Track YTD company band accumulation	
130	001	186020	ED	WA	DL	31,191.00		Contra account for YTD company band accumulation	
140	001	182350	ED	WA	DL	0.00		Transfer ERM balance deemed prudent	
150	001	186290	ED	WA	DL	0.00		Clear ERM balance for previous year	
160	001	186280	ED	WA	DL		10,777,698.00	TRANSFER ERM BALANCE FROM CUR YR ACCT TO LAST YR ACCT	
170	001	186290	ED	WA	DL	10,777,698.00		TRANSFER ERM BALANCE TO LAST YR ACCT FROM CUR YR ACCT	
180	001	186010	ED	WA	DL		9,000,000.00	CLEAR COMPANY BAND PRIOR YEAR	
190	001	186020	ED	WA	DL	9,000,000.00		CLEAR CONTRA ACCOUNT PRIOR YEAR	
							<b>TOTALS:</b>	<b>23,936,921.00</b>	<b>23,936,921.00</b>

Seq Project Task Expenditure Organization Quantity Co. FERC Ser. Jur Comment

TOTAL:



Detail Balances (AVA CORP) - 001 186280.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200412	USD	1,354,302.00		10,777,698.00	
200413	USD	0.00		10,777,698.00	
200501	USD	-10,777,698.00		0.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Current Year - 2005)**

**Account 186280.ED.WA**

Balance 12/31/04

Transfer to Account 186290.ED.WA

Balance 1/31/05

<u>Amount</u>	<u>Journal ID</u>
\$10,777,698.00	
<u>-10,777,698.00</u>	RA - WA ERM
\$0.00	

Detail Balances (AVA CORP) - 001 - 186290.ED.WA.DL

Balance Type **Actual** Currency Type **Entered**  
 Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200412	USD	0.00		0.00	
200413	USD	0.00		0.00	
200501	USD	10,826,036.00		10,826,036.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Prior year - 2004)**

<u>Account 186290.ED.WA</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 12/31/04	\$0.00	
Transfer from Account 186280.ED.WA	\$10,777,698.00	RA - WA ERM
Interest	48,338.00	RA - WA ERM
Balance 1/31/05	<u>\$10,826,036.00</u>	



Detail Balances (AVA CORP) - 001 182360.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200412	USD	-26,257.00		667,458.00	
200413	USD	0.00		667,458.00	
200501	USD	-26,403.00		641,055.00	

Journal Details

Summary Balances

**Contract Buyout Deferral Balance**

Account 182360.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 12/31/04	\$667,458.00	
Amortization*	-\$29,331.00	RA - ENRON CONTRACT BUYOUT AMORT
Interest	2,928.00	RA - ENRON CONTRACT BUYOUT AMORT
Balance 1/31/05	\$641,055.00	

\*Amount grossed-up from 90% to 100% for ERM deferral calculations \$32,590









Detail: Balances (A/A CORP) - 001 283360 ED.WA/DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200412	USD	9,190.00		-233,613.00	
200413	USD	0.00		-233,613.00	
200501	USD	9,241.00		-224,372.00	

Journal Details

Summary Balances

**DFIT Associated with Contract Buyout Deferral**  
**Account 283360.ED.WA**

Account 182360.ED.WA balance	\$641,055.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-224,369
Rounding	-3
Balance in account	-224,372



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 12/31/04 is 8.28%.		0.00690 Before Tax		Actual cost of debt at 6/30/04 is 8.44%		0.00703 Before Tax	
The monthly rate is:		0.0044850 After Tax		The monthly rate is:-		0.0045695 After Tax	
		0.35 Tax rate				0.35 Tax rate	
<b>Account 186290</b>		<b>2005 Interest:</b>					
12-31-2004	GL Balance including interest	0					
12-31-2004	Transfer from 918628	\$10,777,698.00					
01-01-2005	GL Balance including interest	\$10,777,698.00		Jan-05	DFIT Expense		ADFIT
Jan-05	ERM Transfer to 18235	0		Deferral	0	Operating	0
Jan-05	Interest	48,338		Interest	16,918	Nonoperating	(16,918)
01-31-2005	Balance before interest	10,777,698			16,918	Total	(16,918)
				Feb-05	DFIT Expense		ADFIT
	<b>Net ERM Balance</b>	<b>10,826,036</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>12-31-04</b>	<b>Jan-05</b>	<b>01-31-05</b>	
	<b>ADFIT Balance</b>	<b>(3,789,113)</b>		<b>0.00</b>	<b>10,826,036.00</b>	<b>10,826,036.00</b>	

