

Avista Corp.  
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Toll Free 800-727-9170



July 12, 2005

Corp.

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 June 2005

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of June 2005. 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 \$905,444. However, no deferral entry was recorded as the entire amount was applied toward the \$9 million deadband for 2005. The deadband has balance at the end of June in the rebate direction in the amount of \$709,156.

Actual power supply expenses were higher than authorized due partly to higher fuel expense. Hydro generation was 11 aMW above the authorized levels. The average market purchase price was \$39.65/MWh compared to an authorized rate of \$27.47/MWh. The average market sales price was \$37.05/MWh compared to an authorized sales price of \$27.55/MWh.

Colstrip generated 22 aMW above the authorized level, and Kettle Falls generated 1 aMW below the authorized level. Due to economics gas fueled plants generated 76 aMW below the authorized level. Thermal fuel expense was above the authorized level, due partly to an inventory adjustment at Kettle Falls, and natural gas fuel expense was below the authorized level. Washington retail sales were 19 aMW above the authorized level.

There were no forward long-term contracts of one year or longer entered into in the month of June 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  
RM  
Enclosure  
C: Robert Cromwell  
S. Bradley Van Cleve

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

MONTH OF JUNE 2005

**Avista Corporation Journal Entry**

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Effective Date: 200506

Last Saved by: Lori Hamilton

Last Saved: 07/08/2005 11:08 AM

Submitted by: Lori Hamilton

<u>SEQ</u>	<u>FERC</u>	<u>Seq.</u>	<u>Jur.</u>	<u>S.I.</u>	<u>Debit</u>	<u>Credit</u>	<u>Comment</u>
10	557290 - WA ERM AMORTIZATION	ED	WA	DL	1,906,046.00		WA ERM surcharge amortization
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		1,906,046.00	WA ERM authorized for recovery
30	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	0.00		WA ERM current month deferral
40	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		0.00	WA ERM current year deferral
50	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	403,129.00		Accrue interest on deferral balance authorized for recovery
60	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL	0.00		Accrue interest on current year deferral balance
70	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	48,338.00		Accrue interest on previous year deferral balance
80	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		451,467.00	Non-utility interest income
90	410100 - PRV DFIT DR	ED	WA	DL		667,116.00	DFIT entry for power supply deferral and surcharge amortization
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	158,013.00		Non-op DFIT entry for interest income
110	283280 - ADFIT ERM	ED	WA	DL	509,103.00		ADFIT WA ERM current and prior years
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL	905,444.00		Track YTD company band accumulation
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		905,444.00	Contra account for YTD company band accumulation
140	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	11,067,726.00		Transfer ERM balance deemed prudent
150	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL		11,067,726.00	Clear ERM balance for previous year
<b>TOTALS:</b>					<b>14,997,799.00</b>	<b>14,997,799.00</b>	

**Avista Corporation Journal Entry**

Printed 07/08/05 at 11:36 am

Journal: 481-WA ERM

Effective Date: 200506

Team: Resource Accounting

Type: C

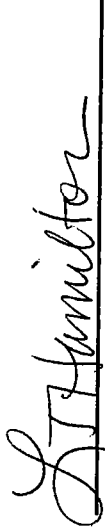
Last Saved by: Lori Hamilton

Last Saved: 07/08/2005 11:08 AM

Submitted by: Lori Hamilton

**Explanation:**

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

  
Prepared by Lori Hamilton

7/8/05  
Date

  
Reviewed by

7/8/05  
Date

Approved for Entry  
Corporate Accounting use Only

\_\_\_\_\_  
Date

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	
200503	USD	0.00		0.00	
200504	USD	0.00		0.00	
200505	USD	0.00		0.00	
200506	USD	0.00		0.00	

