

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



Corp.

February 14, 2006

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

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report
For the Month of January 2006

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of January 2006. 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 \$2,902,131. However, no deferral entry was recorded as the entire amount was applied toward the \$9 million deadband for 2006.

Actual power supply expenses were lower than authorized due primarily to higher than authorized hydro generation. Hydro generation was 98 aMW above the authorized level. The average market purchase price was \$52.27/MWh compared to an authorized rate of \$53.34/MWh. The average market sales price was \$70.11/MWh compared to an authorized sales price of \$52.25/MWh.

Due to economics Coyote Springs 2 generated 113 aMW below the authorized level. Other gas-fired resources generated 2 aMW below the authorized level due to economics. Colstrip generated 4 aMW below the authorized level, and Kettle Falls generated 1 aMW above the authorized level. Thermal fuel expense was above the authorized level and natural gas fuel expense was below the authorized level. Washington retail sales were 14 aMW above the authorized level.

The journal and workpapers associated with the Enron contract amortization are included in the enclosed report at pages 32-35. Workpapers supporting the semi-annual update of the carrying charge are included in the enclosed report at pages 36-38. There were no forward long-term contracts of one year or longer entered into in the month of January 2006. 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: Mary Kimball, S. Bradley Van Cleve

RECEIVED
RECORDS MANAGEMENT
06 FEB 16 AM 8:47
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

MONTH OF JANUARY 2006

Balance Type **Actual**

Currency Type **Entered**
 Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		4,138,618.00	
200601	USD	-4,138,618.00		0.00	

Journal Details

Summary Balances

ERM Deferral Balance (Current Year - 2006)
Account 186280.ED.WA
 Balance 12/31/05
 Transfer to Account 186290.ED.WA
 Balance 1/31/06

<u>Amount</u>	<u>Journal ID</u>
\$4,138,618.00	
-4,138,618.00	481 - WA ERM
<u>\$0.00</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		0.00	
200601	USD	4,156,776.00		4,156,776.00	

Journal Details

Summary Balances

ERM Deferral Balance (Prior year - 2005)

Account 186290.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 12/31/05	\$0.00	
Transfer from Account 186280.ED.WA	\$4,138,618.00	481 - WA ERM
Interest	18,158.00	481 - WA ERM
Balance 1/31/06	\$4,156,776.00	

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		92,052,194.65	
200601	USD	-2,464,349.00		89,587,845.65	

Journal Details

Summary Balances

Recoverable Deferral Balance		<u>Amount</u>	<u>Journal ID</u>
Account 182350.ED.WA			
Balance 12/31/05		\$92,052,194.65	
Amortization		-2,861,950.00	481 - WA ERM
Interest		397,601.00	481 - WA ERM
Balance 1/31/06		<u>\$89,587,845.65</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		342,601.00	
200601	USD	-27,868.00		314,733.00	

[Journal Details](#)

[Summary Balances](#)

Contract Buyout Deferral Balance
Account 182360.ED.WA

Balance 12/31/05	\$342,601.00	
Amortization*	-29,307.00	485 - ECB AMORT
Interest	1,439.00	485 - ECB AMORT
Balance 1/31/06	\$314,733.00	

*Amount grossed-up from 90% to 100% for ERM deferral calculations \$32,563

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		9,000,000.00	
200601	USD	-11,902,131.00		-2,902,131.00	

Journal Details

Summary Balances

ERM Deadband		<u>Amount</u>	<u>Journal ID</u>
<u>Account 186010.ED.WA</u>			
Balance 12/31/05		\$9,000,000.00	
Clear deadband from prior year		-9,000,000.00	481 - WA ERM
2006 deadband accumulation		-2,652,102.00	481 - WA ERM
2006 deadband accumulation adjustment		-250,029.00	NSJ025
Balance 1/31/06		<u>-\$2,902,131.00</u>	

Balance Type		Actual	Currency Type		Entered
			Factor		Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		-9,000,000.00	
200601	USD	11,902,131.00		2,902,131.00	

Journal Details
Summary Balances

ERM Deadband Contra Account
Account 186020.ED.WA
 Balance 12/31/05
 Clear deadband from prior year
 2006 deadband contra entry
 2006 deadband adjustment contra entry
 Balance 1/31/06

Amount	Journal ID
-\$9,000,000.00	
9,000,000.00	481 - WA ERM
2,652,102.00	481 - WA ERM
250,029.00	NSJ025
<u>\$2,902,131.00</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		-33,666,784.00	
200601	USD	856,168.00		-32,810,616.00	

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	4,156,776.00
Account 182350.ED.WA balance	89,587,845.65
Total	<u>\$93,744,621.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$32,810,618</u>
Rounding	2
Balance in account	<u>-\$32,810,616</u>

Balance Type	Actual	Currency Type	Entered		
		Factor	Units		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200513	USD	0.00		-119,910.00	
200601	USD	9,753.00		-110,157.00	

DFIT Associated with Contract Buyout Deferral	
Account 283360.ED.WA	
Account 182360.ED.WA balance	\$314,733.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-\$110,157
Rounding	0
Balance in account	-\$110,157

Avista Corporation Journal Entry

Journal: NSJ025 - Adjust DJ 481 WA ERM
 Team: Resource Accounting
 Type: C
 Category: NSJ

Effective Date: 200601

Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton

Last Saved: 02/08/2006 1:33 PM

<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	186010	-	REGULATORY ASSET	ERM YTD COMPANY BAND	ED WA DL	250,029.00	Track YTD company band
20	186020	-	REGULATORY ASSET	ERM YTD CONTRA	ED WA DL	250,029.00	Track YTD contra account
TOTALS:					250,029.00	250,029.00	

Explanation:
 Adjust WA ERM journal for additional Sales for Resale revenue included in the deferral calculation. Only the company band is affected.

L Hamilton
 Prepared by Lori Hamilton
 Date: 2/8/06

Jami Judge
 Reviewed by
 Date: 2/8/06

Approved for Entry
 Corporate Accounting use Only
 Date

			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			<u>186010</u>	<u>186020</u>	<u>Impact</u>
12-31-2005	Balance		\$9,000,000	(\$9,000,000)	\$0
2005 Requirement		\$9,000,000			
Jan-05	Reverse 2005		(\$9,000,000)	\$9,000,000	\$0
Jan-06	Activity		(\$2,902,131)	\$2,902,131	
01-31-2006	Balance		(\$2,902,131)	\$2,902,131	\$0
	Company band recorded on DJ 481		(\$2,652,102)	\$2,652,102	
	Company band recorded on NSJ 025		(\$250,029)	\$250,029	
	Total recorded 1/2006		(\$2,902,131)	\$2,902,131	

