

Avista Corp.

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June 12, 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

06 JUN 14 11 08:02
MILWAUKEE
COMMUNICATIONS
SECTION

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

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of May 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 \$2,646,078. Of that amount, \$615,224 was applied to the deadband making a \$9,000,000 deadband balance in the rebate direction at the end of May. The 90% sharing factor was then applied to the remaining amount of \$2,030,854 resulting in a deferral in the rebate direction of \$1,827,769.

Actual power supply expenses were lower than authorized due primarily to higher than authorized hydro generation. Hydro generation was 185 aMW above the authorized level. The average market purchase price was \$27.91/MWh compared to an authorized rate of \$38.58/MWh. The average market sales price was \$31.31/MWh compared to an authorized sales price of \$31.48/MWh.

Due to economics Coyote Springs 2 generated 82 aMW below the authorized level. Other gas-fired resources generated 8 aMW below the authorized level due to economics. Colstrip generated 5 aMW below the authorized level, and Kettle Falls generated 9 aMW above the authorized level. Thermal fuel and natural gas fuel expense were both below the authorized level. Washington retail sales were 29 aMW above the authorized level.

There were no forward long-term contracts of one year or longer entered into in the month of May 2006. If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood".

Kelly Norwood
Vice President State and Federal Regulation

RM
Enclosure

C: Mary Kimball, S. Bradley Van Cleve

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

MONTH OF MAY 2006

Avista Corporation Journal Entry

Effective Date: 200605

Journal: 481-WA ERM

Team: Resource Accounting

Last Saved by: Lori Hamilton Last Saved: 06/07/2006 10:59 AM

Type: C

Submitted by: Lori Hamilton

Category: DJ

Seq.	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment
10	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,183,803.00		WA ERM surcharge amortization
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		2,183,803.00	WA ERM authorized for recovery
30	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	1,827,769.00		WA ERM current month deferral
40	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		1,827,769.00	WA ERM current year deferral
50	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	351,619.00		Accrue interest on deferral balance authorized for recovery
60	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		4,010.00	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		365,767.00	Non-utility interest income
90	410100 - PRV DFIT DR	ED	WA	DL		1,404,050.00	DFIT entry for power supply deferral and surcharge amortization
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	128,018.00		Non-op DFIT entry for interest income
110	283280 - ADFIT ERM	ED	WA	DL	1,276,032.00		ADFIT WA ERM current and prior years
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL		615,224.00	Track YTD company band accumulation
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL	615,224.00		Contra account for YTD company band accumulation
TOTALS:					6,400,623.00	6,400,623.00	

Avista Co. Corporation Journal Entry

Effective Date: 200605

Last Saved by: Lori Hamilton
Submitted by: Lori Hamilton
Last Saved: 06/07/2006 10:59 AM

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

Explanation:

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

<u>L. Hamilton</u>	<u>6/7/06</u>
Prepared by Lori Hamilton	Date
<u>Jami Grogg</u>	<u>6/7/06</u>
Reviewed by	Date
_____	_____
Approved for Entry	Date
Corporate Accounting use Only	

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	
200602	USD	0.00		0.00	
200603	USD	0.00		0.00	
200604	USD	0.00		0.00	
200605	USD	-1,831,779.00		-1,831,779.00	

Journal Details

Summary Balances

ERM Deferral Balance (Current Year - 2006)

Account 186280.ED.WA

Balance 4/30/06
 Deferral
 Interest
 Balance 5/31/06

<u>Amount</u>	<u>Journal ID</u>
\$0.00	
-\$1,827,769	481 - WA ERM
-4,010.00	481 - WA ERM
<u>-\$1,831,779.00</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	
200602	USD	18,158.00		4,174,934.00	
200603	USD	18,158.00		4,193,092.00	
200604	USD	18,158.00		4,211,250.00	
200605	USD	18,158.00		4,229,408.00	

Journal Details

Summary Balances

ERM Deferral Balance (Prior year - 2005)

