

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



Corp.

July 12, 2006

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, June 2006

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of June 2006. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. On June 16, 2006, the Commission issued Order No. 3 in Docket No. UE-060181, approving a Settlement agreement and associated modifications to the ERM effective January 1, 2006. With the modifications actual power costs were less than authorized costs by \$11,942,737 for the six months ended June 30, 2006. Applying the new \$4 M deadband, together with the 50% sharing band between \$4 and \$10 M, and the 90% sharing in excess of \$10 M yields a deferral amount of \$4,748,463 in the rebate direction for the six months ended June 30, 2006. Previously recorded rebate deferrals through May 31, 2006, amounted to \$1,827,769. The difference between \$4,748,463 and \$1,827,769, or \$2,920,694, was recorded as the rebate deferral entry for the month of June 2006.

Actual power supply expenses were lower than authorized due primarily to higher than authorized hydro generation. Hydro generation was 42 aMW above the authorized level. The average market purchase price was \$29.61/MWh compared to an authorized rate of \$36.62/MWh. The average market sales price was \$31.31/MWh compared to an authorized sales price of \$29.86/MWh.

Due to economics Coyote Springs 2 generated 36 aMW above the authorized level. Other gas-fired resources generated 7 aMW above the authorized level due to economics. Colstrip generated 33 aMW below the authorized level due to the overhaul of unit 4, and Kettle Falls generated 4 aMW below the authorized level. Thermal fuel expense was below the authorized level and natural gas fuel expense was above the authorized level. Washington retail sales were 64 aMW above the authorized level.

There were no forward long-term contracts of one year or longer entered into in the month of June 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  
REGULATORY DIVISION  
06 JUL 19 AM 8:11  
MELANIE HARRIS  
REGULATORY DIVISION

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

MONTH OF JUNE 2006

**Avista Corporation Journal Entry**

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

Effective Date: 200606  
 Last Saved by: Lori Hamilton  
 Submitted by: Lori Hamilton  
 Last Saved: 07/07/2006 5:03 PM

Seq.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,195,138.00		WA ERM surcharge amortization
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		2,195,138.00	WA ERM authorized for recovery
30	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	2,920,694.00		WA ERM current month deferral
40	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		2,920,694.00	WA ERM current year deferral
50	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	342,013.00		Accrue interest on deferral balance authorized for recovery
60	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		35,749.00	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		324,422.00	Non-utility interest income
90	410100 - PRV DFIT DR	ED	WA	DL		1,790,541.00	DFIT entry for power supply deferral and surcharge amortization
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	113,550.00		Non-op DFIT entry for interest income
110	283280 - ADFIT ERM	ED	WA	DL	1,676,991.00		ADFIT WA ERM current and prior years
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL	2,000,000.00		Track YTD company band accumulation
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		2,000,000.00	Contra account for YTD company band accumulation
140	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	4,247,566.00		Transfer prior year balance to WA ERM for recovery
150	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL		4,247,566.00	Transfer prior year balance to WA ERM for recovery
<b>TOTALS:</b>					<b>13,514,110.00</b>	<b>13,514,110.00</b>	

### Avista Corporation Journal Entry

Effective Date: 200606

Journal: 481-WA ERM

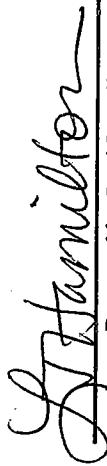
Team: Resource Accounting


Last Saved by: Lori Hamilton

Type: C

Submitted by: Lori Hamilton

Category: DJ

  
 Prepared by Lori Hamilton  
 Date 7/7/06

  
 Reviewed by  
 Date 7/7/06

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

Explanation:

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

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



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	-2,956,443.00		-4,788,222.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Current Year - 2006)**

**Account 186280.ED.WA**

	Amount	Journal ID
Balance 5/31/06	-\$1,831,779.00	
Deferral	-2,920,694	481 - WA ERM
Interest	-35,749.00	481 - WA ERM
Balance 6/30/06	-\$4,788,222.00	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	USD	<b>0.00</b>		<b>0.00</b>	
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	
200606	USD	4,229,408.00		0.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Prior year - 2005)**

**Account 186290.ED.WA**

Balance 5/31/06

Interest

Transfer to Account 182350.ED.WA

Balance 6/30/06

Amount

Journal ID

\$4,229,408.00

18,158.00 481 - WA ERM

-4,247,566.00 481 - WA ERM

\$0.00

Detail Balances (AVA CORP) - 001 182350.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	2,394,441.00		83,312,754.65	