Avista Utilities
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2006	Actual Jan-06	Actual Feb-06	Actual Mar-06	Actual Apr-06	Actual May-06	Actual Jun-06	Actual Jul-06	Actual Aug-06	Actual Sep-06	Actual Oct-06	Actual Nov-06	Actual Dec-06
1	555 Purchased Power	\$20,639,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	501 Thermal Fuel	\$2,066,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	547 CT Fuel	\$4,081,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	447 Sale for Resale	-\$14,135,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Actual Net Expense	\$12,652,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Credit CS2 1/2 Exchange	(\$130,200)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Less Pottlatch 62 aMW directly to ID	(\$1,854,831)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Adjusted Actual Net Expense	\$10,667,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
9	555 Purchased Power	\$78,312,672	\$ 11,193,778	\$ 7,844,080	\$5,646,977	\$5,167,798	\$3,947,698	\$4,611,314	\$6,114,915	\$7,038,560	\$6,475,870	\$6,922,384	\$ 9,429,894
10	501 Thermal Fuel	\$18,966,459	\$ 1,660,398	\$ 1,498,204	\$1,704,104	\$1,638,517	\$1,037,197	\$1,667,775	\$1,714,511	\$1,660,059	\$1,715,380	\$1,660,551	\$ 1,714,075
11	547 CT Fuel	\$70,026,232	\$ 5,972,958	\$ 4,568,576	\$9,264,020	\$4,700,957	\$1,269,298	\$4,313,402	\$6,001,145	\$7,105,523	\$8,212,014	\$7,711,236	\$ 7,586,613
12	447 Sale for Resale	\$(62,059,914)	\$(2,591,928)	\$(3,322,097)	-\$6,706,383	-\$8,805,375	-\$10,402,116	\$(6,457,020)	\$(3,368,084)	\$(1,482,368)	\$(2,440,168)	\$(5,554,272)	\$(3,350,298)
13	Settlement/Compliance Filing Adj.	\$ (251,923)	\$ 74,750	\$(516,741)	-\$129,319	\$921,340	-\$1,353,073	\$(1,331,742)	\$ (28,967)	\$ 1,162,101	\$ 855,509	\$(283,194)	\$ 266,894
13	Authorized Net Expense	\$104,993,526	\$ 16,309,956	\$ 10,062,022	\$ 9,779,399	\$ 3,623,237	\$(2,668,685)	\$ 2,803,729	\$ 10,433,620	\$ 15,473,875	\$ 14,818,605	\$ 10,456,705	\$ 15,647,178
14	Actual - Authorized Net Expense	(\$5,642,242)	\$ (5,642,242)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Net Fuel Expense not incl in Acct 547 (1)	\$ 1,729,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Adjusted Actual - Authorized Net Exp	\$ (3,913,157)	\$ (3,913,157)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Washington Alloc. @ 65.16%	(\$2,549,813)	(\$2,549,813)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Enron Contract Buyout 100%	\$32,563	\$32,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	WA Retail Revenue Adjustment	\$(384,881)	\$(384,881)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Net Power Cost Increase (Decrease)	\$ (2,902,131)	\$ (2,902,131)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Cummulative Balance	(\$2,902,131)											

$\Delta = (\$250,029)$
 $+ 383,715$ revenue
 $X .6516$ WA allocation
 $= \$250,029$

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL 2006
555 PURCHASED POWER													
1	11,111,543												11,111,543
2	130,200												130,200
3	71,982												71,982
4	489,969												489,969
5	111,460												111,460
6	303,287												303,287
7	120,206												120,206
8													
9	677												677
10	152,947												152,947
11	384,035												384,035
12	2,877,241												2,877,241
13	257,874												257,874
14	567,300												567,300
15	1,041,600												1,041,600
16	590,550												590,550
17	118,405												118,405
18	1,854,831												1,854,831
19	26,300												26,300
20	379,106												379,106
21	50,043												50,043
22	20,639,556	0	0	0	0	0	0	0	0	0	0	0	20,639,556
(1) Effective November, 2005, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$35.62/MWh for the 2005-06 contract year). per Settlement Agreement, Cause No. U-86-99													
447 SALES FOR RESALE													
23	13,490,234												13,490,234
24	150,000												150,000
25	7,303												7,303
26	35,558												35,558
27	228,144												228,144
28	(4,095)												(4,095)
29	177,878												177,878
30	50,043												50,043
31	14,135,065												14,135,065

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

\$
ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL 2006
<u>501 FUEL-DOLLARS</u>													
32	wood	936,228											936,228
33	coal	1,107,263											1,107,263
34	Total Coal & Wood	2,043,491	0	0									2,043,491
35	Kettle Falls GS	22,775											22,775
36	oil	148											148
37	Total Oil & Gas	22,923	0	0									22,923
38	Total Account 501	2,066,414	0	0									2,066,414
<u>501 FUEL-TONS</u>													
39	Kettle Falls	47,240											47,240
40	Colstrip	91,999											91,999
<u>501 FUEL-COST PER TON</u>													
41	wood \$	19.82											\$ 19.82
42	coal \$	12.04											\$ 12.04
<u>547 FUEL</u>													
43	NE Combustion Turbine Gas/Oil	102											102
44	Boulder Park	(2,708)											(2,708)
45	Kettle Falls CT	3,153											3,153
46	Coyote Springs2	4,078,827											4,078,827
47	Rathburn Fuel Exp	2,466											2,466
48	Total Account 547	4,081,840											4,081,840
49	TOTAL NET EXPENSE	12,652,745	0	0	0								12,652,745

Source ID: REVEALES

Effective Date: 200601

Tran Type: C

CO	FERC Account	SC	JC	S.I.	Debit	Credit
001	142610 - CUST ACCT REC-RESALE ELECTRIC	ZZ	ZZ	DL	\$383,714.56	
001	447000 - SALE FOR RESALE PHYSICAL-MERCH	ED	AN	DL		\$383,714.56
TOTALS:					\$383,714.56	\$383,714.56

Ante Cassin
 Prepared By _____ Date 2/8/06

Reviewed By _____ Date _____

Avista Corporation Journal Entry

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

Effective Date: 200601
 Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton
 Last Saved: 02/07/2006 12:15 PM

Seq.	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment	
10	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,861,950.00		WA ERM surcharge amortization	
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		2,861,950.00	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	397,601.00		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	18,158.00		Accrue interest on previous year deferral balance	
80	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		415,759.00	Non-utility interest income	
90	410100 - PRV DFIT DR	ED	WA	DL		1,001,683.00	DFIT entry for power supply deferral and surcharge amortization	
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	145,515.00		Non -op DFIT entry for interest income	
110	283280 - ADFIT ERM	ED	WA	DL	856,168.00		ADFIT WA ERM current and prior years	
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL		2,652,102.00	Track YTD company band accumulation	
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL	2,652,102.00		Contra account for YTD company band accumulation	
140	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL		9,000,000.00	Clear company band for prior year	
150	186020 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL	9,000,000.00		Clear company band for prior year	
160	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		4,138,618.00	Transfer ERM balance from current year account to last year account	
170	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	4,138,618.00		Transfer ERM balance from current year account to last year account	
					TOTALS:	20,070,112.00	20,070,112.00	

