

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



Corp.

March 11, 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 February 2005

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of February 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 \$1,979,851. However, no deferral entry was recorded as the entire amount was applied toward the \$9 million deadband for 2005. The deadband has a credit balance at the end of February in the amount of \$2,011,042.

Actual power supply expenses were lower than authorized due partly to favorable sales for resale and the increased level of Coyote Spring 2 generation. While the average market purchase price of \$44.14/MWh was very close to the authorized rate of \$44.26/MWh, the average market sales price of \$47.39/MWh was much higher than the authorized sales price of \$32.60/MWh. In addition, partly because of the acquisition of the second half of Coyote Springs 2, generation from Coyote Springs 2 was 136 aMW above the authorized level.

Hydro generation was 9 aMW below the authorized levels. Gas-fired resources other than Coyote Spring 2 generated 28 aMW below the authorized level due to economics. Colstrip generated 16 aMW above the authorized level, and Kettle Falls generated 19 aMW above the authorized level. Thermal fuel expense was above the authorized level and natural gas fuel expense was also above the authorized level due partly to increased generation at Coyote Spring 2. Washington retail sales were 75 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 February 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

RECEIVED
05 MAR 14 AM 11:00
REGISTRATION
OFFICE OF THE
ATTORNEY GENERAL
SPokane, WA

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

MONTH OF FEBRUARY 2005

Avista Corporation Journal Entry

Journal: RA - WA ERM (DJ)
 Sponsor: Resource Accounting
 Tran Type: C
 Bal. Cd.: G

Effective Date: 200502

Last Saved by: Lori Hamilton
 Submitted by: Tami Judge
 Saved Date: 03/08/2005 3:19 pm

<u>Seq</u>	<u>Co.</u>	<u>FERC</u>	<u>Ser.</u>	<u>Jur.</u>	<u>S.L.</u>	<u>Debit</u>	<u>Credit</u>	<u>Comment</u>
10	001	557290	ED	WA	DL	2,620,290.00		WA ERM surcharge amortization
20	001	182350	ED	WA	DL		2,620,290.00	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	441,475.00		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		489,813.00	Non-utility interest income
90	001	410100	ED	WA	DL		917,095.00	DFIT entry for power supply deferral and surcharge amortization
100	001	410200	ZZ	ZZ	DL	171,434.00		Non-op DFIT entry for interest income
110	001	283280	ED	WA	DL	745,661.00		ADFIT WA ERM current and prior years
120	001	186010	ED	WA	DL		1,979,851.00	Track YTD company band accumulation
130	001	186020	ED	WA	DL	1,979,851.00		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
TOTALS:						6,007,049.00	6,007,049.00	

Avista Corporation Journal Entry

Journal: RA - WA ERM (DJ)
Sponsor: Resource Accounting
Tran Type: C
Bal. Cd.: G

Effective Date: 200502

Last Saved by: Lori Hamilton
Submitted by: ~~Fami Judge~~ LTH
Saved Date: 03/08/2005 3:19 pm

Explanation:

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

L Hamilton
Prepared by Fami Judge LTH
Fami Judge
Reviewed by

3/8/05
Date
3/8/05
Date

Approved for Entry
Corporate Accounting use Only
Date

Detail Balances (AWA CORP) - 001.186280.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		10,777,698.00	
200501	USD	-10,777,698.00		0.00	
200502	USD	0.00		0.00	

Journal Details

Summary Balances

ERM Deferral Balance (Current Year - 2005)

Account 186280.ED.WA

Balance 1/31/05
 Deferral
 Balance 2/28/05

Amount	Journal ID
\$0.00	
0.00	RA - WA ERM
<hr/> \$0.00	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		0.00	
200501	USD	10,826,036.00		10,826,036.00	
200502	USD	48,338.00		10,874,374.00	

Journal Details

Summary Balances

ERM Deferral Balance (Prior year - 2004)

