

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



October 13, 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

RECEIVED  
RECORDS MANAGEMENT  
05 OCT 17 AM 9:00  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

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

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 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 \$1,254,523. However, no deferral entry was recorded as the entire amount was applied toward the \$9 million deadband for 2005. The deadband has a balance at the end of September in the surcharge direction of \$7,536,488.

Actual power supply expenses were higher than authorized due primarily to lower hydro generation. Hydro generation was 57 aMW below the authorized levels. The average market purchase price was \$67.82/MWh compared to an authorized rate of \$37.69/MWh. The average market sales price was \$67.81/MWh compared to an authorized sales price of \$39.04/MWh.

Colstrip generated 13 aMW above the authorized level, and Kettle Falls generated 19 aMW above the authorized level. Coyote Springs 2 generated 145 aMW above the authorized level due primarily to the acquisition of the second half of the plant. Due to economics other gas fueled plants generated 73 aMW below the authorized level. Thermal fuel and natural gas fuel expense were both above the authorized level. Washington retail sales were 76 aMW above the authorized level.

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

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

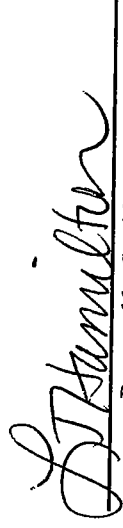
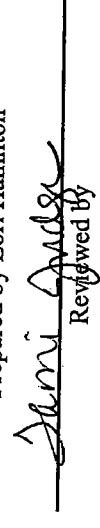
MONTH OF SEPTEMBER 2005

**Avista Corporation Journal Entry**

Journal: 481-WA ERM  
 Team: Resource Accounting  
 Type: C

Effective Date: 200509  
 Last Saved by: Lori Hamilton  
 Submitted by: Lori Hamilton  
 Last Saved: 10/06/2005 2:15 PM

SEQ	FERC	Seq.	Jur.	S.L.	Debit	Credit	Comment
10	557290 - WA ERM AMORTIZATION	ED	WA	DL			WA ERM surcharge amortization
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	2,077,535.00	2,077,535.00	WA ERM authorized for recovery
30	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL			WA ERM current month deferral
40	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL			WA ERM current year deferral
50	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	428,502.00		Accrue interest on deferral balance authorized for recovery
60	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL			Accrue interest on current year deferral balance
70	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL			Accrue interest on previous year deferral balance
80	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL	428,502.00		Non-utility interest income
90	410100 - PRV DFIT DR	ED	WA	DL	727,137.00		DFIT entry for power supply deferral and surcharge amortization
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	149,976.00		Non-op DFIT entry for interest income
110	283280 - ADFIT ERM	ED	WA	DL	577,161.00		ADFIT WA ERM current and prior years
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL	1,254,523.00		Track YTD company band accumulation
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		1,254,523.00	Contra account for YTD company band accumulation
<b>TOTALS:</b>					<b>4,487,697.00</b>	<b>4,487,697.00</b>	

  
 Prepared by Lori Hamilton  
 Date 10/6/05  
  
 Reviewed by  
 Date 10/6/05

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

Approved for Entry  
 Corporate Accounting use Only  
 Date  
 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	
200507	USD	0.00		0.00	
200508	USD	0.00		0.00	
200509	USD	0.00		0.00	

Journal Details

Summary Balances

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

**Account 186280.ED.WA**

Balance 8/31/05  
 No current month entry  
 Balance 9/30/05

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

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	
200507	USD	0.00		0.00	
200508	USD	0.00		0.00	
200509	USD	0.00		0.00	

Journal Details

Summary Balances

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

**Account 186290.ED.WA**

Balance 8/31/05  
 No current month entry  
 Balance 9/30/05

Amount	Journal ID
\$0.00	
0.00	481 - WA ERM
<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	
200507	USD	-1,499,776.00		101,059,630.65	
200508	USD	-1,711,907.00		99,347,723.65	
200509	USD	-1,649,033.00		97,698,690.65	

Journal Details

Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

	Amount	Journal ID
Balance 8/31/05	\$99,347,723.65	
Amortization	-2,077,535.00	481 - WA ERM
Interest	428,502.00	481 - WA ERM
Balance 9/30/05	<u>\$97,698,690.65</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200413</b>	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	
200507	USD	-27,141.00		480,110.00	
200508	USD	-27,261.00		452,849.00	
200509	USD	-27,381.00		425,468.00	

