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May 1, 2009

Mr. David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Mr. Danner:

RE: Docket No. UG-060518 Natural Gas Decoupling Mechanism
Quarterly Report

Attached for filing with the Commission is an electronic copy of the Quarterly Natural Gas Decoupling Mechanism Report for the period January through March 2009. This report is submitted in compliance with Section 6. I. Accounting and Quarterly Reporting for the Mechanism of the Settlement Agreement approved by Order No. 04 in Docket No. UG-060518.

The report consists of a spreadsheet showing the monthly revenue deferral calculation for the third year pilot period July 2008 through June 2009 with monthly entries through March 2009 and monthly general ledger balance summaries for the deferral accounts and related accumulated deferred federal income tax for the first quarter. Also included are monthly general ledger balance summaries for the expense accounts used to record the deferral and surcharge amortization entries. In January 2009 a prior period adjustment to the deferral was made to correct the overstatement of the "new customer usage deduction" in the December 2007 entry. The corrected July 2007 through June 2008 pilot period deferral calculation has been included as page 5 of this report.

Questions regarding this filing should be directed to Tara Knox at (509) 495-4325.

Sincerely,

A handwritten signature in cursive script that reads "Brian Hirschorn".

Brian Hirschorn
Manager, Retail Pricing
Enc.

Avista Corporation Natural Gas Decoupling Mechanism
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Quarterly Report for 1st Quarter 2009

	New Rates Effective 01/01/2009 with 2007 Test Year												Period to Date Total					
	2008 July	2008 August	2008 September	2008 October	2008 November	2008 December	2009 January	2009 February	2009 March	2009 April	2009 May	2009 June						
12 Months Ended June 2009 Actual Schedule 101																		
Schedule 101 Billed Therms	2,763,613	2,223,233	2,487,966	3,933,329	8,603,159	15,345,278	24,885,757	21,106,338	17,754,612									99,103,285
Deduct New Customer Usage(1)	(82,104)	(66,736)	(78,849)	(127,362)	(276,318)	(599,812)	(837,285)	(628,669)	(571,631)									(3,268,766)
Deduct Prior Month Unbilled Therms	(1,731,459)	(1,267,630)	(1,309,729)	(1,930,178)	(6,206,433)	(9,576,840)	(16,255,704)	(12,772,752)	(10,188,273)	(9,003,631)								(70,242,629)
Add Current Month Unbilled Therms	1,267,630	1,309,729	1,930,178	6,206,433	9,576,840	16,255,704	12,772,752	10,188,273	9,003,631									68,511,170
Add Weather Adjustment	-	-	-	331,716	1,494,158	(2,505,968)	(1,544,178)	(704,787)	(2,625,925)									(5,554,984)
Weather Adj Calendar Therms	2,217,680	2,198,596	3,029,566	8,413,938	13,191,406	18,918,362	19,021,342	17,188,403	13,372,414	(9,003,631)								88,548,076
Weather Adj Calendar Therms	2,217,680	2,198,596	3,029,566	8,413,938	13,191,406	18,918,362	19,021,342	17,188,403	13,372,414	(9,003,631)								88,548,076
Less Test Year Therms	1,983,193	2,049,321	3,228,950	8,830,784	14,228,112	20,663,191	20,189,483	18,089,596	13,420,523	7,791,044	4,652,911	2,115,994						117,243,102
Therm Difference	234,487	149,275	(199,384)	(416,846)	(1,036,706)	(1,744,829)	(1,168,141)	(901,193)	(48,709)									(5,131,446)
Times Current Margin Rate per Therm	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.24201	0.24201	0.24201	0.24201	0.24201	0.24201						\$0
Revenue Excess (Shortfall)	\$50,996	\$32,464	(\$43,362)	(\$90,656)	(\$225,463)	(\$379,465)	(\$282,702)	(\$218,098)	(\$11,643)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,167,928)
90% Limitation	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	\$0
Deferred Revenue Account Entry	\$45,897	\$29,218	(\$39,026)	(\$81,590)	(\$202,917)	(\$341,519)	(\$254,432)	(\$196,288)	(\$10,479)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,051,135)
407328 or (407428)																		
Correction for December 2007 New Customer Report Error																		\$22,567
January 2009 Net Journal Entry																		\$ (231,865)
																		(\$1,028,568)

(1) Per monthly reports - current month usage for new services opened since that month of the test year (2006 for July through December and 2007 for January through June)