Avista Corporation Journal Entry

Effective Date: 200601

Last Saved by: Lori Hamilton
Last Saved: 02/07/2006 12:15 PM

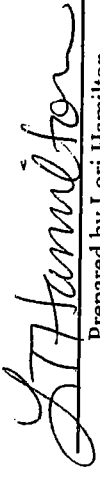
Journal: 481-WA ERM


Team: Resource Accounting

Type: C

Submitted by: Lori Hamilton

Category: DJ


 Prepared by Lori Hamilton
 Date 2/7/06


 Reviewed by
 Date 2/7/06

Approved for Entry
 Corporate Accounting use Only
 Date _____

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

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 12/31/05 is 8.10%.				Actual cost of debt at 6/30/05 is 8.12%		
The monthly rate is:				The monthly rate is:		
0.00675 Before Tax				0.00676667 Before Tax		
0.0043875 After Tax				0.00439983 After Tax		
0.35 Tax rate				0.35 Tax rate		
Account 182350		2006 Interest				
12-31-2005	GL Balance including interest	92,052,195		Jan-06	DFIT Expense	ADFIT
Jan-06	Surcharge Amortization	(2,861,950)		Amortization	(1,001,683) Operating	1,001,683
Jan-06	Interest		397,601	Interest	139,160 Nonoperating	(139,160)
01-31-2006	Balance before interest	89,190,245			(862,523) Total	862,523
				GL Balance	Activity	GL Balance
				12-31-2005	Jan-06	01-31-2006
	Net ERM Balance	89,587,846		92,052,195	(2,464,349)	89,587,846
	ADFIT Balance	(31,355,746)				

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 12/31/05 is 8.10%.				Actual cost of debt at 6/30/05 is 8.12%			
The monthly rate is: 0.00675 Before Tax 0.0043875 After Tax 0.35 Tax rate				The monthly rate is:- 0.00676667 Before Tax 0.0043983 After Tax 0.35 Tax rate			
Account 186280		2006 Interest					
12-31-2005	GL Balance including interest	\$4,138,618.00					
01-01-2006	GL Balance	(\$4,138,618.00)	Transfer to 186290				
01-01-2006	GL Balance	0					
				Jan-06	DFIT Expense		ADFIT
Jan-06	ERM Deferral	0		Deferral	0	Operating	0
Jan-06	Interest	0	0	Interest	0	Nonoperating	0
01-31-2006	Balance before interest	0			0	Total	0
				GL Balance	Activity	GL Balance	
	Net ERM Balance	0		12-31-05	Jan-06	01-31-06	
				4,138,618	(4,138,618)	0	
	ADFIT Balance	0					
			Transfer balance to 186290 in January 2006				0
			Interest calculated on balance in 186290				

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 12/31/05 is 8.10%.			Actual cost of debt at 6/30/05 is 8.12%			
The monthly rate is:			0.00675 Before Tax		The monthly rate is:-	
			0.0043875 After Tax		0.00676667 Before Tax	
			0.35 Tax rate		0.0043983 After Tax	
					0.35 Tax rate	
Account 186290		2006 Interest				
12-31-2005	GL Balance including interest	0				
01-31-2006	Transfer from 186280	\$4,138,618				
01-31-2006	GL Balance including interest	\$4,138,618				
				Jan-00	DFIT Expense	ADFIT
				Deferral	0	Operating
				Interest	6,355	Nonoperating
Jan-06	Interest		18,158			(6,355)
01-31-2006	Balance before interest	4,138,618			6,355	Total
						(6,355)
	Net ERM Balance	4,156,776		GL Balance	Activity	GL Balance
				12-31-05	Jan-06	01-31-06
	ADFIT Balance	(1,454,872)		0.00	4,156,776.00	4,156,776.00

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO	
	283280	283280	283280	283280			283280	283280
DJ481	BEGINNING	ADFIT	ADFIT	ADFIT			BALANCE	FOR ALL
	<u>BALANCE</u>	<u>182350</u>	<u>186280</u>	<u>186290</u>			<u>COMPONENTS</u>	<u>ACCOUNTS</u>
12-31-2005	(33,048,222)	(32,218,268)	(1,482,602)	0			(33,700,870)	(652,648)
01-31-2006	(33,666,784)	(31,355,746)	0	(1,454,872)			(32,810,618)	856,166
			<u>ADFIT</u>				<u>Interest</u>	
		<u>410100</u>	<u>410200</u>	<u>283280</u>			<u>182350</u>	<u>186280</u>
01-31-2006	182350	(1,001,683)	139,160	862,523		397,601	0	18,158
	186280	0	0	0				
	186290	0	6,355	(6,355)				
Total		(1,001,683)	145,515	856,168				
	Total interest 2006		415,759					
	Total non op DFIT 2006		145,516					
	Total 410200 2006		145,515					

			YTD	YTD	
			WA ERM	WA ERM	
			Company	Contra	Total
			Band	Account	GL
			<u>186010</u>	<u>186020</u>	<u>Impact</u>
12-31-2005	Balance		\$9,000,000	(\$9,000,000)	\$0
	2005 Requirement	\$9,000,000			
Jan-05	Reverse 2005		(\$9,000,000)	\$9,000,000	\$0
Jan-06	Activity		(\$2,652,102)	\$2,652,102	
01-31-2006	Balance		(\$2,652,102)	\$2,652,102	\$0

Lines 140/150
Lines 120/130

AVISTA CORPORATION
 JANUARY 2006 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Rate		Current Month Surcharge Revenue		Conversion Factor (k)	Deferral Amortization (l) (j)*(k)
			Before 1-Jan-06 (d)	On/After 1-Jan-06 (e)	Before 1-Jan-06 (f)	On/After 1-Jan-06 (g)	Before 1-Jan-06 (h)	On/After 1-Jan-06 (i)	On/After 1-Jan-06 (j)	Total (h)+(i)		
1 (0-600 kWh)	40.988%	106,381,780	63.62%	36.38%	0.405¢	0.446¢	\$274,104	\$172,610	\$446,714	0.956325	\$427,204	
1 (601-1300 kWh)	30.727%	79,749,999	64.53%	35.47%	0.607¢	0.668¢	312,378	188,959	501,337	0.956325	479,441	
1 (over 1300 kWh)	28.285%	73,411,941	66.88%	33.12%	0.853¢	0.938¢	418,805	228,066	646,871	0.956325	618,619	
Total Sch 1	100.000%	259,543,720					1,005,287	589,635	1,594,922		1,525,264	
11		32,975,333	62.46%	37.54%	0.788¢	0.867¢	162,300	107,325	269,625	0.956325	257,849	
12		4,740,983	70.29%	29.71%	0.788¢	0.867¢	26,260	12,212	38,472	0.956325	36,792	
21		129,648,692	60.26%	39.74%	0.549¢	0.604¢	428,913	311,195	740,108	0.956325	707,784	
22		3,773,997	75.86%	24.14%	0.549¢	0.604¢	15,718	5,503	21,221	0.956325	20,294	
25		77,111,233	98.42%	0.58%	0.352¢	0.387¢	269,657	1,731	271,588	0.956325	259,726	
30		1,340	46.72%	53.28%	0.485¢	0.534¢	3	4	7	0.956325	7	
31		3,761,160	66.02%	33.98%	0.485¢	0.534¢	12,043	6,825	18,868	0.956325	18,044	
32		216,177	63.92%	36.08%	0.485¢	0.534¢	670	417	1,087	0.956325	1,040	
41-46		\$267,188	100.00%	0.00%	109.78%	110.76%	23,803	0	23,803	0.956325	22,763	
47		\$83,384	61.69%	38.31%	109.78%	110.76%	4,583	3,103	7,686	0.956325	7,350	
48		\$57,376	66.23%	33.77%	109.78%	110.76%	3,385	1,882	5,267	0.956325	5,037	
Schedule Totals		511,772,635					\$1,952,822	\$1,039,832	\$2,992,654		\$2,861,950	
kWh not subject to surcharge												-35%
Schedule 28		10,510										
Sch 41-48		2,203,957										
Total kWh		513,987,102										
												(\$1,001,683) DFIT Expense