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.						
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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 12/31/04 is 8.28%.		Actual cost of debt at 6/30/04 is 8.44%				
The monthly rate is:		The monthly rate is:-		0.00703	Before Tax	
0.00690 Before Tax				0.0045695	After Tax	
0.0044850 After Tax				0.35	Tax rate	
0.35 Tax rate						
<b>Account 186280</b>		<b>2005 Interest</b>				
12-31-2004	GL Balance including interest	\$10,777,698.00				
01-01-2005	GL Balance	(\$10,777,698.00)	Transfer to 186290			
01-01-2005	GL Balance	0				
				<u>Jan-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Jan-05	ERM Deferral	0		Deferral	0 Operating	0
Jan-05	Interest	0	0	Interest	0 Nonoperating	0
01-31-2005	Balance before interest	0			0 Total	0
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
	<b>Net ERM Balance</b>	0		<u>12-31-04</u>	<u>Jan-05</u>	<u>01-31-05</u>
				10,777,698	(10,777,698)	0
	<b>ADFIT Balance</b>	0				

Tax Rate	35%	DJ702 LTD	DJ702 LTD	DJ702 LTD			DJ702 CURMO	
	283280	283280	283280	283280			283280	283280
J702	GL	ADFIT	ADFIT	ADFIT			BALANCE	FOR ALL
	<u>BALANCE</u>	<u>182350</u>	<u>186280</u>	<u>186290</u>			<u>COMPONENTS</u>	<u>ACCOUNTS</u>
12-31-2004	(39,622,681)	(35,850,488)	(3,772,194)	0			(39,622,682)	0
01-31-2005								
			<u>ADFIT</u>				<u>Interest</u>	
		<u>41010</u>	<u>941020</u>	<u>928328</u>		<u>918235</u>	<u>918628</u>	<u>918629</u>
01-31-2005	918235	(940,160)	158,681	781,479		453,375	0	48,338
	918628	0	0	0				
	918629	0	16,918	(16,918)				
Total		(940,160)	175,599	764,561				



			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			<u>186010</u>	<u>186020</u>	<u>Impact</u>
12-31-2004	Balance		\$9,000,000	(\$9,000,000)	\$0
	2004 Requirement	\$9,000,000			
	Jan-05 Reverse 2004		(\$9,000,000)	\$9,000,000	\$0
	Jan-05 Activity		(\$31,191)	\$31,191	
01-31-2005	Balance		(\$31,191)	\$31,191	\$0

AVISTA CORPORATION  
 JANUARY 2005 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)	41.321%	104,246,782	0.405¢	\$422,199	0.956277	\$403,739
1 (601-1300 kWh)	30.774%	77,638,259	0.607¢	471,264	0.956277	450,659
1 (over 1300 kWh)	27.905%	70,400,195	0.853¢	600,514	0.956277	574,258
Total Sch 1	100.000%	252,285,236		1,493,977		1,428,656
11		32,537,903	0.788¢	256,399	0.956277	245,188
12		4,364,480	0.788¢	34,392	0.956277	32,888
21		126,801,996	0.549¢	696,143	0.956277	665,706
22		3,091,885	0.549¢	16,974	0.956277	16,232
25		73,409,257	0.352¢	258,401	0.956277	247,103
30		3,360	0.485¢	16	0.956277	15
31		3,349,578	0.485¢	16,245	0.956277	15,535
32		174,358	0.485¢	846	0.956277	809
41-46		\$262,999	109.78%	23,430	0.956277	22,406
47		\$80,888	109.78%	7,206	0.956277	6,891
48		\$55,524	109.78%	4,946	0.956277	4,730
Schedule Totals		496,018,053		\$2,808,975		\$2,686,159 Amortization
kWh not subject to surcharge						-35%
Schedule 28		0				(\$940,156) DFIT Expense
Schedule 29		0				
Sch 41-48		2,265,633				
Total kWh		498,283,686				

Electric Revenue Report by Location  
 Current Month and Year-to-Date  
 for Accounting Period : 200501 , State Code : WA