Account 186290.ED.WA

Balance 4/30/06

Interest

Balance 5/31/06

Amount

\$4,211,250.00

18,158.00

\$4,229,408.00

Journal ID

481 - WA ERM

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	
200602	USD	-2,426,654.00		87,161,191.65	
200603	USD	-2,360,123.00		84,801,068.65	
200604	USD	-2,050,571.00		82,750,497.65	
200605	USD	-1,832,184.00		80,918,313.65	

Journal Details

Summary Balances

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 4/30/06
 Amortization
 Interest
 Balance 5/31/06

<u>Amount</u>	<u>Journal ID</u>
\$82,750,497.65	
-2,183,803.00	481 - WA ERM
351,619.00	481 - WA ERM
<u>\$80,918,313.65</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	
200602	USD	-27,990.00		286,743.00	
200603	USD	-28,113.00		258,630.00	
200604	USD	-28,237.00		230,393.00	
200605	USD	-28,360.00		202,033.00	

Journal Details
Summary Balances

Contract Buyout Deferral Balance

Account 182360.ED.WA

Balance 4/30/06

Amortization*

Interest

Balance 5/31/06

Amount

Journal ID

\$230,393.00

-29,307.00 485 - ECB AMORT

947.00 485 - ECB AMORT

\$202,033.00

*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	
200602	USD	432,476.00		-2,469,655.00	
200603	USD	-2,743,056.00		-5,212,711.00	
200604	USD	-3,172,065.00		-8,384,776.00	
200605	USD	-615,224.00		-9,000,000.00	

Journal Details

Summary Balances

ERM Deadband

Account 186010.ED.WA

Balance 4/30/06

2006 deadband accumulation

Balance 5/31/06

Amount

Journal ID

-\$8,384,776.00

-615,224.00 481 - WA ERM

-\$9,000,000.00

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	
200602	USD	432,476.00		2,469,655.00	
200603	USD	2,743,056.00		5,212,711.00	
200604	USD	3,172,065.00		8,384,776.00	
200605	USD	615,224.00		9,000,000.00	

Journal Details

Summary Balances

ERM Deadband Contra Account

Account 186020.ED.WA

Balance 4/30/06
 2006 deadband contra entry
 Balance 5/31/06

Amount	Journal ID
\$8,384,776.00	
<u>615,224.00</u>	481 - WA ERM
\$9,000,000.00	

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	
200602	USD	842,974.00		-31,967,642.00	
200603	USD	819,688.00		-31,147,954.00	
200604	USD	711,345.00		-30,436,609.00	
200605	USD	1,276,032.00		-29,160,577.00	

Journal Details

Summary Balances

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$1,831,779.00
Account 186290.ED.WA balance	4,229,408.00
Account 182350.ED.WA balance	80,918,313.65
Total	<u>\$83,315,942.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$29,160,580</u>
Rounding	3
Balance in account	<u>-\$29,160,577</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	
200602	USD	9,796.00		-100,361.00	
200603	USD	9,839.00		-90,522.00	
200604	USD	9,882.00		-80,640.00	
200605	USD	9,926.00		-70,714.00	

Journal Details
Summary Balances

DFIT Associated with Contract Buyout Deferral

Account 283360.ED.WA

Account 182360.ED.WA balance	\$202,033.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-\$70,712
Rounding	-2
Balance in account	-\$70,714

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 6/30/06 is 8.12%			
The monthly rate is:			0.00675 Before Tax		0.00676667 Before Tax	
			0.0043875 After Tax		0.0043983 After Tax	
			0.35 Tax rate		0.35 Tax rate	
Account 182350			2006 Interest			
12-31-2005	GL Balance including interest	92,052,195		<u>Jan-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
				<u>Feb-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Feb-06	Surcharge Amortization	(2,811,808)		Amortization	(984,133)	Operating 984,133
Feb-06	Interest		385,154	Interest	134,804	Nonoperating (134,804)
02-28-2006	Balance before interest	86,378,437			(849,329)	Total 849,329
				<u>Mar-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Mar-06	Surcharge Amortization	(2,733,113)		Amortization	(956,590)	Operating 956,590
Mar-06	Interest		372,990	Interest	130,547	Nonoperating (130,547)
03-31-2006	Balance before interest	83,645,324			(826,043)	Total 826,043
				<u>Apr-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Apr-06	Surcharge Amortization	(2,412,273)		Amortization	(844,296)	Operating 844,296
Apr-06	Interest		361,702	Interest	126,596	Nonoperating (126,596)
04-30-2006	Balance before interest	81,233,051			(717,700)	Total 717,700
				<u>May-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May-06	Surcharge Amortization	(2,183,803)		Amortization	(764,331)	Operating 764,331
May-06	Interest		351,619	Interest	123,067	Nonoperating (123,067)
05-31-2006	Balance before interest	79,049,248			(641,264)	Total 641,264
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
				04-30-2006	May-06	05-31-2006
	Net ERM Balance	80,918,314		82,750,498	(1,832,184)	80,918,314
	ADFIT Balance	(28,321,410)				