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 200601 , State Code : WA

Accounting Period: 200601 State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
Rate Schedule Num						
001	192,211	259,543,720	15,705,938	192,211	259,543,720	15,705,938
011	18,504	32,975,333	2,934,409	18,504	32,975,333	2,934,409
012	7,040	4,740,983	421,777	7,040	4,740,983	421,777
021	3,280	129,648,692	8,658,311	3,280	129,648,692	8,658,311
022	75	3,773,997	227,193	75	3,773,997	227,193
025	21	77,111,233	3,291,438	21	77,111,233	3,291,438
028	1	10,510	16,057	1	10,510	16,057
030	39	1,340	303	39	1,340	303
031	1,033	3,761,160	231,976	1,033	3,761,160	231,976
032	1,087	216,177	19,593	1,087	216,177	19,593
041	11	8,720	1,402	11	8,720	1,402
042	232	1,076,133	245,773	232	1,076,133	245,773
044	13	21,600	1,890	13	21,600	1,890
045	6	90,407	4,978	6	90,407	4,978
046	16	185,050	13,145	16	185,050	13,145
047	0	504,969	83,384	0	504,969	83,384
048	0	317,078	57,376	0	317,078	57,376
058	0	0	1,103,155	0	0	1,103,155
058A	0	0	-8,673	0	0	-8,673

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 200601 , State Code : WA

Accounting Period: 200601 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	4
095	0	0	10,707	0	0	10,707
099	0	0	43,391	0	0	43,391
Total WA	223,569	513,987,102	33,063,527	223,569	513,987,102	33,063,527
Total WA	223,569	513,987,102	33,063,527	223,569	513,987,102	33,063,527

Avista Corporation
 Proration Percentages
 Effective January 1, 2006
 Revised Surcharge Rates
 State of Washington

Read Day	Read Date	Service Days	January 1, 2006		After	Schedule 1		After	Over 1300		Schedule 1		After	Total		Schedule 11		After
			Days Before	Days After		601-1300	Before		Before	Before	Before	Before		Before	Before			
20	28-Dec	30	30	0	0	4,131,489	4,131,489	0	4,431,733	4,431,733	0	2,259,172	2,259,172	0	2,259,172	2,259,172	0	0
21	29-Dec	30	30	0	0	5,483,760	5,483,760	0	4,364,600	4,364,600	0	4,364,600	4,364,600	0	4,364,600	4,364,600	0	0
1	30-Dec	30	30	0	0	3,417,675	3,417,675	0	4,351,128	4,351,128	0	2,812,471	2,812,471	0	2,812,471	2,812,471	0	0
2	3-Jan	33	30	3	476,159	4,070,192	3,700,175	370,017	4,447,951	4,043,592	404,359	1,498,368	1,362,171	136,217	1,498,368	1,362,171	136,217	177,517
3	4-Jan	33	29	4	726,030	4,736,384	4,162,277	574,107	4,848,956	4,261,204	587,752	1,464,514	1,286,997	177,517	1,464,514	1,286,997	177,517	177,517
4	5-Jan	31	26	5	851,073	4,088,673	3,429,210	659,463	3,675,963	3,083,066	592,897	2,034,608	1,706,445	328,163	2,034,608	1,706,445	328,163	328,163
5	6-Jan	31	25	6	5,283,762	4,261,098	1,432,282	773,616	4,214,898	3,399,111	815,787	2,175,255	1,754,238	421,017	2,175,255	1,754,238	421,017	421,017
6	9-Jan	33	24	9	5,251,700	3,819,418	1,432,282	1,063,443	3,630,329	2,840,239	990,090	903,110	686,807	246,303	903,110	686,807	246,303	246,303
7	10-Jan	33	23	10	5,832,395	4,065,003	1,767,392	1,318,618	4,351,439	3,032,821	1,318,618	1,288,365	897,951	390,414	1,288,365	897,951	390,414	390,414
8	11-Jan	33	22	11	5,206,460	3,470,973	1,735,487	1,359,331	4,077,993	2,718,662	1,359,331	2,669,474	1,350,703	675,352	2,669,474	1,350,703	675,352	675,352
9	12-Jan	31	19	12	5,097,614	3,124,344	1,973,270	1,462,580	3,778,331	2,315,751	1,462,580	3,577,252	2,192,509	1,384,743	3,577,252	2,192,509	1,384,743	1,384,743
10	13-Jan	31	18	13	5,244,253	3,045,050	2,199,203	1,578,142	3,763,261	2,185,119	1,578,142	3,353,072	1,946,945	1,406,127	3,353,072	1,946,945	1,406,127	1,406,127
11	16-Jan	33	17	16	5,484,116	2,825,151	2,658,965	1,990,729	4,105,879	2,115,150	1,990,729	3,359,925	1,730,870	1,629,055	3,359,925	1,730,870	1,629,055	1,629,055
12	17-Jan	33	16	17	6,176,813	2,994,818	3,181,995	2,255,019	4,377,390	2,122,371	2,255,019	3,704,804	1,796,269	1,908,535	3,704,804	1,796,269	1,908,535	1,908,535
13	18-Jan	33	15	18	4,136,206	1,860,094	2,256,112	1,748,209	3,205,050	1,456,841	1,748,209	3,166,669	1,440,304	1,728,365	3,166,669	1,440,304	1,728,365	1,728,365
14	19-Jan	31	12	19	4,280,988	1,657,157	2,623,831	1,893,964	3,090,152	1,196,188	1,893,964	2,674,785	1,035,401	1,639,384	2,674,785	1,035,401	1,639,384	1,639,384
15	20-Jan	31	11	20	5,817,543	2,064,289	3,753,254	2,666,282	4,132,737	1,466,455	2,666,282	3,180,100	1,128,423	2,051,677	3,180,100	1,128,423	2,051,677	2,051,677
16	23-Jan	33	10	23	4,469,492	1,354,392	3,115,100	2,210,547	3,171,654	961,107	2,210,547	2,416,324	732,219	1,684,105	2,416,324	732,219	1,684,105	1,684,105
17	24-Jan	33	9	24	4,733,421	1,290,933	3,442,488	2,442,867	3,358,942	916,075	2,442,867	2,454,561	669,426	1,785,135	2,454,561	669,426	1,785,135	1,785,135
18	25-Jan	33	8	25	4,729,761	1,146,609	3,583,152	2,620,552	3,459,129	836,577	2,620,552	2,915,777	706,855	2,208,922	2,915,777	706,855	2,208,922	2,208,922
19	26-Jan	30	4	26	2,662,718	355,029	2,307,689	1,579,195	1,822,148	242,953	1,579,195	1,384,412	184,588	1,199,824	1,384,412	184,588	1,199,824	1,199,824
Sum		669	408	261	107,503,887	68,397,741	39,106,146	80,591,919	52,005,238	28,586,681	74,187,420	49,615,329	24,572,091	33,122%	34,414,617	21,496,944	12,917,673	37.54%
					40.988%	63.62%	36.38%	30.727%	64.53%	35.47%	28.285%	66.88%	33.12%	62.46%				