Journal Details

Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

Balance 5/31/06  
 Amortization  
 Interest  
 Transfer from Account 186290.ED.WA  
 Balance 6/30/06

<u>Amount</u>	<u>Journal ID</u>
\$80,918,313.65	
-2,195,138.00	481 - WA ERM
342,013.00	481 - WA ERM
4,247,566.00	481 - WA ERM
<u>\$83,312,754.65</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	-28,485.00		173,548.00	

Journal Details

Summary Balances

**Contract Buyout Deferral Balance**

**Account 182360.ED.WA**

Balance 5/31/06

Amortization\*

Interest

Balance 6/30/06

Amount

Journal ID

\$202,033.00

-29,307.00 485 - ECB AMORT

822.00 485 - ECB AMORT

\$173,548.00

\*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
<b>200613</b>	USD	<b>0.00</b>		<b>9,000,000.00</b>	
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	
200606	USD	1,805,726.00		-7,194,274.00	

Journal Details

Summary Balances

**ERM Deadband plus Amounts Absorbed**

**Account 186010.ED.WA**

Balance 5/31/06  
 Adjust to new \$4 M deadband, 50% of \$4-\$10 M  
 10% amount over \$10 M  
 Balance 6/30/06

Amount	Journal ID
-\$9,000,000.00	
2,000,000.00	481 - WA ERM
-194,274.00	NSJ018
<u>-\$7,194,274.00</u>	

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	-1,805,726.00		7,194,274.00	

Journal Details

Summary Balances

**ERM Deadband Contra Account**  
**Account 186020.ED.WA**

Balance 5/31/06  
 Adjust to new \$4 M deadband, 50% of \$4-\$10 M  
 10% amount over \$10 M  
 Balance 6/30/06

Amount	Journal ID
\$9,000,000.00	
-2,000,000.00	481 - WA ERM
194,274.00	NSJ018
<u>\$7,194,274.00</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	1,676,991.00		-27,483,586.00	

Journal Details

Summary Balances

**DFIT Associated with ERM Deferrals**

**Account 283280.ED.WA**

Account 186280.ED.WA balance	-\$4,788,222.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	83,312,754.65
Total	<u>\$78,524,532.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$27,483,586</u>
Rounding	0
Balance in account	<u>-\$27,483,586</u>

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	9,969.00		-60,745.00	

Journal Details

Summary Balances

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

Account 182360.ED.WA balance	\$173,548.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	-\$60,742
Rounding	-3
Balance in account	-\$60,745

<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
The rate is based on Avista's actual cost of debt, updated semiannually.						
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.						
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.						
Interest will be accrued monthly and compounded semi-annually.						
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate						
Actual cost of debt at 12/31/05 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				0.0043983 After Tax		
0.35 Tax rate				0.35 Tax rate		
<b>Account 182350</b>		<b>2006 Interest</b>				
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
				Feb-06	DFIT Expense	ADFIT
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
				Mar-06	DFIT Expense	ADFIT
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
				Apr-06	DFIT Expense	ADFIT
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
				May-06	DFIT Expense	ADFIT
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
				Jun-06	DFIT Expense	ADFIT
Jun-06	Surcharge Amortization	(2,195,138)		Amortization	(768,298) Operating	768,298
Jun-06	Interest		342,013	Interest	119,705 Nonoperating	(119,705)
06-30-2006	Balance before interest	76,854,110			(648,593) Total	648,593
				GL Balance	Activity	GL Balance
				05-31-2006	Jun-06	06-30-2006
	<b>Net ERM Balance</b>	<b>79,065,189</b>		<b>80,918,314</b>	<b>(1,853,125)</b>	<b>79,065,189</b>
	<b>ADFIT Balance</b>	<b>(27,672,816)</b>				