Actual cost of debt at 12/31/05 is 8.10%. The monthly rate is:			Actual cost of debt at 6/30/05 is 8.12% The monthly rate is:-		
		0.00675 Before Tax			0.00676667 Before Tax
		0.0043875 After Tax			0.0043983 After Tax
		0.35 Tax rate			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			
			<u>Jan-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Jan-06	ERM Deferral	0	Deferral	0	Operating 0
Jan-06	Interest	0	Interest	0	Nonoperating 0
01-31-2006	Balance before interest	0		0	Total 0
			<u>Feb-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Feb-06	ERM Deferral	0	Deferral	0	Operating 0
Feb-06	Interest	0	Interest	0	Nonoperating 0
02-28-2006	Balance before interest	0		0	Total 0
			<u>Mar-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Mar-06	ERM Deferral	0	Deferral	0	Operating 0
Mar-06	Interest	0	Interest	0	Nonoperating 0
03-31-2006	Balance before interest	0		0	Total 0
			<u>Apr-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Apr-06	ERM Deferral	0	Deferral	0	Operating 0
Apr-06	Interest	0	Interest	0	Nonoperating 0
04-30-2006	Balance before interest	0		0	Total 0
			<u>May-06</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May-06	ERM Deferral	(1,827,769)	Deferral	(639,719)	Operating 639,719
May-06	Interest	(4,010)	Interest	(1,404)	Nonoperating 1,404
05-31-2006	Balance before interest	(1,827,769)		(641,123)	Total 641,123
			<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
	Net ERM Balance	(1,831,779)	<u>04-30-06</u>	<u>May-06</u>	<u>05-31-06</u>
			0	(1,831,779)	(1,831,779)
	ADFIT Balance	641,123			

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 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					
				<u>Jan-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Jan-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
01-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				<u>Feb-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Feb-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
02-28-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				<u>Mar-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Mar-06	ERM Transfer to 182350	0		Deferral	0	Operating	0
Mar-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
03-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				<u>Apr-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Apr-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Apr-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
04-30-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				<u>May-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
May-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
05-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
	Net ERM Balance	4,229,408		GL Balance	Activity	GL Balance	
				04-30-06	May-06	05-31-06	
	ADFIT Balance	(1,480,293)		4,211,250	18,158	4,229,408	
<i>Per Ron Mckenzie the prudency review completion is anticipated for June 2006.</i>							