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2007 Test Year		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Weather Normalization														
Normal DDH		1,105	912	768	536	324	139	37	34	189	543	894	1,171	6,652
Actual DDH		1,204	957	936	536	324	139	37	34	189	543	894	1,171	6,964
Degree Day Adjustment		(99)	(45)	(168)	-	-	-	-	-	-	-	-	-	(312)
Res 101	Monthly Use/DD/Cust(6)	0.1005	0.1005	0.1005	0.0896	0.0896	0.0896	0.0000	0.0000	0.0000	0.0896	0.0896	0.1005	0.1005
Com 101	Use/DD/Cust(6)	0.2427	0.2427	0.2427	0.1688	0.1688	0.1688	0.0000	0.0000	0.0000	0.1688	0.1688	0.2427	0.2427
Ind 101	User/DD/Cust(6)	0.4222	0.4222	0.4222	0.3055	0.3055	0.3055	0.0000	0.0000	0.0000	0.3055	0.3055	0.4222	0.4222
Sch. 101														
Res 101		(1,266,432)	(576,804)	(2,152,541)	-	-	-	-	-	-	-	-	-	(3,995,777)
Com 101		(274,151)	(126,121)	(466,858)	-	-	-	-	-	-	-	-	-	(867,130)
Ind 101		(3,595)	(1,862)	(6,526)	-	-	-	-	-	-	-	-	-	(11,983)
Total 101		(1,544,178)	(704,787)	(2,625,925)	-	-	-	-	-	-	-	-	-	(4,874,890)
Monthly Unbilled Calculation														
Unbilled DDH (6)		952.4	740.5	571.1	535.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unbilled Factor (6)		68.63%	59.75%	60.62%	60.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Res 101	07 Base(1)	0.1005	0.1005	0.1005	0.0951	0.0896	0.0896	0.0448	0.0000	0.0000	0.0448	0.0896	0.0951	0.1005
Com 101	e/DD/Cust(6)	0.2427	0.2427	0.2427	0.2058	0.1688	0.1688	0.0844	0.0000	0.0000	0.0844	0.1688	0.2058	0.2427
Ind 101	e/DD/Cust(6)	0.4222	0.4222	0.4222	0.3639	0.3055	0.3055	0.1528	0.0000	0.0000	0.1528	0.3055	0.3639	0.4222
Sch. 101														
Res 101		13,471,627	10,613,457	8,480,016	7,641,086	-	-	-	-	-	-	-	-	-
Com 101		2,746,681	2,132,408	1,684,627	1,344,613	-	-	-	-	-	-	-	-	-
Ind 101		37,396	26,887	23,630	17,932	-	-	-	-	-	-	-	-	-
Total		16,255,704	12,772,752	10,188,273	9,003,631	-	-	-	-	-	-	-	-	-
Revenue Run Customers (Meters Billed)														
Residential 101	Class	127,078	127,541	127,490	127,528	127,415	127,215	127,256	127,482	127,898	128,371	129,218	129,424	2007 Total
Commercial 101		11,410	11,548	11,450	11,469	11,480	11,504	11,503	11,497	11,551	11,552	11,597	11,702	1,534,124
Industrial 101		86	98	92	92	93	95	94	93	95	93	92	93	138,263
Interdepartmental 101		22	23	23	24	24	24	24	24	24	23	23	23	1,116
Total		138,667	139,210	139,055	139,113	139,012	138,838	138,877	139,096	139,568	140,039	140,930	141,242	1,673,784
Revenue Run Customers		143,747	143,734	143,649										
change in revenue run customers		4,943	4,524	4,594										
New service billings on schedule 101		5,233	4,875	5,259										
New cust rept less change in rev run cust		290	351	665										
Average Use per Customer														
Per New Customer Report		(160.00)	(128.96)	(108.70)										
Per Revenue Runs Total Schedule 101		173.12	146.84	123.60										
New cust report terms / Rev Run change in cust		(169.39)	(138.96)	(124.43)										

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Balance Sheet Accounts

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:186328	Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	589,937.00	231,865.00	821,802.00
200902	821,802.00	196,288.00	1,018,090.00
200903	1,018,090.00	10,479.00	1,028,569.00
	Sum:	438,632.00	

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:182328	Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	479,593.22	-121,379.21	358,214.01
200902	358,214.01	-97,486.46	260,727.55
200903	260,727.55	-97,283.60	163,443.95
	Sum:	-316,149.27	

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:182329	Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	0.00	0.00	0.00
200902	0.00	0.00	0.00
200903	0.00	0.00	0.00
	Sum:	0.00	

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:283328	Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	-374,335.63	-38,670.03	-413,005.66
200902	-413,005.66	-34,580.54	-447,586.20
200903	-447,586.20	30,381.61	-417,204.59
	Sum:	-42,868.96	

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Income Statement Accounts

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:407428	Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	0.00	-231,865.00	-231,865.00
200902	-231,865.00	-196,288.00	-428,153.00
200903	-428,153.00	-10,479.00	-438,632.00
	Sum:	-438,632.00	

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:407328	Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	0.00	0.00	0.00
200902	0.00	0.00	0.00
200903	0.00	0.00	0.00
	Sum:	0.00	

GL Account Balance Accounting Period : '200901, 200902, 200903'