Accounting Period: 200501 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	YTD Usage	YTD Revenue Amt
Rate Schedule Num						
001	188,589	252,285,236	14,834,402	188,589	252,285,236	14,834,402
011	18,299	32,537,903	2,833,011	18,299	32,537,903	2,833,011
012	6,755	4,364,480	383,131	6,755	4,364,480	383,131
021	3,279	126,801,996	8,298,648	3,279	126,801,996	8,298,648
022	67	3,091,885	184,231	67	3,091,885	184,231
025	20	73,409,257	3,150,111	20	73,409,257	3,150,111
028	0	0	14,858	0	0	14,858
030	30	3,360	359	30	3,360	359
031	1,023	3,349,578	212,677	1,023	3,349,578	212,677
032	1,073	174,358	17,198	1,073	174,358	17,198
041	12	16,056	2,727	12	16,056	2,727
042	214	1,047,502	238,169	214	1,047,502	238,169
044	13	21,600	1,890	13	21,600	1,890
045	7	181,041	7,903	7	181,041	7,903
046	16	173,685	12,310	16	173,685	12,310
047	0	508,695	80,888	0	508,695	80,888
048	0	317,054	55,524	0	317,054	55,524
058	0	0	980,662	0	0	980,662

**Electric Revenue Report by Location**  
**Current Month and Year-to-Date**  
 for Accounting Period : 200501 , State Code : WA

Accounting Period: 200501 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	YTD Usage	YTD Revenue Amt
058A	0	0	-8,380	0	0	-8,380
090	0	0	4	0	0	4
095	0	0	9,777	0	0	9,777
099	0	0	46,303	0	0	46,303
Total for WA	219,397	498,283,686	31,356,402	219,397	498,283,686	31,356,402
Total for WA	219,397	498,283,686	31,356,402	219,397	498,283,686	31,356,402

Avista Utilities  
 WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2005	Actual														
		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Actual Dec-05			
1	555 Purchased Power	\$16,986,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	501 Thermal Fuel	\$1,705,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	547 CT Fuel	\$3,103,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	447 Sale for Resale	\$8,099,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Actual Net Expense	\$13,696,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Pottlatch 25 aMW directly assigned to ID	(\$601,710)														
7	Pottlatch 62 aMW directly assigned to ID	(\$1,984,277)														
8	Adjusted Actual Net Expense	\$11,110,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>																
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	\$ 6,079,663	\$ 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	\$ 2,355,990	\$ 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	\$ 8,002,694	\$ 7,055,338	\$ 9,037,068	\$ 9,296,925	\$ 8,212,198		
14	Actual - Authorized Net Expense	\$1,978,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
15	Net Fuel Expense not incl in Acct 547 (1)	\$ (456,235)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
16	Adjusted Actual - Authorized Net Exp	\$ 1,522,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
17	Washington Alloc. @ 66.29%	\$1,009,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
18	Enron Contract Buyout 100%	\$32,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
19	WA Retail Revenue Adjustment	\$ (1,073,137)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
20	Net Power Cost Increase (Decrease)	\$ (31,191)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

\$  
ACTUALS

Line No.	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL 2005
<b>555 PURCHASED POWER</b>													
1	8,399,639												8,399,639
2	163,242												163,242
2	106,273												106,273
3	273,832												273,832
4	98,106												98,106
5													343
6	343												343
7	116,157												116,157
8	348,383												348,383
9	2,961,151												2,961,151
10	16,881												16,881
11	567,300												567,300
12	1,041,600												1,041,600
13	590,550												590,550
14	117,591												117,591
15	1,984,277												1,984,277
16	90,000												90,000
17	108,571												108,571
18	2,908												2,908
19	16,986,804	0	0	0	0	0	0	0	0	0	0	0	16,986,804
<b>447 SALES FOR RESALE</b>													
20	7,575,690												7,575,690
21	150,000												150,000
22	62,464												62,464
23	61,750												61,750
24	197,530												197,530
25	52,912												52,912
26	(4,050)												(4,050)
26	2,908												2,908
27	8,099,204												8,099,204

(1) Effective November, 2004, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$34.79/MWh for the 2004-05 contract year) per Settlement Agreement, Cause No. U-86-99

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

Line No.	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL 2005
<u>501 FUEL-DOLLARS</u>													
28	wood	801,206											801,206
29	coal	884,025											884,025
30	Total Coal & Wood	1,685,231	0	0									1,685,231
31	gas	4,561											4,561
32	oil	15,558											15,558
33	Total Oil & Gas	20,119	0	0									20,119
34	Total Account 501	1,705,350	0	0									1,705,350
<u>501 FUEL-TONS</u>													
35	Kettle Falls	52,249											52,249
36	Colstrip	101,200											101,200
<u>501 FUEL-COST PER TON</u>													
37	wood	\$ 15.33	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 15.33
38	coal	\$ 8.74	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 8.74
<u>547 FUEL</u>													
39	NE Combustion Turbine Gas/Oil	484											484
40	Boulder Park	158,343											158,343
41	Kettle Falls CT	48,994											48,994
42	Coyote Springs2	2,855,500											2,855,500
43	Rathdrum Gas Storage Fee	40,000											40,000
44	Rathdrum Fuel Exp	486											486
45	Total Account 547	3,103,807											3,103,807
46	TOTAL NET EXPENSE	13,696,757	0	0	0	0	0	0	0	0	0	0	13,696,757