Journal Details

Summary Balances

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

**Account 186280.ED.WA**

Balance 5/31/05  
 Deferral  
 Balance 6/30/05

<u>Amount</u>	<u>Journal ID</u>
\$0.00	
0.00	481 - WA ERM
<u>\$0.00</u>	

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

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	
200503	USD	48,338.00		10,922,712.00	
200504	USD	48,338.00		10,971,050.00	
200505	USD	48,338.00		11,019,388.00	
200506	USD	-11,019,388.00		0.00	

Journal Details

Summary Balances

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

**Account 186290.ED.WA**

	<u>Amount</u>	<u>Journal ID</u>
Balance 5/31/05	\$11,019,388.00	
Interest	48,338.00	481 - WA ERM
Transfer to Account 182350.ED.WA	-11,067,726.00	481 - WA ERM
Balance 6/30/05	<u>\$0.00</u>	

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	
200503	USD	-1,844,265.00		96,174,102.65	
200504	USD	-1,655,005.00		94,519,097.65	
200505	USD	-1,524,500.00		92,994,597.65	
200506	USD	9,564,809.00		102,559,406.65	

Journal Details

Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

	<u>Amount</u>	<u>Journal ID</u>
Balance 5/31/05	\$92,994,597.65	
Amortization	-1,906,046.00	481 - WA ERM
Interest	403,129.00	481 - WA ERM
Transfer from Account 186290.ED.WA	11,067,726.00	481 - WA ERM
Balance 6/30/05	<u>\$102,559,406.65</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	
200503	USD	-26,641.00		587,892.00	
200504	USD	-26,760.00		561,132.00	
200505	USD	-26,880.00		534,252.00	
200506	USD	-27,001.00		507,251.00	

Journal Details

Summary Balances

**Contract Buyout Deferral Balance**

**Account 182360.ED.WA**

	Amount	Journal ID
Balance 5/31/05	\$534,252.00	
Amortization*	-\$29,331.00	485 - ECB AMORT
Interest	2,330.00	485 - ECB AMORT
Balance 6/30/05	<u>\$507,251.00</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	
200503	USD	2,238,349.00		227,307.00	
200504	USD	1,405,401.00		1,632,708.00	
200505	USD	-3,247,308.00		-1,614,600.00	
200506	USD	905,444.00		-709,156.00	

Journal Details

Summary Balances

**ERM Deadband**

**Account 186010.ED.WA**

Balance 5/31/05  
 2005 deadband accumulation  
 Balance 6/30/05

<u>Amount</u>	<u>Journal ID</u>
-\$1,614,600.00	
<u>905,444.00</u>	481 - WA ERM
-\$709,156.00	

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	
200503	USD	-2,238,349.00		-227,307.00	
200504	USD	-1,405,401.00		-1,632,708.00	
200505	USD	3,247,308.00		1,614,600.00	
200506	USD	905,444.00		709,156.00	

Journal Details

Summary Balances

**ERM Deadband Contra Account**

**Account 186020.ED.WA**

Balance 5/31/05  
 2005 deadband contra entry  
 Balance 6/30/05

<u>Amount</u>	<u>Journal ID</u>
\$1,614,600.00	
-905,444.00	481 - WA ERM
<u>\$709,156.00</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	
200503	USD	645,493.00		-37,466,966.00	
200504	USD	545,419.00		-36,921,547.00	
200505	USD	516,657.00		-36,404,890.00	
200506	USD	509,103.00		-35,895,787.00	

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	0.00
Account 182350.ED.WA balance	102,559,406.65
Total	<u>\$102,559,406.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$35,895,792</u>
Rounding	5
Balance in account	<u>-\$35,895,787</u>

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	
200503	USD	9,324.00		-205,765.00	
200504	USD	9,366.00		-196,399.00	
200505	USD	9,408.00		-186,991.00	
200506	USD	9,450.00		-177,541.00	

Journal Details

Summary Balances

**DFIT Associated with Contract Buyout Deferral**

**Account 283360.ED.WA**

Account 182360.ED.WA balance	\$507,251.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-177,538
Rounding	-3
Balance in account	-177,541