Ferc Acct:407329	Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH	Service:GD	Jurisdiction:WA
Accounting Period			
200901	Beginning Balance	Monthly Activity	Ending Balance
	0.00	123,855.65	123,855.65
200902	123,855.65	99,323.31	223,178.96
200903	223,178.96	98,571.07	321,750.03
	Sum:	321,750.03	

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AVISTA UTILITIES
Washington - Gas
Approved Decoupling Mechanism
2007/2008 with 2007 compared to 2004 Test Year and 2008 compared to 2006 Test Year
Adjusted for Actual New Customer Usage
2nd Year Pilot Period July 2007 - June 2008

	New Base Rates January 1, 2008												Period to Date					
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2008	2008	2008	2008	2008	2008	Total
	July	August	September	October	November	December	January	February	March	April	May	June	June	June	June	June	June	
12 Months Ended June 2006 Actual																		
Schedule 101																		
Schedule 101 Billed Therms	2,462,636	2,010,203	2,332,936	4,484,817	9,398,517	18,392,852	20,755,627	22,514,347	14,859,076	13,629,159	8,714,627	4,232,714	4,232,714	4,232,714	4,232,714	4,232,714	4,232,714	123,787,511
Deduct New Customer Usage(1)	(180,683)	(141,329)	(161,990)	(277,602)	(613,037)	(1,421,829)	(840,904)	(933,547)	(590,323)	(544,390)	(304,416)	(134,597)	(134,597)	(134,597)	(134,597)	(134,597)	(134,597)	(6,144,547)
Deduct Prior Month Unbilled Therms	(1,688,657)	(512,729)	(861,827)	(3,069,728)	(6,526,099)	(10,839,346)	(11,907,095)	(12,692,443)	(9,661,573)	(9,011,346)	(6,832,115)	(3,107,922)	(3,107,922)	(3,107,922)	(3,107,922)	(3,107,922)	(3,107,922)	(76,710,880)
Add Current Month Unbilled Therms	512,729	861,827	3,069,728	6,526,099	10,839,346	11,778,585	12,692,443	9,661,573	9,011,346	6,832,115	3,107,922	1,731,459	1,731,459	1,731,459	1,731,459	1,731,459	1,731,459	76,625,172
Add Weather Adjustment	692,582	236,742	31,659	15,894	47,991	673,724	(1,132,969)	(107,342)	(1,381,024)	(1,653,998)	840,841	(354,262)	(354,262)	(354,262)	(354,262)	(354,262)	(354,262)	(2,090,162)
Weather Adj Calendar Therms	1,798,607	2,454,713	4,410,505	7,679,480	13,146,718	18,583,987	19,567,202	18,442,588	12,237,502	9,251,540	5,526,859	2,367,392	2,367,392	2,367,392	2,367,392	2,367,392	2,367,392	115,467,094
Weather Adj Calendar Therms	1,798,607	2,454,713	4,410,505	7,679,480	13,146,718	18,583,987	19,567,202	18,442,588	12,237,502	9,251,540	5,526,859	2,367,392	2,367,392	2,367,392	2,367,392	2,367,392	2,367,392	115,467,094
Less Test Year Therms	1,992,869	2,626,004	3,962,139	9,013,668	14,551,772	19,133,174	20,193,658	16,744,930	14,101,624	9,347,535	5,032,140	2,400,167	2,400,167	2,400,167	2,400,167	2,400,167	2,400,167	119,099,680
Therm Difference	(194,262)	(171,291)	448,366	(1,334,188)	(1,405,054)	(549,187)	(626,456)	1,697,658	(1,864,122)	(95,995)	494,719	(32,775)	(32,775)	(32,775)	(32,775)	(32,775)	(32,775)	(3,632,587)
Times Current Margin Rate per Therm (2)	0.19822	0.19822	0.19822	0.19822	0.19822	0.19822	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748
Revenue Excess (Shortfall)	(\$38,507)	(\$33,953)	\$88,875	(\$264,463)	(\$278,510)	(\$108,860)	(\$136,242)	\$369,207	(\$405,409)	(\$20,877)	\$107,591	(\$7,128)	(\$7,128)	(\$7,128)	(\$7,128)	(\$7,128)	(\$7,128)	(\$728,275)
90% Limitation	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Deferred Revenue Account Entry	(\$34,656)	(\$30,558)	\$79,988	(\$238,016)	(\$250,659)	(\$97,974)	(\$122,617)	\$332,286	(\$364,868)	(\$18,789)	\$96,832	(\$6,415)	(\$6,415)	(\$6,415)	(\$6,415)	(\$6,415)	(\$6,415)	(\$655,447)
407328 or (407428)																		
Original Journal Entry																		(678,014)
Correction for December 2007																		22,567

(1) Per monthly reports - current month usage for new services opened since that month of the test year (2004 for July through December, 2006 for January through June)
(2) Revised Margin Rate per Therm corrected in October per agreement with Staff and Public Counsel in Docket No. UG-071863, margin rate January through June from UG-070805 is exclusive of incremental revenue related cost items.