Changes Semiannually on January 1 and July 1 Beginning 7/1/02																																							
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Actual cost of debt at 12/31/05 is 8.10%																																							
The monthly rate is:																																							
0.00675 Before Tax			Actual cost of debt at 6/30/06 is 9.12%			0.00676667 Before Tax																																	
0.0043875 After Tax			The monthly rate is:-			0.00430883 After Tax																																	
0.35 Tax rate						0.35 Tax rate																																	
<b>Account 186280</b>																																							
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	Interest	0	Nonoperating	0																																	
01-31-2006	Balance before interest	0			0		Total																																
			Feb-06		DFIT Expense		ADFIT																																
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																																
			Mar-06		DFIT Expense		ADFIT																																
Mar-06	ERM Deferral	(577,437)	Deferral	(202,103)	Operating	202,103																																	
Mar-06	Interest	(1,267)	Interest	(443)	Nonoperating	443																																	
03-31-2006	Balance before interest	(577,437)			(202,546)		Total																																
			Apr-06		DFIT Expense		ADFIT																																
Apr-06	ERM Deferral	(1,545,747)	Deferral	(541,011)	Operating	541,011																																	
Apr-06	Interest	(5,924)	Interest	(2,073)	Nonoperating	2,073																																	
04-30-2006	Balance before interest	(2,123,184)			(543,084)		Total																																
			May-06		DFIT Expense		ADFIT																																
May-06	ERM Deferral	(1,863,923)	Deferral	(652,373)	Operating	652,373																																	
May-06	Interest	(13,404)	Interest	(4,691)	Nonoperating	4,691																																	
05-31-2006	Balance before interest	(3,987,107)			(657,064)		Total																																
			Jun-06		DFIT Expense		ADFIT																																
Jun-06	ERM Deferral	(761,356)	Deferral	(266,475)	Operating	266,475	Deferral	(4,748,463)																															
Jun-06	Interest	(19,164)	Interest	(6,707)	Nonoperating	6,707	Interest	(39,759)																															
06-30-2006	Balance before interest	(4,748,463)			(273,182)		Total	273,182	NON OP DFIT (13,914)																														
<table border="1"> <tr> <td></td> <td></td> <td></td> <td>GL Balance</td> <td>Activity</td> <td>GL Balance</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Net ERM Balance</td> <td>(4,788,222)</td> <td>05-31-06</td> <td>Jun-06</td> <td>06-30-06</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1,831,779)</td> <td>(2,956,443)</td> <td>(4,788,222)</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>													GL Balance	Activity	GL Balance						Net ERM Balance	(4,788,222)	05-31-06	Jun-06	06-30-06								(1,831,779)	(2,956,443)	(4,788,222)				
			GL Balance	Activity	GL Balance																																		
	Net ERM Balance	(4,788,222)	05-31-06	Jun-06	06-30-06																																		
			(1,831,779)	(2,956,443)	(4,788,222)																																		
ADFIT Balance 1,675,878																																							
ERM deferral YTD 5/31/06 (1,827,769) ERM interest YTD 5/31/06 (4,010)																																							
ERM deferral YTD 6/30/06 (4,748,463) ERM interest YTD 6/30/06 (39,759)																																							
6/30/06 entry (2,920,694) 6/30/06 entry (35,749)																																							
OP DFIT YTD 5/31/06 (639,719) NON OP DFIT YTD 5/31/06 (1,404)																																							
OP DFIT YTD 6/30/06 (1,661,962) NON OP DFIT YTD 6/30/06 (13,914)																																							
6/30/06 entry (1,022,243) 6/30/06 entry (12,510)																																							

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
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The monthly rate is:				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			
<b>Account 186290</b>		<b>2006 Interest</b>					
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)
				<u>Jun-06</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
Jun-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Jun-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
06-30-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
	<b>Net ERM Balance</b>	<b>4,247,566</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
	<b>ADFIT Balance</b>	<b>(1,486,648)</b>		<b>05-31-06</b>	<b>Jun-06</b>	<b>06-30-06</b>	
				<b>4,229,408</b>	<b>18,158</b>	<b>4,247,566</b>	
<i>Per Ron Mckenzie the prudency review completion is anticipated for June 2006.</i>							
<b>6/28/06 - WUTC deemed 2005 deferred power costs prudent. Reclass to 182350 after interest calculation.</b>							