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	
	BALANCE	182350	186280	186290			COMPONENTS	ACCOUNTS	
								BALANCE	
12-31-2005	(33,048,222)	(32,218,268)	(1,448,516)	0			(33,666,784)	(618,562)	(33,666,784)
01-31-2006	(33,666,784)	(31,355,746)	0	(1,454,872)			(32,810,618)	856,166	(32,810,618)
02-28-2006	(32,810,616)	(30,506,417)	0	(1,461,227)			(31,967,644)	842,972	(31,967,644)
03-31-2006	(31,967,642)	(29,680,374)	0	(1,467,582)			(31,147,956)	819,686	(31,147,956)
04-30-2006	(31,147,954)	(28,962,674)	0	(1,473,938)			(30,436,612)	711,342	(30,436,612)
05-31-2006	(30,436,609)	(28,321,410)		(1,480,293)			(29,801,703)	634,906	(29,801,703)
			ADFIT				Interest		
		410100	410200	283280		182350	186280	186290	419600
01-31-2006	182350	(1,001,683)	139,160	862,523		397,601	0	18,158	(415,759)
	186280	0	0	0					
	186290	0	6,355	(6,355)					
Total		(1,001,683)	145,515	856,168					
02-28-2006	182350	(984,133)	134,804	849,329		385,154	0	18,158	(403,312)
	186280	0	0	0					
	186290	0	6,355	(6,355)					
Total		(984,133)	141,159	842,974					
03-31-2006	182350	(956,590)	130,547	826,043		372,990	0	18,158	(391,148)
	186280	0	0	0					
	186290	0	6,355	(6,355)					
Total		(956,590)	136,902	819,688					
04-30-2006	182350	(844,296)	126,596	717,700		361,702	0	18,158	(379,860)
	186280	0	0	0					
	186290	0	6,355	(6,355)					
Total		(844,296)	132,951	711,345					
05-31-2006	182350	(764,331)	123,067	641,264		351,619	(4,010)	18,158	(365,767)
	186280	(639,719)	(1,404)	641,123					
	186290	0	6,355	(6,355)					
Total		(1,404,050)	128,018	1,276,032					
Recon:	Total interest 2006		1,955,846						
	Calc non op DFIT 2006		684,546						
	Total 410200 2006		684,545						

			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
Feb-06	Activity		\$432,476	(\$432,476)	
02-28-2006	Balance		(\$2,469,655)	\$2,469,655	\$0
Mar-06	Activity		(\$2,743,056)	\$2,743,056	
03-31-2006	Balance		(\$5,212,711)	\$5,212,711	\$0
Apr-06	Activity		(\$3,172,065)	\$3,172,065	
04-30-2006	Balance		(\$8,384,776)	\$8,384,776	\$0
May-06	Activity		(\$615,224)	\$615,224	
05-31-2006	Balance		(\$9,000,000)	\$9,000,000	\$0

AVISTA CORPORATION
 MAY 2006 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		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)	Rate Before 1-Jan-06 (h) (c)*(d)*(f)	Rate On/After 1-Jan-06 (i) (c)*(e)*(g)		
1 (0-600 kWh)	61.369%	98,589,388	0.00%	100.00%	0.405¢	0.446¢	\$0	\$439,709	0.956325	\$420,505
1 (601-1300 kWh)	29.102%	46,752,405	0.00%	100.00%	0.607¢	0.668¢	0	312,306	0.956325	298,666
1 (over 1300 kWh)	9.529%	15,308,353	0.00%	100.00%	0.853¢	0.938¢	0	143,592	0.956325	137,321
Total Sch 1	100.000%	160,650,146					0	895,607		856,492
11		26,773,553	0.00%	100.00%	0.788¢	0.867¢	0	232,127	0.956325	221,989
12		2,975,068	0.00%	100.00%	0.788¢	0.867¢	0	25,794	0.956325	24,667
21		120,402,529	0.00%	100.00%	0.549¢	0.604¢	0	727,231	0.956325	695,469
22		2,519,961	0.00%	100.00%	0.549¢	0.604¢	0	15,221	0.956325	14,556
25		76,741,766	0.00%	100.00%	0.352¢	0.387¢	0	296,991	0.956325	284,020
30		2,443,420	0.00%	100.00%	0.485¢	0.534¢	0	13,048	0.956325	12,478
31		6,005,232	0.00%	100.00%	0.485¢	0.534¢	0	32,068	0.956325	30,667
32		590,878	0.00%	100.00%	0.485¢	0.534¢	0	3,155	0.956325	3,017
41-46		\$289,037	0.00%	100.00%	109.78%	110.76%	0	28,079	0.956325	26,853
47		\$86,705	0.00%	100.00%	109.78%	110.76%	0	8,423	0.956325	8,055
48		\$59,636	0.00%	100.00%	109.78%	110.76%	0	5,793	0.956325	5,540
Schedule Totals		399,102,553					\$0	\$2,283,537		\$2,183,803
kWh not subject to surcharge		0								-35%
Schedule 28										(\$764,331)
Sch 41-48		2,189,584								DFT Expense
Total kWh		401,292,137								