Journal Details

Summary Balances

**Contract Buyout Deferral Balance**

**Account 182360.ED.WA**

Balance 8/31/05

Amortization\*

Interest

Balance 9/30/05

Amount

Journal ID

\$452,849.00

-29,308.00 485 - ECB AMORT

1,927.00 485 - ECB AMORT

\$425,468.00

\*Amount grossed-up from 90% to 100% for ERM deferral calculations

\$32,564

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200413</b>	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	
200507	USD	3,131,961.00		2,422,805.00	
200508	USD	3,859,160.00		6,281,965.00	
200509	USD	1,254,523.00		7,536,488.00	

Journal Details

Summary Balances

**ERM Deadband**

**Account 186010.ED.WA**

Balance 8/31/05

2005 deadband accumulation

Balance 9/30/05

<u>Amount</u>	<u>Journal ID</u>
\$6,281,965.00	
1,254,523.00	481 - WA ERM
<u>\$7,536,488.00</u>	



Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200413</b>	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	
200507	USD	-3,131,961.00		-2,422,805.00	
200508	USD	-3,859,160.00		-6,281,965.00	
200509	USD	-1,254,523.00		-7,536,488.00	

Journal Details

Summary Balances

**ERM Deadband Contra Account**

**Account 186020.ED.WA**

Balance 8/31/05

2005 deadband contra entry

Balance 9/30/05

<u>Amount</u>	<u>Journal ID</u>
-\$6,281,965.00	
-1,254,523.00	481 - WA ERM
<u>-\$7,536,488.00</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	
200507	USD	524,922.00		-35,370,865.00	
200508	USD	599,168.00		-34,771,697.00	
200509	USD	577,161.00		-34,194,536.00	

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	97,698,690.65
Total	<u>\$97,698,690.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$34,194,542</u>
Rounding	6
Balance in account	<u>-\$34,194,536</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	
200507	USD	9,500.00		-168,041.00	
200508	USD	9,542.00		-158,499.00	
200509	USD	9,584.00		-148,915.00	

Journal Details

Summary Balances

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

Account 182360.ED.WA balance	\$425,468.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-\$148,914
Rounding	-1
Balance in account	-\$148,915

<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%--			Actual cost of debt at 6/30/05 is 8.12%			
The monthly rate is:			0.00690 Before Tax	The monthly rate is: 0.00676667 Before Tax		
			0.0044850 After Tax	0.0043983 After Tax		
			0.35 Tax rate	0.35 Tax rate		
<b>Account 182350</b>		<b>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
				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
				Mar-05	DFIT Expense	ADFIT
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
				Apr-05	DFIT Expense	ADFIT
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
				May-05	DFIT Expense	ADFIT
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
				Jun-05	DFIT Expense	ADFIT
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
06-30-2005	Transfer from 186290	11,067,726				
06-30-2005	GL Balance including interest	102,559,407		Jul-05	DFIT Expense	ADFIT
Jul-05	Surcharge Amortization	(1,946,582)		Amortization	(681,304)	Operating 681,304
Jul-05	Interest		446,806	Interest	156,382	Nonoperating (156,382)
07-31-2005	Balance before interest	100,612,825			(524,922)	Total 524,922
				Aug-04	DFIT Expense	ADFIT
Aug-04	Surcharge Amortization	(2,149,705)		Amortization	(752,397)	Operating 752,397
Aug-04	Interest		437,798	Interest	153,229	Nonoperating (153,229)
08-31-2005	Balance before interest	98,463,120			(599,168)	Total 599,168
				Sep-05	DFIT Expense	ADFIT
Sep-05	Surcharge Amortization	(2,077,535)		Amortization	(727,137)	Operating 727,137
Sep-05	Interest		428,502	Interest	149,976	Nonoperating (149,976)
09-30-2005	Balance before interest	96,385,585			(577,161)	Total 577,161
				GL Balance	Activity	GL Balance
				08-31-2005	Sep-05	09-30-2005
	Net ERM Balance	97,698,691		99,347,724	(1,649,033)	97,698,691
	ADFIT Balance	(34,194,542)				