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO	
	283280	283280	283280	283280			283280	283280
<b>J481</b>	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>
								<u>BALANCE</u>
12-31-2005	(33,048,222)	(32,218,268)	(1,448,516)	0			(33,666,784)	(618,562)
01-31-2006	(33,666,784)	(31,355,746)	0	(1,454,872)			(32,810,618)	856,166
02-28-2006	(32,810,616)	(30,506,417)	0	(1,461,227)			(31,967,644)	842,972
03-31-2006	(31,967,642)	(29,680,374)	0	(1,467,582)			(31,147,956)	819,686
04-30-2006	(31,147,954)	(28,962,674)	0	(1,473,938)			(30,436,612)	711,342
05-31-2006	(30,436,609)	(28,321,410)	641,123	(1,480,293)			(29,160,580)	1,276,029
06-30-2006	(29,160,577)	(27,672,816)	1,675,878	(1,486,648)			(27,483,586)	1,676,991
			<b>ADFIT</b>				<b>Interest</b>	
		<b>410100</b>	<b>410200</b>	<b>283280</b>		<b>182350</b>	<b>186280</b>	<b>186290</b>
								<b>419600</b>
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)				
<b>Total</b>		(1,001,683)	145,515	856,168				
02-28-2006	182350	(984,133)	134,804	849,329		385,154	0	18,158
	186280	0	0	0				
	186290	0	6,355	(6,355)				
<b>Total</b>		(984,133)	141,159	842,974				
03-31-2006	182350	(956,590)	130,547	826,043		372,990	(1,267)	18,158
	186280	(202,103)	(443)	202,546				
	186290	0	6,355	(6,355)				
<b>Total</b>		(1,158,693)	136,459	1,022,234				
04-30-2006	182350	(844,296)	126,596	717,700		361,702	(5,924)	18,158
	186280	(541,011)	(2,073)	543,084				
	186290	0	6,355	(6,355)				
<b>Total</b>		(1,385,307)	130,878	1,254,429				
05-31-2006	182350	(764,331)	123,067	641,264		351,619	(13,404)	18,158
	186280	(652,373)	(4,691)	657,064				
	186290	0	6,355	(6,355)				
<b>Total</b>		(1,416,704)	124,731	1,291,973				
06-30-2006	182350	(768,298)	119,705	648,593		342,013	(19,164)	18,158
	186280	(266,475)	(6,707)	273,182				
	186290	0	6,355	(6,355)				
<b>Total</b>		(1,034,773)	119,353	915,420				
Recon:	Total interest 2006		2,280,268					
	Calc non op DFIT 2006		798,094					
	Total 410200 2006		798,095					
Journal Entry 6/30/2006:								
	Account	410100	410200	283280	Account			419600
	182350/186290	(768,298)	126,060		182350/186290			360,171
	186280	(1,022,243)	(12,510)		186280			(35,749)
		(1,790,541)	113,550	(1,676,991)				324,422
								reference WA ERM CUR YR worksheet account 186280





AVISTA CORPORATION  
 JUNE 2006 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Current Month Surcharge Revenue Rate		Total (h)+(i)	Conversion Factor (k)	Deferral Amortization (l)*(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)	Rate On/After 1-Jan-06 (i)			
1 (0-600 kWh)	63.953%	96,286,926	0.00%	100.00%	0.405¢	0.446¢	\$0	\$429,440	\$429,440	0.956325	\$410,684
1 (601-1300 kWh)	28.230%	42,502,774	0.00%	100.00%	0.607¢	0.668¢	0	283,919	283,919	0.956325	271,519
1 (over 1300 kWh)	7.817%	11,769,188	0.00%	100.00%	0.853¢	0.938¢	0	110,395	110,395	0.956325	105,573
Total Sch 1	100.000%	150,558,888					0	823,754	823,754		787,776
11		26,897,016	0.00%	100.00%	0.788¢	0.867¢	0	233,197	233,197	0.956325	223,012
12		3,160,929	0.00%	100.00%	0.788¢	0.867¢	0	27,405	27,405	0.956325	26,208
21		128,677,028	0.00%	100.00%	0.549¢	0.604¢	0	777,209	777,209	0.956325	743,264
22		2,462,185	0.00%	100.00%	0.549¢	0.604¢	0	14,872	14,872	0.956325	14,222
25		78,656,574	0.00%	100.00%	0.352¢	0.387¢	0	304,401	304,401	0.956325	291,106
30		2,775,800	0.00%	100.00%	0.485¢	0.534¢	0	14,823	14,823	0.956325	14,176
31		9,752,511	0.00%	100.00%	0.485¢	0.534¢	0	52,078	52,078	0.956325	49,803
32		986,922	0.00%	100.00%	0.485¢	0.534¢	0	5,270	5,270	0.956325	5,040
41-46		\$289,069	0.00%	100.00%	109.78%	110.76%	0	28,082	28,082	0.956325	26,856
47		\$87,789	0.00%	100.00%	109.78%	110.76%	0	8,528	8,528	0.956325	8,156
48		\$59,401	0.00%	100.00%	109.78%	110.76%	0	5,771	5,771	0.956325	5,519
Schedule Totals		403,927,853					\$0	\$2,295,390	\$2,295,390		\$2,195,138
kWh not subject to surcharge											
Schedule 28		20,960									
Sch 41-48		2,196,960									
Total kWh		406,145,773									
											Amortization -35%
											(\$768,298) DFIT Expense