Avista Corp.
 Proration Percentages
 Effective January 1, 2006
 Revised Surcharge Rates
 State of Washington

Read Day	Read Date	Service Date	January 1, 2006		Schedule 12		Schedule 21		Schedule 22		Schedule 25	
			Days Before	Days After	Total	After	Total	Before	After	Total	Before	After
20	28-Dec	30	30	0	322,154	0	8,708,448	8,708,448	215,320	0	0	0
21	29-Dec	30	30	0	428,044	0	4,467,207	4,467,207	744,560	0	0	0
1	30-Dec	30	30	0	269,823	0	12,181,800	12,181,800	288,040	0	0	0
2	3-Jan	33	30	3	400,039	36,367	3,982,841	3,620,765	576,540	362,076	74,362,848	74,362,848
3	4-Jan	33	29	4	512,382	62,107	4,800,410	4,218,542	581,868	524,127	304,898	277,180
4	5-Jan	31	26	5	240,011	38,711	6,031,757	5,058,893	150,447	132,211	3,526,303	3,098,872
5	6-Jan	31	25	6	178,606	34,569	7,378,613	5,950,494	271,440	227,659	0	0
6	9-Jan	33	24	9	151,616	41,350	4,080,203	2,967,420	0	0	0	0
7	10-Jan	33	23	10	233,857	70,866	3,681,163	2,585,659	90,480	65,804	0	0
8	11-Jan	33	22	11	288,792	96,264	12,035,071	8,023,381	139,500	97,227	0	0
9	12-Jan	31	19	12	217,359	84,139	4,645,030	2,846,954	211,000	140,667	0	0
10	13-Jan	31	18	13	127,727	74,164	3,246,403	1,885,008	65,080	39,888	0	0
11	16-Jan	33	17	16	90,469	43,864	3,494,591	1,800,244	142,400	82,684	0	0
12	17-Jan	33	16	17	253,423	122,872	8,843,668	4,287,839	236,060	114,453	0	0
13	18-Jan	33	15	18	115,240	52,382	2,755,784	1,252,629	0	0	0	0
14	19-Jan	31	12	19	120,614	46,689	6,129,094	2,372,553	211,330	81,805	0	0
15	20-Jan	31	11	20	170,074	60,349	4,486,843	1,595,654	9,660	3,428	0	0
16	23-Jan	33	10	23	171,098	51,848	9,031,606	2,736,850	82,920	25,127	0	0
17	24-Jan	33	9	24	215,135	58,673	4,347,500	1,185,682	104,680	28,549	0	0
18	25-Jan	33	8	25	187,079	45,352	2,665,552	646,194	184,040	44,616	0	0
19	26-Jan	30	4	26	66,677	8,890	16,770,228	2,236,030	50,500	6,733	0	0
Sum		669	408	261	4,760,219	3,346,134	133,773,812	80,608,246	3,773,997	2,862,898	78,194,049	77,736,900
					Percentages		60.26%		75.86%		99.42%	
							29.71%		24.14%		0.58%	

Avista Corp.
 Proration Percentages
 Effective January 1, 2006
 Revised Surcharge Rates
 State of Washington

Read Day	Read Date	Service Days	January 1, 2006		Schedule 30	Schedule 31	Schedule 32	Schedule 47	Schedule 48
			Days Before	Days After					
20	28-Dec	30	0	0	0	0	0	0	0
21	29-Dec	30	0	0	0	0	0	0	0
1	30-Dec	30	0	0	0	0	0	0	0
2	3-Jan	33	3	3	23,671	7,652	14,555	1,455	1,928
3	4-Jan	33	4	4	28,826	8,032	16,087	2,219	2,235
4	5-Jan	31	5	5	34,872	5,330	18,306	2,626	2,490
5	6-Jan	31	6	6	36,298	5,268	31,746	5,120	1,953
6	9-Jan	33	9	9	187,539	10,780	10,806	7,859	9,811
7	10-Jan	33	10	10	193,706	14,823	26,539	21,402	15,334
8	11-Jan	33	11	11	202,681	18,380	22,859	15,932	15,334
9	12-Jan	31	12	12	139,596	9,521	31,983	21,322	14,826
10	13-Jan	31	13	13	124,843	7,046	20,625	12,641	13,442
11	16-Jan	33	16	16	501,044	23,969	14,510	8,425	16,888
12	17-Jan	33	17	17	134,979	69,535	20,397	10,508	5,632
13	18-Jan	33	18	18	99,001	48,000	21,555	10,451	7,198
14	19-Jan	31	19	19	75,282	34,219	14,510	8,425	6,795
15	20-Jan	31	20	20	143,083	55,387	13,444	5,204	4,154
16	23-Jan	33	23	23	169,758	60,237	16,276	6,485	4,556
17	24-Jan	33	24	24	275,404	83,456	27,862	8,443	2,937
18	25-Jan	33	25	25	76,741	20,929	15,573	4,247	4,386
19	26-Jan	30	26	26	42,473	10,296	12,473	3,024	3,258
Sum		669	408	261	1,340	3,896,870	247,762	505,151	318,135
					626	2,572,880	158,380	311,633	210,706
					46.72%	66.02%	63.92%	61.69%	66.23%
					53.28%	33.98%	36.08%	38.31%	33.77%