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 200605 , State Code : WA

Accounting Period: 200605 State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
Rate Schedule Num						
001	192,511	160,650,146	10,031,857	192,367	1,071,377,512	67,023,017
011	18,596	26,773,553	2,499,343	18,578	152,937,951	14,045,370
012	7,113	2,975,068	294,094	7,069	19,519,354	1,837,103
021	3,225	120,402,529	8,480,433	3,264	621,900,211	43,077,751
022	74	2,519,961	166,164	75	16,062,788	1,023,181
025	21	76,741,766	3,524,267	21	383,135,457	17,341,095
028	0	0	15,941	0	87,910	84,833
030	39	2,443,420	131,184	39	2,839,000	153,429
031	1,047	6,005,232	389,314	1,036	20,117,699	1,310,387
032	1,084	590,878	42,924	1,086	1,664,667	134,442
041	11	8,720	1,520	11	43,600	7,484
042	235	1,074,446	266,072	233	5,366,181	1,307,929
044	13	22,160	2,126	13	108,560	10,164
045	6	89,847	5,105	6	451,475	25,500
046	16	185,050	14,214	16	925,250	69,988
047	0	496,623	86,705	0	2,511,967	432,677
048	0	312,738	59,636	0	1,564,886	295,889
058	0	0	920,075	0	0	5,184,930
058A	0	0	-5,475	0	0	-37,390

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200605 , State Code : WA

Accounting Period: 200605 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	20
095	0	0	10,824	0	0	53,496
099	0	0	49,161	0	0	235,729
Total WA	223,991	401,292,137	26,985,488	223,814	2,300,614,468	153,617,023
Total WA	223,991	401,292,137	26,985,488	223,814	2,300,614,468	153,617,023

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	\$88,127,468	\$ 17,910,644	\$ 23,505,825	\$ 13,191,911	\$ 12,879,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	501 Thermal Fuel	\$9,136,600	\$ 2,066,414	\$ 2,346,267	\$ 2,087,116	\$ 1,417,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	547 CT Fuel	\$20,433,894	\$ 4,081,840	\$ 6,063,627	\$ 8,682,070	\$ 1,039,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	447 Sale for Resale	\$ (88,425,062)	\$ (14,135,065)	\$ (15,563,340)	\$ (26,417,694)	\$ (14,606,723)	\$ (17,702,240)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Actual Net Expense	\$29,272,900	\$ 12,652,745	\$ 10,757,198	\$ 7,857,317	\$ 5,698,883	\$ (2,564,343)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Credit CS2 1/2 Exchange	(\$634,025)	\$ (130,200)	\$ (117,600)	\$ (130,200)	\$ (125,825)	\$ (130,200)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Less Pollatch 62 aMW directly to ID	(\$8,807,399)	\$ (1,854,831)	\$ (1,648,428)	\$ (1,861,698)	\$ (1,504,346)	\$ (1,938,096)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Adjusted Actual Net Expense	\$19,831,476	\$ 10,667,714	\$ 8,991,170	\$ 5,865,419	\$ (1,060,188)	\$ (4,632,639)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
9	555 Purchased Power	\$78,312,672	\$ 11,193,778	\$ 7,844,080	\$5,646,977	\$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	\$ 1,660,398	\$ 1,498,204	\$1,704,104	\$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	\$ 5,972,958	\$ 4,558,576	\$9,264,020	\$3,330,490	\$1,269,298	\$4,313,402	\$6,001,145	\$7,105,523	\$9,212,014	\$7,711,236	\$ 7,586,613
12	447 Sale for Resale	\$ (62,059,914)	\$ (2,591,928)	\$ (3,322,097)	\$ (6,706,383)	\$ (10,402,116)	\$ (7,569,805)	\$ (6,457,020)	\$ (3,368,084)	\$ (1,492,368)	\$ (2,440,188)	\$ (5,554,272)	\$ (3,350,298)
13	Settlement/Compliance Filing Adj.	\$ (251,923)	\$ 74,750	\$ (516,741)	\$ (129,319)	\$110,419	\$ (1,353,073)	\$ (1,331,742)	\$ (28,887)	\$ 1,162,101	\$ 855,509	\$ (283,194)	\$ 286,894
14	Authorized Net Expense	\$104,999,526	\$ 16,309,956	\$ 10,062,022	\$ 9,779,399	\$ 3,623,237	\$ (1,746,115)	\$ (2,668,685)	\$ 2,803,729	\$ 15,473,875	\$ 14,818,605	\$ 10,456,705	\$ 15,647,178
15	Actual - Authorized Net Expense	(\$18,197,023)	\$ (5,642,242)	\$ (1,070,852)	\$ (3,913,980)	\$ (4,683,425)	\$ (2,886,524)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Net Fuel Expense not incl in Acct 547 (1)	\$ 3,247,164	\$ 1,729,085	\$ 766,402	\$ 1,024,018	\$ (277,505)	\$ 5,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Adjusted Actual - Authorized Net Exp	\$ (14,949,859)	\$ (3,913,157)	\$ (304,450)	\$ (2,889,962)	\$ (4,960,930)	\$ (2,881,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Washington Alloc. @ 65.16%	(\$9,741,328)	(\$2,549,813)	(\$198,380)	(\$1,863,099)	(\$3,232,542)	(\$1,877,494)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Enron Contract Buyout 100%	\$162,815	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	WA Retail Revenue Adjustment	\$ (1,452,341)	(\$384,881)	\$598,293	(\$692,520)	\$27,914	(\$801,147)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Net Power Cost Increase (Decrease)	\$ (11,030,854)	\$ (2,902,131)	\$ (432,476)	\$ (2,743,056)	\$ (3,172,065)	\$ (2,646,078)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Cumulative Balance		(\$2,902,131)	(\$2,469,655)	(\$5,212,711)	(\$6,384,776)	(\$11,030,854)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Less \$9 million Company Band	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	100% Net Power Cost outside Company Band	\$ (2,030,854)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	90% Net Power Cost outside Company Band	\$ (1,827,769)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