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of January 2005

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	498,283,686												498,283,686
Deduct Prior Month Unbilled kWhs Heating	(336,802,948)												(336,802,948)
Deduct Prior Month Unbilled kWhs Cooling													
Add Current Month Unbilled kWhs Heating	321,228,105												321,228,105
Add Current Month Unbilled kWhs Cooling													
Washington Retail kWhs	482,708,843												482,708,843
Test Year Consumption	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	5,008,915,989
from Attachment 1 Settlement Stipulation in Docket No. UE-011595													
Difference from Test Year	33,230,939												33,230,939
WA Retail Revenue Credit	\$1,066,049	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,066,049
Net Wind Revenue Credit	\$7,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,088
<b>Total Revenue Credit</b>	<b>\$1,073,137</b>												<b>\$1,073,137</b>

Schedule 95 Wind Revenue	\$9,776.86												\$9,776.86
Deduct Admin Expense	\$2,688.64												\$2,688.64
0.005 x 55 = 0.275 per Revenue \$													
<b>Net Wind Revenue Credit</b>	<b>\$7,088.22</b>												<b>\$7,088.22</b>



**Avista Corporation Journal Entry**

Journal: RA - ENRON CONTRACT BUYOUT AMORTIZATION

Effective Date: 200501

Sponsor: Resource Accounting

Tran Type: C

Bal. Cd.: G

Last Saved By: Lori Hamilton

Saved Date: 02-04-2005 2:37:5

Submitted by: Lori Hamilton

SEQ	Company	FERC	Service	Jurisdiction	Statistical	Debit Amount	Credit Amount	Transaction Description
10	001	557160	ED	WA	DL	29,331.00		Amortization expense
20	001	182360	ED	WA	DL		29,331.00	Amortization for WA ERM
30	001	182360	ED	WA	DL	2,928.00		Accrue interest on unamortized balance for future recovery
40	001	419000	ZZ	ZZ	DL		2,928.00	Interest income accrued
50	001	410100	ED	WA	DL		10,266.00	DFIT expense on amortization (operating)
60	001	410200	ZZ	ZZ	DL	1,025.00		DFIT expense on amortization (non-operating)
70	001	283360	ED	WA	DL	9,241.00		ADFIT ECB
<b>TOTALS:</b>						<b>42,525.00</b>	<b>42,525.00</b>	

Seg	Project	Task	Expenditure Type	Organization Name	Quantity	Co.	FERC	Service	Jurisdiction	Comment
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Total:

Explanation:

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

*Lori Hamilton*  
 Prepared by Lori Hamilton  
 Date: 2/7/05

*Jami Judea*  
 Reviewed by  
 Date: 2/7/05

Approved for Entry  
 Corporate Accounting use Only  
 Date

Avista Corporation								
Enron Contract Buyout		Weighted cost of debt at 12/31/04 is		8.28%				
Amortization Schedule		Weighted cost of debt at 06/30/05 is						
January 2005 - December 2006								
		90%	100%					
Uniform Monthly Amortization		-\$29,331	\$32,590 Expense for deferral calculation. January through June 2005					
		\$0	\$0 Expense for deferral calculation. July through Dec 2005					
								283360 ED WA
				DR	CR	DFIT	DFIT	ADFIT
Balance	12-31-2004	\$667,458						(233,610)
Amortization	Jan-05	-29,331	557160 ED WA	182360 ED WA	410100 ED WA	(10,266)		10,266
Net of amortization		638,127						
Average balance		652,793						
Interest (net of tax)	0.004485	2,928	182360 ED WA	419000 ZZ ZZ	410200 ZZ ZZ	1,025		(1,025)
Balance	01-31-2005	\$641,055			Total DFIT & ADFIT for the month	(9,241)		9,241
								(224,369)

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

Avista Corporation  
Enron Contract Buyout  
Amortization Schedule  
January 2005 - December 2006

Weighted cost of debt at 12/31/04 is 8.28%.