Account 186290.ED.WA

Balance 1/31/05
 Interest
 Balance 2/28/05

Amount	Journal ID
\$10,826,036.00	
<u>48,338.00</u>	RA - WA ERM
\$10,874,374.00	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		102,429,966.65	
200501	USD	-2,232,784.00		100,197,182.65	
200502	USD	-2,178,815.00		98,018,367.65	

Journal Details

Summary Balances

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 1/31/05
 Amortization
 Interest
 Balance 2/28/05

Amount	Journal ID
\$100,197,182.65	
-2,620,290.00	RA - WA ERM
441,475.00	RA - WA ERM
<u>\$98,018,367.65</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		667,458.00	
200501	USD	-26,403.00		641,055.00	
200502	USD	-26,522.00		614,533.00	

Journal Details

Summary Balances

Contract Buyout Deferral Balance
Account 182360.ED.WA

Balance 1/31/05
 Amortization*
 Interest
 Balance 2/28/05

Amount	Journal ID
\$641,055.00	
-\$29,331.00	RA - ENRON CONTRACT BUYOUT AMORT
2,809.00	RA - ENRON CONTRACT BUYOUT AMORT
<u>\$614,533.00</u>	

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

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		9,000,000.00	
200501	USD	-9,031,191.00		31,191.00	
200502	USD	-1,979,851.00		-2,011,042.00	

Journal Details

Summary Balances

ERM Deadband
Account 186010.ED.WA
 Balance 1/31/05
 2005 deadband accumulation
 Balance 2/28/05

Amount	Journal ID
-\$31,191.00	
-1,979,851.00	RA - WA ERM
<u>-\$2,011,042.00</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		-9,000,000.00	
200501	USD	9,031,191.00		31,191.00	
200502	USD	1,979,851.00		2,011,042.00	

Journal Details

Summary Balances

ERM Deadband Contra Account
Account 186020.ED.WA
 Balance 1/31/05
 2005 deadband contra entry
 Balance 2/28/05

<u>Amount</u>	<u>Journal ID</u>
\$31,191.00	
1,979,851.00	RA - WA ERM
<u>\$2,011,042.00</u>	

Balance Type **Actual** Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		-39,622,681.00	
200501	USD	764,561.00		-38,858,120.00	
200502	USD	745,661.00		-38,112,459.00	

Journal Details

Summary Balances

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	\$0.00
Account 186290.ED.WA balance	10,874,374.00
Account 182350.ED.WA balance	98,018,367.65
Total	\$108,892,741.65
Federal income tax rate	-35%
Deferred FIT related to deferrals	-\$38,112,460
Rounding	1
Balance in account	-\$38,112,459

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200413	USD	0.00		-233,613.00	
200501	USD	9,241.00		-224,372.00	
200502	USD	9,283.00		-215,089.00	

Journal Details

Summary Balances

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

Account 182360.ED.WA balance	\$614,533.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	<u>-\$215,087</u>
Rounding	-2
Balance in account	<u>-\$215,089</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 12/31/04 is 8.28%.				Actual cost of debt at 6/30/04 is 8.44%			
The monthly rate is:				The monthly rate is:-			
0.00690 Before Tax				0.00703 Before Tax			
0.0044850 After Tax				0.0045695 After Tax			
0.35 Tax rate				0.35 Tax rate			
Account 182350		2005 Interest					
12-31-2004	GL Balance including interest	102,429,967		Jan-05	DFIT Expense		ADFIT
Jan-05	Surcharge Amortization	(2,686,159)		Amortization	(940,160)	Operating	940,160
Jan-05	Interest		453,375	Interest	158,681	Nonoperating	(158,681)
01-31-2005	Balance before interest	99,743,808			(781,479)	Total	781,479
				Feb-05	DFIT Expense		ADFIT
Feb-05	Surcharge Amortization	(2,620,290)		Amortization	(917,095)	Operating	917,095
Feb-05	Interest		441,475	Interest	154,516	Nonoperating	(154,516)
02-28-2005	Balance before interest	97,123,518			(762,579)	Total	762,579
				GL Balance	Activity	GL Balance	
				01-31-2005	Feb-05	02-28-2005	
	Net ERM Balance	98,018,368		100,197,183	(2,178,815)	98,018,368	
	ADFIT Balance	(34,306,429)					