Avista Utilities
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2006	Actual Jan-06	Actual Feb-06	Actual Mar-06	Actual Apr-06	Actual May-06	Actual Jun-06	Actual Jul-06	Actual Aug-06	Actual Sep-06	Actual Oct-06	Actual Nov-06	Actual Dec-06
1	555 Purchased Power	\$ 20,639,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	501 Thermal Fuel	\$ 2,066,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	547 CT Fuel	\$ 4,081,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	447 Sale for Resale	-\$ 13,751,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Actual Net Expense	\$ 13,036,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Credit CS2 1/2 Exchange	(\$ 130,200)											
7	Less Pollatch 62 aMW directly to ID	(\$ 1,854,831)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Adjusted Actual Net Expense	\$ 11,051,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
9	555 Purchased Power	\$ 78,312,672	\$ 7,844,080	\$ 5,646,977	\$ 5,167,798	\$ 3,919,404	\$ 3,947,698	\$ 4,611,314	\$ 6,114,915	\$ 7,038,560	\$ 6,475,870	\$ 6,922,384	\$ 9,429,894
10	501 Thermal Fuel	\$ 18,966,459	\$ 1,498,204	\$ 1,704,104	\$ 1,638,517	\$ 1,295,688	\$ 1,037,197	\$ 1,667,775	\$ 1,714,511	\$ 1,660,059	\$ 1,715,380	\$ 1,660,551	\$ 1,714,075
11	547 CT Fuel	\$ 70,026,232	\$ 4,558,576	\$ 9,264,020	\$ 4,700,957	\$ 3,330,490	\$ 1,269,298	\$ 4,313,402	\$ 6,001,145	\$ 7,105,523	\$ 8,212,014	\$ 7,711,236	\$ 7,586,613
12	447 Sale for Resale	(\$ 62,059,914)	(\$ 3,322,097)	(\$ 6,706,383)	(\$ 8,805,375)	(\$ 10,402,116)	(\$ 7,569,805)	(\$ 6,457,020)	(\$ 3,368,084)	(\$ 1,492,368)	(\$ 2,440,168)	(\$ 5,554,272)	(\$ 3,350,288)
13	Settlement/Compliance Filing Adj.	\$ (251,923)	\$ (516,741)	-\$ 129,319	\$ 921,340	\$ 110,419	-\$ 1,353,073	(\$ 1,331,742)	(\$ 28,867)	\$ 1,162,101	\$ 855,509	(\$ 283,194)	\$ 266,894
13	Authorized Net Expense	\$ 104,993,526	\$ 10,062,022	\$ 9,779,399	\$ 3,623,237	\$ (1,746,115)	(\$ 2,668,685)	\$ 2,803,729	\$ 10,433,620	\$ 15,473,875	\$ 14,818,605	\$ 10,456,705	\$ 15,647,178
14	Actual - Authorized Net Expense	(\$ 5,258,527)	\$ (5,258,527)										
15	Net Fuel Expense not incl in Acct 547 (1)	\$ 1,729,085	\$ 1,729,085										
16	Adjusted Actual - Authorized Net Exp	\$ (3,529,442)	\$ (3,529,442)										
17	Washington Alloc. @ 65.16%	(\$ 2,299,784)											
18	Enron Contract Buyout 100%	\$ 32,563											
19	WA Retail Revenue Adjustment	(\$ 384,881)											
20	Net Power Cost Increase (Decrease)	\$ (2,652,102)											
21	Cummulative Balance	(\$ 2,652,102)											

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

\$
ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL 2006
555	PURCHASED POWER												
1	11,111,543												11,111,543
2	130,200												130,200
3	71,982												71,982
4	489,969												489,969
5	111,460												111,460
6	303,287												303,287
7	120,206												120,206
8													
9						677							677
10	152,947												152,947
11	384,035												384,035
12	2,877,241												2,877,241
13	257,874												257,874
14	567,300												567,300
15	1,041,600												1,041,600
16	590,550												590,550
17	118,405												118,405
18	1,854,831												1,854,831
19	26,300												26,300
20	379,106												379,106
21	50,043												50,043
22	20,639,556	0	0	0	0	0	0	0	0	0	0	0	20,639,556
(1) Effective November, 2005, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$35.62/MWh for the 2005-06 contract year) per Settlement Agreement, Cause No. U-86-99													
447 SALES FOR RESALE													
23													13,106,519
24													150,000
25													7,303
26													35,558
27													228,144
28													(4,095)
29													177,878
30													50,043
31													13,751,350

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL_2006
<u>501 FUEL-DOLLARS</u>													
32	wood	936,228											936,228
33	coal	1,107,263											1,107,263
34	Total Coal & Wood	2,043,491	0	0									2,043,491
35	gas	22,775											22,775
36	oil	148											148
37	Total Oil & Gas	22,923	0	0									22,923
38	Total Account 501	2,066,414	0	0									2,066,414
<u>501 FUEL-TONS</u>													
39	Kettle Falls	47,240											47,240
40	Colstrip	91,999											91,999
<u>501 FUEL-COST PER TON</u>													
41	wood \$	19.82											\$ 19.82
42	coal \$	12.04											\$ 12.04
<u>547 FUEL</u>													
43	NE Combustion Turbine Gas/Oil	102											102
44	Boulder Park	(2,708)											(2,708)
45	Kettle Falls CT	3,153											3,153
46	Coyote Springs2	4,078,827											4,078,827
47	Rathdrum Fuel Exp	2,466											2,466
48	Total Account 547	4,081,840											4,081,840
49	TOTAL NET EXPENSE	13,036,460	0	0	0								13,036,460

AVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of January 2006

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	513,987,102												513,987,102
Deduct Prior Month Unbilled kWhs Heating	(355,532,546)	(333,551,203)											(689,083,749)
Deduct Prior Month Unbilled kWhs Cooling													
Add Current Month Unbilled kWhs Heating	333,551,203												333,551,203
Add Current Month Unbilled kWhs Cooling													
Washington Retail kWhs	492,005,759	(333,551,203)											158,454,556
Test Year Consumption (1)	481,585,239	466,825,783	439,660,052	414,394,121	379,308,995	354,515,250	387,230,374	447,381,840	406,298,564	433,131,839	463,146,866	480,633,226	5,154,112,149
Difference from Test Year	10,420,520												10,420,520
WA Retail Revenue Credit (2)	\$377,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$377,119
Net Wind Revenue Credit	\$7,762	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,762
Total Revenue Credit	\$384,881	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,881

(1) from Exhibit No. 185 (WGJ-5) in Docket No. UE-050482

(2) Reflects Exhibit No. 137 (TLK-7) Line 36 Column F with Commission Ordered Adjustments and Revenue Increase Approved in Docket No. UE-050482.

Schedule 95 Wind Revenue	\$10,706.75												\$10,706.75
Deduct Admin Expense	0.275	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,944.36
0.005 x 55 = 0.275 per Revenue \$		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,762.39
Net Wind Revenue Credit		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,762.39

Avista Corporation Journal Entry

Journal: 485-ECB AMORT
 Team: Resource Accounting
 Type: C
 Category: DJ

Effective Date: 200601
 Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton
 Last Saved: 02/02/2006 9:23 AM

Seq.	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment
10	557162 - ENRON CONTRACT BUYOUT	ED	WA	DL	29,307.00		Amortization expense
20	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL		29,307.00	Amortization for WA ERM
30	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL	1,439.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		1,439.00	Interest income accrued
50	410100 - PRV DFIT DR	ED	WA	DL		10,257.00	DFIT expense on amortization (operating)
60	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	504.00		DFIT expense on interest (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	9,753.00		ADFIT ECB
TOTALS:					41,003.00	41,003.00	

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.