<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%.			Actual cost of debt at 6/30/05 is 8.12%		
The monthly rate is:			The monthly rate is:		
		0.00690 Before Tax			0.00676667 Before Tax
		0.0044850 After Tax			0.0043983 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			
			<b>Jan-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
			<b>Feb-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
			<b>Mar-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
			<b>Apr-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
			<b>May-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
			<b>Jun-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
Jun-05	ERM Deferral		Deferral	0	Operating 0
Jun-05	Interest	0	Interest	0	Nonoperating 0
06-30-2005	Balance before interest	0		0	Total 0
			<b>Jul-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
06-30-2005	GL Balance including interest	0	Deferral	0	Operating 0
Jul-05	ERM Deferral		Interest	0	Nonoperating 0
Jul-05	Interest	0		0	Total 0
07-31-2005	Balance before interest	0		0	Total 0
			<b>Aug-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
Aug-05	ERM Deferral		Deferral	0	Operating 0
Aug-05	Interest	0	Interest	0	Nonoperating 0
08-31-2005	Balance before interest	0		0	Total 0
			<b>Sep-05</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
Sep-05	ERM Deferral		Deferral	0	Operating 0
Sep-05	Interest	0	Interest	0	Nonoperating 0
09-30-2005	Balance before interest	0		0	Total 0
			<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>
<b>Net ERM Balance</b>			<b>08-31-05</b>	<b>Sep-05</b>	<b>09-30-05</b>
			<b>0</b>	<b>0</b>	<b>0</b>
<b>ADFIT Balance</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 6/30/05 is 8.12%			
The monthly rate is:		0.00690	Before Tax	The monthly rate is:		0.00676667	Before Tax
		0.0044850	After Tax			0.0043983	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		<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)
06-30-2005	GL Balance including interest	11,067,726		<u>Jun-05</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
06-30-2005	ERM Transfer to 182350	(11,067,726)		Deferral	0	Operating	0
Jul-05	Interest		0	Interest	0	Nonoperating	0
07-31-2005	Balance before interest	0			0	Total	0
				<u>Aug-05</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Aug-05	ERM Transfer to 18235			Deferral	0	Operating	0
Aug-05	Interest		0	Interest	0	Nonoperating	0
08-31-2005	Balance before interest	0			0	Total	0
				<u>Sep-05</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Sep-05	ERM Transfer to 18235	0		Deferral	0	Operating	0
Sep-05	Interest		0	Interest	0	Nonoperating	0
09-30-2005	Balance before interest	0			0	Total	0
	<b>Net ERM Balance</b>	<b>0</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>08-31-05</b>	<b>Sep-05</b>	<b>09-30-05</b>	
	<b>ADFIT Balance</b>	<b>0</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</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							



			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			186010	186020	Impact
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
Jul-05	Activity		\$3,131,961	(\$3,131,961)	
07-31-2005	Balance		\$2,422,805	(\$2,422,805)	\$0
Aug-05	Activity		\$3,859,160	(\$3,859,160)	
08-31-2005	Balance		\$6,281,965	(\$6,281,965)	\$0
Sep-05	Activity		\$1,254,523	(\$1,254,523)	
09-30-2005	Balance		\$7,536,488	(\$7,536,488)	\$0



AVISTA CORPORATION  
 SEPTEMBER 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)	Conversion Factor	(f)	Deferral Amortization	(g)	(e)*(f)
1 (0-600 kWh)		61.131%		94,110,075		0.405¢		\$381,146		0.956277		\$364,481		
1 (601-1300 kWh)		28.810%		44,352,477		0.607¢		269,220		0.956277		257,449		
1 (over 1300 kWh)		10.059%		15,485,649		0.853¢		132,093		0.956277		126,317		
Total Sch 1		100.000%		153,948,201				782,459				748,247		
11				27,987,274		0.788¢		220,540		0.956277		210,897		
12				2,699,653		0.788¢		21,273		0.956277		20,343		
21				128,464,804		0.549¢		705,272		0.956277		674,435		
22				2,562,830		0.549¢		14,070		0.956277		13,455		
25				81,791,498		0.352¢		287,906		0.956277		275,318		
30				3,819,180		0.485¢		18,523		0.956277		17,713		
31				15,971,079		0.485¢		77,460		0.956277		74,073		
32				1,881,134		0.485¢		9,123		0.956277		8,724		
41-46				\$267,178		109.78%		23,802		0.956277		22,761		
47				\$80,479		109.78%		7,170		0.956277		6,857		
48				\$55,302		109.78%		4,927		0.956277		4,712		
Schedule Totals				419,125,653				\$2,172,525				\$2,077,535		Amortization
kWh not subject to surcharge				0										-35%
Schedule 28				0										
Sch 41-48				2,279,224										
Total kWh				421,404,877										
														(\$727,137) DFIT Expense