		<u>90%</u>	<u>100%</u>
Uniform Monthly Amortization		-\$29,331	-\$32,590
Balance	12/31/2004	\$667,458	
Amortization	Jan-05	<u>-29,331</u>	
Net of amortization		638,127	
Average balance		652,793	
Interest (net of tax)	0.004485	<u>2,928</u>	
Balance	1/31/2005	\$641,055	
Amortization	Feb-05	<u>-29,331</u>	
Net of amortization		611,724	
Average balance		626,390	
Interest (net of tax)	0.004485	<u>2,809</u>	
Balance	2/28/2005	\$614,533	
Amortization	Mar-05	<u>-29,331</u>	
Net of amortization		585,202	
Average balance		599,868	
Interest (net of tax)	0.004485	<u>2,690</u>	
Balance	3/31/2005	\$587,892	
Amortization	Apr-05	<u>-29,331</u>	
Net of amortization		558,561	
Average balance		573,227	
Interest (net of tax)	0.004485	<u>2,571</u>	
Balance	4/30/2005	\$561,132	
Amortization	May-05	<u>-29,331</u>	
Net of amortization		531,801	
Average balance		546,467	
Interest (net of tax)	0.004485	<u>2,451</u>	
Balance	5/31/2005	\$534,252	
Amortization	Jun-05	<u>-29,331</u>	
Net of amortization		504,921	
Average balance		519,587	
Interest (net of tax)	0.004485	<u>2,330</u>	
Balance	6/30/2005	\$507,251	
Amortization	Jul-05	<u>-29,331</u>	
Net of amortization		477,920	
Average balance		492,586	
Interest (net of tax)	0.004485	<u>2,209</u>	
Balance	7/31/2005	\$480,129	
Amortization	Aug-05	<u>-29,331</u>	

Net of amortization		450,798
Average balance		465,464
Interest (net of tax)	0.004485	<u>2,088</u>
Balance	8/31/2005	\$452,886

Amortization	Sep-05	<u>-29,331</u>
Net of amortization		423,555
Average balance		438,221
Interest (net of tax)	0.004485	<u>1,965</u>
Balance	9/30/2005	\$425,520

Amortization	Oct-05	<u>-29,331</u>
Net of amortization		396,189
Average balance		410,855
Interest (net of tax)	0.004485	<u>1,843</u>
Balance	10/31/2005	\$398,032

Amortization	Nov-05	<u>-29,331</u>
Net of amortization		368,701
Average balance		383,367
Interest (net of tax)	0.004485	<u>1,719</u>
Balance	11/30/2005	\$370,420

Amortization	Dec-05	<u>-29,331</u>
Net of amortization		341,089
Average balance		355,755
Interest (net of tax)	0.004485	<u>1,596</u>
Balance	12/31/2005	\$342,685

Amortization	Jan-06	<u>-29,331</u>
Net of amortization		313,354
Average balance		328,020
Interest (net of tax)	0.004485	<u>1,471</u>
Balance	1/31/2006	\$314,825

Amortization	Feb-06	<u>-29,331</u>
Net of amortization		285,494
Average balance		300,160
Interest (net of tax)	0.004485	<u>1,346</u>
Balance	2/28/2006	\$286,840

Amortization	Mar-06	<u>-29,331</u>
Net of amortization		257,509
Average balance		272,175
Interest (net of tax)	0.004485	<u>1,221</u>
Balance	3/31/2006	\$258,730

Amortization	Apr-06	<u>-29,331</u>
Net of amortization		229,399
Average balance		244,065
Interest (net of tax)	0.004485	<u>1,095</u>
Balance	4/30/2006	\$230,494

Amortization	May-06	<u>-29,331</u>
Net of amortization		201,163
Average balance		215,829
Interest (net of tax)	0.004485	<u>968</u>
Balance	5/31/2006	\$202,131

Amortization	Jun-06	<u>-29,331</u>
Net of amortization		172,800
Average balance		187,466
Interest (net of tax)	0.004485	<u>841</u>
Balance	6/30/2006	\$173,641

Amortization	Jul-06	<u>-29,331</u>
Net of amortization		144,310
Average balance		158,976
Interest (net of tax)	0.004485	<u>713</u>
Balance	7/31/2006	\$145,023

Amortization	Aug-06	<u>-29,331</u>
Net of amortization		115,692
Average balance		130,358
Interest (net of tax)	0.004485	<u>585</u>
Balance	8/31/2006	\$116,277

Amortization	Sep-06	<u>-29,331</u>
Net of amortization		86,946
Average balance		101,612
Interest (net of tax)	0.004485	<u>456</u>
Balance	9/30/2006	\$87,402