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200606 , State Code : WA**

Accounting Period: 200606   State Code: WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
001	191,734	150,558,888	9,398,993	192,262	1,221,936,400	76,422,011
011	18,599	26,897,016	2,511,810	18,581	179,834,967	16,557,180
012	7,117	3,160,929	308,606	7,077	22,680,283	2,145,709
021	3,218	128,677,028	9,009,774	3,256	750,577,239	52,087,524
022	74	2,462,185	163,262	75	18,524,973	1,186,443
025	21	78,656,574	3,605,986	21	461,792,031	20,947,081
028	1	20,960	17,298	1	108,870	102,131
030	40	2,775,800	149,009	39	5,614,800	302,438
031	1,052	9,752,511	609,472	1,038	29,870,210	1,919,859
032	1,093	986,922	65,148	1,087	2,651,589	199,590
041	11	8,720	1,520	11	52,320	9,004
042	235	1,074,446	266,072	234	6,440,627	1,574,001
044	13	22,160	2,126	13	130,720	12,290
045	6	90,367	5,137	6	541,842	30,636
046	16	185,050	14,214	16	1,110,300	84,203
047	0	504,940	87,789	0	3,016,907	520,466
048	0	311,277	59,401	0	1,876,163	355,290
058	0	0	934,744	0	0	6,119,673
058A	0	0	-5,072	0	0	-42,462

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200606 , State Code : WA**

Accounting Period: 200606   State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
090	0	0	4	0	0	24
095	0	0	11,465	0	0	64,960
099	0	0	48,739	0	0	284,468
Total WA	223,230	406,145,773	27,265,498	223,717	2,706,760,241	180,882,520
Total WA	223,230	406,145,773	27,265,498	223,717	2,706,760,241	180,882,520