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200509 , State Code : WA**

Accounting Period: 200509   State Code: WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
001	189,019	153,948,201	8,825,426	188,645	1,639,181,095	94,817,547
011	18,279	27,987,274	2,465,741	18,285	252,769,986	22,178,585
012	6,908	2,699,653	252,801	6,826	29,319,545	2,669,621
021	3,281	128,464,804	8,456,712	3,280	1,104,379,811	72,895,128
022	74	2,562,830	155,570	70	37,525,035	2,150,360
025	21	81,791,498	3,478,443	21	688,844,269	29,427,259
028	0	0	15,400	1	199,860	150,560
030	40	3,819,180	190,234	40	21,605,587	1,077,090
031	1,042	15,971,079	911,700	1,035	71,640,507	4,153,336
032	1,079	1,881,134	106,262	1,075	7,606,417	471,334
041	11	12,542	2,299	12	10,972	8,259
042	227	1,061,316	242,105	219	9,544,047	2,172,856
044	13	21,600	1,890	13	194,400	17,009
045	7	182,793	8,006	7	1,643,385	71,952
046	16	181,878	12,878	16	1,700,397	120,344
047	0	505,596	80,479	0	4,554,287	726,164
048	0	313,499	55,302	0	2,841,715	499,445
058	0	0	898,178	0	0	8,043,232
058A	0	0	-4,969	0	0	-53,338

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200509 , State Code : WA**

Accounting Period: 200509   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	36
095	0	0	10,194	0	0	91,009
099	0	0	48,031	0	0	455,037
Total WA	220,017	421,404,877	26,212,685	219,543	3,873,561,315	242,142,827
Total WA	220,017	421,404,877	26,212,685	219,543	3,873,561,315	242,142,827