Amortization	Oct-06	<u>-29,331</u>
Net of amortization		58,071
Average balance		72,737
Interest (net of tax)	0.004485	<u>326</u>
Balance	10/31/2006	\$58,397

Amortization	Nov-06	<u>-29,331</u>
Net of amortization		29,066
Average balance		43,732
Interest (net of tax)	0.004485	<u>196</u>
Balance	11/30/2006	\$29,262

Amortization	Dec-06	<u>-29,331</u>
Net of amortization		-69
Average balance		14,597
Interest (net of tax)	0.004485	<u>65</u>
Balance	12/31/2006	-\$4

**AVIS CORP.**

Total Debt Capital as of December 31, 2004

Line No.	Rating S&P, M, Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2004	Effective Cost	Line No.
<b>SECURED MEDIUM TERM NOTES, SERIES A (A FORM OF FIRST MORTGAGE BOND) Ratings S&amp;P BBB-, Moody's Baa3, Fitch BBB-</b>												
1	RATINGS											1
2	Series Costs		8/31/2010	5/1/1993		373,693						2
3	BBB-, Baa3, BBB-	6.39%	7/8/2005	7/8/1993	1,500,000	9,375	399	1,490,226	6.469%	1,500,000	21,663	3
4							207,139				97,034	4
5	BBB-, Baa3, BBB-	6.67%	7/12/2010	7/12/1993	5,000,000	33,750	1,331	4,964,919	6.740%	5,000,000	336,998	5
6							690,464				40,616	6
7	BBB-, Baa3, BBB-	6.89%	6/4/2008	6/4/1993	10,000,000	67,500	2,663	9,929,837	6.966%	10,000,000	696,614	7
8							1,380,929				92,062	8
9	BBB-, Baa3, BBB-	6.95%	6/3/2008	6/3/1993	10,000,000	67,500	2,663	9,929,837	7.026%	10,000,000	702,642	9
10							1,380,929				92,062	10
11	BBB-, Baa3, BBB-	7.18%	8/11/2023	8/12/1993	7,000,000	52,500	1,864	6,945,636	7.244%	7,000,000	507,064	11
12	BBB-, Baa3, BBB-	7.26%	7/23/2018	7/22/1993	5,000,000	37,500	1,331	4,961,169	7.328%	5,000,000	366,408	12
13							690,464				27,619	13
14	BBB-, Baa3, BBB-	7.30%	8/11/2023	8/12/1993	10,000,000	75,000	2,663	9,922,337	7.365%	10,000,000	736,454	14
15							32,760				1,092	15
16	BBB-, Baa3, BBB-	7.37%	5/10/2012	5/10/1993	7,000,000	47,250	1,864	6,950,886	7.440%	7,000,000	520,769	16
17							1,227,883				64,625	17
18	BBB-, Baa3, BBB-	7.39%	5/11/2018	5/11/1993	7,000,000	52,500	1,864	6,945,636	7.459%	7,000,000	522,129	18
19							1,227,883				83,246	19
20	BBB-, Baa3, BBB-	7.44%	7/7/2023	7/8/1993	1,000,000	7,500	226	992,274	7.505%	1,000,000	75,051	20
21							198,093				4,603	21
22	BBB-, Baa3, BBB-	7.45%	6/11/2018	6/9/1993	15,500,000	116,250	54,347	15,329,403	7.548%	15,500,000	1,170,012	22
23							2,140,440				85,618	23
24	BBB-, Baa3, BBB-	7.53%	5/5/2023	5/6/1993	5,500,000	41,250	1,462	5,457,288	7.596%	5,500,000	417,781	24
25							963,011				32,100	25
26	BBB-, Baa3, BBB-	7.54%	5/5/2023	5/7/1993	1,000,000	7,500	226	992,274	7.606%	1,000,000	76,057	26
27							175,412				8,882	27
28	BBB-, Baa3, BBB-	7.90%	8/25/2006	8/25/1994	4,000,000	25,000	4,176	3,970,824	7.996%	4,000,000	319,826	28
29							88,782,545				7,116,288	29
30												30
<b>SECURED MEDIUM TERM NOTES, SERIES B (A FORM OF FIRST MORTGAGE BOND) Ratings S&amp;P BBB-, Moody's Baa3, Fitch BBB-</b>												
31	RATINGS											31
32	Series Costs		5/1/2009	5/1/1994		329,022						32
33	BBB-, Baa3, BBB-	6.50%	11/28/2005	11/28/1995	15,000,000	93,750	47,970	14,858,280	6.631%	15,000,000	21,935	33
34	BBB-, Baa3, BBB-	6.50%	11/15/2005	11/28/1995	5,000,000	31,250	15,990	4,962,760	6.631%	5,000,000	994,611	34
35	BBB-, Baa3, BBB-	6.67%	6/9/2005	6/9/1995	5,000,000	31,250	4,194	4,964,556	6.769%	5,000,000	338,436	35
36	BBB-, Baa3, BBB-	6.68%	6/9/2005	6/9/1995	3,000,000	18,750	2,516	2,978,734	6.779%	3,000,000	203,363	36
37	BBB-, Baa3, BBB-	6.90%	7/1/2010	6/9/1995	5,000,000	33,750	4,194	4,962,056	6.982%	5,000,000	349,077	37
38	BBB-, Baa3, BBB-	7.89%	8/25/2006	8/25/1994	26,000,000	162,500	3,811	25,833,689	7.974%	26,000,000	2,073,186	38
39							30,000				2,500	39
40												40
41												41

Paul Kimball  
 Treasury Trust

**AVIS RENT CORP.**

Total Debt Capital as of December 31, 2004

Line No.	Rating S&P, M, Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2004	Effective Cost	Line No.
42	<b>RATINGS</b>											42
43	BBB-, Baa3, BBB-	7.75%	1/1/2007	12/19/2001	150,000,000	1,875,000	1,159,351	146,965,649	8.248%	150,000,000	12,371,982	43
44							5,548,458				1,091,500	44
45	<b>RATINGS</b>											45
46	BBB-, Baa3, BBB-	6.125%	9/1/2013	9/8/2003	45,000,000	292,500	638,913	44,068,587	8.976%	150,000,000	13,463,482	46
47							815,824				2,883,906	47
48											81,582	48
49											2,965,488	49
50	<b>RATINGS</b>											50
51	BBB-, Baa3, BBB-	5.450%	12/1/2019	11/18/2004	90,000,000	675,000	350,000	88,975,000	5.563%	90,000,000	5,006,273	51
52											0	52
53											5,006,273	53
54												54
55												55
56												56
57												57
58												58
59	<b>RATINGS</b>											59
60	Series Costs		7/30/2015	11/30/2004			138,528			0	12,987	60
61											12,987	61
62	<b>RATINGS</b>											62
63	SWAP/STRATEGY		6/1/2008		25,000,000		-1,441,434				-250,684	63
64			6/1/2018	11/30/2004	75,000,000		55,902				4,115	64
65			1/1/2014	11/30/2004	75,000,000		55,902				6,098	65
66											-240,470	66
67	<b>RATINGS</b>											67
68	CONVERTIBLE DEBT						247,406				0	68
69											0	69
70												70
71												71
72												72
73												73
74	<b>RATINGS</b>											74
75	POLLUTION CONTROL BONDS	6.00%	12/1/2023	7/1/1993	4,100,000	30,750	243,525	3,825,725	6.507%	4,100,000	266,795	75
76			12/1/2023	12/31/2002			4,452				212	76
77	Insurance		Oct-01-2004	10/1/2003							209,250	77
78	AAA, Aaa	5.00%	10/1/2032	9/1/1999	66,700,000		7,356,507	59,343,493	5.749%	66,700,000	3,834,268	78
79	AAA, Aaa	5.125%	3/1/2034	9/1/1999	17,000,000		2,124,593	14,875,407	5.986%	17,000,000	1,017,541	79
80											5,328,066	80
81												81
82	<b>RATINGS</b>											82
83	BB+, Ba1, BB+	7.94%	1/22/2007	1/22/1992	3,000,000	20,250	309	2,979,441	8.019%	3,000,000	240,581	83
84							89,342				6,823	84
85												85
86												86
<b>TOTAL DEBT SECURED BY MORTGAGE</b>												
<b>TOTAL STRATEGY COSTS</b>												
<b>TOTAL MEDIUM TERM NOTES - Series A</b>												

**AVIS CORP.**

Total Debt Capital as of December 31, 2004

Line No.	Rating S&P,M,Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2004	Effective Cost	Line No.
87	<b>RATINGS</b>											87
88	Series Costs		6/30/2008	4/1/1991		276,594					16,112	88
89	BB+,Ba1,BB+	7.90%	1/22/2007	1/22/1992	9,000,000	60,750	1,297	8,937,953	7.980%	9,000,000	718,168	89
90							298,027				19,868	90
91	BB+,Ba1,BB+	7.99%	2/3/2023	2/3/1993	5,000,000	37,500	125	4,962,375	8.057%	5,000,000	402,844	91
92							453,432				15,114	92
93	BB+,Ba1,BB+	8.14%	12/18/2006	12/17/1991	8,000,000	64,000	1,153	7,944,847	8.221%	8,000,000	657,660	93
94	BB+,Ba1,BB+	8.15%	9/15/2022	9/15/1992	5,000,000	37,500	3,117	4,959,383	8.223%	5,000,000	411,167	94
95			3/1/2011	7/29/2002			79,518				9,175	95
96								26,804,558	8.334%	27,000,000	2,250,109	96
97												97
98	<b>RATINGS</b>											98
99	Series Costs		6/15/2013	34,499		452,261					30,151	99
100	BB+,Ba1,BB+		6/15/2013	34,803		150,633					10,633	100
101			6/15/2013	36,218		7,900					765	101
102	BB+,Ba1,BB+	6.37%	6/19/2028	6/19/1998	15,000,000	93,750	1,232	14,905,018	6.418%	15,000,000	962,674	102
103							79,196				2,640	103
104	BB+,Ba1,BB+	6.37%	6/19/2028	6/19/1998	10,000,000	62,500	822	9,936,678	6.418%	10,000,000	641,783	104
105							109,453				3,648	105
106	BB+,Ba1,BB+	5.99%	12/10/2007	12/10/1998	13,850,000	83,100	1,559	13,765,341	6.079%	13,850,000	841,967	106
107							55,183				12,040	107
108							993				124	108
109	BB+,Ba1,BB+	6.06%	12/10/2008	12/10/1998	25,000,000	156,250	2,931	24,840,819	6.146%	25,000,000	1,536,544	109
110	BB+,Ba1,BB+	8.02%	10/26/2010	10/26/1999	25,000,000	156,250	5,037	24,838,713	8.110%	25,000,000	2,027,439	110
111							707,527				64,321	111
112			3/1/2011	5/24/2002			-2,350,000				-268,571	112
113			5/1/2011	4/30/2003			-407,637				-50,429	113
114								88,286,569	6.546%	88,850,000	5,815,727	114
115												115
116	<b>RATINGS</b>											116
117	BB+,Ba1,BB+	9.750%	6/1/2008	4/3/2001	279,735,000	5,594,700	2,687,997	271,452,303	10.340%	279,735,000	28,924,591	117
118								271,452,303		279,735,000	28,924,591	118
119												119
120	<b>RATINGS</b>											120
121	BB+,Ba1,BB+		3/1/2011	3/1/2011			938,274				121,068	121
122			7/1/2011	7/1/2011			369,462				45,707	122
123			6/30/2011	6/30/2011			859,304				109,698	123
124			3/1/2011	3/1/2011			10,225,725				1,146,810	124
125			3/1/2011	3/1/2011			232,456				27,619	125
126			3/1/2011	3/1/2011			92,340				11,081	126
127			6/15/2011	6/15/2011			134,471				16,809	127
128			8/15/2014	8/15/2014			1,683,886				153,081	128
129			8/15/2014	8/15/2014			14,804				1,433	129
130			7/15/2014	7/15/2014			2,631,939				261,019	130
131			3/15/2015	3/15/2015			4,353,872				417,972	131
132											2,312,295	132
133												133



**AVIS CORP.**

Total Debt Capital as of December 31, 2004

Line No.	Rating S&P, M/Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2004	Effective Cost	Line No.
134								389,522,871	9.923%	398,585,000	39,549,925	134
135												135
136												136
137								894,909,352	8.427%	919,885,000	77,516,677	137
138												138
139												139
140												140
141												141
142					68,000,000			68,000,000	3.335%	68,000,000	2,267,945	142
143												143
144									N/A	N/A	2,015,000	144
145												145
146								0		0	0	146
147												147
148									6.298%	68,000,000	4,282,945	148
149												149
150									8.280%	987,885,000	81,799,622	150
<b>TOTAL MEDIUM TERM NOTES</b>												
<b>TOTAL LONG-TERM DEBT</b>												
<b>OTHER DEBT</b>												
Notes Payable - \$350M Credit Line												
Commitment Fees - Bank Lines of Credit												
Capital Lease Obligations (including current)												
<b>TOTAL SHORT-TERM DEBT</b>												
<b>TOTAL DEBT OUTSTANDING AND COST OF DEBT AT December 31, 2004</b>												