Avista Utilities  
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACCOUNTS-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
1	555 Purchased Power	\$102,238,919	\$ 20,639,556	\$ 17,910,644	\$ 23,505,825	\$ 13,191,911	\$ 12,879,532	\$ 14,111,451	\$ -	\$ -	\$ -	\$ -
2	501 Thermal Fuel	\$10,091,097	\$ 2,066,414	\$ 2,346,267	\$ 2,067,116	\$ 1,417,995	\$ 1,218,808	\$ 954,497	\$ -	\$ -	\$ -	\$ -
3	547 CT Fuel	\$22,950,356	\$ 4,081,840	\$ 6,063,627	\$ 8,682,070	\$ 566,800	\$ 1,039,557	\$ 2,516,462	\$ -	\$ -	\$ -	\$ -
4	447 Sale for Resale	\$(105,370,318)	\$(14,135,065)	\$(15,563,340)	\$(26,417,694)	\$(14,606,723)	\$(17,702,240)	\$(16,945,256)	\$ -	\$ -	\$ -	\$ -
5	Actual Net Expense	\$29,910,054	\$ 12,652,745	\$ 10,757,198	\$ 7,857,317	\$ 569,983	\$ (2,564,343)	\$ 637,154	\$ -	\$ -	\$ -	\$ -
6	455100 Transmission Revenue	\$ (5,363,140)	\$ (586,712)	\$ (605,537)	\$ (995,296)	\$ (686,810)	\$ (987,177)	\$ (1,501,608)	\$ -	\$ -	\$ -	\$ -
7	565 Transmission Expense	\$5,485,028	\$ 924,193	\$ 914,470	\$916,606	\$909,246	\$867,053	\$ 953,460	\$ -	\$ -	\$ -	\$ -
8	557170 Broker Fees	\$ 53,893	\$ 8,757	\$ 10,643	\$ 7,440	\$ 14,679	\$ 6,308	\$ 6,066	\$ -	\$ -	\$ -	\$ -
9	Less Pollatich 62 aMW directly to ID	\$(9,897,095)	\$ (1,854,831)	\$ (1,648,428)	\$ (1,861,698)	\$ (1,504,346)	\$ (1,938,096)	\$ (1,089,696)	\$ -	\$ -	\$ -	\$ -
10	Adjusted Actual Net Expense	\$20,188,740	\$ 11,144,152	\$ 9,428,346	\$ 5,924,369	\$ (697,248)	\$ (4,616,255)	\$ (994,624)	\$ -	\$ -	\$ -	\$ -
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>												
11	555 Purchased Power	\$78,312,672	\$ 11,193,778	\$ 7,844,080	\$5,646,977	\$5,167,798	\$3,919,404	\$3,947,698	\$4,611,314	\$6,114,915	\$7,098,560	\$6,922,384
12	501 Thermal Fuel	\$18,966,459	\$ 1,660,398	\$ 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
13	547 CT Fuel	\$70,026,232	\$ 5,972,958	\$ 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
14	447 Sale for Resale	\$(62,059,914)	\$(2,591,928)	\$(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)
15	Settlement/Compliance Filing Adj.	\$ (251,923)	\$ 74,750	\$ (516,741)	\$ (129,319)	\$921,340	\$110,419	\$(1,353,073)	\$(1,331,742)	\$ (28,867)	\$ 1,162,101	\$ (283,194)
16	455100 Transmission Revenue	\$(10,268,650)	\$(850,551)	\$(850,576)	\$(850,576)	\$(854,363)	\$(856,884)	\$(860,452)	\$(862,365)	\$(861,081)	\$(861,257)	\$(853,900)
17	565 Transmission Expense	\$ 13,307,162	\$ 1,132,836	\$ 1,106,210	\$ 1,097,845	\$ 1,091,385	\$ 1,084,823	\$ 1,096,602	\$ 1,107,276	\$ 1,095,400	\$ 1,091,132	\$ 1,117,299
18	557 Broker Fees	\$ 78,000	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
19	Authorized Net Expense	\$36,885,238	\$ 16,598,741	\$ 10,324,281	\$ 10,033,168	\$ 3,866,759	\$ (1,511,676)	\$ (2,426,035)	\$ -	\$ -	\$ -	\$ -
20	Actual - Authorized Net Expense	\$(16,696,498)	\$ (5,454,589)	\$ (895,995)	\$ (4,108,798)	\$ (4,564,007)	\$ (3,104,579)	\$ 1,431,411	\$ -	\$ -	\$ -	\$ -
21	Net Fuel Expense not incl in Acct 547	\$ 3,239,967	\$ 1,729,085	\$ 766,402	\$ 1,024,018	\$ (277,505)	\$ 5,164	\$ (7,197)	\$ -	\$ -	\$ -	\$ -
22	Adjusted Actual - Authorized Net Exp	\$ (13,456,531)	\$ (3,725,504)	\$ (1,295,533)	\$ (3,084,781)	\$ (4,841,512)	\$ (3,099,415)	\$ 1,424,214	\$ -	\$ -	\$ -	\$ -
23	Washington Alloc. @ 65.16%	\$(8,768,275)	\$(2,427,538)	\$(84,404)	\$(2,010,043)	\$(3,154,729)	\$(2,019,579)	\$928,018	\$ -	\$ -	\$ -	\$ -
24	Enron Contract Buyout 100%	\$195,378	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$ -	\$ -	\$ -	\$ -
25	WA Retail Revenue Adjustment	\$(3,369,840)	\$(414,475)	\$645,853	\$(961,956)	\$30,672	\$(863,401)	\$(1,806,533)	\$ -	\$ -	\$ -	\$ -
26	Net Power Cost Increase (Decrease)	\$ (11,942,737)	\$(2,809,450)	\$594,012	\$(2,939,436)	\$(3,091,494)	\$(2,850,417)	\$(845,952)	\$ -	\$ -	\$ -	\$ -
27	Cumulative Balance	\$(2,809,450)	\$(2,215,438)	\$(5,154,874)	\$(6,246,368)	\$(11,096,785)	\$(11,942,737)	\$ -	\$ -	\$ -	\$ -	\$ -

**Balance by Deband Band**  
 Input: 10,000,000 and up 90%  
 Input: 4,000,000 to 10M 50%  
 Input: 0 to 5M 0%  
 Input: 0 to 5M 0%  
 check # - should be zero

**Deferral %**

**Deferral Amount, Cumulative**  
 Deferral Amount, Monthly  
 Account 557170 Broker Fees Actual Deferrals.xlsWA summary

Company Band Gross Margin Impact, Cumulative

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	555 PURCHASED POWER	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
1	Short-Term Purchases	11,111,543	9,184,537	15,446,671	6,616,895	6,684,474	8,207,670							57,251,790
2	PGE CS2 1/2 Exchange	130,200	117,600	130,200	125,825	130,200	126,000							760,025
3	Northwestern Load Following	71,982	56,106	54,061	26,813	12,553	60,659							282,174
4	Priest Rapids	489,969	448,812	439,976	503,114	575,131	654,605							3,111,607
5	Rocky Reach	111,460	83,146	83,143	151,994	133,323	444,931							1,007,997
6	Wanapum	303,287	303,287	303,287	(242,877)	303,287	303,287							1,273,558
7	Wells	120,206	109,038	86,702	109,038	109,038	109,038							643,060
8	Black Creek Index Purchase		0											
9	Deer Lake-IP&L	677	479	548	454	492	452							3,102
10	Small Power	152,947	116,699	110,219	117,174	95,742	114,073							706,854
11	Spokane-Upriver	384,035	337,964	316,463	230,988	239,501	258,750							1,767,701
12	WNP-3 (1)	2,877,241	2,599,868	1,420,490	1,375,751									8,273,350
13	Non-Mon. Accruals	257,874	482,126	494,682	52,149	(62,610)	(38,666)							1,185,555
14	DUKE #2108	567,300	512,400	567,300	546,238	567,300	549,000							3,311,538
15	MS #118118	1,041,600	940,800	1,041,600	1,006,600	1,041,600	1,008,000							6,080,200
16	EL PASOMS #135382	590,550	533,400	590,550	570,706	590,550	571,500							3,447,256
17	Haleywest	118,405	106,152	128,634	96,021	88,064	102,674							639,950
18	Pollatch 62 aMW Purch	1,854,831	1,648,428	1,861,698	1,504,346	1,938,096	1,089,696							9,897,095
19	Douglas Capacity	26,300	54,450	131,500	131,500	131,500	157,800							633,050
20	BPA NT deviation energy						85,838							
21	PPLM Wind Power	379,106	212,023	246,879	209,873	228,635	230,489							1,507,005
22	M.C./S.F. LOSSES				11,266	21,930	23,840							57,036
23	WPM Ancillary Services	50,043	63,329	51,222	46,043	50,726	51,815							313,178
24	Total Account 555	20,639,556	17,910,644	23,505,825	13,191,911	12,879,532	14,111,451	0	0	0	0	0	0	102,153,081

(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

25	Short-Term Sales	13,490,234	14,944,085	25,803,958	14,157,413	17,219,988	16,350,425							101,966,103
26	Peaker LLC/PGE Cap Sale	150,000	150,000	150,000	150,000	150,000	150,000							900,000
27	Kaiser Load Following	7,303	6,003	6,663	6,108	6,379	6,583							39,039
28	Pend Oreille DES	35,558	28,319	42,447	32,743	30,968	30,479							200,514
29	Nichols Pumping Index Sale	228,144	201,496	204,988	87,402	96,119	132,008							950,157
30	Enron/PGE Cap Fee, employee svcs	(4,095)	(3,961)	(4,709)	(5,094)	(12,200)	(4,084)							(34,143)
31	Northwestern Load Following	177,878	174,069	163,425	132,108	160,260	229,638							1,037,378
32	Merchant Ancillary Services	50,043	63,329	50,922	46,043	50,726	50,207							311,270
33	Total Account 447	14,135,065	15,563,340	26,417,694	14,606,723	17,702,240	16,945,256							105,370,316

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	Description	ACTUALS												TOTAL 2006
		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	
<u>501 FUEL-DOLLARS</u>														
34	Kettle Falls	986,228	1,039,143	856,427	409,137	569,155	244,930							4,055,020
35	Colstrip	1,107,263	1,296,087	1,216,168	995,417	637,577	702,453							5,954,965
36	Total Coal & Wood	2,043,491	2,335,230	2,072,595	1,404,554	1,206,732	947,383							10,009,985
37	Kettle Falls GS	22,775	(1,493)	313	661	(976)	4,386							25,666
38	Colstrip	148	12,530	14,208	12,780	13,052	2,728							55,446
39	Total Oil & Gas	22,923	11,037	14,521	13,441	12,076	7,114							81,112
40	Total Account 501	2,066,414	2,346,267	2,087,116	1,417,995	1,218,808	954,497							10,091,097
<u>501 FUEL-TONS</u>														
41	Kettle Falls	47,240	46,168	46,217	25,253	39,169	13,988							218,035
42	Colstrip	91,999	85,433	94,722	77,639	55,753	49,165							454,711
<u>501 FUEL-COST PER TON</u>														
43	Kettle Falls	19.82 \$	22.51 \$	18.53 \$	16.20 \$	14.53 \$	17.51							\$ 18.60
44	Colstrip	12.04 \$	15.17 \$	12.84 \$	12.82 \$	11.44 \$	14.29							\$ 13.10
<u>547 FUEL</u>														
45	NE Combustion Turbine Gas/Oil	102	(77)	17	(178)	399	36							299
46	Boulder Park	(2,708)	7,246	1,505	4,296	88,837	82,910							182,086
47	Kettle Falls CT	3,153	13,263	(76)	3,779	502	1,065							21,686
48	Coyote Springs2	4,078,827	6,042,794	8,679,738	560,356	832,793	2,204,212							22,398,720
49	Rathdrum Fuel Exp	2,466	401	886	(1,453)	117,026	228,239							347,565
50	Total Account 547	4,081,840	6,063,627	8,682,070	566,800	1,039,557	2,516,462							22,950,356
51	TOTAL NET EXPENSE	12,652,745	10,757,198	7,857,317	569,983	(2,564,343)	637,154							29,824,216

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of June 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	406,145,773							2,686,268,768
Deduct Prior Month Unbilled kWhs Heating	(355,532,546)	(333,551,203)	(299,669,681)	(293,666,289)	(294,319,437)	(293,057,121)	(286,171,989)						(2,155,988,266)
Deduct Prior Month Unbilled kWhs Cooling						(1,199,563)	(2,526,969)						(3,726,532)
Add Current Month Unbilled kWhs Heating	333,551,203	299,669,681	293,686,289	294,319,437	293,057,121	286,171,989							1,800,455,720
Add Current Month Unbilled kWhs Cooling					1,199,563	2,526,969							3,726,532
Washington Retail kWhs	482,005,759	450,079,300	464,109,426	413,423,264	401,229,384	400,588,047	(288,698,958)						2,332,736,222
Test Year Consumption (1)	481,585,239	466,825,793	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	46,072,797							85,145,740
WA Retail Revenue Credit (2)	\$406,713	(\$653,615)	\$954,259	(\$37,893)	\$855,553	\$1,796,221	\$0	\$0	\$0	\$0	\$0	\$0	\$3,323,238
Net Wind Revenue Credit	\$7,762	\$7,762	\$7,697	\$7,221	\$7,848	\$8,312	\$0	\$0	\$0	\$0	\$0	\$0	\$46,602
Total Revenue Credit	\$414,475	(\$645,853)	\$961,956	(\$30,672)	\$863,401	\$1,804,533	\$0	\$0	\$0	\$0	\$0	\$0	\$3,369,840

(1) from Exhibit No. 185 (WGJ-5) in Docket No. UE-050482 and Exhibit No. (WGJ-2) in Docket No. UE-060181.

(2) Production and Transmission Retail Revenue Credit Rate per the Settlement Agreement approved in Docket No. UE-060181, Order 03.

Reflects Exhibit No. 137 (TLK-7) Column F, Line 27 + Line 28, revised for 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	\$11,464.50							\$64,278.02
Deduct Admin Expense	\$2,944.36	\$2,944.32	\$2,919.37	\$2,739.02	\$2,976.66	\$3,152.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,676.46
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	\$8,311.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,601.56

Year to Date Adjustment to Revenue Credit at May 2006

	Year to Date Adjustment
Revenue Credit as Recorded per ERM Journal	\$384,881
Revised Revenue Credit per Settlement Agreement	\$414,475
	(\$645,853)
	\$801,147
	\$863,401
	\$110,967



### Avista Corporation Journal Entry

Journal: NSJ018 - Adjust Company Bands Accounts      Effective Date: 200606  
 Team: Resource Accounting      Last Saved by: Lori Hamilton      Last Saved: 07/10/2006 8:59 AM  
 Type: C      Submitted by: Lori Hamilton  
 Category: NSJ

<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		194,274.00	
20	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL	194,274.00		
<b>TOTALS:</b>					<b>194,274.00</b>	<b>194,274.00</b>	

*Lori Hamilton*  
 Prepared by Lori Hamilton  
 Date 7/10/06

*Jami Guden*  
 Reviewed by  
 Date 7/10/06

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

Explanation:  
 Adjust company bands tracking accounts to reflect total company absorption related to the WA ERM Settlement Order 03.



### Avista Corporation Journal Entry

Effective Date: 200606

Journal: 485-ECB AMORT

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton  
Submitted by: Lori Hamilton

Last Saved: 07/03/2006 9:44 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	822.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		822.00	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	288.00		DFIT expense on interest (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	9,969.00		ADFIT ECB
<b>TOTALS:</b>					<b>40,386.00</b>	<b>40,386.00</b>	

**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: 7/6/06

*Jami Judge*  
Reviewed by  
Date: 7/6/06

Approved for Entry  
Corporate Accounting use Only  
Date