Avista Utilities  
 WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2005	Actual												Actual Dec-05		
		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05				
1	555 Purchased Power	\$179,243,992	\$16,986,804	\$15,444,404	\$22,352,133	\$18,431,402	\$16,486,668	\$17,939,891	\$22,013,132	\$25,544,710	\$23,044,848	\$ -	\$ -	\$ -	\$ -	
2	501 Thermal Fuel	\$16,073,669	\$1,705,350	\$1,631,062	\$1,905,839	\$1,862,175	\$1,289,837	\$1,643,869	\$1,983,617	\$1,989,378	\$2,062,542	\$ -	\$ -	\$ -	\$ -	
3	547 CT Fuel	\$45,557,892	\$3,103,807	\$6,421,318	\$7,702,451	\$6,754,860	\$953,664	\$484,879	\$5,468,404	\$7,462,569	\$7,205,940	\$ -	\$ -	\$ -	\$ -	
4	447 Sale for Resale	\$156,929,169	\$8,099,204	\$14,359,641	\$18,494,785	\$18,376,602	\$20,560,146	\$21,110,600	\$19,822,476	\$18,472,367	\$17,633,348	\$ -	\$ -	\$ -	\$ -	
5	Actual Net Expense	\$82,946,384	\$13,696,757	\$9,137,143	\$13,465,638	\$8,671,895	\$(1,829,977)	\$(1,041,961)	\$9,642,677	\$16,524,290	\$14,679,982	\$ -	\$ -	\$ -	\$ -	
6	Pollatch 25 aMW directly assigned to ID	\$(5,298,121)	\$(601,710)	\$(543,480)	\$(601,710)	\$(581,491)	\$(601,710)	\$(582,300)	\$(601,710)	\$(601,710)	\$(601,710)	\$(582,300)	\$ -	\$ -	\$ -	
7	Pollatch 62 aMW directly assigned to ID	\$(16,359,096)	\$(1,984,277)	\$(1,807,447)	\$(1,479,409)	\$(1,969,470)	\$(1,841,697)	\$(1,417,691)	\$(1,976,294)	\$(1,932,387)	\$(1,949,426)	\$ -	\$ -	\$ -	\$ -	
8	Adjusted Actual Net Expense	\$61,290,165	\$11,110,770	\$6,786,216	\$11,384,519	\$6,120,874	\$(4,273,384)	\$(3,041,952)	\$7,064,673	\$13,990,193	\$12,148,256	\$ -	\$ -	\$ -	\$ -	
<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	\$8,215,787	\$8,175,700	\$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	\$1,449,825	\$1,288,090	\$1,455,980	
11	547 CT Fuel	\$30,931,880	\$3,209,570	\$2,713,553	\$2,216,117	\$1,302,967	\$642,820	\$1,720,868	\$3,644,073	\$4,169,327	\$4,111,073	\$2,703,227	\$2,355,980	\$2,355,980	\$2,142,305	
12	447 Sale for Resale	\$49,213,167	\$3,395,816	\$3,610,669	\$2,796,420	\$1,922,246	\$2,752,789	\$8,044,786	\$9,136,979	\$5,227,838	\$4,654,564	\$1,545,341	\$2,563,932	\$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)	\$1,425,178	\$8,002,694	\$7,055,338	\$9,037,068	\$9,296,925	\$9,296,925	\$8,212,198	
14	Actual - Authorized Net Expense	\$21,969,737	\$1,978,872	\$(518,223)	\$3,765,699	\$2,576,184	\$(3,950,116)	\$1,397,410	\$5,638,494	\$5,987,499	\$5,092,918	\$ -	\$ -	\$ -	\$ -	
15	Net Fuel Expense not Incl In Acct 547 (1)	\$(2,872,737)	\$(456,235)	\$(91,865)	\$(514,247)	\$(201,950)	\$(606,892)	\$596,352	\$(522,343)	\$(496,359)	\$(579,199)	\$ -	\$ -	\$ -	\$ -	
16	Adjusted Actual - Authorized Net Exp	\$19,097,000	\$1,522,637	\$(610,068)	\$3,251,452	\$2,374,234	\$(4,557,008)	\$1,993,762	\$5,117,151	\$5,491,141	\$4,513,719	\$ -	\$ -	\$ -	\$ -	
17	Washington Alloc. @ 66.29%	\$12,659,401	\$1,009,356	\$(404,427)	\$2,155,388	\$1,573,880	\$(3,020,841)	\$1,321,665	\$3,392,159	\$3,640,077	\$2,992,144	\$0	\$0	\$0	\$0	
18	Enron Contract Buyout 100%	\$293,232	\$32,590	\$32,590	\$32,590	\$32,590	\$32,590	\$32,590	\$32,564	\$32,564	\$32,564	\$ -	\$ -	\$ -	\$ -	
19	WA Retail Revenue Adjustment	\$(5,416,145)	\$(1,073,137)	\$(1,608,014)	\$50,371	\$(201,069)	\$(259,057)	\$(448,811)	\$(292,762)	\$186,519	\$(1,770,185)	\$ -	\$ -	\$ -	\$ -	
20	Net Power Cost Increase (Decrease)	\$7,536,488	\$(31,191)	\$(1,979,851)	\$2,238,349	\$1,405,401	\$(3,247,308)	\$905,444	\$3,131,961	\$3,859,160	\$1,254,523	\$0	\$0	\$0	\$0	