<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
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						
<b>Actual cost of debt at 12/31/04 is 8.28%.</b>			<b>Actual cost of debt at 6/30/04 is 8.44%</b>			
<b>The monthly rate is:</b>			<b>The monthly rate is:-</b>			
0.00690 Before Tax			0.00703 Before Tax			
0.0044850 After Tax			0.0045696 After Tax			
0.35 Tax rate			0.35 Tax rate			
<b>Account 182350 2005 Interest</b>						
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
<b>Feb-05 DFIT Expense ADFIT</b>						
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
<b>Mar-05 DFIT Expense ADFIT</b>						
Mar-05	Surcharge Amortization	(2,274,763)		Amortization	(796,167)	Operating 796,167
Mar-05	Interest		430,498	Interest	150,674	Nonoperating (150,674)
03-31-2005	Balance before interest	94,848,755			(645,493)	Total 645,493
<b>Apr-05 DFIT Expense ADFIT</b>						
Apr-05	Surcharge Amortization	(2,075,747)		Amortization	(726,511)	Operating 726,511
Apr-05	Interest		420,742	Interest	147,260	Nonoperating (147,260)
04-30-2005	Balance before interest	92,773,008			(579,251)	Total 579,251
<b>May-05 DFIT Expense ADFIT</b>						
May-05	Surcharge Amortization	(1,936,245)		Amortization	(677,686)	Operating 677,686
May-05	Interest		411,745	Interest	144,111	Nonoperating (144,111)
05-31-2005	Balance before interest	90,836,763			(533,575)	Total 533,575
<b>Jun-05 DFIT Expense ADFIT</b>						
Jun-05	Surcharge Amortization	(1,906,046)		Amortization	(667,116)	Operating 667,116
Jun-05	Interest		403,129	Interest	141,095	Nonoperating (141,095)
06-30-2005	Balance before interest	88,930,717			(526,021)	Total 526,021
<b>GL Balance Activity GL Balance</b>						
				<b>05-31-2005</b>	<b>Jun-05</b>	<b>06-30-2005</b>
<b>Net ERM Balance</b>		<b>91,491,681</b>		<b>92,994,598</b>	<b>(1,502,917)</b>	<b>91,491,681</b>
<b>ADFIT Balance</b>		<b>(32,022,088)</b>				

<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
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%		
The monthly rate is:		0.0044850 After Tax		The monthly rate is:-		0.00703 Before Tax
		0.35 Tax rate				0.0045695 After Tax
						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	Interest	0	Nonoperating	0
01-31-2005	Balance before interest	0		0	Total	0
				<u>Feb-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Feb-05	ERM Deferral	0	Deferral	0	Operating	0
Feb-05	Interest	0	Interest	0	Nonoperating	0
02-28-2005	Balance before interest	0		0	Total	0
				<u>Mar-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Mar-05	ERM Deferral	0	Deferral	0	Operating	0
Mar-05	Interest	0	Interest	0	Nonoperating	0
03-31-2005	Balance before interest	0		0	Total	0
				<u>Apr-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Apr-05	ERM Deferral	0	Deferral	0	Operating	0
Apr-05	Interest	0	Interest	0	Nonoperating	0
04-30-2005	Balance before interest	0		0	Total	0
				<u>May-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May-05	ERM Deferral	0	Deferral	0	Operating	0
May-05	Interest	0	Interest	0	Nonoperating	0
05-31-2005	Balance before interest	0		0	Total	0
				<u>Jun-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Jun-05	ERM Deferral	0	Deferral	0	Operating	0
Jun-05	Interest	0	Interest	0	Nonoperating	0
06-30-2005	Balance before interest	0		0	Total	0
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
<b>Net ERM Balance</b>		<b>0</b>	<b>05-31-05</b>	<b>0</b>	<b>Jun-05</b>	<b>06-30-05</b>
				<b>0</b>	<b>0</b>	<b>0</b>
<b>ADFIT Balance</b>		<b>0</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.						
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%		
The monthly rate is:		0.0044850 After Tax		The monthly rate is:-		0.00703 Before Tax
		0.35 Tax rate				0.0045695 After Tax
						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		<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)
				<u>Mar-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Mar-05	ERM Transfer to 182350	0		Deferral	0	Operating 0
Mar-05	Interest		48,338	Interest	16,918	Nonoperating (16,918)
03-31-2005	Balance before interest	10,777,698			16,918	Total (16,918)
				<u>Apr-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Apr-05	ERM Transfer to 18235	0		Deferral	0	Operating 0
Apr-05	Interest		48,338	Interest	16,914	Nonoperating (16,914)
04-30-2005	Balance before interest	10,777,698			16,914	Total (16,914)
				<u>May-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May-05	ERM Transfer to 18235	0		Deferral	0	Operating 0
May-05	Interest		48,338	Interest	16,918	Nonoperating (16,918)
05-31-2005	Balance before interest	10,777,698			16,918	Total (16,918)
				<u>Jun-05</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Jun-05	ERM Transfer to 18235	0		Deferral	0	Operating 0
Jun-05	Interest		48,338	Interest	16,918	Nonoperating (16,918)
06-30-2005	Balance before interest	10,777,698			16,918	Total (16,918)
	<b>Net ERM Balance</b>	<b>11,067,726</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>
				<b>05-31-05</b>	<b>Jun-05</b>	<b>06-30-05</b>
	<b>ADFIT Balance</b>	<b>(3,873,704)</b>		<b>11,019,388.00</b>	<b>48,338.00</b>	<b>11,067,726.00</b>
Annual Filing for Prudency Review made March 30, 2005						
Order received 6/29/2005 per Ron Mckenzie						
Transfer \$11,067,726 to 182350 after interest calculation is made						