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%				Actual cost of debt at 6/30/04 is 8.44%			
The monthly rate is:				The monthly rate is:			
0.00690 Before Tax				0.00703 Before Tax			
0.0044850 After Tax				0.0045695 After Tax			
0.35 Tax rate				0.35 Tax rate			
Account 186290				2005 Interest			
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		<u>Jan-05</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Jan-05	ERM Transfer to 182350	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)
				<u>Feb-05</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Feb-05	ERM Transfer to 182350	0		Deferral	0	Operating	0
Feb-05	Interest		48,338	Interest	16,918	Nonoperating	(16,918)
02-28-2005	Balance before interest	10,777,698			16,918	Total	(16,918)
	Net ERM Balance	10,874,374		GL Balance	Activity	GL Balance	
				01-31-05	Feb-05	02-28-05	
	ADFIT Balance	(3,806,031)		10,826,036.00	48,338.00	10,874,374.00	

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	
Account 186280			2005 Interest				
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					
			Jan-05		DFIT Expense		ADFIT
Jan-05	ERM Deferral	0	Deferral	0	Operating	0	0
Jan-05	Interest		Interest	0	Nonoperating		0
01-31-2005	Balance before interest	0		0	Total		0
			Feb-05		DFIT Expense		ADFIT
Feb-05	ERM Deferral	0	Deferral	0	Operating		0
Feb-05	Interest		Interest	0	Nonoperating		0
02-28-2005	Balance before interest	0		0	Total		0
			GL Balance		Activity		GL Balance
Net ERM Balance			01-31-05		Feb-05		02-28-05
			10,777,698		(10,777,698)		0
ADFIT Balance			0				

DJ702	GL	ADFIT			ADFIT	ADFIT	ADFIT	BALANCE COMPONENTS	FOR ALL ACCOUNTS	ENDING BALANCE
		182350	186280	186290						
	BALANCE	182350	186280	186290	0		(39,622,682)	0	(39,622,681)	
12-31-2004	(39,622,681)	(35,850,488)	(3,772,194)	0			(38,858,127)	764,554	(38,858,127)	
01-31-2005	(39,622,681)	(35,069,014)	0	(3,789,113)			(38,112,460)	745,660	(38,112,460)	
02-28-2005	(38,858,120)	(34,306,429)	0	(3,806,031)						
							<u>Interest</u>			
		<u>410100</u>	<u>410200</u>	<u>283280</u>		<u>182350</u>	<u>186280</u>	<u>186290</u>	<u>419000</u>	
01-31-2005	182350	(940,160)	158,681	781,479		453,375	0	48,338	(501,713)	
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(940,160)	175,599	764,561						
02-28-2005	182350	(917,095)	154,516	762,579		441,475	0	48,338	(489,813)	
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(917,095)	171,434	745,661						
									True up \$7 In Feb	

Interest and DFIT Summary

			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
Feb-05	Activity		(\$1,979,851)	\$1,979,851	
02-28-2005	Balance		(\$2,011,042)	\$2,011,042	\$0