Avisia 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	16,602,900	20,094,887	17,848,326				121,871,445
2	163,242	163,242	163,242	163,242	134,280	163,242	163,242	163,242	163,242				1,440,216
3	106,273	83,621	71,811	131,011	200,198	417,000	156,180	117,943	93,845				1,377,882
4	273,832	273,832	273,832	273,832	244,597	273,832	273,832	273,832	273,832				2,435,253
5	98,106	98,106	98,106	98,106	98,106	98,106	87,069	87,069	109,038				871,812
6	343	467	406	376	361	379	331	448	482				3,593
7	116,157	104,037	101,833	124,765	112,002	106,336	103,533	140,873	54,636				964,172
8	348,383	342,360	175,976	300,393	310,479	121,033	3,341		3,649				1,605,614
9	2,961,151	2,675,699	1,461,911	1,415,883	(0)				0				8,514,644
10	16,881	38,114	(2,459)	89,840	(53,043)	17,714	(28,089)	3,441	(92,291)				(9,892)
11	567,300	512,400	567,300	548,238	567,300	549,000	567,300	567,300	549,000				4,995,138
12	1,041,600	940,800	1,041,600	503,300	1,041,600	1,041,600	1,041,600	1,041,600	1,008,000				8,668,100
13	590,550	533,400	590,550	570,706	590,550	590,550	590,550	590,550	571,500				5,199,856
14	117,591	114,136	128,148	96,785	88,065	82,919	133,595	143,859	128,425				1,033,523
15	1,984,277	1,807,447	1,479,409	1,969,470	1,841,697	1,417,691	1,976,294	1,932,387	1,949,426				16,358,098
16	90,000	112,500	112,500	147,500	152,500	178,500	178,500	183,750	203,750				1,359,000
17	108,571	97,729	218,388	153,406	167,253	243,296	157,650	198,974	175,348				1,520,615
18	2,908	2,859	2,920	2,394	3,742	5,601	5,304	4,555	4,640				34,923
19	16,986,804	15,444,404	22,352,133	18,431,402	16,486,668	17,939,991	22,013,132	25,544,710	23,044,848				178,243,992

(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	19,385,275	17,926,325	16,919,753				152,789,982
21	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000				1,350,000
22	62,464	8,619	6,156	7,979	28,267	13,236	6,473	7,993	30,586				171,773
23	61,750	31,772	64,477	32,487	30,697	31,376	29,850	58,924	166,853				508,185
24	197,530	172,414	232,356	217,716	133,679	174,163	250,348	328,472	365,549				2,072,227
25	52,912	0	(3,666)	(3,987)	(17,469)	(3,920)	(4,774)	(3,902)	(4,033)				52,912
26	2,908	2,859	2,920	2,394	3,742	5,601	5,304	4,555	4,640				(50,833)
27	8,099,204	14,359,641	18,494,785	18,376,602	20,560,146	21,110,600	19,822,476	18,472,367	17,633,348				34,923
													156,929,169

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	906,506	717,674	89,116	627,475	806,092	852,823	826,903			6,444,241
29	coal	884,025	804,280	994,367	1,115,397	1,181,167	1,003,449	1,164,926	1,130,027	1,210,203			9,487,841
30	Total Coal & Wood	1,685,231	1,620,726	1,900,873	1,833,071	1,270,283	1,630,924	1,971,018	1,982,850	2,037,106			15,932,082
31	gas	4,561	395	347	2,897	1,368	4,382	1,874	824	145			16,793
32	oil	15,558	9,941	4,619	26,207	18,186	8,563	10,725	5,704	25,291			124,794
33	Total Oil & Gas	20,119	10,336	4,966	29,104	19,554	12,945	12,599	6,528	25,436			141,587
34	Total Account 501	1,705,350	1,631,062	1,905,839	1,862,175	1,289,837	1,643,869	1,983,617	1,989,378	2,062,542			16,073,669
<u>501 FUEL-TONS</u>													
35	Kettle Falls	52,249	52,877	58,704	47,869	2,262	12,286	46,959	47,795	42,414			363,415
36	Colstrip	101,200	86,770	84,290	93,546	99,907	91,250	100,553	88,712	97,814			844,042
<u>501 FUEL-COST PER TON</u>													
37	wood	\$ 15.33	\$ 15.44	\$ 15.44	\$ 14.99	\$ 39.40	\$ 51.07	\$ 17.17	\$ 17.84	\$ 19.50			\$ 17.73
38	coal	\$ 8.74	\$ 9.27	\$ 11.80	\$ 11.92	\$ 11.82	\$ 11.00	\$ 11.59	\$ 12.74	\$ 12.37			\$ 11.24
<u>547 FUEL</u>													
39	NE Combustion Turbine Gas/Oil	484	2,078		3,579	155	675		1,896	14			8,881
40	Boulder Park	158,343	30,746	17,098	71	3,750	30,120	144,024	127,216	15,499			526,867
41	Kettle Falls CT	48,994	20,302	3,048	13,641	330	6,150	68,053	93,158	16,286			269,962
42	Coyote Springs2	2,855,500	6,327,750	7,642,386	6,737,590	948,047	448,585	5,110,914	7,214,400	7,174,141			44,459,313
43	Rathdrum Gas Storage Fee	40,000	40,000	40,000									120,000
44	Rathdrum Fuel Exp	486	442	(81)	(21)	1,382	(651)	145,413	25,899				172,869
45	Total Account 547	3,103,807	6,421,318	7,702,451	6,754,860	953,664	484,879	5,468,404	7,462,569	7,205,940			45,557,892
46	TOTAL NET EXPENSE	13,696,757	9,137,143	13,465,638	8,671,835	(1,829,977)	(1,041,961)	9,642,677	16,524,290	14,679,982			82,946,384