DJ702	BEGINNING	ADFIT	ADFIT	ADFIT	ADFIT	ADFIT	ADFIT	BALANCE	FOR ALL	ENDING
	BALANCE	182350	186280	186290	186290	186290	186290	COMPONENTS	ACCOUNTS	BALANCE
12-31-2004	(39,622,681)	(35,850,488)	(3,772,194)	0	0	0	0	(39,622,682)	0	(39,622,681)
01-31-2005	(39,622,681)	(35,069,014)	0	(3,789,113)	(3,789,113)	(3,789,113)	(3,789,113)	(38,858,127)	764,554	(38,858,127)
02-28-2005	(38,858,120)	(34,306,429)	0	(3,806,031)	(3,806,031)	(3,806,031)	(3,806,031)	(38,112,460)	745,660	(38,112,460)
03-31-2005	(38,112,459)	(33,660,936)	0	(3,806,031)	(3,806,031)	(3,806,031)	(3,806,031)	(37,466,967)	645,492	(37,466,967)
04-30-2005	(37,466,966)	(33,081,684)	0	(3,839,868)	(3,839,868)	(3,839,868)	(3,839,868)	(36,921,552)	545,414	(36,921,552)
05-31-2005	(36,921,547)	(32,548,109)	0	(3,856,786)	(3,856,786)	(3,856,786)	(3,856,786)	(36,404,895)	516,657	(36,404,890)
06-30-2005	(36,404,890)	(32,022,088)	0	(3,873,704)	(3,873,704)	(3,873,704)	(3,873,704)	(35,895,792)	509,103	(35,895,787)
								Interest		
		<b>ADFIT</b>	<b>ADFIT</b>							
		<b>410100</b>	<b>410200</b>	<b>283280</b>						
01-31-2005	182350	(940,160)	158,681	781,479	182350	182350	453,375	186280	186290	419000
	186280	0	0	0				0	48,338	(501,713)
	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	441,475		0	48,338	(489,813)
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(917,095)	171,434	745,661						
03-31-2005	182350	(796,167)	150,674	645,493	430,498	430,498		0	48,338	(478,836)
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(796,167)	167,592	628,575						
04-30-2005	182350	(726,511)	147,260	579,251	420,742	420,742		0	48,338	(469,080)
	186280	0	0	0						
	186290	0	16,914	(16,914)						
Total		(726,511)	164,174	562,337						
05-31-2005	182350	(677,686)	144,111	533,575	411,745	411,745		0	48,338	(460,083)
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(677,686)	161,029	516,657						
06-30-2005	182350	(667,116)	141,095	526,021	403,129	403,129		0	48,338	(451,467)
	186280	0	0	0						
	186290	0	16,918	(16,918)						
Total		(667,116)	158,013	509,103						

True up \$7 in Feb



			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
Mar-05	Activity		\$2,238,349	(\$2,238,349)	
03-31-2005	Balance		\$227,307	(\$227,307)	\$0
Apr-05	Activity		\$1,405,401	(\$1,405,401)	
04-30-2005	Balance		\$1,632,708	(\$1,632,708)	\$0
May-05	Activity		(\$3,247,308)	\$3,247,308	
05-31-2005	Balance		(\$1,614,600)	\$1,614,600	\$0
Jun-05	Activity		\$905,444	(\$905,444)	
06-30-2005	Balance		(\$709,156)	\$709,156	\$0

AVISTA CORPORATION  
 JUNE 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)	64.892%	93,245,530	0.405¢	\$377,644	0.956277	\$361,132
1 (601-1300 kWh)	27.260%	39,170,824	0.607¢	237,767	0.956277	227,371
1 (over 1300 kWh)	7.848%	11,277,059	0.853¢	96,193	0.956277	91,987
Total Sch 1	100.000%	143,693,413		711,604		680,490
11		24,848,193	0.788¢	195,804	0.956277	187,243
12		2,729,662	0.788¢	21,510	0.956277	20,570
21		123,016,624	0.549¢	675,361	0.956277	645,832
22		2,043,963	0.549¢	11,221	0.956277	10,730
25		77,111,833	0.352¢	271,434	0.956277	259,566
30		4,414,000	0.485¢	21,408	0.956277	20,472
31		9,151,481	0.485¢	44,385	0.956277	42,444
32		950,596	0.485¢	4,610	0.956277	4,408
41-46		\$266,142	109.78%	23,710	0.956277	22,673
47		\$80,710	109.78%	7,190	0.956277	6,876
48		\$55,669	109.78%	4,959	0.956277	4,742
Schedule Totals		387,959,765		\$1,993,196		\$1,906,046 Amortization
kWh not subject to surcharge		0				-35%
Schedule 28		2,281,520				(\$667,116) DFIT Expense
Sch 41-48		390,241,285				
Total kWh						

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200506 , State Code : WA**

Accounting Period: 200506   State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
Rate Schedule Num						
001	187,903	143,693,413	8,217,572	188,559	1,173,137,305	68,050,776
011	18,232	24,848,193	2,193,543	18,292	170,810,170	14,959,569
012	6,834	2,729,662	255,304	6,792	21,265,250	1,912,049
021	3,275	123,016,624	8,129,509	3,281	735,224,076	48,470,053
022	69	2,043,963	125,934	68	17,614,499	1,049,261
025	22	77,111,833	3,291,022	21	452,893,610	19,353,864
028	0	0	15,400	0	37,190	94,183
030	40	4,414,000	219,772	39	8,766,320	437,639
031	1,038	9,151,481	530,441	1,032	29,242,091	1,756,984
032	1,072	950,596	58,449	1,074	2,557,373	182,791
041	12	16,056	2,727	12	96,336	16,362
042	224	1,056,176	240,580	216	6,300,444	1,433,189
044	13	21,600	1,890	13	129,600	11,339
045	7	182,793	8,006	7	1,095,006	47,934
046	16	182,719	12,939	16	1,153,277	81,600
047	0	505,252	80,710	0	3,040,207	484,683
048	0	316,924	55,669	0	1,896,803	333,103
058	0	0	819,432	0	0	5,409,295
058A	0	0	-5,475	0	0	-39,518

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200506 , State Code : WA**

Accounting Period: 200506   State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
090	0	0	4	0	0	24
095	0	0	10,388	0	0	60,482
099	0	0	53,228	0	0	301,441
Total WA	218,757	390,241,285	24,317,044	219,424	2,625,259,557	164,407,104
Total WA	218,757	390,241,285	24,317,044	219,424	2,625,259,557	164,407,104

Avistia Utilities  
 WASHINGTON POWER COST DEFERRALS

Line No.		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	\$107,641,302	\$15,444,404	\$22,352,133	\$18,431,402	\$16,486,668	\$17,939,891	\$	\$	\$	\$	\$	\$
2	501 Thermal Fuel	\$10,038,132	\$1,631,062	\$1,905,839	\$1,862,175	\$1,289,837	\$1,643,869	\$	\$	\$	\$	\$	\$
3	547 CT Fuel	\$25,420,979	\$6,421,318	\$7,702,451	\$6,754,860	\$953,664	\$484,879	\$	\$	\$	\$	\$	\$
4	447 Sale for Resale	\$101,000,978	\$14,359,641	\$18,494,785	\$18,376,602	\$20,560,146	\$21,110,600	\$	\$	\$	\$	\$	\$
5	Actual Net Expense	\$42,099,435	\$9,137,143	\$13,465,638	\$8,671,835	\$1,829,977	\$1,041,961	\$	\$	\$	\$	\$	\$
6	Potlatch 25 aMW directly assigned to ID	(\$3,512,401)	(\$543,480)	(\$601,710)	(\$581,491)	(\$601,710)	(\$582,300)						
7	Potlatch 62 aMW directly assigned to ID	(\$10,499,991)	(\$1,807,447)	(\$1,479,409)	(\$1,969,470)	(\$1,841,697)	(\$1,417,691)						
8	Adjusted Actual Net Expense	\$11,110,770	\$6,786,216	\$11,384,519	\$6,120,874	\$(4,273,384)	\$(3,041,952)	\$	\$	\$	\$	\$	\$
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>													
9	555 Purchased Power	\$68,370,477	\$7,820,601	\$6,873,178	\$6,877,530	\$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	\$1,193,467	\$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	\$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	\$1,922,246	\$2,752,789	\$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	\$9,131,898	\$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	\$8,212,188
14	Actual - Authorized Net Expense	\$5,249,826	\$1,978,872	\$(518,223)	\$3,765,699	\$2,576,184	\$(3,950,116)	\$1,397,410	\$	\$	\$	\$	\$
15	Net Fuel Expense not incl in Acct 547 (1)	\$(1,274,837)	\$(456,235)	\$(91,865)	\$(514,247)	\$(606,892)	\$596,352						
16	Adjusted Actual - Authorized Net Exp	\$3,974,989	\$1,522,637	\$(610,088)	\$3,251,452	\$(4,557,008)	\$1,993,762	\$	\$	\$	\$	\$	\$
17	Washington Alloc. @ 66.29%	\$2,635,021	\$1,009,356	\$(404,427)	\$2,155,388	\$(3,020,841)	\$1,321,665	\$0	\$0	\$0	\$0	\$0	\$0
18	Enron Contract Buyout 100%	\$195,540	\$32,590	\$32,590	\$32,590	\$32,590	\$32,590						
19	WA Retail Revenue Adjustment	\$(3,539,717)	\$(1,073,137)	\$(1,608,014)	\$50,371	\$(259,057)	\$(448,811)						
20	Net Power Cost Increase (Decrease)	\$ (709,156)	\$(31,191)	\$(1,979,851)	\$2,238,349	\$1,405,401	\$905,444	\$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	15,866,660	11,842,156	10,986,980	12,686,242							67,325,332
2	163,242	163,242	163,242	163,242	134,280	163,242							950,490
3	106,273	83,621	71,811	131,011	200,198	417,000							1,009,914
4	273,832	273,832	273,832	273,832	244,597	273,832							1,613,757
5	98,106	98,106	98,106	98,106	98,106	98,106							588,636
6	343	467	406	376	361	379							2,332
7	116,157	104,037	101,833	124,765	112,002	106,336							665,130
8	348,383	342,360	175,976	300,393	310,479	121,033							1,598,624
9	2,961,151	2,675,699	1,461,911	1,415,883	(0)								8,514,644
10	16,881	38,114	(2,459)	89,840	(53,043)	17,714							107,047
11	567,300	512,400	567,300	548,238	567,300	549,000							3,311,538
12	1,041,600	940,800	1,041,600	503,300	1,041,600	1,008,000							5,576,900
13	590,550	533,400	590,550	570,706	590,550	571,500							3,447,256
14	117,591	114,136	128,148	96,785	88,065	82,919							627,644
15	1,984,277	1,807,447	1,479,409	1,969,470	1,841,697	1,417,691							10,499,991
16	90,000	112,500	112,500	147,500	152,500	178,000							793,000
17	108,571	97,729	218,388	153,406	167,253	243,296							988,643
18	2,908	2,859	2,920	2,394	3,742	5,601							20,424
19	16,986,804	15,444,404	22,352,133	18,431,402	16,486,668	17,939,891	0	0	-	-	-	-	107,641,302

(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	18,042,542	17,970,013	20,231,230	20,740,145							98,558,629
21	150,000	150,000	150,000	150,000	150,000	150,000							900,000
22	62,464	8,619	6,156	7,979	28,267	13,236							126,721
23	61,750	31,772	64,477	32,487	30,697	31,376							252,558
24	197,530	172,414	232,356	217,716	133,679	174,163							1,127,858
25	52,912	0	(3,666)	(3,987)	(17,469)	(3,920)							52,912
26	(4,050)	(5,032)	(3,666)	(3,987)	(17,469)	(3,920)							(38,124)
26	2,908	2,859	2,920	2,394	3,742	5,601							20,424
27	8,099,204	14,359,641	18,494,785	18,376,602	20,560,146	21,110,600							101,000,978

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	Kettle Falls	801,206	816,446	906,506	717,674	89,116	627,475						3,958,423
29	Colstrip	884,025	804,280	994,367	1,115,397	1,181,167	1,003,449						5,982,685
30	Total Coal & Wood	1,685,231	1,620,726	1,900,873	1,833,071	1,270,283	1,630,924						9,941,108
31	Kettle Falls GS	4,561	395	347	2,897	1,368	4,382						13,950
32	Colstrip	15,558	9,941	4,619	26,207	18,186	8,563						83,074
33	Total Oil & Gas	20,119	10,336	4,966	29,104	19,554	12,945						97,024
34	Total Account 501	1,705,350	1,631,062	1,905,839	1,862,175	1,289,837	1,643,869						10,038,132
<u>501 FUEL-TONS</u>													
35	Kettle Falls	52,249	52,877	58,704	47,869	2,262	12,286						226,247
36	Colstrip	101,200	86,770	84,290	93,546	99,907	91,250						556,963
<u>501 FUEL-COST PER TON</u>													
37	Kettle Falls	15.33 \$	15.44 \$	15.44 \$	14.99 \$	39.40 \$	51.07 \$	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	17.50 \$
38	Colstrip	8.74 \$	9.27 \$	11.80 \$	11.92 \$	11.82 \$	11.00 \$	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	10.74 \$
<u>547 FUEL</u>													
39	NE Combustion Turbine Gas/Oil	484	2,078	-	3,579	155	675						6,971
40	Boulder Park	158,343	30,746	17,098	71	3,750	30,120						240,128
41	Kettle Falls CT	48,994	20,302	3,048	13,641	330	6,150						92,465
42	Coyote Springs2	2,855,500	6,327,750	7,642,366	6,737,590	948,047	448,585						24,959,858
43	Rathdrum Gas Storage Fee	40,000	40,000	40,000	-	-	-						120,000
44	Rathdrum Fuel Exp	486	442	(81)	(21)	1,382	(651)						1,557
45	Total Account 547	3,103,807	6,421,318	7,702,451	6,754,860	953,664	484,879						25,420,979
46	TOTAL NET EXPENSE	13,696,757	9,137,143	13,465,638	8,671,835	(1,829,977)	(1,041,961)						42,099,435

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

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	498,283,686	492,493,995	439,000,502	412,790,116	392,449,973	390,241,285							2,825,259,557
Deduct Prior Month Unbilled kWhs Heating	(358,802,848)	(321,228,105)	(303,770,568)	(299,482,363)	(280,846,269)	(271,038,777)							(1,813,169,030)
Deduct Prior Month Unbilled kWhs Cooling						(1,670,129)							(1,670,129)
Add Current Month Unbilled kWhs Heating	321,228,105	303,770,568	299,482,363	280,846,269	271,038,777	269,839,011							1,746,305,093
Add Current Month Unbilled kWhs Cooling					1,670,129	3,724,562							5,394,691
Washington Retail kWhs	482,708,843	475,036,458	434,712,297	394,154,022	384,312,610	391,195,952							2,562,120,182
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	5,008,915,969
from Attachment 1 Settlement Stipulation in Docket No. UE-011595													
Difference from Test Year	33,230,939	49,899,391	(1,796,261)	6,042,639	7,841,153	13,755,625							108,973,486
WA Retail Revenue Credit	\$1,066,049	\$1,600,772	(\$57,624)	\$193,848	\$251,544	\$441,280	\$0	\$0	\$0	\$0	\$0	\$0	\$3,495,869
Net Wind Revenue Credit	\$7,088	\$7,242	\$7,253	\$7,221	\$7,513	\$7,531	\$0	\$0	\$0	\$0	\$0	\$0	\$43,848
<b>Total Revenue Credit</b>	<b>\$1,073,137</b>	<b>\$1,608,014</b>	<b>(\$50,371)</b>	<b>\$201,069</b>	<b>\$259,057</b>	<b>\$448,811</b>							<b>\$3,539,717</b>

Schedule 95 Wind Revenue	\$9,776.86	\$9,989.46	\$10,004.40	\$9,960.06	\$10,362.81	\$10,388.16							\$60,481.75
Deduct Admin Expense	\$2,688.64	\$2,747.10	\$2,751.21	\$2,739.02	\$2,849.77	\$2,856.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,632.48
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$7,088.22	\$7,242.36	\$7,253.19	\$7,221.04	\$7,513.04	\$7,531.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,849.27



**Avista Corporation Journal Entry**

Journal: 485-ECB AMORT

Team: Resource Accounting

Type: C

Effective Date: 200506

Last Saved by: Lori Hamilton

Last Saved: 06/28/2005 2:58 PM

Submitted by: Lori Hamilton

<u>SEQ</u>	<u>FERC</u>	<u>Ser.</u>	<u>Jur.</u>	<u>S.I.</u>	<u>Debit</u>	<u>Credit</u>	<u>Comment</u>
10	557162 - ENRON CONTRACT BUYOUT	ED	WA	DL	29,331.00		Amortization expense
20	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL		29,331.00	Amortization for WA ERM
30	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL	2,330.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		2,330.00	Interest income accrued
50	410100 - PRV DFIT DR	ED	WA	DL		10,266.00	DFIT expense on amortization (operating)
60	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	816.00		DFIT expense on amortization (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	9,450.00		ADFIT ECB
<b>TOTALS:</b>					<b>41,927.00</b>	<b>41,927.00</b>	

*L. Hamilton*  
 Prepared by Lori Hamilton  
 Date 7/5/05  
*Jani Judge*  
 Reviewed by  
 Date 7/5/05

Approved for Entry  
 Corporate Accounting use Only  
 Date \_\_\_\_\_

Explanation:  
 The 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 expense is amortized it will become part of the monthly ERM calculation.