L. Hamilton
 Prepared by Lori Hamilton
 Date: 2/2/06

Jami Gudge
 Reviewed by
 Date: 2/2/06

Approved for Entry
 Corporate Accounting use Only
 Date: _____

Avista Corporation
Enron Contract Buyout
Amortization Schedule
January 2006 - June 2006

Weighted cost of debt at 12/31/05 is 8.10%.

		<u>90%</u>	<u>100%</u>
Uniform Monthly Amortization		-\$29,307	-\$32,563
Balance	12/31/2005	\$342,601	
Amortization	Jan-06	<u>-29,307</u>	
Net of amortization		313,294	
Average balance		327,948	
Interest (net of tax)	0.0043875	<u>1,439</u>	
Balance	1/31/2006	\$314,733	
Amortization	Feb-06	<u>-29,307</u>	
Net of amortization		285,426	
Average balance		300,080	
Interest (net of tax)	0.0043875	<u>1,317</u>	
Balance	2/28/2006	\$286,743	
Amortization	Mar-06	<u>-29,307</u>	
Net of amortization		257,436	
Average balance		272,090	
Interest (net of tax)	0.0043875	<u>1,194</u>	
Balance	3/31/2006	\$258,630	
Amortization	Apr-06	<u>-29,307</u>	
Net of amortization		229,323	
Average balance		243,977	
Interest (net of tax)	0.0043875	<u>1,070</u>	
Balance	4/30/2006	\$230,393	
Amortization	May-06	<u>-29,307</u>	
Net of amortization		201,086	
Average balance		215,740	
Interest (net of tax)	0.0043875	<u>947</u>	
Balance	5/31/2006	\$202,033	
Amortization	Jun-06	<u>-29,307</u>	
Net of amortization		172,726	
Average balance		187,380	
Interest (net of tax)	0.0043875	<u>822</u>	
Balance	6/30/2006	\$173,548	

Amortization	Jul-06	<u>-29,307</u>
Net of amortization		144,241
Average balance		158,895
Interest (net of tax)	0.0043875	<u>697</u>
Balance	7/31/2006	\$144,938

Amortization	Aug-06	<u>-29,307</u>
Net of amortization		115,631
Average balance		130,285
Interest (net of tax)	0.0043875	<u>572</u>
Balance	8/31/2006	\$116,203

Amortization	Sep-06	<u>-29,307</u>
Net of amortization		86,896
Average balance		101,550
Interest (net of tax)	0.0043875	<u>446</u>
Balance	9/30/2006	\$87,342

Amortization	Oct-06	<u>-29,307</u>
Net of amortization		58,035
Average balance		72,689
Interest (net of tax)	0.0043875	<u>319</u>
Balance	10/31/2006	\$58,354

Amortization	Nov-06	<u>-29,307</u>
Net of amortization		29,047
Average balance		43,701
Interest (net of tax)	0.0043875	<u>192</u>
Balance	11/30/2006	\$29,239

Amortization	Dec-06	<u>-29,307</u>
Net of amortization		-68
Average balance		14,586
Interest (net of tax)	0.0043875	<u>64</u>
Balance	12/31/2006	-\$4

AVISTA CORP.

Total Debt Capital as of December 31, 2005

Line No.	Rating S&P,M,Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2005	Effective Cost	Line No.
SECURED MEDIUM TERM NOTES, SERIES A (A FORM OF FIRST MORTGAGE BOND) Ratings S&P BBB-, Moody's Baa3, Fitch BBB-												
1	RATINGS											1
2	Series Costs		8/31/2010	5/1/1993		373,693						2
3	BBB-,Baa3,BBB-	6.67%	7/12/2010	7/12/1993	5,000,000	33,750	1,331	4,964,919	6.740%	5,000,000	21,663	3
4							690,464				336,998	4
5	BBB-,Baa3,BBB-	6.89%	6/4/2008	6/4/1993	10,000,000	67,500	2,663	9,929,837	6.966%	10,000,000	40,616	5
6							1,380,929				696,614	6
7	BBB-,Baa3,BBB-	6.95%	6/3/2008	6/3/1993	10,000,000	67,500	2,663	9,929,837	7.026%	10,000,000	92,062	7
8							1,380,929				702,642	8
9	BBB-,Baa3,BBB-	7.18%	8/11/2023	8/12/1993	7,000,000	52,500	1,864	6,945,636	7.244%	7,000,000	92,062	9
10	BBB-,Baa3,BBB-	7.37%	5/10/2012	5/10/1993	7,000,000	47,250	1,864	6,950,886	7.440%	7,000,000	607,064	10
11	BBB-,Baa3,BBB-	7.39%	5/11/2018	5/11/1993	7,000,000	52,500	1,864	6,945,636	7.459%	7,000,000	520,769	11
12	BBB-,Baa3,BBB-	7.45%	6/11/2018	6/9/1993	15,500,000	116,250	54,947	15,328,403	7.548%	15,500,000	64,625	12
13	BBB-,Baa3,BBB-	7.53%	5/5/2023	5/6/1993	5,500,000	41,250	1,462	5,457,288	7.596%	5,500,000	522,129	13
14	BBB-,Baa3,BBB-	7.54%	5/6/2023	5/7/1993	1,000,000	7,500	226	992,274	7.606%	1,000,000	1,170,012	14
15	BBB-,Baa3,BBB-	7.80%	8/25/2006	8/25/1994	4,000,000	25,000	1,175,412	3,970,824	7.996%	4,000,000	85,618	15
16	BBB-,Baa3,BBB-	7.26%	4/30/2015	1/21/2005	5,000,000		4,176				417,781	16
17	BBB-,Baa3,BBB-	7.30%	4/30/2015	1/21/2005	10,000,000		396,981				32,100	17
18	BBB-,Baa3,BBB-	7.44%	4/30/2015	1/21/2005	1,000,000		122,626				76,057	18
19											8,882	19
20											319,826	20
21											52,104	21
22											38,730	22
23											11,964	23
24											5,893,564	24
SECURED MEDIUM TERM NOTES, SERIES B (A FORM OF FIRST MORTGAGE BOND) Ratings S&P BBB-, Moody's Baa3, Fitch BBB-												
25	RATINGS											25
26	Series Costs		5/1/2009	5/1/1994		329,022						26
27	BBB-,Baa3,BBB-	6.90%	7/1/2010	6/9/1995	5,000,000	33,750	4,194	4,962,056	6.962%	5,000,000	21,835	27
28	BBB-,Baa3,BBB-	7.89%	8/25/2006	8/25/1994	26,000,000	162,500	3,811	25,833,689	7.974%	26,000,000	349,077	28
29							30,000				2,073,186	29
30											2,500	30
31											2,446,698	31
32												32
33												33
SECURED MEDIUM TERM NOTES, SERIES C (A FORM OF FIRST MORTGAGE BOND) Ratings S&P BBB-, Moody's Baa3, Fitch BBB-												
34	RATINGS											34
35	Series Costs		1/1/2007	12/18/2001	150,000,000	1,875,000	1,159,351	146,965,649	8.248%	150,000,000	12,371,982	35
36	BBB-,Baa3,BBB-	7.75%	9/1/2013	9/8/2003	45,000,000	292,500	5,548,458	146,965,649	8.976%	150,000,000	1,091,500	36
37											13,463,482	37
38												38
39												39
40												40
41												41
42												42
43												43
44												44
45												45
46												46
47												47
48												48
49												49
50												50
TOTAL DEBT SECURED BY MORTGAGE												
											529,890,469	
											39,331,610	

AVISTA CORP.

Total Debt Capital as of December 31, 2005

Line No.	Rating S&P, M, Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2005	Effective Cost	Line No.
51	RATINGS	\$350 MILLION SHELF	7/30/2015	11/30/2004								51
52	Series Costs						142,372				13,042	52
53											13,042	53
54										0		54
55	RATINGS	SWAP/STRATEGY	6/1/2008		25,000,000		-1,502,769				-281,351	55
56			12/1/2035	11/17/2005	50,000,000		-4,445,000				-148,167	56
57	6.250%		6/1/2018	11/30/2004	75,000,000		83,968				6,181	57
58			1/1/2014	11/30/2004	75,000,000		55,902				6,098	58
59										0	-397,238	59
60	RATINGS	CONVERTIBLE DEBT	3/1/2015	1/1/2008			247,406				26,990	60
61										0	26,990	61
62										0	26,990	62
63												63
64												64
65												65
66											-357,207	66
67												67
68	RATINGS	POLLUTION CONTROL BONDS	12/1/2023	7/1/1993	4,100,000	30,760	243,525	3,825,725	6.507%	4,100,000	286,795	68
69	6.00%		12/1/2023	12/31/2002			4,452				212	69
70	Insurance		10/1/2006	10/1/2005	66,700,000		7,356,507	59,343,493	5.749%	66,700,000	97,185	70
71	AAA, Aaa		10/1/2032	9/1/1999	17,000,000		2,124,593	14,875,407	5.985%	17,000,000	1,017,541	71
72	AAA, Aaa		3/1/2034	9/1/1999	17,000,000			78,044,625	5.941%	87,800,000	5,216,001	72
73												73
74												74
75	RATINGS	MEDIUM TERM NOTES, SERIES A, Ratings S&P BB+, Moody's Ba1, Fitch BB+	1/22/2007	1/22/1992	3,000,000	20,250		2,979,441	8.019%	3,000,000	240,581	75
76	BB+, Ba1, BB+	7.94%						99,342			6,623	76
77												77
78												78
79												79
80												80
81	RATINGS	MEDIUM TERM NOTES, SERIES B, Ratings S&P BB+, Moody's Ba1, Fitch BB+	6/30/2008	4/1/1991	9,000,000	60,750		8,937,953	7.980%	9,000,000	16,112	81
82	Series Costs						276,594					82
83	BB+, Ba1, BB+	7.90%	1/22/2007	1/22/1992	9,000,000	60,750	1,287	8,937,953	7.980%	9,000,000	718,168	83
84							298,027				19,868	84
85	BB+, Ba1, BB+	8.14%	12/18/2006	12/17/1991	8,000,000	54,000	1,153	7,944,847	8.221%	8,000,000	657,660	85
86		7.99%	4/1/2015	2/3/2005	5,000,000		184,019				17,953	86
87		8.15%	4/1/2015	2/2/2005	5,000,000		458,998				44,780	87
88								16,882,800	8.305%	17,000,000	1,411,808	88

TOTAL STRATEGY COSTS

Total Medium Term Notes - Series A

Total Medium Term Notes - Series B

AVISTA CORP.

Total Debt Capital as of December 31, 2005

Line No.	Rating S&P, M, Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reacq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 12/31/2005	Effective Cost	Line No.
89												89
90	RATINGS											90
91	Series Costs		6/15/2013	34,499		452,261						91
92			6/15/2013	34,803		150,633					30,161	92
93			6/15/2013	36,218		7,900					10,633	93
94	BB+, Ba1, BB+	6.37%	6/19/2028	6/19/1998	15,000,000	93,750	1,232	14,905,018	6.418%	15,000,000	765	94
95							79,199				2,640	95
96	BB+, Ba1, BB+	6.37%	6/19/2028	6/19/1998	10,000,000	62,500	822	9,936,678	6.418%	10,000,000	641,783	96
97							109,453				3,648	97
98	BB+, Ba1, BB+	5.99%	12/10/2007	12/10/1998	13,850,000	83,100	1,559	13,765,341	6.079%	13,850,000	841,967	98
99							85,183				12,040	99
100							993				124	100
101	BB+, Ba1, BB+	6.06%	12/10/2008	12/10/1998	25,000,000	156,250	2,931	24,840,819	6.149%	25,000,000	1,536,544	101
102	BB+, Ba1, BB+	8.02%	10/26/2010	10/26/1999	25,000,000	156,250	5,037	24,838,713	8.110%	25,000,000	2,027,439	102
103							707,527				64,321	103
104			3/1/2011	5/24/2002			-2,350,000				-268,571	104
105			5/1/2011	4/30/2003			-407,637				-50,429	105
106											5,815,727	106
107								86,850,569	6.546%	88,850,000		107
108	RATINGS											108
109	BB+, Ba1, BB+	9.750%	6/1/2008	4/3/2001	278,735,000	5,594,700	2,687,997	271,452,303	10.340%	279,735,000	28,924,591	109
110								271,452,303		279,735,000		110
111												111
112	RATINGS											112
113	BB+, Ba1, BB+	9.750% (Repurchases)	3/1/2011				936,274				121,088	113
114			7/1/2011				369,462				45,707	114
115			6/30/2011				859,304				109,698	115
116			3/1/2011				10,225,725				1,146,810	116
117			3/1/2011				232,456				27,619	117
118			3/1/2011				92,340				11,081	118
119			6/15/2011				134,471				16,809	119
120			8/15/2014				1,683,869				153,081	120
121			8/15/2014				14,804				1,433	121
122			7/15/2014				2,631,939				261,019	122
123			3/15/2015				4,353,872				417,972	123
124	Total Corporate Notes										2,312,285	124
125												125
126												126
127	TOTAL MEDIUM TERM NOTES							379,601,113	9.962%	388,585,000	38,711,625	127
128												128
129	TOTAL LONG-TERM DEBT							987,536,206	8.179%	1,014,385,000	82,902,029	129
130												130
131	OTHER DEBT											131
132												132
133	Notes Payable - \$350M Credit Line				63,000,000			63,000,000	5.238%	63,000,000	3,300,202	133
134												134
135	Commitment Fees - Bank Lines of Credit											135
136												136
137	Capital Lease Obligations (including current)											137
138								0			1,064,123	138
139										0	0	139
140	TOTAL SHORT-TERM DEBT											140
141	TOTAL DEBT OUTSTANDING AND COST OF DEBT AT December 31, 2005									63,000,000	4,364,325	141
142											87,256,354	142
									6.928%			
									8.100%			