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of September 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	396,240,274	430,656,607	421,404,877	387,418,707	437,581,917	533,208,120	5,008,915,969
Deduct Prior Month Unbilled kWhs Heating	(336,802,948)	(321,228,105)	(303,770,568)	(299,482,363)	(280,846,269)	(271,038,777)	(269,939,011)	(267,211,214)	(280,207,504)				(2,630,526,759)
Deduct Prior Month Unbilled kWhs Cooling						(1,670,129)	(3,724,562)	(17,675,427)	(12,465,243)				(35,535,361)
Add Current Month Unbilled kWhs Heating	321,228,105	303,770,568	299,482,363	280,846,269	271,038,777	269,939,011	267,211,214	280,207,504	280,207,504				2,573,984,712
Add Current Month Unbilled kWhs Cooling					1,670,129	3,724,562	17,675,427	12,465,243	463,709				35,999,070
Washington Retail kWhs	482,708,843	475,036,458	434,712,297	394,154,022	384,312,610	391,195,952	407,463,342	438,442,713	409,466,740				3,817,482,977
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-071595													
Difference from Test Year	33,230,939	49,899,391	(1,796,261)	6,042,639	7,841,153	13,755,625	8,897,041	(6,044,724)	54,949,949				166,775,752
WA Retail Revenue Credit	\$1,066,049	\$1,600,772	(\$57,624)	\$193,848	\$251,544	\$441,280	\$285,417	(\$193,915)	\$1,762,794	\$0	\$0	\$0	\$5,350,166
Net Wind Revenue Credit	\$7,088	\$7,242	\$7,253	\$7,221	\$7,513	\$7,531	\$7,345	\$7,396	\$7,391	\$0	\$0	\$0	\$65,980
Total Revenue Credit	\$1,073,137	\$1,608,014	(\$50,371)	\$201,069	\$259,057	\$448,811	\$292,762	(\$186,519)	\$1,770,185	\$0	\$0	\$0	\$5,416,146

Schedule 95 Wind Revenue	\$9,776.86	\$9,989.46	\$10,004.40	\$9,960.06	\$10,362.81	\$10,388.16	\$10,131.21	\$10,201.99	\$10,194.26	\$0.00	\$0.00	\$0.00	\$91,009.20
Deduct Admin Expense	\$2,688.64	\$2,747.10	\$2,751.21	\$2,739.02	\$2,849.77	\$2,856.74	\$2,786.08	\$2,805.54	\$2,803.42	\$0.00	\$0.00	\$0.00	\$25,027.53
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	\$7,345.13	\$7,396.44	\$7,390.84	\$0.00	\$0.00	\$0.00	\$65,981.67

**Avista Corporation Journal Entry**

Journal: 485-ECB AMORT Effective Date: 200509

Team: Resource Accounting

Type: C

Last Saved by: Lori Hamilton Last Saved: 09/30/2005 3:35 PM  
 Submitted by: Lori Hamilton

SEO	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	557162 - ENRON CONTRACT BUYOUT	ED	WA	DL	29,308.00		Amortization expense
20	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL		29,308.00	Amortization for WA ERM
30	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL	1,927.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		1,927.00	Interest income accrued
50	410100 - PRV DFIT DR	ED	WA	DL		10,258.00	DFIT expense on amortization (operating)
60	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	674.00		DFIT expense on amortization (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	9,584.00		ADFIT ECB
<b>TOTALS:</b>					<b>41,493.00</b>	<b>41,493.00</b>	

*Lori Hamilton*  
 Prepared by Lori Hamilton  
 Date 10/3/05  
*Jani Gudge*  
 Reviewed by  
 Date 10/3/05

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.