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
ACTUALS													
555	11,111,543	9,184,537	15,446,671	6,616,895	6,684,474								49,044,120
1	130,200	117,600	130,200	125,825	130,200								634,025
2	71,982	56,106	54,061	26,813	12,553								221,515
3	489,969	448,812	439,976	503,114	575,131								2,457,002
4	111,460	83,146	83,143	151,994	133,323								563,066
5	303,287	303,287	303,287	(242,877)	303,287								970,271
6	120,206	109,038	86,702	109,038	109,038								534,022
7		0											
8	677	479	548	454	492								2,650
9	152,947	116,699	110,219	117,174	95,742								592,781
10	384,035	337,964	316,463	230,988	239,501								1,508,951
11	2,877,241	2,599,868	1,420,490	1,375,751									8,273,350
12	257,874	482,126	494,682	52,149	(62,610)								1,224,221
13	567,300	512,400	567,300	548,238	567,300								2,762,538
14	1,041,600	940,800	1,041,600	1,006,600	1,041,600								5,072,200
15	590,550	533,400	590,550	570,706	590,550								2,875,756
16	118,405	106,152	128,634	96,021	88,064								537,276
17	1,654,831	1,648,428	1,861,698	1,504,346	1,938,096								8,807,399
18	26,300	54,450	131,500	131,500	131,500								475,250
19	379,106	212,023	246,879	209,873	228,635								1,276,516
20				11,266	21,930								33,196
21	50,043	63,329	51,222	46,043	50,726								261,363
22	20,639,556	17,910,644	23,505,825	13,191,911	12,879,532	0	0	0	0	0	0	0	88,127,468
23													

(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

24	13,490,234	14,944,085	25,803,958	14,157,413	17,219,988								85,615,678
25	150,000	150,000	150,000	150,000	150,000								750,000
26	7,303	6,003	6,663	6,108	6,379								32,456
27	35,558	28,319	42,447	32,743	30,968								170,035
28	228,144	201,496	204,988	87,402	96,119								818,149
29	(4,095)	(3,961)	(4,709)	(5,094)	(12,200)								(30,059)
30	177,878	174,069	163,425	132,108	160,260								807,740
31	50,043	63,329	50,922	46,043	50,726								261,063
32	14,135,065	15,563,340	26,417,694	14,606,723	17,702,240								88,425,062