AVISTA CORPORATION
 FEBRUARY 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)	43.333%	103,695,382	0.405¢	\$419,966	0.956277	\$401,604
1 (601-1300 kWh)	30.714%	73,498,256	0.607¢	446,134	0.956277	426,628
1 (over 1300 kWh)	25.953%	62,105,237	0.853¢	529,758	0.956277	506,595
Total Sch 1	100.000%	239,298,875		1,395,858		1,334,827
11		32,261,473	0.788¢	254,220	0.956277	243,105
12		4,363,601	0.785¢	34,385	0.956277	32,882
21		128,793,261	0.549¢	707,075	0.956277	676,160
22		3,245,984	0.549¢	17,820	0.956277	17,041
25		78,103,024	0.352¢	274,923	0.956277	262,903
30		2,940	0.485¢	14	0.956277	13
31		3,927,066	0.485¢	19,046	0.956277	18,213
32		229,787	0.485¢	1,114	0.956277	1,065
41-46		\$263,469	109.78%	23,472	0.956277	22,446
47		\$80,985	109.78%	7,215	0.956277	6,900
48		\$55,584	109.78%	4,952	0.956277	4,735
Schedule Totals		490,226,011		\$2,740,094		\$2,620,290 Amortization
kWh not subject to surcharge		0				-35%
Schedule 28		0				(\$917,102) DFIT Expense
Schedule 29		0				
Sch 41-48		2,267,984				
Total kWh		492,493,995				

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200502 , State Code : WA

Accounting Period: 200502 State Code: WA
--

Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
001	188,799	239,298,875	14,026,551	188,694	491,581,439	28,860,786
011	18,348	32,261,473	2,808,116	18,324	64,799,376	5,640,677
012	6,781	4,363,601	382,794	6,768	8,728,081	765,924
021	3,279	128,793,261	8,397,224	3,279	255,595,257	16,695,873
022	67	3,245,984	194,106	67	6,337,869	378,337
025	21	78,103,024	3,321,822	21	151,512,281	6,471,932
028	0	0	15,400	0	0	30,258
030	46	2,940	416	38	6,300	775
031	1,031	3,927,066	233,656	1,027	7,276,644	446,333
032	1,078	229,787	19,450	1,076	404,145	36,647
041	12	16,056	2,727	12	32,112	5,454
042	214	1,048,927	238,536	214	2,096,429	476,705
044	13	21,600	1,890	13	43,200	3,780
045	7	182,793	8,006	7	363,834	15,909
046	16	173,685	12,310	16	347,370	24,620
047	0	508,063	80,985	0	1,016,758	161,873
048	0	316,860	55,584	0	633,914	111,108
058	0	0	1,038,505	0	0	2,073,788
058A	0	0	-7,696	0	0	-16,076

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200502 , State Code : WA

Accounting Period: 200502 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
090	0	0	4	0	0	8
095	0	0	9,989	0	0	19,766
099	0	0	49,509	0	0	95,812
Total WA	219,712	492,493,995	30,889,883	219,555	990,775,009	62,300,289
Total WA	219,712	492,493,995	30,889,883	219,555	990,775,009	62,300,289

Avista Utilities
 WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2005	Actual Jan-05	Actual Feb-05	Actual Mar-05	Actual Apr-05	Actual May-05	Actual Jun-05	Actual Jul-05	Actual Aug-05	Actual Sep-05	Actual Oct-05	Actual Nov-05	Actual Dec-05
1	555 Purchased Power	\$32,431,208	\$18,986,804	\$15,444,404	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	501 Thermal Fuel	\$3,336,412	\$1,705,350	\$1,631,062	\$	\$	\$	\$	\$	\$	\$	\$	\$
3	547 CT Fuel	\$9,525,125	\$3,103,807	\$6,421,318	\$	\$	\$	\$	\$	\$	\$	\$	\$
4	447 Sale for Resale	\$22,458,845	\$8,099,204	\$14,359,641	\$	\$	\$	\$	\$	\$	\$	\$	\$
5	Actual Net Expense	\$22,883,900	\$13,698,757	\$9,137,143	\$	\$	\$	\$	\$	\$	\$	\$	\$
6	Pollatch 25 aMW directly assigned to ID	(\$1,145,190)	\$ (601,710)	\$ (543,480)									
7	Pollatch 62 aMW directly assigned to ID	(\$3,791,724)	\$ (1,984,277)	\$ (1,807,447)									
8	Adjusted Actual Net Expense	\$17,896,986	\$11,110,770	\$6,786,216	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	\$6,079,663	\$8,215,787	\$8,175,700
10	501 Thermal Fuel	\$15,777,429	\$1,497,543	\$1,328,377	\$1,321,593	\$1,193,467	\$566,463	\$1,103,034	\$1,501,955	\$1,550,936	\$1,519,166	\$1,449,825	\$1,455,980
11	547 CT Fuel	\$30,931,880	\$3,208,570	\$2,713,553	\$2,216,117	\$1,302,967	\$642,820	\$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	\$8,044,786	\$9,136,979	\$5,227,938	\$4,654,564	\$1,545,341	\$2,563,932	\$3,561,787
13	Authorized Net Expense	\$65,866,619	\$9,131,888	\$7,304,439	\$7,618,820	\$3,544,690	\$(4,439,362)	\$1,425,179	\$8,002,694	\$7,055,338	\$8,037,068	\$9,296,825	\$8,212,198
14	Actual - Authorized Net Expense	\$1,460,649	\$1,978,872	\$ (518,223)									
15	Net Fuel Expense not Incl in Acct 547 (1)	\$ (548,100)	\$ (456,235)	\$ (91,865)									
16	Adjusted Actual - Authorized Net Exp	\$ 912,549	\$ 1,522,637	\$ (610,088)	\$	\$	\$	\$	\$	\$	\$	\$	\$
17	Washington Alloc. @ 66.29%	\$604,929	\$1,009,356	\$(404,427)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Enron Contract Buyout 100%	\$65,180	\$32,590	\$32,590									
19	WA Retail Revenue Adjustment	\$ (2,681,151)	\$(1,073,137)	\$(1,608,014)									
20	Net Power Cost Increase (Decrease)	\$ (2,011,042)	\$(31,191)	\$(1,979,851)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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
1	8,399,639	7,543,655											15,943,294
2	163,242	163,242											326,484
3	106,273	83,621											189,894
4	273,832	273,832											547,664
5	98,106	98,106											196,212
6	343	467											810
7	116,157	104,037											220,194
8	348,383	342,360											690,743
9	2,961,151	2,675,699											5,636,850
10	16,881	38,114											54,995
11	567,300	512,400											1,079,700
12	1,041,600	940,800											1,982,400
13	590,550	533,400											1,123,950
14	117,591	114,136											231,727
15	1,984,277	1,807,447											3,791,724
16	90,000	112,500											202,500
17	108,571	97,729											206,300
18	2,908	2,859											5,767
19	16,986,804	15,444,404	0	0	0	0	0	0	0	0	0	0	32,431,208

(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

447 SALES FOR RESALE

20	7,575,690	13,999,009											21,574,699
21	150,000	150,000											300,000
22	62,464	8,619											71,083
23	61,750	31,772											93,522
24	197,530	172,414											369,944
25	52,912	0											52,912
26	(4,050)	(5,032)											(9,082)
26	2,908	2,859											5,767
27	8,099,204	14,359,641											22,458,845

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	816,446										1,617,652
29	coal	884,025	804,280										1,688,305
30	Total Coal & Wood	1,685,231	1,620,726	0									3,305,957
31	gas	4,561	395										4,956
32	oil	15,558	9,941										25,499
33	Total Oil & Gas	20,119	10,336	0									30,455
34	Total Account 501	1,705,350	1,631,062	0									3,336,412
<u>501 FUEL-TONS</u>													
35	Kettle Falls	52,249	52,877										105,126
36	Colstrip	101,200	86,770										187,970
<u>501 FUEL-COST PER TON</u>													
37	wood	\$ 15.33	\$ 15.44	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 15.39
38	coal	\$ 8.74	\$ 9.27	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 8.98
<u>547 FUEL</u>													
39	NE Combustion Turbine Gas/Oil	484	2,078										2,562
40	Boulder Park	158,343	30,746										189,089
41	Kettle Falls CT	48,994	20,302										69,296
42	Coyote Springs2	2,855,500	6,327,750										9,183,250
43	Rathdrum Gas Storage Fee	40,000	40,000										80,000
44	Rathdrum Fuel Exp	486	442										928
45	Total Account 547	3,103,807	6,421,318										9,525,125
46	TOTAL NET EXPENSE	13,696,757	9,137,143	0									22,833,900

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

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	498,263,686	492,493,995											990,777,681
Deduct Prior Month Unbilled kWhs Heating	(336,802,948)	(321,228,105)											(658,031,053)
Deduct Prior Month Unbilled kWhs Cooling													
Add Current Month Unbilled kWhs Heating	321,228,105	303,770,568											624,998,673
Add Current Month Unbilled kWhs Cooling													
Washington Retail kWhs	482,708,843	475,036,458											957,745,301
Test Year Consumption	449,477,904	425,137,067	436,509,558	389,111,383	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
from Attachment 1 Settlement Stipulation in Docket No. UE-011595													
Difference from Test Year	33,230,939	49,899,391											83,130,330
WA Retail Revenue Credit	\$1,066,049	\$1,600,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,666,821
Net Wind Revenue Credit	\$7,088	\$7,242	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,330
Total Revenue Credit	\$1,073,137	\$1,608,014											\$2,681,151

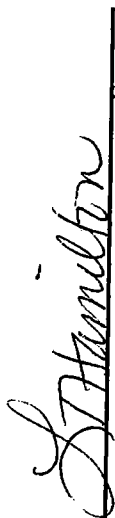
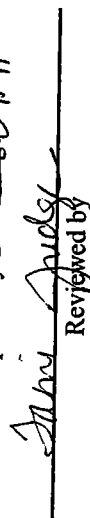
Schedule 85 Wind Revenue	\$9,776.86	\$9,989.46											\$19,766.32
Deduct Admin Expense	\$2,688.64	\$2,747.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,435.74
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$7,088.22	\$7,242.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,330.58

Avista Corporation Journal Entry

Journal: RA - ENRON CONTRACT BUYOUT AMORTIZATION (DJ) Effective Date: 200502
 Sponsor: Resource Accounting
 Tran Type: C
 Bal. Cd.: G

Last Saved by: Lori Hamilton Saved Date: 03/02/2005 8:11 am
 Submitted by: ~~Tami Judge~~ *LTH*

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557162	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	2,809.00		Accrue interest on unamortized balance for future recovery
40	001	419000	ZZ	ZZ	DL		2,809.00	Interest income accrued
50	001	410100	ED	WA	DL		10,266.00	DFIT expense on amortization (operating)
60	001	410200	ZZ	ZZ	DL	983.00		DFIT expense on interest (non-operating)
70	001	283360	ED	WA	DL	9,283.00		ADFIT ECB
TOTALS:						42,406.00	42,406.00	


 Prepared by ~~Tami Judge~~ *LTH*

 Reviewed by
 Date 3/7/05
 Date 3/7/05
 Date _____
 Approved for Entry
 Corporate Accounting use Only

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.

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	
			<u>DR</u>	<u>CR</u>	<u>DFIT</u>	<u>DFIT</u>	<u>ADFIT</u>	
Balance	12-31-2004	\$667,458					(233,613)	
Amortization	Jan-05	-29,331	557162 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	
							(224,372)	
Amortization	Feb-05	-29,331 /	557162 ED WA	182360 ED WA	410100 ED WA	(10,266)	10,266	
Net of amortization		611,724						
Average balance		626,390						
Interest (net of tax)	0.004485	2,809 /	182360 ED WA	419000 ZZ ZZ	410200 ZZ ZZ	983	(983)	
Balance	02-28-2005	\$614,533	Total DFIT & ADFIT for the month			(9,283)	9,283	
							(215,089)	

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