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>													
33		936,228	1,039,143	856,427	409,137	569,155							3,810,090
34		1,107,263	1,296,087	1,216,168	995,417	637,577							5,252,512
35		2,043,491	2,335,230	2,072,595	1,404,554	1,206,732							9,062,602
36		22,775	(1,493)	313	661	(976)							21,280
37		148	12,530	14,208	12,780	13,052							52,718
38		22,923	11,037	14,521	13,441	12,076							73,998
39		2,066,414	2,346,267	2,087,116	1,417,995	1,218,808							9,136,600
<u>501 FUEL-TONS</u>													
40		47,240	46,168	46,217	25,253	39,169							204,047
41		91,999	85,433	94,722	77,639	55,753							405,546
<u>501 FUEL-COST PER TON</u>													
42		19.82	\$ 22.51	\$ 18.53	\$ 16.20	\$ 14.53							\$ 18.67
43		12.04	\$ 15.17	\$ 12.84	\$ 12.82	\$ 11.44							\$ 12.95
<u>547 FUEL</u>													
44		102	(77)	17	(178)	399							263
45		(2,708)	7,246	1,505	4,296	88,837							99,176
46		3,153	13,263	(76)	3,779	502							20,621
47		4,078,827	6,042,794	8,679,738	560,356	832,793							20,194,508
48		2,466	401	886	(1,453)	117,026							119,326
49		4,081,840	6,063,627	8,682,070	566,800	1,039,557							20,433,894
50		12,652,745	10,757,198	7,857,317	569,983	(2,564,343)							29,272,900

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

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	513,987,102	483,960,822	470,092,818	412,790,116	401,292,137								2,282,122,995
Deduct Prior Month Unbilled kWhs Heating	(355,532,546)	(333,551,203)	(289,669,681)	(293,686,289)	(294,319,437)	(293,057,121)							(1,869,816,277)
Deduct Prior Month Unbilled kWhs Cooling						(1,199,563)							(1,199,563)
Add Current Month Unbilled kWhs Heating	333,551,203	299,669,681	293,686,289	294,319,437	293,057,121								1,514,283,731
Add Current Month Unbilled kWhs Cooling					1,199,563								1,199,563
Washington Retail kWhs	492,005,759	450,079,300	464,109,426	413,423,264	401,229,384	(294,256,684)							1,926,590,449
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	(16,746,483)	24,449,374	(970,857)	21,920,389								39,072,943
WA Retail Revenue Credit (2)	\$377,119	(\$606,055)	\$884,823	(\$35,135)	\$793,299	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,414,050
Net Wind Revenue Credit	\$7,762	\$7,762	\$7,697	\$7,221	\$7,848	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,290
Total Revenue Credit	\$384,881	(\$598,293)	\$892,520	(\$27,914)	\$801,147	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,452,340

(1) from Exhibit No. 185 (WGUJ-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	\$10,706.60	\$10,615.89	\$9,960.06	\$10,824.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,813.52
Deduct Admin Expense	\$2,944.36	\$2,944.32	\$2,919.37	\$2,739.02	\$2,976.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,523.72
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$7,762.39	\$7,762.29	\$7,696.52	\$7,221.04	\$7,847.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,289.80

Avista Corporation Journal Entry

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

Effective Date: 200605
 Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton
 Last Saved: 05/31/2006 11:28 AM

Seq.	FERC	Ser.	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	947.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		947.00	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	331.00		DFIT expense on interest (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	9,926.00		ADFIT ECB
TOTALS:					40,511.00	40,511.00	

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.

Lori Hamilton
 Prepared by Lori Hamilton
 Date: 6/2/06

Sami Gudez
 Reviewed by
 Date: 6/2/06

Approved for Entry
 Corporate Accounting use Only
 Date:

